

AIR PRODUCTS & CHEMICALS INC /DE/  
Form DEF 14A  
December 14, 2011  
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## SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES

EXCHANGE ACT OF 1934 (AMENDMENT NO. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

# AIR PRODUCTS AND CHEMICALS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



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December 14, 2011

Dear Shareholder:

On behalf of your Board of Directors, I am pleased to invite you to attend the 2012 Annual Meeting of Shareholders of Air Products and Chemicals, Inc. to be held at 2:00 p.m., Thursday, January 26, 2012, at the Company's Corporate Headquarters in Allentown, Pennsylvania.

Admission procedures are explained in the Proxy Statement. We have made arrangements to keep parking and navigating our corporate campus easy for you. I hope you will be able to join us. If you cannot attend the meeting, the Board of Directors, along with the over 18,000 employees of Air Products, welcome your questions and encourage you to contact our Investor Relations office or visit our website to learn more about your Company.

On December 14, 2011, we sent to our shareholders either a notice containing instructions on how to access our 2011 Proxy Statement and Annual Report on Form 10-K on the Internet or paper copies of the Proxy Statement and Annual Report. These materials contain instructions on how to vote your shares. Even if you do not plan to attend the meeting, please vote your shares through one of the methods available to you.

We look forward to seeing you at the meeting. Directions appear on the last page of these materials.

Cordially,

John E. McGlade

*Chairman, President, and Chief Executive Officer*

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**Notice of Annual Meeting of Shareholders**

**Air Products and Chemicals, Inc.**

TIME	2:00 p.m., Thursday, January 26, 2012
PLACE	The Auditorium of the Company's Corporate Headquarters at 7201 Hamilton Boulevard in Allentown, Pennsylvania. Free parking will be available. Admission procedures are explained on page 5. Directions appear on the last page of this Proxy Statement.
ITEMS OF BUSINESS	<ol style="list-style-type: none"><li>1. To elect the three nominees proposed by the Board of Directors as directors for a three-year term.</li><li>2. To ratify the appointment of KPMG LLP as the Company's independent registered public accountants for the fiscal year ending September 30, 2012.</li><li>3. To conduct an advisory vote on Executive Officer compensation.</li><li>4. To attend to such other business as may properly come before the meeting or any postponement or adjournment of the meeting.</li></ol>
RECORD DATE	Shareholders of record at the close of business on November 30, 2011 are entitled to receive this notice and to vote at the meeting.
WAYS TO SUBMIT YOUR VOTE	Instructions on how to vote your shares online are contained in the Notice of Availability of Proxy Materials or on your proxy card. If you received paper copies of your proxy materials by mail, you may also fill in, sign, date, and mail a proxy card or vote using a toll-free telephone number. We encourage you to vote online or by telephone if these options are available to you.
IMPORTANT	Whether you plan to attend the meeting or not, please submit your proxy as soon as possible in order to avoid additional soliciting expense to the Company. The proxy is revocable and will not affect your right to vote in person if you attend the meeting.

By order of the Board of Directors,

Mary T. Afflerbach

*Corporate Secretary and Chief Governance Officer*

December 14, 2011

Important Notice Regarding Internet Availability of Proxy Materials for the

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Air Products and Chemicals, Inc. January 26, 2012 Shareholders Meeting

Our Proxy Statement and Annual Report on Form 10-K for the fiscal year ended

September 30, 2011 are available at [www.materials.proxyvote.com/009158](http://www.materials.proxyvote.com/009158).

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**PROXY STATEMENT**

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**AIR PRODUCTS AND CHEMICALS, INC.**

**PROXY STATEMENT**

We have sent you this Notice of Annual Meeting and Proxy Statement because the Board of Directors (the Board) of Air Products and Chemicals, Inc. (the Company or Air Products) is soliciting your proxy to vote at the Company's Annual Meeting of Shareholders on January 26, 2012 (the Annual Meeting). This Proxy Statement contains information about the items being voted on at the Annual Meeting and information about the Company.

**QUESTIONS AND ANSWERS ON VOTING AND THE ANNUAL MEETING**

**How many shares can vote at the 2011 Annual Meeting?**

As of the Record Date, which was November 30, 2011, 210,522,058 shares of Company common stock were issued and outstanding, which are the only shares entitled to vote at the Annual Meeting. Every owner of Company stock is entitled to one vote for each share owned.

**Who counts the votes?**

A representative of Broadridge Financial Solutions, Inc. will tabulate the votes and act as the independent inspector of election.

**What is a proxy?**

A proxy is your legal appointment of another person to vote the stock that you own in accordance with your instructions. The person you appoint to vote your shares is also called a proxy. You can find an electronic proxy card at [www.proxyvote.com](http://www.proxyvote.com) that you can use to vote your shares online. If you received these proxy materials by mail, you can also vote by mail or telephone using the proxy card enclosed with these materials.

On the proxy card, you will find the names of the persons designated by the Company to act as proxies to vote your shares at the Annual Meeting. The proxies are required to vote your shares in the manner you instruct.

**What shares are included on my proxy card?**

If you are a registered shareholder, your proxy card(s) will show all of the shares of Company stock registered in your name with our Transfer Agent, American Stock Transfer & Trust Company, LLC, on the Record Date, including shares in the Investors Choice Dividend Reinvestment and Direct Stock Purchase and Sale Plan administered for Air Products shareholders by our Transfer Agent. If you also have shares registered in the name of a bank, broker, or other registered owner or nominee, they will not appear on your proxy card.

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**How do I vote the shares on my proxy card?**

If you received a Notice of Availability of Proxy Materials and accessed these proxy materials online, follow the instructions on the Notice to obtain your records and vote electronically.

If you received these proxy materials by mail, you may vote by signing and dating the proxy card(s) and returning the card(s) in the prepaid envelope. You also can vote online or by using a toll-free telephone number. Instructions about these ways to vote appear on the proxy card. If you vote by telephone, please have your paper proxy card and control number available. The sequence of numbers appearing on your card is your control number, and your control number is necessary to verify your vote.

If you received these proxy materials via e-mail, the e-mail message transmitting the link to these materials contains instructions on how to vote your shares of Company stock and your control number.

Whether your proxy is submitted by mail, telephone, or online, your shares will be voted in the manner you instruct. If you do not specify in your proxy how you want your shares voted, they will be voted according to the Board’s recommendations below:

Item	Board Recommendation
1. Election of the Board’s Three Nominees As Directors	For
2. Ratification of KPMG as the Company’s Independent Registered Public Accountants	For
3. Advisory Vote on Executive Officer Compensation	For

**How do I vote shares held by a broker or bank?**

If a broker, bank, or other nominee holds shares of Company stock for your benefit, and the shares are not in your name on the Transfer Agent’s records, then you are considered a beneficial owner of those shares. If your shares are held this way, sometimes referred to as being held in street name, your broker, bank, or other nominee will send you instructions on how to vote. If you have not heard from the broker, bank, or other nominee who holds your Company stock, please contact them as soon as possible. If you plan to attend the meeting and would like to vote your shares held by a bank or broker in person, you must obtain a legal proxy, as described in the admission procedures section on page 5.

If you do not give your broker instructions as to how to vote, under New York Stock Exchange ( NYSE ) rules, your broker has discretionary authority to vote your shares for you on proposal 2 to ratify the appointment of auditors. Your broker may not vote for you without your instructions on the other items of business. Shares not voted on these other matters by your broker because you have not provided instructions are sometimes referred to as broker nonvotes.

**May I change my vote?**

Yes. You may revoke your proxy at any time before the Annual Meeting by submitting a later dated proxy card, by a later telephone or on-line vote, by notifying us that you have revoked your proxy, or by attending the Annual Meeting and giving notice of revocation in person.

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### **How is Company stock in the Company's Retirement Savings Plan voted?**

If you are an employee who owns shares of Company stock under the Retirement Savings Plan and you have regular access to a computer for performing your job, you were sent an e-mail with instructions on how to view the proxy materials and provide your voting instructions. Other participants in the Retirement Savings Plan will receive proxy materials and a proxy card in the mail. The Trustee, Fidelity Management Trust Company, will vote shares of Company stock represented by units allocated to your Plan account on the Record Date in accordance with the directions you give on how to vote. The Trustee will cast your vote in a manner which will protect your voting privacy. If you do not give voting instructions or your instructions are unclear, the Trustee will vote the shares in the same proportions and manner as overall Plan participants instruct the Trustee to vote shares allocated to their Plan accounts.

### **What vote is necessary to pass the items of business at the Annual Meeting?**

If a quorum is present at the Annual Meeting, the three director candidates will be elected if they receive a majority of the votes cast. This means the nominees will be elected if the number of shares voted for the nominee exceeds the number of shares voted against the nominee. Similarly, the other two items of business will be approved if shares voted in favor of the proposal exceed shares voted against the proposal. Abstentions and broker nonvotes will not affect the outcome of the vote.

### **What is a quorum ?**

A quorum is necessary to hold a valid meeting of shareholders. A quorum exists if a majority of the outstanding shares of Company stock are present in person at the Annual Meeting or represented there by proxy. If you vote including by Internet, telephone, or proxy card your shares voted will be counted towards the quorum for the Annual Meeting. Proxies marked as abstentions and broker discretionary votes are also treated as present for purposes of determining a quorum.

### **How will voting on any other business be conducted?**

We do not know of any business or proposals to be considered at the Annual Meeting other than the items described in this Proxy Statement. If any other business is proposed and the chairman of the Annual Meeting permits it to be presented at the Annual Meeting, the signed proxies received from you and other shareholders give the persons voting the proxies the authority to vote on the matter according to their judgment.

### **When are shareholder proposals for the 2013 Annual Meeting due?**

To be considered for inclusion in next year's proxy statement, proposals and nominations of persons to serve as directors must be delivered in writing to the Secretary of the Company, Air Products and Chemicals, Inc., 7201 Hamilton Boulevard, Allentown, PA 18195-1501 no later than August 17, 2012. To be presented at the meeting, proposals and nominations must be delivered in writing by October 28, 2012 and must comply with the requirements of our bylaws (described in the next paragraph) to be presented at the 2013 Annual Meeting.

Our bylaws require adequate written notice of a proposal to be presented by delivering it in writing to the Secretary of the Company in person or by mail at the address stated above, on or after September 28, 2012, but no later than October 28, 2012. To be considered adequate, the notice must contain other information specified in the bylaws about the matter to be presented at the

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meeting and the shareholder proposing the matter. A copy of our bylaws can be found in the Corporate Governance section of our website at [www.airproducts.com](http://www.airproducts.com). A proposal received after October 28, 2012, will be considered untimely and will not be entitled to be presented at the meeting.

### **What are the costs of this proxy solicitation?**

We hired Morrow & Co., LLC to help distribute materials and solicit votes for the Annual Meeting. We will pay them a fee of \$8,500, plus out-of-pocket costs and expenses. We also reimburse banks, brokers, and other custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy materials to you because they hold title to Company stock for you. In addition to using the mail, our directors, officers, employees, and agents may solicit proxies by personal interview, telephone, telegram, or otherwise, although they will not be paid any additional compensation. The Company will bear all expenses of solicitation.

### **May I inspect the shareholder list?**

For a period of 10 days prior to the Annual Meeting, a list of shareholders registered on the books of our Transfer Agent as of the Record Date will be available for examination by registered shareholders during normal business hours at the Company's principal offices, provided the examination is for a purpose germane to the meeting.

### **How can I get materials for the Annual Meeting?**

Under rules adopted by the U.S. Securities and Exchange Commission (the SEC), we are furnishing proxy materials to most of our shareholders via the Internet, instead of mailing printed copies of those materials to each shareholder. On December 14, 2011, we mailed to our shareholders (other than those who previously requested electronic or paper delivery) a Notice of Availability of Proxy Materials containing instructions on how to access our proxy materials, including our Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended September 30, 2011. The Notice of Availability of Proxy Materials also instructs you on how to access your proxy card to vote through the Internet.

This process is designed to expedite shareholders' receipt of proxy materials, lower the cost of the Annual Meeting, and help conserve natural resources. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice of Availability of Proxy Materials. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

**Current Employees.** If you are an employee of the Company or an affiliate who is a participant in the Retirement Savings Plan or who has outstanding stock options, with an internal Company e-mail address as of the Record Date, you should have received e-mail notice of electronic access to the Notice of Annual Meeting, the Proxy Statement, and the Annual Report on Form 10-K for the fiscal year ended September 30, 2011 on or about December 14, 2011. You may request a paper copy of these materials by contacting the Corporate Secretary's Office. If you do not have an internal Company e-mail address, paper copies of these materials were mailed to your home. Instructions on how to vote shares in your Plan account are contained in the e-mail notice or accompany the paper proxy materials mailed to you.

If you have employee stock options awarded to you by the Company or an affiliate but do not otherwise own any Company stock on the Record Date, you are not eligible to vote and will not

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receive a proxy card for voting. You are being furnished this Proxy Statement and the Annual Report on Form 10-K for the fiscal year ended September 30, 2011 for your information and as required by law.

### **What are the admission procedures for the Annual Meeting?**

To gain admission to the Annual Meeting, you must present your admission ticket at the Visitor's Entrance to the Air Products Corporate Headquarters.

**Registered shareholders.** If you received a Notice of Availability of Proxy Materials, the Notice is your admission ticket. If you received these proxy materials by mail or e-mail, your admission ticket is on the top half of the reverse side of your proxy card, which must be printed if you received it by e-mail.

**Shares held through broker, bank, or nominee.** When you vote your shares, either electronically or via your voting instruction form, you will be given the opportunity to check a box indicating that you intend to attend the Annual Meeting. If you check the box, you will be sent a legal proxy which will serve as your admission ticket. (Please note, if you check this box, your shares must be voted in person.) Alternatively, you will be admitted if you present a Notice of Availability of Proxy Materials or Voting Instruction Form relating to the Air Products Annual Meeting; however, you must present a legal proxy if you wish to vote your shares in person.

### **How can I reach the Company to request materials or information referred to in these Questions and Answers?**

You may reach us by mail addressed to:

Corporate Secretary's Office

Air Products and Chemicals, Inc.

7201 Hamilton Boulevard

Allentown, PA 18195-1501,

by calling 610-481-8657, or by leaving a message on our website at:

[www.airproducts.com/tmm/tellmemore.asp](http://www.airproducts.com/tmm/tellmemore.asp)

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**PROPOSALS YOU MAY VOTE ON**

**1. ELECTION OF DIRECTORS**

The Board currently has 12 directors. With the retirement from the Board of Directors of Edward E. Hagenlocker under our director retirement policy and the re-election by shareholders of the three nominees standing for election, the Board will have 11 members after the Annual Meeting. Our Board is divided into three classes for purposes of election, with three-year terms of office ending in successive years.

The Board has nominated three incumbent directors, whose terms are currently scheduled to expire at the Annual Meeting, for election to the Board for terms expiring in January 2015: Mr. Mario L. Baeza, Ms. Susan K. Carter and Mr. John E. McGlade. Biographical information on these nominees and a description of their qualifications to serve as director and similar information about other directors appears beginning on page 8. Each nominee elected as a director is expected to continue in office until his or her term expires, or until his or her earlier death, resignation, or retirement.

The Board has no reason to believe that any of the nominees will not serve if elected. If a nominee is unavailable for election at the time of the Annual Meeting, the Company representatives named on the proxy card will vote for another nominee proposed by our Board or, as an alternative, the Board may reduce the number of directors on the Board.

**The Board recommends a vote FOR the election of Mr. Baeza, Ms. Carter, and Mr. McGlade.**

**2. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS**

At its meeting held in November 2011, the Audit Committee of the Board approved KPMG LLP of Philadelphia, Pennsylvania ( KPMG ) as independent registered public accountants for the fiscal year ending September 30, 2012 ( fiscal year 2012 ). The Board concurs with and requests shareholders to ratify this appointment even though ratification is not legally required. If shareholders do not ratify this appointment, the Audit Committee will reconsider it. Representatives of KPMG will be available at the Annual Meeting to respond to questions. Information on KPMG s fees for fiscal years 2010 and 2011 appears on page 23.

**The Board recommends a vote FOR the ratification of the appointment of KPMG LLP as independent registered public accountants for fiscal year 2012.**

**3. ADVISORY VOTE ON EXECUTIVE OFFICER COMPENSATION**

The Board is committed to excellence in governance and recognizes the interest our shareholders have in the Company s executive compensation program. As a part of that commitment, and in accordance with SEC rules, our shareholders are asked to approve an advisory resolution on the compensation of the Named Executive Officers, as disclosed in the Compensation Discussion and Analysis and accompanying Executive Compensation Tables and narrative beginning on page 28. This proposal, commonly known as a say on pay proposal, gives you the opportunity to endorse or not endorse our fiscal year 2011 executive compensation program and policies for the Named Executive Officers through the following resolution:

RESOLVED, that the compensation of the Named Executive Officers as discussed and disclosed, pursuant to the SEC compensation disclosure rules, in the Compensation Discussion and Analysis and the Executive Compensation Tables and accompanying narrative is approved.

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Although the vote is non-binding, the Board and the Management Development and Compensation Committee will review the voting results. If there are a significant number of negative votes, we will seek to understand the concerns that influenced the vote, and address them in making future decisions about executive compensation programs. The Company intends to conduct an advisory vote on executive officer compensation annually. The next such vote will be conducted at our 2013 Annual Meeting of Shareholders.

**The Board recommends a vote FOR this resolution. As described in the Compensation Discussion and Analysis beginning on page 28, our Executive Officer compensation program has been thoughtfully designed to support our long-term business strategies and drive creation of shareholder value. It is aligned with the competitive market for talent, very sensitive to Company performance and oriented to long-term incentives to maintain and improve the Company's long-term profitability. We believe the program delivers reasonable pay which is strongly linked to Company performance over time, relative to peer companies.**

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**THE BOARD OF DIRECTORS**

The Board is composed of a diverse group of leaders in their respective fields. Many of the current directors have leadership experience at major domestic and international companies with operations inside and outside the United States and experience on other companies' boards, which provide an understanding of different business processes, challenges, and strategies. Others have experience in government relations or key market sectors which reflect our customer base, or financial or governance expertise. All have personal traits such as candor, integrity, commitment, and collegiality that are essential to an effective board of directors.

Information follows about the age and business experience, as of December 1, 2011, of the nominees up for election and the directors continuing in office, and information on the particular experiences, qualifications, attributes, and skills of each director nominee that led the Board to conclude that such person should serve as a director. Each nominee has consented to being nominated for director and has agreed to serve if elected. All of the nominees are currently directors.

**Directors Standing for Election this Year for a Term Expiring at the Annual Meeting in 2015**

**MARIO L. BAEZA**, age 60. Founder and Controlling Shareholder of Baeza & Co. and Founder and Executive Chairman of V-Me Media, Inc. Director of the Company since 1999.

Mario L. Baeza is Chairman and Chief Executive Officer of The Baeza Group, LLC and Baeza & Co., LLC, an investment firm specializing in private equities aimed at the U.S. Hispanic market and hedge funds anchored in global macro strategies. He is also the Founder and Executive Chairman of V-Me Media, Inc., a national Spanish language television network. He is a former chairman and chief executive officer of TCW/Latin America Partners, LLC, a private equity capital firm. Previously, Mr. Baeza was President of Wasserstein Perella International Limited and chairman and chief executive officer of Grupo Wasserstein Perella, a Latin America focused joint venture between Baeza & Co. and Wasserstein Perella. Early in his career, Mr. Baeza was a partner of Debevoise & Plimpton where he specialized in mergers and acquisitions and the structuring of private equity funds and investments. Mr. Baeza is also a director of Ariel Mutual Fund Group, Brown Shoe Company, Inc., Israel Discount Bank of New York, and Urban America LLC; and a former lead director of Tommy Hilfiger. He is a current and former board member of numerous non-profit boards including Council on Foreign Relations, The Hispanic Federation, Catholic Charities, the NAACP Legal Defense and Educational Fund, the Philharmonic-Symphony Society of New York and Channel Thirteen/WNET. Mr. Baeza is a Phi Beta Kappa graduate of Cornell University and a graduate of Harvard Law School. He has been a Herman Phleger Visiting Professor of Law at Stanford and a Lecturer in Law at Harvard Law School.

Mr. Baeza brings to the Board experience as an entrepreneur and chief executive of a broad range of businesses, ranging from merchant banking to media access. In addition to this leadership experience, his background as a corporate and finance lawyer, business ventures, civic activities, and service on other boards provide him with extensive experience in reviewing and analyzing business opportunities, mergers and acquisitions, and government relations, as well as international and governance experience.



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**SUSAN K. CARTER**, age 53. Executive Vice President and Chief Financial Officer of KBR, Inc. Director of the Company since 2011.

Susan K. Carter is the Executive Vice President and Chief Financial Officer of KBR, Inc., a global engineering, construction, and services company. She joined KBR in 2009. Prior to joining KBR, from 2004 through 2009, Ms. Carter served as Executive Vice President and Chief Financial Officer of Lennox International Inc., a global provider of climate control solutions for heating, air conditioning, and refrigeration markets; and as Vice President and Chief Accounting Officer of Cummins, Inc. from 2002 to 2004. She also held senior financial and accounting roles at Honeywell International, DeKalb Corporation, and Crane Co. She is a former director of Lyondell Chemical Company. Ms. Carter received a Bachelor's degree in accounting from Indiana University and received a Master's degree in business administration from Northern Illinois University. She is a Certified Public Accountant.

As the chief financial officer of a global publicly-held corporation, Ms. Carter has significant experience in financial reporting, information technology, accounting, finance and capital management, investor relations, and international operations. Her background provides the Board with broad expertise in international financial and operational issues.

**JOHN E. McGLADE**, age 57. Chairman, President, and Chief Executive Officer of the Company. Director of the Company since 2007.

John E. McGlade is Chairman, President, and Chief Executive Officer of the Company. He joined Air Products in 1976 and held various positions of increasing responsibility, including General Manager of the Chemicals and Process Industries Division; Vice President of the Chemicals and Process Industries Division; Vice President and General Manager, Chemicals and Process Industries and Energy Systems; Vice President and General Manager, Performance Materials Division; Vice President, Chemicals Group business divisions; and Group Vice President, Chemicals Group, in which he had global responsibility for the Group, as well as the Company's industrial gas and chemicals manufacturing organization, and Environment, Health, Safety and Quality. He was appointed President and Chief Operating Officer in 2006 before assuming his current position. Mr. McGlade serves on the board of directors of the American Chemistry Council and is a trustee of Lehigh University. Mr. McGlade earned a Bachelor's degree in industrial engineering and a Master's degree in business administration from Lehigh University.

Mr. McGlade brings to the Board strong leadership, extensive management, international, and operating experience, and a deep understanding of the industrial gas and specialty chemicals business. During his 35 years at Air Products, he has developed extensive knowledge of the Company, its customers, investors, challenges and strengths, and strong relationships with the Company's customers, suppliers, and investors. He provides the Board with candid insights into the Company's industry, operations, management team, and strategic strengths and weaknesses.

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**Directors Continuing in Office Until the Annual Meeting in 2013**

**WILLIAM L. DAVIS, III**, age 68. (Presiding Director) Former Chairman, President, and Chief Executive Officer of RR Donnelley & Sons Company. Director of the Company since 2005.

William L. Davis is the Retired Chairman, President, and Chief Executive Officer of R.R. Donnelley & Sons Company. Mr. Davis joined R.R. Donnelley & Sons Company in 1997 as Chairman and Chief Executive Officer. He retired as Chairman, President, and Chief Executive Officer in February 2004. Prior to joining R.R. Donnelley, during a twenty year career at Emerson Electric Company, he held a variety of positions, including President of Appleton Electric Company and Skil Corporation, and Senior Executive Vice President for the Emerson Tool Group, the Industrial Motors and Drives Group, and the Process Control Group. Early in his career, he served at various positions for Sears, Roebuck & Co. Mr. Davis serves on the Board of Directors of Marathon Oil Corporation and is a former director of Mallinckrodt, Inc. He also serves on the Board of Directors of Northshore University Health System, previously serving as Chairman of the Board. Mr. Davis graduated from Princeton University in 1965 with a Bachelor's degree in politics.

As a former chairman and chief executive officer, Mr. Davis has leadership and managerial experience and has dealt with many of the major issues, such as financial, strategic, governance, acquisitions, capital allocation, government, and stockholder relations, that the Company faces as a public company. Through his service on the boards of directors of three other public companies and years at Emerson, Mr. Davis also has experience in key business sectors that use the Company's products and services, specifically the chemicals and processing, energy and refining, and electronics industries. Finally, he has extensive experience in several areas that are key enablers for the Company's success: marketing, talent management, supply chain, and continuous improvement.

**W. DOUGLAS FORD**, age 67. Former Chief Executive, Refining and Marketing, of BP Amoco plc. ( BP ). Director of the Company since 2003.

W. Douglas Ford served as Executive Vice President of BP plc and its predecessor, Amoco Corporation, from 1993-1999. In 1999 he was named Chief Executive, Refining and Marketing of BP, where he was chief executive officer of BP's global downstream operations, which included accountability for the refining, marketing, and transportation network of the company, as well as the aviation fuels business, the marine business, and BP shipping. Mr. Ford retired from BP in March 2002. Prior to the merger of BP and Amoco, Mr. Ford held a number of senior positions during his 30-year career with Amoco, most recently as executive vice president of Amoco Corporation and President of Amoco Oil, with responsibility for Amoco's petroleum products sector and worldwide engineering and construction operations. Mr. Ford is also a director of Suncor Corporation and USG Corporation, and a former member of the board of UAL Corporation and BP. He is a Trustee and fellow of the University of Notre Dame. Mr. Ford received his Bachelor's degree in chemical engineering from the University of Notre Dame and his doctorate from Northwestern University.

From his leadership of a complex global organization, Mr. Ford brings refining, engineering, operations, marketing, and international experience to the Board. He has in-depth understanding of the energy business, and his long career in a process industry gives him extensive experience with safety and environmental issues. In addition, his leadership of a global organization and service on other boards bring broad talent management, corporate governance, and financial experience.



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**EVERT HENKES**, age 67. Former Chief Executive Officer of Shell Chemicals Ltd. Director of the Company since 2006.

Evert Henkes served as Chief Executive Officer of the Global Chemical Business of Royal Dutch Shell plc from 1998 to April 2003. Mr. Henkes worked for Royal Dutch Shell plc for 30 years, during which time he held a number of executive positions in Europe and Asia Pacific, including Chairman of Bassel, Managing Director of Shell Chemicals UK Ltd., Managing Director of Shell UK, and President of Billiton Metals. He also served as a director of regional and global industrial bodies, including European Chemical Industry Council (CEFIC) and International Council of Chemical Associations, and was Chairman of the International Long Range Research Initiative, a joint effort between CEFIC and the Chemical Manufacturers Association (now the American Chemistry Council). He currently serves as a director for Sembcorp Industries Ltd., Tate & Lyle PLC, and Outokumpu Oyj. He also served as a director of BPB PLC and CNOOC Ltd. Mr. Henkes holds a Bachelor's degree in agricultural economics from Cornell University, USA.

Mr. Henkes brings a wealth of international business experience to our Board, including in particular experience in the emerging Asian markets which are a key growth focus of the Company. In addition, Mr. Henkes is an industry veteran with deep understanding of the chemicals and process industry, including safety and environmental issues. From his leadership of a complex global business at Shell and his service on other boards, he also brings broad experience in marketing, government relations, mergers and acquisitions, and talent management.

**MARGARET G. McGLYNN**, age 52. President and Chief Executive Officer, International AIDS Vaccine Initiative. Director of the Company since 2005.

Margaret G. McGlynn is President and Chief Executive Officer of International AIDS Vaccine Initiative, a global not-for-profit, public-private partnership working to accelerate the development of vaccines to prevent HIV infection and AIDS. She joined its board in 2010 and assumed her current role in 2011. Ms. McGlynn previously served as President, Global Vaccine and Infectious Disease Division of Merck, a global pharmaceutical company, from 2007 until her retirement in 2009, where she was responsible for a portfolio of more than \$7 billion in global sales. She led the introduction of several new vaccine products and anti-infective therapies, expanded Merck's vaccine and infectious disease business globally, and launched several initiatives to provide access to its vaccines and HIV therapies in the developing world. Earlier she served as President, U.S. Human Health, from 2003 to 2005, and in 2005 she was named President, Merck Vaccine Division. Ms. McGlynn was a member of the Global Alliance for Vaccines and Immunization Board and Executive Committee from 2006 to 2008, which provides access to essential vaccines in the world's poorest countries. She currently serves as a commissioner for the Center for Strategic and International Studies Commission on Global Health, which advised the Obama Administration on its global health strategy. She is also a director of Amicus Therapeutics, Inc., Vertex Pharmaceuticals, Inc., and a former director of Quidel Diagnostics. Her current non-profit service includes serving on the board of the Industrial Advisory Council for the State University of New York at Buffalo School of Pharmacy and Pharmaceutical Sciences, and the school board for Abington Friends School. Ms. McGlynn is also a co-founder of the Hillerman Institute for Developing World Vaccine Research. She earned a Bachelor's degree in pharmacy and a Master's of business administration in marketing from State University of New York at Buffalo.

From her management of a global pharmaceutical business and her current role as chief executive officer of a global organization, Ms. McGlynn brings extensive experience in government relations and public policy, international marketing, mergers and acquisitions and talent management. She has expertise in productivity, and a deep understanding of the healthcare business, an important customer base for the Company. Her current position, as well as her service on other boards, also provide financial and broad leadership experience.



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**Directors Continuing in Office Until the Annual Meeting in 2014**

**CHADWICK C. (CHAD) DEATON**, age 59. Chairman and Chief Executive Officer of Baker Hughes Incorporated. Director of the Company since 2010.

Chadwick C. Deaton is Chairman of the Board and Chief Executive Officer of Baker Hughes Incorporated, an oilfield services and products provider with operations in over 90 countries. He joined Baker Hughes in 2004. Previously, Mr. Deaton was President and Chief Executive Officer of Hanover Compressor Company (now Exterran Holdings, Inc.); and Senior Advisor and Executive Vice President of Schlumberger Oilfield Services. Mr. Deaton is a director of Ariel Corporation, a private manufacturer of gas compressor equipment. He was a director of CARBO Ceramics, Inc., a provider of products and engineering services to the oil and natural gas industry, from 2005 to 2009, when Baker Hughes merged with a major customer of CARBO. He is also a former director of Hanover Compression Company. He is a director of Junior Achievement of Southeast Texas, Houston Achievement Place, Greater Houston Partnership and a member of the National Petroleum Council, the Society of Petroleum Engineers Industrial Advisory Council, and the University of Wyoming Petroleum and Chemical Engineering Advisory Board. Mr. Deaton earned a Bachelor's degree in geology from the University of Wyoming.

As the chairman and chief executive officer of a global publicly held corporation, Mr. Deaton brings to the Board international business experience and executive leadership experience in operations, technology, talent management, and governance. In addition, his 30-year career in chemicals and energy businesses provides him with expertise in key customer segments for the Company.

**MICHAEL J. DONAHUE**, age 53. Former Group Executive Vice President and Chief Operating Officer of BearingPoint, Inc. Director of the Company since 2001.

Michael J. Donahue currently serves as a consultant to the technology industry. From January 2000 to March 2005, Mr. Donahue was the Group Executive Vice President and Chief Operating Officer of BearingPoint, Inc., a consulting and systems integration firm. Prior to January 2000, Mr. Donahue served as managing partner, solutions, for the consulting division of KPMG LLP, the global accounting firm, as a member of the boards of directors of KPMG LLP U.S. and KPMG Consulting KK Japan, and as Chairman of the Supervisory Board of KPMG Consulting AG based in Germany. He is also a director of three privately-held companies: The Orchard Enterprises, Inc., an independent distributor of digital music and video; Liquidhub, Inc., a technology consulting and outsourcing firm; and Quintiq, Inc., a supply chain software company. He is a former director of Arbinet-theexchange, Inc., a telecommunications solutions provider, and GSI Commerce, Inc., a provider of e-commerce and interactive marketing services. He served as a member of the Board of Advisors of the College of Commerce and Finance of Villanova University. Mr. Donahue received a Bachelor's degree in economics and history from the University of Pennsylvania and is a graduate of the International Management Program at the Wharton School.

Mr. Donahue has extensive international management and marketing experience and a deep understanding of information technology capabilities, data protection, and security. In addition, his service on other public boards has provided him significant corporate governance, mergers and acquisitions, supply chain, and financial experience.

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**URSULA O. FAIRBAIRN**, age 68. President and Chief Executive Officer, Fairbairn Group, LLC. Director of the Company since 1998.

Ursula O. Fairbairn is President and Chief Executive Officer of Fairbairn Group LLC (a human resources and executive management consulting company). She served as Executive Vice President, Human Resources & Quality, American Express Co. (a diversified global travel and financial services company) from December 1996 until her retirement in March 2005. Prior to that, she was Senior Vice President of Human Resources at Union Pacific and had 18 years of sales and marketing experience at International Business Machines Corp., where she managed a 10,000 person sales force, in addition to 6 years in human resources. She is also a director of Sunoco Inc. and VF Corporation, and a former director of Centex Corporation, Circuit City Stores, Inc., General Signal Corporation, Menasha Corporation, and Armstrong World Industries, Inc. She was a White House Fellow from 1973-1974, working directly for the Secretary of Treasury. Ms. Fairbairn holds a Bachelor's degree in mathematics from Upsala College and received a Master's degree from Harvard's Graduate School of Education.

Ms. Fairbairn has over 40 years of leadership experience at complex global companies. She is an expert in management development and compensation and possesses strategic planning, managerial, government, and marketing experience. Her service on other Boards has given her a wealth of governance experience and background in environmental, safety and other public policy issues. She also has experience in the energy, electronics, technology, and transportation industries.

**LAWRENCE S. SMITH**, age 64. Former Chief Financial Officer of Comcast Corporation. Director of the Company since 2004.

Lawrence S. Smith is the retired Executive Vice President and Co-Chief Financial Officer at Comcast Corporation, a provider of broadband cable networks, where he was responsible for all corporate development, internal reporting, external reporting, taxation, and other administrative matters at the firm. Before joining Comcast in 1988, Mr. Smith served as Chief Financial Officer at Advanta Corporation, a financial services corporation, and as a tax partner and head of the mergers and acquisitions practice at Arthur Andersen LLP. He has been recognized numerous times as a leading chief financial officer including being named among America's Best Chief Financial Officers by Institutional Investor magazine in 2007, 2006, and 2004. Mr. Smith is also a director of TE Connectivity, Ltd. He is a former director of GSI Commerce, Inc. His community activities have included board positions with the YMCA of Greater Philadelphia and Vicinity, Meadwood Corporation, Thomas Jefferson University, and Ithaca College. He received his Bachelor's degree in finance from Ithaca College.

Mr. Smith brings many years of public company experience from his years as chief financial officer of a large public company and from service on the boards of public companies. His significant experience with complex financial and operational issues combined with his knowledge of public reporting requirements and processes brings accounting, financial management and operational insight to the Board. He also has extensive mergers and acquisitions and corporate finance experience.

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**Compensation of Directors**

For fiscal year 2011, Board members who were not employed by the Company received an annual cash retainer for Board service of \$60,000. Committee chairs and the presiding director received an additional retainer of \$15,000. Meeting fees of \$2,000 per meeting were paid for participating in Board and committee meetings. Nonemployee directors who meet with employees of the Company or a third party at the request of the Company or to satisfy a requirement of law or listing standard receive the meeting fee for such service. Retainers and meeting fees are paid quarterly in arrears. In addition to retainers and meeting fees, nonemployee directors received an annual grant of deferred stock units with a value of approximately \$100,000 (rounded up to nearest whole share) on the date of the annual shareholders' meeting. In addition, new directors received a grant of deferred stock units with a value of approximately \$100,000 (rounded up to the nearest whole share) upon joining the Board.

Directors may voluntarily defer all or a part of their cash retainers and their meeting fees. At the election of each director, voluntarily deferred fees may be credited to deferred stock units or to an account which is credited with interest based on long-term corporate bond yields. All directors with deferred fees have chosen deferred stock units. Deferred stock units entitle the director to receive one share of Company stock upon payout, which generally occurs after the director's service on the Board is over. Deferred stock units are credited with dividend equivalents equal to the dividends that would have been paid on one share of stock for each unit owned by the director on dividend record dates. Deferred retainers and meeting fees (plus dividend equivalents earned on the director's existing deferred stock units account during a quarter) are converted to deferred stock units based on the fair market value of a share of Company stock on the third to last business day of the quarter.

Directors are reimbursed for expenses incurred in performing their duties as directors. The Company covers directors under its overall directors and officers liability insurance policies. Directors are also covered by the business travel accident policy maintained by the Company and are eligible to participate in the Company's charitable matching gift program. Under this program, the Company matches donations of up to \$5,000 per year made by employees and directors to qualifying educational organizations; matches, at twice the amount, donations of up to \$1,000 per year made to qualifying arts and cultural organizations; and matches donations of up to \$1,000 per year to qualifying environmental and conservation organizations.

To emphasize the importance of long-term alignment with shareholders, the Board has adopted stock ownership requirements for directors. Directors are expected to own shares or share equivalents with a value (based on the NYSE closing price) equal to five times the annual cash retainer by the end of the fifth fiscal year after joining the Board. Directors are expected to increase their holdings to reflect an adjustment in the annual cash retainer within a reasonable period of time following the adjustment. Once a director has met the requirement, if there is a subsequent decline in the Company's share price that causes the director's ownership level to fall below this guideline, the director is not expected to purchase additional shares to meet the guideline, but is expected to refrain from selling or transferring shares until the guideline is again satisfied. All directors are in compliance with the stock ownership guidelines for directors.



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**2011 Director Compensation**

- a fixed-income debt component with the same tenor as the notes, valued using our internal funding rate for structured notes; and
- one or more derivative transactions relating to the economic terms of the notes.

The internal funding rate used in the determination of the initial estimated value generally represents a discount from the credit spreads for our conventional fixed-rate debt. The value of these derivative transactions are derived from our internal pricing models. These models are based on factors such as the traded market prices of comparable derivative instruments and on other inputs, which include volatility, dividend rates, interest rates and other factors. As a result, the estimated initial value of the notes on the pricing date was determined based on market conditions at that time.

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## The Basket Components

Companies with securities registered under the Exchange Act, are required to file financial and other information specified by the SEC periodically. Information provided to or filed with the SEC can be inspected or copied at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. In addition, information provided to or filed with the SEC by the issuers of each Basket Component under the Exchange Act can be located through the SEC's website at <http://www.sec.gov>.

This pricing supplement relates only to the notes offered hereby and does not relate to any Basket Components or other securities of any issuer of each Basket Component. We derived all disclosures in this pricing supplement regarding the issuers of each Basket Component from publicly available documents described in the preceding paragraph. In connection with the offering of the notes, neither we nor any of our affiliates have participated in the preparation of such documents or made any due diligence inquiry with respect to the issuer of any Basket Component. Neither we nor any of our affiliates has made any independent investigation as to whether such publicly available documents or any other publicly available information regarding the issuer of any Basket Component is current, accurate or complete. None of such documents shall be deemed to be incorporated by reference into this pricing supplement.

Neither we nor our affiliates takes any responsibility for the selection of the Basket and the identity of the Basket Components or otherwise endorses those stocks, and none of those companies makes any representation as to the future performance of any Basket Component or the Basket.

### Chicago Bridge & Iron Company N.V.

Chicago Bridge & Iron Company N.V. provides design, engineering, construction, fabrication, maintenance and environmental services. The company builds and repairs bulk liquid terminals, storage tanks, process vessels, and low temperature and cryogenic storage facilities. It offers its services worldwide to the oil and gas, infrastructure, wastewater and power industries. The company was organized in the Netherlands, and its common stock is traded on the New York Stock Exchange (the "NYSE") under the symbol "CBI."

### Historical Information of the Common Stock of Chicago Bridge & Iron Company N.V.

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

		High (\$)	Low (\$)
2009	First Quarter	13.36	4.87
	Second Quarter	13.58	6.45
	Third Quarter	18.68	9.22
	Fourth Quarter	20.88	17.32
2010	First Quarter	24.92	20.04
	Second Quarter	25.59	16.94
	Third Quarter	24.45	18.18
	Fourth Quarter	33.20	23.78
2011	First Quarter	40.97	31.95
	Second Quarter	42.10	33.26

	Third Quarter	44.51	28.29
	Fourth Quarter	41.35	26.68
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2012	First Quarter	47.40	38.30
	Second Quarter	45.50	33.47
	Third Quarter	41.36	34.94
	Fourth Quarter	45.78	36.82
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2013	First Quarter	62.10	46.55
	Second Quarter	63.74	50.92
	Third Quarter	67.77	58.93
	Fourth Quarter	82.03	68.01
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2014	First Quarter	87.15	73.23
	Second Quarter	87.65	65.51
	Third Quarter	69.92	57.85
	Fourth Quarter (through December 4, 2014)	57.09	45.96

## Cummins Inc.

Cummins Inc. designs, manufactures and distributes diesel and natural gas engines. The company also manufactures electric power generation systems and engine-related component products, including filtration and exhaust aftertreatment, fuel systems, controls, and air handling systems. Its common stock is traded on the NYSE under the symbol "CMI."

## Historical Information of the Common Stock of Cummins Inc.

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

		High (\$)	Low (\$)
2009	First Quarter	31.61	18.45
	Second Quarter	36.45	26.35
	Third Quarter	48.49	32.08
	Fourth Quarter	50.55	42.54
2010	First Quarter	63.08	45.16
	Second Quarter	75.79	62.34
	Third Quarter	91.30	63.57
	Fourth Quarter	111.25	88.10
2011	First Quarter	113.85	97.55
	Second Quarter	120.18	92.44
	Third Quarter	110.82	79.91
	Fourth Quarter	103.39	81.01
2012	First Quarter	128.00	91.05
	Second Quarter	121.71	89.65
	Third Quarter	103.19	83.53
	Fourth Quarter	108.67	86.49
2013	First Quarter	120.38	110.59
	Second Quarter	119.63	103.66
	Third Quarter	135.25	108.90
	Fourth Quarter	139.93	125.44
2014	First Quarter	148.99	123.70
	Second Quarter	160.55	141.76
	Third Quarter	157.75	131.98
	Fourth Quarter (through December 4, 2014)	150.60	124.95

## Calpine Corporation

Calpine Corporation acquires, develops, owns and operates power generation facilities, and sells electricity in the United States. The company also provides thermal energy for industrial customers. Its common stock is traded on the NYSE under the symbol “CPN.”

## Historical Information of the Common Stock of Calpine Corporation

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

		High (\$)	Low (\$)
2009	First Quarter	9.06	4.78
	Second Quarter	14.68	7.12
	Third Quarter	13.64	10.20
	Fourth Quarter	12.08	10.31
2010	First Quarter	12.18	10.80
	Second Quarter	14.02	11.74
	Third Quarter	13.95	12.30
	Fourth Quarter	13.71	12.10
2011	First Quarter	16.08	13.69
	Second Quarter	16.75	15.04
	Third Quarter	16.88	12.93
	Fourth Quarter	16.54	13.37
2012	First Quarter	17.58	14.51
	Second Quarter	18.90	15.97
	Third Quarter	18.53	16.50
	Fourth Quarter	18.60	16.58
2013	First Quarter	20.60	18.05
	Second Quarter	22.01	19.68
	Third Quarter	21.91	18.69
	Fourth Quarter	20.92	18.88
2014	First Quarter	20.91	18.53
	Second Quarter	24.21	20.58
	Third Quarter	24.03	21.37
	Fourth Quarter (through December 4, 2014)	24.29	19.96

## Covanta Holding Corporation

Covanta Holding Corporation conducts operations in waste disposal, energy services, and specialty insurance. The company also owns and operates waste-to-energy and power generation projects. Its waste-to-energy facilities convert municipal solid waste into renewable energy for communities primarily in the United States. Its common stock is traded on the NYSE under the symbol "CVA."

## Historical Information of the Common Stock of Covanta Holding Corporation

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

		High (\$)	Low (\$)
2009	First Quarter	22.68	12.92
	Second Quarter	17.16	13.10
	Third Quarter	18.86	16.36
	Fourth Quarter	18.45	16.67
2010	First Quarter	19.54	16.49
	Second Quarter	18.62	14.47
	Third Quarter	16.79	14.30
	Fourth Quarter	17.59	15.47
2011	First Quarter	17.54	16.54
	Second Quarter	17.59	16.07
	Third Quarter	17.59	13.58
	Fourth Quarter	15.49	13.02
2012	First Quarter	16.69	13.49
	Second Quarter	17.15	15.42
	Third Quarter	17.87	16.28
	Fourth Quarter	18.96	16.97
2013	First Quarter	20.15	18.55
	Second Quarter	20.77	19.20
	Third Quarter	21.79	19.97
	Fourth Quarter	21.63	17.16
2014	First Quarter	18.65	16.48
	Second Quarter	20.61	17.52
	Third Quarter	21.56	20.39
	Fourth Quarter (through December 4, 2014)	25.10	20.83

## DCP Midstream Partners, LP

DCP Midstream Partners, LP is a master limited partnership that provides processing, transportation, fractionation and storage services to producers and consumers of natural gas and natural gas liquids. It operates in three business segments: natural gas services, natural gas liquids logistics and wholesale propane logistics. Its common units representing limited partnership units are traded on the NYSE under the symbol “DPM.”

## Historical Information of the Common Stock of DCP Midstream Partners, LP

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

		High (\$)	Low (\$)
2009	First Quarter	14.26	8.83
	Second Quarter	21.65	14.20
	Third Quarter	25.44	20.72
	Fourth Quarter	29.57	24.36
2010	First Quarter	33.61	28.45
	Second Quarter	33.94	27.49
	Third Quarter	36.27	31.69
	Fourth Quarter	37.40	33.81
2011	First Quarter	42.58	37.41
	Second Quarter	44.55	37.91
	Third Quarter	42.00	35.11
	Fourth Quarter	47.55	37.46
2012	First Quarter	49.28	44.90
	Second Quarter	46.24	36.75
	Third Quarter	46.44	40.86
	Fourth Quarter	46.94	38.60
2013	First Quarter	46.61	40.63
	Second Quarter	54.10	45.93
	Third Quarter	58.19	46.18
	Fourth Quarter	49.99	46.23
2014	First Quarter	50.66	48.09
	Second Quarter	57.36	50.84
	Third Quarter	57.56	51.86
	Fourth Quarter (through December 4, 2014)	55.83	45.34

## Enterprise Products Partners L.P.

Enterprise Products Partners L.P. provides processing and transportation services to producers and consumers of natural gas liquids. The company generally processes products that are ultimately used as feedstocks in petrochemical manufacturing, in the production of motor gasoline, and as fuel for residential and commercial heating. Its common units are traded on the NYSE under the symbol "EPD."

## Historical Information of the Common Stock of Enterprise Products Partners L.P.

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

		High (\$)	Low (\$)
2009	First Quarter	11.70	8.98
	Second Quarter	13.22	10.65
	Third Quarter	14.66	12.43
	Fourth Quarter	16.08	13.90
2010	First Quarter	17.29	15.17
	Second Quarter	18.33	15.84
	Third Quarter	19.84	17.38
	Fourth Quarter	22.15	19.92
2011	First Quarter	22.00	19.76
	Second Quarter	21.91	19.80
	Third Quarter	21.86	18.75
	Fourth Quarter	23.21	19.99
2012	First Quarter	26.23	23.29
	Second Quarter	26.34	23.12
	Third Quarter	27.35	25.70
	Fourth Quarter	27.44	24.41
2013	First Quarter	30.15	25.93
	Second Quarter	31.55	29.00
	Third Quarter	32.47	28.95
	Fourth Quarter	32.98	29.64
2014	First Quarter	34.68	31.84
	Second Quarter	39.15	35.00
	Third Quarter	41.11	36.65
	Fourth Quarter (through December 4, 2014)	39.62	34.05



First Solar, Inc.

First Solar, Inc. designs and manufactures solar modules. The company uses a thin film semiconductor technology to manufacture electricity-producing solar modules. Its common stock is traded on the Nasdaq Global Select Market (“NASDAQ”) under the symbol “FSLR.”

Historical Information of the Common Stock of First Solar, Inc.

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

		High (\$)	Low (\$)
2009	First Quarter	162.54	103.97
	Second Quarter	202.40	133.12
	Third Quarter	173.55	114.98
	Fourth Quarter	160.00	115.37
2010	First Quarter	140.48	102.97
	Second Quarter	150.87	103.07
	Third Quarter	149.27	117.45
	Fourth Quarter	151.15	122.35
2011	First Quarter	170.80	131.12
	Second Quarter	160.40	114.06
	Third Quarter	133.06	63.21
	Fourth Quarter	64.73	30.50
2012	First Quarter	49.03	25.05
	Second Quarter	24.53	11.77
	Third Quarter	25.70	14.00
	Fourth Quarter	33.03	20.07
2013	First Quarter	36.13	24.70
	Second Quarter	56.40	26.10
	Third Quarter	50.27	36.47
	Fourth Quarter	64.28	41.60
2014	First Quarter	73.87	47.73
	Second Quarter	73.34	58.63
	Third Quarter	72.78	61.45
	Fourth Quarter (through December 4, 2014)	64.10	45.76

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## Magellan Midstream Partners, L.P.

Magellan Midstream Partners, L.P. is primarily involved in the storage, transportation and distribution of refined petroleum products and ammonia. The company's asset portfolio includes a pipe line system serving the mid-continent region of the United States, petroleum products marine terminal facilities, petroleum products terminals, and an ammonia pipeline system. Its common units representing limited partnership interests are traded on the NYSE under the symbol "MMP."

## Historical Information of the Common Stock of Magellan Midstream Partners, L.P.

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

		High (\$)	Low (\$)
2009	First Quarter	17.75	12.90
	Second Quarter	18.26	14.81
	Third Quarter	19.63	17.30
	Fourth Quarter	21.67	18.45
2010	First Quarter	23.77	20.52
	Second Quarter	24.17	20.75
	Third Quarter	25.73	23.19
	Fourth Quarter	28.60	25.94
2011	First Quarter	30.22	27.26
	Second Quarter	30.88	28.29
	Third Quarter	30.72	26.59
	Fourth Quarter	34.49	29.97
2012	First Quarter	36.69	32.51
	Second Quarter	36.14	33.58
	Third Quarter	44.19	35.41
	Fourth Quarter	45.34	39.87
2013	First Quarter	53.43	45.11
	Second Quarter	55.11	50.61
	Third Quarter	56.81	52.41
	Fourth Quarter	62.90	55.85
2014	First Quarter	70.78	60.52
	Second Quarter	84.04	70.77
	Third Quarter	86.19	79.08
	Fourth Quarter (through December 4, 2014)	89.12	71.04

## Navistar International Corporation

Navistar International Corporation manufactures and markets medium and heavy trucks, school buses, mid-range diesel engines, and service parts. The company also provides financial services to its dealers and customers. Its common stock is traded on the NYSE under the symbol "NAV."

## Historical Information of the Common Stock of Navistar International Corporation

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

		High (\$)	Low (\$)
2009	First Quarter	34.56	22.92
	Second Quarter	47.03	29.21
	Third Quarter	47.27	37.30
	Fourth Quarter	40.62	32.18
2010	First Quarter	44.73	36.75
	Second Quarter	56.89	44.99
	Third Quarter	54.70	41.27
	Fourth Quarter	59.48	42.80
2011	First Quarter	69.69	56.49
	Second Quarter	70.17	52.41
	Third Quarter	58.35	32.12
	Fourth Quarter	44.08	30.68
2012	First Quarter	47.42	38.08
	Second Quarter	40.63	24.11
	Third Quarter	29.04	19.99
	Fourth Quarter	22.85	18.51
2013	First Quarter	36.93	21.97
	Second Quarter	38.25	26.57
	Third Quarter	39.71	27.47
	Fourth Quarter	40.90	34.62
2014	First Quarter	38.78	29.49
	Second Quarter	38.35	31.93
	Third Quarter	39.83	32.91
	Fourth Quarter (through December 4, 2014)	37.76	29.91

NextEra Energy, Inc.

NextEra Energy, Inc. provides sustainable energy generation and distribution services. The company operates in wind and solar energy production. Through its subsidiaries, it also operates multiple commercial nuclear power units. Its common stock is traded on the NYSE under the symbol "NEE."

Historical Information of the Common Stock of NextEra Energy, Inc.

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

		High (\$)	Low (\$)
2009	First Quarter	52.95	41.78
	Second Quarter	58.20	50.20
	Third Quarter	60.05	53.42
	Fourth Quarter	56.25	49.04
2010	First Quarter	53.25	45.57
	Second Quarter	52.87	48.37
	Third Quarter	55.45	48.95
	Fourth Quarter	56.03	50.62
2011	First Quarter	55.77	52.11
	Second Quarter	58.88	54.89
	Third Quarter	58.18	50.17
	Fourth Quarter	61.08	52.38
2012	First Quarter	61.08	58.79
	Second Quarter	68.81	61.83
	Third Quarter	71.42	67.11
	Fourth Quarter	72.05	66.49
2013	First Quarter	77.68	70.52
	Second Quarter	82.03	75.62
	Third Quarter	88.29	79.00
	Fourth Quarter	89.06	79.35
2014	First Quarter	95.62	84.25
	Second Quarter	102.48	93.90
	Third Quarter	101.45	92.35
	Fourth Quarter (through December 4, 2014)	105.61	91.82

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## SolarCity Corporation

SolarCity Corporation offers solar power energy services. The company provides design, financing, installation, monitoring, and energy efficiency services. It serves homeowners, businesses, schools, non-profits, and government organizations in the United States. Its common stock is traded on the NASDAQ under the symbol "SCTY."

## Historical Information of the Common Stock of SolarCity Corporation

The following table sets forth the high and low closing prices of this Basket Component from December 13, 2012, the date when this Basket Component began trading, through December 4, 2014.

		High (\$)	Low (\$)
2012	Fourth Quarter (from December 13, 2012)	12.33	8.00
2013	First Quarter	19.27	12.33
	Second Quarter	51.60	18.23
	Third Quarter	45.15	28.63
	Fourth Quarter	62.77	35.50
2014	First Quarter	86.14	59.27
	Second Quarter	70.87	47.71
	Third Quarter	75.63	59.60
	Fourth Quarter (through December 4, 2014)	59.18	48.35

## SunPower Corporation

SunPower Corporation is an integrated solar products and services company that designs, manufactures and markets high-performance solar electric power technologies. Its common stock is traded on the NASDAQ under the symbol "SPWR."

## Historical Information of the Common Stock of SunPower Corporation

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

		High (\$)	Low (\$)
2009	First Quarter	45.15	20.91
	Second Quarter	32.34	22.61
	Third Quarter	33.45	22.35
	Fourth Quarter	33.70	20.05
2010	First Quarter	25.85	18.02
	Second Quarter	19.29	10.73
	Third Quarter	14.49	10.03
	Fourth Quarter	14.52	11.65
2011	First Quarter	18.34	13.06
	Second Quarter	21.69	15.26

	Third Quarter	22.74	8.09
	Fourth Quarter	10.62	5.13
2012			
	First Quarter	8.61	6.38
	Second Quarter	6.25	4.62
	Third Quarter	5.30	3.77
	Fourth Quarter	5.80	3.99
2013			
	First Quarter	13.39	6.13
	Second Quarter	22.70	9.41
	Third Quarter	28.10	20.58
	Fourth Quarter	34.39	26.74
2014			
	First Quarter	35.90	29.14
	Second Quarter	41.06	26.53
	Third Quarter	40.50	32.92
	Fourth Quarter (through December 4, 2014)	33.51	25.80

Trinity Industries, Inc.

Trinity Industries, Inc. manufactures transportation, construction, and industrial products. Its products include tank and freight railcars, inland hopper and tank barges, highway guardrail and safety products, ready-mix concrete, and other products. The company also leases railcars and other products. Its common stock is traded on the NYSE under the symbol "TRN."

Historical Information of the Common Stock of Trinity Industries, Inc.

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

	High (\$)	Low (\$)
2009 First Quarter	8.95	3.24
Second Quarter	8.48	4.79
Third Quarter	9.54	6.01
Fourth Quarter	9.73	8.18
2010 First Quarter	10.29	7.61
Second Quarter	13.23	8.86
Third Quarter	11.14	8.23
Fourth Quarter	13.34	11.01
2011 First Quarter	18.34	13.16
Second Quarter	18.88	15.27
Third Quarter	18.63	10.53
Fourth Quarter	15.31	9.97
2012 First Quarter	17.97	14.85
Second Quarter	16.74	11.40
Third Quarter	16.78	10.93
Fourth Quarter	18.03	14.51
2013 First Quarter	22.70	18.10
Second Quarter	22.31	17.65
Third Quarter	23.09	17.88
Fourth Quarter	28.33	21.79
2014 First Quarter	37.32	27.08
Second Quarter	43.74	33.82
Third Quarter	50.30	41.56
Fourth Quarter (through December 4, 2014)	43.12	30.48

Tesla Motors, Inc.

Tesla Motors, Inc. designs, manufactures and sells electric vehicles and electric vehicle powertrain components. The company owns its sales and service network and sells electric powertrain components to other automobile manufacturers. Its common stock is traded on the NASDAQ under the symbol "TSLA."

Historical Information of the Common Stock of Tesla Motors, Inc.

The following table sets forth the high and low closing prices of this Basket Component from June 29, 2010, the date when this Basket Component began trading, through December 4, 2014.

	High (\$)	Low (\$)
2010 Second Quarter (from June 29, 2010)	23.89	17.00
Third Quarter	21.98	15.80
Fourth Quarter	35.47	20.05
2011 First Quarter	28.45	21.83
Second Quarter	30.14	24.65
Third Quarter	29.73	21.95
Fourth Quarter	34.94	23.66
2012 First Quarter	37.94	22.79
Second Quarter	38.01	27.56
Third Quarter	35.96	26.10
Fourth Quarter	35.28	27.33
2013 First Quarter	39.48	32.91
Second Quarter	110.33	40.50
Third Quarter	193.37	109.05
Fourth Quarter	193.00	120.50
2014 First Quarter	254.84	139.34
Second Quarter	240.06	178.59
Third Quarter	286.04	215.40
Fourth Quarter (through December 4, 2014)	260.62	221.67

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## Union Pacific Corporation

Union Pacific Corporation is a rail transportation company. Its railroad hauls a variety of goods, including agricultural, automotive, and chemical products. The company offers long-haul routes from all major West Coast and Gulf Coast ports to eastern gateways, as well as connects with Canada's rail systems and serves the major gateways to Mexico. Its common stock is traded on the NYSE under the symbol "UNP."

## Historical Information of the Common Stock of Union Pacific Corporation

The following table sets forth the high and low closing prices of this Basket Component from the first quarter of 2009 through December 4, 2014.

	High (\$)	Low (\$)
2009 First Quarter	27.01	16.81
Second Quarter	27.18	20.80
Third Quarter	31.81	24.45
Fourth Quarter	33.12	27.53
2010 First Quarter	37.00	30.25
Second Quarter	38.83	33.97
Third Quarter	41.15	33.72
Fourth Quarter	47.28	40.02
2011 First Quarter	49.51	45.74
Second Quarter	52.49	47.68
Third Quarter	53.38	40.84
Fourth Quarter	52.97	39.92
2012 First Quarter	58.06	53.40
Second Quarter	59.66	52.49
Third Quarter	64.22	58.15
Fourth Quarter	63.58	58.73
2013 First Quarter	71.21	64.23
Second Quarter	79.96	67.88
Third Quarter	81.69	76.77
Fourth Quarter	83.21	75.29
2014 First Quarter	94.70	82.58
Second Quarter	102.42	90.54
Third Quarter	109.58	97.48
Fourth Quarter (through December 4, 2014)	123.31	98.08

## Validity of the Notes

In the opinion of Osler, Hoskin & Harcourt LLP, the issue and sale of the notes has been duly authorized by all necessary corporate action of the Bank in conformity with the Senior Indenture, and when this pricing supplement has been attached to, and duly notated on, the master note that represents the notes, the notes will have been validly executed and issued and, to the extent validity of the notes is a matter governed by the laws of the Province of Ontario, or the laws of Canada applicable therein, and will be valid obligations of the Bank, subject to the following limitations (i) the enforceability of the Senior Indenture may be limited by the Canada Deposit Insurance Corporation Act (Canada), the Winding-up and Restructuring Act (Canada) and bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement or winding-up laws or other similar laws affecting the enforcement of creditors' rights generally; (ii) the enforceability of the Senior Indenture may be limited by equitable principles, including the principle that equitable remedies such as specific performance and injunction may only be granted in the discretion of a court of competent jurisdiction; (iii) pursuant to the Currency Act (Canada) a judgment by a Canadian court must be awarded in Canadian currency and that such judgment may be based on a rate of exchange in existence on a day other than the day of payment; and (iv) the enforceability of the Senior Indenture will be subject to the limitations contained in the Limitations Act, 2002 (Ontario), and such counsel expresses no opinion as to whether a court may find any provision of the Senior Debt Indenture to be unenforceable as an attempt to vary or exclude a limitation period under that Act. This opinion is given as of the date hereof and is limited to the laws of the Provinces of Ontario and the federal laws of Canada applicable thereto. In addition, this opinion is subject to customary assumptions about the Trustee's authorization, execution and delivery of the Indenture and the genuineness of signatures and certain factual matters, all as stated in the letter of such counsel dated July 2, 2014, which has been filed as Exhibit 5.1 to Bank of Montreal's Form 6-K filed with the SEC on July 3, 2014.

In the opinion of Morrison & Foerster LLP, when the pricing supplement has been attached to, and duly notated on, the master note that represents the notes, and the notes have been issued and sold as contemplated by the prospectus supplement and the prospectus, the notes will be valid, binding and enforceable obligations of Bank of Montreal, entitled to the benefits of the Indenture, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith). This opinion is given as of the date hereof and is limited to the laws of the State of New York. This opinion is subject to customary assumptions about the Trustee's authorization, execution and delivery of the Indenture and the genuineness of signatures and to such counsel's reliance on the Bank and other sources as to certain factual matters, all as stated in the legal opinion dated July 2, 2014, which has been filed as Exhibit 5.2 to the Bank's Form 6-K filed on July 3, 2014.

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