CYTEC INDUSTRIES INC/DE/
Form DEF 14A
March 11, 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 (Amendment No.)

Filed by the Registrant x 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))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

CYTEC INDUSTRIES 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):

x 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:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

¨ Fee paid previously with preliminary materials.

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

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

CYTEC INDUSTRIES INC.

5 GARRET MOUNTAIN PLAZA

WOODLAND PARK, NJ 07424

Notice of Annual Meeting

of Common Stockholders to be held

April 22, 2014

March 11, 2014

To Our Stockholders:

We will hold our Annual Meeting of Common Stockholders at the Marriott at Glenpointe Hotel, Teaneck, New Jersey on Tuesday, April 22, 2014, at 1:00 p.m. The purpose of the meeting is (i) to elect three directors; (ii) to ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2014; (iii) to approve, by non-binding vote, the compensation of our Named Executive Officers; and (iv) to transact any other business that properly comes before the meeting.

You must have been a holder of our common stock at the close of business on February 28, 2014, to be entitled to notice of and to vote at the meeting or at any postponement or adjournment.

Because stockholders cannot take any action at the meeting unless a majority of the outstanding shares of common stock is represented, it is important that you attend the meeting in person or are represented by proxy at the meeting.

If you cannot attend the meeting, please promptly submit your proxy by telephone, Internet or by signing and dating the enclosed proxy card and mailing it in the enclosed envelope, which requires no postage if mailed in the United States.

By Order of the Board of Directors,

R. Smith

Secretary

CYTEC INDUSTRIES INC.

5 GARRET MOUNTAIN PLAZA

WOODLAND PARK, NJ 07424

Proxy Statement for

Annual Meeting of Common Stockholders

to be held April 22, 2014

March 11, 2014

This proxy statement contains information relating to our Annual Meeting of Common Stockholders, which will be held on Thursday, April 22, 2014, beginning at 1:00 p.m., at the Marriott at Glenpointe Hotel, Teaneck, New Jersey 07666, and at any postponement or adjournment of that meeting. We are first sending this Proxy Statement and the enclosed form of proxy to stockholders on or about March 11, 2014. For purposes of this Proxy Statement, unless the context indicates otherwise, the use of the words we, us, our, Company and Cytec shall refer to Cytec Indus Inc.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on April 22, 2014: The Proxy Statement is available at www.proxyvote.com.

ABOUT THE MEETING AND THIS PROXY STATEMENT

What is the purpose of the meeting?

At the annual meeting, stockholders will vote (i) to elect three directors; (ii) to ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2014; and (iii) to approve, by non-binding vote, the compensation of our Named Executive Officers. In addition, our management will be present to report on our Company and respond to questions from stockholders.

Why am I being asked to review materials on-line?

Under rules adopted by the U.S. Securities and Exchange Commission, we are furnishing proxy materials to our stockholders on the Internet, rather than mailing printed copies of those materials to each stockholder. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you requested one. Instead, the Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review the proxy materials on the Internet. If you received a Notice of Internet Availability of Proxy Materials by mail and would like to receive a printed copy of our proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. We anticipate that the Notice of Internet Availability of Proxy Materials will be mailed to stockholders on or about March 11, 2014.

Who is entitled to vote?

Only stockholders of record at the close of business on the record date, February 28, 2014, are entitled to receive notice of the annual meeting and to vote the shares of our common stock that they held on that date at the meeting, or any postponement or adjournment of the meeting. Each outstanding share entitles its holder to cast one vote on each matter to be voted upon.

Who may attend the meeting?

All stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Please note that if you hold shares in street name (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the meeting to obtain an admission ticket.

1

What is a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of our shares of common stock outstanding on the record date will constitute a quorum. A quorum is necessary for business to be conducted at the meeting. As of the record date, 35,767,137 shares of our common stock were outstanding. Proxies received, but marked as abstentions and broker non-votes, will be included in the calculation of the number of shares considered to be present at the meeting.

How do I vote?

The accompanying proxy is solicited by our Board of Directors. You may vote by Internet or telephone by following the instructions on the enclosed proxy card or you may complete and properly sign the accompanying proxy card and return it to us. If voted by any of these methods, your vote will be cast as you direct. Do not return the proxy card if you vote by Internet or telephone. Even if you plan to attend the meeting, it is desirable that you vote in advance of the meeting.

May I change my vote after I return my proxy card?

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised by filing with our Secretary either a notice of revocation or a duly executed proxy card bearing a later date. A vote by Internet or telephone may be revoked by executing a later-dated proxy card, by subsequently voting by Internet or telephone, or by attending the annual meeting and voting in person.

How do I vote my Savings Plan shares?

If you participate in our Employee Savings and Profit Sharing Plan, Employee Savings Plan or Employee Stock Purchase Plan, shares of our common stock equivalent to the value of the common stock interest credited to your account under the respective plan will be voted automatically by the trustee in accordance with your proxy, if the proxy is received by April 17, 2014. Otherwise, the share equivalents credited to your account will be voted by the trustee in the same proportion that it votes share equivalents for which it receives timely instructions from other participants in the respective plan.

What are our Board s recommendations?

Our Board of Directors recommends that you vote (i) to elect the nominated slate of directors; (ii) to ratify the appointment of KPMG LLP to audit our 2014 consolidated financial statements; and (iii) to approve, by non-binding vote, the compensation of our Named Executive Officers. Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with this recommendation. The proxy holders will vote in accordance with their own discretion with respect to any other matter that properly comes before the meeting.

CORPORATE GOVERNANCE

Our Board of Directors seeks to ensure that our business is managed in the best long-term interests of our stockholders. Our business is conducted by our employees under the direction of our Chief Executive Officer (CEO) and our other officers and managers. Our Board of Directors provides oversight to the CEO and other officers and managers as it reviews and approves our major business and financial strategies. Our Board also approves significant capital projects and commitments, acquisitions, divestitures and long-term financings. Our Board is responsible for hiring and assessing the performance of the CEO and determining his compensation and, through the Compensation and Management Development Committee, the compensation of our other officers. Our Board regularly reviews succession planning strategy and plans for the CEO and other senior officers. Our Board believes it is critical that we operate in compliance with all applicable laws and to the highest ethical standard. Our Board believes that the long-term interests of our stockholders are advanced by appropriately addressing concerns of other stakeholders affected by our actions, including our employees and the communities in which we operate.

A summary of certain important corporate governance practices follows:

Director Independence

A majority of our directors must be independent directors under the New York Stock Exchange (NYSE) Listed Company Rules. The NYSE Rules provide that no director can qualify as independent unless the Board affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, material stockholder or officer of an organization that has a relationship with us). In addition to the NYSE Rules regarding independence, our Board has adopted the following standards in determining whether a director has a material relationship with us:

- the individual may not have been an employee of ours or any of our affiliates within the preceding five years;
- the individual may not have within the previous five years been affiliated with or employed by an entity that has served as our auditor within the last five years;
- the individual may not have been part of an interlocking directorate in which one of our executive officers serves on the compensation committee of another corporation that employs such person;
- no immediate family member of the individual may fall within any of the preceding three categories; and
- the individual may not have received any compensation from us within the past year other than for serving as a director.

Based on these independence standards and all of the relevant facts and circumstances, our Board determined that all of our directors are independent with the exception of Shane Fleming, our Chairman, President and CEO.

Standards and Qualifications for Directors

Our Board has established the following standards for individuals to serve on our Board of Directors:

- Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the stockholders;
- Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively;
- Directors are required to inform our Chairman of the Board of any significant change in their personal circumstances, including a change in their principal job responsibilities or acceptance of another directorship; and
- Directors are not eligible for re-election as a director on or after their 72nd birthday unless the other directors meeting in executive session approve an exception.

Our Governance Committee also considers the diversity of skills and experiences of the Board as a whole. The Committee believes it is desirable that each of the following backgrounds be represented on the Board: an audit committee financial expert; a CEO or former CEO; experience in the aerospace, chemical or other manufacturing industries; experience in safety, health and environmental issues; experience in technology; experience in industrial marketing issues; experience in global business operations; and experience in legal, regulatory and governmental affairs. The primary consideration in determining whether an existing director is qualified to serve on our Board is whether that individual meets the standards set forth above and has made an effective contribution to the Board of Directors during the preceding year. The

Committee also considers the information summarized in each of the director s individual biographies set forth under Agenda Item 1 below. The Committee particularly noted the following qualifications: Ms. Davis experience as a chief executive officer, her experience as a chief financial officer, her status as an audit committee financial expert, her experience in the aerospace industry and her experience as a director of other public companies; Mr. Fernandes experience as a chief executive officer, his experience as a senior financial officer, his experience in the chemical industry and his experience as a director of other public companies; Mr. Fleming s experience as a Chief Executive Officer of the Company; Mr. Hoynes experience as a senior executive in the pharmaceutical industry and his experience in legal, government and regulatory issues; Mr. Johnson s experience as a senior executive in technology industries, his experience with technology strategy and oversight and his experience as a director of other public companies; Ms. Lowe s experience as a chief financial officer, her status as an audit committee financial expert and her operating experience as head of a manufacturing business; Mr. Powell s experience in investment banking, including mergers and acquisitions, his status as an audit committee financial expert and his experience as a director of other public companies; Mr. Rabaut s experience as a chief executive officer, his experience in private equity, his experience in the defense and aerospace industries and his experience as a director of other public companies; and Mr. Sharpe s experience as a chief executive officer and his operations experience, including responsibility for safety, health and environmental issues. Based on all of the factors set forth above, the Governance Committee and the Board concluded that each of the directors whose term is expiring at the 2014 annual meeting of stockholders should be nominated to serve for an additional term.

Our Governance Committee typically uses the services of an executive search firm to help it to identify, evaluate and attract the best candidates for nomination as a director. Our Governance Committee will consider nominees recommended by stockholders who submit such recommendations in writing to our Secretary and include the candidate s name, biographical data and qualifications. Stockholders recommending nominees must disclose the stockholder s name and address, class and number of shares of our stock that are owned, the length of such ownership and any relationship between the stockholder and the nominee. Stockholders must also comply with such other procedural requirements as we may establish from time to time. The Governance Committee will review possible nominees for director suggested by stockholders generally in the same manner as those suggested by its retained search firm except that it will also consider the background of the stockholder making the recommendation, the stockholder s reasons for suggesting a candidate and the relations between the stockholder and the suggested candidate.

Principles of Corporate Governance/Committee Charters/Codes of Ethics

We have published on our website (www.cytec.com) our Principles of Corporate Governance, the charter of each of the Audit, Compensation and Management Development, Safety, Health, Environmental and Technology and Governance Committees of our Board, as well as our Code of Conduct that applies to our directors and all employees, our Code of Ethics for Financial Executives and our Code of Ethics for Senior Executives. Any waiver of, or amendments to, the codes of ethics for directors or executive officers, including the chief executive officer, the chief financial officer and the principal accounting officer, may be approved only by our Board and any such waivers or amendments will be disclosed promptly by us by posting such waivers or amendments on our website. Additionally, the Audit Committee is informed of any waivers of the Code of Conduct for any of our employees. Copies of each of the Principles of Corporate Governance, the Committee charters and the codes of ethics referred to above are also available free of charge by writing to our Secretary, Cytec Industries Inc., Five Garret Mountain Plaza, Woodland Park, New Jersey 07424.

Board Leadership Structure and Role in Risk Oversight

Shane Fleming has been our Chairman of the Board, President and CEO since January 1, 2009. William P. Powell, Director, Chair of the Governance Committee and Audit Committee Member, has been our Lead Director since April 2013. We anticipate he will serve in this role until April 2016 based on our policy of rotating this position every three years among the chairs of the Audit, Compensation and Governance Committees.

Our independent directors met in executive session without our Chairman or management present at each regularly scheduled Board meeting during 2013. The Lead Director presides over these meetings to provide continuity and focus for these sessions. The Lead Director is responsible for (i) briefing the Chairman of the Board, as appropriate, following such executive sessions; (ii) presiding at meetings of the Board in the absence or at the request of the Chairman of the Board; (iii) acting as a liaison between the independent directors and the Chairman of the Board including with respect to matters to be covered at Board meetings; and (iv) calling additional meetings of the independent directors as appropriate in the judgment of the Lead Director. The Lead Director is also available, as necessary and appropriate, to communicate with important stockholders and may have such other responsibilities as may be designated by the Board.

The Company believes that combining the roles of Chairman of the Board, President and CEO in one person in combination with a Lead Director is currently the best governance structure for the Company because it promotes unified leadership, timely decision-making and effective management of Company resources, while also providing effective channels for board oversight and feedback from the Board and stockholders.

The Board of Directors reviews management s assessment of material enterprise risks on an annual basis. The assessment covers certain material strategic, operational, financial/economic, political and other risks, the probability and potential impact of the risks as well and mitigating actions in place or planned. In addition, the Board reviews a similar risk assessment specific to any capital or other significant project which requires Board approval.

Stockholder and Interested Party Communications with the Board of Directors

Stockholders and interested parties may communicate directly to our Board of Directors or all of the non-management directors as a group with regard to Cytec. Any such communication may be mailed to the Cytec Compliance Office, Cytec Industries Inc., Five Garret Mountain Plaza, Woodland Park, New Jersey 07424 or submitted in any other manner described on the Compliance Office page of our web site (www.cytec.com). All such communications shall be promptly reviewed by our Compliance Office and sent to the Board of Directors or all of the non-management directors as a group, as appropriate.

OUR BOARD OF DIRECTORS AND BOARD COMMITTEES

Our Board of Directors is divided into three classes, the terms of which expire at the annual meetings in the following years:

2014	2015	2016
Anthony G. Fernandes	Barry C. Johnson	Chris A. Davis
Shane D. Fleming	Carol P. Lowe	Louis L. Hoynes, Jr.
Jerry R. Satrum	Thomas W. Rabaut	William P. Powell
Raymond P. Sharpe		

The Board of Directors held seven meetings during 2013 and each director attended at least seventy-five percent of the Board and respective committee meetings held while she or he was a director. All directors except for Mr. Satrum attended the 2013 Annual Meeting of Stockholders.

Committees of the Board

To increase its effectiveness and efficiency, our Board of Directors has established four committees to which it has delegated substantial responsibilities. The duties and responsibilities of our Board Committees are set forth in charters which have been approved by our Board of Directors. The charters may be viewed on our website (www.cytec.com). Set forth below is certain information about these Committees.

· **Audit Committee.** Our Audit Committee is comprised of Mses. Davis (Chair) and Lowe and Messrs. Powell and Satrum. The Audit Committee is empowered by the Board of Directors to, among other things, assist in the oversight of our: accounting and financial reporting processes and internal controls and the integrity of our financial statements; annual audit and our internal audit function; and compliance with legal and regulatory requirements as they may impact our financial statements. The Audit Committee also has direct responsibility for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm (the auditors).

Our Board has determined that each of the members of the Audit Committee is financially literate, has a basic understanding of finance and accounting, is able to read and understand fundamental financial statements, and is an audit committee financial expert as defined in applicable Securities and Exchange Commission rules. Our Board has also determined that each member of the Audit Committee is an independent director, based on the listing rules of the NYSE listing rules, the exchange on which our shares of common stock are listed, the Securities and Exchange Commission s additional independence requirements for audit committee members, and our Principles of Corporate Governance.

The Audit Committee held nine meetings during 2013. The Audit Committee s report on its activities during 2013 appears later in this proxy statement under the caption Audit Committee Report.

· **Compensation and Management Development Committee.** Our Compensation and Management Development Committee is comprised of Messrs. Fernandes (Chair), Hoynes, Rabaut and Satrum. Each of its members is an independent director based on the independence standards discussed under the heading Director Independence and all of the relevant facts and circumstances. The Compensation Committee s purpose is to review and approve compensation arrangements for our officers other than our CEO and to review and recommend for approval to our Board of Directors the compensation for the CEO. The Compensation Committee also approves the amount of equity awards to be awarded to our non-officers (including assistant officers) (Non-Officers). The Compensation Committee may delegate to our CEO the authority to allocate and award equity grants to Non-Officers up to an amount not to exceed the number approved by our Compensation Committee. This Committee also approves severance and compensation plans for our officers, authorizes incentive compensation and equity-based plans, evaluates our CEO s and other officers performances against established goals and objectives, makes related recommendations, reviews risks arising from the Company s compensation policies and practices, and reviews and, if appropriate, recommends for inclusion in our proxy statement the Compensation Discussion and Analysis section of the Company s proxy statement. This Committee also reviews succession plans for our CEO and other executive management positions. Our Compensation and Management Development Committee held five meetings during 2013.

· **Safety, Health, Environment and Technology Committee.** In 2013 we combined our Safety, Health and Environment Committee with our Technology Committee. Our Safety, Health, Environment and Technology Committee is comprised of Ms. Lowe and Messrs. Johnson and Sharpe (Chair). This Committee reviews, monitors and, as it deems appropriate, advises our Board of Directors with respect to our policies and practices in the areas of occupational health and safety and environmental affairs, research and development of new products and technology and sustainability as it relates to these areas. The combined Safety, Health and Environment and Technology Committee held one meeting during 2013. The Safety, Health and Environment Committee and Technology Committee each held one meeting before they combined in April 2013.

· **Governance Committee.** Our Governance Committee is comprised of Messrs. Fernandes, Hoynes, Johnson, and Powell (Chair). Each of its members is an independent director based on the independence standards discussed under the heading Director Independence and all of the relevant facts and circumstances. This Committee was responsible for developing and recommending to the Board our Principles of Corporate Governance and is responsible for periodically reviewing and recommending changes to such principles. This Committee makes recommendations to the Board on candidates for election to our Board. The Committee also recommends committee assignments for directors and periodically reviews and recommends changes in the compensation of our directors. Our Governance Committee held three meetings during 2013.

AUDIT COMMITTEE REPORT

The Audit Committee s powers and responsibilities, and the qualifications required of each of its members, are set forth in the Audit Committee Charter (the Charter). The full text of the Audit Committee Charter may be viewed on the Company s website (www.cytec.com).

Responsibilities. This Committee meets periodically with Cytec s auditors, internal auditors and management, including with each in executive session. Management is solely responsible for the consolidated financial statements and the financial reporting process, including the system of internal controls. Management has represented to this Committee and the Board of Directors that the consolidated financial statements discussed below were prepared in accordance with accounting principles generally accepted in the United States of America appropriate in the circumstances and necessarily include some amounts based on management s estimates and judgments and that an evaluation was carried out under the supervision and with the participation of Cytec s Chief Executive Officer and Chief Financial Officer of the effectiveness of Cytec s internal control over financial reporting as of December 31, 2013. Cytec s auditors, KPMG LLP (KPMG), are responsible for expressing an opinion on the conformity of these financial statements, in all material respects, with accounting principles generally accepted in the United States of America and an opinion on the effectiveness of Cytec s internal control over financial reporting.

Independence. This Committee pre-approves all services provided by KPMG and the related fees paid to them including audit and non-audit services, and considers the effect of such services and the related fees on KPMG s independence. Details regarding fees paid to KPMG during the years 2013 and 2012 are set forth in this proxy statement under the caption Fees Paid to the Auditors. This Committee has concluded that the services provided by KPMG and the compensation therefor are compatible with maintaining KPMG s independence.

Recommendation. This Committee reviewed Cytec s audited consolidated financial statements at, and for the year ended, December 31, 2013, and discussed such consolidated financial statements with management and the auditors, and recommended to the Board of Directors that such consolidated financial statements be included in Cytec s Annual Report on Form 10-K for 2013. This recommendation was based on: this Committee s review of the audited consolidated financial statements; discussion of the consolidated financial statements with management; discussion with KPMG of the matters required to be discussed by the Public Company Accounting Oversight Board Auditing Standard No. 16, *Communications with Audit Committees*; discussion with KPMG regarding KPMG s independence as well as other matters including the written material disclosed below; receipt from KPMG of the written disclosures and letter required by the Public Company Accounting Oversight Board Auditing Standard No. 16, *Communications with Audit Committees*; receipt from KPMG of the written disclosures and letter required by Public Company Accounting Oversight Board Auditing Standard No. 5 (*An Audit of Internal Control Over Financial Reporting That is Integrated with an Audit of Financial Statements)*; receipt of the document entitled KPMG-Our System of Quality Controls and related addendum; and KPMG s confirmation that it would issue its opinions that (i) the consolidated financial statements present fairly, in all material respects, Cytec s financial position and the results of Cytec s operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America; and (ii) Cytec has maintained effective internal controls over financial reporting as of December 31, 2013, in all material respects.

C.A. Davis, Chair

C.P. Lowe

W.P. Powell

J.R. Satrum

February 20, 2014

AGENDA ITEM 1

ELECTION OF DIRECTORS

The Board of Directors believes that each nominee for director and each continuing director is well qualified to serve as a director of Cytec and that the board as a whole possesses the requisite experience, skills and attributes to provide effective oversight of Cytec given its current business and structure. See the section titled, Corporate Governance-Standards and Qualifications for Directors for specific details. In accordance with the recommendation of the Governance Committee, our Board of Directors has nominated Anthony G. Fernandes, Shane D. Fleming and Raymond P. Sharpe for election as directors for three-year terms ending at the 2017 Annual Meeting of Common Stockholders until a successor is duly elected and qualified. Mr. Satrum previously notified the Board of Directors that he intends to retire as a director and does not wish to seek reelection at our 2014 Annual Meeting of Common Stockholders. Accordingly, Mr. Satrum was not nominated for reelection and his term as a director will end when his current term expires at our 2014 Annual Meeting. The Board of Directors elected to reduce the number of directors from ten to nine following Mr. Satrum s retirement and to reclassify Mr. Fleming from a Class II director with a term expiring in 2016 to a Class I director with a term expiring at our 2014 Annual Meeting. Each nominee is currently serving as a director. Each nominee has consented to serve if elected. The nominees biographies, as well as the biographies of the other directors, are set forth below.

Our Board of Directors unanimously recommends a vote for the election of each of these nominees as directors.

If at the time of the meeting any of the nominees is not available to serve as director, an event which our Board does not anticipate, the proxies will be voted for a substitute nominee or nominees designated by or at the direction of our Board, unless our Board has taken prior action to reduce the size of the Board.

Cytec s By-laws require that in order to be elected in an uncontested election, a director nominee must receive a majority of the votes cast with respect to such nominee (i.e., the number of shares voted for a director nominee must exceed the number of votes cast against that nominee). If a nominee who is currently serving as a director is not re-elected, Delaware law provides that the director would continue to serve on the Board as a holdover director. Under our By-laws, each director not elected by our stockholders shall tender his or her resignation to the Board. In that situation, our Governance Committee would make a recommendation to the Board about whether to accept or reject the resignation, or whether to take other action. Such action may include, among other things, reducing the total number of members that sit on our Board within the limitations set forth in our By-laws. The Board would act on the Governance Committee s recommendation and publicly disclose its decision and the rationale behind such decision within 90 days from the date that the election results were certified.

Board of Directors Membership

Set forth below is certain information concerning the nominees and our other directors whose terms of office will continue after the meeting.

Chris A. Davis, age 63, has been our director since April 2000. Ms. Davis was a general partner of Forstmann Little & Co. (Forstmann) between 2005 and 2012 and was previously a Special Limited Partner since August 2001. Ms. Davis was Chairman of McLeodUSA (McLeodUSA), a telecommunication services provider, from August 2005 until January 2006 and was Chairman and Chief Executive Officer from April 2002 until August 2005. Prior to this, Ms. Davis was Chief Operating and Financial Officer of McLeodUSA from August 2001 until April 2002. Prior to her positions at McLeodUSA, Ms. Davis was Executive Vice President and Chief Financial and Administrative Officer of ONI Systems Corp. from May 2000. From July 1993 through April 2000, Ms. Davis was Executive Vice President and Chief Financial and Administrative Officer and a director of Gulfstream Aerospace Corp. and, upon General Dynamics Corporation s acquisition of Gulfstream in July 1999, a vice president of General Dynamics Corporation. Before joining Gulfstream in 1993, Ms. Davis held numerous financial positions during her 17 year career at General Electric Company. McLeodUSA filed for a prepackaged plan of reorganization under Chapter 11 of the Bankruptcy Code in October 2005 and emerged from bankruptcy protection in January 2006. Ms. Davis currently serves as a director of Rockwell Collins, Inc. and at times during the past five years also served as a director of Aviall, Inc., and Wolverine Tube Inc.

Anthony G. Fernandes, age 68, has been our director since July 2002. Mr. Fernandes was Chairman, Chief Executive Officer and President of Philip Services Corporation, an industrial services and integrated metals recovery company, from 1999 to 2002. Prior to joining Philip Services, Mr. Fernandes worked at Atlantic Richfield Company for more than 30 years, including from 1994 to 1999 as Executive Vice President and director. In addition, from 1997 to 1998 he was chairman of ARCO Chemical Co., a publicly traded company owned 80% by Atlantic Richfield. Mr. Fernandes currently serves as a director of ABM Industries Inc., Baker Hughes Corporation, and Black and Veatch.

Shane D. Fleming, age 55, became our Chairman of the Board, President and Chief Executive Officer on January 1, 2009. Prior thereto, he was our President and Chief Operating Officer since June 2008. Mr. Fleming joined the Cytec predecessor company in 1983 in the Mining Chemicals group, and over the years held positions of increasing responsibility in the USA, Europe, Australia, and in the Asia Pacific region. Mr. Fleming currently serves as director of Valspar Corporation.

Louis L. Hoynes, Jr., age 78, has been our director since December 1994. Until September 2004, Mr. Hoynes was elected to the Board on an annual basis by the holder of our Series C Preferred Stock. After we redeemed the Series C Preferred Stock in September 2004, Mr. Hoynes term automatically ended. Our Board then elected Mr. Hoynes to fill a vacancy on our Board. Mr. Hoynes was Executive Vice President and General Counsel of Wyeth until his retirement on July 1, 2003, having served in that capacity since 1990. Prior to that time he was a partner in the law firm of Willkie Farr & Gallagher.

Barry C. Johnson, age 70, has been our director since August 2003. Dr. Johnson is retired Dean of the College of Engineering at Villanova University, having served in that position from August 2002 until March 2006. Previously, he served as Chief Technology Officer of Honeywell International Inc. from July 2000 to April 2002. Before that Dr. Johnson served as Corporate Vice President of Motorola, Inc. and Chief Technology Officer for that company s Semiconductor Product Sector. Dr. Johnson currently serves as a director of Rockwell Automation, Inc. and IDEXX Laboratories, Inc.

Carol P. Lowe, age 48, has been our director since October 2007. Ms. Lowe currently serves as Senior Vice President and Chief Financial Officer of Sealed Air Corporation, having held that position since June 2012. Previously she was President of Carlisle FoodService Products, a subsidiary of Carlisle Companies Incorporated, a global diversified manufacturing company, and through March 31, 2011, President of Trail King Industries Inc., a subsidiary of Carlisle. Ms. Lowe served as the Vice President and Chief Financial Officer of Carlisle from 2004 until November 2008 and its Treasurer from 2002 through 2004. Prior to joining Carlisle, Ms. Lowe spent eight years at National Gypsum Company where she held various accounting and treasury positions including Treasurer. Preceding that, she spent seven years with Ernst & Young. Ms. Lowe is a Certified Public Accountant.

William P. Powell, age 58, has been our director since our formation in December 1993. He is a founding member of 535 Partners LLC., a family office. Until March 2008, Mr. Powell was a Managing Director of Williams Street Advisors LLC, a merchant banking firm, having served in that capacity since May 2001. Prior to Williams Street, he had been Managing Director, Corporate Finance, of UBS Warburg LLC and its predecessor, Dillon, Read & Co. Inc., since January 1991. Mr. Powell currently serves as a director of CONSOL Energy, Inc.

Thomas W. Rabaut, age 65, has been our director since February 2007. Mr. Rabaut currently serves as an Operating Executive to the Carlyle Group, a private equity firm. Prior thereto, he was President and Chief Executive Officer of United Defense Industries Inc. and its predecessors from 1994 until June 2005 when it was acquired by BAE Systems PLC. Mr. Rabaut then served as President of the Land & Armaments Group of BAE Systems until his retirement in January 2007. Mr. Rabaut currently serves as a director of Kaman Corporation and Allison Transmission Holdings Inc.

Raymond P. Sharpe, age 65, has been our director since April 2005. He has been President and CEO of Isola Group, a privately held manufacturer of base materials for printed circuit boards since June 2004. The principal investor in Isola Group is the Texas Pacific Group. For more than ten years prior thereto, he was CEO of the Cookson Electronics Division of Cookson Group PLC., London, UK. Mr. Sharpe served as Director of Cookson Group PLC from 1995 until 2004 and as a Director of SPS Technologies Inc., a manufacturer of aerospace components, from 1994 until 2004.

AGENDA ITEM 2

RATIFICATION OF THE APPOINTMENT

OF THE AUDITORS

RESOLVED, that the appointment by our Audit Committee of the firm of KPMG to audit our 2014 consolidated financial statements is hereby ratified.

Our Audit Committee has selected KPMG as the auditors to perform the audit of our financial statements for 2014. KPMG has audited our consolidated financial statements since our inception in 1993. KPMG has offices or affiliates at or near most of the locations where we operate. KPMG is an independent registered public accounting firm.

Before making its recommendation for appointment, the Audit Committee carefully considered KPMG s qualifications. This consideration included a review of KPMG s performance in prior years, its independence, as well as its reputation for integrity and for competence in the fields of accounting and auditing. Our Audit Committee has expressed its satisfaction with KPMG.

Representatives of KPMG will attend the Annual Meeting and may make a statement if they desire to do so. They will also be available to respond to appropriate stockholder questions.

We are asking our stockholders to ratify the appointment of KPMG as our auditors as a matter of good corporate practice because ratification is not legally required. Even if the appointment is ratified, our Audit Committee in its discretion may select different auditors at any time during the year if it determines that such a change would be in the best interests of our Company and our stockholders.

The affirmative vote of a majority of the shares of our common stock represented in person or by proxy at the Annual Meeting is required to ratify the appointment of our auditors. Because abstentions are deemed to be shares present at the meeting, they will have the same effect as a vote against this matter. If Agenda Item 2 does not pass, the appointment of auditors will be reconsidered by our Audit Committee.

Our Board of Directors unanimously recommends that stockholders vote for the proposal to ratify the Audit Committee s appointment of KPMG as our independent registered public accounting firm for 2014.

FEES PAID TO THE AUDITORS

Pre-Approval Policies and Procedures. Our Audit Committee is required to pre-approve the audit and non-audit services performed by the auditors in order to assure that the provision of such services does not impair the auditors independence. Our Audit Committee specifically pre-approves all audit fees, audit-related fees, tax service fees and all other fees. Our Audit Committee has delegated authority to the Chair of the Committee to approve any services not exceeding $50,000 not specifically pre-approved by the Committee provided that disclosure of such services and fees is made to the Audit Committee at the next scheduled meeting following such approval. During the years ended December 31, 2013, and 2012, all services provided by the auditors received specific pre-approval.

In connection with the audit of the 2014 financial statements, we entered into an engagement letter with KPMG which sets forth the terms by which KPMG will perform its audit services.

Audit Fees. The aggregate fees billed by KPMG for professional services rendered for the audit of our consolidated financial statements, and related internal control over financial reporting included in Form 10-K, review of the unaudited consolidated financial statements included in our Quarterly Reports on Form 10-Q, and for services that are normally provided by KPMG in connection with statutory and regulatory filings or engagements, including issuance of consents, for the years ended December 31, 2013, and 2012, were approximately $3.3 million and $5.1 million, respectively.

Audit-Related Fees. The aggregate fees billed by KPMG for professional services rendered for assurance and related services that are not reported above as audit fees but were related to the audit or review of our financial statements, for the years ended December 31, 2013, and 2012, were approximately $0.2 million and $2.2, respectively.

Tax Fees. The aggregate fees billed by KPMG related to professional services rendered in connection with tax audits, international tax compliance, and supporting other tax-related regulatory requirements primarily in the transfer pricing area, and international tax consulting and planning services,, for the years ended December 31, 2013, and 2012, were approximately $1.1 million and $0.9 million respectively.

All Other Fees. We did not utilize KPMG for any other services during the two years ended December 31, 2013 except for approximately $10,000 in fees incurred in 2012 related to international executive services in India provided by KPMG to one of the Umeco entities acquired by the Company.

As advised in the Audit Committee Report, our Audit Committee considered whether, and concluded that, provision of these services is compatible with maintaining KPMG s independence.

AGENDA ITEM 3

ADVISORY VOTE ON COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

The Company seeks your advisory vote on our executive compensation programs giving you, the stockholder, the opportunity to express your approval or withhold approval of the compensation we pay our Named Executive Officers.

Our compensation policies and procedures are designed to support our compensation philosophy and pay competitively, focused on pay for performance with an appropriate balance between risk and reward and are strongly aligned with the long-term interests of our stockholders. As always, the Company and the Committee are committed to the ongoing review of the executive compensation programs and will take action to ensure that these programs continue to support our compensation philosophy and objectives. The Company asks that you support the compensation of our Named Executive Officers as disclosed in the Compensation Discussion and Analysis section below and the accompanying tables contained in this proxy statement. Because your vote is advisory, it will not be binding on the Board or the Company. However, the Board will review the voting results and take them into consideration when making future decisions regarding executive compensation.

The Board of Directors unanimously recommends a vote for the Company s compensation of our Named Executive Officers as disclosed in the Compensation Discussion and Analysis section and the accompanying compensation tables contained in this proxy statement.

CYTEC STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, as of January 31, 2014, the total beneficial ownership of Cytec s Common Stock by Cytec s directors and the five executive officers named in the Summary Compensation table (see the Executive Compensation portion of this proxy statement):

Beneficial Stock Ownership of Directors and Executive Officers

Name	Record & Street Name Shares[1]	+	Savings Plan Shares[2]	+	Deferred Stock Shares[3]	+	Stock Option Shares[4]	=	Total Beneficial Ownership	Percent of Class
W.N. Avrin	15,038		7,409		3,822		122,924		149,193	0.4
C.A. Davis	17,488				11,030		3,000		31,518	[5]
D.M. Drillock	19,413		25,751		14,257		139,874		199,295	0.6
A.G. Fernandes	7,941				20,691		6,000		34,632	[5]
S.D. Fleming	17,272		49,785		69,988		384,745		521,790	1.5
L.L. Hoynes, Jr	12,254				14,038		0		26,292	[5]
B.C. Johnson	4,747				9,945		6,000		20,692	[5]
C.P. Lowe	4,878				16,812				21,690	[5]
W.P. Powell	10,117				7,319		3,000		20,436	[5]
T.W. Rabaut	17,415				9,820				27,235	[5]
J.R. Satrum	38,229						6,000		44,229	0.1
R.P. Sharpe	7,476				19,163		6,000		32,639	[5]
R. Smith	15,168		30,691		21,534		117,512		184,905	0.5
W.G. Wood	11,939		3,973				45,185		61,097	0.2
All directors and officers as a group (17 persons)	212,404		127,282		223,166		905,441		1,468,293	4.1

(1) Includes for Mr. Fernandes, shares held in family trusts or foundations. Also includes for each of Ms. Davis and Messrs. Johnson, Powell and Sharpe, shares owned jointly with their spouses. Excludes for Mr. Smith, 1,000 shares for which he disclaims beneficial ownership. The total for all directors and officers as a group also includes an additional 260 shares beneficially owned by an officer s ex-spouse.

(2) Represents the officers proportionate share of our Common Stock held by the Cytec Employees Savings & Profit Sharing Plan and the Cytec Supplemental Savings and Profit Sharing Plan at January 31, 2014. In the case of Mr. Smith and all directors and officers as a group, also includes shares held in an Individual Retirement Account. The total for all directors and officers as a group also includes an additional 1,895 shares beneficially owned by an officer s ex-spouse.

(3) Shares issuable under our 1993 Stock Award and Incentive Plan (the 1993 Plan) following termination of employment or, as to the directors, retirement from the Board of Directors.

(4) Shares which may be acquired within 60 days through the exercise of stock options, regardless of whether the exercise price is below, at or above the current market price of our common stock. Includes for Mr. Avrin, 49,409 stock options beneficially owned by his ex-spouse. The total for all directors and officers as a group also includes an additional 2,498 shares beneficially owned by an officer s ex-spouse.

(5) Less than 0.1%

None of the shares reflected in the stock ownership table have been pledged as security.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely on our review of copies of 141 Forms 3, 4 and 5 received by us, we believe that with respect to 2013 all filings required under Section 16(a) of the Securities Exchange Act of 1934 were filed timely.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class[(1)]
Common Stock	Franklin Resources, Inc.; Charles B. Johnson; Rupert H. Johnson, Jr.; and Franklin Advisers, Inc. One Franklin Parkway San Mateo, CA 94403	2,647,148 Shares[(2)]	7.43
Common Stock	FMR LLC; and Edward C. Johnson, 3d 245 Summer Street Boston, MA 02109	2,638,685 Shares[(3)]	7.41
Common Stock	BlackRock, Inc. 40 East 52nd Street New York, NY 10022	2,611,157 Shares[(4)]	7.33
Common Stock	William Blair & Company, LLC 222 W. Adams Chicago, IL 60606	2,094,162 Shares[(5)]	5.88
Common Stock	Passport Special Opportunities Master Fund, LP; Passport Global Long Short, LP; Passport Global Master Fund SPC Ltd; Passport Long Short Master Fund SPC Ltd; Gold Coast Capital Subsidiary VIII Limited; GFS MAP Trust Passport Long Short; Passport Holdings LLC; Passport Capital, LLC; and John H. Burbank, III c/o Passport Capital, LLC One Market Street, Steuart Tower Suite 2200 San Francisco, CA 94105	2,051,881 Shares[(6)]	5.76
Common Stock	Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	2,050,093 Shares[(7)]	5.75

(1) Percent of class based on shares outstanding at January 31, 2014.

(2) The following is based solely on an amended Schedule 13G, filed February 11, 2014 with the SEC by Franklin Resources, Inc.; Charles B. Johnson; Rupert H. Johnson, Jr.; and Franklin Advisers, Inc. which reports beneficial ownership as of December 31, 2013. Charles B.

Johnson has (i) sole power to vote or direct the vote as to 340 shares, and (ii) sole power to dispose or direct the disposition of 340 shares. Rupert H. Johnson, Jr. has (i) sole power to vote or direct the vote as to 426 shares, and (ii) sole power to dispose or direct the disposition of 426 shares; Franklin Templeton Investments Australia has (i) sole power to vote or direct the vote as to 11,000 shares, and (ii) sole power to dispose or direct the disposition of 11,000 shares; Franklin Templeton Investments Japan Limited has (i) sole power to vote or direct the vote as to 7,800 shares, and (ii) sole power to dispose or direct the disposition of 7,800 shares; Fiduciary Trust Company International has (i) sole power to vote or direct the vote as to 427,242 shares, and (ii) sole power to dispose or direct the disposition of 438,532 shares; Franklin Advisors, Inc. has (i) sole power to vote or direct the vote as to 2,001,170 shares, and (ii) sole power to dispose or direct the disposition of 2,004,150 shares; Franklin Templeton Institutional has (i) sole power to vote or direct the vote as to 0 shares, and (ii) sole power to dispose or direct the disposition of 162,700 shares; and Fiduciary International, Inc. has (i) sole power to vote or direct the vote as to 22,200 shares, and (ii) sole power to dispose or direct the disposition of 22,200 shares.

(3) The following is based solely on an amended Schedule 13G, filed February 14, 2014 with the SEC by FMR LLC, and Edward C. Johnson 3d which reports beneficial ownership as of December 31, 2013. Fidelity Management & Research Company (Fidelity), a wholly-owned subsidiary of FMR LLC and an investment adviser, is the beneficial owner of 1,861,624 shares as a result of acting as investment adviser to various investment companies. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity, and the funds each has sole power to dispose of the 1,861,624 shares owned by the funds. Fidelity SelectCo, LLC (SelectCo), 1225 17th Street, Suite 1100, Denver, Colorado, a wholly-owned subsidiary of FMR LLC and an investment adviser is the beneficial owner of 622,579 shares as a result of acting as investment adviser to various investment companies (SelectCo Funds). Edward C. Johnson 3d and FMR LLC, through its control of SelectCo, and the SelectCo Funds each has sole power to dispose of 622,579 shares. Neither FMR LLC nor Edward C. Johnson 3d, Chairman of FMR LLC, has the sole power to vote or direct the voting of the shares owned directly by the Fidelity funds, which power resides with the funds Boards of Trustees. Strategic Advisers, Inc. (same address as FMR LLC), a wholly-owned subsidiary of FMR LLC and an investment adviser, provides investment advisory services to individuals. As such, FMR LLC s beneficial ownership includes 363 shares beneficially owned through Strategic Advisers, Inc. Pyramis Global Advisors Trust Company (PGATC), 900 Salem Street, Smithfield, Rhode Island, 02917, an indirect wholly-owned subsidiary of FMR LLC and a bank, is the beneficial owner of 153,819 shares as a result of its serving as investment manager of institutional accounts owning such shares. Edward C. Johnson 3d and FMR LLC, through its control of PGATC, each has sole dispositive power over and sole power to vote or to direct the voting of the shares owned by the institutional accounts managed by PGATC as reported above. FIL Limited (FIL), Pembroke Hall, 42 Crow Lane, Hamilton, Bermuda, and various foreign-based subsidiaries provide investment advisory and management services to a number of non-U.S. investment companies and certain institutional investors. FIL is the beneficial owner of 300 shares. Partnerships controlled predominantly by members of the family of Edward C. Johnson 3d, Chairman of FMR LLC and FIL, or trusts for their benefit, own shares of FIL voting stock.

(4) Based solely on an amended Schedule 13G, filed January 28, 2014 with the SEC, which reports beneficial ownership as of December 31, 2013 as (i) sole power to vote or direct the vote as to 2,383,127 shares, and (ii) sole power to dispose or direct the disposition of 2,611,157 shares.

(5) Based solely on an amended Schedule 13G, filed February 6, 2014 with the SEC, which reports beneficial ownership as of December 31, 2013 as (i) sole power to vote or direct the vote as to 2,094,162 shares, and (ii) sole power to dispose or direct the disposition of 2,094,162 shares.

(6) Based solely on a Schedule 13G, filed February 12, 2014 with the SEC, which reports beneficial ownership as of December 31, 2013, for Passport Special Opportunities Master Trust, LP as (i) shared power to vote 750,000 shares, and (ii) shared power to dispose 750,000 shares; and which reports beneficial ownership for Passport Global Long Short Fund, L.P. as (i) shared power to vote 90,764 shares, and (ii) shared power to dispose 90,764 shares; and which reports beneficial ownership for Passport Global Master Fund SPC Ltd. for an on behalf of Portfolio A Global Strategy as (i) shared power to vote 1,000,000 shares, and (ii) shared power to dispose 1,000,000 shares; and which reports beneficial ownership for Passport Global Long Short Master Fund SPC Ltd. for an on behalf of Portfolio A as (i) shared power to vote 95,598 shares, and (ii) shared power to dispose 95,598 shares; and which reports beneficial ownership for Passport Global Long Short Master Fund SPC Ltd. for an on behalf of Portfolio B as (i) shared power to vote 66,509 shares, and (ii) shared power to dispose 66,509 shares; and which reports beneficial ownership for Gold Coast Capital Subsidiary VIII Limited as (i) sole power to vote 26,583 shares, and (ii) shared power to dispose 26,583 shares; and which reports beneficial ownership for GFS MAP Trust Passport Long Short as (i) shared power to vote 22,427 shares, and (ii) shared power to dispose 22,427 shares; and which reports beneficial ownership for Passport Capital, LLC as (i) shared power to vote 2,025,298 shares, and (ii) shared power to dispose 2,051,881 shares; and which reports beneficial ownership of Passport Holdings, LLC as (i) shared power to vote 840,764 shares, and (ii) shared power to dispose 840,764 shares; and which reports beneficial ownership for John H. Burbank, III as (i) shared power to vote 2,025,298 shares; and (ii) shared power to dispose 2,051,881 shares.

(7) Based solely on an amended Schedule 13G, filed February 12, 2014 with the SEC, which reports beneficial ownership as of December 31, 2013 as (i) sole power to vote or direct the vote as to 23,057 shares, (ii) sole power to dispose of 2,029,811 shares, and (ii) shared power to dispose of 20,282 shares.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Under our written Policy on Transactions with Related Person, any related party transaction which would be required to be reported in the Company s annual proxy statement under applicable laws and regulations must be approved in advance by the Governance Committee of our Board of Directors. In considering whether or not to approve such transaction, the Governance Committee shall consider the following factors: (i) is the proposed transaction in the ordinary course of business of the Company and the Related Person; (ii) are any alternate transactions available; (iii) is the transaction on terms at least as favorable to the Company as available from unrelated third parties; (iv) does the transaction pose any more risks to the Company than alternate transitions available from unrelated third parties; and (v) such other factors as the Governance Committee may consider relevant or important to its decision.

There were no transactions during 2013, and there are no currently proposed transactions, involving more than $120,000 in which Cytec was or is to be a participant and in which any executive officer or director has a direct or indirect material interest other than the compensation arrangements described in this proxy statement.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (CD&A) provides an overview of Cytec s executive compensation program including our philosophy, key program elements, the 2013 decisions made under the program and the factors that were considered in making those decisions. The commentary in the CD&A is intended to facilitate an understanding of the data found in the accompanying compensation tables.

All of our executive officers participate in our Executive Compensation Program described in this CD&A, however, for the purposes of this CD&A, we specifically analyze and discuss the total compensation for our Named Executive Officers listed below.

Shane D. Fleming, Chairman of the Board, President and Chief Executive Officer

David M. Drillock, Vice President and Chief Financial Officer

William Wood, President, Cytec Aerospace Materials

Roy Smith, Vice President, General Counsel and Corporate Secretary

William N. Avrin, Vice President, Corporate and Business Development and President, Cytec Industrial Materials

Frank Aranzana, former President, Cytec Coating Resins.

Although Mr. Aranzana separated from the Company on April 2, 2013, with the divestiture of our Coating Resins business, we are required to discuss his compensation as he was one of the five most highly compensated officers of the Company in 2013.

Our executive compensation program is intended to drive results, recognize contributions to the success of our company and retain leadership talent. Our executive officers have shown solid leadership in improving the Company s business portfolio and financial position and are committed to providing long term financial strength and sustainability for our stockholders.

I. Highlights for fiscal year 2013
Financial and Business Performance

- We completed the last major piece of our portfolio realignment plans with the sale of our Coating Resins business for $1.13 billion, including assumed liabilities.

- Our total revenues in fiscal 2013 were $1.94 billion, a 13.3% increase over 2012, and our as-adjusted continuing operating margin increased to 15.1% from 14.2% in 2012. Using mostly proceeds from the sale of our Coating Resins business, we repurchased $750.1 million or approximately 10.2 million shares of our stock in 2013. Our commitment was to quickly return value to our stockholders using the proceeds from the divestiture which was accomplished.

- We contributed $71.8 million to our global pension funds in 2013. Overall, our plans are essentially 100% funded, up from the 89% at year-end 2012.

- We issued $400 million of ten-year 3.5% senior unsecured Notes. We applied the net proceeds to redeem approximately $328 million of higher cost debt for $366 million. This not only reduced our interest costs, but vastly improved our debt maturity profile. Our fiscal 2013 adjusted earnings per share (EPS), from continuing operations, as defined under the heading 2013 Executive Compensation Decisions 2013 Annual Incentive Plan below, was $4.80, a 39.1% increase over the prior period.

- Our one-year and three-year total stockholder return is 36.1% and 78.4% respectively.

- We continued with our safety improvement process. In 2013, we achieved a world class level of 0.66 Recordable Injury Frequency.

- We were recognized by the Women s Forum of New York for our Board Diversity.

Executive Compensation

- We provide our stockholders with the opportunity to cast an annual advisory vote on executive compensation (a say-on-pay proposal) and consider the results of the vote and the views of our stockholders received in connection with the vote each year when making future compensation decisions for the Named Executive Officers. Our 2013 say-on-pay proposal returned a 96.7% vote for our executive compensation programs. No changes were made to our compensation programs as a result of the say-on-pay proposal vote in 2013.

- We emphasize pay for performance in determining an executive officer s compensation including individual, business unit or function and overall company performance. In demonstration of our pay for performance commitment, 65-80% of our executive officers target compensation is dependent on specific performance goals or the price of our stock, with inclusion of our time-based restricted stock units.

- Our compensation package is a mix of short and long-term focused compensation with a substantial linkage to stock performance. We use a balance of growth and return measures, relative and absolute, in our performance plans that align with our business strategy and incorporate challenging levels of year-over-year improvement.

- We benchmark industry peers as well as general manufacturing companies to ensure our pay programs are competitive in attracting, motivating and retaining the diversified, quality talent necessary for our business.

- We incorporate the use of tally sheets into our annual executive officer compensation planning review.

- We require all executive officers to maintain stock ownership in the Company as a multiple of base salary. Executive officers are prohibited from hedging against the economic risk of this ownership.

- We do not allow re-pricing or exchange of equity awards without stockholder approval.

- We conduct a risk assessment on all compensation programs annually.

- We offer very limited perquisites to our U.S. executive officers and we do not provide tax gross-ups on perquisites except in connection with our general employee relocation policy. We offered Mr. Aranzana, a legal resident of Belgium, perquisites as were reasonable and customary in that country.

- We have discontinued our Compensation Taxation Equalization Plan, which provides for change-in-control excise tax gross-up payments, for new participants effective January 1, 2012 and have grandfathered existing executive officers in the Plan for 5 years, ending December 31, 2016.

- We have a double-trigger acceleration on all equity grants made on or after January 1, 2012, which includes termination upon a change in control.

-

We have adopted a recoupment policy to recover performance-based and equity compensation in the event a financial restatement becomes necessary as a result of errors, omissions or fraud.

· All of our performance plans dependent on financial measures are intended to be compliant with section 162(m) of the Internal Revenue Code of 1986 (IRC).

Changes to Compensation Programs for 2014

- The Committee determined to remove Precision Castparts Corporation from our 2013 stated Peer Group because of the company s significantly larger revenue size.

- For the 2014 annual incentive plan, the adjusted EPS target for par payout is $5.70. The adjusted EPS target was set several months ago and is not necessarily indicative of the results the Company anticipates for the year. The adjusted EPS targets are not, and should not be, construed as EPS guidance.

II. Executive Compensation Program Fundamentals
Roles and Responsibilities

The Compensation and Management Development Committee The Compensation and Management Development Committee of the Company s Board of Directors (referred to as Committee in this CD&A) is responsible for reviewing and approving all compensation arrangements and policies for all of our executive officers other than the CEO, and for reviewing and recommending to the independent directors of the Board, compensation arrangements for the CEO. The Committee meets at least three times annually and met five times in 2013. At a minimum, the Committee determines (a) the amount of salary adjustments, annual incentives and long-term incentives (LTI) awarded to executive officers; (b) the criteria for achieving annual and long-term incentive awards; and (c) whether the conditions for the payment of past awards have been met. The Committee solicits and receives feedback from the Board of Directors Committee Chairs on the officers performance as a whole against non-financial goals and the full Board for the individual performance of the CEO. To the extent these matters relate to compensation paid to the CEO, they are also approved or ratified by the independent directors of the Board. The Committee periodically reviews all of the elements of our executive compensation program to make sure they are in line with our business strategy, regulatory requirements, stockholder interests and that they remain competitive in light of changing trends, practices and market conditions and do not encourage excessive risk taking. The Committee also evaluates its own performance annually.

The Committee s Independent Consultant Each year the Committee retains an independent compensation consultant to provide expertise and guidance on executive compensation program design, market condition trends, regulatory requirements and best practices. The independent consultant participates in Committee meetings and is accountable to the Committee. The consultant reviews and provides objective perspectives on all proposals regarding executive compensation presented to the Committee and identifies any issues or concerns.

As part of the 2013 annual executive compensation review, the Committee retained Frederic W. Cook & Company, Inc. (FWCook) as their independent executive compensation consultant. To assist the Committee with compensation decisions regarding fiscal year 2013, FWCook provided the Committee with an analysis on executive compensation market trends, best practices, regulatory requirements, long term incentive trends and a comprehensive competitive review of each of our executive officers total direct compensation. FWCook does not provide any other services to the Company and has not had any prior relationship with any of our executive officers.

In compliance with the U.S. Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE) disclosure requirements regarding the independence of compensation consultants, FWCook provided the Compensation Committee with a letter addressing each of the six independence factors. Their responses affirm the independence of FWCook and their partners, consultants, and employees who service the Compensation Committee on executive compensation matters and governance issues.

The Committee and Management Each year, the CEO and the Vice President, Human Resources, review with the Committee the competitive compensation data and information provided by the Committee s independent compensation consultant. Based on feedback from the Committee regarding the competitive compensation data and the CEO s view of each executive officer s performance, the CEO and Vice President, Human Resources recommend annual salary adjustments, annual incentive targets and annual grants of long-term incentives for each executive officer, other than the CEO. The Committee reviews these recommendations along with the competitive benchmark data, and determines the final annual salary adjustments, annual incentive targets and annual grants of long-term incentive awards for all executive officers, other than the CEO. The Committee reviews competitive benchmark data for the CEO and the performance of the CEO and makes recommendations on the CEO s salary and incentive awards to the independent directors of the Board. The independent directors discuss these recommendations, revise them if appropriate, and then determine the final salary adjustment, annual incentive target and annual grants of long-term incentive awards for the CEO. Except as described above, the CEO does not participate in this process. Management also reviews policies and plans that impact executive compensation and benefits and makes appropriate recommendations regarding these policies and plans to the Committee based on market competiveness, best practice and good corporate governance.

Executive Compensation Program Philosophy

The design of our executive compensation program is intended to align with the Company s short term business objectives and long term business strategy and to pay appropriately for the level of performance achieved. This is evident in the mix of pay elements, the percent of at-risk pay and the actual pay that is used to compensate our executive officers.

We have a long-standing pay for performance philosophy. A number of performance factors are considered in determining an executive officer s compensation including individual performance, performance of the business unit or function under his or her leadership and the Company s overall performance. In demonstration of our pay-for-performance commitment to stockholders, employees and other stakeholders, 65% to 80% of our executive officers target compensation is dependent on specific performance goals or the price of our stock, with inclusion of our time-based restricted stock awards. We design our executive compensation programs to drive results, to recognize contributions to the success of the company, and to retain leadership talent.

The Committee targets total direct compensation at a competitive level consisting of base salaries at 5% below the median of a competitive benchmark, annual incentives as a percentage of base salary at the median of a competitive benchmark, and long-term incentives at the 62.5 percentile of a competitive benchmark for each executive officer. The Committee believes this compensation philosophy limits fixed costs and emphasizes long-term financial results that will enhance the value of the Company s stock over time and that this compensation structure and the performance metrics utilized in determining incentive payments are likely to result in our executives earning above median compensation over the longer term only when stockholders are also enjoying positive returns on their investments. We place more weight on both performance-based compensation and long-term compensation for those executive officer positions with the broadest scope, primarily our CEO.

Executive Compensation Program Objectives

The key objectives of our executive compensation program are to:

· *Pay for Performance* A significant portion of executive compensation is allocated in long and short-term incentive pay which is dependent on the achievement of pre-established goals that are critical to our long-term business strategies and short-term business objectives. Pay for performance encourages our executive officers to make prudent decisions based on these pre-established goals in relationship to dynamic market changes and its implications. Pay opportunity is higher for goals that are exceeded, and pay is at-risk for goals that are not achieved or partially achieved.

· *Align our Executives Financial Interests with our Stockholders Interests* By linking a significant portion of executive pay opportunity to the performance of the Company s stock price and emphasizing stock ownership through mandated requirements, we incentivize our executive officers to remain focused on the financial health of the Company and total stockholder return over the long-term.

· *Pay Competitively* Executive pay for all total direct compensation elements is set within an equitable market range based on competitive benchmarking, enabling the Company to retain highly competent, performance-oriented executives and to attract well-qualified industry talent. Providing a competitive pay program to our executive officers encourages sustained individual performance.

Executive Compensation Elements

Total Direct Compensation: Our executive total direct compensation program has three basic elements: (i) base salary, (ii) annual incentives, and (iii) long-term incentives.

Base Salary: The objective of base salary is to provide fixed compensation to executive officers for the performance of their core job responsibilities and duties. Annual base salary is a total direct compensation component that is not at-risk for our executives. Adjustments to base salaries are considered by the Committee annually based on an executive s performance over the previous year, the overall salary budget for the U.S. and market competitive benchmark data.

Annual Incentive: The objectives of our annual incentive plan are to reinforce annual priorities and to motivate executive officers to achieve the financial and operational performance goals that are important for the Company s performance in the short term. The annual incentive plan for executive officers is based on the achievement of financial metrics and strategic non-financial key objectives. The Committee determines the measures and sets the target performance goals for receiving an award typically in the beginning of the relevant performance period.

Each Named Executive Officer is a member of the Company s Executive Leadership Team. The Committee does not focus solely on specific objectives within each of the executive officer s area of responsibility, but expects each executive officer to contribute to the Company s overall success as a member of the executive team. At the end of each performance year, the Executive Leadership Team collectively assesses its performance in achieving corporate and business non-financial objectives and determines a percentage of target earned on this component of the annual incentive calculation. The CEO presents this assessment to the Committee for its consideration in determining the achievement factor for non-financial objectives for all executive officers, including the CEO. The Committee also reviews the corporate and business financial achievements against the targets for the year, which, together with the non-financial component, determines the combined full incentive amount for our corporate and business officers. The payout amounts under the annual cash incentive plan and all other compensation for the CEO are subject to approval by the independent directors of the Board.

Long-Term Incentives: The objectives of our long-term incentive plan are to encourage long-term strategic decision making that is aligned with the best interests of our stockholders, focus the efforts of executive officers on multi-year results and long-term sustained performance, and to maintain a substantial portion of compensation in long-term vehicles.

Our LTI plan consists of a combination of stock options, time-based restricted stock units and a performance cash plan dependent upon the achievement of pre-established financial goals over a three year period. The Committee believes this mix of LTI awards better aligns executive and stockholder interests in a volatile market, enhances executive retention, and enables the Company to offer competitive compensation packages.

Indirect Executive Compensation

To remain competitive in attracting and retaining high level talent, we maintain indirect compensation programs in each respective country for our employees, including executive officers. In the U.S., subject to basic eligibility requirements, our broad-based plans generally include health and welfare benefits and qualified and non-qualified savings plans. We also offer our executive officers benefits under our executive plans including retirement, deferred compensation and post-employment arrangements as described below. We periodically review the competitiveness of our executive plans against our industry peers and recommend plan modifications to the Committee when appropriate.

Perquisites: We provide limited perquisites to our executive officers generally consisting of executive physicals and financial counseling/tax preparation. We offer executive physicals to further promote our broad-based health and wellness initiatives. We provide financial counseling and tax preparation services to maximize the value of all of our benefit plans for the executive and the Company and by delegating personal finance, enable greater time efficiency and fewer distractions from corporate responsibilities. We had provided additional perquisites to our executive officer in Belgium as was reasonable and customary in that country. The value of perquisites provided to the Named Executive Officers in 2013 are set forth in column (i) of the Summary Compensation Table and the perquisites valued at $10,000 or more are generally described in the corresponding footnotes.

Retirement Plans: We have historically provided market competitive retirement plans to our executive officers. We froze benefits under our defined benefits plan applicable to all non-bargaining employees in the U.S. in 2007 and, in lieu thereof, enhanced benefits under our defined contribution plan. Our executive officers in the U.S. currently participate in the same 401k Savings Plan and Supplemental Savings Plan, as other non-bargaining employees in the U.S. (subject to basic eligibility requirements).

Benefits under our Executive Supplemental Employee Retirement Plan (ESERP) are available only to persons first elected as an officer before April 1, 2007 (Eligible Officers). All Eligible Officers are entitled to certain death and disability benefits under this Plan. In the event of a change in control of Cytec, all Eligible Officers will automatically become full members of this Plan. Additionally, the Company expects that all Eligible Officers will be elected as full members of the ESERP shortly after their 55th or 59th birthday, depending on when they first were elected as an officer, and the Company accrues for Plan liabilities based on this expectation. Officers who were first elected as an officer after April 2007 are not eligible for election to or benefits under the ESERP. Actual election to membership in the ESERP is at the discretion of the Committee. The ESERP was intended to provide equivalent benefits as were or would have been available to officers under the prior parent company and to encourage the transition of executive management at an earlier retirement age by providing a benefit equal to up to five years of retirement income credits under our other defined benefit pension plans. The current estimated values of these plans are set forth in column (d) of the Pension Benefits table and general descriptions of the plans are provided in the corresponding footnotes.

Deferred Compensation Arrangements

Deferred Stock Awards: Under Cytec s 1993 Stock Award and Incentive Plan, the Compensation Committee may grant deferred stock awards (Deferred Stock Awards). The Committee has generally granted Deferred Stock Awards at an executive officer s request in lieu of performance stock awards or restricted stock awards that would otherwise vest. Deferred Stock Awards are phantom shares of Cytec stock that accrue dividends in the form of additional shares of Deferred Stock Awards. The Deferred Stock Awards are paid in the form of an equivalent number of shares of Cytec stock after an executive retires.

Deferred Compensation Plan: Under this plan, an executive officer may elect to defer any compensation in excess of $1 million per year to the extent it would be a non-deductible expense for the Company as a result of IRC section 162(m).

The current estimated values of the Named Executive Officer s non-qualified deferred compensation are set forth in the Non-Qualified Deferred Compensation table.

Separation and Change in Control Arrangements

Executive Income Continuity Plan: All executive officers are automatically members of this Plan. This plan is intended to help retain the services of our executive officers and to reinforce and encourage the continuing attention, dedication and loyalty of these executives without the distraction or concern over the possibility of involuntary or constructive termination of employment resulting from unforeseen developments, by providing income continuity for a limited period. This plan provides that members will receive a benefit on termination of their employment unless such termination is (i) on account of death, disability or retirement, (ii) by the Company for cause, or (iii) by the member without good reason (as defined in the plan). Generally, good reason for termination by a member involves a reduction in compensation or other action by the Company inconsistent with the member s status unless such action is uniformly applied to all executive officers. The benefit payable is one time annual base salary and bonus or, if the termination occurs after a change in control, three times annual base salary and bonus, subject to some exceptions. The plan also provides for certain miscellaneous payments, including relocation payments, certain legal fees, and expenses incurred in seeking new employment.

The Committee believes the Executive Income Continuity Plan addresses the risk of an executive losing his or her job, particularly during periods of uncertainty, in a manner that allows the executive to remain focused on the Company s interests. The Committee further believes that the plan meets specific concerns of executives that are not addressed by other elements of the compensation package.

1993 Stock Award and Incentive Plan: Unvested performance awards and restricted stock units and unexercised stock options held by an executive officer who voluntarily terminates employment with the Company, other than to retire, are immediately forfeited. Executive officers who retire typically retain a pro-rata portion of any unvested performance awards, which then continue to vest in accordance with their terms and the satisfaction of applicable performance conditions. Options and restricted stock units issued to a retiree more than eight months prior to the retirement date will continue to vest according to the original schedule and, in the case of options, remain exercisable until one year after the last un-cancelled grant fully vests.

We have revised our long-term equity award plans to include a double-trigger for all awards granted after January 1, 2012. The double trigger requires both a termination of employment and a change in control to trigger accelerated vesting of equity awards.

Compensation Taxation Equalization Plan: This plan provides that we will reimburse any employee, executive officer or director for any excise tax imposed by IRC section 4999 on compensatory payments defined as an excess parachute payment under IRC section 280G, plus all other taxes imposed on the reimbursement. This Plan was restated effective January 31, 2012 to provide that the Plan shall only apply to executive officers who were elected as such prior to January 31, 2012, and that the Plan will expire for all participants on December 31, 2016.

All potential payments upon separation from the Company are provided in the Potential Payments upon Termination or Change in Control table and are generally described in the corresponding footnotes.

III. 2013 Executive Compensation Decisions
Competitive Benchmarking

The Compensation Committee relies on benchmark compensation data to assist in determining appropriate target base pay, target annual incentives as a percentage of base pay and target long-term incentives for each executive officer. For the 2013 compensation cycle, the Committee s independent consultant developed competitive benchmarks using a Primary Comparator Group consisting of chemical/aerospace companies with $1-5 billion in revenue from Towers Watson s (Towers) Executive Compensation Database and a Secondary Comparator Group consisting of general manufacturing companies with $1-5 billion in revenue from Towers Executive Compensation Database. The chemical/aerospace and general manufacturing companies included in Towers database vary from year to year. The companies included in the Primary and Secondary Comparator Groups for 2013 are listed in Exhibit A. In 2010, the Committee, in consultation with its consultant, established a 15% premium added to the benchmark data for the combined VP, Corporate and Business Development and President, Cytec Industrial Materials position to reflect the broader scope in responsibility for this position within Cytec, including various strategic enterprise initiatives and the Committee has continued this practice for 2013.

For 2013, the Committee established a new Peer Group of 24 companies in the chemical, aerospace and materials sector based on recommendations by management and the Committee s compensation consultant. The new Peer Group is more closely aligned with our post divestiture revenue size and weighted more heavily towards aerospace and industrial growth companies in line with our current business portfolio. The Committee uses the Peer Group companies to benchmark compensation practices and policies and to measure relative total stockholder return as a component in our performance cash plan. The Committee also considers compensation data from the Peer Group to the extent it is publicly available. The companies included in the 2013 Peer Group are listed in Exhibit A.

2013 Pay Opportunity

In determining levels of compensation opportunity for each executive officer for 2013, the Committee considered market competitive compensation data provided by its independent consultant, as well as each individual officer s job scope, experience, value to the organization, sustained individual performance, and internal equity.

2013 Target Total Direct Compensation Mix

To support our pay for performance philosophy, the mix of total direct compensation elements for executive officers, and especially the CEO, was more heavily leveraged toward variable, performance-based compensation. The Committee determined that the CEO should have greater emphasis on variable compensation than all other executive officers because his leadership has a greater influence on the performance of the Company. The 2013 compensation elements and their approximate weightings that comprise the target total direct compensation opportunity for executive officers were:

2013 Base Salary

Effective January 1, 2013, except for Mr. Aranzana, all of our executive officers received an increase in base salary of 3.0% 4.0% based on individual 2012 performance, retention, internal equity and market competitiveness and in accordance with our general U.S. 2013 salary adjustment budget of 3.0%. The January 1, 2013 salary increases for the Named Executive Officers were:

Name	Base Salary increase effective 1/1/2013	2013 Base Salary
S. D. Fleming	3.00%	$ 896,100
D. M. Drillock	4.00%	$ 454,564
R. Smith	3.00%	$ 400,511
W. N. Avrin	3.50%	$ 398,821
W. Wood	3.00%	$ 353,097
F. Aranzana*	0.00%	$ 479,166

* Mr. Aranzana is located in Belgium and was paid in Euros. His base salary was converted to US$ using a 1.33 conversion rate.

2013 Annual Incentive Plan

Individual executive officer incentive opportunity as a percent of base salary and the annual incentive plan design, including the metrics used and the achievement goals determined for threshold, target and stretch, were set in January, 2013.

Annual incentive targets as a percent of base salary were set by the Compensation Committee for 2013 in consideration of internal parity, retention and Cytec s stated philosophy to align with the competitive market median. The Compensation Committee determined that a 5% increase to the annual incentive target percent of base salary over the 2012 target percent was appropriate for Mr. Wood for the 2013 performance year. Each Named Executive Officer s annual incentive target opportunity as a percent of base salary for the 2013 performance year is shown below:

Name	2013 Annual Incentive Opportunity as a % of Base Salary
S. D. Fleming	100%
D. M. Drillock	70%
R. Smith	65%
W. N. Avrin	60%
W. Wood	60%
F. Aranzana	55%

The 2013 annual incentive plan for corporate executive officers, as determined by the Committee, was based on the achievement of pre-determined targets for adjusted EPS weighted at 70%, strategic non-financial corporate objectives weighted at 30% and a net working capital multiplier of .9 to 1.1 against the overall achievement, based on the average change in days of working capital from the prior year, designed to encourage improvement in net working capital. The annual incentive plan for the business unit executive officers was based 50% on achievement of the business unit earnings before interest and taxes (EBIT) target, 20% on achievement of the corporate adjusted EPS target, 20% on achievement of strategic non-financial business unit objectives, 10% on achievement of the strategic non-financial corporate objectives and the net working capital multiplier .9 to 1.1 against the overall achievement. Mr. Avrin s annual incentive plan is weighted 75% on the Corporate Officer Plan and 25% on the Industrial Materials Business Unit Plan, in alignment with dual corporate and business unit responsibilities. The Committee believed this design and these measures would incentivize our officers to increase the performance of the business and the long-term value of the Company. All of our annual incentive plans are subject to a 200% cap on the payout.

2013 Annual Incentive Plan Metrics and Weighting

	Financial		Non-Financial Objectives		Total Annual Incentive Plan Allocation
Plan	**Corp. EPS**	**Business Unit EBIT**	**Corporate**	**Business**	
Corporate Officers	70%		30%		100%
Business Unit Officers	20%	50%	10%	20%	100%
V.P. Corporate and Business Development, and President, Industrial Materials					