

Kraton Corp
Form DEF 14A
April 11, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(RULE 14a-101)
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant
Check the appropriate box:
 Preliminary Proxy Statement.
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).
 Definitive Proxy Statement.
 Definitive Additional Materials.
 Soliciting Material Pursuant to §240.14a-12.

Kraton Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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(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):

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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:

Q&A with Our
Director and CEO,
Kevin M. Fogarty

What is Kraton
Corporation's
vision?

Our vision is to be
an
admired Fortune
500 specialty
chemical company
creating
exceptional value
for our
stockholders, our
customers and our
employees. It's a
vision that
inextricably links
profit and
purpose. We
endeavor to
continuously gain
admiration from
our customers and
suppliers, our
employees, our
communities and
our stockholders
while we pursue
our strategy for
long-term growth.

How is Kraton's
vision embraced
by the Board of
Directors?

The Board
exercises
appropriate
oversight over,
among other
areas, corporate
strategy, financial
matters,
compensation
practices,
governance,
cybersecurity, and
human capital
management to

ensure that we remain on track to fulfill our vision. Additionally, in 2018, the Nominating, Governance and Sustainability Committee of our Board formally assumed oversight of our Sustainability initiatives. For more information on Sustainability at Kraton, please read "Corporate Governance — Sustainability" and our 2018 Sustainability Report available at www.kraton.com. In addition to oversight, our Board embraces our vision directly through its diversity and dedication to Board refreshment. Board members assess and identify the skills, competencies, diversity and experiences required to enable the Board to operate effectively. In 2018, Kraton welcomed Billie Williamson to the Board, making her the fourth female member. Billie further

complements the Board through her leadership experience, financial acumen and risk management knowledge.

Kraton's vision considers its employees.

What was Kraton's approach to human capital management in 2018?

We are operating in a talent constrained world and therefore have integrated human capital management into our corporate strategy.

Kraton is addressing, among other things, employee development and purpose, health and safety, and community outreach through our Employee Value Proposition (EVP). Our EVP was

rolled out globally in 2018 and provides a framework for employees to answer the question, “Why work at Kraton?” As part of the EVP, we initially focused on cohesive leadership programs to build trust throughout the organization and build alignment between purpose and profits. Additionally, we provided workplace fairness training to 97% of our employees in 2018. On behalf of the Board and management, I am excited about the benefits our EVP will bring to our employees as it develops. Kraton's vision touches on making a positive

difference in local communities.

What steps did Kraton take in 2018 in that regard?

A critical part of our EVP is to maximize our positive impact in the communities in which we operate. In 2018 we developed a community relations strategy premised on three principles: to be leaders in our communities; to be a partner in education; and to give back to our communities. In the inaugural year of this strategy, our employees contributed 1,748 of volunteer hours to local communities. It is noteworthy that, when Hurricane Michael devastated Panama City, Florida, in 2018, Kraton employees provided food, clothing and generators to their colleagues in that community. Our employees raised more than \$125,000 to help their colleagues and their families, several of whom experienced the total loss of their

homes. This event is one of many that shows how we strive to truly make a positive difference in our communities. When and where is the 2019 Annual General Meeting of Stockholders? The Annual General Meeting of Stockholders of Kraton Corporation will be held on Wednesday, May 22, 2019 at 1:00 p.m., central time, at The Sheraton North Houston, 15700 John F. Kennedy Boulevard, Houston, Texas 77032. Please review the Notice of Annual General Meeting of Stockholders and Proxy Statement that follows and vote by internet, phone or mail as soon as possible.

KRATON CORPORATION

15710 John F. Kennedy Boulevard, Suite 300
Houston, Texas 77032

NOTICE OF ANNUAL GENERAL MEETING OF STOCKHOLDERS

To be held May 22, 2019, at 1:00 p.m., central time

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Stockholders of Kraton Corporation (the “Annual Meeting”) will be held on Wednesday, May 22, 2019, at 1:00 p.m., central time, at The Sheraton North Houston, 15700 John F. Kennedy Boulevard, Houston, Texas 77032 for the following purposes:

1. To elect three Class I directors, each to serve for a three-year term and until a successor is duly elected and qualified;
2. To conduct an advisory vote to approve the compensation of our named executive officers;
3. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the 2019 fiscal year; and
4. To transact other business that may properly come before the meeting and any postponement or adjournment of the meeting.

Our board of directors fixed the close of business on March 25, 2019 as the record date for determining our stockholders who are entitled to notice of, and to vote at, the Annual Meeting. A list of such stockholders will be open to examination by any stockholder at the Annual Meeting and for a period of ten days prior to the Annual Meeting during ordinary business hours at our executive offices located at 15710 John F. Kennedy Boulevard, Suite 300, Houston, Texas 77032.

On or about April 11, 2019, we plan to commence mailing a Notice of Internet Availability of Proxy Materials containing instructions on how to access our Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (our “2018 Annual Report”) via the Internet and how to vote online. The Notice of Internet Availability of Proxy Materials also contains instructions on how you can receive a paper copy of the proxy materials. Our 2018 Annual Report, Notice of Internet Availability of Proxy Materials and proxy card are also first being made available online on or about April 11, 2019.

By Order of the Board of Directors of Kraton Corporation,

HOUSTON, TEXAS /s/ JAMES L. SIMMONS

James L. Simmons,
Senior Vice President, General Counsel and Secretary

April 11, 2019

YOUR VOTE IS IMPORTANT! PLEASE VOTE BY TELEPHONE, OVER THE INTERNET OR BY MARKING, SIGNING AND RETURNING YOUR PROXY OR VOTING INSTRUCTION CARD AS SOON AS POSSIBLE, REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE ANNUAL MEETING.

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PROXY STATEMENT SUMMARY

This summary contains highlights of important information you will find elsewhere in our proxy statement and is qualified in its entirety by the full proxy statement. This summary does not contain all of the information you should consider before voting. Please read the entire proxy statement before voting. We refer to our website throughout this proxy statement; however, no information on our website or any other website is incorporated by reference into or otherwise made a part of this proxy statement.

References in this proxy statement to (1) "we," "us," "our," or the "Company" refer to Kraton Corporation and, as the context requires, our direct and indirect subsidiaries, (2) "Board" refer to the board of directors of Kraton Corporation, (3) "NEO" refer to named executive officer, (4) "other NEOs" refer to our named executive officers, excluding our CEO, as a group, and (5) "Compensation Committee," "Audit Committee" or "NGS Committee" refer to the compensation committee, audit committee or nominating, governance and sustainability committee, respectively, of the Board.

Annual Meeting Information

WHEN? WHERE?

May 22, The Sheraton North WHO?
2019 Houston
15700 John F. Kennedy Stockholders of record on March 25, 2019. Materials will be first made
1:00pm, Blvd. available online on April 11, 2019
central Houston, Texas 77032
Proposals and Voting Recommendations

| Proposals | Board of Directors' Recommendation | Page |
|---|------------------------------------|------|
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Director Nominees

We ask that you vote for the election of each of our Class I directors. Detailed information about each director can be found in "Proposal 1 — Election of Class I Directors" beginning on page 9.

| Name ⁽¹⁾ | Age | Director Since | Other Current Public Boards | Committee Membership |
|---|-----|----------------|-----------------------------|----------------------------|
| Mark A. Blinn Retired CEO of Flowserve Corporation | 57 | 2017 | 1 | Audit |
| Anna C. Catalano Retired Group Vice President, Global Marketing of BP plc. | 59 | 2011 | 3 | Compensation and NGS |
| Dan F. Smith (Chairman) Retired CEO of Lyondell Chemical Company | 72 | 2009 | 3 | Compensation and Executive |

Our Board determined that each director nominee is independent for purposes of applicable New York Stock Exchange ("NYSE") listing standards and rules adopted by the U.S. Securities and Exchange Commission ("SEC").

Corporate Governance Highlights

We Have the Right Board at the Right Time for Kraton

Ensuring the Board is composed of directors who bring diverse viewpoints and perspectives, exhibit a variety of skills, professional experience, and backgrounds, and effectively represent the long-term interests of stockholders is a priority of our Board and the NGS Committee. Our director criteria and recruitment initiatives align the Board’s capabilities with the execution of the Company’s long-term strategy developed to enhance stockholder value. Accordingly, in the past two years the Board has added three new directors. These new directors complement our directors’ mix of skills and diversity by bringing key leadership, financial, chemical industry and international expertise to the Board. For a detailed discussion of why we have the right Board for Kraton, see “Proposal 1—Election of Class I Directors” starting on page 9 and "Corporate Governance" starting on page 17.

Composition of our Board

Our governance policies and structure promote thoughtful consideration of business action and appropriate risk taking with the continuing goal of strengthening long-term stockholder value and ensuring sustainable growth. Please read “Corporate Governance,” beginning on page 17, for a description of our program, highlights of which include:

Corporate Governance Highlights

- Resignation Policy for Uncontested Director Elections
- Fully Independent Board Committees
- Board Risk Oversight
- Diverse Board
- Board and Committees may Hire Outside Advisors Independently of Management
- Commitment to Sustainability and Corporate Social Responsibility
- Engage in Stockholder Outreach
- Code of Ethics and Business Conduct for all Directors and Employees
- Board Orientation and Continuing Education
- Independent Board (Excluding our CEO)
- Independent Directors Meet without Management
- Strategy and Risk Oversight by the full Board and Committees
- Robust Stock Ownership Guidelines and Clawback Policy
- Annual Board and Committee Self-evaluations

New Corporate Governance Actions in 2018

As part of our comprehensive refreshment and recruitment process, and emphasizing our commitment to diversity, we added a new director, Ms. Billie I. Williamson, who brings considerable financial, strategy, and risk management expertise to the Board.

Transitioned the Nominating and Corporate Governance Committee to the Nominating, Governance and Sustainability Committee to provide ongoing Board level oversight of the Company's Sustainability initiatives.

Enhanced Proxy Statement disclosure to outline: the Company's strategic framework for driving long-term stockholder value creation; the importance of stockholder engagement; our Board refreshment; our Sustainability initiatives; and the Board's risk oversight responsibilities.

Executive Compensation Highlights

We provide highlights of our executive compensation program below. Please review the sections entitled "Compensation Discussion and Analysis" and "Named Executive Officer Compensation Tables" of this Proxy Statement for a complete understanding of our executive compensation program.

Executive Compensation Actions and Results for 2018

Key 2018 Actions

- Grants of restricted stock performance units ("RSUs") in 2018 represented two-thirds of the variable equity compensation mix and have a three-year performance period with 50% tied to relative total stockholder return.

- Grants of restricted stock awards ("RSAs") had a three-year cliff vest.

- Increased the stock ownership guidelines for our segment Presidents.

Key 2018 Results

- Performance under the 2016 grants of RSUs was 33.5%.

- Actual performance under our annual cash incentive compensation program in 2018 was 69.3% of target for our NEOs, and, as a result of our Compensation Committee's use of negative discretion, payouts were then reduced by 10% due to Company safety performance.

Principles and Philosophy of the Compensation Program

Our Compensation Committee focuses on (1) a pay-for-performance philosophy, (2) establishing total direct compensation at or near the 50th percentile of our peer group, and (3) granting variable compensation, primarily in the form of long-term equity incentives. These principles are intended to ensure a direct alignment between executive compensation and the creation of long-term stockholder value. Our Compensation Committee's philosophy and principles are further discussed in the section entitled "Compensation Discussion and Analysis" beginning on page 29. The tables below depict the targeted amounts for the key compensation elements for our CEO and for our other NEOs for 2018, and highlight our Compensation Committee's focus on variable compensation tied to specific quantitative performance criteria.

| | |
|--------------|--------------|
| CEO | Other NEOs |
| Targeted | Targeted |
| Direct | Direct |
| Compensation | Compensation |

Analysis
of
Total
CEO Other NEOs
Direct
Targeted
Compensation
Proportion
of
pay
subject
60% 51%
specific
quantitative
performance
criteria
81% 65%

Proportion
of
pay
at-risk
(variable
compensation)

Proportion
of
pay
delivered

in
62% 43%
the

form
of
long-term
equity

3

Adherence to Executive Compensation Best Practices

To mitigate compensation-related risk, drive performance and increase long-term stockholder value, our Compensation Committee is committed to, among other principles, the following executive compensation best practices:

| What We Do | What We Don't Do |
|--|--|
| • Emphasis on Pay-for-Performance | • No Single-Trigger Change in Control Plans |
| • Stock Ownership and Retention Guidelines | • No Individual Employment Agreements |
| • Clawback Policy | • No Excise Tax Gross-Ups |
| • Minimum Vesting Periods for Awards | • No Liberal Share Recycling |
| • Fungible Share Design | • No Equity Plan Evergreen Provision |
| • Engagement of Independent Compensation Consultant | • No Tax Gross-Ups for Non-Relocation Based Personal Benefits |
| • Annual Compensation Risk Assessment | • No Hedging or Pledging |

2018 Summary Compensation Snapshot

For additional information on the table below, please see, “Named Executive Officer Compensation Tables — Summary Compensation Table” on page 54.

| Name | Salary (\$) | Bonus ⁽¹⁾ (\$) | Stock Awards (\$) | Non-equity Incentive Plan Compensation (\$) | All Other Compensation (\$) | Total (\$) |
|------------------------|----------------|------------------------------|-------------------------|--|-----------------------------------|------------|
| Kevin M. Fogarty | 981,250 | — | 3,639,297 | 623,700 | 174,450 | 5,418,697 |
| Christopher H. Russell | 275,000 | 15,600 | 256,791 | 124,740 | 32,487 | 704,618 |
| Stephen E. Tremblay | 493,750 | 292,500 | 895,814 | 218,295 | 91,813 | 1,992,172 |
| Holger R. Jung | 400,000 | — | 671,858 | 149,688 | 73,943 | 1,295,489 |
| Marcello C. Boldrini | 395,000 | — | 503,909 | 149,688 | 51,839 | 1,100,436 |
| James L. Simmons | 418,750 | 112,500 | 503,909 | 159,044 | 69,838 | 1,264,041 |

For Messrs. Tremblay and Simmons, payments consisted of the previously disclosed special retention awards, which were granted on February 10, 2016 and vested on January 6, 2018, in recognition of significant contributions (1) made in connection with the acquisition of Arizona Chemical. For Mr. Russell, payment consisted of the previously disclosed cash supplemental award in recognition of the additional responsibilities assumed by him as a result of his appointment as the Company's interim principal financial officer.

Continuing Stockholder Outreach in 2018

At our 2018 Annual General Meeting of Stockholders, approximately 99% of stockholders who cast an advisory vote on our say on pay proposal voted in favor of our executive compensation programs. Throughout 2018, our Compensation Committee continued its outreach efforts to discuss our compensation policies and procedures with our major stockholders. Our Compensation Committee values these discussions and encourages stockholders to provide feedback about our executive compensation programs as described under “Corporate Governance—Communications with the Board” on page 18. For a more thorough discussion of our stockholder outreach, see “Compensation Discussion and Analysis—Stockholder Engagement” on page 33.

Business and Strategic Highlights

Full-Year 2018 Results Overview

For 2018, the results related to the performance metrics under our incentive compensation plans were as follows:

| | | |
|--------------------------------|----------------------------|------------------------------|
| Debt of | | Net Income of |
| \$1,567 million | 3-Year Relative TSR at the | \$67 million |
| and | 59 th | and |
| Consolidated Net Debt of | Percentile ⁽²⁾ | Adjusted EBITDA of |
| \$1,481 million ⁽¹⁾ | | \$378 million ⁽¹⁾ |

(1) For a reconciliation of GAAP to non-GAAP financial measures, please refer to “Annex A — Non-GAAP Reconciliations.”

(2) Based on relative total stockholder return ("TSR") from December 31, 2015 to December 31, 2018 using the 2016 TSR Peer Group.

Our Strategy to Enhance Stockholder Value

Our long-term strategy consists of three pillars: organic growth; capability systems; and portfolio management. Our Board and management believe that execution against these three pillars will enhance long-term stockholder value. As we continue to pursue our long-term strategic objectives, the Board and management are mindful that current market conditions provide opportunities that benefit our stockholders. In early 2019, we announced initiatives to further enhance stockholder value. The Board initiated a process to review strategic alternatives for its Cariflex™ business and separately announced the authorization of a repurchase program for up to \$50 million of the Company's shares. The Board and management believe the strategic pillars outlined above, fortified by the repurchase program authorization and potential sale of the Cariflex business, will ensure the Company is on track to enhance stockholder value.

Sustainability Drives Our Long-Term Value Creation

Our strategy is supported by an active approach to sustainability in our operations, our innovation efforts and product offerings, and our interactions with our stakeholders. We believe sustainability is ultimately a driver of long-term value creation in a resource-constrained world. Sustainability, in its various forms, is at the core of everything we do - from reducing the environmental footprint of our manufacturing facilities and ensuring the safety of our employees and the communities in which we operate to working with our customers to deliver advanced technologies. For more information on Sustainability at Kraton, please read "Corporate Governance — Sustainability" and our 2018 Sustainability Report available at www.kraton.com.

QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING

Who is making this solicitation of proxies?

This solicitation is made by Kraton Corporation on behalf of its Board. A Notice of Internet Availability of Proxy Materials (the "Notice of Internet Availability") is first being mailed on or about April 11, 2019 to stockholders of Kraton Corporation. We will bear the cost of this proxy solicitation. We may furnish copies of our proxy solicitation material to brokers, custodians, nominees and other fiduciaries for forwarding to beneficial owners of shares of our common stock, and ordinary course handling charges may be paid for such forwarding service.

Our officers and other management employees, who will receive no additional compensation for their services, may solicit proxies by mail, email, Internet, facsimile, telephone or in person. We have retained Georgeson LLC, 1920 Avenue of the Americas, 9th Floor, New York, NY 10104, to provide services in connection with our 2018 Annual General Meeting of Stockholders (our "Annual Meeting"), including the solicitation of proxies, at an anticipated cost of \$8,000, plus reimbursement of out-of-pocket expenses.

Where will the Annual Meeting take place?

The Annual Meeting will be held on Wednesday, May 22, 2019, at 1:00 p.m., central time, at The Sheraton North Houston, 15700 John F. Kennedy Boulevard, Houston, Texas 77032.

Who may vote at the Annual Meeting?

All stockholders of record as of the close of business on March 25, 2019, the record date for the Annual Meeting, are entitled to vote at the meeting. Holders of our common stock are entitled to one vote per share. At the close of business on the record date, there were 32,017,674 shares of our common stock outstanding.

Who may attend the Annual Meeting?

All stockholders as of the record date, or their duly appointed proxies, may attend the Annual Meeting.

How do I vote?

Because many stockholders cannot attend the Annual Meeting, it is necessary that a large number of stockholders be represented by proxy. You may vote in person or by proxy in one of the following ways:

In Person - we will provide a ballot to our stockholders who attend the Annual Meeting and wish to vote in person;

In Writing - if you request a paper proxy card, simply complete, sign and date the proxy card, then follow the instructions on the proxy card; or

By Telephone or Internet - follow the instructions on the Notice of Internet Availability or proxy card and have the Notice of Internet Availability or proxy card available when you access the Internet website or place your telephone call.

If you hold shares through a brokerage firm, bank or other custodian, you may vote by telephone or the Internet only if the custodian offers that option. Please refer to your proxy card or the information provided by your brokerage firm, bank or other custodian to determine which options are available for voting the proxy. You may receive more than one proxy card, depending on how you hold your shares. You should vote each proxy card provided to you using one of the methods described above.

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?

Under rules adopted by the SEC, we have decided to use the Internet as the primary means of furnishing proxy materials to our stockholders. Accordingly, on or about April 11, 2019, we will mail 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 a printed set of the proxy materials.

If you received the Notice of Internet Availability, then you will not receive a paper copy of the proxy materials unless you request one. We encourage our stockholders to take advantage of the availability of the proxy materials on the Internet to contribute to our sustainability endeavors and to help reduce cost to us associated with the physical printing and mailing of proxy materials.

What am I being asked to vote on, how does the Board recommend that I vote, and what are the standards for determining whether a proposal has been approved?

| Proposal | Recommended Vote | Voting Approval Standard ⁽¹⁾ | Effect of Abstention | Effect of Broker Non-Vote ⁽³⁾ |
|---|------------------|---|----------------------|--|
| 1 Election of Class I directors | FOR ALL | More votes “FOR” than “WITHHELD” | No effect | No effect |
| 2 Advisory Vote to Approve the Compensation of our Named Executive Officers | FOR | Majority of the votes cast | No effect | No effect |
| 3 Ratify the Appointment of our Independent Registered Public Accounting Firm | FOR | Majority of the votes cast | No effect | Not applicable |

- (1) Shares present in person or by proxy must be at least a majority of the shares entitled to vote to constitute a quorum. “Shares present” includes shares represented in person or by proxy at the Annual Meeting. Any director nominee in an uncontested election who receives a greater number of votes “withheld” than votes “for” in (2) such election shall, promptly following the certification of the voting results for such election, tender an offer of resignation for consideration by our NGS Committee. See “Corporate Governance—Director Resignation Policy”. A broker non-vote occurs when a broker holding shares for a beneficial owner votes on some matters on the proxy (3) card, but not on others, because the broker does not have instructions from the beneficial owner or discretionary authority (or declines to exercise discretionary authority) with respect to those other matters.

What happens if I do not indicate how I wish to vote on one or more of the proposals?

If you return your signed proxy card but do not indicate how you wish to vote, the persons named as proxies herein will vote your shares “FOR ALL” with respect to the election of our Class I director nominees (Proposal No. 1), “FOR” the resolution to approve, on an advisory basis, the compensation of our named executive officers (Proposal No. 2), and “FOR” the ratification of our appointment of KPMG LLP (Proposal No. 3). We are not aware of any other matters that may come before the Annual Meeting. If any other matter properly comes before the Annual Meeting, the proxy holders will vote the proxies according to their judgment.

What happens if I vote by proxy and later change my mind?

If you are the record holder of your shares, you may revoke your proxy by:

- writing to our Secretary at our principal executive office;
- delivering a properly executed proxy card dated after the date of the proxy card you want to revoke;
- voting at a later time, but prior to 11:59 p.m. eastern time on May 21, 2019, by telephone or the Internet; or
- attending the Annual Meeting and casting your vote in person.

If you are a beneficial owner of your shares, you must contact your brokerage firm, bank or other custodian to revoke any prior voting instructions.

Who are the proxies for the Annual Meeting?

The named proxies for the Annual Meeting, Kevin M. Fogarty and James L. Simmons (or their duly authorized designees), will follow submitted proxy voting instructions. They will vote as the Board recommends as to any submitted proxies that do not direct how to vote on any item, and will vote on any other matters properly presented at the Annual Meeting in their judgment.

What constitutes a quorum?

We need a quorum of stockholders in order to transact business at our Annual Meeting. A quorum is the presence, in person or by proxy, of the holders of record of a majority in voting power of the outstanding shares of common stock entitled to vote at the Annual Meeting. If you have properly voted by proxy, via mail, telephone or the Internet, you will be considered part of the quorum. We will count abstentions, withhold votes and broker non-votes as present for the purpose of establishing a quorum. If a quorum is not present, the chairman or the holders of a majority of the shares of common stock present in person or by proxy at the Annual Meeting may adjourn the meeting, without notice other than an announcement at the meeting, until the required quorum is present.

If my broker holds my shares in “street name,” will my broker automatically vote my shares?

Under the rules of the NYSE, if your broker holds your shares in its name and you do not instruct your broker how to vote, your broker will have discretion to vote your shares on our sole “routine” matter – the ratification of the appointment of our independent registered public accounting firm. Your broker will not have discretion to vote on any of the other proposals, absent direction from you, because they are considered “non-routine” matters. It is therefore very important that you vote your proxy or voting instruction card so that your vote can be counted.

Who will count the votes?

Representatives of Broadridge will tabulate the votes.

What shares are reflected on my proxy card?

The shares listed on your proxy card represent, as of the record date, all the shares of our common stock held in your name, as distinguished from shares held by a broker in “street” name. You should receive a separate voting instruction card from your broker if you hold shares in “street” name.

What is the Company’s contact information for purposes of the proxy solicitation?

You can contact us by mail sent to the attention of the Secretary at our principal executive offices located at 15710 John F. Kennedy Boulevard, Suite 300 Houston, Texas 77032. You can call us by dialing 281-504-4700. You can access our proxy materials online at www.proxyvote.com.

PROPOSAL 1
ELECTION OF CLASS I DIRECTORS

Our Board is presently comprised of 10 directors, divided into three classes, designated as Class I, Class II and Class III, each serving staggered three-year terms. With the exception of Kevin M. Fogarty, our President and Chief Executive Officer ("CEO"), all of our directors are independent under the listing standards of the NYSE and SEC rules.

| | | | | |
|-------------------------|------------------------|--------------------|--------------------|----------------------|
| Dan F. Smith (Chairman) | Shelley J. Bausch | Mark A. Blinn | Anna C. Catalano | Kevin M. Fogarty |
| Dominique Fournier | John J. Gallagher, III | Barry J. Goldstein | Karen A. Twitchell | Billie I. Williamson |

The Board has nominated for election Mark A. Blinn, Anna C. Catalano and Dan F. Smith, as Class I directors, to serve until their respective successors are duly elected and qualified at the annual general meeting of stockholders held in 2022 or their earlier death, resignation or removal. Mr. Goldstein announced his retirement from the Board, and each committee of the Board on which he serves, effective upon the termination of his term at the 2019 Annual Meeting. Our Board has approved a reduction in the size of the Board to nine members effective upon Mr. Goldstein's retirement.

Each of Ms. Catalano and Messrs. Blinn and Smith have consented to being named in this proxy statement and to serving as a director if elected at the Annual Meeting. If for any reason, any of Ms. Catalano and Messrs. Blinn and Smith, becomes unable or unwilling to serve at the time of the Annual Meeting, the Board may reduce the size of the Board accordingly, or the persons named as proxies in the proxy will have the authority to vote for substitute nominees. We do not anticipate that any nominee named in the proxy statement will be unable or unwilling to serve.

The Board recommends that stockholders vote "FOR" each of the Company's named nominees for Class I director.

Set forth below is a brief biography and discussion of the specific experiences, qualifications, attributes or skills of our Class I director nominees and all other members of the Board who will continue in office. For a further discussion of the guidelines and qualifications our NGS Committee considers when considering nominees for our Board, please see “Corporate Governance — Board Selection and Refreshment,” below.

Nominees for Election as Class I Directors: Term Expiring 2022

Mark A. Blinn

Chief Executive Officer of Flowserve Corporation (retired)

Other Current Public Boards

Texas Instruments, Inc.

Biography

Age: 57 Mr. Blinn served in various positions at Flowserve Corporation, including as the Chief Executive Officer and President from 2009 to March 2017 and Chief Financial Officer from 2004 to 2009. Prior to Flowserve, Mr. Blinn held senior finance, treasury and planning positions at FedEx Kinko’s Office and Print Services, Inc., Centex Corp., FirstPlus Financial Inc., Electronic Data Systems Corp. and Commercial Capital Funding Inc. Mr. Blinn was formerly an attorney with Smith, Barshop, Stoffer and Millsap, where he represented large financial institutions, foreign corporations and insurance companies in litigation issues.

Director since: 2017

Board

Committee: Skills and Qualifications of Particular Relevance to Kraton

Audit

- Strong corporate finance, public company accounting and financial reporting experience, having served as a Chief Financial Officer

Independent

-

- Longstanding experience in senior corporate positions, including as Chief Executive Officer, with knowledge of financial management oversight

-

- Public company board experience, with knowledge on corporate governance and board function

Anna C. Catalano

Age: 59 Group Vice President, Global Marketing of BP plc. (retired)

Other Current Public Boards

Director since: 2011

- FrontDoor, Inc.

-

Board

HollyFrontier Corporation

Committees:

-

Compensation,

Willis Towers Watson

NGS

Biography

Independent

Ms. Catalano served in various capacities for BP plc, and its predecessor Amoco Corporation, from 1979 until her retirement in 2003, including from 2000 to 2003, as Group Vice President, Global Marketing, for BP plc.

Skills and Qualifications of Particular Relevance to Kraton

-

- International experience, having served as President of Amoco Orient Oil Company, lived in Beijing for two years, and is fluent in Mandarin

-

- Senior leadership experience, possessing extensive knowledge of marketing and communications

-

- Broad public company experience, with a wealth of knowledge on corporate governance, executive compensation and board function

- Prior Public Directorships (Last Five Years)

Dan F. Smith

Chief Executive Officer of Lyondell Chemical Company (retired)

Other Current Public Boards

-

Orion Engineered Carbons S.A.

-

Nexeo Solutions, Inc.

-

Age: 72

Magnolia Oil & Gas Corporation

Biography

Director since:
2009

Mr. Smith began his career as an engineer with Atlantic Richfield Company in 1968. He was elected President of Lyondell Chemical Company in August 1994 and Chief Executive Officer in December 1996. He was also elected Chief Executive Officer of Equistar Chemicals, LP in December 1997 and Millennium Chemicals Inc. in November 2004, each a wholly-owned subsidiary of Lyondell. Mr. Smith retired from each of these Chief Executive Officer positions in December 2007.

Board

Committees:

Compensation,

Executive (Chair)

Skills and Qualifications of Particular Relevance to Kraton

-

Independent,
Chairman of the
Board

Industry knowledge with a long and distinguished career in the chemical industry and a degree in chemical engineering

-

Senior leadership with several years of service as the Chief Executive Officer of a major chemical company

-

Sophisticated public company experience having served as Chairman of the board of directors of Lyondell Chemical Company

Prior Public Directorships (Last Five Years)

Northern Tier Energy LLC

Incumbent Class II Directors: Term Expiring 2020

Dominique Fournier

Age: 68

Chief Executive Officer and Chairman of Interface Polymer Limited

Other Current Public Boards

Director since:
2012

None

Biography

Board Committees:

Executive,

Compensation, and

NGS (Chair)

Mr. Fournier is the interim Chief Executive Officer and Chairman of the board of directors of Interface Polymer Limited. Mr. Fournier was the Chief Executive Officer of Infineum International Limited, a joint venture specialty chemical company between Shell and ExxonMobil, from 2005 until 2011. From 1976 to 2004, he held various manufacturing and marketing positions in ExxonMobil's chemical businesses as well as senior leadership positions, including AIB Vice President, from 1998 to 2004, and Managing Director – Exxon Chemical France, from 1996 to 1997.

Independent

Skills and Qualifications of Particular Relevance to Kraton

-

Knowledge of the industry, including manufacturing, marketing and executive management, and executive level knowledge of the Company and the specialty chemicals business by virtue of commercial relationships

-

International business experience in Asia and knowledge of joint venture operations

-

Brings geographical diversity to the Board, as a French national

John J. Gallagher, III

Chief Executive Officer of Stellar CJS Holdings, LLC

Other Current Public Boards

None

Biography

Age: 55

Mr. Gallagher is the Chief Executive Officer of Stellar CJS Holdings, LLC, a private investment company. Prior, Mr. Gallagher was the Chief Operating Officer, (MDCS and Fluids) of Milacron LLC, a supplier of plastics processing equipment, technologies and services. From 2005 to 2007, Mr.

Director since: 2011

Gallagher was EVP and Chief Financial Officer of Celanese Corporation and, from 2007 to 2009, was EVP and President, Acetyls of Celanese Asia. From 1995 to 2005, Mr. Gallagher served as an executive at Great Lakes Chemical Corp., UOP, LLC, and AlliedSignal, Inc. From 1986 to 1994, Mr.

Board Committees: Audit (Chair),

Gallagher worked at Price Waterhouse, LLP. He is a certified public accountant.

NGS

Skills and Qualifications of Particular Relevance to Kraton

Independent

- Significant expertise in corporate finance, public company accounting and financial reporting, including as a chief financial officer

- Senior leadership, possessing international business experience in Asia

- Over twenty years of industry knowledge of the chemical business

Prior Public Directorships (Last Five Years)

Milacron Holdings Corp.

Billie I. Williamson

Senior Global Client Service Partner of Ernst & Young LLP (retired)

Other Current Public Boards

-

Pentair plc

-

Cushman & Wakefield plc

Age: 66

Biography

Ms. Williamson served in various roles at Ernst & Young LLP ("EY") from 1974 to 1993 and 1998 to 2011, most recently as Senior Global Client Service Partner. Ms. Williamson was also EY's Americas

Director since: 2018

Inclusiveness Officer, a member of its Americas Executive Board, which functions as the Board of Directors for EY dealing with strategic and operational matters, and a member of the EY U.S.

Board Committee: Audit

Executive Board.

Skills and Qualifications of Particular Relevance to Kraton

-

Sophisticated public company experience having served on eight public company boards

Independent

- Broad experience in senior corporate positions with knowledge of financial and strategic oversight

-

Strong corporate finance, public company accounting and financial reporting experience, having served at EY for over 30 years

Prior Public Directorships (Last Five Years)

XL Group Ltd., CSRA Inc., Janus Capital Group, ITT Exelis Inc. and Annie's Incorporated

Incumbent Class III Directors: Term Expiring 2021

Shelley J. Bausch

President of Fluid Technologies at Carlisle Companies, Inc.

Other Current Public Boards

None

Age: 53 Biography

Ms. Bausch is the President of Carlisle Fluid Technologies at Carlisle Companies, Incorporated, a diversified, global portfolio of niche brands and businesses with highly engineered products. From 2014 to October 2017, Ms. Bausch served as the Global Vice President, Global Industrial Coatings at PPG Industries, Inc., a global supplier of paints, coatings and specialty materials. Ms. Bausch began her career at Dow Corning Corporation in 1988, and most recently served as its Business Vice President, Finished Products from 2011 to 2014.

Director since: 2017

Board Committee: NGS

Skills and Qualifications of Particular Relevance to Kraton

Independent

- Significant experience in the chemicals industry and with manufacturing operations

- Broad experience in marketing, commercial operations, strategic planning, and organizational management

- Senior leadership experience, including internationally

Kevin M. Fogarty

President and Chief Executive Officer of Kraton Corporation

Other Current Public Boards

P.H. Glatfelter Company

Biography

Age: 53

Mr. Fogarty was appointed our President and CEO in January 2008. Prior to being appointed President and CEO, Mr. Fogarty served as our Executive Vice President of Global Sales and

Director since: 2009 Marketing from June 2005. Mr. Fogarty joined us from Invista, where he had served as President for Polymer and Resins since May 2004. For the 13 years prior to his most recent position with Invista,

Board Committee: Executive

Mr. Fogarty held a variety of roles within the Koch Industries, Inc. family of companies, including KoSa. Mr. Fogarty serves on the board of the American Chemistry Council.

Skills and Qualifications of Particular Relevance to Kraton

- As the CEO of our Company, Mr. Fogarty sets the strategic direction of the Company under the guidance of the Board and provides valuable insight to the Board into the day to day business issues facing our Company

- Extensive sales, marketing and high-level leadership experience in the chemical industry, including experience in the specialty chemicals business, with broad international business experience

Karen A. Twitchell

Chief Financial Officer of Landmark Aviation (retired)

Other Current Public Boards

•

Trecora Resources (Chair)

Age: 63

Biography

Director since:
2009

From 2010 to 2013, Ms. Twitchell served as the Executive Vice President and Chief Financial Officer of Landmark Aviation. From 2001 to 2009, Ms. Twitchell was a Vice President and Treasurer of LyondellBasell Industries and Lyondell Chemical Company. Prior to that, she served as a Vice President and Treasurer of Kaiser Aluminum Corporation and Southdown, Inc. Before joining Southdown, Ms. Twitchell was an investment banker with Credit Suisse First Boston in its corporate finance department.

Board Committee:
Compensation
(Chair)
Audit

Skills and Qualifications of Particular Relevance to Kraton

•

Independent

Broad experience in financial management and corporate finance, including investment banking, treasury and investor relations

•

Extensive chemical industry experience

•

Longstanding experience in senior corporate positions with knowledge of financial management oversight and enterprise risk management

Prior Public Directorships (Last Five Years)

KMG Chemical, Inc.

OUR EXECUTIVE OFFICERS

Our Board elects our officers, and our officers serve until their resignation or termination or until their successors are duly elected and qualified. Mr. Fogarty, our Chief Executive Officer, serves on our Board. For his biography, please refer to "Proposal 1 - Election of Class I Directors — Incumbent Class III Directors: Term Expiring 2021" on page 13.

Kevin M. Fogarty Marcello C. Boldrini Heba K. Botros Melinda S. Conley J. Fernando C. Haddad
Holger R. Jung Vijay Mhetar Suzanne Pesgens Christopher H. Russell James L. Simmons
Marcello C. Boldrini. Mr. Boldrini, age 57, our Senior Vice President and Chemical Segment President was appointed in April 2017. Prior to joining Kraton, Mr. Boldrini was the President Asia and President Global Metals and Mining for Houghton International. From October 2014 to July 2015, Mr. Boldrini was an independent management consultant. From 2010 to 2014, Mr. Boldrini held various executive management positions with Momentive, a global specialty chemical company, including most recently, the Executive Vice President and Chief Marketing Officer. Prior to his experience at Momentive, Mr. Boldrini spent over nineteen years at multiple chemical companies including Ashland, Unilever and Quaker Chemical. Mr. Boldrini holds an MS in Chemistry from the University of Milan, Italy and an M.B.A. from Bocconi University in Italy.

Heba K. Botros. Ms. Botros, age 49, our Vice President, Corporate Development and Strategy, was appointed in December 2016. Ms. Botros joined us from Celgard LLC, a Polypore Company, where she held a number of positions from 2007 through 2016, including most recently as Vice President of Global Sales and Marketing. Prior to her employment at Celgard, Ms. Botros was employed by General Electric Company, Advanced Materials Division, and Altria Group. Ms. Botros holds an M.B.A., Strategic Management Focus, and a BS in Accounting & Marketing, each from the University of Wisconsin - Milwaukee. Ms. Botros is also Six-Sigma Green Belt certified and is a Certified Public Accountant.

Melinda S. Conley. Ms. Conley, age 53, our Senior Vice President and Chief Human Resources Officer, was appointed as our principal human resources officer in May 2012. Prior to joining us, from 2006 to 2011, Ms. Conley served in various capacities; including as Vice President, Total Rewards and as Vice President, Human Resources for Dean Foods Company. Ms. Conley previously held multiple human resources positions within the United States and England, with increasing responsibility, at companies including Capital One Financial Corporation, Monsanto Corporation, AlliedSignal, and Ford Motor Company. In addition, she practiced litigation at the firm of Figari & Davenport. Ms. Conley earned a B.A. in Speech Communication and an M.A. from the School of Labor and Employment Relations at the University of Illinois at Urbana-Champaign, and received her J.D. from Southern Methodist University.

J. Fernando C. Haddad. Mr. Haddad, age 55, our Senior Vice President, Global Operations was appointed in April 2015. He is responsible for our global manufacturing, supply planning, and environmental, safety, & health. Prior to joining us, Mr. Haddad worked as the Global Manufacturing & Supply Chain Director for UOP, a Honeywell Company, from 2013 to 2014. Prior to Honeywell, he spent 19 years with Dow Corning, where he held increasingly more senior manufacturing and supply chain leadership positions, including Global Operations Director for the Silicon Metal Business from 2009 to 2013. Mr. Haddad holds a Bachelor of Science degree in Chemical Engineering from the State University of Campinas (Brazil) and an M.B.A. from Faculdade Getulio Vargas (Brazil).

Holger R. Jung. Dr. Jung, age 56, our Senior Vice President and Polymer Segment President, is responsible for all sales, marketing and market development activities for our Polymer segment. Dr. Jung joined us from Invista, a Koch Industries subsidiary, where he held a number of positions of increasing responsibility, serving most recently since 2008 as Vice President of Invista's North American Polyester & Intermediates business, overseeing the successful sale of that business to Indorama in 2011. Dr. Jung commenced his employment with Hoechst AG in 1990 prior to the sale of Hoechst's polyester businesses to Koch in 1998, in positions including research and development chemist, technical service manager, and positions with oversight for quality management, strategic planning, and for the marketing and sales functions of KoSa's European Polyester Specialty Polymer Business. Dr. Jung holds a Ph.D. in polymer chemistry from the University of Marburg in Germany.

Vijay Mhetar. Dr. Mhetar, age 48, our Senior Vice President, Chief Technology Officer, was appointed in January 2017. Dr. Mhetar is responsible for global research & development and technical service activities as well as implementation of our company-wide innovation strategy. Dr. Mhetar joined us from General Cable Corporation, a wire and cable manufacturer, where he held a number of positions from 2008 through 2017, including most recently as Senior Vice President - Global Technology. Prior to his employment at General Cable, Dr. Mhetar was employed by General Electric Company, Plastics as their Global Technology Manager. Dr. Mhetar holds a Ph.D., Chemical Engineering from Texas A&M University and a Masters in Technology from the Indian Institute of Technology in Bombay, India. Dr. Mhetar is also Six-Sigma Black Belt certified.

Suzanne Pesgens. Ms. Pesgens, age 48, our Vice President and Chief Procurement Officer, was appointed in January 2016. Ms. Pesgens joined us from Arizona Chemical Company, LLC where she was the Director of Global Procurement since 2010. Prior to Arizona Chemical Company, LLC, she held a variety of roles from 1993 to 2010 in technology, procurement and marketing at a joint venture between Akzo Nobel and Monsanto Corporation (now Eastman Chemical Company). Ms. Pesgens earned a Master of Science degree in Chemical Engineering from Eindhoven University of Technology (Eindhoven, Netherlands) and an M.B.A. from Rotterdam School of Management at Erasmus University (Rotterdam, Netherlands).

Christopher H. Russell. Mr. Russell, age 53, our Interim Vice President and Chief Financial Officer and our Chief Accounting Officer, was appointed our principal accounting officer in June 2015 and our principal financial officer in November 2018. From 2014 to 2015, Mr. Russell served as Chief Accounting Officer for Prince International Corporation. Previously, from 2011 to 2014, Mr. Russell was employed with GE Power and Water, a subsidiary of General Electric Company, as the Global Controller for its Aero Derivatives business. Before that, he served as Vice President, Financial Reporting and Technical Accounting for Intelsat, a provider of satellite communications worldwide. Mr. Russell worked with Ernst & Young LLP from 1995 to 2007. Mr. Russell earned a B.S. in accounting from the University of North Texas and is a Certified Public Accountant.

James L. Simmons. Mr. Simmons, age 53, our Senior Vice President, General Counsel and Secretary, was appointed our chief legal officer in December 2014. Mr. Simmons joined us in January 2010 and served in various capacities in the legal department, including as Deputy General Counsel and Assistant Secretary. From 2004 to 2010, Mr. Simmons served in a number of roles, with increasing responsibilities, in the legal department of HCC Tokio Marine, including as Vice President & Corporate Secretary from 2007 to 2010. Mr. Simmons earned B.A. and M.A. degrees from Stephen F. Austin State University and his J.D. degree from the University of Houston Law Center.

CORPORATE GOVERNANCE

Our Board of Directors

Our Board is currently comprised of ten members. The exact number of members of our Board will be determined from time to time by resolution of a majority of our full Board, but may at no time consist of fewer than three members.

Our Board is divided into three classes, with each director serving a three-year term and one class being elected at each year’s annual general meeting of stockholders. Ms. Catalano and Messrs. Blinn and Smith are nominees to serve as Class I directors (term expiring in 2022). Ms. Williamson and Messrs. Fournier and Gallagher serve as Class II directors (term expiring in 2020). Mr. Fogarty and Mmes. Bausch and Twitchell serve as Class III directors (term expiring in 2021). Mr. Goldstein announced his retirement from the Board, and each committee of the Board on which he serves, effective upon the termination of his term at the 2019 Annual Meeting. Our Board has approved a reduction in the size of the Board to nine members effective upon Mr. Goldstein's retirement.

| | | |
|---------------------|---------------------|-------|
| Three | 100% | 40% |
| new directors | Independent | Women |
| joined the Board in | (excluding our CEO) | |
| the last two years | | |

| | | |
|-------------------|-------------------------|-------------------|
| 70% | Average age | Average tenure of |
| former or current | of directors is 6 years | |
| CEO & CFOs | 62 | |

Director Skills and Experiences

Our Board and the NGS Committee endeavor to ensure that the Board is composed of directors who bring diverse perspectives and exhibit a variety of skills, professional experience and backgrounds.

| | | |
|--|---|---|
| | | All directors possess: |
| FINANCIAL EXPERT | 5 | • |
| CHEMICAL OR MANUFACTURING INDUSTRY | 8 | High Integrity & Ethical Behavior |
| EXECUTIVE COMPENSATION & BENEFITS | 7 | • |
| RESEARCH & DEVELOPMENT (IP) | 7 | Strategic Thinking & Planning |
| SUSTAINABILITY | 4 | • |
| TECHNOLOGY & CYBERSECURITY | 3 | Knowledge of Corporate Governance |
| SALES & COMMERCIAL | 6 | • |
| ORGANIZATIONAL MANAGEMENT & SUCCESSION | 9 | Risk Management & Compliance Expertise |
| | | • |
| | | Diverse Cultural Experiences |
| | | • |
| | | Willingness to Appropriately Challenge Management |
| | | • |
| | | Board or C-Suite Experience |

Meetings of the Board

Our Board met six times during 2018 and acted on other occasions by written consent. During 2018, no incumbent director attended fewer than 75 percent of the aggregate of the total number of meetings of the full Board (held during the period of service) and the total number of meetings of all committees of the Board on which he or she served (held during the period of service).

We encourage our directors to attend our Annual Meeting, but their attendance is not required. All of our current directors, who were serving at the time of the 2018 Annual General Meeting of Stockholders, attended the meeting.

Communications with the Board

You may contact the Chairman of the Board, the Board as a whole, or individual directors:

BY MAIL Kraton
 Corporation
 [Director
 Name]
 c/o
 Secretary
 + 15710 John
 F. Kennedy
 Boulevard,
 Suite 300
 Houston,
 Texas 77032

Committees of the Board

We have four standing committees of the Board: Audit Committee, Compensation Committee, NGS Committee and Executive Committee. The charter for each committee can be found in the Investor Relations section of our website at www.kraton.com. The current membership and number of meetings held in 2018 for each of our four standing committees of the Board are summarized below:

| Board Member ⁽¹⁾ | Audit Committee | Compensation Committee ⁽³⁾ | Nominating, Governance & Sustainability Committee | | | |
|-----------------------------|-----------------|---------------------------------------|---|-----|-----|-----|
| June 2011 | | 1,331,345 | 12.33 | N/A | N/A | N/A |
| Total | | 1,399,009 | | N/A | N/A | N/A |

Item 10. Submission of Matters to a Vote of Security Holders

Not applicable.

Item 11. Controls and Procedures

(a) The Fund's principal executive officer and principal financial officer have concluded that the Fund's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Fund in this Form N-CSR was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12. Exhibits

(a) Code of Ethics Not applicable for semiannual reports.

(b) A separate certification for each principal executive officer and principal financial officer of the registrant are attached hereto as part of EX-99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

The Malaysia Fund, Inc.

/s/ Arthur Lev
Arthur Lev
Principal Executive Officer
August 25, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Arthur Lev
Arthur Lev
Principal Executive Officer
August 25, 2011

/s/ Francis Smith
Francis Smith
Principal Financial Officer
August 25, 2011
