

QUEST DIAGNOSTICS INC  
Form DEF 14A  
March 28, 2012

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  [X]  
Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

- [ ] Preliminary Proxy Statement  
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 [X] Definitive Proxy Statement  
 [ ] Definitive Additional Materials  
 [ ] Soliciting Material Pursuant to Section 240.14a-12

## Quest Diagnostics Incorporated

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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1) Amount previously paid:

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**Notice of 2012 Annual Meeting of Shareholders**  
**Quest Diagnostics Incorporated**  
**Three Giralda Farms**  
**Madison, New Jersey**  
**May 11, 2012, 10:30 a.m. local time**

April 2, 2012

Dear Fellow Shareholder:

It is my pleasure to invite you to attend Quest Diagnostics 2012 Annual Meeting of Shareholders. At the meeting, shareholders will vote on:

the election of  
three directors;

approval of  
amendments to  
the Amended  
and Restated  
Employee  
Long-term  
Incentive Plan;

ratification of  
the  
appointment of  
our  
independent  
registered  
public  
accounting  
firm for 2012;

an advisory  
resolution to  
approve  
executive  
compensation;

a shareholder  
proposal  
regarding the  
classified  
board of  
directors; and

such other  
business as  
may properly

come before  
the meeting.

Attendance at the meeting is limited to shareholders of record at the close of business on March 12, 2012, or their duly appointed proxy holder.

We enclose our proxy statement, our Annual Report and a proxy card. *Your vote is very important.* Whether or not you plan to attend the meeting, I urge you to submit your proxy. Most shareholders may submit a proxy via mail, telephone or the Internet. Instructions on how to submit your proxy are included with your proxy card and these proxy materials. Please submit your proxy promptly.

Thank you for your continued support of Quest Diagnostics.

Sincerely,

Surya N. Mohapatra, Ph.D.  
*Chairman, President and  
Chief Executive Officer*

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**2012 PROXY SUMMARY**

*This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.*

**Annual Meeting of Shareholders**

Time and Date 10:30 a.m., May 11, 2012

Place Quest Diagnostics Incorporated  
Three Giralda Farms  
Madison, NJ 07940

Record date March 12, 2012

Voting Shareholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.

**Meeting Agenda**

Vote on election of three directors

Vote on approval of amendments to the Amended and Restated Employee Long-term Incentive Plan

Vote on ratification of the appointment of our independent registered public accounting firm for 2012

Vote on an advisory resolution to approve

executive  
compensation

Vote on a  
shareholder  
proposal  
regarding the  
classified  
board of  
directors

Such other  
business as  
may properly  
come before  
the meeting

**Voting Matters**

	<b>Our Board's Recommendation</b>	<b>For More Detail, See Page</b>
1. Election of three directors	FOR EACH DIRECTOR NOMINEE	3
2. Approval of amendments to Amended and Restated Employee Long-term Incentive Plan	FOR	50
3. Ratification of the appointment of our independent registered public accounting firm for 2012	FOR	56
4. Advisory resolution to approve executive compensation	FOR	58
5. Shareholder proposal regarding the classified board of directors	VOTE	59

**Board Nominees**

The following table provides summary information about our directors. The first three are the Board's nominees for election at the annual meeting; the rest remain in office. In 2011, each of our incumbent directors attended at least 75% of the Board meetings and committee meetings on which he or she sits.

AFC	Audit and Finance Committee
C	Chair
CC	Compensation Committee
EX	Executive Committee
FE	Financial Expert
GC	Governance Committee
M	Member
QSC	Quality, Safety & Compliance Committee





Name	Age	Director Since	Occupation	Experience/ Qualification	Independent	AFC	Committee Memberships			EX	Co
							CC	GC	QSC		
Jenne K. Britell, Ph.D.	69	2005	Senior Managing Director, Brock Capital Group LLC	Finance Executive Advisory Capital Markets International Strategic Planning	Y	FE	M				
Gail R. Wilensky, Ph.D.	68	1997	Senior Fellow, Project Hope	Private Enterprise Healthcare Government Strategic Planning	Y			M	C		U C
John B. Ziegler	66	2000	Former President, Worldwide Consumer Healthcare, GlaxoSmithKline plc	Sales Marketing International Strategic Planning	Y		M		M		N
John C. Baldwin, M.D.	63	2004	Senior Advisor on Health Sciences to the Texas Tech University Chancellor; Practicing	Executive Healthcare Strategic Planning	Y	M			M		N

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Physician										
William F. Buehler	72	1998	Retired Vice Chairman, Xerox Corporation	Executive Sales Marketing Strategic Planning	Y		C	M		
Surya N. Mohapatra, Ph.D.	62	2002	Chairman, President and Chief Executive Officer, Quest Diagnostics Incorporated	Executive International Medical Diagnostics	N				C	X
Gary M. Pfeiffer	62	2004	Retired Senior Vice President and Chief Financial Officer, E.I. du Pont de Nemours and Company	Accounting Executive Finance International Strategic Planning	Y	C, FE	M	M	M	I
Timothy M. Ring	54	2011	Chairman and Chief Executive Officer, C. R. Bard, Inc.	Executive International Strategic Planning Healthcare	Y		M	M		C
Daniel C. Stanzione, Ph.D.	66	1997	President Emeritus,	Executive	Y	M	M	C	M	I

Bell Laboratories	General Management
	Strategic Planning

**Proposal to Amend the Amended and Restated Employee Long-Term Incentive Plan**

We are asking our shareholders to approve amendments to our Amended and Restated Employee Long-term Incentive Plan (the Employee Plan ). The Employee Plan is intended to benefit our shareholders by providing a means to attract, retain and reward individuals who contribute to the long-term financial success of the Company, by granting them stock-based awards, including stock options and stock awards (such as performance shares and restricted stock units). The amendments will increase the number of shares available for issuance under the Employee Plan, provide for shares subject to stock awards to be counted against the shares remaining available for future awards at the rate of 2.65 shares for each share awarded, update certain plan provisions, extend the plan term and expand the performance goals that may be used to design

awards that are intended to qualify as performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

### Auditors

We are asking our shareholders to ratify the selection of PricewaterhouseCoopers LLP ( PwC ) as our independent registered public accounting firm for 2012. The following table summarizes PwC's fees for services provided in 2011 and 2010.

	<b>2011</b>	<b>2010</b>
Audit Fees	\$ 3,639,542	\$ 2,905,708
Audit-Related Fees	33,890	45,331
Tax Fees	140,712	92,597
All Other Fees	5,778	4,500
<b>Total</b>	<b>\$ 3,819,922</b>	<b>\$ 3,048,136</b>

### Executive Compensation Advisory Resolution

We are asking our shareholders to approve, on an advisory basis, our named executive officer compensation. The Board recommends a FOR vote because, among other reasons, our executive compensation program aligns the interests of our executive officers with the interest of our shareholders and is designed to pay for performance.

### Executive Compensation Highlights

<b>Type</b>	<b>Form</b>	<b>2011 Terms</b>
Equity	Stock options	1/3 of total equity award Vest ratably over three years from the grant date
	Performance shares	1/3 of total equity award Performance metric: CAGR of income from continuing operations 3-year performance period
	Restricted stock units	1/3 of total equity award Vest 25% on each of the first and second anniversaries of the grant date and 50% on the third anniversary of the grant date
Cash	Salary	Reviewed and approved annually
	Annual incentive compensation	Based on quantitative and qualitative goals with formula amount subject to negative discretion
Retirement	401(k) Plan	Company matching contributions
	Supplemental Deferred Compensation Plan	Company matching contributions (except for CEO)
	Celera Corporation Non-Qualified	

Savings and Deferral Plan  
Supplemental Executive  
Retirement Plan (CEO only)

The objective of our executive compensation program is to attract and retain talented executives who have the skills and experience required to help us achieve our strategic objectives and advance the long-term interests of our shareholders. The compensation opportunity for our named executive officers is directly tied to corporate performance, both financial and non-financial results, and individual performance.

***2011 Business Performance Highlights***

Our financial performance remained strong in 2011.

We completed the acquisitions of Athena Diagnostics and Celera Corporation, establishing a solid foundation in the four critical areas of cancer, cardiovascular disease, infectious disease and neurological disorders.

We began a \$500 million multi-year cost reduction program.

We returned \$1 billion to shareholders through a combination of share repurchases and dividends, and announced a 70% increase in our dividend beginning in 2012.

***2011 Compensation Summary***

Set forth below is 2011 compensation for each named executive officer, excerpted from the 2011 Summary Compensation Table, which appears on page 32.

Name	Salary (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Surya N. Mohapatra	1,231,122	5,192,553	2,573,074	1,614,001	2,051,740	118,231	12,780,721
Robert A. Hagemann	557,230	2,147,569	1,063,346	438,317		66,818	4,207,270
Kathy Ordoñez	314,615	1,603,318		238,192		2,310,857	4,266,982
Jon R. Cohen	563,750	1,393,113	689,730	407,001		39,483	3,062,677
Joan E. Miller	501,120	1,393,113	689,730	322,782	—	43,937	2,948,682

***Executive Compensation Changes for 2012***

In 2012, the Company has taken additional steps to strengthen its executive officer compensation program and to enhance the alignment of pay and performance. For 2012, the total equity award consisted of 40% stock options, 40% performance shares and 20% restricted stock units. In addition, the performance metrics for the 2012 performance share awards, which are earned over a three-year performance period ending December 31, 2014, are based 50% on average return on invested capital and 50% on revenue growth. In addition, in 2012 the Committee reduced the value of the equity awards of our named executive officers below 2011 levels.

**2013 Annual Meeting**

Shareholder proposals submitted pursuant to SEC Rule 14a-8 must be received by the Company by December 3, 2012.

Notice of shareholder proposals outside of SEC Rule 14a-8, including nominations for the Board of Directors, must be received by the Company no earlier than January



11, 2013 and no  
later than  
February 10, 2013.

v

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**PROXY STATEMENT**

**QUEST DIAGNOSTICS INCORPORATED**

**Three Giralda Farms  
Madison, New Jersey 07940  
(973) 520-2700**

**INFORMATION ABOUT OUR 2012 ANNUAL MEETING**

This proxy statement and form of proxy and voting instructions are being mailed starting on or about April 2, 2012.

**Who is soliciting my vote?**

The Board of Directors (the Board of Directors or the Board ) of Quest Diagnostics Incorporated, a Delaware corporation ( Quest Diagnostics, the Company, we or our ), is soliciting your vote for our 2012 annual meeting.

**What will I vote on?**

You are being asked to vote on:

election of three  
directors;

approval of amendments  
to the Amended and  
Restated Employee  
Long-term Incentive Plan  
(the Employee Plan );

ratification of the  
appointment of  
PricewaterhouseCoopers  
LLP ( PwC ) as our  
independent registered  
public accounting firm  
for 2012;

an advisory resolution to  
approve executive  
compensation; and

a shareholder proposal  
regarding the classified  
board of directors.

**Who can vote at the annual meeting?**

Holders of our common stock as of the close of business on the record date will be entitled to vote at the annual meeting and at any adjournment or postponement of the annual meeting. March 12, 2012 is the record date.

**How many votes can be cast by all shareholders?**

On the record date, there were 158,974,441 shares of our common stock outstanding, each of which is entitled to one vote for each matter to be voted on at the annual meeting.

**How many votes must be present to hold the annual meeting?**

We need a majority of the votes that may be cast at the annual meeting, present in person or represented by proxy, to hold the annual meeting. We urge you to submit a proxy even if you plan to attend the annual meeting. That will help us to know as soon as possible that sufficient votes will be present to hold the annual meeting.

**How do I vote?**

If you are a holder of record (that is, you hold your shares in your name with the Company's transfer agent), you may vote by submitting your proxy via the Internet, mail or telephone or by attending the annual meeting and voting in person. The directions for telephone and Internet proxy submission are on your proxy card. If you choose to submit your proxy on the Internet, go to [www.cesvote.com](http://www.cesvote.com). If you choose to submit your proxy by mail, simply mark, sign and date your proxy card and return it in the enclosed postage pre-paid envelope. You can also submit your proxy by calling 1-888-693-8683. If you return a signed proxy card without indicating your vote, your shares will be voted according to the Board's recommendation.

If you hold your shares in street name (that is, through a broker, bank or other holder of record), please follow the voting instructions forwarded to you by your bank, broker or other holder of record. If you want to vote in person at the annual meeting, you must obtain a legal proxy from your broker, bank or other holder of record authorizing you to vote and bring the proxy to the annual meeting.

To reduce our administrative and postage costs, we ask that you submit a proxy through the Internet or by telephone, both of which are available 24 hours a day.

**How many votes will be required to elect directors?**

Each director will be elected by a majority of votes cast with respect to such director. A majority of votes cast means that the number of votes cast for a director nominee exceeds the number of votes cast against that director nominee. Under Delaware law, if the director is not elected at the annual meeting, the director will continue to serve on the Board as a holdover director. As required by the Company's by-laws, each director nominee has submitted an irrevocable letter of resignation as director that becomes effective if he or she is not elected by the shareholders and the Board accepts the resignation. If a director is not elected, the Governance Committee will consider the director's resignation and recommend to the Board whether to accept or reject the resignation or take other action. The Board will decide whether to accept or reject the resignation or take other action and publicly disclose its decision and, if it rejects the resignation, the rationale behind the decision, within 120 days after the election results are certified.

**How many votes will be required to adopt the other proposals?**

The ratification of PwC's appointment, the approval of the amendments to the Employee Plan and the approval of the shareholder proposal require the affirmative vote of a majority of the shares of common stock represented at the annual meeting and entitled to vote thereon. The approval of the advisory resolution to approve executive compensation requires the affirmative vote of a majority of votes cast with respect to such proposal. A majority of votes cast means that the number of votes cast for a proposal exceeds the number of votes cast against that proposal.

**Can I change or revoke my proxy?**

Yes. You may revoke your proxy before your shares are voted by:

submitting a  
later dated  
proxy,  
including by  
telephone or the  
Internet that is  
received no  
later than the  
conclusion of  
voting at the  
annual meeting;

delivering a  
written  
revocation  
notice to  
William J.  
O Shaughnessy,  
Jr., Corporate  
Secretary,  
Quest  
Diagnostics  
Incorporated,

Three Giralda  
Farms,  
Madison, New  
Jersey 07940  
that is received  
no later than the  
conclusion of  
voting at the  
annual meeting;  
or

voting in person  
at the annual  
meeting.

**What if I vote to abstain?**

Shares voting abstain on the ratification of PwC's appointment, the approval of the amendments to the Employee Plan and the approval of the shareholder proposal will be counted as present for purposes of that proposal and will have the effect of a vote against the proposal. Shares voting abstain for any nominee for director and the advisory vote to approve executive compensation will be excluded entirely from the vote and will have no effect on the election of that nominee or matter, as the case may be.

**What happens if I do not vote?**

If you are a record holder and do not vote your shares, your shares will not be voted.

If you hold your shares in street name, you must cast your vote if you want your shares to count for the election of directors, the advisory resolution to approve executive compensation, the approval of the amendments to the Employee Plan or the approval of the shareholder proposal. If you do not instruct your broker how to vote on these matters, no vote will be cast on your behalf. Brokers continue, however, to have discretion to vote uninstructed shares on the ratification of the appointment of our independent registered public accounting firm.

If you are a participant in the Quest Diagnostics Profit Sharing Plan or the 401(k) Savings Plan of Quest Diagnostics and you do not submit voting instructions in respect of shares held on your behalf in such plan, then, except as otherwise required by law, the plan trustee will vote your shares in the same proportion as the voting instructions that it receives from other participants. If you hold shares in the Company's Employee Stock Purchase Plan and you do not submit voting instructions in respect of shares held in that plan, those shares will not be voted.

**What if there is voting on other matters?**

We do not know of any other matters that may be presented for action at the meeting other than those described in this proxy statement. If any other matter properly is brought before the meeting, the proxy holders will have the discretion to vote on those matters for you.

**How can I attend the annual meeting?**

Only shareholders as of the record date (or their proxy holders) may attend the annual meeting. All shareholders seeking admission to the meeting must present photo identification. If you hold your shares in street name, to gain admission to the meeting you also must provide proof of ownership of your shares as of the record date. Proof of ownership may be a letter or account statement from your broker, bank or other holder of record.

**What happens if the annual meeting is postponed or adjourned?**

Your proxy will still be valid and may be voted at the postponed or adjourned annual meeting. You will still be able to change or revoke your proxy until it is voted.

**Who will pay the expenses incurred in connection with the solicitation of my vote?**

The Company pays the cost of preparing proxy materials and soliciting your vote. Our directors, officers and employees, who will receive no additional compensation for soliciting, may solicit proxies on our behalf by telephone, mail, electronic or facsimile transmission, in person or by other means of communication. We also have hired D. F. King & Co., Inc. to solicit proxies and for these services we will pay an estimated fee of \$10,000, plus expenses.

**Can I receive annual meeting material via electronic delivery?**

This proxy statement and the Annual Report are available on our website at [www.QuestDiagnostics.com/investor](http://www.QuestDiagnostics.com/investor). You can save the Company postage and printing expense by consenting to access these documents over the Internet. If you consent, you will receive notice next year when these documents are available with instructions on how to view them and submit voting instructions. Your consent to electronic delivery of materials will remain in effect until you revoke it. If you choose electronic delivery, you may incur costs, such as cable, telephone and Internet access charges, for which you will be responsible.

**Whom should I call with other questions?**

If you have additional questions about this proxy statement or the annual meeting or would like additional copies of this document or our 2011 Annual Report on Form 10-K, please contact Investor Relations, Quest Diagnostics Incorporated, 3 Giralda Farms, Madison, N.J. 07940; email address: [Investor@QuestDiagnostics.com](mailto:Investor@QuestDiagnostics.com).

**MATTER TO BE CONSIDERED AT THE ANNUAL MEETING**

**Proposal No. 1 Election of Directors**

The Board currently has nine directors divided into three classes. Members of each class serve for a three-year term. Shareholders elect one class of directors at each annual meeting. Each director holds office until his or her successor has been elected and qualified or the director's earlier resignation, death or removal. The biographies of each of the nominees and continuing directors below contain information regarding the person's service as a director of the Company, business experience, other director positions and the experience, qualifications, attributes and skills that led the Board to conclude as of the date of this proxy statement that the person should serve as a director of the Company.

Timothy M. Ring became a director since the last annual meeting. The Governance Committee's third party search firm recommended Mr. Ring as a potential director candidate to the Governance Committee. The Governance Committee unanimously recommended to the Board that Mr. Ring be elected as a director, and the Board unanimously elected Mr. Ring, effective December 6, 2011.

### *Nominees for Election*

Based on the recommendation of the Governance Committee, the Board nominated three individuals to serve as directors for a term expiring at the 2015 annual meeting. Each nominee currently is a director of the Company whose term expires at the 2012 annual meeting. The Board believes that each nominee possesses the qualities and experience that nominees should possess in accordance with the Company's Corporate Governance Guidelines, which set forth the Board's philosophy regarding Board composition and identify key qualifications and other considerations (the relevant portion of the Company's Corporate Governance Guidelines is set forth below in the section entitled "Information About Our Corporate Governance Board Nomination Process"). Each nominee has consented to serve if elected.

### **Directors with Terms Expiring at the 2012 Annual Meeting**

**Jenne K. Britell, Ph.D.**, 69, joined Brock Capital Group LLC in March 2010 as a Senior Managing Director, advising companies and investors regarding strategy, acquisitions and asset deployment, including in connection with financial services. From 2001 to 2009, she was the Chairman and Chief Executive Officer of Structured Ventures, Inc., which advised domestic and foreign companies on financial services products and strategy. From 1996 to 2000, she was a senior officer of GE Capital, serving as President of GE Capital Global Commercial & Mortgage Banking and Executive Vice President of GE Capital Global Consumer Finance from 1999 to 2000 and serving as President and Chief Executive Officer of GE Capital Central and Eastern Europe from 1998 to mid-1999. Dr. Britell is the non-executive chair of United Rentals, Inc. and a director of Crown Holdings, Inc. She is a member of the Council on Foreign Relations, a trustee of the Fox Chase Cancer Center and a director of the U.S. Russia Foundation for Entrepreneurship and the Rule of Law and the U.S. Russia Investment Fund. Dr. Britell served as a director of Lincoln National Corporation from 2001 to 2006, of West Pharmaceuticals Corporation from 2005 until 2008 and of Aames Investment Corporation from 2001 until 2006. She has been a director of Quest Diagnostics since August 2005. She has extensive executive and advisory experience, including in corporate finance, capital markets, international business and strategic planning, with multinational corporations operating in complex, regulated industries.

**Gail R. Wilensky, Ph.D.**, 68, is a Senior Fellow at Project HOPE, an international non-profit health foundation, which she joined in 1993. From 2008 through 2009, Dr. Wilensky served as President of the Defense Health Board, an advisory board in the Department of Defense. From 1997 to 2001, she was the chair of the Medicare Payment Advisory Commission. From 1995 to 1997, she chaired the Physician Payment Review Commission. In 1992 and 1993, Dr. Wilensky served as a deputy assistant to the President of the United States for policy development relating to health and welfare issues. From 1990 to 1992, she was the administrator of the Health Care Financing Administration where she directed the Medicare and Medicaid programs. Dr. Wilensky is a director of UnitedHealthcare Corporation. She served as a director of Manor Care Inc. from 1998 until 2007, Gentiva Health Services, Inc. from 2000 until 2009, Cephalon Inc. from 2002 to 2011 and SRA International, Inc. from 2006 to 2011. Dr. Wilensky also served as a Commissioner of the World Health Organization's Commission on the Social Determinants of Health and as the Non-Department Co-Chair of the Defense Department's Task Force on the Future of Military Health Care. She has been a director of Quest Diagnostics since January 1997. Dr. Wilensky has extensive experience, including in strategic planning, as a senior advisor to the U.S. government and private enterprises regarding healthcare issues and the operation of the U.S. healthcare system.



**John B. Ziegler**, 66, retired in January 2006 as the President, Worldwide Consumer Healthcare, of GlaxoSmithKline plc. He joined a predecessor company of GlaxoSmithKline in 1991, and held positions of increasing responsibility during his tenure. He has been a director of Quest Diagnostics since May 2000. He has extensive executive experience, including in sales, marketing, strategic planning and international operations, with multinational corporations operating in the healthcare industry.

*Directors Continuing in Office*

**Directors with Terms Expiring at the 2013 Annual Meeting**

**John C. Baldwin, M.D.**, 63, is Senior Advisor for Health Affairs to the Texas Tech University System and a tenured professor. He oversees health research, education, and accreditation issues for the university. From 2007 to 2009, he served as President of Texas Tech University Health Sciences Center. From 2005 to 2007, he was President and Chief Executive Officer of CBR Institute for Biomedical Research. From 1998 to 2005, Dr. Baldwin was the Associate Provost for Health Affairs at Dartmouth College and Professor of Surgery at Dartmouth Medical School. From 1994 to 1998, Dr. Baldwin was the head of the surgical programs at Baylor College of Medicine and its affiliated hospitals. Dr. Baldwin was also the Governor of the American College of Surgeons from 1991 through 1997 and the President of the International Society of Cardiothoracic Surgeons in 1999. Dr. Baldwin has served as the Vice-Chair of the Board of Overseers of Harvard University. Dr. Baldwin served as a director of Massey Energy Company from 2004 until 2006. He has been a director of Quest Diagnostics since May 2004. Dr. Baldwin has extensive executive experience, including in strategic planning, with major organizations, and extensive experience with healthcare issues and the operation of the U.S. healthcare system, including as a practicing physician.

**Surya N. Mohapatra, Ph.D.**, 62, is Chairman of the Board, President and Chief Executive Officer of Quest Diagnostics. Prior to joining the Company in February 1999 as Senior Vice President and Chief Operating Officer, he was Senior Vice President of Picker International, a worldwide leader in advanced medical imaging technologies, where he served in various executive positions during his 18-year tenure. Dr. Mohapatra was appointed President and Chief Operating Officer of the Company in June 1999, Chief Executive Officer in May 2004, and Chairman of the Board in December 2004. Dr. Mohapatra also is a director of Xylem Inc., a Trustee of The Rockefeller University and a member of the Corporate Advisory Board of Johns Hopkins Carey Business School. Dr. Mohapatra served as a director of ITT Corporation from 2008 to October 2011 and Vasogen, Inc. from 2002 to 2006. He has been a director of Quest Diagnostics since October 2002. Dr. Mohapatra has experience at Quest Diagnostics, including as President and Chief Executive Officer, that provides him unique insights into the Company's operations, challenges and opportunities, and he has extensive executive experience in international operations and medical diagnostics.

**Gary M. Pfeiffer**, 62, retired in 2006 as the Senior Vice President and Chief Financial Officer of E.I. du Pont de Nemours and Company. He joined DuPont in 1974, where he held positions of increasing responsibility in finance and international operations, as well as in various DuPont divisions. Mr. Pfeiffer served as Secretary of Finance for the state of Delaware from January through June 2009. Mr. Pfeiffer is a director of InterNAP Network Services Corporation and the non-executive chair of the board of Talbots, Inc. He is the non-executive Chair of the Board of Directors of Christiana Care Health System, a regional hospital system located in Delaware, and serves on the advisory board of Greentech Capital Advisors, LLC. Mr. Pfeiffer has been a director of Quest Diagnostics since December 2004. He has extensive executive experience, including in corporate finance, accounting, international operations, and strategic planning, with a multinational corporation operating in complex industries.

**Directors with Terms Expiring at the 2014 Annual Meeting**

**William F. Buehler**, 72, retired in 2001 as Vice Chairman of Xerox Corporation, which he joined in 1991. At Xerox, Mr. Buehler was responsible for five business groups: Production Systems, Office Document Products, Document Services, Channels and Supplies. He also oversaw Corporate Strategic Services, Business Development and Systems Software and Architecture. Prior to joining Xerox, Mr. Buehler spent 27 years with AT&T, primarily in sales, marketing and general management positions. Mr. Buehler served as a director of A.O. Smith Corporation from 1998 until 2011. Mr. Buehler has been a director of Quest Diagnostics since July 1998. He has extensive executive experience, including in sales, marketing and strategic planning, with multinational corporations operating in complex industries.

**Daniel C. Stanzione, Ph.D.**, 66, retired from Lucent Technologies Incorporated in 2000 and is President Emeritus of Bell Laboratories and an independent consultant. Dr. Stanzione began his career in 1972 with Bell Laboratories, where he led the teams working on the first microprocessors and digital signal processors. He was appointed President of Network Systems, Lucent's largest business unit, in 1996 and was appointed Chief Operating Officer of Lucent in 1997. Dr. Stanzione is a director of InterNAP Network Services Corporation, where he serves as non-executive chairman. Dr. Stanzione served as a director of Avaya Inc. from 2000 until 2007. He has been a director of Quest Diagnostics since January 1997. Dr. Stanzione has extensive executive experience, including in general management and strategic planning, with multinational corporations operating in complex industries.

**Timothy M. Ring**, 54, has been the Chairman and Chief Executive Officer of C. R. Bard, Inc. since 2003. He is a director of C. R. Bard, Inc. and was director of CIT Group Inc. from 2005 to 2009. Mr. Ring is a Trustee of the Foundation of The University of Medicine & Dentistry of New Jersey. He has been a director of Quest Diagnostics since December 2011. Mr. Ring has extensive executive experience, including in strategic planning and international operations, with a multinational corporation operating in the healthcare industry.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH NOMINEE FOR DIRECTOR. PROXIES SOLICITED BY THE BOARD WILL BE VOTED FOR THESE NOMINEES UNLESS OTHERWISE INSTRUCTED.**

## INFORMATION ABOUT OUR CORPORATE GOVERNANCE

### Governance Practices

The Board of Directors believes that good corporate governance is important. The Board has adopted a set of Corporate Governance Guidelines to enhance its own effectiveness and to demonstrate its commitment to strong corporate governance for the Company. The Board reviews these Guidelines from time to time for possible revision, including in response to changing regulatory requirements, evolving practices and the concerns of our shareholders. The Company also has adopted a Code of Business Ethics applicable to all directors, officers and employees. The Corporate Governance Guidelines and Code of Business Ethics are published on our corporate governance website at [www.QuestDiagnostics.com/governance](http://www.QuestDiagnostics.com/governance).

In addition to the highlights of our corporate governance practices described below, our Board has adopted the following practices.

Independent directors meet privately in executive sessions with the Lead Independent Director presiding at all regularly scheduled meetings.

The Board assesses annually its structure and performance, including reviewing the Board's activities against those set out in its Corporate Governance Guidelines and committee charters and making recommendations for changes or improvements in practices or structure.

The Board reviews annually senior

management succession planning and reviews Company policies for the development of management personnel.

Independent directors have unlimited access to officers and employees of the Company.

Directors are regularly updated by senior management, our independent registered public accounting firm and compensation consultants on changes in the Company's businesses, its markets and best practices in general. Directors also are offered the opportunity to attend director education programs offered by third parties.

Independent directors receive a significant portion of their annual compensation in equity to further align their interests with the interests of our shareholders.

The Board and each committee

have access to independent legal, financial or other advisors as they deem necessary, without obtaining management approval, but no committee may engage the Company's independent registered public accounting firm to perform any services without the approval of the Audit and Finance Committee.

In considering committee assignments for directors, the Governance Committee considers the rotation of committee chairs and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors.

Committees report on their activities to the Board at each Board meeting.

Materials related to agenda items are provided to

directors  
sufficiently in  
advance of  
meetings to allow  
the directors to  
prepare for  
discussion of the  
items.

### **Director Independence**

The Board of Directors assesses annually the independence of each director in accordance with the Company's Corporate Governance Guidelines and New York Stock Exchange listing standards. The independence guidelines in the Company's Corporate Governance Guidelines are consistent with the independence requirements in the New York Stock Exchange listing standards and include guidelines as to categories of relationships that are considered not material for purposes of director independence. Our Corporate Governance Guidelines are available on our corporate governance website at [www.QuestDiagnostics.com/governance](http://www.QuestDiagnostics.com/governance).

The Board has determined that a substantial majority (eight of nine) of our directors is independent. Each member, including the chair, of each of the Audit and Finance Committee, the Compensation Committee, the Governance Committee and the Quality, Safety & Compliance Committee qualifies as independent. The Board has determined the following directors to be independent: Dr. Baldwin, Dr. Britell,

Mr. Buehler, Mr. Pfeiffer, Mr. Ring, Dr. Stanzione, Dr. Wilensky and Mr. Ziegler. Dr. Mohapatra is not independent because he is a Company officer. In making its determinations as to the independence of the directors, the Board reviewed relationships between the Company and the directors, including ordinary course commercial relationships in the last three years between the Company and the entity of which Mr. Ring is an executive officer that did not exceed a certain amount of that entity's gross revenues in any year.

### **Shareholder Access**

Shareholders and any other person may communicate with the Board by sending an email to our Lead Independent Director at [LeadIndependentDirector@QuestDiagnostics.com](mailto:LeadIndependentDirector@QuestDiagnostics.com) or by writing to the full Board or any individual director or any group or committee of directors, c/o Corporate Secretary, Three Giralda Farms, Madison, New Jersey 07940. Communications received at the email address are automatically routed to our Lead Independent Director with a copy to our General Counsel and Corporate Secretary. The Lead Independent Director determines whether any such communication should be distributed to other members of the Board. Communications received by the Corporate Secretary addressed as set forth above, other than communications unrelated to the duties and responsibilities of the Board, are forwarded to the intended directors.

The Audit and Finance Committee established a procedure whereby complaints and concerns with respect to accounting, internal controls and auditing matters may be submitted to the Audit and Finance Committee. All communications received by a director relating to the Company's accounting, internal controls or auditing matters are immediately forwarded to the Chairman of the Audit and Finance Committee and are investigated and responded to in accordance with the procedures established by the Audit and Finance Committee. In addition, the Company has established a hotline (known as CHEQline) pursuant to which employees can anonymously report accounting, internal controls and financial irregularities (as well as compliance concerns on other laws).

Our policy is, where practical, to schedule the annual shareholders meeting on a day on which we also schedule a regular Board meeting. This year, we have scheduled a regular Board meeting on the date of the annual meeting. We encourage our directors to attend each annual shareholders meeting and expect that all of our directors will attend the annual meeting this year. All of our directors then in office attended the 2011 annual shareholders meeting, except Ms. Haggerty, whose term was concluded at the meeting.

### **Board Nomination Process**

The Governance Committee is responsible for reviewing with the Board, on an annual basis, the composition of the Board as a whole and whether the Company is being well served by the directors, taking into account each director's independence, skills, experience, availability for service to the Company and other factors the Governance Committee deems appropriate. The Governance Committee is responsible for recommending director nominees to the Board, including re-nomination of persons who are already directors. The Governance Committee does not set specific, minimum qualifications that nominees must meet in order for the Governance Committee to recommend them to the Board, but rather believes that each nominee should be evaluated based on his or her own merits, taking into account the Company's needs and the composition of the Board. Recommendations are made by the Governance Committee in accordance with the Company's Corporate Governance Guidelines, which set forth the Board's philosophy regarding Board composition and identify key qualifications and other considerations. The Governance Committee believes that the Board should be comprised of individuals whose backgrounds and experience complement those of other Board members, and also considers whether a prospective nominee promotes a diversity of talent, skill, expertise, background, perspective and experience, including with respect to age, gender, ethnicity, place of residence and specialized experience. The Governance Committee does not assign specific weights to particular criteria and nominees are not required to possess any particular attribute. The key qualifications and other considerations set forth in the Company's Corporate Governance Guidelines are set forth below.





o Qualifications:

< Reputation for highest ethical standards and integrity consistent with Quest Diagnostics values of Quality, Integrity, Innovation, Accountability, Collaboration and Leadership; and

< Relevant experience such as:

Chief Executive Officer or Chief Operating Officer (or similar responsibilities) current or past;

Demonstrated expertise in business function(s) such as sales, operations, finance, strategy, legal or human resources; or

Medical practitioner and/or science and health thought leader.

o Other considerations:

- < Independence;
- < Prior experience as a director or executive officer of a public company;
- < Number of current board positions and other time commitments; and
- < Overall range of skills, experience and seniority represented by the Board as a whole.

The Governance Committee considers suggestions from many sources, including shareholders, regarding possible candidates for director. Shareholders may recommend candidates for consideration as director by sending an email to our Lead Independent Director at [LeadIndependentDirector@QuestDiagnostics.com](mailto:LeadIndependentDirector@QuestDiagnostics.com) or writing to the full Board or any independent Board member, c/o Corporate Secretary, Three Giralda Farms, Madison, New Jersey 07940. The recommendation should contain the proposed nominee's name, biographical information and relationship to the shareholder. The Governance Committee evaluates shareholder recommendations for director candidates in the same manner as other director candidate recommendations. Shareholders may also nominate director candidates. See [Information About Our 2013 Annual Meeting](#) on page 61 for information regarding the process and deadline for shareholders to submit director nominations for the 2013 annual meeting.

When the Governance Committee identifies a need to add a new Board member, the Governance Committee identifies candidates by seeking input from Board members and considering recommendations for nominees submitted by other sources, including shareholders. The Governance Committee also from time to time hires third-party search firms to assist in identifying and evaluating candidates for nomination. After the Governance Committee ranks the candidates, the Chairman of the Board, President and Chief Executive Officer, the Lead Independent Director and other Board members interview the candidates selected by the Governance Committee. Members of senior management also may interview candidates. After the interview process, the Governance Committee re-assesses the candidates and then makes its recommendation for director candidates to the Board, which determines which candidates are nominated for election by the shareholders or elected by the Board.

### **Board Committees**

In order to fulfill its responsibilities, the Board has delegated certain authority to its committees. There are five standing committees. During 2011, the Board held 15 meetings. Each of our incumbent directors attended at least 75% of the total number of meetings of the Board and the committees on which he or she served. Any director may attend meetings of any committee of which the director is not a member. The following table shows the membership of each of the committees since the 2011 annual shareholders meeting and the number of meetings held by each committee in

2011.

	Audit and Finance	Compensation	Governance	Quality, Safety & Compliance	Executive
John C. Baldwin, M.D.					
Jenne K. Britell, Ph.D.					
William F. Buehler					
Rosanne Haggerty (1)					
Surya N. Mohapatra, Ph.D.					
Gary M. Pfeiffer					
Timothy M. Ring (1)					
Daniel C. Stanzione, Ph.D.					
Gail R. Wilensky, Ph.D.					
John B. Ziegler					
Number of meetings	14	8	5	5	1

- (1) Ms. Haggerty ceased to be a member of the committees on which she served when her term as a director ended at the 2011 annual shareholders meeting. Mr. Ring, who was elected a director on December 6, 2011, was not a member of any committee during 2011, but joined the Compensation Committee and the Quality, Safety and Compliance Committee effective February 26, 2012.

For each year, a schedule of Board meetings is established before the year begins. Committee meetings are generally scheduled for the day before, or the day of, meetings of the full Board, except that meetings of the Executive Committee are scheduled only when needed. The Board and each committee also hold such additional meetings as the Board or committee, respectively, determines necessary or appropriate.

A brief description of each of the Board committees and their functions is set forth below. Additional information about the committees can be found in their charters, which are available on our corporate governance website at [www.QuestDiagnostics.com/governance](http://www.QuestDiagnostics.com/governance).

### **Audit and Finance Committee**

The Audit and Finance Committee:

Assists the Board in monitoring the quality and integrity of the financial statements and financial reporting procedures of the Company and the Company's compliance with legal and regulatory requirements.

Oversees management's accounting for the Company's financial results and reviews the timeliness and adequacy of the reporting of those results and related judgments.

Oversees the internal audit function and makes inquiry into the audits of the Company's books performed internally and by the outside independent

registered public  
accounting firm.

Appoints the  
independent  
registered public  
accounting firm,  
monitors its  
qualifications,  
independence and  
performance,  
approves its  
compensation and  
pre-approves the  
services it  
performs.

Reviews with the  
Company s  
independent  
registered public  
accounting firm,  
and informs the  
Board of, any  
significant  
accounting  
matters, including  
critical accounting  
policies and  
judgments.

Advises and  
makes  
recommendations  
with regard to  
certain financing  
transactions and  
other significant  
financial policies  
and actions.

Establishes procedures for the receipt, retention and treatment of complaints relating to accounting and internal accounting controls, and for the confidential, anonymous submission by employees of concerns regarding accounting or auditing matters.

Reviews and reports to the Board on the Company's management of its financial resources.

Reviews annually its performance.

The Board has determined that each of Dr. Britell and Mr. Pfeiffer qualifies as an audit committee financial expert as defined by the Securities and Exchange Commission. For descriptions of the experience of Dr. Britell and Mr. Pfeiffer, see Proposal No. 1 Election of Directors beginning on page 3.

### **Compensation Committee**

The Compensation Committee:

Reports to the Board with respect to the performance of the Chief Executive Officer

and reviews and approves the compensation of the Chief Executive Officer based on the directors evaluation of the Chief Executive Officer and the Company s financial performance, competitive compensation data and other factors.

Oversees the performance of other executive officers and annually reviews and approves their annual base salary, annual incentive compensation and long-term incentive compensation.

Annually reviews the compensation arrangements for the Company s executive officers to assess whether they encourage risk taking that is reasonably likely to have a material adverse effect on the Company.

Annually reviews and recommends to the Board the compensation of the Company s non-employee



directors.

Administers, or makes recommendations to the Board regarding, the equity-based, incentive compensation and retirement plans, policies and programs of the Company. The Committee may delegate the administration of plans, policies and programs as appropriate, including to executive officers of the Company and to the Company's Human Resources department.

Supports the Board in the senior management succession planning process.

Reviews and approves, for executive officers, employment agreements, severance benefits and other special benefits.

Reviews annually its performance.

For a discussion of the role of executive officers and compensation consultants in connection with determining or recommending executive compensation, see Compensation Discussion and Analysis beginning on page 19.

#### **Governance Committee**

The Governance Committee:

Identifies individuals qualified to become Board members, and reviews and recommends possible candidates for Board membership, taking into account such criteria as independence, diversity, age, skills, occupation and experience in the context of the needs of the Board.

Reviews the structure of the Board, its committee structure and overall size.

Monitors developments in corporate governance.

Reviews the Company's Corporate Governance Guidelines and recommends to the Board such changes to the Guidelines, if any, as the Committee may

determine.

Recommends  
for Board  
approval  
assignments of  
directors to  
Board  
committees.

Reviews  
relationships  
and  
transactions of  
directors,  
executive  
officers and  
senior  
financial  
officers for  
possible  
conflicts of  
interest.

Monitors  
compliance  
with the  
Company's  
Code of  
Business  
Ethics.

Reviews and approves transactions or proposed transactions in which a related person is likely to have a direct or indirect material interest pursuant to the Company's Statement of Policy and Procedures for the Review and Approval of Related Person Transactions.

Oversees the Board and each Board committee in their annual self-evaluation.

Reviews annually its performance.

**Quality, Safety & Compliance Committee**

The Quality, Safety & Compliance Committee:

Reviews the Company's policies, programs and performance relating to billing compliance, environmental health and safety, equal opportunity employment practices, fraud and abuse, and

medical quality assurance.

Reviews the organization, responsibilities, plans, results, budget and staffing of the Company's Compliance Department, and reviews significant reports to management, or summaries thereof, regarding the Company's compliance policies, practices, procedures and programs and management's responses thereto.

Monitors significant external and internal investigations of the Company's business as they relate to possible violations of law by the Company or its directors, officers, employees or agents.

Monitors significant regulatory, legislative and legal

developments affecting the Company's business.

Monitors material legal and medical quality matters and compliance with legal and regulatory requirements, and reports to the Audit and Finance Committee regarding the same.

Reviews annually its performance.

#### **Executive Committee**

The Executive Committee may act for the Board, except with respect to certain major corporate matters, such as mergers, election of directors, removal of directors or the Chief Executive Officer, amendment of the Company's charter or by-laws, declaration of dividends and matters delegated to other Board committees.

#### **Board Leadership Structure and Role in Risk Oversight**

The Board operates under the leadership of our Chairman. At this time, the Board has determined that the Company's President and Chief Executive Officer is best positioned to serve as Chairman. The Board believes that this leadership structure is in the best interest of the Company and its shareholders for the following reasons.

The President and Chief Executive Officer has primary responsibility for managing the Company on a daily basis. By serving as Chairman, the President and Chief Executive

Officer helps ensure that key business issues and other important matters are brought to the Board's attention.

We have numerous mechanisms in place to promote the appropriate level of independence and oversight in Board decisions:

- o Our Corporate Governance Guidelines provide that at least a majority of the Company's directors shall be independent. At this time eight of nine directors are independent, and all the members of the Audit and Finance, Compensation, Governance and Quality, Safety and Compliance Committees are independent.
- o The Board and each of its committees

have complete access to management and the authority to retain independent advisors, as they deem appropriate.

- o The independent directors review the performance of the President and Chief Executive Officer annually.
- o We have published procedures for interested parties, including shareholders, to communicate with our directors.



We also have a Lead Independent Director. The Board believes that having a Lead Independent Director helps the administration and organization of the Board and facilitates the effective conduct of its duties, including the activities of the independent directors. Dr. Stanzione currently serves as the Lead Independent Director. The principal responsibilities of the Lead Independent Director are to:

- o Preside over executive sessions of the non-management directors or the independent directors;
- o Participate with the Chairman and Chief Executive Officer in the preparation of the agendas for Board meetings;
- o

Serve as a member of the Executive Committee;

- o Coordinate providing timely feedback from the directors to the Chairman and Chief Executive Officer;
- o Serve as the principal contact for shareholder communications with the Board; and
- o Monitor, and if appropriate discuss with other directors, communications received from shareholders and others.

The Board retains the flexibility to revise our leadership structure if, in the exercise of its fiduciary duty, the Board determines that a different structure is appropriate.

The Board plays an active role in overseeing the Company's key risks and has considered its role in risk oversight in determining the current Board leadership structure. The Company's management is responsible for managing the risks, which it does through a committee of senior managers that leads the Company's enterprise risk management program. The Board has delegated to its Audit and Finance Committee primary responsibility for overseeing that program. The Audit and Finance Committee receives periodic updates regarding the program. In addition, the Board's Quality, Safety and Compliance Committee reviews the adequacy and effectiveness of policies and programs to ensure the

Company's compliance with laws and regulations applicable to its business (other than securities and accounting laws and regulations, which the Audit and Finance Committee oversees), and regularly receives reports regarding these topics. In addition, the Compensation Committee annually reviews the compensation arrangements for the Company's executive officers to assess whether they encourage risk taking that is reasonably likely to have a material adverse effect on the Company. Each of these committees regularly updates the Board regarding its activities. In addition, each year the full Board of Directors reviews the enterprise risk management program.

## **Related Person Transactions**

### ***Review and Approval of Related Person Transactions***

The Company has a written policy pursuant to which it evaluates proposed transactions involving a related person and the Company in which the amount involved exceeds \$120,000. A related person is any director or executive officer of the Company, any immediate family member of a director or executive officer, or any person who owns 5% or more of the Company's outstanding common stock. The office of the General Counsel is primarily responsible for the administration of the policy and for determining, based on the facts and circumstances, whether the Company or a related person has a direct or indirect material interest in the transaction. Certain transactions are defined not to be related person transactions under the policy.

The Governance Committee reviews any proposed transaction in which a related person has a direct or indirect material interest, except for any compensation arrangements involving an immediate family member of a director or an executive officer. In the event that the General Counsel becomes aware of a related person transaction not approved in advance, the General Counsel will arrange for the related person transaction to be reviewed and, if appropriate, ratified at the next regularly scheduled meeting of the Governance Committee. Any member of the Governance Committee who is a related person with respect to a transaction under review may not participate in any review, consideration or approval of the transaction.

In considering any related person transaction, the Governance Committee determines whether the transaction is fair to the Company. In considering a proposed transaction involving a director or the immediate family member of a director, the Governance Committee also assesses whether the proposed

transaction could reasonably be expected to impact the independence of the director under the Company's Corporate Governance Guidelines, the New York Stock Exchange listing standards or other applicable rules.

Compensation arrangements involving an immediate family member of an executive officer are reviewed and approved by the Chief Executive Officer and the Vice President, Human Resources, unless such person is an immediate family member of the Chief Executive Officer, in which case the compensation arrangement is approved by the Compensation Committee. Compensation arrangements involving an immediate family member of a director are reviewed and approved by the Compensation Committee.

### *GlaxoSmithKline*

Prior to February 4, 2011, SB Holdings Capital Inc. ( SBHC ), a subsidiary of SmithKline Beecham Corporation ( SKB ), owned 30,755,151 shares of the Company's common stock. SKB, which is a subsidiary of GlaxoSmithKline plc. ( GSK ), obtained the shares on August 16, 1999 as partial consideration for its sale of SmithKline Beecham Clinical Laboratories, Inc. to the Company. At the closing of the acquisition, SKB and the Company entered into a stockholders agreement. Among other provisions of the agreement, during the agreement's term, SKB generally had the right to designate a nominee or nominees to the Board as long as SKB owned at least a specified minimum percentage of our outstanding common stock.

Since the closing of the acquisition, SKB (or an affiliate) and the Company have been parties to a global clinical trials testing agreement under which the Company serves as the primary or exclusive provider of GSK's clinical trials testing requirements. In addition, under the most recent agreement, which was approved by the Board's Governance Committee pursuant to the Company's related person transaction policy, on a selected basis the Company may provide support for other early stage research and development activity. Under this agreement, GSK pays the Company fees for its services. Net revenues with respect to services provided to GSK under the agreement were approximately \$12 million during the first two months of 2011. This amount represents less than one percent of the 2011 net revenues of each of the Company and GSK. During the first two months of 2011, the Company and GSK purchased additional goods and services from each other. These transactions were in the ordinary course of business and at prevailing market prices and were not material to either party.

On February 4, 2011, SBHC sold all its holdings of the Company's common stock (the GSK Share Sale ). Pursuant to its existing share repurchase authority, the Company repurchased 15.4 million shares from SBHC for an aggregate purchase price of \$835 million, reflecting a negotiated discount from the closing price of the Company's common stock on the date that the Company agreed to repurchase the shares. The Company's repurchase was approved by the Board's Governance Committee pursuant to the Company's related person transaction policy.

On February 4, 2011, the Company waived the applicability of certain provisions of the stockholders' agreement that would have resulted in the deemed resignation of Mr. John Ziegler, a director of the Company designated by GSK, upon the GSK Share Sale. As a result of such waiver, Mr. Ziegler was not deemed to have resigned upon consummation of the GSK Share Sale and he continued to serve as a director of the Company. Mr. Ziegler was not involved with the negotiation of any of the foregoing arrangements or transactions, or with the waiver.

### **STOCK OWNERSHIP INFORMATION**

We encourage our directors, officers and employees to own our common stock; owning our common stock aligns their interests with your interests as shareholders. The Company maintains stock ownership guidelines for its directors and executive officers. Under the guidelines for directors, each director's ability to sell shares associated with equity awards is limited until the director owns not less than 6,000 shares of our common stock. The guidelines for the named executive officers are discussed in Compensation Discussion and Analysis beginning on page 19.

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The following table shows the number of shares of the Company's common stock beneficially owned by (1) each person who is known to the Company to own beneficially more than 5% of the Company's common stock, (2) each director of the Company and each nominee, (3) each named executive officer and

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(4) all directors, nominees and executive officers of the Company as a group. Information in the table regarding the Company's directors and executive officers is provided as of March 1, 2012.

Name	Number of Shares Beneficially Owned	Percentage of Class
Aberdeen Asset Management plc (1)	9,326,922	5.91 %
Capital World Investors (2)	8,765,000	5.6 %
T. Rowe Price Associates, Inc. (3)	8,557,218	5.4 %
BlackRock, Inc. (4)	8,233,825	5.22 %
<b>Named Executive Officers (5)(6)(7)</b>		
Surya N. Mohapatra (8)	1,331,055	*
Robert A. Hagemann	598,214	*
Kathy Ordoñez	1,384	*
Jon R. Cohen	116,651	*
Joan E. Miller	194,283	*
<b>Directors (5)(7)(9)</b>		
John C. Baldwin	34,333	*
Jenne K. Britell	43,166	*
William F. Buehler	94,631	*
Gary M. Pfeiffer	63,778	*
Timothy M. Ring	683	*
Daniel C. Stanzione	90,557	*
Gail R. Wilensky	84,333	*
John B. Ziegler	92,744	*
All directors and executive officers as a group (15 persons) (5, 6, 7, 8, 9)	3,416,094	2.15 %

\* Less than  
1%.

(1) The business address of Aberdeen Asset Management plc (Aberdeen) is 10 Queens Terrace, Aberdeen, Scotland. The ownership information is based on

the  
information  
contained in  
a Schedule  
13G filed by  
Aberdeen  
with the SEC  
on January  
11, 2012.

(2) The business  
address of  
Capital  
World  
Investors  
( Capital ) is  
333 South  
Hope Street,  
Los Angeles,  
California  
90071. The  
ownership  
information  
is based on  
the  
information  
contained in  
the Schedule  
13G filed by  
Capital with  
the SEC on  
February 10,  
2012.

(3) These  
securities are  
owned by  
various  
individual  
and  
institutional  
investors  
which T.  
Rowe Price  
Associates,  
Inc. ( Price  
Associates )  
serves as  
investment  
advisor with  
power to

direct  
investments  
and/or sole  
power to vote  
the securities.  
For purposes  
of the  
reporting  
requirements  
of the  
Securities  
Exchange  
Act of 1934,  
Price  
Associates is  
deemed to be  
the beneficial  
owner of  
such  
securities;  
however,  
Price  
Associates  
expressly  
disclaims that  
it is, in fact,  
the beneficial  
owner of  
such  
securities.  
The business  
address of  
Price  
Associates is  
100 E. Pratt  
Street,  
Baltimore,  
MD 21202.  
The  
ownership  
information  
is based on  
(i) the  
information  
contained in  
the  
Scheduled  
13G filed by  
Price  
Associates  
with the SEC



on February  
10, 2012 and  
(ii) a letter  
received  
from Price  
Associates  
mailed  
February 14,  
2012.

- (4) The business address of BlackRock, Inc. is 40 East 52nd Street, New York, New York 10022. The ownership information is based on the information contained on a Schedule 13G filed by BlackRock with the SEC on February 9, 2012.
- (5) All directors and executive officers have sole voting power and sole dispositive power over all shares of common stock beneficially owned by them.
- (6) Includes shares of common stock which

are subject to options issued under the Employee Plan that were exercisable as of, or would become exercisable within 60 days of, March 1, 2012. Each person listed in the following chart had the right to purchase the number of shares set forth beside his or her name pursuant to such options.

Dr. Mohapatra	1,049,967	Dr. Miller	124,348
Mr. Hagemann	472,328	Dr. Cohen	85,833
Ms. Ordoñez			

(7) Does not include shares of common stock corresponding to restricted share units held by the directors and executive officers. Each person listed in the following chart holds the number of restricted share units, all of which were part of equity awards, set forth beside his or her name.

Mr. Hagemann	30,453	Dr. Britell	5,310
Ms. Ordoñez	9,724	Mr. Pfeiffer	4,198
Dr. Miller	20,365	Mr. Ring	823
Dr. Cohen	19,888	Dr. Stanzione	3,643
Dr. Baldwin	3,643	Dr. Wilensky	3,643
Mr. Buehler	3,643	Mr. Ziegler	8,088

(8) Includes 5,590 shares of common stock beneficially owned indirectly by Dr. Mohapatra as grantor/trustee

of a qualified grantor retained annuity trust.

- (9) Includes options issued under the Long-Term Incentive Plan for Non-Employee Directors that were exercisable as of, or would become exercisable within 60 days of, March 1, 2012. Each person listed in the following chart had the right to purchase the number of shares set forth beside his or her name pursuant to such options.

Dr. Baldwin	25,999	Mr. Ring	683
Mr. Buehler	75,999	Dr. Stanzione	75,999
Dr. Britell	35,999	Dr. Wilensky	75,999
Mr. Pfeiffer	55,999	Mr. Ziegler	82,153

#### 2011 DIRECTORS COMPENSATION TABLE

The following table sets forth the 2011 compensation of our non-employee directors. Dr. Mohapatra, our only employee director, received no additional compensation for serving as a director.

Director	Fees Earned or Paid in Cash (\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(2)</sup>	Option Awards (\$) <sup>(3)</sup>
John C. Baldwin	71,000	113,888	108,275
Jenne K. Britell	72,500	113,888	108,275
William F.	72,500	113,888	108,275

Buehler						
Rosanne Haggerty <sup>(4)</sup>	25,000					
Gary M. Pfeiffer	110,750		113,888			108,275
Timothy M. Ring <sup>(5)</sup>	4,417		47,520			43,234
Daniel C. Stanzione	111,500		113,888			108,275
Gail R. Wilensky	69,500		113,888			108,275
<b>Property, plant and equipment, net</b>	703.8	27.0	6.4	(a)	737.2	
<b>Goodwill</b>	1,894.8	9.7	2,579.8	(a)	4,484.3	
<b>Intangible assets, net</b>	489.0	36.0	2,559.0	(a)	3,084.0	
<b>Investments and other assets</b>	358.6	17.1	(17.1 )	(c)(h)	358.6	
<b>Total assets</b>	\$ 4,872.1	\$ 680.2	\$ 4,615.9		\$ 10,168.2	
<b>Liabilities</b>						
<b>Short-term borrowings</b>	\$ 656.2	\$	\$ (257.0 )	(c)	\$ 399.2	
<b>Current portion of long-term debt</b>	250.6		75.0	(c)	325.6	
<b>Trade accounts payable</b>	453.1	57.4	8.8	(h)	519.3	
<b>Due to related parties</b>		43.2	(43.2 )	(b)		
<b>Other accrued liabilities</b>	441.5	66.8	(18.7 )	(c)(g)(h)	489.6	
<b>Total current liabilities</b>	1,801.4	167.4	(235.1 )		1,733.7	
<b>Long-term debt</b>	804.3		3,900.0	(c)	4,704.3	
<b>Other long-term liabilities</b>	457.0	41.7	972.9	(a)(h)	1,471.6	

<b>Total liabilities</b>	3,062.7	209.1	4,637.8		7,909.6
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**Shareholders /  
parent s equity**

<b>Common stock, no par value</b>	409.3				409.3
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<b>Common stock non-voting, no par value</b>	693.9		482.0	(d)	1,175.9
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<b>Parent s investment</b>		472.5	(472.5 )	(b)	
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<b>Retained earnings</b>	1,074.2		(32.8 )	(c)(g)	1,041.4
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<b>Accumulated other comprehensive loss</b>	(379.3 )	(1.4 )	1.4	(b)	(379.3 )
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<b>Non-controlling interests</b>	11.3				11.3
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<b>Shareholders / parent s equity</b>	1,809.4	471.1	(21.9 )		2,258.6
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<b>Total liabilities and shareholders / parent s equity</b>	\$ 4,872.1	\$ 680.2	\$ 4,615.9		\$ 10,168.2
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*See accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information*

Table of Contents**Unaudited Pro Forma Condensed Combined Income Statement****For the Year Ended November 30, 2016****(in millions, except per share data)**

	<b>McCormick November 30, 2016</b>	<b>Food Business December 31, 2016</b>	<b>Pro Forma Adjustments</b>		<b>Pro Forma Combined</b>
<b>Net sales</b>	\$ 4,411.5	\$ 564.2	\$		\$ 4,975.7
<b>Cost of goods sold</b>	2,579.8	257.7	(18.2)	(f)(h)	2,819.3
<b>Gross profit</b>	1,831.7	306.5	18.2		2,156.4
<b>Selling, general and administrative expenses</b>	1,175.0	129.7	25.4	(e)(h)	1,330.1
<b>Special charges</b>	15.7				15.7
<b>Operating income</b>	641.0	176.8	(7.2)		810.6
<b>Interest expense</b>	56.0		129.5	(c)	185.5
<b>Other income, net</b>	4.2	1.7	(0.8)	(b)	5.1
<b>Income from consolidated operations before income taxes</b>	589.2	178.5	(137.5)		630.2
<b>Income taxes</b>	153.0	44.2	(28.6)	(i)	168.6
<b>Net income from consolidated operations</b>	436.2	134.3	(108.9)		461.6
<b>Income from unconsolidated operations</b>	36.1				36.1
<b>Net income</b>	\$ 472.3	\$ 134.3	\$ (108.9)		\$ 497.7
<b>Earnings per share basic</b>	\$ 3.73				\$ 3.77
<b>Earnings per share diluted</b>	\$ 3.69				\$ 3.73
<b>Average shares outstanding:</b>					
<b>Basic</b>	126.6		5.5	(d)	132.1
<b>Diluted</b>	128.0		5.5	(d)	133.5

*See accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information*

Table of Contents**Unaudited Pro Forma Condensed Combined Income Statement****For the Six Months Ended May 31, 2017****(in millions, except per share data)**

	<b>McCormick May 31, 2017</b>	<b>Food Business June 30, 2017</b>	<b>Pro Forma Adjustments</b>		<b>Pro Forma Combined</b>
<b>Net sales</b>	\$ 2,158.0	\$ 264.9	\$		\$ 2,422.9
<b>Cost of goods sold</b>	1,300.4	125.4	(8.7)	(f)(h)	1,417.1
<b>Gross profit</b>	857.6	139.5	8.7		1,005.8
<b>Selling, general and administrative expenses</b>	582.5	65.2	13.5	(e)(g) (h)	661.2
<b>Special charges</b>	8.3				8.3
<b>Operating income</b>	266.8	74.3	(4.8)		336.3
<b>Interest expense</b>	29.4		64.4	(c)	93.8
<b>Other income, net</b>	1.3	0.9	(0.4)	(b)	1.8
<b>Income from consolidated operations before income taxes</b>	238.7	75.2	(69.6)		244.3
<b>Income taxes</b>	60.6	19.2	(17.1)	(i)	62.7
<b>Net income from consolidated operations</b>	178.1	56.0	(52.5)		181.6
<b>Income from unconsolidated operations</b>	15.4				15.4
<b>Net income</b>	\$ 193.5	\$ 56.0	\$ (52.5)		\$ 197.0
<b>Earnings per share basic</b>	\$ 1.55				\$ 1.51
<b>Earnings per share - diluted</b>	\$ 1.53				\$ 1.49
<b>Average shares outstanding:</b>					
<b>Basic</b>	125.0		5.5	(d)	130.5
<b>Diluted</b>	126.7		5.5	(d)	132.2

*See accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information*



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**Notes to Unaudited Pro Forma Condensed Combined Financial Information**

**1. Basis of Presentation and Accounting Policies**

*Basis of Presentation*

The unaudited pro forma condensed combined financial information presented herein is based on the historical audited consolidated and unaudited condensed consolidated financial information of McCormick and the audited and unaudited combined financial information of the Food Business, or is derived therefrom. McCormick's fiscal year ends on November 30, while the Food Business' fiscal year ends on December 31. Pursuant to Rule 11-02(c)(3) of Regulation S-X, the fiscal years are not being conformed for the purpose of presenting unaudited pro forma condensed combined financial statements, because the two fiscal year ends are not separated by more than 93 days.

The unaudited pro forma condensed combined balance sheet combines the unaudited condensed consolidated balance sheet of McCormick as of May 31, 2017 and the unaudited combined balance sheet of the Food Business as of June 30, 2017. The unaudited pro forma condensed combined income statement for the year ended November 30, 2016 combines the consolidated income statement of McCormick for the fiscal year ended November 30, 2016 with the combined statement of income of the Food Business for the fiscal year ended December 31, 2016. The interim unaudited pro forma condensed combined income statement for the six months ended May 31, 2017 combines the unaudited condensed consolidated income statement of McCormick for the six months ended May 31, 2017 and the unaudited combined statement of income of the Food Business for the six months ended June 30, 2017.

Pro forma adjustments reflected in the unaudited pro forma condensed combined balance sheet are based on items that are directly attributable to the pending Acquisition and related financings that are factually supportable. Pro forma adjustments reflected in the unaudited pro forma condensed combined income statements are based on items directly attributable to the pending Acquisition and related financings, and that are factually supportable and expected to have a continuing impact on McCormick.

The unaudited pro forma condensed combined income statements are not necessarily indicative of operating results that would have been achieved had the Acquisition been completed as of December 1, 2015 and does not intend to project the future financial results of McCormick after the Acquisition. The unaudited pro forma condensed combined balance sheet does not purport to reflect what our financial condition would have been had the Acquisition closed on May 31, 2017 or for any future or historical period. Additionally, the unaudited pro forma condensed combined income statements and balance sheet do not reflect the cost of any integration activities from the Acquisition and synergies that may be derived from any integration activities, both of which may have a material effect on our consolidated results in periods following completion of the Acquisition.

*Accounting Policies*

The Acquisition will be accounted for under the acquisition method of accounting in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 805, *Business Combinations*. As the acquirer, McCormick has estimated the fair value of the Food Business' assets acquired and liabilities assumed and conformed the accounting policies of the Food Business to its own accounting policies.

The accounting policies used in the preparation of the unaudited pro forma condensed combined financial information are those set out in McCormick's consolidated financial statements as of and for the fiscal year ended November 30, 2016. With the information currently available, McCormick has determined that, other than those pro forma adjustments identified, and as more fully described in (h) in Note 4, no other significant adjustments are necessary to

conform the Food Business combined financial statements to the accounting policies used by McCormick in the preparation of the unaudited pro forma condensed combined financial

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information. Certain reclassification adjustments have been made to the Food Business' historical unaudited combined balance sheet as of June 30, 2017 and unaudited combined statement of income for the six months ended June 30, 2017 and year ended December 31, 2016 to conform to McCormick's presentation.

At this time, McCormick has not completed detailed valuation analyses to determine the fair values of the acquired assets and liabilities of the Food Business. Accordingly, the unaudited pro forma condensed combined financial information includes a preliminary allocation of the purchase price based on assumptions and estimates that, while considered reasonable under the circumstances, are subject to changes, which may be material.

McCormick has not yet completed the due diligence necessary to identify all of the adjustments required to conform the Food Business' accounting policies or classifications to McCormick's accounting policies or to identify other items that could significantly impact the purchase price allocation or the assumptions and adjustments made in preparation of this unaudited pro forma condensed combined financial information. Upon completion of this due diligence and detailed valuation analyses, there may be additional increases or decreases to the recorded book values of acquired assets and liabilities of the Acquired Business, including, but not limited to pension liabilities; property, plant and equipment; and brands and other intangible assets, each of which may give rise to future amounts of depreciation and amortization expense that are not reflected in this unaudited pro forma condensed combined financial information. Accordingly, once the necessary due diligence and valuation analyses have been performed, the final purchase price has been determined and the purchase price allocation has been finalized, actual results may differ materially from the information presented in this unaudited pro forma condensed combined financial information.

**2. Financing Transactions and Assumptions**

In connection with McCormick's entry into the Agreement, McCormick entered into a Senior Unsecured Bridge Credit Agreement, dated August 7, 2017, with certain financial institutions as lenders party thereto and Bank of America, as administrative agent, pursuant to which and subject to the terms and conditions set forth therein, Bank of America and the other lenders party thereto have agreed to provide a senior unsecured 364-day bridge loan facility (the "Bridge Facility") of up to \$4.2 billion in the aggregate for the purpose of providing the financing necessary to fund all or a portion of the consideration to be paid pursuant to the terms of the Agreement and related fees and expenses. The unaudited pro forma condensed combined financial information presented herein does not contemplate the need for drawing under the Bridge Facility prior to permanent financing being put in place. McCormick entered into the Term Loan Agreement, dated August 7, 2017, with certain financial institutions as lenders party thereto and Bank of America, as administrative agent, pursuant to which the lenders have committed to lend to McCormick \$1.5 billion in the form of three-year and five-year senior unsecured term loans. As a result of the Term Loan Agreement becoming effective on August 7, 2017, the Bridge Loan Commitment was reduced to \$2.7 billion in the aggregate.

McCormick expects to permanently finance the Acquisition with \$3.7 billion of new debt, which will include pre-payable terms loans and senior unsecured notes issued in the capital markets, and \$500 million in Common Stock Non-Voting. The unaudited pro forma condensed combined financial information assumes that the financing will consist of:

\$750.0 million three-year term loans with a variable interest rate and an assumed interest rate of 2.90%;

\$750.0 million five-year term loans with a variable interest rate and an assumed interest rate of 3.25%;

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\$2,500.0 million aggregate amount of five-, seven-, ten- and thirty-year senior unsecured notes with a fixed interest rate and an assumed aggregate weighted-average interest rate of 3.250%; and

\$500.0 million of Common Stock Non-Voting, at an offering price of \$90.50 per share which would result in the issuance of approximately 5.5 million shares of Common Stock Non-Voting and an increase in pro forma weighted-average shares outstanding by such amount of shares.

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The final financing and terms of such financing will be subject to market conditions and may change materially from the assumptions described above. Changes in the assumptions previously described would result in changes to various components of the unaudited pro forma condensed combined balance sheet, including cash and cash equivalents and long-term debt, and to various components of the unaudited pro forma condensed consolidated income statements, including interest expense, earnings per share and weighted average shares outstanding. Depending upon the nature of the changes, the impact on the pro forma condensed combined financial information could be material.

Each 0.125% increase (decrease) in each of the respective previously stated interest rates assumed for the term loans and senior unsecured notes would increase (decrease) pro forma interest expense by approximately \$5.0 million and \$2.5 million for the fiscal year ended November 30, 2016 and the six months ended May 31, 2017, respectively, provided the aggregate principal balances do not change from those assumed as described herein.

**3. Preliminary Purchase Price Allocation**

The following is a summary of the preliminary reconciliation of the book value of the net assets acquired, liabilities assumed and certain valuation adjustments relating to the Acquisition to the purchase consideration (in millions):

Historical book value of the Food Business	\$ 471.1
Preliminary adjustment to eliminate book value for assets and liabilities not acquired	(456.3)
Preliminary valuation adjustments to inventories	24.0
Preliminary valuation adjustments to property, plant and equipment	6.4
Preliminary valuation adjustment to identifiable intangible assets	2,559.0
Preliminary current and deferred income tax impact of valuation adjustments	(984.0)
Preliminary residual adjustment to goodwill	2,579.8
 Total consideration	 \$ 4,200.0

This preliminary reconciliation is based on the unaudited combined balance sheet of the Food Business as of June 30, 2017 and has been used to prepare pro forma adjustments in the pro forma unaudited condensed combined financial information.

At this time, McCormick has not completed detailed valuation analyses to determine the fair values of the acquired assets and liabilities of the Food Business. Accordingly, the unaudited pro forma condensed combined financial information includes a preliminary allocation of the purchase price based on assumptions and estimates that, while considered reasonable under the circumstances, are subject to changes, which may be material. The purchase price will be primarily allocated to indefinite-lived intangible assets, finite-lived intangible assets and goodwill. The preliminary allocation of the purchase price results in approximately \$2,475 million and \$120 million being allocated to indefinite-lived intangible assets and finite-lived intangible assets, respectively.

**4. Unaudited Pro Forma Adjustments to Historical Financial Information**

The unaudited pro forma condensed combined income statements include adjustments made to historical financial information that were calculated assuming the Acquisition had been completed as of December 1, 2015. The unaudited pro forma condensed combined balance sheet includes adjustments made to historical financial information that were calculated assuming the Acquisition had been completed as of May 31, 2017. We have based the unaudited pro forma adjustments upon available information and certain assumptions that we believe are reasonable under the

circumstances. The adjustments reflect our preliminary estimates of the purchase price allocation, which may change materially upon finalization of appraisals and other valuation studies that are in process. Additionally, the unaudited pro forma condensed combined income statements and balance sheet do not reflect the cost of any integration activities from the Acquisition and synergies that may be derived from any integration activities, both of which may have a material effect on our consolidated results in periods following the completion of the Acquisition.

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The following adjustments have been reflected in the unaudited pro forma condensed combined financial information:

- (a) The unaudited pro forma condensed combined balance sheet reflects the expected purchase price of the Acquisition and a preliminary allocation of the purchase price, as more fully detailed in Note 3, based on assumptions and estimates that, while considered reasonable under the circumstances, are subject to changes, which may be material. The purchase price will be primarily allocated to indefinite-lived intangible assets, finite-lived intangible assets and goodwill. Finite-lived intangible assets are expected to be amortized over weighted average lives of approximately 15 years. The purchase accounting adjustment of approximately \$984 million in Other long-term liabilities is primarily related to the estimated deferred tax liability associated with indefinite-lived and finite-lived intangible assets related to the Acquisition.
- (b) The unaudited pro forma condensed combined balance sheet and income statements include pro forma adjustments to eliminate of certain assets, liabilities and interest income (as included in other income, net) associated with the Food Business that were not part of the Acquisition. The eliminated assets and liabilities consist of related party receivables and payables of \$493.5 million and \$43.2 million, respectively, and a \$6.0 million deferred tax asset. The unaudited condensed combined balance sheet and income statements include pro forma adjustments to eliminate the Food Business parent's net investment and accumulated other comprehensive loss.
- (c) The unaudited pro forma condensed combined balance sheet reflects the expected issuance of new term debt and senior unsecured notes in principal amounts of \$1.5 billion and \$2.5 billion, respectively, net of debt issue costs of \$25.0 million, as shown in the following table. The unaudited pro forma condensed combined balance sheet reflects the payment of the Bridge Loan Commitment fee of \$14.7 million described below and estimated transaction expenses of \$28.0 million (see (g)) as a reduction of cash and cash equivalents. The unaudited pro forma condensed combined balance sheet reflects the utilization of the excess proceeds to repay outstanding commercial paper borrowings. The excess proceeds of \$257.0 million represent the inflow from the Acquisition financing through this debt issuance and the equity issuance (see (d)), less payments of the expected purchase price of the Acquisition of \$4.2 billion. The unaudited pro forma condensed combined income statement reflects the estimated interest expense on the new debt expected to be issued, as follows (dollars in millions).

	Assumed Interest Rate	Amount	Estimated Interest Expense Six Months Ended May 31, 2017	Year Ended November 30, 2016
3-Year term loan	2.90%	\$ 750.0	\$ 10.9	\$ 21.8
5-Year term loan	3.25%	750.0	12.2	24.4
Senior unsecured notes	3.25% <sup>1</sup>	2,500.0	40.6	81.2
Debt issuance costs		(25.0)	1.7	3.4
<b>Total</b>		<b>\$ 3,975.0</b>	<b>\$ 65.4</b>	<b>\$ 130.8</b>

<sup>1</sup> Represents weighted average interest rate.

We anticipate that the 5-year term loan will require annual principal repayments of 10% of the initial outstanding principal amount, or approximately \$75.0 million per year. The unaudited pro forma condensed combined balance sheet reflects that amount as current portion of long-term debt. For the purposes of these unaudited pro forma condensed combined financial statements, we have assumed that senior unsecured notes will include \$700.0 million of 5-year senior unsecured notes, \$750.0 million of 7-year senior unsecured notes, \$750.0 million of 10-year senior unsecured notes and \$300.0 million of 30-year senior unsecured notes.

The rates shown above reflect management's current estimates of the interest rates for the new term loans and senior unsecured notes. A change of 0.125% in the assumed interest rates would change interest expense on a pro forma basis by \$2.5 million for the six months ended May 31, 2017 and \$5.0 million for the fiscal year ended November 30, 2016.



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The unaudited pro forma condensed combined income statement reflects the estimated reduction in interest expense approximately \$1.3 million and \$1.0 million for the fiscal year ended November 30, 2016 and the six months ended May 31, 2017, respectively, associated with the expected repayment of outstanding commercial paper with the excess proceeds of \$257.0 million previously described.

The unaudited pro forma condensed combined balance sheet also includes pro forma adjustments to reduce retained earnings by \$9.1 million to reflect the after-tax impact of the \$14.7 million of fees associated with the Bridge Loan Commitment, incurred upon commitment of the Bridge Facility, that had not been recognized in McCormick's historical unaudited condensed balance sheet as of May 31, 2017. We would incur additional fees if we were to draw on the Bridge Facility.

- (d) The unaudited pro forma condensed combined balance sheet reflects our anticipated issuance of Common Stock Non-Voting to partially finance the Acquisition. McCormick intends to raise \$500 million from the issuance of Common Stock Non-Voting (excluding any exercise by the underwriters of their option to purchase additional shares). McCormick expects the costs associated with this issuance of Common Stock Non-Voting will be approximately \$18.0 million. At an issuance price of \$90.50 per share, the issuance of this Common Stock Non-Voting would result in an approximate 5.5 million share increase to pro forma basic and diluted shares outstanding for both the fiscal year ended November 30, 2016 and the six months ended May 31, 2017.
- (e) The unaudited pro forma condensed combined income statements include pro forma adjustments for estimated amortization expense of approximately \$8.0 million and \$4.0 million for the fiscal year ended November 30, 2016 and the six months ended May 31, 2017, respectively, resulting from the purchase accounting valuation adjustments to finite-lived intangible assets (see (a)). A 10% change in the valuation of finite-lived intangible assets would cause a corresponding increase or decrease in the balance of goodwill and amortization expense of approximately \$0.8 million, assuming an overall weighted-average useful life of approximately 15 years.
- (f) The unaudited pro forma condensed combined income statements include pro forma adjustments for estimated depreciation expense of approximately \$0.2 million and \$0.1 million for the fiscal year ended November 30, 2016 and the six months ended May 31, 2017, respectively, resulting from the purchase accounting valuation adjustments to property, plant and equipment (see (a)).
- (g) The unaudited pro forma condensed combined income statement for the six months ended May 31, 2017 include pro forma adjustments to eliminate costs directly associated with the Acquisition, including \$0.3 million of transaction costs, including legal, advisory and other professional services, incurred in that six-month period. The unaudited pro forma condensed combined balance sheet also includes pro forma adjustments for \$27.7 million of additional transaction costs expected to be incurred that had not been recognized in McCormick's historical unaudited condensed balance sheet as of May 31, 2017. The pro forma adjustment to reduce retained earnings by \$23.7 million represents the after-tax effect of the \$28.0 million of transaction costs.
- (h) The unaudited pro forma condensed combined balance sheet and income statements include pro forma adjustments to conform certain of the Food Business' accounting policies with those of McCormick. Included in these adjustments is the reclassification of the Food Business' deferred tax assets from Investments and other

assets to Other long-term liabilities in the amount of \$11.1 million as of May 31, 2017. Included in these adjustments is the reclassification of certain liabilities of the Food Business from Other accrued liabilities and other assets to Trade accounts payable in the amount of \$8.8 million as of May 31, 2017. Included in these adjustments is the reclassification of the Food Business shipping and handling cost from Cost of goods sold to Selling, general and administrative expense in the amount of \$21.3 million and \$10.5 million for the fiscal year ended November 30, 2016 and the six months ended May 31, 2017, respectively. Also, included in these adjustments is the elimination of actuarial gains (losses) associated with the Food Business pension plan in the amount of \$(1.0) million and \$1.0 million for the fiscal year ended November 30, 2016 and the six months ended May 31, 2017, respectively (such pro forma adjustment is necessary to conform to McCormick's use of the corridor approach with respect to recognition of its

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pension-related actuarial gains (losses)). Included in these adjustments is the reclassification of the Food Business pension cost, after the elimination of actuarial gains (losses), from Selling, general and administrative expense to Cost of goods sold in the amount of \$2.9 million and \$1.7 million for the fiscal year ended November 30, 2016 and the six months ended May 31, 2017, respectively.

- (i) The unaudited pro forma adjustments to Income taxes have been calculated using the applicable incremental statutory rates in effect during the respective periods. The estimate of pro forma adjustments to Income taxes, including deferred tax assets and liabilities, is preliminary and subject to change in McCormick's final determination of the fair value of the assets acquired and liabilities assumed by jurisdiction.

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**RATIO OF EARNINGS TO FIXED CHARGES**

Our ratio of earnings to fixed charges was 7.82 for the six months ended May 31, 2017 and 9.97, 8.95, 10.04, 8.67 and 9.28 for the fiscal years ended November 30, 2016, 2015, 2014, 2013 and 2012, respectively. For the purpose of this ratio, earnings consist of income from consolidated operations before income taxes, plus fixed charges (net of capitalized interest), amortization of capitalized interest and dividends from unconsolidated subsidiaries. Fixed charges consist of interest, whether expensed or capitalized (including amortization of debt discount), and that portion of rental expense that is representative of interest. You should read this information in conjunction with the consolidated financial statements and notes incorporated by reference in this prospectus supplement and the accompanying prospectus.

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**DESCRIPTION OF NOTES**

The following description of the particular terms of the notes we are offering supplements and, to the extent inconsistent, supersedes the description of the general terms of the debt securities set forth under the section entitled "Description of Debt Securities" in the accompanying prospectus. You should read the accompanying prospectus in conjunction with this prospectus supplement and any free writing prospectuses we provide to you. Because this is a summary, it does not contain all the information that may be important to you. You should also read the entire Indenture, including the definitions of terms, before you make any investment decision.

**General**

We are offering \$750 million aggregate principal amount of 2.700% Notes due 2022 (the "2022 notes"), \$700 million aggregate principal amount of 3.150% Notes due 2024 (the "2024 notes"), \$750 million aggregate principal amount of 3.400% Notes due 2027 (the "2027 notes") and \$300 million aggregate principal amount of 4.200% Notes due 2047 (the "2047 notes" and, together with the 2022 notes, the 2024 notes and the 2027 notes, the "notes").

The 2022 notes, the 2024 notes, the 2027 notes and the 2047 notes will each be issued as a separate series of debt securities under the Indenture, dated as of July 8, 2011, between us and U.S. Bank National Association, as Trustee. The Indenture is an exhibit to the registration statement of which the accompanying prospectus is a part. The Indenture does not limit the amount of debt securities that we may issue under the Indenture, and we may, without the consent of the holders of the notes, reopen this series of notes and issue additional notes on the same terms and conditions (except the public offering price, issue date and, if applicable, the initial interest payment date) and with the same CUSIP number as the notes being offered hereby.

The notes of each series will be unsecured senior obligations of ours and will rank equally with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes are not guaranteed by any of our subsidiaries. The notes will be effectively subordinated to all of our secured indebtedness to the extent of the value of the assets securing that debt and to all indebtedness for money borrowed and other liabilities of our subsidiaries and the Acquired Business after the Acquisition. Except as described below under "Certain Covenants," the Indenture does not restrict the amount of secured or unsecured debt that we or our subsidiaries may incur.

The notes will be issued only in fully registered form without coupons, in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Notices or demands to or upon us with respect to the notes and the Indenture may be served and, in the event that notes are issued in definitive certificated form, notes may be surrendered for payment, registration of transfer or exchange, at the office or agency maintained by us for this purpose, currently the office of the Trustee, located at U.S. Bank, Global Corporate Trust Services, 111 Fillmore Ave E, St. Paul, Minnesota, 55107. All other notices and communications directed towards the Trustee should be addressed to 1021 East Cary Street, Suite 1850, Richmond, Virginia 23219, Attention: Becky D. Burton.

**Maturity and Interest**

The 2022 notes will mature on August 15, 2022, the 2024 notes will mature on August 15, 2024, the 2027 notes will mature on August 15, 2027 and the 2047 notes will mature on August 15, 2047. The notes will not be subject to any sinking fund provision.

We will pay interest on the notes semi-annually in arrears on February 15 and August 15 of each year, commencing on February 15, 2018, to the persons in whose names such notes are registered at the close of business on February 1 and August 1 of each year, or, as the case may be, immediately prior to such interest payment dates, regardless of

whether any such regular record date is a business day. Interest on the notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

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If any interest payment date, any redemption date, the maturity date or any other date on which the principal of or premium, if any, or interest on a note becomes due and payable falls on a day that is not a business day, the required payment shall be made on the next business day as if it were made on the date the payment was due, and no interest shall accrue on the amount so payable for the period from and after the interest payment date, redemption date, maturity date or other date, as the case may be.

**Special Mandatory Redemption**

If the closing of the Acquisition has not occurred on or prior to (i) April 18, 2018, or (ii) if, prior to such date, the Acquisition Agreement is terminated (each, a special mandatory redemption event), we will be obligated to redeem all of the notes on the special mandatory redemption date (as defined below) at a redemption price (the special mandatory redemption price) equal to 101% of the aggregate principal amount of the notes, plus accrued and unpaid interest to, but not including, the special mandatory redemption date. Upon the occurrence of a special mandatory redemption event, we will promptly (but in no event later than 5 business days following such special mandatory redemption event) cause notice to be delivered electronically or mailed, with a copy to the trustee, to each holder at its registered address (such date of notification to the holders, the special mandatory redemption notice date). The notice will inform holders that the notes will be redeemed on the redemption date set forth in such notice, which will be no earlier than three business days and no later than 30 days from the special mandatory redemption notice date (such date, the special mandatory redemption date), and that all of the outstanding notes will be redeemed at the special mandatory redemption price on the special mandatory redemption date automatically and without any further action by the holders of the notes. At or prior to 12:00 p.m., New York City time, on the business day immediately preceding the special mandatory redemption date, we will deposit with the trustee funds sufficient to pay the special mandatory redemption price for the notes. If such deposit is made as provided above, the notes will cease to bear interest on and after the special mandatory redemption date.

There is no escrow account for, or security interest in, the proceeds of the offering for the benefit of the holders of the notes. Upon the occurrence of the closing of the Acquisition, the foregoing provisions regarding the Special Mandatory Redemption will cease to apply. See Risk Factors Risk Factors Relating to this Notes Offering and Our Notes.

**Special Optional Redemption**

We will have the right to redeem the notes, in whole but not in part, at any time before April 18, 2018, at a redemption price (the special optional redemption price) equal to 101% of the aggregate principal amount of the notes being redeemed, plus accrued and unpaid interest on the aggregate principal amount of the notes being redeemed to, but excluding, the date of such redemption, if we determine, in our judgment, the Acquisition will not be consummated on or before April 18, 2018. If we exercise the special optional redemption right, we will cause notice to be delivered electronically or mailed, with a copy to the trustee, to each holder at its registered address (such date of notification to the holders, the special optional redemption notice date). The notice will inform holders that the notes will be redeemed on the redemption date set forth in such notice, which will be no earlier than three business days and no later than 30 days from the special optional redemption notice date (such date, the special optional redemption date), and that all of the outstanding notes will be redeemed at the special optional redemption price on the special optional redemption date automatically and without any further action by the holders of the notes. At or prior to 12:00 p.m., New York City time, on the business day immediately preceding the special optional redemption date, we will deposit with the trustee funds sufficient to pay the special optional redemption price for the notes. If such deposit is made as provided above, the notes will cease to bear interest on and after the special optional redemption date.

Upon the occurrence of the closing of the Acquisition, the foregoing provisions regarding the Special Optional Redemption will cease to apply.

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**Optional Redemption**

Prior to the applicable Par Call Date, we may redeem any of the notes at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the notes to be redeemed, and
- (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon from the date of redemption to the applicable Par Call Date (exclusive of interest accrued to the date of redemption), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points, in the case of the 2022 notes, 20 basis points, in the case of the 2024 notes, 20 basis points, in the case of the 2027 notes and 25 basis points, in the case of the 2047 notes,

*plus*, in either case, accrued and unpaid interest thereon to the date of redemption.

On or after the applicable Par Call Date, we may redeem such notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest to the redemption date.

Treasury Rate means, with respect to any redemption date,

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release published by the Board of Governors of the Federal Reserve System designated as Statistical Release H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the maturity date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month), or

if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third business day preceding the redemption date.

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the notes to be redeemed (assuming the notes matured on the applicable Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such notes.

Independent Investment Banker means any of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse Securities (USA) LLC, SunTrust Robinson Humphrey, Inc. or Wells Fargo Securities, LLC or any of their respective successors, or if any such firms are unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the Trustee after consultation with us.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (2) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

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Par Call Date means July 15, 2022 (one month prior to their maturity date), in the case of the 2022 notes, June 15, 2024 (two months prior to their maturity date), in the case of the 2024 notes, May 15, 2027 (three months prior to their maturity date), in the case of the 2027 notes, and February 15, 2047 (six months prior to their maturity date), in the case of the 2047 notes.

Reference Treasury Dealer means each of (1) Merrill Lynch, Pierce, Fenner & Smith Incorporated; (2) Credit Suisse Securities (USA) LLC; (3) Wells Fargo Securities, LLC; (4) a Primary Treasury Dealer selected by SunTrust Robinson Humphrey, Inc., and their respective successors and affiliates and (5) one other primary U.S. Government securities dealer in the City of New York (a Primary Treasury Dealer ); provided, however, that if any of the foregoing or their affiliates shall cease to be a Primary Treasury Dealer, we shall substitute therefor another Primary Treasury Dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York time, on the third business day preceding such redemption date.

Notice of any redemption will be mailed by first class mail, postage prepaid, at least 30 days but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address.

In the case of a partial redemption, selection of the notes for redemption will be made pro rata, by lot or by such other method as the Trustee in its sole discretion deems appropriate and fair. No notes of a principal amount of \$2,000 or less will be redeemed in part. If any note is to be redeemed in part only, the notice of redemption that relates to the note will state the portion of the principal amount of the note to be redeemed. A new note in a principal amount equal to the unredeemed portion of the note will be issued in the name of the holder of the note upon surrender for cancellation of the original note.

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the notes or portions thereof called for redemption.

We will pay interest to a person other than the holder of record on the record date if we elect to redeem the notes on a date that is after a record date but on or prior to the corresponding interest payment date. In this instance, we will pay accrued interest on the notes being redeemed to, but not including, the redemption date to the same person to whom we will pay the principal of those notes.

**Change of Control Redemption**

If a Change of Control Triggering Event occurs, unless we have redeemed the certain notes as described above, holders of notes will have the right to require us to repurchase all or any part (equal to \$2,000 or integral multiple of \$1,000 in excess thereof) of their notes pursuant to the offer described below (the Change of Control Offer ) on the terms set forth in the notes. In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased, to the date of purchase (the Change of Control Payment ). Within 30 days following any Change of Control Triggering Event, we will send notice of such Change of Control Offer (the Change of Control Offer Notice ) by first-class mail, with a copy to the Trustee, to each holder of notes to the address of such holder appearing in the security register or otherwise in accordance with the procedures of The Depository Trust Company (the Depository ) with a copy to the Trustee, with the following information:

that the Change of Control Offer is being made pursuant to the provisions of the Indenture and that all notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by us;

the date of the Change of Control Triggering Event;

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the date, which will be no earlier than 30 days and no later than 60 days after the date the Change of Control Offer Notice is mailed, by which we must purchase the notes (the Change of Control Payment Date );

the price that we must pay for the notes we are obligated to purchase;

the name and address of the Trustee;

that any note not properly tendered will remain outstanding and continue to accrue interest;

that unless we default in the payment of the Change of Control Payment, all notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

the procedures for surrendering notes for payment; and

the procedures by which a holder may withdraw such a tender after it is given.

We must comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the purchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the notes, we will be required to comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control provisions of the notes by virtue of such conflicts.

On the Change of Control Payment Date, we will be required, to the extent lawful, to:

accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;

deposit with the Trustee or a paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and

deliver or cause to be delivered to the Trustee the notes properly accepted.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of us and our subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require us to repurchase our notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of us and our subsidiaries taken as a whole to another person may be uncertain.

We will not purchase any notes if there has occurred and is continuing on the Change of Control Payment Date an event of default under the Indenture, other than a default in payment of the purchase price payable for the notes upon a Change of Control Triggering Event. Current and future agreements relating to indebtedness to which we and our subsidiaries are, and may become, party may restrict us from purchasing notes upon a Change of Control Triggering Event. If a Change of Control Triggering Event occurs at a time when we are prohibited from purchasing the notes, we could seek the consent of lenders to permit the purchase of the notes or could attempt to refinance the borrowings that contain such a prohibition. If we do not obtain such consent or refinance such borrowings, purchasing the notes could lead to a default under such borrowings. In addition, certain indebtedness to which we and our subsidiaries are party currently provide, and may in the future also provide, that certain change of control events with respect to us would constitute a default thereunder (including events that would constitute a Change of Control Triggering Event under the notes). If we experience a change of control that triggers a default under the terms of our or our subsidiaries other indebtedness, we could seek a waiver of such default or seek to refinance such other indebtedness. In the event we do not obtain such a waiver or refinance the indebtedness, such default could result in amounts outstanding under such other indebtedness being declared due and payable.

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Our ability to pay cash to the holders of notes following the occurrence of a Change of Control Triggering Event may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required purchases. The Change of Control purchase feature of the notes may in certain circumstances make more difficult or discourage a sale or takeover of us. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, re-financings or other recapitalizations, that would not constitute a Change of Control under the notes, but that could affect our capital structure or credit ratings.

For purposes of the foregoing discussion of a repurchase at the option of holders, the following definitions are applicable:

**Below Investment Grade Rating Event** means the notes are rated below an Investment Grade Rating by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the notes is under publicly announced consideration for possible downgrade by either of the Rating Agencies).

**Change of Control** means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of us and our subsidiaries taken as a whole to any person (as such term is used in Section 13(d) of the Exchange Act) other than us or one of our subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (as such term is used in Section 13(d) of the Exchange Act) becomes the beneficial owner (subject to the exclusions from beneficial ownership as set forth in our Restatement of Charter ( Charter )), directly or indirectly, of more than 50% of the combined voting power of all of our capital stock after giving effect to the automatic conversion of Common Stock Non-Voting into Common Stock as provided in our Charter; or (3) the first day on which a majority of the members of our Board of Directors are not Continuing Directors.

**Change of Control Triggering Event** means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

**Continuing Directors** means, as of any date of determination, any member of the Company's Board of Directors who (1) was a member of such Board of Directors on the date of the issuance of the notes; or (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election (either by a specific vote or by approval of our proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

**Investment Grade Rating** means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P.

**Moody's** means Moody's Investors Service, Inc.

**Rating Agencies** means (1) each of Moody's and S&P; and (2) if either of Moody's or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act, selected by us (as certified by a resolution of our Board of Directors) as a replacement agency for Moody's or S&P, or both of them, as the case

may be.

S&P means Standard & Poor's Ratings Services, a division of McGraw Hill Financial, Inc.

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Under a recent Delaware Chancery Court interpretation of the foregoing definition of Continuing Directors, a board of directors may approve for purposes of such definition, a slate of shareholder-nominated directors without endorsing them, while simultaneously recommending and endorsing its own slate. We believe that this interpretation permits McCormick's Board of Directors to approve a slate of directors that includes a majority of dissident directors nominated pursuant to a proxy contest and the ultimate election of such dissident slate would not constitute a Change of Control that would trigger the holder's right to require McCormick to repurchase its notes as described above.

## **Certain Covenants**

The following covenants apply to us and to certain of our Restricted Subsidiaries.

### ***Limitations on Liens***

We will not, and will not permit any Restricted Subsidiary to create, assume or suffer to exist any mortgage, security interest, pledge or lien (Lien) of or upon any Principal Property, or any shares of capital stock or evidences of indebtedness for borrowed money issued by any Restricted Subsidiary and owned by us or any Restricted Subsidiary, whether owned at the date of the Indenture or thereafter acquired, without providing that the notes shall be secured by such Lien equally and ratably with any and all other indebtedness or obligations thereby secured, so long as such indebtedness or obligations shall be so secured.

This restriction does not apply to:

Liens that exist on the date of the Indenture;

Liens on property of any corporation existing at the time such corporation becomes a Subsidiary;

Liens in favor of us or any Subsidiary;

Liens in favor of governmental bodies to secure progress, advance or other payments pursuant to contract or statute or indebtedness incurred to finance all or a part of construction of or improvements to property subject to such Liens;

Liens on property existing at the time of acquisition thereof (including acquisition through merger or consolidation), and construction and improvement Liens that are entered into within 180 days from the date of such construction or improvement, provided that in the case of construction or improvement the Lien shall not apply to any property theretofore owned by us or any Restricted Subsidiary except substantially unimproved real property on which the property so constructed or the improvement is located;

mechanics and similar Liens arising in the ordinary course of business in respect of obligations not due or being contested in good faith;

Liens for taxes, assessments, or governmental charges or levies that are not delinquent or are being contested in good faith;

Liens arising from any legal proceedings that are being contested in good faith;

any Liens that (a) are incidental to the ordinary conduct of our business or the ownership of our properties and assets, (b) were not incurred in connection with the borrowing of money or the obtaining of advances or credit and (c) do not in the aggregate materially detract from the value of our property or the property of any Subsidiary or materially impair the use thereof in the operation of its business;

Liens securing industrial development or pollution control bonds; and

Liens for the sole purpose of extending, renewing or replacing (or successively extending, renewing or replacing) in whole or in part any of the foregoing.

***Limitations on Sale and Leaseback***

Except as described below under Exempted Indebtedness, we will not, nor will we permit any Restricted Subsidiary to, enter into any arrangement with any Person providing for the leasing (as lessee) by us

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or any Restricted Subsidiary of any Principal Property (except for temporary leases for a term, including any renewal, of not more than three years and except for leases between us and a Restricted Subsidiary or between Restricted Subsidiaries) which property has been or is to be sold or transferred by us or a Restricted Subsidiary to such Person unless either:

we or such Restricted Subsidiary would be entitled, pursuant to the fifth and eleventh clauses of the covenant described under **Limitations on Liens** above, to incur a Lien on such property without equally and ratably securing the notes; or

the net proceeds of such sale are at least equal to the fair value of such property and we will apply an amount equal to the net proceeds of such sale to the retirement (other than any mandatory retirement or payment at maturity) of (a) Debt Securities (other than any retirement prohibited by the terms of any Debt Securities pursuant to prohibitions on advance refundings) or (b) our or a Restricted Subsidiary's Funded Debt ranking prior to or on a parity with the notes, within 120 days of the effective date of any such arrangement.

***Exempted Indebtedness***

Notwithstanding the limitations on Liens and sale and leaseback transactions outlined above, we or any Restricted Subsidiary may create, assume or suffer to exist Liens or enter into sale and leaseback transactions not otherwise permitted as described above provided that at the time of such event, and after giving effect thereto, the sum of outstanding indebtedness for borrowed money of McCormick and its Restricted Subsidiaries incurred after the date of the Indenture and secured by Liens not otherwise permitted as set forth above plus the Attributable Debt in respect of such sale and leaseback transactions entered into by McCormick and its Restricted Subsidiaries after the date of the Indenture not otherwise permitted as set forth above does not exceed 15% of Consolidated Net Tangible Assets.

***Merger and Consolidation***

We covenant that we will not merge, consolidate or convey, transfer or lease our properties and assets substantially as an entirety and we will not permit any Person to consolidate with or merge into us or convey, transfer or lease its properties and assets substantially as an entirety to us unless, among other things:

the successor Person is McCormick or another corporation organized and existing under the laws of the United States, any state thereof or the District of Columbia that assumes our obligations on the notes and under the Indenture,

immediately after giving effect to such transaction, McCormick or the successor Person would not be in default under the Indenture, and

if, as a result of any such consolidation or merger or such conveyance, transfer or lease, any Principal Property of McCormick would become subject to a Lien that would not be permitted by the Indenture, we or such successor Person takes such steps as are necessary effectively to secure the notes equally and ratably with (or, at our option, prior to) all indebtedness secured thereby.

Except as described above, the Indenture does not contain any provisions that would afford holders of the notes protection in the event of:

a highly leveraged or similar transaction involving us;

a change in control or a change in our management; or

a reorganization, restructuring, merger or similar transaction involving us that may adversely affect the holders of the notes.

In addition, subject to the limitations set forth above, we may, in the future, enter into certain transactions such as the sale of our properties and assets substantially as an entirety or a merger or consolidation with another

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entity that could increase the amount of our indebtedness or otherwise adversely affect our financial condition or results of operations, which may have an adverse effect on our ability to service our indebtedness, including the notes. We have no present intention of engaging in a highly leveraged or similar transaction involving us.

## **Definitions**

**Attributable Debt** with respect to any sale leaseback transaction that is subject to the restrictions described under **Certain Covenants Limitation On Sale and Leaseback** means the lesser of:

the total net amount of rent required to be paid during the remaining base term of the related lease or until the earliest date on which the lessee may terminate such lease upon payment of a penalty or a lump-sum termination payment (in which case the total net rent shall include such penalty or termination payment), discounted at the weighted average interest rate borne by the notes (as defined in the Indenture) under the Indenture, compounded semi-annually, or

the sale price of the property so leased multiplied by a fraction, the numerator of which is the remaining base term of the related lease and the denominator of which is the base term of such lease.

**Consolidated Net Tangible Assets** means the total assets of McCormick and its consolidated subsidiaries, including the investment in (at equity) and the net amount of advances to and accounts receivable from corporations which are not consolidated subsidiaries less the following:

current liabilities of McCormick and its consolidated subsidiaries, including an amount equal to indebtedness required to be redeemed by reason of any sinking fund payment due in 12 months or less from the date as of which current liabilities are to be determined;

all other liabilities of McCormick and its consolidated subsidiaries other than Funded Debt, deferred income taxes and liabilities for employee post-retirement health plans other than pensions recognized in accordance with Accounting Standards Codification No. 715-60;

all depreciation and valuation reserves and all other reserves (except for reserves for contingencies which have not been allocated to any particular purpose) of McCormick and its consolidated subsidiaries;

the book amount of all segregated intangible assets of McCormick and its consolidated subsidiaries, including, but without limitation, such items as goodwill, trademarks, trade names, patents and unamortized debt discount and expense less unamortized debt premium; and

appropriate adjustments on account of minority interests of other persons holding stock in subsidiaries. Consolidated Net Tangible Assets shall be determined on a consolidated basis in accordance with generally accepted accounting principles.

**Funded Debt** means any indebtedness of McCormick or a Restricted Subsidiary (other than inter-company debt that is eliminated in consolidation) for borrowed money having a maturity of more than 12 months from the date such indebtedness was incurred or having a maturity of less than 12 months but by its terms being renewable or extendable beyond 12 months from the date such indebtedness was incurred at the option of the obligor.

**Person** means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

**Principal Property** means any manufacturing or processing plant or warehouse, together with the land upon which it is erected and any fixtures and equipment comprising a part thereof, owned by us or any Restricted Subsidiary and located in the United States, the book value (net of depreciation) of which on the date as of which

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the determination is being made is an amount which exceeds 1% of Consolidated Net Tangible Assets, other than any such manufacturing or processing plant or warehouse or any portion thereof or any such fixture or equipment (together with the land upon which it is erected and any fixtures and equipment comprising a part thereof) (i) which is financed by Industrial Development Bonds or (ii) which, in the opinion of our board of directors, is not of material importance to the total business conducted by McCormick and its Subsidiaries, taken as a whole.

Restricted Subsidiary means any Subsidiary that owns, operates or leases one or more Principal Properties.

Subsidiary means each corporation of which McCormick, or McCormick and one or more Subsidiaries, or any one or more Subsidiaries, directly or indirectly own securities entitling the holders thereof to elect a majority of the directors, either at all times or so long as there is no default or contingency that permits the holders of any other class or classes of securities to vote for the election of one or more directors.

## **Events of Default**

The notes are subject to the events of default described under the section entitled Description of Debt Securities Events of Default in the accompanying prospectus.

## **Satisfaction, Discharge and Defeasance Provisions**

The Indenture will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the notes, as expressly provided for in the Indenture) as to all notes when:

either (a) all notes theretofore authenticated and delivered (except lost, stolen or destroyed notes that have been replaced or paid) have been delivered to the Trustee for cancellation, or (b) with respect to all notes not theretofore delivered to the Trustee for cancellation, we have deposited or caused to be deposited with the Trustee funds or Government Obligations (as defined in the Indenture), or any combination thereof, in an amount sufficient to pay and discharge the entire indebtedness on the notes not theretofore delivered to the Trustee for cancellation, for unpaid principal and interest to maturity;

we have paid all other sums payable by us under the Indenture;

we have delivered to the Trustee an officers certificate and an opinion of counsel each stating that all conditions precedent under the Indenture to the satisfaction and discharge of the Indenture have been complied with; and

if the notes are not due and payable within one year of the date of such deposit or are not to be called for redemption within one year of the date of such deposit under arrangements satisfactory to such Trustee as of the date of such deposit, we have delivered to the Trustee an opinion of counsel based on the fact that (x) we have received from, or there has been published by, the Internal Revenue Service ( IRS ) a ruling or (y), since the date of the Indenture, there has been a change in the applicable U.S. federal income tax law, to the effect that the holders of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to U.S. federal income tax on the same

amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred.

**Covenant Defeasance**

The terms of the notes provide that we need not comply with certain restrictive covenants of the Indenture (including those described above under **Certain Covenants** ) if, among other things:

we deposit in trust with the Trustee money or Government Obligations, which through the payment of interest thereon and principal thereof in accordance with their terms will provide money, in an amount sufficient to pay all the principal of and interest on the notes when due; and

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we deliver to the Trustee an opinion of counsel to the effect that the holders of notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit and defeasance had not occurred.

**Modification and Waiver**

The notes are subject to provisions allowing, under some conditions, the modification or amendment of the Indenture or waiver of our compliance with some provisions of the Indenture, as described under the section entitled "Description of Debt Securities - Modification and Waiver" in the accompanying prospectus.

**Book Entry**

The notes will be issued in the form of one or more fully registered global securities (each a "Global Security") which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York (the "Depository") and registered in the name of Cede & Co., the Depository's nominee. We will not issue notes in certificated form except in certain circumstances. Beneficial interests in the Global Securities will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in the Depository (the "Depository Participants"). Investors may elect to hold interests in the Global Securities through either the Depository (in the United States), or Clearstream Banking Luxembourg ("Clearstream Luxembourg") or Euroclear (in Europe) if they are participants in those systems, or, indirectly through organizations that are participants in those systems. Clearstream Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream Luxembourg's and Euroclear's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of the Depository. At the present time, Citibank, N.A. acts as U.S. depositary for Clearstream Luxembourg and JP Morgan Chase Bank, N.A. acts as U.S. depositary for Euroclear (the "U.S. Depositaries"). Beneficial interests in the Global Securities will be held in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Except as set forth below, the Global Securities may be transferred, in whole but not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee.

The Depository has advised us and the underwriters that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. The Depository holds securities that its participants ("Direct Participants") deposit with the Depository. The Depository also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers (which may include the underwriters of the notes), banks, trust companies, clearing corporations and certain other organizations. The Depository is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is owned by the users of its regulated subsidiaries. Access to the Depository's book-entry system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to the Depository and its Direct and Indirect Participants are on file with the Securities and Exchange Commission (the "Commission").

Clearstream Luxembourg has advised us that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream Luxembourg holds securities for its participating organizations, known as Clearstream Luxembourg participants, and facilitates the clearance and settlement of securities transactions between Clearstream

Luxembourg participants through electronic book-entry changes in accounts of Clearstream Luxembourg participants, thereby eliminating the need for physical movement of certificates. Clearstream Luxembourg provides to Clearstream

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Luxembourg participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream Luxembourg interfaces with domestic markets in several countries. As a professional depositary, Clearstream Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector, also known as the Commission de Surveillance du Secteur Financier. Clearstream Luxembourg participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters of the notes or their affiliates. Indirect access to Clearstream Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through, or maintain a custodial relationship with, a Clearstream Luxembourg participant either directly or indirectly.

Distributions with respect to the notes held beneficially through Clearstream Luxembourg will be credited to the cash accounts of Clearstream Luxembourg participants in accordance with its rules and procedures, to the extent received by the U.S. Depositary for Clearstream Luxembourg.

Euroclear has advised us that it was created in 1968 to hold securities for its participants, known as Euroclear participants, and to clear and settle transactions between Euroclear participants and between Euroclear participants and participants of certain other securities intermediaries through simultaneous electronic book-entry delivery against payment, eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear is operated by Euroclear Bank S.A./N.V. or the Euroclear operator under contract with Euroclear plc, a U.K. corporation. The Euroclear operator provides Euroclear participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing and related services. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters of the notes.

Indirect access to Euroclear is also available to others that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear operator is regulated and examined by the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers*) and the National Bank of Belgium (*Banque Nationale de Belgique*).

Securities clearance accounts and cash accounts with the Euroclear operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law, collectively referred to as the terms and conditions. The terms and conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear operator acts under the terms and conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Distributions with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the terms and conditions, to the extent received by the U.S. Depositary for Euroclear.

If the Depositary is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by us within 90 days, we will issue the notes in definitive form in exchange for the entire Global Security representing such notes. In this case, an owner of a beneficial interest in the Global Security will be entitled to physical delivery in definitive form of notes represented by such Global Security equal in principal amount to such beneficial interest and to have such notes registered in its name.

Title to book-entry interests in the notes will pass by book-entry registration of the transfer within the records of Clearstream Luxembourg, Euroclear or the Depositary, as the case may be, in accordance with their respective procedures. Book-entry interests in the notes may be transferred within Clearstream Luxembourg and

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within Euroclear and between Clearstream Luxembourg and Euroclear in accordance with procedures established for these purposes by Clearstream Luxembourg and Euroclear. Book-entry interests in the notes may be transferred within the Depository in accordance with procedures established for this purpose by the Depository. Transfers of book-entry interests in the notes among Clearstream Luxembourg and Euroclear and the Depository may be effected in accordance with procedures established for this purpose by Clearstream Luxembourg, Euroclear and the Depository.

## **Global Clearance and Settlement Procedures**

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between Depository Participants will occur in the ordinary way in accordance with the Depository's rules and will be settled in immediately available funds using the Depository's Same-Day Funds Settlement System. Secondary market trading between Clearstream Luxembourg participants and Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream Luxembourg and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through the Depository on the one hand, and directly or indirectly through Clearstream Luxembourg participants or Euroclear participants, on the other, will be effected through the Depository in accordance with the Depository's rules on behalf of the relevant European international clearing system by its U.S. Depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time).

The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depository to take action to effect final settlement on its behalf by delivering or receiving the notes in the Depository, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to the Depository. Clearstream Luxembourg participants and Euroclear participants may not deliver instructions directly to their respective U.S. Depositories.

Because of time-zone differences, credits of the notes received in Clearstream Luxembourg or Euroclear as a result of a transaction with a Depository Participant will be made during subsequent securities settlement processing and dated the business day following the Depository settlement date. Such credits, or any transactions in the notes settled during such processing, will be reported to the relevant Euroclear participants or Clearstream Luxembourg participants on that business day. Cash received in Clearstream Luxembourg or Euroclear as a result of sales of notes by or through a Clearstream Luxembourg participant or a Euroclear participant to a Depository Participant will be received with value on the business day of settlement in the Depository but will be available in the relevant Clearstream Luxembourg or Euroclear cash account only as of the business day following settlement in the Depository.

Although the Depository, Clearstream Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of securities among participants of the Depository, Clearstream Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and they may discontinue the procedures at any time.

## **Same-Day Funds Settlement System and Payment**

We will make all payments of principal and interest in immediately available funds.

The notes will trade in DTC's Same-Day Funds Settlement System until maturity, and secondary market trading activity in the notes will therefore be required by DTC to settle in immediately available funds.

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**MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following summary describes material U.S. federal income tax consequences of the acquisition, ownership and disposition of the notes by beneficial owners of the notes. This summary is based on the Internal Revenue Code of 1986, as amended (the Code), and Treasury regulations, rulings and judicial decisions all as of the date hereof, all of which are subject to change, possibly on a retroactive basis. The discussion applies only to beneficial owners who acquire the notes in this notes offering at the initial offering price and who will hold the notes as capital assets within the meaning of Section 1221 of the Code. This summary does not address all aspects of U.S. federal income taxation that may be relevant to holders of the notes in light of their particular circumstances or to holders subject to special rules (such as broker-dealers, banks or other financial institutions, insurance companies, entities or arrangements taxed as partnerships or partners therein, persons subject to the alternative minimum tax, tax-exempt organizations, U.S. holders (as defined below) that have a functional currency other than the U.S. dollar, certain U.S. expatriates and persons who hold the notes as part of a straddle, hedging, conversion or other integrated transaction). This summary addresses only U.S. federal income tax consequences, and does not address the effects of any state, local or non-U.S. tax laws or the Medicare tax on certain investment income. Prospective holders should consult their tax advisors as to the particular tax consequences to them of acquiring, holding or disposing of the notes.

For purposes of the following discussion, a U.S. holder is a beneficial owner of a note that is for U.S. federal income tax purposes:

an individual citizen or resident alien of the United States;

a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any State thereof or the District of Columbia; or

otherwise subject to U.S. federal income taxation on a net income basis in respect of the note.

For purposes of the following discussion, a non-U.S. holder means a beneficial owner of a note that is an individual, corporation, foreign estate, or foreign trust that, in each case, is not a U.S. holder.

**U.S. Holders**

***Payments of Interest***

Payments of stated interest on the notes generally will be taxable to a U.S. holder as ordinary income at the time accrued or received, in accordance with such U.S. holder's regular method of accounting for U.S. federal income tax purposes. It is expected, and this discussion assumes, that the Notes will not be issued with more than a *de minimis* amount of original issue discount (OID). In general, however, if the Notes are issued with more than *de minimis* OID, a U.S. holder will be required to include OID in gross income, as ordinary income, under a constant-yield method before the receipt of cash attributable to such income, regardless of the U.S. holder's regular method of accounting for U.S. federal income tax purposes.

***Taxable Disposition of Notes***

Upon the sale, exchange, redemption, retirement or other taxable disposition of a note, a U.S. holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, redemption, retirement or other taxable disposition (except to the extent of accrued but unpaid interest not previously included in income, which will be taxable as such) and such holder's adjusted tax basis in the note. A U.S. holder's adjusted tax basis in a note generally will be equal to the cost of the note to such holder. Any such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if a U.S. holder has held the note for more than one year. Certain U.S. holders (including individuals) are eligible for a preferred rate of tax in respect of long-term capital gain. The deductibility of capital losses by U.S. holders is subject to limitations.

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**Non-U.S. Holders**

***Payments of Interest***

Subject to the discussions below under *Information Reporting and Backup Withholding* and *FATCA*, U.S. federal income or withholding tax generally will not apply to any payment of interest on a note to a non-U.S. holder if the interest qualifies for the portfolio interest exemption. The portfolio interest exemption generally will be met if the non-U.S. holder:

does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock that are entitled to vote within the meaning of Section 871(h)(3) of the Code;

is not a controlled foreign corporation that is related to us through stock ownership within the meaning of the Code; and

either (a) provides its name and address, and certifies, under penalties of perjury, that it is not a U.S. person, on an IRS Form W-8BEN or W-8BEN-E, as applicable, or successor form, or (b) holds its notes through various foreign intermediaries and satisfies the certification requirements of applicable Treasury regulations. If a non-U.S. holder cannot satisfy the portfolio interest exemption requirements described above, payments of interest generally will be subject to a 30% U.S. federal withholding tax, unless the non-U.S. holder provides us with a properly executed IRS Form W-8BEN or W-8BEN-E, as applicable, or successor form, claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty.

*Taxable Disposition of Notes.* Subject to the discussions below under *Information Reporting and Backup Withholding* and *FATCA*, U.S. federal income or withholding tax generally will not apply to any gain that a non-U.S. holder realizes on the sale, exchange, redemption, retirement or other taxable disposition of a note unless the non-U.S. holder is an individual who is present in the United States for a period or periods aggregating 183 days or more in the taxable year of that disposition and other conditions are met.

**Information Reporting and Backup Withholding**

In general, information reporting requirements will apply to payments of principal and interest made on the notes to, and to the proceeds of the sale of the notes within the United States by, certain U.S. holders. Backup withholding at the applicable rate will apply to these payments if such a U.S. holder (i) fails to provide an accurate taxpayer identification number in the manner required or (ii) is notified by the IRS that it has failed to report all interest and dividends required to be shown on its U.S. federal income tax returns.

Information returns will be filed with the IRS in connection with payments on the notes made to, and may be filed in connection with the receipt of proceeds from the sale or other disposition of the notes by, Non-U.S. holders. Non-U.S. holders may be required to comply with applicable certification procedures to establish that they are not U.S. holders in order to avoid the application of additional information reporting requirements and backup withholding.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

**FATCA**

Under U.S. tax rules commonly known as the Foreign Account Tax Compliance Act ( FATCA ), a 30% U.S. federal withholding tax will apply to payments of interest on a note (and starting on January 1, 2019, principal payments on the notes and payments of gross proceeds from the sale or other taxable disposition of the note), made to non-U.S. financial institutions and certain other non-U.S. non-financial entities (including, in

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some instances, where either type of entity is acting as an intermediary) that fail to comply with certain information reporting obligations. For a non-U.S. financial institution to be FATCA compliant, it generally must enter into an agreement with the U.S. government to report, on an annual basis, certain information regarding accounts with, or interests in, the institution held by certain United States persons and by certain non-U.S. entities that are wholly or partially owned by United States persons, or must satisfy similar requirements under an intergovernmental agreement between the United States and another country (an IGA). These requirements may be modified by the adoption or implementation of a particular IGA or by future U.S. Treasury Regulations. In certain cases, the relevant non-U.S. financial institution or non-U.S. non-financial entity may qualify for an exemption from, or be deemed to be in compliance with, these rules. Documentation that holders provide in order to be treated as FATCA compliant may be reported to the IRS and other tax authorities, including information about a holder's identity, its FATCA status, and if applicable, its direct and indirect U.S. owners. Prospective investors should consult their own tax advisors about how information reporting and the possible imposition of withholding tax under FATCA may apply to their investment in the Notes.

If an interest payment is subject both to withholding under FATCA and to the withholding tax discussed above under Material U.S. Federal Income Tax Consequences Non-U.S. Holders Payments of Interest, the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. Non-U.S. holders should consult their own tax advisors regarding these rules and whether it may be relevant to their purchase, ownership and disposition of the notes.

**Investors should consult their tax advisors concerning the applicability of the above tax consequences to their particular situations, including the necessity of satisfying various certification requirements, and concerning the applicability of other taxes, such as alternative minimum, gift or estate taxes and state, local and non-U.S. taxes.**

**Table of Contents****UNDERWRITING**

Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse Securities (USA) LLC, Wells Fargo Securities, LLC and SunTrust Robinson Humphrey, Inc. are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in a firm commitment underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the principal amount of notes set forth opposite its name below.

Underwriter	Principal amount of 2022 Notes	Principal amount of 2024 Notes	Principal amount of 2027 Notes	Principal amount of 2047 Notes
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$ 199,725,000	\$ 186,410,000	\$ 199,725,000	\$ 75,000,000
Credit Suisse Securities (USA) LLC	168,900,000	157,640,000	168,900,000	
SunTrust Robinson Humphrey, Inc.	88,275,000	82,390,000	88,275,000	72,000,000
Wells Fargo Securities, LLC	88,275,000	82,390,000	88,275,000	72,000,000
BNP Paribas Securities Corp.	57,600,000	53,760,000	57,600,000	40,500,000
U.S. Bancorp Investments, Inc.	57,600,000	53,760,000	57,600,000	40,500,000
Citigroup Global Markets Inc.	17,925,000	16,730,000	17,925,000	
Citizens Capital Markets, Inc.	17,925,000	16,730,000	17,925,000	
HSBC Securities (USA) Inc.	17,925,000	16,730,000	17,925,000	
ING Financial Markets LLC	17,925,000	16,730,000	17,925,000	
Mizuho Securities USA LLC	17,925,000	16,730,000	17,925,000	
<b>Total</b>	<b>\$ 750,000,000</b>	<b>\$ 700,000,000</b>	<b>\$ 750,000,000</b>	<b>\$ 300,000,000</b>

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the notes sold under the underwriting agreement if any of these notes are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters and their controlling persons against certain liabilities in connection with this notes offering, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

**Commissions and Discount**

The representatives have advised us that the underwriters propose initially to offer the notes to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain dealers at such price less a concession not in excess of 0.35% of the principal amount of the 2022 notes, 0.40% of the principal amount of the 2024 notes, 0.40% of the principal amount of the 2027 notes and 0.50% of the principal amount of the 2047 notes. In addition, the underwriters may allow, and such dealers may reallocate, a concession not in excess of 0.25% of the principal amount of the 2022 notes, 0.25% of the principal amount of the 2024 notes, 0.25% of the principal amount of the 2027 notes and 0.35% of the principal amount of the 2047 notes. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The expenses of the offering, not including the underwriting discount, are estimated at \$7.0 million and are payable by us. The underwriters have agreed to reimburse us for certain documented expenses incurred in connection with this offering.

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It is expected that delivery of the notes in this offering will be made against payment therefor by purchasers in this offering on or about August 11, 2017, which is the second business day following the pricing date of the notes (such settlement cycle being referred to as T+2). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers will be expected to pay for their notes within two business days of the pricing date.

## **New Issue of Notes**

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes on any automated dealer quotation system. We have been advised by the underwriters that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the notes or that an active public market for the notes will develop. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

## **Short Positions**

In connection with the offering, the underwriters may purchase and sell the notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater principal amount of notes than they are required to purchase in the offering. The underwriters must close out any short position by purchasing notes in the open market. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

## **Other Relationships**

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

An affiliate of Credit Suisse Securities (USA) LLC acted as our financial adviser in connection with the Acquisition. Certain of the underwriters in this offering also acted as underwriters in the Equity Offering. Some of the underwriters and their respective affiliates are or will be lenders under the Bridge Loan Commitment, the Bridge Facility and the Term Loans, and funding of the Acquisition with the proceeds of this notes offering will result in the reduction of the lenders' obligations under the Bridge Loan Commitment.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities)

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and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the underwriters or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

U.S. Bancorp Investments, Inc., one of the underwriters, is an affiliate of the trustee.

## **European Economic Area**

In relation to each member state of the European Economic Area, no offer of notes which are the subject of the offering has been, or will be made to the public in that Member State, other than under the following exemptions under the Prospectus Directive:

- A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- B. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Representatives for any such offer; or
- C. in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of notes referred to in (a) to (c) above shall result in a requirement for the Company or any Representative to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

This prospectus supplement has been prepared on the basis that any offer of notes in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Member State of notes which are the subject of the offering contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for the Company or any of the Representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the Representatives have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Company or the Representatives to publish a prospectus for such offer.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Member State.



The above selling restriction is in addition to any other selling restrictions set out below.

**Notice to Prospective Investors in the United Kingdom**

In addition, in the United Kingdom, this prospectus supplement is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005,

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as amended (the Order ) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons ). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

### **Notice to Prospective Investors in Switzerland**

The notes may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ( SIX ) or on any other exchange or regulated trading facility in Switzerland. This prospectus supplement has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the notes or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus supplement nor any other offering or marketing material relating to the offering, the Company, or the notes have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of the notes will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of the notes has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ( CISA ). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the notes.

### **Notice to Prospective Investors in the Dubai International Financial Centre**

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ( DFSA ). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for the prospectus supplement. The notes to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

### **Notice to Prospective Investors in Canada**

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult

with a legal advisor.

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Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

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**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The consolidated financial statements of McCormick & Company, Incorporated and subsidiaries appearing in McCormick & Company, Incorporated's Annual Report (Form 10-K) for the year ended November 30, 2016 (including the schedule appearing therein), and the effectiveness of McCormick & Company, Incorporated's internal control over financial reporting as of November 30, 2016 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

**INDEPENDENT ACCOUNTANTS**

The audited combined historical financial statements of the Food Business included in our Current Report on Form 8-K filed with the Securities and Exchange Commission on August 7, 2017 have been incorporated herein by reference in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

**LEGAL MATTERS**

Certain legal matters in connection with the notes will be passed upon for McCormick by Cleary Gottlieb Steen & Hamilton LLP, New York, New York, and with respect to Maryland law, by DLA Piper LLP (US), Baltimore, Maryland, and for the underwriters by Shearman & Sterling LLP, New York, New York.

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**WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION BY REFERENCE**

We file annual, quarterly and current reports, proxy statements and other information with the Commission. You may read and copy any document we file with the Commission at the Commission's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Commission's Public Reference Room by calling the Commission at 1-800-SEC-0330. Our Commission filings are also available to the public from the Commission's web site at [www.sec.gov](http://www.sec.gov). Our Commission filings are also available through our website at [www.mccormickcorporation.com](http://www.mccormickcorporation.com). Information on or connected to our website does not constitute a part of this prospectus supplement or the accompanying prospectus.

This prospectus supplement is part of a registration statement that we have filed with the Commission. The Commission allows us to incorporate by reference into this prospectus supplement information contained in the documents we file with them, which means that we can disclose important information to you by referring you to another document filed separately with the Commission. The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the Commission will automatically update and supersede that information. We incorporate by reference the documents listed below and any future filings we make with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus supplement until the completion or termination of the offering (in no event, however, will any of the information that we disclose under Items 2.02 and 7.01 of any Current Report on Form 8-K that we may from time to time furnish to the Commission be incorporated by reference into, or otherwise included in, this prospectus):

our Annual Report on Form 10-K for the year ended November 30, 2016 (including the portions of our definitive proxy statement for our 2017 annual meeting of shareholders incorporated by reference therein);

our Quarterly Reports on Form 10-Q, for the quarterly periods ended February 28, 2017 and May 31, 2017; and

our Current Reports on Form 8-K, filed on January 10, 2017, January 24, 2017, April 3, 2017, May 24, 2017, July 19, 2017 and August 7, 2017.

You may obtain a copy of these filings at no cost, by contacting us at any of the following:

McCormick & Company, Incorporated

Attn: Office of the Treasurer

18 Loveton Circle, P.O. Box 6000

Sparks, Maryland 21152

Proxy materials: (800) 579-1639

Other materials: (800) 424-5855, (410) 771-7537

[ir.mccormick.com](http://ir.mccormick.com)

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus which we deliver to you. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information provided by this prospectus supplement, the accompanying prospectus, any document incorporated by reference herein or therein or in any free writing prospectus that we may authorize or provide to you is accurate only as of the date of that document. Our business, financial condition, results of operations and prospects may have changed since those dates. The notes are being offered and sold only in jurisdictions where offers and sales are permitted.

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**PROSPECTUS**

**McCormick & Company, Incorporated**

**Common Stock**

**Common Stock Non-Voting**

**Debt Securities**

We may offer and sell from time to time, together or separately, shares of our common stock, no par value ( Common Stock ), shares of our common stock non-voting, no par value ( Common Stock Non-Voting ), and together with the Common Stock, the Equity Securities ) or debt securities described in this prospectus ( Debt Securities ), and together with the Equity Securities, the Securities ). This prospectus may not be used to sell Securities unless accompanied by a prospectus supplement. The accompanying prospectus supplement will specify the terms of the Securities.

We may sell these Securities through agents designated from time to time, through underwriters or dealers or we may sell them directly ourselves. The names of the underwriters or agents will be set forth in the accompanying prospectus supplement.

The Common Stock is listed on the New York Stock Exchange under the ticker symbol MKC-V and the Common Stock Non-Voting is listed on the New York Stock Exchange under the ticker symbol MKC .

See **Risk Factors** on page 4 herein and, if applicable, in the accompanying prospectus supplement for risks relating to an investment in our Securities.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

**Prospectus dated August 7, 2017**



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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the Commission) utilizing a shelf registration process. Under this process, we may offer and sell any combination of the Securities described in this prospectus in one or more offerings.

We have not authorized anyone to give any information or to make any representations concerning the Securities we may offer except those which are in this prospectus, the prospectus supplement which is delivered with this prospectus, any document incorporated by reference into this prospectus or such prospectus supplement, or any free writing prospectus that we may authorize or provide to you. If anyone gives any other information or representation, you should not rely on it. This prospectus is not an offer to sell or a solicitation of an offer to buy any securities other than the Securities which are referred to in the prospectus supplement. This prospectus is not an offer to sell or a solicitation of an offer to buy Securities in any circumstances in which the offer or solicitation is unlawful. You should not interpret the delivery of this prospectus, or any sale of Securities, as an indication that there has been no change in our affairs since the date of this prospectus.

This prospectus and any accompanying prospectus supplement do not contain all of the information included in the registration statement. We have omitted parts of the registration statement as permitted by the Commission's rules and regulations. For further information, we refer you to the information under the heading **Where You Can Find More Information and Incorporation by Reference**.

This prospectus provides you with a general description of the Securities we may offer. Each time we sell any of the Securities, we will provide a prospectus supplement and/or a free writing prospectus that will contain specific information about the terms of that offering and the securities being offered. You should read both this prospectus and any prospectus supplement or free writing prospectus together with the additional information described under the heading **Where You Can Find More Information and Incorporation by Reference**.

When we refer to McCormick, we, us or our in this prospectus, we mean McCormick & Company, Incorporated and its subsidiaries or, as the context may require, McCormick & Company, Incorporated only.

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus and the information incorporated by reference in it include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in these sections.

Forward-looking statements include, but are not limited to, statements concerning our expected financial position and operating results, our business strategy, our financing plans, our future capital requirements, forecasted demographic and economic trends relating to our industry, the Acquisition (as defined herein) and the timing and financing thereof, the ability to obtain regulatory approvals and meet other closing conditions for the Acquisition, certain transition services expected to be received in connection with the Acquisition and our ability to realize anticipated cost savings and other benefits from the Acquisition and to recover Acquisition-related costs, and similar matters.

These statements are subject to known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from the statements.

In some cases, you can identify forward-looking statements by our use of forward-looking words such as may, will, would, should, anticipate, estimate, expect, plan, believe, predict, project, potential or intend. that these statements are based on our views, expectations and assumptions at the time. Actual events or results may differ substantially.

Important factors that could cause our actual results to be materially different from our forward-looking statements include:

damage to our reputation or brand name, loss of brand relevance;

increased use of private label or other competitive products;

product quality, labeling or safety concerns;

negative publicity about our products;

business interruptions due to natural disasters or unexpected events;

actions by, and the financial condition of, competitors and customers;

our ability to achieve expected and/or needed cost savings or margin improvements;

negative employee relations;

increased consolidation of our customers and the broader industry could present a challenge to margin growth and profitability;

issues affecting our supply chain and raw materials, including fluctuations in the cost and availability of raw and packaging materials;

governmental regulation, and changes in legal and regulatory requirements and enforcement practices;

global economic and financial conditions generally, including the availability of financing, and interest and inflation rates;

the investment return on retirement plan assets, and the costs associated with pension obligations;

foreign currency fluctuations;

the stability of credit and capital markets;

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the impact that a downgrade in our credit ratings may have on our business;

risks associated with our information technology systems, and the threat of data breaches and cyber attacks

fundamental changes in tax law;

volatility in our effective tax rate;

climate change;

infringement of our intellectual property rights, and those of customers;

litigation, legal and administrative proceedings;

the lack of successful acquisition and integration of new businesses, including issues or delays in the successful integration of the Acquired Business operations, systems and personnel with those of McCormick, including incurring or experiencing unanticipated costs, liabilities and/or delays or difficulties;

risks associated with acquisitions generally, such as the inability to obtain, or delays in obtaining, required approvals under applicable antitrust legislation and other regulatory and third party consents and approvals;

failure to retain key management and employees of the Acquired Business;

difficulties or delays in the successful transition of the Acquired Business information technology systems to those of McCormick;

future levels of revenues being lower than expected and costs being higher than expected;

failure or inability to implement growth strategies in a timely manner;

unfavorable reaction to the Acquisition by customers, competitors, suppliers and employees; and

other factors discussed in this prospectus or any prospectus supplement and the documents incorporated by reference herein or therein under the caption Risk Factors.

We caution you that any forward-looking statements made by us are not guarantees of future performance. You should keep in mind that any forward-looking statement we make in this prospectus, any prospectus supplement, any free-writing prospectus, the documents incorporated by reference or elsewhere speaks only as of the date on which we make it. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. In any event, these and other important factors, including those set forth under the caption **Risk Factors** in a prospectus supplement and the documents incorporated by reference, may cause actual results to differ materially from those indicated by our forward-looking statements. We have no duty, and do not intend, to update or revise the forward-looking statements we make in this prospectus, any prospectus supplement, the documents incorporated by reference or elsewhere, except as may be required by law. In light of these risks and uncertainties, you should keep in mind that the future events or circumstances described in any forward-looking statement we make in this prospectus, any prospectus supplement, the documents incorporated by reference or elsewhere might not occur.

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**RISK FACTORS**

An investment in the Securities involves a high degree of risk. We urge you to carefully consider the risks identified in documents incorporated by reference in this prospectus and, if applicable, in any accompanying prospectus supplement used in connection with an offering of the Securities, before making an investment decision, including those risks identified under **Risk Factors** in our annual report on Form 10-K for the year ended November 30, 2016, which are incorporated by reference in this prospectus and which may be amended, supplemented or superseded from time to time by other reports we file with the Commission in the future. Additional risks, including those that related to any particular Securities we offer, may be included in the applicable prospectus supplement, any document incorporated by reference into this prospectus or such prospectus supplement or any free writing prospectus that we may authorize or provide to you.

Our business, financial condition, results of operations and cash flows could be materially adversely affected by any of these risks. The market or trading price of the Securities could decline due to any of these risks.

**Table of Contents****OUR COMPANY**

We are a global leader in flavor, with the manufacturing, marketing and distribution of spices, seasoning mixes, condiments and other flavorful products to the entire food industry. Customers range from retailers and food manufacturers to food service businesses. Our major sales, distribution and production facilities are located in North America, Europe and China. Additional facilities are based in Australia, Mexico, India, Singapore, Central America, Thailand and South Africa. In fiscal year 2016, 42% of our sales were generated in foreign countries.

We sell to retailers, including grocery, mass merchandise, warehouse clubs, discount and drug stores, as well as food manufacturers and the foodservice industry (both directly and through distributors) under the McCormick® brand and a variety of brands around the world, including Lawry®, Zatarain®, Simply Asia®, Thai Kitchen®, Ducros®, Vahiné®, Schwartz®, Club House®, Kamis®, Kohinoor®, DaQiao®, Drogheria & Alimentari®, Stubb®, OLD BAY®, Kitchen Basics®, Gourmet Garden®, Brand Aromatics® and Giotti®.

As of November 30, 2016, we had a worldwide workforce of approximately 10,500 full-time employees. Our principal executive offices are located at 18 Loveton Circle, Sparks, Maryland 21152 (telephone: 410-771-7301).

On July 18, 2017, we entered into a Stock Purchase Agreement (the "Acquisition Agreement") with The R.T. French's Food Group Limited, a private limited company incorporated in England and Wales, Reckitt Benckiser LLC, a Delaware limited liability company (together with The R.T. French's Food Group Limited, the "Sellers"), and Reckitt Benckiser Group plc ("Sellers Parent"). Pursuant to the terms and conditions of the Agreement, at the closing, we will acquire 100% of the outstanding equity interests of each of (i) The French's Food Company LLC, a Delaware limited liability company ("French's US"), (ii) The French's Food Company, Inc., a Canadian corporation ("French's Canada"), (iii) The R.T. French's Food Company Limited, a private limited company incorporated in England and Wales ("French's UK"), and (iv) Tiger's Milk LLC, a Delaware limited liability company ("Tiger's Milk"), and together with French's US, French's Canada and French's UK, the "Acquired Business"), which we refer to as the "Acquisition." The aggregate purchase price payable by us is \$4.2 billion in cash, subject to customary purchase price adjustments related to the amount of the Acquired Business's cash, debt, net working capital, and transaction expenses as described in the Acquisition Agreement.

The Acquisition Agreement contains customary representations, warranties, and covenants of the Sellers, Seller's Parent, and us. From the date of the Acquisition Agreement until the closing of the transaction, the Sellers are required to operate the Acquired Business's business in the ordinary course and to comply with certain covenants regarding the operation of the business. The obligations of the Sellers under the Acquisition Agreement are guaranteed by the Seller's Parent. The closing of the transaction is subject to customary closing conditions, including the expiration or early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The Acquisition Agreement also contains certain rights to terminate the agreement prior to the closing, including the right of either McCormick or the Sellers to terminate the transaction (i) if the closing has not occurred on or before 5:00 p.m. New York City time on January 18, 2018 (subject to certain extension rights), (ii) if closing would violate a final, non-appealable order of a governmental authority having competent jurisdiction, (iii) in the event of certain material breaches of the Acquisition Agreement by the other party or parties, as applicable, and a right of the Sellers to terminate in specified circumstances if all of the closing conditions are satisfied or are reasonably capable of being satisfied and McCormick has failed to consummate the Acquisition. We have agreed to pay Sellers a termination fee of \$210 million upon termination of the Acquisition Agreement under specified circumstances relating to the failure to obtain antitrust clearance or a breach by us of our antitrust efforts covenant. Our obligation to consummate the transaction is not subject to any condition related to the availability of financing.





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**RATIO OF EARNINGS TO FIXED CHARGES**

Our ratio of earnings to fixed charges was 7.82 for the six months ended May 31, 2017 and 9.97, 8.95, 10.04, 8.67 and 9.28 for the fiscal years ended November 30, 2016, 2015, 2014, 2013 and 2012, respectively. For the purpose of this ratio, earnings consist of income from consolidated operations before income taxes, plus fixed charges (net of capitalized interest), amortization of capitalized interest and dividends from unconsolidated subsidiaries. Fixed charges consist of interest, whether expensed or capitalized (including amortization of debt discount), and that portion of rental expense that is representative of interest. You should read this information in conjunction with the consolidated financial statements and notes incorporated by reference in this prospectus.

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**USE OF PROCEEDS**

Except as may be described otherwise in a prospectus supplement, we expect to use the net proceeds from the sale of the Securities under this prospectus for general corporate purposes, including refinancing existing indebtedness, future acquisitions, capital expenditures and working capital. Until we apply the net proceeds for specific purposes, we may invest such net proceeds in short-term or marketable securities.

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**DESCRIPTION OF EQUITY SECURITIES**

The description below summarizes the general terms of the Equity Securities to which any prospectus supplement may relate. This section is a summary, and it does not describe every aspect of the Equity Securities. This summary is subject to and qualified in its entirety by reference to the provisions of our Certificate of Incorporation, as amended and restated (the Charter ), and our Amended and Restated By-Laws (the By-Laws ), each as may be amended from time to time. See Where You Can Find More Information.

**General**

We have two classes of common stock:

common stock, without par value ( Common Stock ), of which 320,000,000 shares are authorized; and

common stock non-voting, without par value ( Common Stock Non-Voting ), of which 320,000,000 shares are authorized.

As of May 31, 2017, there were 11,208,140 shares of our Common Stock outstanding and 113,389,116 shares of our Common Stock Non-Voting outstanding.

Holders of Common Stock have full voting rights, except that:

the voting rights of persons who are deemed by the board of directors to own, directly or indirectly, beneficially 10% or more of the outstanding shares of Common Stock (a Substantial Stockholder ) are limited to 10% of the votes entitled to be cast by all holders of shares of Common Stock regardless of how many shares in excess of 10% are held by such person;

we have the right to redeem, at any time, any or all shares of Common Stock and Common Stock Non-Voting beneficially owned by any Substantial Stockholder, unless such person acquires more than 90% of the then outstanding shares of each class of our common stock; and

at such time as a Substantial Stockholder beneficially owns shares of Common Stock which entitle such Substantial Stockholder to cast more than 50% of the votes entitled to be cast by the holders of outstanding shares of Common Stock (taking into account the vote limitation on Substantial Stockholders described above), automatically, on a share-for-share basis, all shares of Common Stock Non-Voting will convert into shares of Common Stock.

Any amendment, alteration, change or repeal of the foregoing provisions, in addition to any other vote or approval required under the Charter or applicable law, requires:

the affirmative vote of the holders of at least 80% of the total number of votes entitled to be cast by the holders of all of the then outstanding shares of Common Stock, voting as a single class, and

the affirmative vote of the holders of at least 80% of the then outstanding shares of Common Stock Non-Voting, voting as a separate class.

Except as set forth above, holders of Common Stock are entitled to one vote per share of Common Stock on all matters to be voted upon by the stockholders. Any shares beneficially owned by a Substantial Stockholder in excess of 10% of outstanding shares of Common Stock that are subject to the Substantial Stockholder vote limitation described above are excluded from the total number of shares of Common Stock outstanding for the purposes of (i) establishing a quorum and (ii) determining the proportion of Common Stock required to approve a matter.

Each share of Common Stock Non-Voting has exactly the same rights, terms and conditions as each share of Common Stock, except that holders of shares of Common Stock Non-Voting have no voting rights, except with respect to:

a consolidation of the Company with another corporation;

a merger of the Company into another corporation;

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a merger of the Company where the Company is the surviving corporation but the capital stock of the Company is converted into other securities or property;

a participation by the Company in a statutory share exchange whereby the capital stock of the Company is converted into other securities or property;

a dissolution of the Company;

a sale of all or substantially all of the assets of the Company not in the ordinary course of business; and

any amendment of the Charter repealing the right of the Common Stock Non-Voting to vote on any of the foregoing matters.

On matters on which holders of Common Stock Non-Voting are entitled to vote, holders of Common Stock Non-Voting are entitled to one vote per share of Common Stock Non-Voting on all such matters. As to any matter on which holders of Common Stock Non-Voting and Common Stock are entitled to vote, the Common Stock Non-Voting shall vote separately as one class, and the Common Stock shall vote separately as another class.

The voting rights of holders of Common Stock Non-Voting cannot be repealed except by:

the affirmative vote of the holders of a majority of the outstanding shares of the Common Stock Non-Voting, voting separately as one class, and

the affirmative vote of the holders of a majority of the total number of votes entitled to be cast by the holders of all the outstanding shares of the Common Stock (taking into account the vote limitation on Substantial Stockholders described above), voting separately as another class.

The provisions of the Charter providing that the Common Stock and the Common Stock Non-Voting vote as separate classes cannot be amended, altered, changed or repealed except by:

the affirmative vote of the holders of at least 80% of the total number of votes entitled to be cast by the holders of all the then outstanding shares of Common Stock (taking into account the vote limitation on Substantial Stockholders described above), voting separately as one class, and

the affirmative vote of the holders of at least 80% of the then outstanding shares of Common Stock Non-Voting, voting separately as another class.

Except as set forth above, holders of the Equity Securities, solely by virtue of their holdings, do not have conversion rights or preemptive rights to subscribe for or purchase any shares of any class, or to any security convertible into shares of stock of the Company, which we may issue in the future.

The Company may, but is not obligated to, allow shareholders to exchange shares of Common Stock for shares of Common Stock Non-Voting on a one-for-one basis. However, we generally do not issue shares of Common Stock in exchange for shares of Common Stock Non-Voting. In certain circumstances, we issue shares of Common Stock in exchange for shares of Common Stock Non-Voting, or issue shares of Common Stock Non-Voting in exchange for shares of Common Stock, typically, in connection with the administration of our employee benefit plans, executive compensation programs and dividend reinvestment/direct purchase plans. Holders who choose to exchange their shares will not receive any consideration for such exchanges, other than shares of Common Stock Non-Voting or Common Stock, as applicable.

Both classes of our common stock are entitled to dividends that may be declared by the board of directors from time to time out of the surplus or profits of the Company, after providing for dividends on preferred stock.

The Maryland General Corporation Law, or the MGCL, provides that our stockholders are generally not obligated to us or our creditors with respect to our stock, except to the extent that the subscription price or other agreed upon consideration has not been paid.

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Upon any liquidation, dissolution or winding up of the Company, the holders of both classes of stock shall be entitled to receive, share for share with the other holders of shares of Common Stock and Common Stock Non-Voting on a pro rata basis, all assets then legally available for distribution after payment of debts and liabilities and preferences on preferred stock outstanding, if any.

**Listing**

The Common Stock is listed on the New York Stock Exchange under the ticker symbol MKC-V and the Common Stock Non-Voting is listed on the New York Stock Exchange under the ticker symbol MKC .

**Transfer Agent and Registrar**

The transfer agent and registrar for the Equity Securities is Wells Fargo Shareowner Services Incorporated.



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**CERTAIN PROVISIONS OF MARYLAND LAW AND OUR CHARTER AND BYLAWS**

The following summarizes certain material provisions of Maryland law and our Charter and By-Laws. Copies of our Charter and By-Laws are filed as exhibits to the registration statement of which this prospectus is a part. See [Where You Can Find More Information](#).

The MGCL and our Charter and By-Laws contain provisions that could make it difficult for a potential acquirer to acquire us and discourage certain coercive takeover practices and inadequate takeover bids and may encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of these provisions outweigh the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms.

**Number of Directors; Vacancies; Removal**

Our By-Laws provide that the number of directors will be not less than six and not more than twenty (20). Our By-Laws provide that a majority of our entire board of directors may at any time increase or decrease the number of directors. However, unless our By-Laws are amended by the board of directors, the number of directors may never be more than twenty (20). Our By-Laws currently provide that any vacancy caused by the death or resignation of a director or the removal of a director by the stockholders without appointing another director in his or her place may be filled by a majority of the remaining directors, and that a vacancy resulting from an increase in the number of directors must be filled by a majority of the entire board of directors. Any individual elected to fill such vacancy will serve until the next annual meeting of stockholders and until a successor is duly elected and qualifies.

Our board of directors is not currently classified. However, it would be permissible under the MGCL for our board of directors to classify or declassify itself without stockholder approval.

The holders of Common Stock do not have cumulative voting rights in the election of directors.

**Authorized but Unissued Capital Stock**

The Charter provides that the board of directors may classify or reclassify any unissued stock into one or more classes or series of common stock or preferred stock by setting or changing the preferences, conversion or other rights, voting powers, restrictions, or limitations as to dividends, qualifications, or terms or conditions of redemption of the shares. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved common stock and preferred stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of the Company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of the Company's management and possibly deprive the stockholders of opportunities to sell their shares at prices higher than prevailing market prices. Although we have no present intention of doing so, these actions can be taken without stockholder approval, unless stockholder approval is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. The New York Stock Exchange currently requires stockholder approval as a prerequisite to listing shares in several instances, including where the present or potential issuance of shares could result in an increase in the number of shares of common stock or in the amount of voting securities outstanding by at least 20%. If the approval of our stockholders is not required for the issuance of our common stock or preferred stock, our board of directors may determine not to seek stockholder approval.



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### **Special Meetings of Stockholders**

Our By-Laws provide that a special meeting may be called, for any purpose or purposes, by the chairman of the board of directors or the president or by a majority of the board of directors. In addition, our By-Laws provide that a special meeting shall be called by the secretary if the holders of not less than a majority of all the votes entitled to be cast on any issue proposed to be considered at such special meeting deliver to the secretary one or more written demands for a special meeting, describing the purpose or purposes for which the meeting is to be held and the matters proposed to be acted on at such meeting.

### **Requirements for Advance Notification of Stockholder Nominations and Proposals**

Our By-Laws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors. Our By-Laws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

### **Action by Stockholders**

Under the MGCL, stockholders may take any action that may be taken at an annual or special meeting of the stockholders by unanimous written consent.

### **Dissolution**

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge or consolidate with, or convert into, another entity, sell all or substantially all of its assets or engage in a statutory share exchange or engage in a similar transaction outside the ordinary course of business unless advised by its board of directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter.

### **Indemnification and Limitation of Directors and Officers Liability**

The MGCL permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages, except for liability resulting from:

actual receipt of an improper benefit or profit in money, property or services; or

active and deliberate dishonesty established by a final judgment and which is material to the cause of action. Our Charter contains a provision that eliminates directors' and officers' liability for money damages to the maximum extent permitted by Maryland law. These limitations of liability do not apply to liabilities arising under the federal securities laws and do not generally affect the availability of equitable remedies such as injunctive relief or rescission. Our By-laws require us to indemnify our directors and officers (and permit us to indemnify certain other parties) to the fullest extent permitted from time to time by Maryland law.

The MGCL requires a Maryland corporation to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that

capacity (unless its charter provides otherwise, which our Charter does not). The MGCL also permits a Maryland corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with

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any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that:

the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty;

the director or officer actually received an improper personal benefit in money, property or services; or

in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless, in either case, a court orders indemnification (and then only for expenses). In addition, the MGCL permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of:

a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation; and

a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

We also maintain for the benefit of our directors and officers insurance covering certain liabilities asserted against or incurred by such persons in their capacity as, or as a result of their position as, director or officer. This insurance may afford protection for liabilities not subject to indemnification under our By-Laws and the MGCL.

Additionally, on March 26, 2014, we entered into indemnification agreements with each of our directors and executive officers, utilizing the standard form of indemnification agreement approved by the board of directors. The indemnification agreements require us to indemnify a director or an executive officer and to advance expenses on behalf of such director or executive officer to the fullest extent permitted by applicable law and establish the procedures by which a director or an executive officer may request and receive indemnification. The agreements are in addition to other rights to which a director may be entitled under our Charter, By-Laws, and applicable law.

## **Control Share Acquisitions**

The Maryland Control Share Acquisition Act (the "Control Share Acquisition Act") provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of at least two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiring person, by officers of the corporation or by directors who are employees of the corporation are excluded from shares entitled to vote on the matter.

Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiring person or in respect of which the acquiring person is able to exercise or direct the exercise of voting power (except

solely by virtue of a revocable proxy), would entitle the acquiring person to exercise voting power in electing directors within one of the following ranges of voting power:

one-tenth or more but less than one-third;

one-third or more but less than a majority; or

a majority or more of all voting power.

Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition means the acquisition of issued and

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outstanding control shares, but does not include the acquisition of shares, among others, (i) under the laws of descent and distribution, (ii) under the satisfaction of a pledge or other security interest created in good faith and not for the purpose of circumventing the Control Share Acquisition Act or (iii) pursuant to a merger, consolidation or share exchange effected under Subtitle 1 of the Control Share Acquisition Act if the corporation is a party to the merger, consolidation or share exchange.

A person who has made or proposes to make a control share acquisition may compel the board of directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may repurchase for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to repurchase control shares is subject to certain conditions and limitations. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiring person or of any meeting of stockholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquiring person becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiring person in the control share acquisition.

The Control Share Acquisition Act does not apply to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or to acquisitions approved or exempted by the Charter or By-Laws of the corporation. We have not approved or exempted any individuals or transactions through such a provision.

## **Business Combinations**

Under the MGCL, certain business combinations between a Maryland corporation and an Interested Stockholder (as defined in the MGCL) or an affiliate of an Interested Stockholder are prohibited for five years after the most recent date on which the Interested Stockholder became an Interested Stockholder, unless an exemption is available. Thereafter, in addition to the vote required by the MGCL and the Charter, a business combination must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least (i) 80% of the votes entitled to be cast by holders of outstanding voting shares of the corporation and (ii) two-thirds of the votes entitled to be cast by holders of outstanding voting shares of the corporation other than shares held by the Interested Stockholder (or its affiliate) with whom the business combination is to be effected, unless the corporation's stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the Interested Stockholder for its shares.

Maryland's business combination statute does not apply to business combinations that are approved or exempted by the board of directors prior to the time that the Interested Stockholder becomes an Interested Stockholder. In addition, Maryland's business combination statute does not apply to a corporation that opts out of the business combination statute through a provision in its articles of incorporation. We have not elected to opt out of Maryland's business combination statute through such a provision.

## **Unsolicited Takeovers Act**

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors, by provision in its charter or bylaws or a



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resolution of its board of directors, without obtaining stockholder approval and notwithstanding any contrary provision in the charter or bylaws, to elect to be governed by any or all of the following five provisions:

a classified board;

a two-thirds stockholder vote requirement for removing a director;

a requirement that the number of directors be fixed only by vote of the directors;

a requirement that a vacancy on the board of directors be filled only by the remaining directors and for the remainder of the full term of the directorship in which the vacancy occurred; and

a majority requirement for the calling of a special meeting of stockholders.

We have not elected to be governed by these specific provisions, but we currently have more than three independent directors. Through provisions in our Charter and By-Laws unrelated to Subtitle 8, we already (a) vest in the board the exclusive power to fix the number of directorships and (b) allow stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting to call a special meeting. Our By-Laws currently provide that any vacancy caused by the death or resignation of a director or the removal of a director by the stockholders without appointing another director in his or her place may be filled by a majority of the remaining directors, and that a vacancy resulting from an increase in the number of directors must be filled by a majority of the entire board of directors. Any individual elected to fill such vacancy will serve until the next annual meeting of stockholders and until a successor is duly elected and qualified.

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**DESCRIPTION OF DEBT SECURITIES**

*The following description of the terms of the Debt Securities sets forth certain general terms and provisions of the Debt Securities to which any prospectus supplement may relate. The Debt Securities are to be issued under the Indenture (the Indenture ), dated as of July 8, 2011, between McCormick and U.S. Bank National Association, as trustee (the Trustee ), a copy of which has been filed with the Commission as an exhibit to the registration statement of which this prospectus is a part. We will include in a supplement to this prospectus and/or in a free writing prospectus or pricing supplement authorized by us, the specific terms of each series of Debt Securities being offered. The following summaries of certain provisions of the Indenture and the Debt Securities do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Indenture (including any amendments or supplements we may enter into from time to time) and the Debt Securities. Capitalized terms are defined in the Indenture unless otherwise defined herein. Wherever particular provisions or defined terms of the Indenture are referred to, such provisions or defined terms are incorporated herein by reference.*

**General**

The Indenture does not limit the amount of Debt Securities which can be issued thereunder and provides that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by us. The Debt Securities will be unsecured and will rank on a parity with all other unsecured and unsubordinated indebtedness of McCormick.

Reference is hereby made to the prospectus supplement relating to the applicable series of Debt Securities for the terms of such Debt Securities, including where applicable:

the principal amount offered;

the title of the securities of the series;

any limit upon the aggregate principal amount of the securities of the series which may be authenticated and delivered under the Indenture;

the date or dates on which the principal of the securities is payable;

the rate or rates at which the securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable and the regular record date for the interest payable on any interest payment date;

the place or places where the principal of (and premium, if any) and interest on securities of the series shall be payable, any securities of that series may be surrendered for exchange and notices and demands to or upon McCormick in respect of the securities of that series and the Indenture may be served;

the period or periods within which, the price or prices at which, the currency or currency unit in which, and the terms and conditions upon which securities of the series may be redeemed, in whole or in part, at the option of McCormick;

the obligation, if any, of McCormick to redeem or purchase securities of the series pursuant to any sinking fund or analogous provisions or at the option of a holder thereof and the period or periods within which, the price or prices at which, the currency or currency unit in which, and the terms and conditions upon which securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

if other than denominations of \$2,000 and integral multiples of \$1,000 in excess thereof, the denominations in which securities of the series shall be issuable;

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if other than the principal amount thereof, the portion of the principal amount of securities of the series which shall be payable upon declaration of acceleration of the maturity thereof pursuant to the Indenture;

any Events of Default and covenants of McCormick with respect to the securities of that series, whether or not such Events of Default or covenants are consistent with the Events of Default or covenants set forth in the Indenture;

if other than the currency of the United States of America, the currency or currency unit in which payment of the principal of (and premium, if any) or interest, if any, on the securities of that series shall be made or in which securities of that series shall be denominated and the particular provisions applicable thereto;

if the principal of (and premium, if any) and interest, if any, on the securities of that series are to be payable, at the election of McCormick or a holder thereof, in a currency or currency unit other than that in which such securities are denominated or stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made, and the time and manner of determining the exchange rate between the currency or currency unit in which such securities are denominated or stated to be payable and the currency or currency unit in which such securities are to be so payable;

if the amount of payments or principal of (and premium, if any) or interest, if any, on the securities of the series may be determined with reference to an index based on a currency or currency unit other than that in which securities are denominated or stated to be payable or any other index, the manner in which such amounts shall be determined; and

any other terms of the series (which terms shall not be inconsistent with the provisions of the Indenture). The Debt Securities may be issued in one or more series with the same or various maturities and will be issued only in full registered form without coupons.

The terms of the Debt Securities do not afford holders of the Debt Securities protection in the event of a highly leveraged transaction involving McCormick that may adversely affect holders of the Debt Securities.

**Transfer and Exchange**

The Debt Securities of a series may be issued in either registered form ( Registered Securities ) or global form. See Book-Entry Securities. Registered Securities may be separated into smaller denominations or combined into larger denominations, as long as the total principal amount is not changed. (Section 3.5 of the Indenture). This is called an exchange.

You may transfer Registered Securities of a series and you may exchange Debt Securities of a series at the office of the Trustee. The Trustee will act as our agent for registering Registered Securities in the names of holders and transferring Debt Securities. We may designate someone else to perform this function. Whoever maintains the list of registered holders is called the Security Registrar. The Security Registrar also will perform transfers. (Section 3.5 of the Indenture).

You will not be required to pay a service charge to transfer or exchange Debt Securities, but you may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange will be made only if the Security Registrar is satisfied with your proof of ownership. (Section 3.5 of the Indenture).

If we designate additional transfer agents, we will name them in the accompanying prospectus supplement. We may cancel the designation of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

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If we redeem less than all of the Debt Securities of a redeemable series, we may block the transfer or exchange of Registered Securities during the period beginning 15 days before the day of the selection for redemption of such Registered Securities and ending on the day of the mailing of the relevant notice of redemption in order to freeze the list of holders to prepare the mailing. We may also decline to register transfers or exchanges of Debt Securities selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any Debt Security being partially redeemed. (Section 3.5 of the Indenture).

If the offered Debt Securities are redeemable, we will describe the procedures for redemption in the accompanying prospectus supplement.

In this Transfer and Exchange section of this prospectus, you means direct holders and not indirect holders of Debt Securities.

## **Book-Entry Securities**

The Debt Securities of a series may be issued in whole or in part in the form of one or more global securities (the Global Securities ) which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York (the Depository ) and registered in the name of the Depository s nominee. Except as set forth below, the Global Securities may be transferred, in whole and not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee.

The Depository has advised us that it is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. The Depository was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The Depository s participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of which (and/or their representatives) own the Depository. Access to the Depository s book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Persons who are not participants may beneficially own securities held by the Depository only through participants.

Upon the issuance of Debt Securities by us represented by the Global Securities, the Depository will credit, on its book-entry registration and transfer system, the respective principal amounts of the Debt Securities represented by such Global Securities to the accounts of participants. The accounts credited shall be initially designated by the underwriters or agents. If the Depository is at any time unwilling or unable to continue as depository, or if at any time there shall have occurred and be continuing an Event of Default under the Indenture with respect to the Debt Securities, we will issue Debt Securities in certificated form in exchange for the Global Securities. In addition, we may at any time determine not to have Debt Securities represented by the Global Securities, and, in such event will issue Debt Securities in certificated form in exchange for the Global Securities representing such Debt Securities. In any such instance, an owner of a beneficial interest in the Global Securities will be entitled to physical delivery in certificated form of Debt Securities equal in principal amount to such beneficial interest and to have such Debt Securities registered in its name.

## **Certain of Our Covenants**

### ***Limitations on Liens***

Except as described below under "Exempted Indebtedness", we covenant that we will not, nor will we permit any Restricted Subsidiary to, create, assume or suffer to exist any mortgage, security interest, pledge or

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lien ( Lien ) of or upon any Principal Property or any shares of capital stock or evidences of indebtedness for borrowed money issued by any Restricted Subsidiary and owned by us or any Restricted Subsidiary, without providing that the Debt Securities shall be secured equally and ratably by such Lien with any and all other indebtedness or obligations thereby secured, so long as such indebtedness or obligations shall be so secured.

This restriction does not apply to:

Liens that exist on the date of the Indenture;

Liens on property of any corporation existing at the time such corporation becomes a Subsidiary;

Liens in favor of us or any Subsidiary;

Liens in favor of governmental bodies to secure progress, advance or other payments pursuant to contract or statute or indebtedness incurred to finance all or a part of construction of or improvements to property subject to such Liens;

Liens on property existing at the time of acquisition thereof (including acquisition through merger or consolidation), and construction and improvement liens that are entered into within 180 days from the date of such construction or improvement, provided that in the case of construction or improvement the Lien shall not apply to any property theretofore owned by us or any Restricted Subsidiary except substantially unimproved real property on which the property so constructed or the improvement is located;

mechanics and similar Liens arising in the ordinary course of business in respect of obligations not due or being contested in good faith;

Liens for taxes, assessments, or governmental charges or levies that are not delinquent or are being contested in good faith;

Liens arising from any legal proceedings that are being contested in good faith;

any Liens that (a) are incidental to the ordinary conduct of our business or the ownership of our properties and assets, (b) were not incurred in connection with the borrowing of money or the obtaining of advances or credit and (c) do not in the aggregate materially detract from the value of our property or the property of any Subsidiary or materially impair the use thereof in the operation of our business;

Liens securing industrial development or pollution control bonds; and



Liens for the sole purpose of extending, renewing or replacing (or successively extending, renewing or replacing) in whole or in part any of the foregoing. (Section 10.7 of the Indenture).

***Limitation on Sale and Leaseback***

Except as described below under Exempted Indebtedness, we will not, nor will we permit any Restricted Subsidiary to, enter into any arrangement with any Person providing for the leasing (as lessee) by us or any Restricted Subsidiary of any Principal Property (except for temporary leases for a term, including any renewal, of not more than three years and except for leases between us and a Restricted Subsidiary or between Restricted Subsidiaries) which property has been or is to be sold or transferred by us or a Restricted Subsidiary to such Person unless either:

we or such Restricted Subsidiary would be entitled, pursuant to the fifth and eleventh clauses of the covenant described under Limitations on Liens above, to incur a Lien on such property without equally and ratably securing the Debt Securities; or

the net proceeds of such sale are at least equal to the fair value of such property and we will apply an amount equal to the net proceeds of such sale to the retirement (other than any mandatory retirement or payment at maturity) of (a) Debt Securities (other than any retirement prohibited by the terms of any

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Debt Securities pursuant to prohibitions on advance refundings) or (b) our or a Restricted Subsidiary's Funded Debt ranking prior to or on a parity with the Debt Securities, within 120 days of the effective date of any such arrangement. (Section 10.8 of the Indenture).

***Exempted Indebtedness***

Notwithstanding the limitations on Liens and sale and leaseback transactions outlined above, we or any Restricted Subsidiary may create, assume or suffer to exist Liens or enter into sale and leaseback transactions not otherwise permitted as described above provided that at the time of such event, and after giving effect thereto, the sum of outstanding indebtedness for borrowed money of McCormick and its Restricted Subsidiaries incurred after the date of the Indenture and secured by Liens not otherwise permitted as set forth above plus the Attributable Debt in respect of such sale and leaseback transactions entered into by McCormick and its Restricted Subsidiaries after the date of the Indenture not otherwise permitted as set forth above does not exceed 15% of Consolidated Net Tangible Assets. (Sections 1.1, 10.7(b) and 10.8(b) of the Indenture).

***Merger and Consolidation***

We covenant that we will not merge, consolidate or convey, transfer or lease our properties and assets substantially as an entirety and we will not permit any Person (as defined in the Indenture) to consolidate with or merge into us or convey, transfer or lease its properties and assets substantially as an entirety to us unless, among other things:

the successor Person is McCormick or another corporation organized and existing under the laws of the United States, any state thereof or the District of Columbia that assumes our obligations on the Debt Securities and under the Indenture,

immediately after giving effect to such transaction, McCormick or the successor Person would not be in default under the Indenture, and

if, as a result of any such consolidation or merger or such conveyance, transfer or lease, any Principal Property of McCormick would become subject to a Lien that would not be permitted by the Indenture, we or such successor Person takes such steps as are necessary effectively to secure the Debt Securities equally and ratably with (or, at our option, prior to) all indebtedness secured thereby. (Section 8.1 of the Indenture).

Except as described above, the Indenture does not contain any provisions that would afford holders of the Debt Securities protection in the event of:

a highly leveraged or similar transaction involving us;

a change in control or a change in our management; or

a reorganization, restructuring, merger or similar transaction involving us that may adversely affect the holders of the Debt Securities.

In addition, subject to the limitations set forth above, we may, in the future, enter into certain transactions such as the sale of our properties and assets substantially as an entirety or a merger or consolidation with another entity that could increase the amount of our indebtedness or otherwise adversely affect our financial condition or results of operations, which may have an adverse effect on our ability to service our indebtedness, including the Debt Securities. We have no present intention of engaging in a highly leveraged or similar transaction involving us.

**Events of Default**

An Event of Default with respect to the Debt Securities is defined in the Indenture as being:

- (i) default for 30 days in the payment of any installment of interest on the Debt Securities;
- (ii) default in the payment of any principal of the Debt Securities;

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- (iii) default by McCormick in the performance of any other covenants or agreements in the Indenture contained therein for the benefit of the Debt Securities which shall not have been remedied for a period of 90 days after written notice of such default to McCormick by the Trustee or to McCormick and the Trustee by the holders of at least 25% in aggregate principal amount of the Debt Securities;
- (iv) certain events of bankruptcy, insolvency or reorganization of McCormick; or
- (v) any other Event of Default specified for a series in the applicable prospectus supplement. (Section 5.1 of the Indenture).

The Indenture provides that if an Event of Default under clause (i), (ii), (iii) or (v) above shall have occurred and be continuing, either the Trustee or the holders of not less than 25% in principal amount of the Debt Securities may declare the principal of all the Debt Securities, together with any accrued interest, to be due and payable immediately. (Section 5.2 of the Indenture). If an Event of Default under clause (iv) above shall have occurred and be continuing, then the principal of all the Debt Securities, together with any accrued interest, will be due and payable immediately without any declaration or other act on the part of the Trustee or any holder of a Debt Security. Upon certain conditions such declaration (including a declaration caused by a default in the payment of principal or interest, the payment for which has subsequently been provided) may be annulled by the holders of a majority in principal amount of the Debt Securities. (Sections 5.2 and 5.13 of the Indenture).

In addition, prior to the declaration of the acceleration of the maturity of the Debt Securities, past defaults may be waived by the holders of a majority in principal amount of the Debt Securities, except a default in the payment of principal of or interest on any Debt Security or in respect of a covenant or provision of the Indenture which cannot be modified or amended without the approval of the holder of each Debt Security. (Sections 5.2 and 5.13 of the Indenture).

The Indenture contains a provision entitling the Trustee, subject to the duty of the Trustee during default to act with the required standard of care, to be indemnified by the holders of Debt Securities issued thereunder before proceeding to exercise any right or power under the Indenture at the request of the holders of such Debt Securities. (Section 6.3 of the Indenture).

The Indenture also provides that the holders of a majority in principal amount of the Outstanding Securities of a particular series issued thereunder and affected (each series voting as a separate class) may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Debt Securities of such series. (Section 5.12 of the Indenture).

The Indenture contains a covenant that McCormick will file annually with the Trustee a certificate as to the absence of any default or specifying any default that exists. (Section 10.9 of the Indenture).

## **Definitions**

Attributable Debt with respect to any sale leaseback transaction that is subject to the restrictions described under Certain of our Covenants Limitation On Sale and Leaseback means the lesser of:

the total net amount of rent required to be paid during the remaining base term of the related lease or until the earliest date on which the lessee may terminate such lease upon payment of a penalty or a lump-sum termination payment (in which case the total net rent shall include such penalty or termination payment), discounted at the weighted average interest rate borne by the Outstanding Securities (as defined in the Indenture) under the Indenture, compounded semi-annually, or

the sale price of the property so leased multiplied by a fraction, the numerator of which is the remaining base term of the related lease and the denominator of which is the base term of such lease.

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Consolidated Net Tangible Assets means the total assets of McCormick and its consolidated subsidiaries, including the investment in (at equity) and the net amount of advances to and accounts receivable from corporations which are not consolidated subsidiaries less the following:

current liabilities of McCormick and its consolidated subsidiaries, including an amount equal to indebtedness required to be redeemed by reason of any sinking fund payment due in 12 months or less from the date as of which current liabilities are to be determined;

all other liabilities of McCormick and its consolidated subsidiaries other than Funded Debt, deferred income taxes and liabilities for employee post-retirement health plans other than pensions recognized in accordance with Accounting Standards Codification No. 715-60;

all depreciation and valuation reserves and all other reserves (except for reserves for contingencies which have not been allocated to any particular purpose) of McCormick and its consolidated subsidiaries;

the book amount of all segregated intangible assets of McCormick and its consolidated subsidiaries, including, but without limitation, such items as goodwill, trademarks, trade names, patents and unamortized debt discount and expense less unamortized debt premium; and

appropriate adjustments on account of minority interests of other persons holding stock in subsidiaries. Consolidated Net Tangible Assets shall be determined on a consolidated basis in accordance with generally accepted accounting principles.

Funded Debt means any indebtedness of McCormick or a Restricted Subsidiary (other than inter-company debt that is eliminated in consolidation) for borrowed money having a maturity of more than 12 months from the date such indebtedness was incurred or having a maturity of less than 12 months but by its terms being renewable or extendable beyond 12 months from the date such indebtedness was incurred at the option of the obligor.

Person means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Principal Property means any manufacturing or processing plant or warehouse, together with the land upon which it is erected and any fixtures and equipment comprising a part thereof, owned by McCormick or any Restricted Subsidiary and located in the United States, the book value (net of depreciation) of which on the date as of which the determination is being made is an amount which exceeds 1% of Consolidated Net Tangible Assets, other than any such manufacturing or processing plant or warehouse or any portion thereof or any such fixture or equipment (together with the land upon which it is erected and any fixtures and equipment comprising a part thereof) (i) which is financed by Industrial Development Bonds or (ii) which, in the opinion of our board of directors, is not of material importance to the total business conducted by us and our Subsidiaries, taken as a whole.

Restricted Subsidiary means any Subsidiary that owns, operates or leases one or more Principal Properties.

Subsidiary means each corporation of which we, or we and one or more Subsidiaries, or any one or more Subsidiaries, directly or indirectly own securities entitling the holders thereof to elect a majority of the directors, either at all times or so long as there is no default or contingency that permits the holders of any other class or classes of securities to vote for the election of one or more directors.

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**Satisfaction and Discharge**

The Indenture will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of Debt Securities, as expressly provided for in the Indenture) as to all Debt Securities of any given series when:

either:

all Debt Securities of such series theretofore authenticated and delivered (except lost, stolen or destroyed Debt Securities that have been replaced or paid) have been delivered to the Trustee for cancellation, or

with respect to all Debt Securities of such series not theretofore delivered to the Trustee for cancellation, McCormick has deposited or caused to be deposited with the Trustee funds or Government Obligations (as defined in the Indenture), or any combination thereof, in an amount sufficient to pay and discharge the entire indebtedness on the Debt Securities not theretofore delivered to the Trustee for cancellation, for unpaid principal and interest to maturity;

McCormick has paid all other sums payable by it under the Indenture;

McCormick has delivered to the Trustee an officers' certificate and an opinion of counsel each stating that all conditions precedent under the Indenture to the satisfaction and discharge of the Indenture have been complied with; and

if the Debt Securities of such series are not due and payable within one year of the date of such deposit, McCormick has delivered to the Trustee an opinion of counsel to the effect that the holders of the Debt Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred. (Article IV of the Indenture).

**Covenant Defeasance**

The terms of the Debt Securities provide that McCormick need not comply with certain restrictive covenants of the Indenture (including those described under "Certain of our Covenants" above) if:

McCormick deposits in trust with the Trustee money or Government Obligations, which through the payment of interest thereon and principal thereof in accordance with their terms will provide money, in an amount sufficient to pay all the principal of and interest on the Debt Securities when due; and



McCormick delivers to the Trustee an opinion of counsel to the effect that the holders of Debt Securities will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and defeasance and will be subject to federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit and defeasance had not occurred. (Section 10.11 of the Indenture).

**Modification and Waiver**

Without the consent of any holder of the Debt Securities, McCormick and the Trustee may modify or amend the Indenture to clarify or to make certain other changes that would not adversely affect the legal rights of any holder. (Section 9.1 of the Indenture).

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With the consent of the holders of not less than a majority in aggregate principal amount of the outstanding Debt Securities of the particular series affected, McCormick and the Trustee may modify or amend the Indenture; provided, however, that no such modification or amendment may, without the consent of the holder of each Debt Security:

change the stated maturity of the principal of, or any installment of interest on, any Debt Security or reduce the principal amount thereof or the rate of interest thereon, or change the coin or currency in which any Debt Security or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment after the stated maturity thereof;

reduce the percentage in principal amount of outstanding Debt Securities necessary to waive compliance with certain provisions of the Indenture or to waive certain defaults; or

modify any of the provisions relating to supplemental indentures requiring the consent of holders or relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of outstanding Debt Securities required for such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each Debt Security. (Section 9.2 of the Indenture).

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**PLAN OF DISTRIBUTION**

We may sell Securities to or through underwriters and also may sell Securities directly to other purchasers or through agents.

The distribution of the Securities offered under the prospectus may occur from time to time in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

In connection with the sale of Securities, underwriters may receive compensation from us or from purchasers of Securities for whom they may act as agents in the form of discounts, concessions or commissions.

Underwriters may sell Securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents. Underwriters, dealers and agents that participate in the distribution of Securities offered under the prospectus may be underwriters as defined in the Securities Act. Any underwriters or agents will be identified and their compensation (including underwriting discount) will be described in the applicable prospectus supplement. The prospectus supplement will also describe the other terms of the offering, including any discounts or concessions allowed or reallocated or paid to dealers and any securities exchanges on which the offered securities may be listed.

We may have agreements with the underwriters, dealers and agents to indemnify them against certain liabilities, including liabilities under the Securities Act, or to contribute with respect to payments which the underwriters, dealers or agents may be required to make as a result of those certain liabilities.

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**EXPERTS**

The consolidated financial statements of McCormick & Company, Incorporated and subsidiaries appearing in McCormick & Company, Incorporated's Annual Report (Form 10-K) for the year ended November 30, 2016 (including the schedule appearing therein), and the effectiveness of McCormick & Company, Incorporated's internal control over financial reporting as of November 30, 2016 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such financial statements are, and audited financial statements to be included in subsequently filed documents will be, incorporated herein in reliance upon the reports of Ernst & Young LLP pertaining to such financial statements and the effectiveness of our internal control over financial reporting as of the respective dates (to the extent covered by consents filed with the Securities and Exchange Commission) given on the authority of such firm as experts in accounting and auditing.

The audited combined historical financial statements of the Food Business included in McCormick & Company, Incorporated's Current Report on Form 8-K dated August 7, 2017 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

**LEGAL MATTERS**

Certain legal matters in connection with the Securities, including the validity of the Debt Securities, will be passed upon for McCormick by Cleary Gottlieb Steen & Hamilton LLP, New York, New York and for any agents or underwriters by Shearman & Sterling LLP, New York, New York. Certain legal matters as to Maryland law in connection with the Securities, including the validity of the Securities, will be passed upon for McCormick by DLA Piper LLP (US), Baltimore, Maryland.

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**WHERE YOU CAN FIND MORE INFORMATION AND  
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

We file annual, quarterly and current reports, proxy statements and other information with the Commission. You may read and copy any document we file with the Commission at the Commission's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Commission's Public Reference Room by calling the Commission at 1-800-SEC-0330. Our Commission filings are also available to the public from the Commission's web site at [www.sec.gov](http://www.sec.gov). Our Commission filings are also available through our website at [www.mccormickcorporation.com](http://www.mccormickcorporation.com). Information on or connected to our website does not constitute a part of this prospectus.

The Commission allows us to incorporate by reference into this prospectus information contained in the documents we file with them, which means that we can disclose important information to you by referring you to another document filed separately with the Commission. The information incorporated by reference is an important part of this prospectus, and information that we file later with the Commission will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus until the completion of the offering in the relevant prospectus supplement to which this prospectus relates or this offering is terminated (in no event, however, will any of the information that we disclose under Items 2.02 and 7.01 of any Current Report on Form 8-K that we may from time to time furnish to the Commission be incorporated by reference into, or otherwise included in, this prospectus):

our Annual Report on Form 10-K for the year ended November 30, 2016 (including the portions of our definitive proxy statement for our 2017 annual meeting of shareholders incorporated by reference therein);

our Quarterly Reports on Form 10-Q, for the quarterly periods ended February 28, 2017 and May 31, 2017;

our Current Reports on Form 8-K, filed on January 10, 2017, January 24, 2017, April 3, 2017, May 24, 2017, July 19, 2017 and August 7, 2017;

the description of the Common Stock contained in our registration statement on Form 8-A dated August 30, 2001; and

the description of the Common Stock Non-Voting contained in our registration statement on Form 8-A dated April 26, 1999.

You may obtain a copy of these filings at no cost, by contacting us at any of the following:

McCormick & Company, Incorporated

Attn: Office of the Treasurer

Edgar Filing: QUEST DIAGNOSTICS INC - Form DEF 14A

18 Loveton Circle, P.O. Box 6000

Sparks, Maryland 21152

Proxy materials: (800) 579-1639

Other materials: (800) 424-5855, (410) 771-7537

[ir.mccormick.com](http://ir.mccormick.com)

This prospectus is part of a registration statement that we have filed with the Commission and does not contain all of the information in the registration statement. You will find additional information about us in the registration statement. Any statement made in this prospectus concerning a contract, agreement or other document of ours is only a summary and is not necessarily complete, and you should read the documents that are filed as exhibits to the registration statement or otherwise filed with the Commission for a more complete understanding of the document or matter involved. You may obtain copies of the registration statement, including exhibits, as noted in the first paragraph above.

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**\$2,500,000,000**

**McCormick & Company, Incorporated**

**\$750,000,000 2.700% Notes due 2022**

**\$700,000,000 3.150% Notes due 2024**

**\$750,000,000 3.400% Notes due 2027**

**\$300,000,000 4.200% Notes due 2047**

**PROSPECTUS SUPPLEMENT**

**BofA Merrill Lynch**

**Credit Suisse**

**SunTrust Robinson Humphrey**

**Wells Fargo Securities**

**BNP PARIBAS**

**US Bancorp**

**Citigroup**

**Citizens Bank**

**HSBC**

**ING**

**Mizuho Securities**

**August 9, 2017**