

METTLER TOLEDO INTERNATIONAL INC/  
Form DEF 14A  
March 17, 2014

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A**

**PROXY STATEMENT PURSUANT TO SECTION 14(a)  
OF THE  
SECURITIES EXCHANGE ACT OF 1934**

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

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
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**METTLER-TOLEDO INTERNATIONAL INC.**

(Name of Registrant as Specified in its Charter)

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

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.
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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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

Im Langacher 44  
8606 Greifensee  
Switzerland

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

March 17, 2014

Dear Fellow Shareholder:

You are cordially invited to attend the 2014 Annual Meeting of Shareholders of Mettler-Toledo International Inc. to be held on Thursday, May 8, 2014, at 8:00 a.m. at the offices of Fried, Frank, Harris, Shriver & Jacobson LLP on 375 Park Avenue, New York, New York.

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

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

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

Sincerely yours,

Robert F. Spoerry  
Chairman of the Board

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## Mettler-Toledo International Inc.

### Notice to Shareholders of Annual Meeting

Time: 8:00 a.m. on Thursday, May 8, 2014

Place: Fried, Frank, Harris, Shriver & Jacobson LLP, 375 Park Avenue, New York, New York

Items of Business:

1. To elect nine directors
2. To ratify the appointment of PricewaterhouseCoopers LLP as independent registered public accounting firm
3. Advisory vote to approve executive compensation
4. To transact any other business properly brought before the meeting

Who Can Vote: You can vote if you were a shareholder of record on March 10, 2014

Annual Report: A copy of our 2013 Annual Report is enclosed

Date of Mailing: On or about March 17, 2014

By order of the Board of Directors

James T. Bellerjeau  
General Counsel and Secretary

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON MAY 8, 2014: This proxy statement and our 2013 Annual Report are available at the Internet address set out on your proxy card.**

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

**This proxy statement is furnished in connection with the solicitation of proxies by Mettler-Toledo International Inc. on behalf of the Board of Directors for the 2014 Annual Meeting of Shareholders.**

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## ABOUT THE MEETING AND VOTING

### Proposals to be Voted On

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

#### Proposals

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

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

### Shareholders Entitled to Vote

Each share of common stock outstanding as of the close of business on March 10, 2014 (the record date), is entitled to one vote at the annual meeting on each matter properly brought before the meeting. As of the record date, 29,314,337 shares of common stock were outstanding.

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

If you do not provide a proxy or vote the shares yourself, your shares will not be voted. Proxies that are signed and returned but do not contain instructions will be voted FOR the items of business described in the proxy.

### How to Vote

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

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

Even if you plan to attend the meeting, we encourage you to vote your shares by proxy. This will enable us to receive votes in advance of the meeting to ensure that a quorum is present for the meeting. If you vote by proxy and

subsequently decide to change your vote, you may revoke your proxy at any time before the polls close at the meeting. However, you may only do this by signing another proxy with a later date, completing a written notice of revocation and returning it to the address on the proxy card before the meeting, or voting in person at the meeting.

## **Vote Tabulation; Voting Results**

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

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## PROPOSAL ONE: ELECTION OF DIRECTORS

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

A director is elected if a majority of the votes cast with respect to the director are voted FOR. However, if the number of nominees exceeds the number of directors to be elected, a director is elected by the affirmative vote of a plurality of the votes cast. Votes cast shall include votes for or against a director. An abstention shall not count as a vote cast with respect to a director. If a majority fails to reelect an incumbent director when a majority vote is required, he or she shall continue to serve: until the next annual meeting and until his or her successor is duly elected; or until the Board of Directors accepts his or her resignation or removes him or her, if earlier. If the Board of Directors accepts an incumbent director's resignation, or if a non-incumbent nominee for director is not elected, the Board of Directors, in its sole discretion, may fill any resulting vacancy, or may decrease the size of the Board of Directors, in each case pursuant to the provisions of Sections 1 and 2 of Article II of the company's by-laws.

### Qualifications of Director Nominees

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

**Wah-Hui Chu** is 62 years old and has been a director since January 2007 and serves on the Nominating and Corporate Governance Committee. In 2013, Mr. Chu served as Chief Executive Officer of Tingyi Asahi Beverages, the largest soft drink company in China with over \$6 billion in revenue, and he continues to serve as Executive Director. Mr. Chu has also served as the Chairman of PepsiCo Investment (China) Limited since March 2012. He was Executive Director and Chief Executive Officer of Next Media Limited, the leading publicly traded media company in Hong Kong that focuses on the greater China region, from October 2008 to October 2011. He was non-executive Chairman of PepsiCo International's Asia Region from April 2007 to April 2008. From March 1998 to March 2007 he was the President of PepsiCo International's China Beverages Business Unit. Mr. Chu has a Master's in Business Administration from Roosevelt University. Mr. Chu previously served as a Director of Li Ning Company Limited from July 2007 through December 2012.

Mr. Chu has extensive professional experience in management positions at leading U.S. companies' Asian businesses, having spent a substantial majority of his time since 1980 in Asia with Quaker Oats Company, H.J. Heinz Company, Whirlpool Corporation, Monsanto Company, and PepsiCo., Inc. From 2008 to 2011, Mr. Chu led Next Media Limited, and in 2013 Mr. Chu served as CEO of Tingyi Asahi Beverages. The company has significant operations in Asia and is making significant investments in Asia, particularly China, and a person with Mr. Chu's background provides valuable assistance and insight to the company.

**Francis A. Contino** is 68 years old and has been a director since October 2004, is considered one of the board's financial experts, and serves as Chairman of the Audit Committee. Mr. Contino has been Managing Director of FAC&B LLC since July 2008. He was a member of the Management Committee, Executive Vice President and a member of the Board of Directors of McCormick & Company, Inc. from 1998 to 2008. McCormick is a global leader in the manufacture and distribution of spices, seasoning mixes, condiments, and other products to the food industry,

with more than \$4 billion in sales. Mr. Contino was Chief Financial Officer of McCormick from 1998 through October 2007. In addition to his CFO responsibilities, he was Executive Vice President responsible for Supply Chain from 2002 to 2004 and responsible for Strategy from 2004 to 2008. Prior to joining McCormick, Mr. Contino was Managing Partner of the Baltimore office of Ernst & Young.

## PROPOSAL ONE: ELECTION OF DIRECTORS

Mr. Contino has extensive financial experience from his background as a Certified Public Accountant, his 20-year tenure as an Audit Partner at Ernst & Young, where he served as coordinating partner for large multinational public companies, and from his 10-year service as the Chief Financial Officer of McCormick & Company. With his experience at McCormick, Mr. Contino also brings valuable insights into the food sector, which is a key end-user market for the company.

**Olivier A. Filliol** is 47 years old and has been a director since January 2009. He has been President and Chief Executive Officer of the Company since January 1, 2008. Mr. Filliol served as Head of Global Sales, Service and Marketing of the Company from April 2004 to December 2007, and Head of Process Analytics of the Company from June 1999 to December 2007. From June 1998 to June 1999 he served as General Manager of the Company's U.S. checkweighing operations. Prior to joining the Company, he was a Strategy Consultant with the international consulting firm Bain & Company working in the Geneva, Paris, and Sydney offices. Mr. Filliol has a Master's (lic. oec.) and Ph.D. (Dr. oec.) in Business Administration from the University of St. Gallen, Switzerland, and has completed executive education at the Business School of Stanford University.

Mr. Filliol has broad experience across many of the company's businesses. He led one of the company's divisions over an eight year period and he was the principal architect behind the company's growth initiative in sales and marketing. He has particular strengths in both strategy development and execution. As CEO of the company, Mr. Filliol also brings the board the necessary insights into understanding the global operations of the company.

**Michael A. Kelly** is 57 years old and has been a director since July 2008 and serves on the Compensation Committee. Mr. Kelly has been Executive Vice President, Electronics and Energy Business of 3M Company since October 2012, and was previously the Executive Vice President, Display and Graphics, since October 2006. Prior to this, he served in various management positions in the U.S., Singapore, Korea, and Germany since he joined 3M in 1981. Mr. Kelly has completed executive education at The Wharton School of the University of Pennsylvania.

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

**Martin D. Madaus, Ph.D.**, is 54 years old and has been a director since June 2009 and serves on the Audit Committee. Dr. Madaus has been Executive Chairman of Quanterix Corporation since November 2010, and Chief Executive Officer of Quanterix since September 2011. Quanterix is a privately-held development stage diagnostics company seeking to develop and commercialize blood tests that measure clinically important proteins in blood. Prior to joining Quanterix, Dr. Madaus was the President and Chief Executive Officer of Millipore Corporation, a life sciences company serving the bioscience research and biopharmaceutical manufacturing industry, from November 2004 to July 2010, and Chairman from March 2005 to July 2010, when Millipore was acquired by Merck KGaA. Dr. Madaus has a Doctor of Veterinary Medicine from the University of Munich, Germany, and a Ph.D. in veterinary medicine from the Veterinary School of Hanover, Germany. Dr. Madaus is a Director of Covidien PLC and PPD, Inc.

Dr. Madaus has more than twenty years of experience in the diagnostics and life science industries. A significant portion of the company's business relates to the life science industry. As the former CEO of Millipore and current Chairman and CEO of Quanterix, Dr. Madaus faces similar challenges as the company. He can be helpful to the board and the CEO in analyzing comparable issues he faces. Dr. Madaus is also considered one of the board's financial experts.

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## PROPOSAL ONE: ELECTION OF DIRECTORS

**Hans Ulrich Maerki** is 67 years old and has been a director since September 2002 and serves on the Compensation and Nominating & Corporate Governance Committees. Mr. Maerki was the Chairman of IBM Europe/Middle East/Africa (EMEA) from August 2001 to March 2008. From July 2003 to May 2005, Mr. Maerki was also the Chief Executive Officer of IBM EMEA. From 1996 to July 2001, Mr. Maerki was General Manager of IBM Global Services, EMEA. Mr. Maerki worked at IBM in various positions from 1973 to 2008. Mr. Maerki has a Master's in Business Administration from the University of Basel, Switzerland, and a 2010 Senior Fellowship of Advanced Leadership at Harvard University. Mr. Maerki is also a Director of ABB Ltd. and Swiss Re.

In his 35-year tenure at IBM, including ultimately running a business with approximately \$35 billion in revenue across 124 countries, Mr. Maerki has made extensive contributions in addressing service, software, and other IT-related topics, and also has deep experience in marketing and sales. These are areas of increasing importance to the company's business, and as a result this experience is very relevant. By virtue of his service on the board of ABB, Mr. Maerki also has insight into the industrial end-user market, which is another key market for the company.

**George M. Milne, Jr., Ph.D.**, is 70 years old and has been a director since September 1999 and serves as Chairman of the Nominating and Corporate Governance Committee. Dr. Milne is a venture partner of Radius Ventures, LLC. From 1970 to July 2002, Dr. Milne held various management positions with Pfizer Corporation, including most recently Executive Vice President, Pfizer Global Research and Development and President, Worldwide Strategic and Operations Management. Dr. Milne was also a Senior Vice President of Pfizer Inc. and a member of the Pfizer Management Council. He was President of Central Research from 1993 to July 2002 with global responsibility for Pfizer's Human and Veterinary Medicine Research and Development. Dr. Milne has a Ph.D. in Organic Chemistry from the Massachusetts Institute of Technology (MIT). Dr. Milne is a Director of Charles River Laboratories Inc. and also serves on the boards of several private companies and charitable organizations. In the past five years Dr. Milne was a Director of Athersys Inc. and QLT, Inc.

With his long tenure at Pfizer Corporation, his work as a venture partner with Radius Ventures, and through his service on multiple life science boards, Dr. Milne has a deep understanding of R&D processes and the services, tools, and technologies being used in the life sciences industry. The life science industry is one of the company's most important end-user markets and the board wishes to have members with broad exposure to this industry. This helps the board understand industry trends, and to assess product development and marketing strategies.

**Thomas P. Salice** is 54 years old and has been a director since October 1996 and serves on the Audit Committee and as Chairman of the Compensation Committee. Mr. Salice is a co-founder and principal of SFW Capital Partners, LLC, a private equity firm. He has served as a Managing Member of SFW Capital Partners since January 2005. From June 1989 to December 2004, Mr. Salice served in a variety of capacities with AEA Investors, Inc., including Managing Director, President and Chief Executive Officer, and Vice-Chairman. Mr. Salice has a Master's in Business Administration from Harvard University. Mr. Salice is also a Director of Waters Corporation and the privately-held companies Agknowledge Holdings Company, Inc., Industrial Dynamics Holdings, Inc., MD Buyline, Inc., and Spectro Inc.

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

finance, capital structure, investor relations, mergers and acquisitions, and other topics that are relevant to the board.  
Mr. Salice is also considered one of the board's financial experts.

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

*Robert F. Spoerry* is 58 years old and has been a director since October 1996. Mr. Spoerry was President and Chief Executive Officer of the company from 1993 to 2007. Mr. Spoerry has been Chairman of the Board of Directors since May 1998 and served as Executive Chairman in 2008. Mr. Spoerry has a Master's in Mechanical Engineering from the Federal Institute of Technology in Zurich, Switzerland, and a Master of Business Administration from the University of Chicago. Mr. Spoerry is also a Director of Conzzeta Holding AG, Geberit AG, and Sonova Holding AG, for whom he has served as Chairman since March 2011. Mr. Spoerry previously served as a Director of Holcim Ltd. and Schaffner Holding AG through March 2011.

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

Mr. Spoerry spends an average of one to two days per week devoted to his service as Chairman of the Board. His deep understanding of the company, its markets, customers and competitors, which was developed over more than thirty years of service, is a unique and valuable qualification that we believe provides a substantial benefit to the company and its shareholders.

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

## **BOARD OF DIRECTORS      GENERAL INFORMATION**

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

The company's by-laws require the Board of Directors to consist of between five and ten directors. The number of directors is currently fixed at nine, consisting of a Chairman, the CEO, and seven independent directors. Each director holds a one-year term until the next annual meeting of shareholders. The board has three committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee.

The primary tasks of the board include oversight of the company's strategy and governance matters, review of the company's financial matters, and evaluation of how the company executes against objectives. Management's tasks include setting strategy and running the company's operations. The company believes having a separate CEO and Chairman allows the Chairman to function as an important liaison between management and the board, helping ensure the board fulfills its oversight responsibilities.

To ensure the board has sufficient independence from management, the board has also established a lead independent director (the Presiding Director) who oversees executive sessions of the independent directors and all meetings of directors at which the Chairman is not present. The Presiding Director also coordinates with the Nominating and Corporate Governance Committee on director nominations as described in the Nominating and Corporate Governance Committee report below. Mr. Salice is currently serving as the Presiding Director.

### **Corporate Governance Guidelines**

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

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

It is the responsibility of the Board of Directors to establish and monitor the company's internal governance practices and work toward the long-term success of the company. The company has adopted a code of business conduct and ethics, known as the code of conduct. All actions of the company's Board of Directors, executive officers, and employees are governed by the company's code of conduct. The board did not approve any waiver of the code of conduct by an executive officer or director in 2013. A copy of the code of conduct is available at [www.mt.com](http://www.mt.com) under About Us/Investor Relations/Corporate Governance and is available in print to any shareholder who requests it.

The board is involved in the oversight of the company's risk management process as follows. Each year, the company conducts an enterprise risk assessment under the supervision of the Executive Vice President. The full board receives the results of the assessment, including an evaluation of risks and a description of actions taken by the company to



mitigate risk. The Audit Committee reviews the results in detail and reports on its review to the board.

## **Compensation-Related Risk**

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

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## **BOARD OF DIRECTORS    GENERAL INFORMATION**

### **Minimum Qualifications for Directors**

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

### **Independence of the Board**

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

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

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

In light of these criteria, the board has determined that Messrs. Chu, Contino, Kelly, Madaus, Maerki, Milne, and Salice are independent. Mr. Sperry, Chairman of the Board, and Mr. Filliol, President and Chief Executive Officer, are not independent.

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

The board schedules regular executive sessions for its non-employee members, typically as part of each board meeting. The Presiding Director acts as chairman of these meetings.

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

The board expects that its members will attend all meetings of the board and the annual meeting of shareholders. The Board of Directors met four times in 2013. Each director attended at least 75% of all board and committee meetings of which the director is a member and all directors attended the 2013 annual meeting of shareholders.

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

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

## **Director Retirement Policy**

The Board of Directors has adopted a retirement policy pursuant to which directors will retire immediately after the annual meeting that follows their 72<sup>nd</sup> birthday. In adopting this policy, the Board of Directors considered the importance of ensuring a mix of ages among board members and the balance of continuity versus fresh perspectives.

## **Director Share Ownership**

The company's equity ownership guidelines adopted in July 2009 call for non-employee Directors to hold company shares with a value equal to five times their cash retainer. The Chairman shall hold company shares with a value equal to five times his base salary. All directors currently satisfy the ownership requirement.

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# BOARD OF DIRECTORS    GENERAL INFORMATION

## Contacting the Board of Directors

Interested parties, including shareholders, may contact the Board of Directors, the Presiding Director individually or the non-management directors as a group via: EMAIL to [PresidingDirector@mt.com](mailto:PresidingDirector@mt.com); or REGULAR MAIL to Mettler-Toledo International Inc., Im Langacher 44, 8606 Greifensee, Switzerland, Attention: Presiding Director.

## Director Compensation

The Chairman receives a salary and an option grant, participates in the various Swiss personnel insurances (pension plan, accident and disability insurance), and receives certain miscellaneous benefits described below.

The other directors (except the CEO, Mr. Filliol, whose compensation is described in the Compensation Discussion and Analysis) are compensated by an annual cash retainer, committee member fees, and per meeting fees for board and committee meetings attended. Board members may also receive a \$750 meeting fee for performing interviews of board candidates. Directors are reimbursed for traveling costs and other out-of-pocket expenses incurred in attending board and committee meetings. Directors also receive an annual stock option grant and a grant of stock. The following provides an overview of the elements of 2013 director compensation:

Annual cash retainer	\$ 50,000
Fee per board meeting attended	\$ 1,000
Fee per committee meeting attended	\$ 750
Annual grant of stock options    number granted	1,484
Annual grant of stock (excluding the Presiding Director)    number granted	96
Annual grant of stock to the Presiding Director    number granted	196
Committee member fees:	
Audit	\$ 10,000
Compensation	\$ 5,000
Nominating and Corporate Governance	\$ 3,000
Committee Chair fees (in addition to member fees):	
Audit	\$ 10,000
Compensation	\$ 5,000
Nominating and Corporate Governance	\$ 3,000

The actual amounts paid to each director with respect to 2013 are set out in the following table.

## 2013 Director Compensation

Name	Fees			Nonqualified		Total
	Earned or Paid in Cash	Stock Awards(1)	Option Awards(1)	Deferred Compensation Earnings(2)	All Other Compensation(3)	
Wah-Hui Chu	\$ 59,250	\$ 23,519	\$ 98,434	\$	\$	\$ 181,203
Francis A. Contino	77,000	23,519	98,434			198,953

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Michael A. Kelly	62,750	23,519	98,434			184,703
Martin D. Madaus	67,000	23,519	98,434			188,953
Hans Ulrich Maerki	68,000	23,519	98,434			189,953
George M. Milne	62,250	23,519	98,434			184,203
Thomas P. Salice	80,750	48,018	98,434			227,202
Robert F. Sperry	431,407		549,876	94,909	426,873	1,503,065

(1) Represents the grant date fair value of stock awards and option awards, respectively, computed in accordance with ASC 718 Compensation Stock Compensation ( ASC 718 ). The valuation assumptions associated with such awards are discussed in Note 12 to the company's financial statements included in the Form 10-K for the fiscal year ending December 31, 2013.

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## BOARD OF DIRECTORS      GENERAL INFORMATION

At December 31, 2013, each director held unvested restricted stock units and stock options (vested and unvested) with respect to the following number of shares:

	Restricted Stock Units (#)	Stock Options (#)
Wah-Hui Chu	53	22,596
Francis A. Contino	53	16,596
Michael A. Kelly	53	16,596
Martin D. Madaus	53	11,896
Hans Ulrich Maerki	53	31,596
George M. Milne	53	28,596
Thomas P. Salice	86	25,596
Robert F. Spoerry		272,510

Represents the change in actuarial present value of Mr. Spoerry's accumulated benefit under the Mettler-Toledo

(2) Fonds pension plan, a Swiss cash balance benefit plan, consisting of the company's contributions to the plan on behalf of Mr. Spoerry.

Includes tax equalization payments on behalf of Mr. Spoerry of \$358,507, a car allowance of \$31,404, and other miscellaneous benefits, none of which individually exceeds \$25,000 in value. These benefits include an expense allowance and children's allowance. Mr. Spoerry does not receive any cash benefit from the tax equalization

(3) payments. The principle of the tax equalization is to leave the individual in exactly the same position (i.e., no better and no worse) than if they had not become subject to U.S. taxation on a portion of their income. See Compensation Discussion and Analysis Tax Equalization Agreements (Swiss Executives) for a description of how the tax equalization functions.

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## BOARD OF DIRECTORS    OPERATION

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

Name	Audit(1)	Compensation(2)	Nominating & Corporate Governance
Wah-Hui Chu			X
Francis A. Contino	X		
Michael A. Kelly		X	
Martin D. Madaus	X		
Hans Ulrich Maerki		X	X
George M. Milne			X
Thomas P. Salice	X	X	
Total meetings in 2013	4	5	3

Messrs. Contino, Madaus, and Salice are each considered financial experts as determined by the Board of Directors pursuant to the relevant SEC definition, and all are independent. No Audit Committee member serves on more than (1) two other public company audit committees. Our Executive Vice President, Chief Financial Officer, Chairman, Chief Executive Officer, Head of Internal Audit, and General Counsel attend Audit Committee meetings at the request of the Audit Committee and give reports to and answer inquiries from the Audit Committee.

(2) No member of the Compensation Committee was at any time during 2013 an officer or employee of the company or any of its subsidiaries, and no interlocks exist with respect to Compensation Committee members.

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## BOARD OF DIRECTORS OPERATION

### Committee Charters

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

#### Audit

Oversees the accounting and financial reporting process of the company

Assists with board oversight of the integrity of the company's financial statements, and the sufficiency of the independent registered public accounting firm's review of the company's financial statements

Assists with board oversight of the performance of the company's internal audit function

Oversees the appointment, engagement, and performance of the company's independent registered public accounting firm

Assists with board oversight of the company's compliance with legal and regulatory requirements

#### Compensation

Discharges the responsibilities of the company's Board of Directors relating to compensation of the company's executives

Reviews and monitors compensation arrangements so that the company continues to retain, attract, and motivate quality employees

Reviews an annual report on executive compensation for inclusion in the company's proxy statement

Reviews the Compensation Discussion and Analysis included in the company's proxy statement

#### Nominating & Corporate Governance

Identifies, screens, and recommends qualified candidates to serve as directors of the company

Advises the board on the structure and membership of committees of the board

Develops and recommends to the board corporate governance guidelines applicable to the company

Leads the board in its annual review of the board's performance





## AUDIT COMMITTEE REPORT

The Audit Committee assists the board in overseeing the accounting and financial reporting processes of the company and audits of the financial statements of the company. The Audit Committee operates pursuant to a written charter, a copy of which can be found on the company's website at [www.mt.com](http://www.mt.com) under About Us/Investor Relations/Corporate Governance. In discharging its oversight role, the Audit Committee discussed the audited financial statements contained in the 2013 annual report separately with the company's independent registered public accounting firm and the company's management and reviewed the company's internal controls and financial reporting.

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

### Audited Financial Statements

In reviewing the company's audited financial statements with PwC, the Audit Committee discussed the matters required to be discussed by the Public Company Accounting Oversight Board's Statement on Auditing Standards No. 16, as amended, and other matters including, without limitation:

PwC's responsibilities under generally accepted auditing standards, including the nature and scope of their audits; the written disclosures and confirming letter from PwC regarding their independence required under the Independence Standards Board Standard No. 1;  
 significant accounting policies, such as revenue recognition, goodwill and other intangible assets, and income taxes;  
 management judgments and accounting estimates;  
 any material weaknesses or significant deficiencies in internal controls over financial reporting; and  
 the extent of any significant accounting adjustments.

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

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the board approved, that the audited financial statements be included in the company's Annual Report on Form 10-K for the year ended December 31, 2013.

### Independent Registered Public Accounting Firm Fees

	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2013	\$ 3,713,000	\$ 95,000	\$ 166,000	\$ 3,000
2012	\$ 3,530,000	\$ 91,000	\$ 163,000	\$ 8,000

## AUDIT COMMITTEE REPORT

*Audit Fees* Represents fees for the audit of the annual financial statements, including the Sarbanes-Oxley §404 attestation opinion, review of financial statements included in quarterly reports on Form 10-Q, and audit services provided in relation to our Blue Ocean program of information technology investment.

*Audit-Related Fees* The audit-related fees in 2013 and 2012 related primarily to due diligence work in connection with acquisition transactions.

*Tax Fees* The 2013 and 2012 tax fees were primarily for tax compliance-related services.

*Other Fees* No significant other services were performed by PwC for the company in 2013 or 2012.

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

### Audit Committee Approval of Non-Audit Services

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

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

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

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

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

### Independent Registered Public Accounting Firm for 2014

The Audit Committee has appointed PwC as the company's independent registered public accounting firm to audit and report on the company's consolidated financial statements for the fiscal year ending December 31, 2014 and to perform such other services as may be required of them.

Respectfully submitted by the members of the  
Audit Committee:

Francis A. Contino, *Chairman*  
Martin Madaus  
Thomas P. Salice



## **PROPOSAL TWO: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

You are being asked to ratify the appointment of PricewaterhouseCoopers LLP (PwC) as the company's independent registered public accounting firm. The Audit Committee has appointed PwC, independent public accountants, to audit and report on the company's consolidated financial statements for the fiscal year ending December 31, 2014 and to perform such other services as may be required of them.

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

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

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

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

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

# NOMINATING AND CORPORATE GOVERNANCE COMMITTEE REPORT

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

## Director Nomination Process

When there is an actual or anticipated board vacancy, candidates for the Board of Directors may be recommended by (i) any member of the Nominating and Corporate Governance Committee, (ii) other board members, (iii) third parties engaged for that purpose by the committee, and/or (iv) the company's shareholders. The Nominating and Corporate Governance Committee will consider shareholder recommendations and evaluate them in the same manner as other candidates. Shareholders interested in recommending a person to be a director of the company must make such recommendation in writing. The recommendation must be forwarded to the Secretary of the company at: Mettler-Toledo International Inc., Im Langacher 44, 8606 Greifensee, Switzerland. Shareholder recommendations must include the information and be sent within the time-frames specified in the company's by-laws, a copy of which can be obtained from the Secretary. Additional details regarding minimum qualifications for director nominees can be found in the corporate governance guidelines on the company's website at [www.mt.com](http://www.mt.com) under About Us/Investor Relations/Corporate Governance.

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

The committee begins by working with the Presiding Director, Chief Executive Officer, and Chairman of the Board to determine the specific qualifications, qualities, and skills that are desired for potential candidates to fill the vacancy on the board. The committee makes this determination based upon the current composition of the board, the specific needs of the company, and the Minimum Qualifications for Directors included in the corporate (1) governance guidelines. These state that the Board of Directors should be composed of successful individuals who demonstrate integrity, reliability, knowledge of corporate affairs, a general understanding of the company's business, and an ability to work well together. The committee considers diversity in business background, area of expertise, gender, and ethnicity. The committee also evaluates longer-term board succession, taking into account the demographics of respective board members.

The Nominating and Corporate Governance Committee will then compile a list of all candidates recommended to fill the vacancy on the board. Candidates who meet the desired qualifications, qualities, and skills will be required (2) to complete a questionnaire that solicits information regarding the candidates' background, experience, independence, and other information.

Members of the Nominating and Corporate Governance Committee, the Presiding Director, the Chairman of the (3) Board, and, in appropriate cases, other board members, will interview those candidates who have completed the questionnaire.

(4) Following these interviews, the full Nominating and Corporate Governance Committee considers the qualifications of each candidate to ensure that each candidate meets the specific qualities and skills that are desired. The

committee will forward to the Board of Directors for consideration a list of candidates qualified for the position.

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## **NOMINATING AND CORPORATE GOVERNANCE COMMITTEE REPORT**

During 2013, the Nominating and Corporate Governance Committee evaluated changes in individual Directors professional status to evaluate their ability to continue serving on the board. With regard to the current board nominees, the Nominating and Corporate Governance Committee has recommended to the board that the nine current directors be nominated for re-election.

In 2013, the Nominating and Corporate Governance Committee also proposed an amendment to the director retirement policy.

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

George M. Milne, *Chairman*  
Wah-Hui Chu  
Hans Ulrich Maerki



# COMPENSATION DISCUSSION AND ANALYSIS

## Compensation Discussion and Analysis

The Compensation Committee oversees compensation of the company's executive officers. In carrying out its duties, the Compensation Committee receives information and recommendations from the Chairman, the Head of Human Resources, and the Chief Executive Officer, and consults with outside compensation consultants as it deems appropriate. The Compensation Committee has historically used the firm Pearl Meyer & Partners to provide market surveys of executive compensation in technology firms in comparable industries (including scientific instrument firms), which are considered in setting compensation levels. See the Compensation Committee Report for a discussion of the Committee's review of Pearl Meyer & Partners's independence.

The objectives of the company's executive compensation programs are to:

**Ensure compensation reflects market performance.** The company links pay to performance in part by setting challenging, objectively measurable targets, and paying cash incentives designed to reward (over) achievement of those targets. At the same time, when performance is only at or below target, compensation tends to be below market. **Focus executives on achieving financial and operating objectives that provide long-term shareholder value creation.** The company does this in part by linking long-term compensation to the company's long-term performance. The annual cash incentive is also tied to relevant metrics, including growth in earnings per share.

**Align executives' interests with those of the company's shareholders.** The company does this by enforcing the equity ownership guidelines described below.

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

In establishing executive compensation policies the Compensation Committee considers, among other things, the results of the Advisory Vote to Approve Executive Compensation from the prior year's Annual Meeting of Shareholders. The result of the advisory vote in 2013 was very positive with 94% of votes cast in favor of the company's compensation of its named executive officers. In 2013, the Compensation Committee did not make any material changes to its executive compensation policies.

## 2013 Compensation Highlights

In 2013, we grew earnings per share by 9% despite a challenging economic environment, due to management's proactive gross margin and cost control.

In light of this achievement, the key components of 2013 executive compensation were as follows:

**Salaries** Base salaries were reviewed and left unchanged or moderately increased based on salary survey data, local market conditions, and individual performance.

**Annual Cash Incentives** The average target achievement for our named executive officers in 2013 was 99.2%, resulting in incentive payments of between 28% and 67% of base salary.

**Long-Term Incentives** The value of stock options granted to our named executive officers in 2013 increased by between 4% and 12% compared to 2012, reflecting both survey data and expansion of certain individual responsibilities.

## **Compensation Program Elements**

The company's compensation program consists of three main elements: base salary, an annual cash incentive, and long-term incentive compensation. The majority of executive compensation is performance based, and is paid in the form of the annual cash incentive and long-term incentive compensation.

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## COMPENSATION DISCUSSION AND ANALYSIS

Our goal is to ensure that the three main elements of compensation are carefully considered and fair, and that executives are motivated to further the interests of shareholders, both short-term and long-term.

Each year the Compensation Committee separately reviews each of the three elements, as well as total compensation. It takes into account the company's growth and performance, individual executive performance, and developments in the markets in which we compete for talent. In evaluating the competitiveness of the company's executive compensation, the Compensation Committee periodically conducts both broad based surveys of executive compensation and surveys of the compensation of executives in the instruments and electronics industries. In 2013, Pearl Meyer & Partners provided survey data using confidential surveys relating to CEO and senior executive compensation at technology companies in comparable industries, including scientific instruments firms, and firms of similar size to the company. They also provided data on peer company compensation at Ametek, Bio-Rad Laboratories, Bruker, FLIR Systems, Pall, PerkinElmer, Rockwell Automation, Roper Industries, Teledyne Technologies, and Waters. The Compensation Committee also reviewed CEO compensation data from certain Swiss industrial public companies of a similar size and international organizational structure as the company.

### Base Salary

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

### Changes in 2013 Compensation

Based on its review of the salary survey data referred to above, local market conditions, and taking into account each individual's performance, the Compensation Committee left the 2013 base salary for Messrs. Filliol, Caratsch, and Kirk unchanged and increased the base salary for Mr. de la Guéronnière and Mr. Donnelly by 2%, in each case effective April 1<sup>st</sup>. Based on the quality of leadership of the management team, and the overall performance of the company, the committee believes management's compensation is appropriate.

### Annual Cash Incentive

We link pay with performance through our cash incentive plan, called POBS Plus. The purpose of the incentive plan is to provide an incentive to key employees of the company to reward them for driving the financial success of the company as measured based on objective financial criteria. The incentive plan is administered by the Compensation Committee. At the end of each year, the Compensation Committee establishes the performance targets on which each participant's incentive is based for the coming year. The targets used relate closely to our annual plan and budget, which are approved by the full Board of Directors each year. The targets are set taking into account the economic environment, the health of the company's end-user markets, and the challenges and opportunities of the company's various businesses. See *2013 Threshold, Target, Maximum and Actual Performance* below.

In addition, between 12 and 20 percent of the incentive for each participant in the POBS Plus incentive plan is based on individual objective performance targets relating to the company's annual business objectives. The Compensation

Committee directly evaluates the Chief Executive Officer's performance on his individual targets, and reviews the CEO's recommendation on the individual target performance of the other executive officers. The Compensation Committee reviews the audited results of the company's performance against each participant's performance targets and determines the incentive payment, if any, earned by each participant.

# COMPENSATION DISCUSSION AND ANALYSIS

## Cash Incentive Payment as % of Base Salary

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

The plan provides that targets for 100% achievement should be challenging and ambitious, but also realistic and attainable such that it is possible to achieve and exceed them. The impact of over- or under-achieving targets on the annual incentive can be significant. The company and Board of Directors therefore approach the target setting process with care and consideration. We believe targets are set consistently with the philosophy of the POBS Plus plan that they be challenging and ambitious. In the last five years the average target achievement for executive officers has ranged from 97% to approximately 120%, resulting in incentive payments of between 23% and 155% of base salary.

### 2013 Threshold, Target, Maximum and Actual Performance

<u>2013 Performance Targets</u>	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>	<u>Actual</u>
Adjusted Non-GAAP Earnings Per Share(1)	\$ 10.46	\$ 10.70	\$ 11.42	\$ 10.58
Net Cash Flow(2)	\$ 354.9 million	\$ 364.1 million	\$ 391.7 million	\$ 385.4 million
Last 12 Months Inventory Turnover	5.15	5.20	5.35	5.17
Group Sales (at budgeted currency rates)	\$ 2,385.0 million	\$ 2,409.1 million	\$ 2,481.4 million	\$ 2,363.6 million

(1) Excludes purchased intangible amortization (net of tax) of \$3.6 million, and restructuring charges (net of tax) of \$15 million.

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

The 2013 weighted performance relative to targets resulted in the following incentive payments as a percent of base salary under the POBS Plus plan for 2013:

Mr. Filliol	47 %
Mr. Donnelly	39 %
Mr. Caratsch	28 %
Mr. de la Guéronnière	67 %
Mr. Kirk	32 %

## Clawback Policy

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

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

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

# COMPENSATION DISCUSSION AND ANALYSIS

## Long-Term Incentives

Another method we have historically used to link pay with performance is awarding stock options, which we believe aligns management's long-term interests with those of the company's shareholders. Our stock options (including those granted in 2013) typically vest over five years, 20% per year, starting on the first anniversary of the date of grant. In 2008, we granted certain performance options that would only vest in five years if the company met a 15% per year

EPS growth target for the five year period 2008-2012. The company satisfied the EPS growth target, and the performance options vested by their terms on March 1, 2013. Options generally have a term of ten years, except for certain grants to Swiss residents having terms of ten and a half years.

In determining the size of each named executive officer's stock option grants, the Compensation Committee evaluates the relative importance of the individual's job, the contribution and performance of the individual, their years of service and their total compensation, as well as competitive information about equity as described above relative to each individual. In 2013, these factors led to the grant of stock options with the grant date fair values each as described in the table Grant of Plan-Based Awards.

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

## Option Grant Practices and Policy

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

## Equity Ownership Guidelines

The Compensation Committee feels it is important for senior executives to have a significant portion of their ongoing compensation tied to the interests of shareholders. In 2009, the Compensation Committee implemented equity ownership guidelines for executive officers that call for the individuals to accumulate equity ownership as follows:

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

The following types of equity count towards the ownership requirement: shares held directly, vested and unvested restricted stock units (if any), and the in-the-money value of vested stock options. Individuals have a five-year period to meet the ownership requirement, running from July 2009. For officers joining after that date, the five-year period

runs from the date of appointment as an officer. If an individual does not meet the requirement within the relevant time periods, the Compensation Committee has the discretion not to make further equity grants to that person. If an individual has met their requirement but subsequently falls below due to a drop in share price, they will have 24 months to rebuild their ownership, subject to Compensation Committee discretion. As of June 30, 2013, all officers who had been serving with the company for more than three years had already met their equity ownership target.

## **Company Equity Hedging Policy**

The board and the company's executive officers are prohibited from hedging the ownership of company securities, including trading in publicly-traded options, puts, calls, or other derivative instruments that are directly related to company securities.



# COMPENSATION DISCUSSION AND ANALYSIS

## Share Purchase Plan

In 2007, the board approved the Mettler-Toledo 2007 Share Purchase Plan. Under the plan, executive officers may purchase company shares using all or a portion of their cash incentive payable under the POBS Plus plan, subject to approval of the Compensation Committee. The issue price for shares under the plan will be equal to the New York Stock Exchange closing price on the date of issuance, which occurs before March 15 of each year. All shares issued pursuant to the plan are restricted for a period of five years from the date of issuance, during which time they may not be sold, assigned, transferred or otherwise disposed of, nor may they be pledged or otherwise hypothecated, except in the case of death or disability.

## Swiss Pension Plan

The Swiss-based executive officers (Messrs. Caratsch, Filliol, and Kirk) participate in a Swiss pension plan called Mettler-Toledo Fonds, which is a cash balance benefit (or pension) plan. Each year we contribute to the plan 22% of each participating named executive officer's covered salary. The covered salary for pension purposes is equal to 77.27% of the individual's target salary (consisting of the base salary plus the cash incentive earned at 100% target achievement) and was capped by Swiss law at a maximum of CHF 842,400 in 2013 and CHF 835,200 in 2012 and 2011. Individual employees may also make their own direct contributions to the plan from their own funds. Amounts in the plan bear interest depending on the annual performance of the pension plan, including certain minimum amounts as set by Swiss law. Retirement benefits are paid in the form of a lump-sum payment when the employee reaches the normal retirement age under the plan of 65.

## Tax Treatment

Section 162(m) of the Internal Revenue Code prohibits the company from deducting compensation in excess of \$1 million paid to certain employees, generally its CEO and its three other most highly compensated executive officers (excluding the CFO), unless that compensation qualifies as performance-based compensation. We maintain flexibility to balance the need to fairly compensate the company's executive officers with the company's ability to deduct compensation pursuant to Section 162(m).

## Tax Equalization Agreements (Swiss Executives)

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

## Employment Agreements

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

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

# COMPENSATION DISCUSSION AND ANALYSIS

## Summary Compensation Table(1)

Name and Principal Position	Year	Base Salary (\$)	Stock Awards (\$)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(4)	All Other Compensation (\$)(5)	Total (\$)
Olivier A. Filliol	2013	\$952,060		\$3,122,153	\$446,040	\$199,879	\$503,192	\$5,223,324
President and Chief Executive Officer	2012	952,060		2,799,930	478,410	198,171	(25,436)	4,403,135
William P. Donnelly	2011	952,060		2,799,956	1,144,852	198,171	182,191	5,277,230
Executive Vice President	2013	390,000		1,179,347	153,194	n.a.	36,246	1,758,787
Thomas Caratsch	2012	384,375		1,071,056	203,775	n.a.	37,196	1,696,402
Head of Laboratory	2011	382,031		1,049,930	365,387	n.a.	38,527	1,835,875
Marc de la Guéronnière	2013	336,626		449,386	94,390	82,978	76,234	1,039,615
Head of European Market Organizations	2012	336,626		431,926	96,645	82,979	43,828	992,005
Simon Kirk(6)	2011	334,976		414,965	268,728	82,571	40,456	1,141,697
Head of Product Inspection	2013	281,017		611,894	187,824	58,483	18,742	1,157,960
	2012	275,342		572,086	88,957	59,841	18,999	1,015,226
	2011	237,145		539,922	185,661	46,820	71,951	1,081,499
	2013	350,539		318,052	111,366	86,406	149,023	1,015,387
	2012	329,118	199,775	299,942	266,585	81,126	132,590	1,309,137

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

(1) For purposes of this table, all amounts paid in Swiss francs were converted to U.S. dollars at a rate of CHF 0.9272 to \$1.00, and amounts paid in Euros were converted to U.S. dollars at a rate of EUR 0.7534 to \$1.00, in each case the respective average exchange rate in 2013.

(2) Represents the aggregate grant date fair value of stock option awards for each individual computed in accordance with ASC 718. The valuation assumptions associated with such awards are discussed in Note 12 to the company's financial statements included in the Form 10-K for the fiscal year ending December 31, 2013.

(3) Amounts shown are the annual cash incentive earned under the company's POBS Plus incentive plan.

(4) Represents the change in actuarial present value of each individual's accumulated benefit under the Mettler-Toledo Fonds pension plan, a Swiss cash balance benefit plan, consisting of the company's contributions to the plan on behalf of each individual. In the case of Mr. de la Guéronnière, represents the company's contributions to the French pension plan.

(5) Includes tax equalization payments and other miscellaneous benefits as set out below. As described in the Compensation Discussion and Analysis above, the individuals do not receive any cash benefit from the tax equalization payments. The principle of the tax equalization is to leave the employee in exactly the same position (i.e., no better and no worse) than if they had not become subject to U.S. taxation on a portion of their income. As

such, the Compensation Committee does not believe it is appropriate to include these tax equalization amounts when determining the employees' compensation each year. Negative amounts represent payments by the individual to the company, for example as a result of lower Swiss taxes being due by virtue of the U.S. tax payments. Miscellaneous personal benefits, none of which individually exceeds \$25,000 in value unless otherwise stated, include car allowances, expense allowances, tax return preparation, and the value of meals in the company cafeteria. In Mr. Donnelly's case, they also include the company's matching payments under its 401(k) plan, access to a company-rented apartment in Columbus in lieu of hotel accommodations (through mid-2013), and the dollar value of life insurance premiums paid by the company. In Mr. de la Guéronnière's case, benefits in 2011 include a housing allowance of \$26,743 and a schooling allowance of \$18,708. In Mr. Kirk's case, benefits in 2013 and 2012 include a schooling allowance of \$97,066.

## COMPENSATION DISCUSSION AND ANALYSIS

Name	Year	Tax Equalization	Miscellaneous Benefits
Olivier A. Filliol	2013	\$ 462,995	\$ 40,197
	2012	(62,260 )	36,824
	2011	149,185	33,006
William P. Donnelly	2013	n.a.	36,246
	2012	n.a.	37,196
	2011	n.a.	38,527
Thomas Caratsch	2013	44,773	31,461
	2012	15,147	28,681
	2011	17,588	22,868
Marc de la Guéronnière	2013	n.a.	18,742
	2012	n.a.	18,999
	2011	n.a.	71,951
Simon Kirk	2013	17,260	131,763
	2012	4,200	128,390

(6) Mr. Kirk became an executive officer in May 2012.

### Grants of Plan-Based Awards

Name	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1) [POBS Plus Cash Incentive]			Grant Date (2)	All Other Option Awards: Number of Securities Underlying Options		Grant Date Fair Value of Stock and Option Awards (\$)(3)
	Threshold (\$)	Target (\$)	Maximum (\$)		Exercise Price of Option Awards (\$/Sh)	Number of Option Awards (#)	
Olivier A. Filliol	0	\$ 476,030	\$ 1,612,790	11/07/2013	47,070	\$ 244.99	\$ 3,122,153
William P. Donnelly	0	178,133	623,464	11/07/2013	17,780	244.99	1,179,347
Thomas Caratsch	0	151,482	540,285	11/07/2013	6,775	244.99	449,386
Marc de la Guéronnière	0	127,080	453,252	11/07/2013	9,225	244.99	611,894
Simon Kirk	0	157,743	562,616	11/07/2013	4,795	244.99	318,052

Represents the range of cash incentive payments possible under the company's POBS Plus incentive plan in respect of the 2013 fiscal year. The maximum incentive possible is 169.4% of base salary for Mr. Filliol, 157.5% for Mr. Donnelly, and 160.5% of base salary for the other named officers. The target cash incentive is 50% of base salary for Mr. Filliol and 45% of base salary for the other named officers. The actual incentive earned in each year is included in the Summary Compensation Table above.

(2)

Each of the stock and option awards was made under the Mettler-Toledo International Inc. 2013 Equity Incentive Plan. The option grants vest in five equal annual installments starting on the first anniversary of the date of grant. The grant date fair value of the options of \$66.33 per share has been computed in accordance with ASC 718 using the Black-Scholes option pricing model, based upon the following assumptions: estimated time until exercise of five years; a risk-free interest rate of 1.31%; a volatility rate of 28%; and a zero dividend yield. The Black-Scholes option pricing model is only one method of valuing options. The actual value of the options may significantly differ, and depends on the excess of the market value of the common stock over the exercise price at the time of exercise.

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# COMPENSATION DISCUSSION AND ANALYSIS

## Outstanding Equity Awards at Fiscal Year-End

Name	Option Awards(1)					Stock Awards(2)	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Grant Date	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Units of Stock That Have Not Vested (\$)
Olivier A. Filliol	55,000	0	\$52.37	11/03/2005	05/03/2016		
	45,000	0	\$68.06	11/02/2006	05/02/2017		
	66,800	0	\$105.11	11/01/2007	11/01/2017		
	66,800	0	\$112.37	01/03/2008	01/03/2018		
	110,000	0	\$73.69	11/06/2008	11/06/2018		
	66,480	16,620	\$90.76	10/28/2009	10/28/2019		
	40,356	26,904	\$133.00	11/03/2010	11/03/2020		
	26,396	39,594	\$149.95	11/02/2011	11/02/2021		
William P. Donnelly	11,986	47,944	\$169.37	10/31/2012	10/31/2022		
	0	47,070	\$244.99	11/07/2013	11/07/2023		
	41,250	0	\$52.37	11/03/2005	11/03/2015		
	45,000	0	\$68.06	11/02/2006	11/02/2016		
	30,250	0	\$105.11	11/01/2007	11/01/2017		
	27,500	0	\$112.37	01/03/2008	01/03/2018		
	45,100	0	\$73.69	11/06/2008	11/06/2018		
	25,992	6,498	\$90.76	10/28/2009	10/28/2019		
Thomas Caratsch	15,063	10,042	\$133.00	11/03/2010	11/03/2020		
	9,898	14,847	\$149.95	11/02/2011	11/02/2021		
	4,585	18,340	\$169.37	10/31/2012	10/31/2022		
	0	17,780	\$244.99	11/07/2013	11/07/2023		
	12,000	0	\$112.37	01/03/2008	01/03/2018		
	7,500	0	\$112.37	01/03/2008	01/03/2018		
	3,600	0	\$73.69	11/06/2008	11/06/2018		
	4,576	2,744	\$90.76	10/28/2009	10/28/2019		
Thomas Caratsch	6,342	4,228	\$133.00	11/03/2010	11/03/2020		
	3,912	5,868	\$149.95	11/02/2011	11/02/2021		

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	1,849	7,396	\$169.37	10/31/2012	10/31/2022	
	0	6,775	\$244.99	11/07/2013	11/07/2023	
	13,000	0	\$112.37	01/03/2008	01/03/2018	
	19,500	0	\$73.69	11/06/2008	11/06/2018	
Marc de la	12,420	3,105	\$90.76	10/28/2009	10/28/2019	
Guéronnière	7,533	5,022	\$133.00	11/03/2010	11/03/2020	
	5,090	7,635	\$149.95	11/02/2011	11/02/2021	
	2,449	9,796	\$169.37	10/31/2012	10/31/2022	
	0	9,225	\$244.99	11/07/2013	11/07/2023	
						872 \$211,538
Simon Kirk	1,284	5,136	\$169.37	10/31/2012	10/31/2022	
	0	4,795	\$244.99	11/07/2013	11/07/2023	

Each of the options vests ratably over five years starting from the first anniversary of the date of grant, except (1) certain options granted in 2003, which vested on the first and second anniversary of the date of grant, and the January 3, 2008 grants, which vested in full on March 1, 2013.

Mr. Kirk received a grant of 1,090 restricted stock units in February 2012. The restrictions on these restricted stock (2) units lapse ratably over five years from the first anniversary of the date of grant. The market value figure shown in the Stock Awards column is calculated using the closing share price of \$242.59 on December 31, 2013.

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## COMPENSATION DISCUSSION AND ANALYSIS

### Option Exercises and Stock Vested in Fiscal 2013

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Net Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Olivier A. Filliol	100,000	\$ 19,121,873		\$
William P. Donnelly	45,750	8,148,786		
Thomas Caratsch	10,000	1,333,172		
Marc de la Guéronnière	4,950	694,733		
Simon Kirk			218	48,211

### Pension Benefits(1)

Name	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefit (\$)(2)	Payments During Last Fiscal Year (\$)
Olivier A. Filliol	Mettler-Toledo Fonds	15	\$ 6,360,386	0
William P. Donnelly	n.a.	n.a.	n.a.	n.a.
Thomas Caratsch	Mettler-Toledo Fonds	6	4,391,798	0
Marc de la Guéronnière	ARRCO/AGIRC	12	n.a.	0
Simon Kirk	Mettler-Toledo Fonds	2	842,966	0

(1) The Swiss-based executive officers (Messrs. Caratsch, Filliol, and Kirk) participate in a Swiss pension plan called Mettler-Toledo Fonds, which is a form of cash balance benefit (or pension) plan. Each year we contribute to the plan 22% of each participating named executive officer's covered salary. The covered salary for pension purposes is equal to 77.27% of the individual's target salary (consisting of the base salary plus the cash incentive earned at 100% target achievement) and was capped by Swiss law at a maximum of CHF 842,400 in 2013 and CHF 835,200 in 2012 and 2011. Mr. de la Guéronnière participates in the French pension system, which is a type of contributory pension plan under which pensions are calculated on the basis of points acquired according to contributions made by the employer and employee during the employment period.

(2) Swiss franc amounts have been converted to U.S. dollars at a rate of CHF 0.8904 to \$1.00, the exchange rate on December 31, 2013. Individual employees may also make their own direct contributions to the plan from their own funds. Of the amounts shown, Mr. Filliol has individually contributed \$3.4 million, Mr. Caratsch has contributed \$3.6 million, and Mr. Kirk has contributed \$0.7 million.



## COMPENSATION DISCUSSION AND ANALYSIS

### Payments Upon Termination or Change in Control

Pursuant to their employment agreements described above, each of the named executive officers may be terminated after giving the requisite notice. In the event of certain terminations, the executives are entitled to receive full compensation during the notice period.

The following table reflects payments that would have been made to the named executive officers if they had been terminated on various grounds, assuming that notice of termination was given on December 31, 2013. The actual amounts to be paid out can only be determined at the time of any such executive's termination of employment. This table does not include information about any contracts, agreements, plans, or arrangements to the extent they do not discriminate in scope, terms, or operation in favor of executive officers and that are available generally to all salaried employees.

### Potential Payments Upon Termination or Change in Control(1)

Name	For Cause/Death/ Disability/ Retirement(2)	Not For Cause/For Good Reason/All Other(3)
Olivier A. Filliol		
Base Salary	0	\$952,060
Cash Incentive	0	476,030
Pension	0	199,879
Benefits	0	26,531
Total	0	1,654,500
William P. Donnelly		
Base Salary	0	395,850
Cash Incentive	0	178,133
Pension	0	0
Benefits	0	10,000
Total	0	