

POLYONE CORP
Form DEF 14A
April 01, 2016
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-12

POLYONE CORPORATION

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

**NOTICE OF 2016
ANNUAL MEETING OF SHAREHOLDERS
AND PROXY STATEMENT**

PolyOne Corporation

Table of Contents

TABLE OF CONTENTS

<u>MESSAGE FROM OUR CEO</u>	i
<u>NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS</u>	ii
<u>PROXY SUMMARY</u>	1
<u>PROXY STATEMENT</u>	5
<u>PROPOSAL 1 ELECTION OF BOARD OF DIRECTORS</u>	6
<u>PROPOSAL 2 ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION</u>	12
<u>PROPOSAL 3 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	13
<u>CORPORATE GOVERNANCE</u>	16
<u>2015 NON-EMPLOYEE DIRECTOR COMPENSATION</u>	22
<u>OWNERSHIP OF POLYONE SHARES</u>	24
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	26
<u>Executive Summary</u>	26
<u>Executive Compensation Philosophy and Objectives</u>	30
<u>What We Pay and Why: Elements of Compensation</u>	32
<u>Other Aspects of Our Compensation Programs</u>	38
<u>EXECUTIVE COMPENSATION</u>	42
<u>2015 Summary Compensation Table</u>	42
<u>2015 Grants of Plan-Based Awards</u>	46
<u>Outstanding Equity Awards at 2015 Fiscal Year-End</u>	49
<u>2015 Option Exercises and Stock Vested</u>	52
<u>2015 Pension Benefits</u>	53
<u>2015 Nonqualified Deferred Compensation</u>	54
<u>Potential Payments Upon Termination or Change of Control</u>	55
<u>Compensation Committee Interlocks</u>	61
<u>Policy on Related Person Transactions</u>	61
<u>Risk Assessment of the Compensation Programs</u>	61
<u>Compensation Committee Report</u>	62
<u>MISCELLANEOUS PROVISIONS</u>	63
<u>APPENDIX A</u>	A-1

Table of Contents

MESSAGE FROM OUR CEO

April 1, 2016

Dear Fellow Shareholder:

You are cordially invited to attend the PolyOne Corporation Annual Meeting of Shareholders (the Annual Meeting), which will be held at 9:00 a.m. on Thursday, May 12, 2016, at PolyOne Corporation s corporate headquarters located at PolyOne Center, 33587 Walker Road, Avon Lake, Ohio 44012.

A Notice of the 2016 Annual Meeting of Shareholders, a proxy summary and the Proxy Statement follows. Please review this material for information concerning the business to be conducted at the Annual Meeting and the nominees for election to our Board of Directors (the Board).

You will also find enclosed a proxy and/or voting instruction card and an envelope in which to return the card. Whether or not you plan to attend the Annual Meeting, please complete, sign, date and return your enclosed proxy and/or voting instruction card, or vote by telephone or over the Internet as soon as possible so that your shares can be voted at the meeting in accordance with your instructions. **Your vote is very important.** You may, of course, withdraw your proxy and change your vote prior to or at the Annual Meeting by following the steps described in the Proxy Statement.

I appreciate the strong support of our shareholders over the years and look forward to seeing you at the meeting.

Sincerely,

Robert M. Patterson

President and Chief Executive Officer

PolyOne Corporation

Please refer to the accompanying materials for voting instructions.

Table of Contents

NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS

Thursday, May 12, 2016

9:00 a.m. Eastern Standard Time

PolyOne Center, 33587 Walker Road, Avon Lake, Ohio 44012

We are pleased to invite you to join our Board, senior leadership and other associates of PolyOne Corporation (PolyOne or the Company) for the Annual Meeting. The purposes of the Annual Meeting are to:

1. Elect 10 nominees to our Board;
 2. Approve, on an advisory basis, our Named Executive Officer compensation;
 3. Ratify the appointment of Ernst & Young LLP as our independent registered public accountants for 2016; and
 4. Consider and transact any other business that may properly come before the Annual Meeting.
- The Board set March 15, 2016 as the record date for the Annual Meeting and owners of record of shares of common stock of PolyOne as of the close of business on that date are eligible to:

- Receive this notice of the Annual Meeting; and
- Vote at the Annual Meeting and any adjournments or postponements of the Annual Meeting.

Please ensure that your shares are represented at the Annual Meeting by promptly voting and submitting your proxy by telephone or over the Internet, or by completing, signing, dating and returning your proxy form in the enclosed envelope.

April 1, 2016

For the Board of Directors

Lisa K. Kunkle

Secretary and General Counsel

**Important Notice regarding the availability of Proxy materials for the
Annual Meeting to be held on May 12, 2016:**

**The proxy statement, proxy card and annual report to shareholders for the fiscal year ended
December 31, 2015 are available at our Internet website, www.polyone.com, on the
Investor Relations page.**

Table of Contents

PROXY SUMMARY

PROXY SUMMARY

This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

VOTING AND MEETING INFORMATION

Your vote is important to the future of the Company. Please carefully review the proxy materials for the Annual Meeting, which will be held on Thursday, May 12, 2016 Eastern Standard Time at PolyOne Center, 33587 Walker Road, Avon Lake, Ohio 44012. Follow the instructions below to cast your vote on all of the voting matters.

We are mailing this proxy statement and the enclosed proxy card and, if applicable, the voting instruction card, to shareholders on or about April 1, 2016. Our telephone number is (440) 930-1000.

Who is Eligible to Vote

You are entitled to vote if you were a shareholder of record at the close of business on March 15, 2016, the record date for the Annual Meeting. Each share of common stock is entitled to one vote for each Board of Director nominee and one vote for each of the other proposals to be voted on.

Advance Voting Methods

Even if you plan to attend our Annual Meeting in person, if you are a registered holder, please cast your vote as soon as possible using one of the following advance methods:

visit www.proxyvote.com to vote your proxy **OVER THE INTERNET** until 11:59 p.m. (CT) on May 11, 2016.

call 1-800-690-6903 to vote your proxy **BY TELEPHONE** until 11:59 p.m. (CT) on May 11, 2016.

sign, date and return your proxy card/voting instruction form to vote **BY MAIL**.

Each shareholder's vote is important. Please complete, sign, date and return your proxy or voting instruction form, or submit your vote and proxy by telephone or over the Internet.

Attending and Voting at the Annual Meeting

All registered holders may vote in person at the Annual Meeting. Beneficial owners may vote in person at the meeting if they have a legal proxy.

Table of Contents

PROXY SUMMARY

Company Operating Performance

PolyOne delivered earnings growth in 2015 of 9%, despite a number of global economic headwinds. This growth was driven by record-setting performances by our established specialty businesses, Color, Additives & Inks and Engineered Materials. We will work to accelerate this growth through the relentless pursuit of our proven four-pillar strategy. Additional 2015 Company financial performance highlights include⁽¹⁾:

- Earnings Per Share and Adjusted Earnings Per Share of \$1.63 and \$1.96, respectively, which is a Company all-time high and represents 96% and 9% increases from 2014
- Continued strong performance in our established specialty businesses. Color, Additives & Inks and Specialty Engineered Materials delivered record operating margins of 16.7% and 14.7% respectively in 2015
- Year-end Operating Income and Adjusted Operating Income increased to \$251 million and \$322 million, respectively, up from \$155 million and \$320 million, respectively, in 2014
- Specialty platform Adjusted Operating Income now represents 65% of our segment Adjusted Operating Income, which is up from 2% in 2005
- Increased our dividend 20% to \$0.12 per quarter, representing the fifth consecutive year of increases and a 200% increase from when we initiated quarterly dividends in 2011
- Strong balance sheet and free cash flow, as total cash and liquidity ended the year at \$280 million and \$622 million, respectively. Modest Net Debt to Adjusted EBITDA ratio of 2.1x

⁽¹⁾ Adjusted Earnings Per Share, Adjusted Operating Income, Adjusted EBITDA and Net Debt to Adjusted EBITDA reported in this proxy statement differ from what is reported under United States Generally Accepted Accounting Principles (GAAP). See Appendix A for an explanation of management s use of non-GAAP financial measures and a reconciliation of non-GAAP financial measures to our results as reported under GAAP.

Our Company has delivered 25 consecutive quarters of strong Adjusted Earnings Per Share growth.

Adjusted Earnings Per Share Growth

Share Appreciation

Our Company has delivered a positive return to shareholders over time that significantly outperforms our peer group, as reflected below.

Table of Contents**PROXY SUMMARY****Impact of Our Performance on Named Executive Officer 2015 Compensation**

Our 2015 compensation results continue to reflect our objective pay-for-performance philosophy of aligning executive compensation directly with our financial performance.

Annual Incentive Plan

We set aggressive goals for each of our performance measures in our 2015 annual cash incentive program (the 2015 Annual Incentive Program) under the PolyOne Corporation Senior Executive Annual Incentive Plan, as amended and restated (the Annual Plan). Our operational performance in 2015 resulted in the executive officers named in the 2015 Summary Compensation Table of this proxy statement (the Named Executive Officers) earning a below target payout under the 2015 Annual Incentive Program as noted below.

Mr. Patterson's and Mr. Richardson's Annual Plan opportunities are based on consolidated results. Total attainment for consolidated PolyOne under the 2015 Annual Incentive Program was 44.9%, with the components consisting of: (1) 50% based on consolidated Adjusted Operating Income attainment of 0% (2015 attainment of \$322.3 million measured against a target of \$367.9 million); (2) 25% based on Working Capital as a Percentage of Sales attainment of 179.7% (2015 attainment of 9.7% measured against a target of 10%); and (3) 25% based on Revenue attainment of 0% (2015 attainment of \$3,376.5 million measured against a target of \$3,933.0 million).

Mr. Van Hulle and Mr. Nikrant have responsibility for business unit-specific results and while their performance goals based on Adjusted Operating Income are weighted 50% overall, their opportunities are based two-thirds on business unit-specific results and one-third on consolidated PolyOne Adjusted Operating Income results. For Mr. Van Hulle, whose 2015 results were based on the Color, Additives and Inks Plan, total attainment was 80.0%, with the components consisting of: (1) 33.3% based on business unit Adjusted Operating Income attainment of 90.1% (2015 attainment of \$139.6 million measured against a target of \$142.7 million); (2) 16.7% based on consolidated Adjusted Operating Income attainment of 0% (2015 attainment of \$322.3 million measured against a target of \$367.9 million); (3) 25.0% based on Working Capital as Percentage of Sales attainment of 200.0% (2015 attainment of 9.5% measured against a target of 10.1%); and (4) 25.0% based on Revenue attainment of 0% (2015 attainment of \$842.2 million measured against a target of \$906.6 million). For Mr. Nikrant, whose 2015 results were based on the Specialty Engineered Materials Plan, total attainment was 70.1%, with the components consisting of: (1) 33.3% based on business unit Adjusted Operating Income attainment of 61.4% (2015 attainment of \$80.8 million measured against a target of \$88.8 million); (2) 16.7% based on consolidated Adjusted Operating Income attainment of 0% (2015 attainment of \$322.3 million measured against a target of \$367.9 million); (3) 25.0% based on Working Capital as Percentage of Sales attainment of 198.7% (2015 attainment of 9.2% measured against a target of 9.6%); and (4) 25.0% based on Revenue attainment of 0% (2015 attainment of \$556.8 million measured against a target of \$605.5 million).

Mr. Newlin was not eligible for a payout under the 2015 Annual Incentive Program per the terms of his Letter Agreement (as that term is defined herein). As part of her severance compensation, Ms. McAlindon received a pro-rata portion of what she would have received under the 2015 Annual Incentive Program, based on the amount of time during 2015 that she was with the Company.

Table of Contents**PROXY SUMMARY****Long-Term Incentive Plan**

As a result of strong earnings growth measured over the past three years, in 2015, the Named Executive Officers earned a 200% cash-settled performance unit payout under PolyOne's 2010 Equity and Performance Incentive Plan, as amended (the Amended Long-Term Incentive Plan). The payout was earned by PolyOne exceeding cumulative Adjusted Earnings Per Share targets over four, equally-weighted performance periods as noted below.

2013 - 2015 Cash-Settled Performance Units**Performance Measure: Adjusted Cumulative Earnings Per Share**

Performance Periods	Weighting	2013 - 2015 Target	2013 - 2015 Results	Payout %
January 1, 2013 - December 31, 2013	25%	\$1.21	\$1.39	200%
January 1, 2014 - December 31, 2014	25%	\$1.21	\$1.80	200%
January 1, 2015 - December 31, 2015	25%	\$1.34	\$1.96	200%
January 1, 2013 - December 31, 2015	25%	\$3.76	\$5.15	200%
Total Attainment				200%

All financial measures (targets and results) reported in the above tables were calculated with adjustments for acquisitions, divestitures and special items pursuant to the terms of the Annual Plan and 2013 - 2015 Amended Long-Term Incentive Plan and as approved by the Board. For information on the terms and conditions of these incentive plans, see the "What We Pay and Why: Elements of Compensation" section of this proxy statement (beginning on Page 32).

Table of Contents

PROXY STATEMENT

POLYONE CORPORATION

PolyOne Center

33587 Walker Road

Avon Lake, Ohio 44012

PROXY STATEMENT

Dated April 1, 2016

Our Board respectfully requests your proxy for use at the Annual Meeting to be held at PolyOne's corporate headquarters located at PolyOne Center, 33587 Walker Road, Avon Lake, Ohio 44012 at 9:00 a.m. on Thursday, May 12, 2016, and at any adjournments of that meeting. This proxy statement is to inform you about the matters to be acted upon at the meeting.

If you attend the meeting, you may vote your shares by ballot. If you do not attend, your shares may still be voted at the meeting if you sign and return the enclosed proxy card or vote by telephone or over the Internet as described below. Common shares represented by a properly signed proxy card will be voted in accordance with the choices marked on the card. If no choices are marked, the shares will be voted: (1) to elect the nominees listed on pages 7 through 11 of this proxy statement; (2) to approve, on an advisory basis, our Named Executive Officer compensation for the fiscal year ended December 31, 2015; and (3) to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016.

You may revoke your proxy before it is voted by giving notice to us in writing or orally at the meeting. Persons entitled to direct the vote of shares held by the following plans will receive a separate voting instruction card: The PolyOne Retirement Savings Plan and the PolyOne Canada Inc. Retirement Savings Program. If you receive a separate voting instruction card for one of these plans, you must sign and return the card as indicated on the card in order to instruct the trustee on how to vote the shares held under the respective plan. You may revoke your voting instruction card before the trustee votes the shares held by it by giving notice in writing to the trustee.

You may also submit your proxy by telephone or over the Internet. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number. These procedures allow shareholders to appoint a proxy to vote their shares and to confirm that their instructions have been properly recorded. Instructions for voting by telephone and over the Internet are printed on the proxy cards.

Table of Contents

ELECTION OF BOARD OF DIRECTORS

PROPOSAL 1 ELECTION OF BOARD OF DIRECTORS

Our Board currently consists of 11 Directors. On March 9, 2016, Stephen D. Newlin notified the Board that he intended to retire as a Director, effective as of the Company's Annual Meeting of Shareholders on May 12, 2016. Thus, following the Annual Meeting and, assuming the election of all of the Board nominees, our Board will consist of 10 Directors.

Each Director serves for a one-year term until a successor is duly elected and qualified, subject to the Director's earlier death, retirement or resignation. Our Corporate Governance Guidelines provide that all non-employee Directors will retire from the Board not later than the Annual Meeting immediately following the Director's 7th birthday, although the Board may waive this limitation if it determines that such a waiver is in PolyOne's best interests.

A shareholder who wishes to nominate a person for election as a Director must provide written notice to our Secretary in accordance with the procedures specified in Regulation 12 of our Code of Regulations (Regulations). Generally, the Secretary must not receive the notice less than 60 nor more than 90 days prior to the first anniversary of the date on which we first mailed our proxy materials for the preceding year's Annual Meeting. The notice must set forth, as to each nominee, the name, age, principal occupation and employment during the past five years, name and principal business of any corporation or other organization in which such occupation and employment were carried on and a brief description of any arrangement or understanding between such person and any others pursuant to which such person was selected as a nominee. The notice must include the nominee's signed consent to serve as a Director if elected. The notice must set forth the name and address of, and the number of our common shares owned by, the shareholder giving the notice and the beneficial owner on whose behalf the nomination is made and any other shareholders believed to be supporting such nominee.

Following are the nominees for election as Directors for terms expiring in 2017, a description of the business experience of each nominee and the names of other publicly-held companies for which he or she currently serves as a director or has served as a director during the past five years. Each nominee for election as Director was previously elected by our shareholders, other than William R. Jellison. Mr. Jellison was recommended to our Nominating and Governance Committee for election to the Board by a third-party search firm, Korn Ferry. Mr. Jellison was subsequently recommended by our Nominating and Governance Committee to the Board for election as a Director, and the Board elected Mr. Jellison as a Director on October 7, 2015. The composition of the Board is intended to reflect an appropriate mix of skill sets, experience and qualifications that are relevant to PolyOne Corporation's business and governance over time.

In addition to the information presented below regarding each nominee's specific experience, qualifications, attributes and skills that led our Board to the conclusion that the nominee should serve as a Director, the Board also believes that all of our Director nominees are individuals of substantial accomplishment with demonstrated leadership capabilities. Each of our Director nominees also has the following personal characteristics, which are required attributes for all Board nominees: high ethical standards, integrity, judgment and an ability to devote sufficient time to the affairs of our Company. The reference below Farah Walter's name to the term of service as a Director includes the period during which she served as a Director of The Geon Company (Geon), one of our predecessors. The information is current as of March 15, 2016.

**Our Board recommends a vote FOR
all the nominees listed below.**

Table of Contents**ELECTION OF BOARD OF DIRECTORS****Richard H. Fearon****Age: 60****Director Since: 2004**

Lead Director of our Board since May 14, 2015. Vice Chairman and Chief Financial and Planning Officer of Eaton, a global manufacturing company, since February 2009. Mr. Fearon served as Executive Vice President, Chief Financial and Planning Officer of Eaton from April 2002 until February 2009. Mr. Fearon served as a Partner of Willow Place Partners LLC, a corporate advisory firm, from 2001 to 2002 and was the Senior Vice President Corporate Development for Transamerica Corporation, a financial services organization, from 1995 to 2000. Mr. Fearon currently serves on the Board of Directors of Eaton.

Qualifications, Attributes, Skills and Experience:

We believe that Mr. Fearon's financial expertise, experience and knowledge of international operations, knowledge of diversified companies and corporate development expertise provide him with the qualifications and skills to serve as a valued member of our Board. Mr. Fearon's advice with respect to financial issues affecting our Company is specifically valued and utilized, especially through his participation as a member of our Audit Committee. As a sitting executive and leader at a multi-national corporation, Mr. Fearon is particularly equipped to advise our Board on current issues facing our Company.

Gregory J. Goff**Age: 59****Director Since: 2011**

President and Chief Executive Officer since May 2010 and Chairman since December 2014, of Tesoro Corporation, a leading company in the independent refining and marketing business. He is also Chairman and Chief Executive Officer of Tesoro Logistics LP, a NYSE-listed master limited partnership that owns, operates and develops crude oil and refined products and logistics assets, since April 2011. Prior to joining Tesoro in 2010, Mr. Goff worked for ConocoPhillips Corporation, an integrated energy company, where he held a number of senior leadership positions from 2008 to 2010, most recently Senior Vice President Commercial. Mr. Goff serves as a director of American Fuel and Petrochemical Manufacturers (AFPM), including as Chairman of AFPM's Board in 2015, the National Advisory Board for the University of Utah's David Eccles School of Business and the National Society for High School Scholars. From 2008 to 2010, Mr. Goff served on the Board of Directors of DCP Midstream CP, LLC.

Qualifications, Attributes, Skills and Experience:

We believe that, as a Board member with proven leadership capabilities and as an executive who has extensive international business experience across Europe, Asia and Latin America, Mr. Goff provides a unique perspective on our strategy and operations. Mr. Goff's deep understanding of the energy industry and specialty chemical businesses provides valuable insight into PolyOne's strategic planning. His experience as the Chief Executive Officer of a large, independent refining and petroleum products marketing company and his participation as a member of national trade

associations provide him with valuable experience that can enhance our Board.

Table of Contents**ELECTION OF BOARD OF DIRECTORS****William R. Jellison****Age: 58****Director Since: 2015**

Vice President, Chief Financial Officer of Stryker Corporation, one of the world's leading medical technology companies, since 2013. Mr. Jellison expects to retire from Stryker, effective March 31, 2016. Prior to joining Stryker, Mr. Jellison served as the Senior Vice President and Chief Financial Officer of Dentsply International, the world's largest manufacturer of professional dental products, from 1998 to 2013, except for a roughly two-year period of time between 2002 and 2005 when he was a Senior Vice President with full P&L responsibilities for some of Dentsply's operating divisions located in the U.S., Europe and Asia. Mr. Jellison began his career with the Donnelly Corporation, a publicly traded international automotive parts supplier, where he served in several senior leadership roles, advancing to Vice President of Finance.

Qualifications, Attributes, Skills and Experience:

As our newest Board member, we believe that Mr. Jellison brings a unique perspective, especially with respect to opportunities to further specialize in the healthcare industry. In addition, Mr. Jellison brings substantial financial experience from a large, publicly-traded company to the Board. In addition, his experience abroad provides him with diverse operating experiences in international markets, which provides the Board with a meaningful global business perspective. Mr. Jellison is able to use his experience in serving as an executive at a respected medtech company to guide our Board in driving further specialization.

Sandra Beach Lin**Age: 58****Director Since: 2013**

Retired President, Chief Executive Officer and Director of Calisolar, Inc. (now Silicor Materials Inc.), a solar silicon company. Ms. Lin served in this role from August 2010 until December 2011. She was Executive Vice President, then Corporate Executive Vice President at Celanese Corporation, a global hybrid chemical company from 2001 until 2010. Ms. Lin currently serves on the Boards of Directors of WESCO International, Inc., American Electric Power Company, Inc. and Interface Biologics Inc.

Qualifications, Attributes, Skills and Experience:

We believe that Ms. Lin's extensive senior executive experience, including as a Chief Executive Officer, leading global businesses in multiple industries provides her with valuable skills to serve on our Board. She has a deep understanding of the specialty chemicals industry, a strong operational foundation and wide-ranging international experience. Ms. Lin also serves as a director for two other public companies and one privately-held biomedical polymer company, which provides her with additional experience she utilizes while serving as a valued member of our Board.

Table of Contents

ELECTION OF BOARD OF DIRECTORS

Richard A. Lorraine

Age: 70

Director Since: 2008

Retired Senior Vice President and Chief Financial Officer of Eastman Chemical Company, a specialty chemicals company. Mr. Lorraine served in this capacity from 2003 to 2008. Mr. Lorraine also served as Executive Vice President and Chief Financial Officer of Occidental Chemical Company, a chemical manufacturing company, from 1995 to 2003. Mr. Lorraine serves on the Board of Directors of Carus Corporation.

Qualifications, Attributes, Skills and Experience:

Mr. Lorraine provides our Board with the broad business perspective that he gained in extensive leadership roles in varying industries. He is particularly equipped to advise our Board and Audit Committee on financial issues affecting our Company due to his prior roles as chief financial officer. In addition, he has a significant international background and in-depth commercial experience. All of these attributes provide Mr. Lorraine with valuable skills that he shares with our Board.

Robert M. Patterson

Age: 43

Director Since: 2014

President and Chief Executive Officer of PolyOne since May 2014. Mr. Patterson served as Executive Vice President and Chief Operating Officer of PolyOne from March 2012 until May 2014, as Executive Vice President and Chief Financial Officer from January 2011 until March 2012, and as PolyOne's Senior Vice President and Chief Financial Officer from May 2008 until January 2011. Prior to joining PolyOne, Mr. Patterson served in leadership roles at Novelis, Inc., an aluminum rolled products manufacturer, and SPX Corporation, a multi-industry manufacturer and developer, after starting his career at Arthur Andersen LLP.

Qualifications, Attributes, Skills and Experience:

We believe that, as our Chief Executive Officer and in light of his prior executive experience, Mr. Patterson is particularly well qualified to serve on our Board and as our next Chairman, as his past and future service enables him to develop comprehensive knowledge of the various segments of our industry and business and of the critical internal and external challenges we face. His responsibility for developing and executing the annual operating plans and strategic plans provide him with the knowledge and experience needed to provide unique and valuable input to our Board.

Table of Contents

ELECTION OF BOARD OF DIRECTORS

William H. Powell

Age: 70

Director Since: 2008

Retired Chairman and Chief Executive Officer of National Starch and Chemical Company, a specialty chemicals company. Mr. Powell served in this capacity from 1999 until his retirement in 2006. Mr. Powell serves on the Boards of Directors of Granite Construction Incorporated and FMC Corporation. From 2007 to 2011, he also served on the Board of Directors of Arch Chemicals, Inc.

Qualifications, Attributes, Skills and Experience:

We believe that Mr. Powell's previous employment as a Chief Executive Officer has provided him with the leadership skills that are important in serving as a Director of our Company. His prior employment in the specialty chemicals industry is particularly relevant. This experience gives him the knowledge and insight to provide valuable advice and strategic direction in addressing the issues facing our Company. Mr. Powell also serves as a Director of other public companies, which provides him with experiences he can utilize when serving as a member of our Board.

Kerry J. Preete

Age: 55

Director Since: 2013

Executive Vice President, Global Strategy for Monsanto Company, a leading global provider of technology-based solutions and agricultural products that improve farm productivity and food quality, since 2010. Mr. Preete was Monsanto Company's President, Global Crop Protection Division from 2009 to 2010 and Vice President, International Commercial Business from 2008 to 2009. From 1985 to 2008, Mr. Preete served in various roles of increasing responsibility at Monsanto.

Qualifications, Attributes, Skills and Experience:

Because of his broad experience at a leading, well-known company, we believe Mr. Preete brings an insightful perspective on running a successful, innovative company. Mr. Preete is specifically adept in not only thinking strategically, but also tactically, and these traits will be valuable to PolyOne as it continues into the future. Further, his global experience and understanding will assist PolyOne in its plans to operate in different regions and cultures, and we believe his global business acumen is relevant and transferable across industries. Mr. Preete's operational foundation, strategic expertise, and global experience are assets to PolyOne's Board.

Table of Contents

ELECTION OF BOARD OF DIRECTORS

Farah M. Walters

Age: 71

Director Since: 1998

President and Chief Executive Officer of QualHealth, LLC, a health care consulting firm. From 1992 until her retirement in June 2002, Ms. Walters was the President and Chief Executive Officer of University Hospitals Health System and University Hospitals of Cleveland. Ms. Walters currently serves on the Board of Directors of Celanese Corporation. From 1993 to 2006, Ms. Walters served on the Board of Directors of Kerr-McGee Corp. From 2003 to 2006, Ms. Walters served on the Board of Directors of Alpharma Inc.

Qualifications, Attributes, Skills and Experience:

Ms. Walters' extensive business experience provides her with the attributes and skills that uniquely qualify her to serve as a member of our Board of Directors. She has over ten years of experience as a chief executive officer and a proven track record of success in a leadership role. Further, she has served on the Board of Directors of other public companies, including those in the chemical industry. Ms. Walters' business experience has provided her with the necessary background to allow her to provide practical and relevant advice on the issues facing our Company.

William A. Wulfsohn

Age: 54

Director Since: 2011

Chairman and Chief Executive Officer of Ashland Inc., a global leader in providing specialty chemical solutions to customers in a wide range of customer and industrial markets, since January 2015. From July 2010 until December 2014, Mr. Wulfsohn was President and Chief Executive Officer of Carpenter Technology Corporation, a manufacturer of stainless steel, titanium and other specialty metals and engineered products, and was a director of Carpenter from April 2009 until December 2014. From 2005 to 2010, he served as Senior Vice President, Coatings of PPG Industries, a global supplier of coatings and specialty products and services, and from 2003 to 2005, as Vice President, Coatings and Managing Director, PPG Europe. Prior to joining PPG, Mr. Wulfsohn worked in various capacities for Morton International, Rohm & Haas, Honeywell and McKinsey & Company.

Qualifications, Attributes, Skills and Experience:

We believe that Mr. Wulfsohn is a valuable addition to our Board. He is a proven leader, with deep and varied experience in technology and successful business operations. His background in managing operations in Europe and Asia/Pacific provides him with international expertise that can be of value to PolyOne. Further, we believe his experience as a Chief Executive Officer of publicly-traded specialty companies has given him unique skills to assist in providing guidance on PolyOne's continuing transformation.

Table of Contents**ADVISORY VOTE****PROPOSAL 2 ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION**

As required under the Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 14A of the Exchange Act, our Board is submitting a Say on Pay proposal for shareholder consideration. While the vote on Named Executive Officer compensation is non-binding and solely advisory in nature, our Board and the 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 expect to address them in making future decisions about our executive compensation programs.

Currently, advisory Say on Pay votes are scheduled to be held once every year. The next advisory vote on Named Executive Officer compensation is expected to occur at our 2017 Annual Meeting.

As described more fully in the Compensation Discussion and Analysis section of this proxy statement, the Compensation Committee of our Board has structured our executive compensation program to achieve the following key objectives:

Objective	How Our Executive Compensation Program Achieves This Objective
Attract, Motivate and Help Retain Management	Competing effectively to attract, motivate and help retain a management team that leads in setting and achieving the overall goals and objectives of PolyOne.
Pay-For-Performance	Setting a significant portion of each Named Executive Officer's total compensation in the form of variable compensation that is earned when pre-established financial performance goals are achieved.
Align Executive Compensation with Shareholders' Interests	Focusing incentive programs on the critical performance measures that determine PolyOne's overall success and reward executives for the attainment of short-term results, balanced with the need for sustainable long-term success.

We urge shareholders to read the Compensation Discussion and Analysis section of this proxy statement, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives. We also encourage you to review the 2015 Summary Compensation Table and other related compensation tables and narratives in the Executive Compensation section of this proxy statement, which provide detailed information regarding the compensation of our Named Executive Officers. The Board and the Compensation Committee believe that the policies and procedures described and explained in the Compensation Discussion and Analysis section of this proxy statement are effective in achieving our business goals and the compensation of our Named Executive Officers reported in the Executive Compensation section of this proxy statement has supported and contributed to the Company's recent and long-term success.

Our Board recommends a vote FOR Proposal 2 to approve, on an advisory basis, our Named Executive Officer compensation.

We believe you should vote **FOR** our Named Executive Officer compensation program and approve the following resolution because the compensation actually earned by our Named Executive Officers for our 2015 performance was aligned with our pay-for-performance objectives, our Company's performance and shareholder interests.

RESOLVED, that the compensation paid to PolyOne's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby **APPROVED**.

Table of Contents

AUDIT

PROPOSAL 3 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm to audit our consolidated financial statements for the fiscal year ending December 31, 2016. The Board recommends ratification of the Audit Committee's appointment of Ernst & Young LLP.

The selection of Ernst & Young LLP as our independent registered public accounting firm is not required to be submitted to a vote of our shareholders for ratification. The Sarbanes-Oxley Act of 2002 requires that the Audit Committee be directly responsible for the appointment, compensation and oversight of our independent auditor. The Board is submitting the appointment to our shareholders for ratification as a matter of good corporate practice. If our shareholders fail to vote on an advisory basis in favor of the selection, the Audit Committee will reconsider whether to retain Ernst & Young LLP and may retain that firm or another firm without re-submitting the matter to our shareholders. Even if our shareholders ratify the appointment, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interests and the best interests of our shareholders. The affirmative vote of a majority of the shares voting on this proposal is required for ratification.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting. The representative will be given an opportunity to make a statement if desired and to respond to questions regarding Ernst & Young LLP's examination of our consolidated financial statements and records for the year ended December 31, 2015.

Our Board recommends a vote FOR Proposal 3 to ratify the Audit Committee's appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016.

Independent Registered Public Accountant Services and Related Fee Arrangements

Services provided by Ernst & Young LLP, our independent registered public accounting firm, and related fees in each of the last two fiscal years were as follows:

Audit Fees. Audit services include the annual audit of the consolidated financial statements, the audit of internal controls over financial reporting, the reviews of our quarterly reports on Form 10-Q, the issuance of comfort letters and consents, review of registration statements filed with the SEC, accounting and financial reporting consultations and international statutory audits. Fees for audit services totaled \$3.7 million in 2015 and \$3.4 million in 2014. The full Audit Committee or the Chair of the Audit Committee pre-approved all audit services and related fee arrangements for 2015 in accordance with the Audit Committee Pre-Approval Policy for all Audit and Non-Audit

Services and Related Fee Arrangements.

Audit-Related Fees. Audit-related services principally include employee benefit plan audits, accounting consultations, attest services that are not required by statute or regulation and other international attest services not classified as audit fees. Fees for audit-related services totaled \$0.1 million in 2015 and \$0.1 million in 2014. The Audit Committee pre-approved all audit-related fee arrangements billed for 2015.

Tax Fees. Tax services include tax compliance, tax advice and tax planning. Fees for tax services totaled \$1.7 million in 2015 and \$1.3 million in 2014. The Audit Committee pre-approved all tax fee arrangements billed in 2015.

All Other Fees. No fees for other services were billed in 2015 and 2014.

Our Audit Committee Pre-Approval Policy for all Audit and Non-Audit Services and Related Fee Arrangements (the Pre-Approval Policy) requires our Audit Committee to pre-approve all audit and non-audit services performed by Ernst & Young LLP in order to assure that the provision of such services and related fee arrangements do not impair Ernst