

**Proxy Statement**  
for the  
Annual Meeting of  
Shareholders  
2018

Mettler-Toledo International Inc.

**METTLER TOLEDO**

The logo graphic consists of a series of parallel, slightly curved lines that create a sense of depth and movement, transitioning from a light green color on the left to a darker green on the right. The lines are arranged in a way that they appear to be converging towards the right, creating a dynamic, forward-pointing shape.



**Mettler-Toledo International Inc.**

**Im Langacher 44  
8606 Greifensee  
Switzerland**

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

March 15, 2018

Dear Fellow Shareholder:

You are cordially invited to attend the 2018 Annual Meeting of Shareholders of Mettler-Toledo International Inc. to be held on Thursday, May 3, 2018, at 8:00 a.m. at the offices of Fried, Frank, Harris, Shriver & Jacobson LLP on 375 Park Avenue, New York, New York.

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

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

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

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. Spoerry". The signature is written in a cursive style with a checkmark at the end.

Robert F. Spoerry  
Chairman of the Board

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**Mettler-Toledo International Inc.**

**Notice to Shareholders of Annual Meeting**

**Time:** 8:00 a.m. on Thursday, May 3, 2018

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

**Items of Business:**

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

**Who Can Vote:** You can vote if you were a shareholder of record on March 5, 2018

**Annual Report:** A copy of our 2017 Annual Report is enclosed

**Date of Mailing:** On or about March 15, 2018

By order of the Board of Directors



James T. Bellerjeau  
General Counsel and Secretary

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON MAY 3, 2018: This proxy statement and our 2017 Annual Report are available at the Internet address set out on your proxy card.**

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

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This proxy statement is furnished in connection with the solicitation of proxies by Mettler-Toledo International Inc. on behalf of the Board of Directors for the 2018 Annual Meeting of Shareholders.

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## ABOUT THE MEETING AND VOTING

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### **Proposals to be Voted On**

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

### **Proposals**

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

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

### **Shareholders Entitled to Vote**

Each share of common stock outstanding as of the close of business on March 5, 2018 (the "record date"), is entitled to one vote at the annual meeting on each matter properly brought before the meeting. As of the record date, 25,450,448 shares of common stock were outstanding.

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

If you do not provide a proxy or vote the shares yourself, your shares will not be voted. Proxies that are signed and returned but do not contain instructions will be voted "FOR" proposals one, two, and three.

### **How to Vote**

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

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

Even if you plan to attend the meeting, we encourage you to vote your shares by proxy. This will enable us to receive votes in advance of the meeting to ensure that a quorum is present for the meeting. If you vote by proxy and subsequently decide to change your vote, you may revoke your proxy at any time before the polls close at the meeting. However, you may only do this by signing another proxy with a later date, completing a written notice of revocation and returning it to the address on the proxy card before the meeting, or voting in person at the meeting.

### **Vote Tabulation; Voting Results**

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

**PROPOSAL ONE:  
ELECTION OF DIRECTORS**

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

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

**Qualifications of Director Nominees**

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

*Wah-Hui Chu* is 66 years old and has been a director since January 2007. He serves on the Nominating and Corporate Governance Committee. He has a Master's in Business Administration from Roosevelt University. He is a member of the private company SIG Combibloc's Advisory Board.

In 2013, Mr. Chu served as Chief Executive Officer of Tingyi Asahi Beverages, the largest soft drink company in China with over \$6 billion in revenue, and was its Executive Director until February 2014. He served as a Director of Li Ning Company Limited from July 2007 through December 2012; and was Executive Director and Chief Executive Officer of Next Media Limited, the leading publicly traded media company in Hong Kong that focuses on the greater China region, from October 2008 to October 2011. He also served as Chairman of PepsiCo Investment (China) Limited from January 1999 to March 2007 and again from March 2012 to December 2013.

Mr. Chu spent many years as an executive at PepsiCo, serving as: non-executive Chairman of PepsiCo International's Asia Region from April 2007 to April 2008; and President of PepsiCo International — China Beverages Business Unit from March 1998 to March 2007.

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

*Olivier A. Filliol* is 51 years old and has been a director since January 2009. He has a Master's (lic. oec.) and Ph.D. (Dr. oec.) in Business Administration from the University of St. Gallen, Switzerland, and has completed executive education at the Business School of Stanford University. He has been President and Chief Executive Officer of the company since January 1, 2008.

Prior to his current role with the company, Mr. Filliol served the company as: Head of Global Sales, Service and Marketing from April 2004 to December 2007; Head of Process Analytics from June 1999 to December 2007; and General Manager of the U.S. checkweighing operations from June 1998 to June 1999. Prior to joining the company, Mr. Filliol was a Strategy Consultant with the international consulting firm Bain & Company working in the Geneva, Paris, and Sydney offices.



**PROPOSAL ONE:  
ELECTION OF DIRECTORS**

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

**Elisha W. Finney** is 56 years old and has been a director since November 2017. She serves on the Audit Committee and, after the Annual Meeting of Shareholders for 2018, will serve as its Chair. She has a Bachelor's of Business Administration in Risk Management and Insurance from the University of Georgia, and Master's in Business Administration from Golden Gate University.

Ms. Finney is a Director and member of the Audit Committees of NanoString Technologies, Inc., iRobot Corporation, ICU Medical, Inc., and Cutera, Inc., and Chairs the Audit Committees of ICU Medical and Cutera. She previously was a director of Altera Corporation until December 2015, and Thoratec Corporation until May 2013.

Ms. Finney was the Chief Financial officer of Varian Medical Systems Inc. from 1999 until her retirement in June 2017. She joined Varian in 1988 and served in a variety of finance roles prior to her appointment as CFO.

Ms. Finney is an experienced CFO. Under her financial leadership, Varian achieved and sustained decades-long growth in revenues and profitability. She also has significant leadership and corporate governance experience from her time at Varian, and her service on other boards of directors.

**Richard Francis** is 49 years old and has been a director since May 2016. He serves on the Compensation Committee. He has a Bachelor of Arts in Economics from the Manchester Metropolitan University. He has been Division Head and Chief Executive Officer of Sandoz, the Generics Division of Novartis, since 2014.

Prior to his current position, Mr. Francis spent 13 years at Biogen Idec, where he held various global and country leadership positions. Immediately prior to leaving Biogen in 2014, Mr. Francis was Senior Vice President of their US Commercial organization. From 1998 to 2001, he held various marketing roles at Sanofi.

Mr. Francis has in-depth knowledge of the generics, pharmaceutical, and biotechnology industry sectors, which are important market segments for the company. He also has significant leadership and international expertise and will provide useful insights to our global organization.

**Constance L. Harvey** is 56 years old and has been a director since July 2015. She serves on the Nominating and Corporate Governance Committee. She has a Bachelor of Science in Industrial Engineering from Iowa State University.

Ms. Harvey was an executive with Conduent (formerly Xerox Services) since 2001, most recently serving as Chief Operating Officer, Commercial Healthcare Business Group starting in 2014 and Vice President starting in 2012. She held both positions until her retirement in January 2017. Prior to that she served as Chief Operating Officer for Commercial Business Process Outsourcing starting in 2011, and before that Group President of the healthcare payer and insurance delivery unit.

In her role at Conduent, Ms. Harvey developed strong leadership experience. Her group encompassed service offerings for the healthcare industry including payers, providers, and pharmaceutical and life science companies, some of which are key end-user markets for the company. She also has significant experience in relevant topics, including business process engineering and building a service business through organic growth and mergers and acquisitions.

**Michael A. Kelly** is 61 years old and has been a director since July 2008. He serves on the Audit and Compensation Committees. He has completed executive education at The Wharton School of the University of Pennsylvania. He is a Director of HERC Holdings Inc.

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

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Mr. Kelly spent many years as an executive at 3M Company, serving as Executive Vice President of the Electronics and Energy Business from October 2012 to January 2016, and Executive Vice President of the Display and Graphics Business from October 2006 to October 2012. He served in various management positions in the U.S., Singapore, Korea, and Germany since he joined 3M in 1981.

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

**Hans Ulrich Maerki** is 71 years old and has been a director since September 2002. He serves on the Compensation Committee and as Chairman of the Nominating & Corporate Governance Committee. He has a Master's in Business Administration from the University of Basel, Switzerland, and a 2010 Senior Fellowship of Advanced Leadership at Harvard University.

Mr. Maerki spent many years as an executive at IBM, serving as the: Chairman of IBM Europe/Middle East/Africa (EMEA) from August 2001 to March 2008; Chief Executive Officer of IBM EMEA from July 2003 to May 2005; General Manager of IBM Global Services, EMEA from 1996 to July 2001; and various other positions at IBM beginning in 1973. He was a director at ABB Ltd. for 12 years, from 2002 until 2014, and at Swiss Re for nine years, from 2007 to March 2016.

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

**Thomas P. Salice** is 58 years old and has been a director since October 1996. He is considered one of the board's financial experts, and serves on the Audit Committee and as Chairman of the Compensation Committee. He has a Master's in Business Administration from Harvard University. Mr. Salice is a co-founder, principal, and Managing Member of SFW Capital Partners, LLC, a private equity firm. He is a Director of Waters Corporation and the privately-held companies Filtec, Gerson Lehrman Group, and Spectro Scientific Inc.

Mr. Salice has been a Managing Member of SFW Capital Partners since January 2005. From June 1989 to December 2004, he served in a variety of capacities with AEA Investors, Inc., including Managing Director, President and Chief Executive Officer, and Vice-Chairman.

Mr. Salice has more than 25 years private equity experience, including as an investor in the analytical tools sectors and related service businesses, which has given him extensive operational, industry, and strategic knowledge in key company business areas. Mr. Salice led the team at AEA Investors in the acquisition of the company in 1996 and has served on the board since that time. Mr. Salice has in-depth experience in strategic planning, corporate finance, investor relations, mergers and acquisitions, and other topics that are relevant to the board.

**Robert F. Sperry** is 62 years old and has been a director since October 1996. He has been Chairman of the Board of Directors of the company since May 1998. He has a Master's in Mechanical Engineering from the Federal Institute of Technology in Zurich, Switzerland, and a Master of Business Administration from the University of Chicago.

**PROPOSAL ONE:  
ELECTION OF DIRECTORS**

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Mr. Spoerry was President and Chief Executive Officer of the company from 1993 to 2007 and served as its Executive Chairman in 2008, and has been its non-executive Chairman since 2009. Mr. Spoerry is also a Director of Conzzeta Holding AG, and Sonova Holding AG, where he has served as Chairman since March 2011. Mr. Spoerry was previously a Director of Geberit AG, from 2009 to April 2016.

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

Mr. Spoerry's deep understanding of the company, its markets, customers, and competitors, which was developed over more than thirty years of service, is a unique and valuable qualification that we believe provides a substantial benefit to the company and its shareholders.

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

## BOARD OF DIRECTORS — GENERAL INFORMATION

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

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

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

To ensure the board has sufficient independence, the board has also established a lead independent director (the Presiding Director) who oversees executive sessions of the independent directors and all meetings of directors at which the Chairman is not present. Mr. Salice currently serves as the Presiding Director.

### **Corporate Governance Guidelines**

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

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

The company operates an ethics and compliance program that is designed to reinforce performance with integrity and compliance with the company's code of conduct and relevant laws and regulations. The Board of Directors is knowledgeable about the content and operation of the program so as to exercise reasonable oversight regarding the implementation and effectiveness of the program.

All actions of the company's Board of Directors, executive officers, and employees are governed by the company's code of conduct. The board did not approve any waiver of the code of conduct by an executive officer or director in 2017. A copy of the code of conduct is available at [www.mt.com](http://www.mt.com) under "About Us/Investor Relations/Corporate Governance" and is available in print to any shareholder who requests it.

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

### **Compensation-Related Risk**

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

## BOARD OF DIRECTORS — GENERAL INFORMATION

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### **Minimum Qualifications for Directors**

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

The Nominating Committee evaluates current and prospective directors according to a skills and experience competency matrix to ensure that the board has an appropriate mix of relevant skills and experience. The matrix includes criteria relating to executive management expertise, industry-specific know-how, strategic thinking (including M&A), international/regional experience, technology and product development experience (hardware and software), digital expertise, IT expertise, financial expertise, sales/marketing expertise, service expertise, HR expertise, gender diversity, race diversity, and expertise in legal, regulatory, compliance, and corporate governance.

Each board member is evaluated against the criteria in the skills and experience competency matrix. The Nominating Committee uses this information, including when potential gaps are identified, to help inform profiles for new director searches.

### **Independence of the Board**

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

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

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

In light of these criteria, the board has determined that Messrs. Chu, Francis, Kelly, Maerki, and Salice, and Mses. Finney and Harvey are independent. Mr. Spoerry is not considered independent because he is the former CEO of the company, and Mr. Filliol is not considered independent because he is the current CEO.

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

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

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

The board expects that its members will attend all meetings of the board and the annual meeting of shareholders. The Board of Directors met four times in 2017. Each director attended at least 75% of all board and committee meetings for which the director was a member. All directors except Ms. Finney, who was not yet a director, attended the 2017 annual meeting of shareholders.

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

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

## BOARD OF DIRECTORS — GENERAL INFORMATION

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### Director Competencies; Self-Evaluation; Director Retirement Policy

The board has developed the skills and experience competency matrix described above to identify relevant skills and help determine to what extent directors possess needed skills. Each year, the board conducts a self-evaluation in which each individual director completes a self-evaluation with respect to the board and its committees. The Chairman then holds an individual discussion with each director. The consolidated results of the self-evaluation are then reviewed by the full board.

The Board of Directors has adopted a policy pursuant to which directors will not stand for reelection at the annual meeting that follows their 72<sup>nd</sup> birthday. In adopting this policy, the Board of Directors considered the importance of ensuring a mix of ages among board members and the balance of continuity versus fresh perspectives. One-third of the board has been refreshed in the last three years, and additional replacements are expected in the coming years.

### Director Share Ownership

The company's equity ownership guidelines call for non-employee Directors to hold company shares with a value equal to five times their cash retainer within five years of their appointment to the board. All directors comply with the ownership guidelines. Additional information provided in the Compensation Discussion and Analysis — Equity Ownership Guidelines, applies to director share ownership.

### Contacting the Board of Directors

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

### Director Compensation

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

The following provides an overview of the elements of 2017 director compensation:

Annual cash retainer . . . . .	\$70,000
Fee per board meeting attended . . . . .	\$ 1,000
Fee per committee meeting attended . . . . .	\$ 750
Annual grant of stock options – approximate value . . . . .	\$98,500
Annual grant of stock – approximate value . . . . .	\$23,500
Annual grant of stock to the Presiding Director – approximate value . . . . .	\$70,000
Committee member fees:	
• Audit . . . . .	\$10,000
• Compensation . . . . .	\$ 7,500
• Nominating and Corporate Governance . . . . .	\$ 5,000
Committee Chair fees (in addition to member fees):	
• Audit . . . . .	\$20,000
• Compensation . . . . .	\$12,500
• Nominating and Corporate Governance . . . . .	\$ 8,000

## BOARD OF DIRECTORS — GENERAL INFORMATION

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As Chairman of the Board, Mr. Spoerry receives an annual cash retainer of CHF 312,000 and a grant of stock options with a value of approximately \$550,000. The Chairman's compensation also includes a contribution to an individual retirement account, coverage for certain accident and disability insurance, and certain miscellaneous benefits described below.

Mr. Spoerry's compensation is specifically structured to appropriately and competitively recognize and reward the substantial contributions he makes to the company and its shareholders. As the former President and CEO of the company, Mr. Spoerry has long-standing experience in the global precision instrument industry and a deep knowledge of the company, including its organization, culture, products, markets, customers, and competitors. He has a strong technical background and experience with innovation-driven companies. Mr. Spoerry has broad international experience across industries and businesses relevant to the company, including by virtue of his service on several other boards of directors. This is particularly important given the fact that the company is a US public company with headquarters and substantial operations in Switzerland.

Mr. Spoerry devotes a substantial amount of his time to his service as Chairman of the Board. His deep understanding of the company, which was developed over more than thirty years of service, is a unique and valuable qualification that we believe provides a substantial benefit to the company and its shareholders. Mr. Spoerry's duties and responsibilities are extensive and include, but are not limited to, the following:

- Board and committee operations, including coordinating meeting agendas and topics with management and committee chairs; contribution to and participation on several committees; developing the board's skills and experience competency matrix; and conducting board evaluations and new director recruitment;
- CEO interactions, including serving as an advisor to the CEO on key strategic and operation matters;
- Third party interactions, encompassing responses to shareholder inquiries and requests on corporate governance and social responsibility topics as well as supporting M&A activities upon request from the CEO; and
- Chairman of the two Pension Committees — the Swiss pension plan and a separate Swiss pension foundation — with monthly meetings, and chair of the investment committees of the pension plan and pension foundation.

The Compensation Committee's independent compensation consultant, Pearl Meyer & Partners, benchmarked the Chairman's compensation relative to comparably sized and situated companies in Switzerland and found the Chairman's compensation to be competitive and reasonable in relation to Mr. Spoerry's scope of duties and responsibilities.

**BOARD OF DIRECTORS — GENERAL INFORMATION**

The actual amounts paid to each director with respect to 2017 are set out in the following table.

**2017 Director Compensation**

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option Awards(1)	All Other Compensation(2)	Total
Wah-Hui Chu . . . . .	\$ 80,500	\$23,506	\$ 98,323	\$ —	\$ 202,329
Francis A. Contino(3) . . . . .	97,750	23,506	0	—	121,256
Elisha W. Finney(4) . . . . .	15,083	11,417	98,323	—	124,823
Richard Francis . . . . .	74,000	23,506	98,323	—	195,829
Constance L. Harvey . . . . .	80,500	23,506	98,323	—	202,329
Michael A. Kelly . . . . .	97,500	23,506	98,323	—	219,329
Hans Ulrich Maerki . . . . .	95,500	23,506	98,323	—	217,329
Thomas P. Salice . . . . .	102,500	93,352	98,323	—	294,175
Robert F. Spoerry . . . . .	316,848	—	550,482	443,965	1,311,295

- (1) Represents the grant date fair value of stock awards and option awards, respectively, computed in accordance with ASC 718 Compensation — Stock Compensation (“ASC 718”). The valuation assumptions associated with such awards are discussed in Note 11 to the company’s consolidated financial statements included in the Form 10-K for the fiscal year ending December 31, 2017. At December 31, 2017, each director held stock options (vested and unvested) with respect to the following number of shares:

	Stock Options (#)
Wah-Hui Chu . . . . .	20,234
Francis A. Contino . . . . .	5,754
Elisha W. Finney . . . . .	476
Richard Francis . . . . .	1,308
Constance L. Harvey . . . . .	2,370
Michael A. Kelly . . . . .	12,150
Hans Ulrich Maerki . . . . .	15,534
Thomas P. Salice . . . . .	15,534
Robert F. Spoerry . . . . .	77,735

- (2) Includes a tax equalization payment to Mr. Spoerry of \$238,919, contributions to an individual retirement account of \$89,367, cost of disability and accident insurance of \$84,194, and other miscellaneous benefits, none of which individually exceeds \$25,000 in value. These benefits include an expense allowance. Mr. Spoerry does not receive any cash benefit from the tax equalization. The principle of the tax equalization is to leave the individual in exactly the same position (i.e., no better and no worse) as if they had not become subject to U.S. taxation on a portion of their income. See “Compensation Discussion and Analysis — Tax Equalization Agreements” for a description of how the tax equalization functions.
- (3) In compliance with the board’s retirement policy, the company is not nominating Mr. Contino for re-election and his service on the Board of Directors will end on May 3, 2018.
- (4) Ms. Finney was appointed to the company’s Board of Directors effective November 1, 2017.



## BOARD OF DIRECTORS — OPERATION

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

<u>Name</u>	<u>Audit(1)</u>	<u>Compensation(2)</u>	<u>Nominating &amp; Corporate Governance</u>
Wah-Hui Chu . . . . .			X
Francis A. Contino . . . . .	X		
Elisha W. Finney . . . . .	X		
Richard Francis . . . . .		X	
Constance L. Harvey . . . . .			X
Michael A. Kelly . . . . .	X	X	
Hans Ulrich Maerki . . . . .		X	X
Thomas P. Salice . . . . .	X	X	
<b>Total meetings in 2017</b> . . . . .	4	4	3

- (1) Ms. Finney was appointed to the Audit Committee on November 1, 2017. The board has determined, in accordance with applicable requirements of the New York Stock Exchange, that the simultaneous service of Ms. Finney on the audit committees of more than three public companies, and chairing multiple audit committees, does not impair her ability to effectively serve on the Audit Committee. Messrs. Contino and Salice, and Ms. Finney are each considered “financial experts” as determined by the Board of Directors pursuant to the relevant SEC definition, and all are independent. Except for Ms. Finney, no Audit Committee member serves on more than two other public company audit committees. Our Executive Vice President, Chief Financial Officer, Chairman, Chief Executive Officer, Head of Internal Audit, and General Counsel attend Audit Committee meetings at the request of the Audit Committee and give reports to and answer inquiries from the Audit Committee.
- (2) No member of the Compensation Committee was at any time during 2017 an officer or employee of the company or any of its subsidiaries, and no interlocks exist with respect to Compensation Committee members. Mr. Francis was appointed to the Compensation Committee effective February 6, 2018.

## BOARD OF DIRECTORS — OPERATION

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### Committee Charters

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

<b>Audit</b>	<b>Compensation</b>	<b>Nominating &amp; Corporate Governance</b>
<ul style="list-style-type: none"><li>• Oversees the accounting and financial reporting process of the company</li></ul>	<ul style="list-style-type: none"><li>• Discharges the responsibilities of the company's Board of Directors relating to compensation of the company's executives</li></ul>	<ul style="list-style-type: none"><li>• Identifies, screens, and recommends qualified candidates to serve as directors of the company</li></ul>
<ul style="list-style-type: none"><li>• Assists with board oversight of the integrity of the company's consolidated financial statements, and the sufficiency of the independent registered public accounting firm's review of the company's consolidated financial statements</li></ul>	<ul style="list-style-type: none"><li>• Reviews and monitors compensation arrangements so that the company continues to retain, attract, and motivate quality employees</li></ul>	<ul style="list-style-type: none"><li>• Advises the board on the structure and membership of committees of the board</li></ul>
<ul style="list-style-type: none"><li>• Assists with board oversight of the performance of the company's internal audit function</li></ul>	<ul style="list-style-type: none"><li>• Reviews an annual report on executive compensation for inclusion in the company's proxy statement</li></ul>	<ul style="list-style-type: none"><li>• Develops and recommends to the board corporate governance guidelines applicable to the company</li></ul>
<ul style="list-style-type: none"><li>• Oversees the appointment, engagement, and performance of the company's independent registered public accounting firm</li></ul>	<ul style="list-style-type: none"><li>• Reviews the Compensation Discussion and Analysis included in the company's proxy statement</li></ul>	<ul style="list-style-type: none"><li>• Leads the board in its annual review of the board's performance</li></ul>
<ul style="list-style-type: none"><li>• Assists with board oversight of the company's compliance with legal and regulatory requirements</li></ul>		

## AUDIT COMMITTEE REPORT

The Audit Committee assists the board in overseeing the accounting and financial reporting processes of the company and audits of the consolidated financial statements of the company. The Audit Committee operates pursuant to a written charter, a copy of which can be found on the company's website at [www.mt.com](http://www.mt.com) under "About Us/Investor Relations/Corporate Governance." In discharging its oversight role, the Audit Committee discussed the audited consolidated financial statements contained in the 2017 annual report separately with the company's independent registered public accounting firm and the company's management and reviewed the company's internal controls and financial reporting.

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

### Audited Consolidated Financial Statements

In reviewing the company's audited consolidated financial statements with PwC, the Audit Committee discussed the matters required to be discussed by the Public Company Accounting Oversight Board's Auditing Standard Section 1301, as amended, and other matters including, without limitation:

- Understanding the terms of the audit, including the objectives of the audit and the related responsibilities of both PwC and management;
- PwC's responsibilities under PCAOB Standards and related rules, including the nature, scope, and results of their audits;
- the written disclosures and confirming letter from PwC regarding their independence required under the Public Company Accounting Oversight Board Rule 3526;
- certain matters regarding the company's accounting policies, practices, and critical accounting estimates;
- the auditor's evaluation of the quality of the company's financial reporting;
- information related to significant unusual transactions, including the business rationale for such transactions;
- an overview of the overall audit strategy, including timing of the audit, significant risks the auditor identified, and significant changes to the planned audit strategy or identified risks;
- any material weaknesses or significant deficiencies in internal controls over financial reporting; and
- the extent of any significant accounting adjustments.

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

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the board approved, that the audited consolidated financial statements be included in the company's Annual Report on Form 10-K for the year ended December 31, 2017.

### Independent Registered Public Accounting Firm Fees

	<u>Audit Fees</u>	<u>Audit-Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
2017 .....	\$3,947,000	\$260,000	\$147,000	\$12,000
2016 .....	\$3,782,000	\$ 0	\$135,000	\$10,000

## AUDIT COMMITTEE REPORT

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*Audit Fees* — Represents fees for (i) the audit of the annual consolidated financial statements and internal control over financial reporting, (ii) review of consolidated financial statements included in quarterly reports on Form 10-Q, and (iii) audit services provided in connection with statutory audits and certain regulatory filings.

*Audit-Related Fees* — Represents fees for (i) due diligence services related to mergers and acquisitions and (ii) employee benefit plan audits.

*Tax Fees* — Represents fees for tax consultation and compliance-related services.

*Other Fees* — Represents fees for a software license for a technical financial accounting and reporting application.

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

### **Audit Committee Approval of Non-Audit Services**

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

- The Audit Committee is considered to have pre-approved any project in an approved category that is less than \$50,000 in fees. Specific projects in excess of this amount and any potential projects not included in the pre-approval framework are presented to the Audit Committee Chairman for advance approval.
- On a quarterly basis, PwC reports all non-audit services outside of the pre-approval framework to the Audit Committee and any proposals for non-audit services in the upcoming quarter.
- The Audit Committee reviews all non-audit fees at least annually.

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

### **Independent Registered Public Accounting Firm for 2018**

The Audit Committee has appointed PwC as the company's independent registered public accounting firm to audit and report on the company's consolidated financial statements and internal control over financial reporting for the fiscal year ending December 31, 2018 and to perform such other services as may be required of them.

Respectfully submitted by the members of the  
Audit Committee:

Francis A. Contino, *Chair*  
Elisha W. Finney  
Michael A. Kelly  
Thomas P. Salice

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

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You are being asked to ratify the appointment of PricewaterhouseCoopers LLP (PwC) as the company's independent registered public accounting firm. The Audit Committee has appointed PwC, independent public accountants, to audit and report on the company's consolidated financial statements for the fiscal year ending December 31, 2018 and to perform such other services as may be required of them. PwC's appointment is ratified if a majority of votes cast, excluding abstentions, with respect to this proposal are voted "FOR."

**Auditor Attendance at Annual Meeting**

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

**Limitation on Amount of Audit Fees**

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

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

## NOMINATING AND CORPORATE GOVERNANCE COMMITTEE REPORT

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

### Director Nomination Process

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

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

- (1) The committee begins by working with the Chairman of the Board and the Chief Executive Officer to determine the specific qualifications, qualities, and skills that are desired for potential candidates to fill the vacancy on the board. The committee makes this determination based upon the current composition of the board, the specific needs of the company in light of the director skills and experience competency matrix, and the Minimum Qualifications for Directors included in the corporate governance guidelines. These state that the Board of Directors should be composed of successful individuals who demonstrate integrity, reliability, knowledge of corporate affairs, a general understanding of the company's business, and an ability to work well together. The committee considers diversity in business background, area of expertise, gender, and ethnicity. The committee also evaluates longer-term board succession, taking into account the demographics of respective board members.
- (2) The Nominating and Corporate Governance Committee will then compile a list of all candidates recommended to fill the vacancy on the board. Candidates who meet the desired qualifications, qualities, and skills will be required to provide information regarding the candidates' background, experience, independence, and other information.
- (3) Members of the Nominating and Corporate Governance Committee, the Chairman of the Board, the Chief Executive Officer, and, in appropriate cases, other board members, will interview those candidates who have completed the questionnaire.
- (4) Following these interviews, the full Nominating and Corporate Governance Committee considers the qualifications of each candidate to ensure that each candidate meets the specific qualities and skills that are desired. The committee will propose to the Board of Directors for consideration a list of candidates qualified for the position.

## NOMINATING AND CORPORATE GOVERNANCE COMMITTEE REPORT

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During 2017, the Nominating and Corporate Governance Committee evaluated changes in individual Directors' professional status to evaluate their ability to continue serving on the board. They also identified and interviewed candidates, and appointed a new Director to the board. They developed the board's skills and experience competency matrix and made use of it in the board's self-evaluation and director search process. With regard to the current board nominees, the Nominating and Corporate Governance Committee has recommended to the board that nine current directors be nominated for re-election.

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

Hans Ulrich Maerki, *Chair*  
Wah-Hui Chu  
Constance L. Harvey

## COMPENSATION DISCUSSION AND ANALYSIS

### Executive Summary

The primary elements of our executive compensation program are as follows (all elements are reviewed annually):

Pay Element	Base Salary	Cash Incentive	Long-Term Incentives	
			Stock Options	Performance Share Units
Type	Cash	Cash	Equity	Equity
Performance Period	1 year	1 year	5-year vesting pro rata; cliff vesting for performance options	3-year performance period, cliff vesting
Performance Measures	N/A	EPS, net cash flow, sales, individual targets	Stock price appreciation, EPS growth for performance options	Relative total shareholder return (rTSR)

Our named executive officers for 2017 were:

Name	Title
Olivier A. Filliol	President and Chief Executive Officer
William P. Donnelly	Executive Vice President
Thomas Caratsch	Head of Laboratory
Marc de La Guéronnière	Head of European and North American Market Organizations
Simon Kirk	Head of Product Inspection

This Compensation Discussion and Analysis describes our executive compensation program, focusing on the compensation of our named executive officers.

The Compensation Committee oversees our executive compensation program. In carrying out its duties, the Compensation Committee receives information and recommendations from the Chairman, the Head of Human Resources, and the Chief Executive Officer, and consults with outside compensation consultants as it deems appropriate.

In establishing executive compensation policies the Compensation Committee considers, among other things, the results of the Advisory Vote to Approve Executive Compensation from the prior year's Annual Meeting of Shareholders. The result of last year's advisory vote was very positive with 95% of votes cast in favor of the company's compensation of its named executive officers.

The Compensation Committee uses independent compensation consultant Pearl Meyer & Partners. They provide market surveys of executive compensation in technology firms in comparable industries (including scientific instrument firms), which are considered in setting compensation levels. See the Compensation Committee Report for a discussion of the Committee's review of Pearl Meyer & Partners's independence.

The objectives of our executive compensation programs are to:

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



## COMPENSATION DISCUSSION AND ANALYSIS

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

Our executive compensation program follows best practices:

- We consult independent compensation consultants to ensure our executive compensation is in line with industry and market standards.
- We deploy a mix of short- and long-term incentives to ensure compensation aligns with performance and motivates long-term shareholder value creation.
- Our long-term incentives include various performance-based equity incentives.
- We have an executive compensation clawback policy to ensure that amounts are not erroneously awarded.
- We maintain executive share ownership guidelines that align executives' interests with shareholders'.
- We prohibit directors and executives from hedging the ownership of company securities.
- We responsibly manage the use of equity compensation.

Our executive compensation is aligned with performance. In 2017, we grew adjusted earnings per share by 19% due to management's growth initiatives, proactive gross margin expansion, and cost control.

The key components of 2017 executive compensation were as follows:

- Salaries — Mr. Filliol's and Mr. Caratsch's base salaries did not change. Mr. Donnelly's base salary decreased as he transitions toward retirement. Base salaries for the other named executive officers were moderately increased. Base salaries in all cases were reviewed in light of salary market data, local market conditions, and individual performance.
- Annual Cash Incentives — The average target achievement for our named executive officers in 2017 was 114.5%, resulting in incentive payments of between 137% and 87% of base salary.
- Long-Term Incentives — The total value of equity granted to Mr. Filliol decreased in 2017, which reflects that he received a one-time grant of performance options in 2016 to close gaps over the coming years in his cash compensation versus market. Mr. Caratsch's grant was unchanged. Grants to the other named executive officers increased by between 3% and 6%.

### Compensation Program Elements

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

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

Each year the Compensation Committee separately reviews each of the three elements, as well as total compensation. It takes into account the company's growth and performance, individual executive performance, and developments in the markets in which we compete for talent. In evaluating the competitiveness of the company's executive compensation, the Compensation Committee periodically conducts both broad-based surveys of executive compensation and surveys of the compensation of executives in the instruments and electronics industries. In 2017, Pearl Meyer & Partners provided data using confidential surveys relating to CEO and senior executive compensation at technology companies in comparable industries, including scientific instruments firms, and firms of similar size to the company. They also provided data on peer company compensation at Agilent Technologies, Inc., Ametek Inc., Bio-Rad Laboratories, Inc., IDEX Corporation, PerkinElmer Inc., Rockwell Automation Inc., Roper Technologies, Inc., Sartorius AG, Waters Corporation, and Xylem Inc. The Compensation Committee also reviewed CEO compensation data from certain Swiss industrial public companies of a similar size and international organizational structure as the company.

## COMPENSATION DISCUSSION AND ANALYSIS

Based on the quality of leadership of the management team, and the overall performance of the company, the committee believes management's compensation is appropriate.

### Base Salary

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

The Compensation Committee considered its review of the salary market data referred to above, local market conditions, and individual performance in setting base salaries for 2017. The 2017 base salary for Mr. Filliol and Mr. Caratsch did not change. The 2017 base salary of Mr. Donnelly decreased 45% as he continues to transition toward leaving the company at the end of 2018. The Compensation Committee increased the base salary for Mr. de La Guéronnière by 2% and Mr. Kirk by 1%, in each case effective April 1<sup>st</sup>.

### Annual Cash Incentive

We link pay with performance through our cash incentive plan, called POBS Plus. The purpose of the incentive plan is to provide an incentive to key employees of the company to reward them for driving the success of the company as measured based on objective financial criteria. The incentive plan is administered by the Compensation Committee. At the end of each year, the Compensation Committee establishes the performance targets on which each participant's incentive is based for the coming year. The targets used relate closely to our annual plan and budget, which are approved by the full Board of Directors each year. The targets are set taking into account the economic environment, the health of the company's end-user markets, and the challenges and opportunities of the company's various businesses. See "2017 Threshold, Target, Maximum, and Actual Performance" below.

In addition, between 12 and 20 percent of the incentive for each participant in the POBS Plus incentive plan is based on individual objective performance targets relating to the company's annual business objectives. The Compensation Committee directly evaluates the Chief Executive Officer's performance on his individual targets, and reviews the CEO's recommendation on the individual target performance of the other executive officers. The Compensation Committee reviews the audited results of the company's performance against each participant's performance targets and determines the incentive payment, if any, earned by each participant.

### Cash Incentive Payment as % of Base Salary

<u>Name</u>	<u>Achievement vs. Target Levels</u>		
	<u>&lt;90%</u>	<u>100%</u> <u>(Target)</u>	<u>130%</u> <u>(Maximum)</u>
Olivier A. Filliol . . . . .	—	50%	169.4%
William P. Donnelly . . . . .	—	45%	157.5%
Other Named Executive Officers . . . . .	—	45%	160.5%

The plan provides that targets for 100% achievement should be challenging and ambitious, but also realistic and attainable such that it is possible to achieve and exceed them. The impact of over- or under-achieving targets on the annual incentive can be significant. The company and Board of Directors therefore approach the target setting process with care and consideration. We believe targets are set consistently with the philosophy of the POBS Plus plan that they be challenging and ambitious. In the last five years the average target achievement for the named executive officers was 107%.

## COMPENSATION DISCUSSION AND ANALYSIS

### 2017 Threshold, Target, Maximum, and Actual Performance

<u>2017 Performance Targets</u>	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>	<u>Actual</u>
Adjusted Non-GAAP Earnings Per Share(1) . . .	\$15.89	\$16.39	\$17.89	\$17.55
Net Cash Flow(2) . . . . .	\$455.5 million	\$480.1 million	\$553.9 million	\$517.2 million
Group Sales (at budgeted currency rates) . . . .	\$2,516.5 million	\$2,568.4 million	\$2,724.1 million	\$2,646.3 million

- (1) Excludes purchased intangible amortization (net of tax) of \$7.1 million, a one-time tax charge of \$72.0 million for the implementation of the Tax Cuts and Jobs Act (“Tax Act”), a one-time gain (net of tax) of \$2.7 million relating to the sale of a facility, restructuring charges (net of tax) of \$10.0 million, and acquisition costs (net of tax) of \$1.3 million.
- (2) Represents cash flow from operations before tax payments and voluntary pension payments less capital expenditures, restructuring payments, and excess tax benefits from share-based payment arrangements. Excludes deviations for facility expansion and acquisition capital expenditures versus target.

The 2017 weighted performance relative to targets resulted in the following incentive payments as a percent of base salary under the POBS Plus plan for 2017:

Mr. Filliol . . . . .	137%
Mr. Donnelly . . . . .	97%
Mr. Caratsch . . . . .	107%
Mr. de La Guéronnière . . . . .	87%
Mr. Kirk . . . . .	95%

### Clawback Policy

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

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

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

### Long-Term Incentives

Another method we have historically used to link pay with performance is awarding stock options, which we believe aligns management’s long-term interests with those of the company’s shareholders. Named executive officers’ stock options generally vest over five years, 20% per year, starting on the first anniversary of the date of grant. The company has also granted performance options with cliff vesting of five years or longer, including a grant of performance options to the CEO in 2016 described below. All options have a term of ten years. We expect future grants will similarly have vesting schedules of five years and terms of ten years.

The 2016 compensation market data provided by Pearl Meyer & Partners revealed certain gaps in both cash and long-term incentive compensation compared to market and peer companies. The gaps were the result of strong growth in market capitalization, no or minimal increases in cash compensation over the last several years, and long-term incentive increases that were lower than market and peer companies. Reflecting input from Pearl Meyer & Partners on current market practices, the Compensation Committee generally determined to close the equity gaps by granting a new type of performance-based long-term incentive:

## COMPENSATION DISCUSSION AND ANALYSIS

performance share units, described below. The gap in the CEO’s cash compensation was addressed with a one-time grant of performance stock options in 2016, as described below. With these changes, a greater proportion of the named executive officers’ total compensation is being made in the form of long-term incentives that further align management’s long-term interests with those of the company’s shareholders.

In 2016 and 2017, each named executive officer received a target award of performance share units, under which the individual will earn shares of common stock in the future if certain performance conditions (including market criteria) are met. The company’s performance share units are based on relative total shareholder return (rTSR) over a three-year period, specifically, the company’s relative performance against each of the companies that make up the S&P 500 Healthcare Index and the S&P 500 Industrials Index. The units have three-year cliff vesting. The company must achieve at least a 30<sup>th</sup> percentile performance for the performance share units to start vesting. The units will vest at 100% if the company achieves a 60<sup>th</sup> percentile performance, and the units will vest at 200% if the company’s relative performance is at the 75<sup>th</sup> percentile or better.

The vesting schedule is shown in this table (linear interpretation is applied between the points shown):

	<u>rTSR Percentile Rank</u>	<u>Shares Earned as % of Target</u>
<b>Threshold</b> . . . . .	≤ <b>30%</b>	<b>0%</b>
	45%	50%
<b>Target</b> . . . . .	<b>60%</b>	<b>100%</b>
	67.5%	150%
<b>Maximum</b> . . . . .	≥ <b>75%</b>	<b>200%</b>

The vesting percentage of the performance share units is capped at 100% of target when the company’s absolute TSR is negative.

In Mr. Filliol’s case, in 2016 the Compensation Committee additionally made a one-time grant of performance stock options. This one-time grant is intended to address an existing cash compensation gap that will not be closed with an increase in cash compensation over the coming 5-year period. The performance stock options have a five-year performance period and fully vest in 2022 if the service and performance conditions are met. The performance stock options will only vest if the company has achieved at least 12% compound annual growth in its fully diluted earnings per share, subject to certain adjustments, over the five year period from January 1, 2017 through December 31, 2021. The Compensation Committee determined that at this time it would be appropriate for a greater proportion of the CEO’s total compensation to be long-term performance-based and therefore decided to address his existing cash compensation gap with this one-time performance stock option grant.

In determining the amount of each named executive officer’s equity grants, the Compensation Committee evaluates the relative importance of the individual’s job, the contribution and performance of the individual, their years of service, and their total compensation, as well as competitive information about equity as described above relative to each individual. In 2017, these factors led to the grant of equity with the grant date fair values each as described in the table “Grant of Plan-Based Awards.”

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

## COMPENSATION DISCUSSION AND ANALYSIS

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### Equity Grant Practices and Policy

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

### Equity Ownership Guidelines

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

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

The following types of equity count towards the ownership requirement: shares held directly, vested and unvested restricted stock units (if any), and the in-the-money value of vested stock options. Individuals have five years from the date of appointment as an officer to meet the ownership requirement. If an individual does not meet the requirement within the relevant time periods, the Compensation Committee has the discretion not to make further equity grants to that person. If an individual has met their requirement but subsequently falls below due to a drop in share price, they will have 24 months to rebuild their ownership, subject to Compensation Committee discretion. All officers satisfy the equity ownership guidelines.

### Post-Employment Holding Requirement

The CEO is required to hold 15,000 shares until at least one year following his last day of employment. Except when terminated for cause, the named executive officers have a two-year period following their last day of employment (five years in the case of the CEO) to exercise stock options that were vested on their last day of employment.

### Company Equity Hedging Policy

The board and the company's executive officers are prohibited from any transaction hedging the ownership of company securities, including trading in publicly-traded options, puts, calls, or other derivative instruments that are directly related to company securities. This policy does not apply to employees who are not executive officers.

### Share Purchase Plan

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

## COMPENSATION DISCUSSION AND ANALYSIS

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### **Tax Treatment**

Prior to 2018 Section 162(m) of the Internal Revenue Code prohibited the company from deducting compensation in excess of \$1 million paid to certain employees, generally its CEO and its three other most highly compensated executive officers (excluding the CFO), unless that compensation qualified as performance-based compensation. Starting in 2018 there is no performance-based compensation exception to the \$1 million cap, and the pool of relevant employees additionally includes the CFO and any employee subject to the limitation in a prior year. We maintain flexibility to balance the need to fairly compensate the company's executive officers with the company's ability to deduct compensation of relevant officers.

### **Tax Equalization Agreements**

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

### **Employment Agreements**

The company is a party to employment agreements with each of the named executive officers. These agreements provide for a base salary subject to adjustment and participation in our cash incentive plan and other employee benefit plans. Each agreement prohibits the executive from competing with the company for a period of 6 – 12 months after termination of employment. The agreements have no fixed term. They have an effective term of 6 – 12 months because they may be terminated without cause by either party and during the notice period the executive is entitled to full compensation under the agreement, including payment of base salary, target cash incentive, and continuation of benefits.

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

## COMPENSATION DISCUSSION AND ANALYSIS

### Summary Compensation Table(1)

Name and Principal Position	Year	Base Salary (\$)	Stock Awards (\$)(2)	Option Awards (\$)(3)	Non-Equity Incentive Plan Compensation (\$)(4)	All Other Compensation (\$)(5)	Total (\$)
Olivier A. Filliol . . . . . President and Chief Executive Officer	2017	\$851,642	\$1,439,685	\$3,574,521	\$1,165,898	\$ 227,339	\$7,259,085
	2016	851,642	1,199,874	5,074,671	961,844	(733,362)	7,354,669
	2015	896,466	—	3,575,041	650,386	1,531,967	6,653,860
William P. Donnelly . . . . . Executive Vice President	2017	271,225	162,967	583,532	264,443	26,125	1,308,292
	2016	408,875	77,108	647,156	387,069	24,575	1,544,783
	2015	404,797	—	1,293,771	251,839	26,178	1,976,585
Thomas Caratsch . . . . . Head of Laboratory	2017	304,291	124,970	432,743	325,104	225,794	1,412,902
	2016	307,460	64,883	492,761	247,845	11,167	1,124,117
	2015	316,970	—	493,285	213,669	314,155	1,338,079
Marc de La Guéronnière. . . . . Head of EU and NA	2017	263,434	246,562	680,615	229,535	73,841	1,493,986
	2016	259,235	184,777	693,888	208,193	72,100	1,418,194
	2015	254,176	—	694,219	174,487	69,474	1,192,356
Simon Kirk . . . . . Head of Product Inspection	2017	318,056	172,256	398,661	302,498	257,027	1,448,497
	2016	320,168	154,216	389,240	287,430	189,169	1,340,222
	2015	330,070	—	388,874	151,073	195,677	1,065,694

- (1) All amounts shown were paid in Swiss francs, except amounts paid to Mr. Donnelly and U.S. tax equalization payments, which were paid in U.S. dollars, and amounts paid to Mr. de La Guéronnière, which were paid in Euros. For purposes of this table, all amounts paid in Swiss francs were converted to U.S. dollars at a rate of CHF 0.9847 to \$1.00, and amounts paid in Euros were converted to U.S. dollars at a rate of EUR 0.8879 to \$1.00, in each case the respective average exchange rate in 2017.
- (2) Represents the aggregate grant date fair value of performance share units for each individual computed in accordance with ASC 718. The valuation assumptions associated with such awards are discussed in Note 11 to the company's consolidated financial statements included in the Form 10-K for the fiscal year ending December 31, 2017. The following table lists the value of each officer's award assuming the highest level of performance conditions will be achieved:

Name	Year	Maximum Value of Award (\$)
Olivier A. Filliol . . . . .	2017	\$2,879,370
	2016	2,399,748
William P. Donnelly . . . . .	2017	325,935
	2016	154,216
Thomas Caratsch . . . . .	2017	249,939
	2016	129,767
Marc de La Guéronnière . . . . .	2017	493,124
	2016	369,554
Simon Kirk . . . . .	2017	344,511
	2016	308,432

- (3) Represents the aggregate grant date fair value of stock option awards for each individual computed in accordance with ASC 718. The valuation assumptions associated with such awards are discussed in Note 11 to the company's consolidated financial statements included in the Form 10-K for the fiscal year ending December 31, 2017. In Mr. Filliol's case, the 2016 total includes a one-time grant of performance stock options with a grant date fair value of \$1.5 million, with the remainder of the value representing the time-based annual stock option grant.
- (4) Amounts shown are the annual cash incentive earned under the company's POBS Plus incentive plan.
- (5) Includes tax equalization payments and other miscellaneous benefits as set out below. As described in the Compensation Discussion and Analysis above, the individuals do not receive any cash benefit from the tax equalization payments. The principle of the tax equalization is to leave the employee in exactly the same position (i.e., no better and no worse) as if they had not become subject to U.S. taxation on a portion of their income. As such, the Compensation Committee does not believe it is appropriate to include these tax equalization amounts when determining the employees' compensation each year. Negative amounts represent payments by the individual to the company, for example as a result of lower Swiss taxes being due by virtue of the U.S. tax payments.

## COMPENSATION DISCUSSION AND ANALYSIS

Miscellaneous personal benefits, none of which individually exceeds \$25,000 in value unless otherwise stated, include car allowances, expense allowances, tax equalization calculation, the company's contribution to certain Swiss insurances beyond what's available to all employees, the value of meals in the company cafeteria, and the company's contributions to individual retirement accounts. In Mr. Kirk's case, benefits include a schooling allowance of \$44,999 in 2017, \$48,508 in 2016, and \$84,499 in 2015.

Name	Year	Tax Equalization	Retirement Contribution	Swiss Insurance	Miscellaneous Benefits
Olivier A. Filliol	2017	\$ (27,887)	\$189,012	\$25,335	\$ 40,878
	2016	(983,698)	189,012	25,233	36,091
	2015	1,286,554	189,012	21,987	34,414
William P. Donnelly	2017	n.a.	16,125	n.a.	10,000
	2016	n.a.	14,575	n.a.	10,000
	2015	n.a.	16,178	n.a.	10,000
Thomas Caratsch	2017	107,018	75,008	13,909	29,860
	2016	(101,655)	75,789	13,993	23,041
	2015	200,897	78,133	11,222	23,903
Marc de La Guéronnière	2017	n.a.	59,887	n.a.	13,953
	2016	n.a.	58,147	n.a.	13,953
	2015	n.a.	55,521	n.a.	13,953
Simon Kirk	2017	85,281	78,401	12,900	80,445
	2016	17,730	78,921	12,844	79,673
	2015	(12,235)	81,362	11,547	115,003

### Grants of Plan-Based Awards

Name	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1) [POBS Plus Cash Incentive]			Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Option Awards: Number of Securities Underlying Options (#)(3)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards \$(4)
	Threshold (\$)	Target (\$)	Maximum (\$)		Threshold (#)	Target (#)	Maximum (#)			
Olivier A. Filliol	0	\$425,821	\$1,442,682	11/02/2017	0	1,705	3,410	17,305	\$671.60	\$5,014,206
William P. Donnelly	0	101,250	354,375	11/02/2017	0	193	386	2,825	671.60	746,499
Thomas Caratsch	0	136,931	488,386	11/02/2017	0	148	296	2,095	671.60	557,713
Marc de La Guéronnière	0	118,985	424,379	11/02/2017	0	292	584	3,295	671.60	927,177
Simon Kirk	0	143,304	511,116	11/02/2017	0	204	408	1,930	671.60	570,916

- (1) Represents the range of cash incentive payments possible under the company's POBS Plus incentive plan in respect of the 2017 fiscal year. The maximum incentive possible is 169.4% of base salary for Mr. Filliol, 157.5% for Mr. Donnelly, and 160.5% of base salary for the other named officers. The target cash incentive is 50% of base salary for Mr. Filliol and 45% of base salary for the other named officers. The actual incentive earned in each year is included in the "Summary Compensation Table" above.
- (2) Represents the range of stock awards possible under grants of performance share units made under the Mettler-Toledo International Inc. 2013 Equity Incentive Plan. Based on satisfaction of the performance conditions these awards may increase up to the maximum (200% of the target) or decrease to zero. The number of units actually received will depend on the company's total shareholder return relative to the total shareholder return of each of the other companies in the S&P 500 Healthcare Index and the S&P 500 Industrials Index. Total shareholder return will be measured over a three year period beginning on the date of grant. Each unit received will be settled with one share of common stock shortly after the performance period closes.
- (3) Option awards made under the Mettler-Toledo International Inc. 2013 Equity Incentive Plan. The option grants vest in five equal annual installments starting on the first anniversary of the date of grant.
- (4) The grant date fair value of the performance share units of \$844.39 per share and of options of \$206.56 per share have been computed in accordance with ASC 718. For the performance share units the company used a Monte Carlo model to determine fair value. For the options the company used the Black-Scholes option pricing model, based upon the following assumptions: estimated time until exercise of 5.8 years; a risk-free interest rate of 2.00%; a volatility rate of 28%; and no dividend yield. The actual value of the performance share units and stock options may significantly differ from that calculated by these models, and depends on the company's relative share price performance and the excess of the market value of the common stock over the exercise price at the time of exercise, respectively.



**COMPENSATION DISCUSSION AND ANALYSIS**

**Outstanding Equity Awards at Fiscal Year-End**

Name	Option Awards(1)					Stock Awards(2)		
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Grant Date	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
Olivier A. Filliol . . . . .							4,257	\$2,637,297
	68,100	0		\$ 90.76	10/28/2009	10/28/2019		
	67,260	0		\$133.00	11/03/2010	11/03/2020		
	65,990	0		\$149.95	11/02/2011	11/02/2021		
	59,930	0		\$169.37	10/31/2012	10/31/2022		
	37,656	9,414		\$244.99	11/07/2013	11/07/2023		
	26,058	17,372		\$263.62	11/06/2014	11/06/2024		
	15,408	23,112		\$312.36	11/05/2015	11/05/2025		
	6,043	24,172		\$397.95	11/03/2016	11/03/2026		
			12,678	\$397.95	11/03/2016	11/03/2026		
	0	17,305		\$671.60	11/02/2017	11/02/2027		
William P. Donnelly . . . . .							357	221,169
	10,105	0		\$133.00	11/03/2010	11/03/2020		
	24,745	0		\$149.95	11/02/2011	11/02/2021		
	20,633	0		\$169.37	10/31/2012	10/31/2022		
	12,446	3,556		\$244.99	11/07/2013	11/07/2023		
	7,973	6,378		\$263.62	11/06/2014	11/06/2024		
	4,182	8,364		\$312.36	11/05/2015	11/05/2025		
	1,094	4,376		\$397.95	11/03/2016	11/03/2026		
	0	2,825		\$671.60	11/02/2017	11/02/2027		
Thomas Caratsch . . . . .							286	177,183
	720	0		\$ 90.76	10/28/2009	10/28/2019		
	570	0		\$133.00	11/03/2010	11/03/2020		
	780	0		\$149.95	11/02/2011	11/02/2021		
	2,745	0		\$169.37	10/31/2012	10/31/2022		
	5,420	1,355		\$244.99	11/07/2013	11/07/2023		
	3,630	2,420		\$263.62	11/06/2014	11/06/2024		
	2,126	3,189		\$312.36	11/05/2015	11/05/2025		
	0	3,332		\$397.95	11/03/2016	11/03/2026		
	0	2,095		\$671.60	11/02/2017	11/02/2027		
Marc de La Guéronnière . . . . .							685	424,371
	12,555	0		\$133.00	11/03/2010	11/03/2020		
	12,725	0		\$149.95	11/02/2011	11/02/2021		
	12,245	0		\$169.37	10/31/2012	10/31/2022		
	7,380	1,845		\$244.99	11/07/2013	11/07/2023		
	5,061	3,374		\$263.62	11/06/2014	11/06/2024		
	2,992	4,488		\$312.36	11/05/2015	11/05/2025		
	1,173	4,692		\$397.95	11/03/2016	11/03/2026		
	0	3,295		\$671.60	11/02/2017	11/02/2027		
Simon Kirk . . . . .							532	329,585
	0	959		\$244.99	11/07/2013	11/07/2023		
	0	1,804		\$263.62	11/06/2014	11/06/2024		
	0	2,514		\$312.36	11/05/2015	11/05/2025		
	0	2,632		\$397.95	11/03/2016	11/03/2026		
	0	1,930		\$671.60	11/02/2017	11/02/2027		

- (1) Each of the options vests ratably over five years starting from the first anniversary of the date of grant, except the performance options granted to Mr. Filliol on November 3, 2016, which vest on March 1, 2022 only if the company achieves 12% compound annual growth in its fully diluted earnings per share, subject to certain adjustments, between January 1, 2017 and December 31, 2021.
- (2) Each of the named executive officers, including the CEO, received a grant of performance share units in November 2016 and November 2017. The number of shares shown here is each named executive officer's target award. See the Grants of Plan-Based Awards table above for performance and vesting information. The market value figure shown in the Stock Awards column is calculated using the closing share price of \$619.52 on December 29, 2017.

**COMPENSATION DISCUSSION AND ANALYSIS**

**Option Exercises and Stock Vested in Fiscal 2017**

<u>Name</u>	<u>Option Awards</u>		<u>Stock Awards</u>	
	<u>Number of Shares Acquired on Exercise (#)</u>	<u>Net Value Realized on Exercise (\$)</u>	<u>Number of Shares Acquired on Vesting (#)</u>	<u>Value Realized on Vesting (\$)</u>
Olivier A. Filliol . . . . .	67,800	\$28,510,256	—	\$ —
William P. Donnelly . . . . .	47,490	21,764,947	—	—
Thomas Caratsch . . . . .	26,333	9,829,254	—	—
Marc de La Guéronnière . . . . .	0	0	—	—
Simon Kirk . . . . .	9,160	3,019,127	218	100,579

**Payments Upon Termination or Change in Control**

The named executive officers are not entitled to any payment upon a change in control or upon termination of employment, regardless of the type of termination.

The company may terminate the employment of each of the named executive officers after giving the requisite 6 - 12 months' notice. Named executive officers continue receiving their base salary, cash incentive, and benefits during the contractual notice period. Equity grants continue to vest so long as an individual remains employed or serves as a director, and vesting ceases on their last day of employment, regardless of the type of termination. Named executive officers forfeit unvested equity grants, and vested equity grants in a termination for cause, on the last day of employment.

Equity grants to the named executive officers (except Messrs. Filliol and Donnelly) made from 2013 onwards do not accelerate and do not vest automatically upon a change in control. The table below shows the value of those options that are still subject to accelerated vesting, assuming a change of control event occurred as of December 31, 2017. The expense associated with this acceleration is the same as absent a change in control, but would be incurred by the company earlier than over the normal course of the vesting period. The values shown below are calculated as the difference between \$619.52, the share price on the last day the markets were open before December 31, 2017, and the respective exercise price.

<u>Name</u>	<u>Net Value of Accelerated Unvested Stock Options</u>
Olivier A. Filliol . . . . .	\$24,972,457
William P. Donnelly . . . . .	7,140,435
Thomas Caratsch . . . . .	0
Marc de La Guéronnière . . . . .	0
Simon Kirk . . . . .	0

## COMPENSATION DISCUSSION AND ANALYSIS

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### CEO Pay Ratio

This information is provided in accordance with the requirements of Item 402(u) of Regulation S-K and the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010.

For this disclosure we identified our median employee as of December 31, 2017, looking at compensation between January 1, 2017 and December 31, 2017. The total employee population considered was approximately 15,400 people; we did not exclude any employees. We used year-end local payroll records to identify the median employee. We did not apply any material assumptions, adjustments, or estimates, did not apply cost of living adjustments, and did not use statistical sampling.

Mr. Filliol's annual total compensation for 2017 was \$7,259,085, as disclosed in the Summary Compensation Table above. Our median employee's annual total compensation, calculated consistent with Summary Compensation Table rules, for 2017 was \$40,882. Accordingly, the ratio of our CEO's pay to our median employee is 178:1.

The ratio is influenced by the mix of geographies where the company has operations, and the nature of the work employees perform in the different countries. Approximately 40% of the company's total workforce is located in low cost countries, including in China, India, Mexico, South East Asia, and Eastern Europe. Many of these employees are involved in assembly and manufacturing tasks, particularly in China and Mexico.

## COMPENSATION COMMITTEE REPORT

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The Compensation Committee assists the board in reviewing and monitoring the compensation of the company's executives. The Compensation Committee operates pursuant to a written charter, a copy of which can be found on the company's website at [www.mt.com](http://www.mt.com) under "About Us/Investor Relations/Corporate Governance."

The Compensation Committee is responsible for establishing compensation arrangements that allow the company to retain, attract, and motivate highly qualified employees. The Compensation Committee reviews the company's total compensation budget, and sets the annual compensation of the company's executive officers, including the Chief Executive Officer. It also evaluates and sets the compensation of the directors. In carrying out its duties, the Compensation Committee receives input and recommendations from the Chairman, Head of Human Resources, and the Chief Executive Officer regarding the amount and form of executive and director compensation.

Pursuant to its charter, the Compensation Committee has the sole authority to retain, terminate, obtain advice from, oversee, and compensate its outside advisors, including its compensation consultant. The company has provided appropriate funding to the Committee to do so. In 2017, the Compensation Committee retained Pearl Meyer & Partners ("PM&P") as its independent executive compensation consultant. PM&P reports directly to the Compensation Committee, and the Compensation Committee may replace PM&P or hire additional consultants at any time. PM&P attends meetings of the Compensation Committee, as requested, and communicates with the Chair of the Compensation Committee between meetings; however, the Compensation Committee makes all decisions regarding the compensation of the company's executive officers.

PM&P provides various executive compensation services to the Compensation Committee at its request with respect to the company's executive officers and other key employees, as well as the Board of Directors and Chairman of the Board. The services PM&P provides include advising the Compensation Committee on the principal aspects of the executive compensation program and evolving best practices, and providing market information and analysis regarding the competitiveness of the company's program design and awards in relation to the company's performance.

The Compensation Committee reviews the services provided by its outside consultants and believes that PM&P is independent in providing executive compensation consulting services. The Compensation Committee conducted a specific review of its relationship with PM&P, and determined that PM&P's work for the Committee in 2017 did not raise any conflicts of interest, consistent with the guidance provided under the Dodd-Frank Act, or applicable rules and regulations of the SEC and the NYSE. In making this determination, the Compensation Committee noted that during 2017:

- PM&P did not provide any services to the company or its management other than service to the Compensation Committee, and its services were limited to executive compensation consulting. Specifically, it did not provide, directly or indirectly through affiliates, any non-executive compensation services, including, but not limited to, pension consulting or human resource outsourcing;
- Fees from the company were less than 1% of PM&P's total revenue during the year of 2017;
- PM&P maintains a Conflicts Policy, which was provided to the Compensation Committee, with specific policies and procedures designed to ensure independence;

## COMPENSATION COMMITTEE REPORT

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- With regard to whether any of the individuals on the PM&P team assigned to the company has any business or personal relationship with members of the Compensation Committee outside of the engagement, there is just one business relationship which we and PM&P have reviewed and believe does not impact PM&P's independence:
  - Mr. Salice is on the Compensation Committee of Waters Corporation, which is a client of Mr. Van Putten, the lead consultant from PM&P providing services to the company's Compensation Committee.
- None of the PM&P consultants working on the company engagement, or PM&P, had any business or personal relationship with executive officers of the company; and
- None of the PM&P consultants working on the company engagement directly own company stock.

The Compensation Committee monitors the independence of its compensation consultant on an annual basis.

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement. On the basis of such review and discussions, the Compensation Committee recommended to the Board of Directors, and the board approved, that the Compensation Discussion and Analysis be included in this Proxy Statement.

Respectfully submitted by the members of the  
Compensation Committee:

Thomas P. Salice, *Chair*  
Richard Francis  
Michael A. Kelly  
Hans Ulrich Maerki

**PROPOSAL THREE:  
ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION**

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Under the Dodd-Frank Wall Street Reform and Consumer Protection Act enacted in July 2010 (the “Dodd-Frank Act”), the shareholders of the company are entitled to vote at the annual meeting to approve the compensation of the company’s named executive officers, as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K under the Securities Act and the Exchange Act.

As described more fully in the Compensation Discussion and Analysis section of this proxy statement and accompanying tables and narratives, our compensation program consists of three main elements: base salary, an annual cash incentive, and long-term incentive compensation. Our goal is to ensure that the three main elements of compensation are carefully considered and fair, and that executives are motivated to further the interests of shareholders, both short-term and long-term. The company has in the past sought approval from shareholders regarding the incentive plans that we use to motivate, retain, and reward our executives. Those incentive plans, including the POBS Plus Incentive System for Group Management and the 2013 Equity Incentive Plan, make up a majority of the pay that the company provides to our executives.

We have a long track record of delivering superior results for our shareholders. In the 15 year period ending December 31, 2017, the company’s total return to shareholders has been 1832%, compared with 313% for the S&P 500. Our executive compensation programs have played a material role in our ability to drive strong financial results and attract and retain a highly qualified team to run the company.

We believe our executive compensation programs are transparent, consistent with current best practices, appropriately benchmarked to peers, and effective in supporting our company and our business objectives.

- Our compensation programs are substantially tied to the achievement of key business objectives and to long-term shareholder returns.
- Both our short-term and our long-term incentives are performance-based.
- Performance is objectively measured.
- Targets are set at challenging levels.
- Stock options granted to executives have a ten-year term and vest over five years, which helps management focus on sustainable and long-term value creation.
- We carefully monitor the compensation of executives from companies of similar size and complexity to help us to ensure our programs are within the range of market practices.

The company seeks your advisory vote on our executive compensation programs. Shareholder advisory votes on our executive compensation programs will occur annually. After the 2018 Annual Meeting of Shareholders the next such shareholder advisory vote will occur at the 2019 Annual Meeting of Shareholders. We ask that you support the compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis section and the accompanying tables and narratives contained in this proxy statement. Because your vote is advisory, it will not be binding on the Board of Directors. However, the board will review the voting results and take such results into consideration when making future decisions regarding executive compensation. Accordingly, we ask our shareholders to vote “FOR” the following resolution at the annual meeting:

“RESOLVED, that the compensation paid to the company’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.”

**The Board of Directors recommends that you vote *FOR* the approval of the compensation of our named executive officers as disclosed in this proxy statement pursuant to the compensation and disclosure rules of the Securities and Exchange Commission.**

## SHARE OWNERSHIP

This table shows how much of the company's common stock is owned by directors, executive officers and owners of more than 5% of the company's common stock as of the record date March 5, 2018 (December 31, 2017 in the case of 5% shareholders):

<u>Name of Beneficial Owner</u>	<u>Shares Beneficially Owned(1)</u>			
	<u>Number</u>	<u>Percent</u>		
<b>5% Shareholders:</b>				
The Vanguard Group . . . . . 100 Vanguard Blvd. Malvern, PA 19355	2,697,785	10.5%		
FMR LLC . . . . . 245 Summer Street Boston, MA 02210	2,495,109	9.7%		
BlackRock, Inc. . . . . 55 East 52 <sup>nd</sup> Street New York, NY 10055	1,847,591	7.2%		
	<u>Direct</u>	<u>Indirect(2)</u>	<u>Total</u>	<u>Percent</u>
	<u>Number</u>			
<b>Directors:</b>				
Robert F. Spoerry(3) . . . . .	362,413	58,803	421,216	1.7%
Wah-Hui Chu . . . . .	2,778	19,342	22,120	*
Francis A. Contino(4) . . . . .	6,748	4,730	11,478	*
Olivier A. Filliol . . . . .	16,279	346,445	362,724	1.4%
Elisha W. Finney . . . . .	17	0	17	
Richard Francis . . . . .	254	416	670	*
Constance L. Harvey . . . . .	169	1,478	1,647	
Michael A. Kelly . . . . .	1,378	11,258	12,636	*
Hans Ulrich Maerki . . . . .	6,811	14,642	21,453	*
Thomas P. Salice(5) . . . . .	129,112	14,642	143,754	*
<b>Named Executive Officers:</b>				
William P. Donnelly(6) . . . . .	41,761	15,751	57,512	*
Thomas Caratsch . . . . .	770	9,991	10,761	*
Marc de La Guéronnière . . . . .	0	49,131	49,131	*
Simon Kirk . . . . .	1,075	0	1,075	*
<b>All Directors and Executive Officers as a Group</b>				
<b>(19 persons):</b> . . . . .	578,662	630,966	1,209,628	4.8%

\* The percentage of shares of common stock beneficially owned does not exceed one percent of the outstanding shares.

(1) Calculations of percentage of beneficial ownership are based on 25,450,448 shares of common stock outstanding on March 5, 2018. Information regarding 5% shareholders is based solely on Schedule 13Gs filed by the holders. For the directors and officers, the calculations assume the exercise by each individual of all options for the purchase of common stock held by such individual that are exercisable within 60 days of the date hereof.

(2) Represents shares subject to stock options that are exercisable within 60 days.

(3) Includes 346,826 shares held by Mr. Spoerry's children (with respect to which Mr. Spoerry has beneficial ownership, including full voting and dispositive control) and 10,000 shares held by Mr. Spoerry's spouse.

(4) Includes 5,204 shares held by Mr. Contino's family trust (with respect to which Mr. Contino retains beneficial ownership).

(5) Includes 27,336 shares held by a charitable trust and over which Mr. Salice shares voting and investment power with his spouse as trustees, and 40,000 shares owned by a limited liability company in which Mr. Salice has voting and investment power. Mr. Salice disclaims beneficial ownership of the shares held by the charitable trust and the limited liability company except to the extent of his pecuniary interests therein.

(6) Includes 40,761 shares held by Mr. Donnelly's and Mr. Donnelly's wife's trusts.

## ADDITIONAL INFORMATION

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### **Compensation Committee Interlocks and Insider Participation**

The Compensation Committee is comprised of Messrs. Francis, Kelly, Maerki, and Salice, none of whom were officers or employees of the company or its subsidiaries or had any relationship requiring disclosure by the company under Item 404 of the Securities and Exchange Commission's Regulation S-K during 2017. No interlocking relationship exists between the members of Mettler-Toledo's Board of Directors or the Compensation Committee and the board of directors or compensation committee of any other company, nor has any such interlocking relationship existed in the past.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires the company's executive officers and directors, and persons who own more than ten percent of a registered class of the company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission (the "SEC") and The New York Stock Exchange. Executive officers, directors and greater than 10% shareholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. Based on our review of the copies of such forms we received, or written representations from certain reporting persons, we believe that in the last fiscal year all filing requirements applicable to our executive officers and directors and greater than 10% shareholders were complied with except the filing of a Form 4 on November 24, 2017 reporting a stock purchase by Mr. Francis made on November 17, 2017.

### **Availability of Form 10-K and Annual Report to Shareholders**

The company's Annual Report to shareholders for the fiscal year ended December 31, 2017, including consolidated financial statements, accompanies this proxy statement. The Annual Report is not to be regarded as proxy soliciting material or as a communication by means of which any solicitation is to be made.

The Annual Report is available on the company's website at [www.mt.com](http://www.mt.com) under "About Us/Investor Relations/Annual Report." Upon written request, the company will furnish, without charge, to each person whose proxy is being solicited a copy of the Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed with the SEC. Requests in writing for copies of any such materials should be directed to Investor Relations, Mettler-Toledo International Inc., 1900 Polaris Parkway, Columbus, Ohio 43240-2020, USA, telephone +1 614 438 4748.

### **Electronic Delivery of Annual Report and Proxy Statement**

If you wish to receive future annual reports, proxy statements and other materials, and shareholder communications electronically via the Internet, please follow the directions on your proxy card for requesting such electronic delivery. An election to receive materials electronically will continue until you revoke it. You will continue to have the option to vote your shares by mail, by telephone, or via the Internet.

### **How to Submit Shareholder Proposals**

Shareholders may present proposals which may be proper subjects for inclusion in the proxy statement and for consideration at an annual meeting. To be considered, proposals must be submitted on a timely basis. We must receive proposals for next year's annual meeting no later than November 15, 2018. Proposals and questions related thereto should be submitted in writing to the Secretary of the company. Proposals may be included in the proxy statement for next year's annual meeting if they comply with certain rules and regulations promulgated by the SEC and in connection with certain procedures described in our by-laws, a copy of which may be obtained from the Secretary of the company. Any proposal submitted outside the processes of these rules and regulations will be considered untimely for the purposes of Rule 14a-4 and Rule 14a-5.



## ADDITIONAL INFORMATION

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### **Expenses of Solicitation**

The cost of soliciting proxies will be borne by the company. In addition to the solicitation of proxies by use of the mail, some of our officers, directors, and employees, none of whom will receive additional compensation therefore, may solicit proxies in person or by Internet or other means. As is customary, we will, upon request, reimburse brokerage firms, banks, trustees, nominees, and other persons for their out-of-pocket expenses in forwarding proxy materials to their principals.

### **Delivery of Documents to Shareholders Sharing an Address**

If you are the beneficial owner, but not the record holder, of shares of METTLER TOLEDO stock, your broker, bank, or other nominee may only deliver one copy of this proxy statement and our 2017 annual report to multiple shareholders who share an address unless that nominee has received contrary instructions from one or more of the shareholders. We will deliver promptly, upon written or oral request, a separate copy of this proxy statement and our 2017 annual report to a shareholder at a shared address to which a single copy of the documents was delivered. A shareholder who wishes to receive a separate copy of the proxy statement and annual report should submit this request by writing to Investor Relations, Mettler-Toledo International Inc., 1900 Polaris Parkway, Columbus, OH 43240, USA or by calling +1 614 438 4748. Shareholders sharing an address who are receiving multiple copies of proxy materials and annual reports and who wish to receive a single copy of such materials in the future should contact their broker, bank, or other nominee to request that only a single copy of each document be mailed to all shareholders at the shared address in the future.

### **Other Matters**

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







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