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No Termination of Employment

Termination without "Cause" or Resignation for "Good Reason"

J.C. Muscari

Severance Payment(1)

$ 1,034,500 (2)

$ 1,034,500 (2)

$ 7,550,000

$ 0

$ 11,068,196 (3)

Benefits

0

0

0

0

36,595 (4)

DRSU Vesting(5)

0

0

0

602,949

2,459,394

Stock Option Vesting(6)

0

0

0

308,361

472,863

Performance Unit Vesting(7)

0

0

0

3,840,000

3,840,000

D.T. Dietrich

Severance Payment(1)

$ 0

$ 0

$ 900,000

0

1,424,955 (3)

Benefits

0

0

0

0

33,426

(4)

DRSU Vesting(5)

0

0

0

92,314

504,700

Stock Option Vesting(6)

0

0

0

47,651

81,589

Performance Unit Vesting(7)

0

0

0

600,000

600,000

D.J. Monagle

Severance Payment(1)

$

0

$

0

$

958,125

$

0

$

1,751,087

(3)

Benefits

0

0

0

0

46,644

(4)

DRSU Vesting(5)

0

0

0

143,191

673,046

Stock Option Vesting(6)

0

0

0

67,280

114,452

Performance Unit Vesting(7)

0

0

0

910,000

910,000

T.J. Meek

Severance Payment(1)

$
0

$
0

$
930,750

$
0

$
1,568,977
(3)

Benefits

0

0

0

0

36,587
(4)

DRSU Vesting(5)

0

0

0

0

503,852

Stock Option Vesting(6)

0

0

0

0

69,670

Performance Unit Vesting(7)

0

0

0

660,000

660,000

D.W. Mayger

Severance Payment(1)

$

0

$

0

$

829,125

$

0

$
1,319,597
(3)

Benefits

0

0

0

0

46,975
(4)

DRSU Vesting(5)

0

0

0

47,090

300,853

Stock Option Vesting(6)

0

0

0

38,114

65,279

Performance Unit Vesting(7)

0

0

0

380,000

380,000

D.R. Harrison

Severance Payment(1)

$

0

$

0

$

826,875

$

0

$

1,844,458.

(3)

Benefits

0

0

0

0

34,426

(4)

DRSU Vesting(5)

0

0

0

137,538

614,029

Stock Option Vesting(6)

0

	0
	0
	67,280
	115,319
Performance Unit Vesting(7)	
	0
	0
	0
	810,000
	810,000

59

(1) Represents cash payments potentially payable upon termination of employment. Amounts shown for termination without "Cause" or resignation for "Good Reason" prior to a change in control equal 2 times the sum of base salary and target bonus for Mr. Muscari and 1.5 times the sum of base salary and target bonus for the other named executive officers. Amounts shown for termination without "Cause" or resignation for "Good Reason" on or after a change in control equal 2.99 times the five-year average annual compensation. For Mr. Muscari, severance amounts shown for termination without "Cause" or resignation for "Good Reason" either prior to a change in control or on or after a change in control include a payment of $3.95 million which replaces certain retirement benefits which Mr. Muscari would have earned had he remained with his prior company.

(2) Represents pro-rata payment for replacement of certain retirement benefits which Mr. Muscari would have earned had he remained with his prior company. Amounts represent the actuarial present value of $65,000, payable annually for life to Mr. Muscari or to his spouse should he predecease her, with the first benefit payment on January 1, 2012. A 4.10% interest rate and the IRS 2012 Static Morality Table was used to calculate the actuarial present value.

(3) Severance payment may be reduced if the full payment would result in a portion of the payment being subject to the excise tax under Section 4999 of the Code. In such event, the amount of the severance payment will be reduced by the minimum amount necessary such that no portion of the severance payment is subject to the excise tax.

(4) This amount represents the present value of 24 months of life, disability, accident and health insurance coverage.

(5) This amount represents the aggregate value of DRSUs which would become vested as a direct result of the termination event and/or change in control before the applicable stated vesting date solely as a direct result of the termination event or change in control before the stated vesting date. The stated vesting date is the date at which an award would have vested absent such termination event or change in control. This calculation of value does not discount the value of awards based on the portion of the vesting period elapsed at the date of the termination event or change in control. The value of DRSUs is based on a closing stock price of $56.53 on December 31, 2011.

(6) This amount represents the aggregate in-the-money value of stock options which would become vested as a direct result of the termination event and/or change in control before the applicable stated vesting date solely as a direct result of the termination event or change in control before the stated vesting date. The stated vesting date is the date at which an award would have vested absent such termination event or change in control. This calculation of value does not attribute any additional value to stock options based on their remaining term and does not discount the value of awards based on the portion of the vesting period elapsed at the date of the termination event or change in control. Represents the intrinsic value of stock options, based on a closing stock price of $56.53 on December 31, 2011.

(7) For termination due to death, disability or retirement, if a participant has been employed for two of the three years of the performance period, participant is eligible to receive a pro rata payout at the end of the performance period based on actual performance. Participants who have been employed for less than two of the three years of the performance period forfeit outstanding units related to that performance cycle. The Plan gives the Compensation Committee discretion to accelerate the vesting of Performance Units. Upon change in control, assumes all unvested performance units are accelerated by the Committee and paid out at target ($100 per unit).

Employment Agreements

The Company entered into employment agreements with each of our named executive officers as follows: in November 2006, with Mr. Muscari; in August 2007, with Mr. Dietrich; in October 2009, with Mr. Monagle; in August 2009, with Mr. Meek, in October 2009, with Mr. Mayger; and in January 2002, with Mr. Harrison. The term of each of these agreements, except for Mr. Muscari's agreement, was initially 18 months and, pursuant to the agreement, is extended on the first day of each month during the term for an additional month, unless either the employee or the employer gives the other written notice that the agreement should not be further extended or the employee reaches age 65. Mr. Muscari's employment agreement had a commencement date of March 1, 2007 and was for a term of 5 years. In July 2010, the Company and Mr. Muscari agreed to extend the term of his agreement for an additional year until March 2013. Under the employment agreements, each of the named executive officers is entitled to an annual base salary not less that the following: Mr. Muscari, $850,000; Mr. Dietrich, $250,000; Mr. Monagle, $315,000; Mr. Meek, $350,000; Mr. Mayger, $260,000; and Mr. Harrison, $200,000. Each may also receive salary increases and annual bonuses in amounts to be determined by the Board or the Compensation Committee. The agreements also entitle the named executive officers to participate in employee benefit plans and other fringe benefits that are generally available to our executive employees. In addition, pursuant to Mr. Muscari's agreement, in 2012 the Company provided Mr. Muscari with a pre-tax Lump Sum Payment in the amount of $3,950,000 which was designed to replace certain retirement benefits which Mr. Muscari would have earned had he remained with his prior company.

Under the agreements, each named executive officer has agreed to comply with certain customary provisions, including covenants not to disclose our confidential information at any time and not to compete with our business during the term of the agreement and, subject to our continued payment of amounts under the agreement, for two years thereafter. We may terminate the employment agreements before the end of the specified term of employment for "Cause." "Cause" is defined in the agreements as (i) the failure to perform material obligations, following notice and a reasonable period of time to cure such failure and (ii) acts of felony, fraud or theft. Similarly, the named executive officer may resign for "Good Reason." "Good Reason" is defined in the agreements as (i) the assignment of duties substantially inconsistent with the executive's status or a substantial adverse alteration in the nature or status of the executive's responsibilities, (ii) a reduction of the executive's benefits or base salary, (iii) the merger or consolidation of the Company into or with any other entity or the sale of substantially all of the assets of the Company, unless the surviving entity of such merger or the purchaser of substantially all of the assets assumes the Company's obligations under the employment agreement and (iv) separation of the executive's office location from the Company's principal corporate office or relocation outside the contiguous United States.

Pursuant to the employment agreements, our named executive officers are entitled to severance payments upon termination of employment by the Company "without Cause" or by the named executive officer for "Good Reason." Severance payments are equal to a multiple of the sum of base salary and target annual bonus. The multiples are 2 times for Mr. Muscari and 1.5 times for the other named executive officers.

In December 2008, the employment agreements were amended to reflect compliance with Section 409A of the Code, including by (i) clarifying that severance is paid in a lump sum, rather than installments, (ii) providing that an involuntarily terminated officer receives a lump sum payment, plus a tax gross-up, equal to the cost of medical and dental coverage for twenty-four (24) months, (iii) providing that a six-month delay applies to payments subject to Section 409A that are made upon separation from service, and (iv) adding an indemnification for any additional tax incurred by the executive under Section 409A as a result of the Company's failure to comply with Section 409A.

Change in Control Agreements

The Company has entered into CIC agreements with certain of its executive officers, including each of the named executive officers. The CIC agreements continue through December 31 of each year, and are automatically extended in one-year increments unless we choose to terminate them. If a change in control occurs, the severance agreements are effective for a period of four years from the end of the then existing term. These agreements are intended to provide for continuity of management in the event of a change in control of the Company.

Under the CIC agreements, a change in control includes any of the following events unless approved by the Board: (i) we are required to report a "change in control" in accordance with the Securities Exchange Act of 1934, as amended; (ii) any person acquires 15% of our voting securities; (iii) a majority of our directors are replaced during a two-year period; or (iv) our stockholders approve a merger, liquidation or sale of assets.

If, following a change in control, the executive officer is terminated by the Company for any reason, other than for disability, death, retirement or for Cause (as defined in the agreements), or if the executive officer terminates his or her employment for Good Reason (as defined in the agreements), then the executive is entitled to a severance payment of 2.99 times the executive's base amount (as defined in the agreements). The severance payment generally will be made in a lump sum. If it is determined that the severance payment plus all other payments or benefits which constitute "parachute payments" within the meaning of Section 280G of the Code would result in a portion of the severance payment being subject to the excise tax under Section 4999 of the Code, then the amount of the severance payment shall be reduced by the minimum amount necessary such that no portion of the payment will be subject to the excise tax. No excise tax "gross-up" is payable by the Company to the executive.

For a period of up to two years following a termination that entitles an executive officer to severance payments, the Company will provide life, disability, accident and health insurance coverage substantially similar to the benefits provided before termination, except to the extent such coverage would result in an excise tax being imposed under Section 4999 of the Code.

The CIC agreements also provide that upon the occurrence of certain stated events that constitute a "potential change in control" of the Company, the executive officer agrees not to voluntarily terminate his employment with the Company for a six-month period.

In December 2008, the CIC agreements were amended to reflect compliance with Section 409A of the Code, consistent with the amendments to the employment agreements described above.

2001 Stock Award and Incentive Plan

The Company's 2001 Stock Award and Incentive Plan provides for accelerated vesting of stock options and DRSUs upon a change in control of the Company. Since 2009, the Plan requires a "double trigger" for accelerated vesting (i.e., both a change in control and termination). The Plan also gives the Compensation Committee discretion to accelerate the vesting of Performance Units.

Grantor Trust

In order to secure the benefits accrued under certain programs such as the Supplemental Retirement Plan and the Supplemental Savings Plan, the Company has entered into an agreement establishing a grantor trust within the meaning of the Code. Under the Grantor Trust Agreement, we are required to make certain contributions of cash or other property to the trust upon the retirement of individuals who are beneficiaries of those plans, upon the occurrence of certain events defined as constituting a change in control, for compliance with Code Section 409A, and in certain other circumstances.

Director Compensation—2011

The table below summarizes the annual compensation for the Company's non-employee directors during 2011. Each compensation element is discussed in the text following the table.

Name	Fees Earned or Paid in Cash	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Non-qualified	All Other Compensation ($)(3)	Total ($)

	($)			($)	Deferred Compensation Earnings		
Paula H.J. Cholmondeley	$ 70,000(4)	$ 59,000	N/A	N/A	N/A	$ --	$ 129,000
Robert L. Clark	$ 62,500(4)	$ 59,000	N/A	N/A	N/A	$ --	$ 121,500
Duane R. Dunham	$ 60,000	$ 59,000	N/A	N/A	N/A	$ --	$ 119,000
Steven J. Golub	$ 52,500(4)	$ 59,000	N/A	N/A	N/A	$ --	$ 111,500
Joseph C. Muscari(5)	$ --	$ --	N/A	N/A	N/A	$ --	$ 0
Michael F. Pasquale	$ 70,000	$ 59,000	N/A	N/A	N/A	$ --	$ 129,000
John T. Reid	$ 62,500(4)	$ 59,000	N/A	N/A	N/A	$ 2,500	$ 124,000
Barbara R. Smith	$ 31,250	$ 59,000	N/A	N/A	N/A	$ --	$ 90,250
William C. Stivers	$ 72,500	$ 59,000	N/A	N/A	N/A	$ 5,000(6)	$ 136,500

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(1) Amounts shown represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of phantom stock units awarded to each director pursuant to the Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors calculated by multiplying the number of units by the closing price of our common stock on the grant date. Each Non-Employee Director was granted 904.63 phantom stock units on May 18, 2011, on which date the closing price of our common stock was $65.22 per share. Such phantom stock units were non-forfeitable upon grant.

The following table lists the total number of phantom stock units held by each director as of December 31, 2011. The units are payable in cash upon the director's termination of service on the Board. (See "Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors" below.)

P.H.J Cholmondeley	8,035
R.L. Clark	2,162
D.R. Dunham	8,339
S.J. Golub	23,491
J.C. Muscari	1,866
M.F. Pasquale	12,324
J.T. Reid	17,766
B.R. Smith	907
W.C. Stivers	8,226

(2) The Company does not currently compensate its directors with stock options.

(3) All Other Compensation consists of matching amounts paid by the Company on behalf of the directors to charitable institutions pursuant to the Company's matching gifts plan.

(4) During 2011, Messrs. Golub and Reid and Ms. Cholmondeley elected to defer their fees, and Dr. Clark elected to partially defer his fees, in units which have the economic value of one share of the Company's stock as permitted under the Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors.

(5) Mr. Joseph C. Muscari served as a non-employee director until his appointment as Chairman and Chief Executive Officer of the Company on March 1, 2007. Since that date, Mr. Muscari is no longer compensated as a director.

(6) During 2006, Mr. Stivers elected to defer his fees in cash as permitted under the Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors. The amount reflected in the "All Other Compensation" column for Mr. Stivers includes interest of $1,528 earned during 2011 on the deferred portion.

Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors. Under the Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors, directors who are not employees of the Company have the right to defer their fees. Through 2007, at each director's election, his or her deferred fees were credited to his or her account either as dollars or as units which have the economic value of one share of the

Company's stock. Starting in 2008, deferred fees are credited as units. Dollar balances in a director's account bear interest at a rate of return equal to the rate of return for the Fixed Income Fund in the Company's Savings and Investment Plan. If a director's deferred fees are credited to his or her account as units, the number of units credited is calculated by dividing the amount of the deferred fees by the closing price of our common stock on the date such fees accrue.

During 2011, each of the non-employee directors received an annual retainer fee of $104,000, comprised of $45,000 paid in cash and $59,000 in units, for serving as a director. In addition, the following Committee retainer fees were paid: $20,000 for the Audit Committee Chair and $10,000 for Audit Committee members; $15,000 for the Compensation Committee Chair and $7,500 for

Compensation Committee members; and $15,000 for the Corporate Governance and Nominating Committee Chair and $7,500 for Corporate Governance and Nominating Committee members.

* * *

By Order of the Board of Directors,

Thomas J. Meek
Senior Vice President, General Counsel and
Secretary, Chief Compliance Officer

Attachment A

Additional Information Regarding Non-GAAP Financial Measures (unaudited)

The Compensation Discussion and Analysis section of this Proxy Statement presents financial measures of the Company that exclude certain special items, and are therefore not in accordance with GAAP. The following is a presentation of the Company's non-GAAP income (loss) and operating income (loss), excluding special items, for the twelve month periods ended December 31, 2011 and December 31, 2010 and a reconciliation to GAAP net income (loss) and operating income (loss), respectively, for such periods. The Company's management believes these non-GAAP measures provide meaningful supplemental information regarding its performance as inclusion of such special items are not indicative of the ongoing operating results and thereby affect the comparability of results between periods. The Company feels inclusion of these non-GAAP measures also provides consistency in its financial reporting and facilitates investors' understanding of historic operating trends.

(millions of dollars)	Year Ended			
		Dec. 31, 2011		Dec. 31, 2010
Net Income attributable to MTI, as reported	$	67.5	$	66.9
Special items:				
Restructuring and other costs		0.5		0.9
Currency translation losses upon liquidation of foreign entity		1.4		0.0
Gain on sale of previously impaired assets		0.0		(0.2)
Settlement related to customer contract termination		0.0		(0.8)
Income tax settlement		(1.0)		0.0
Related tax effects on special items		(0.1)		0.1
Net income attributable to MTI, excluding special items	$	68.3	$	66.9
Basic earnings per share, excluding special items	$	3.78	$	3.59
Diluted earnings per share, excluding special items	$	3.77	$	3.58
Segment Operating Income (Loss) Data				
Specialty Minerals Segment	$	72.8	$	74.7
Refractories Segment	$	33.2	$	28.0
Unallocated Corporate Expenses	$	(5.7)	$	(4.4)
Consolidated	$	100.3	$	98.3
Segment Restructuring And Impairment Costs				
Specialty Minerals Segment	$	1.0	$	0.5
Refractories Segment	$	0.6	$	0.3
Consolidated	$	0.5	$	0.8
Segment Operating Income (Loss), Excluding Special Items				

Specialty Minerals Segment	$	73.8	$	75.2
Refractories Segment	$	32.6	$	28.3
Unallocated Corporate Expenses	$	(5.7)	$	(4.4)
Consolidated	$	100.8	$	99.1