

MARTIN MARIETTA MATERIALS INC

Form DEF 14A

April 10, 2019

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**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 (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 Rule 14a-12

**Martin Marietta Materials, Inc.**

(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:

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April 10, 2019

Dear Fellow Shareholder:

On behalf of the Martin Marietta Board of Directors and executive officers, it is my pleasure to invite you to our 2019 Annual Meeting of Shareholders.

**Continued to Deliver Strong Financial Results**

2018 was another outstanding year of achievement at Martin Marietta. Our results benefitted from the successful acquisition and integration of Bluegrass Materials. We delivered top-line revenue growth and translated that growth into increased profitability. We outperformed our peers in 2018, and also outperformed the S&P 500 and S&P 500 Materials indices over the 3- and 5-year periods ended December 31, 2018. Our shareholders saw a total return of 29% and 81%, respectively, over these periods. We increased our dividend 9% in August 2018 and have returned \$1.4 billion to shareholders since announcing a 20 million share repurchase authorization in February 2015.

**Shareholder Engagement, Enhanced Corporate Governance and Refreshed Board Membership**

We stayed engaged with shareholders and other key stakeholders during 2018. In response to valuable feedback from shareholders and our 2018 Say On Pay vote of 78.9%, the Board eliminated the excise tax gross-up, walk-right and the value of perquisites in the severance calculation in the Employment Protection Agreements and eliminated the single-trigger vesting upon a change in control for equity grants beginning in 2019. Our investor outreach in 2018 extended to 111 meetings with 324 investor groups, and conversations with most of our top 30 shareholders. We visited with our shareholders across the United States and in Toronto, London, Edinburgh, Frankfurt, Geneva and Paris.

Over the past three years, we have added four new independent directors, including Dorothy M. Ables who joined the Board in November 2018. We are delighted that Ms. Ables is on our Board, as she brings a strong background and adds a new and diverse perspective to our Board mix. We will continue to recruit directors who offer diverse perspectives, strong business and professional experience, and unique skills to the Board. We are grateful to Dennis L. Rediker who will retire from the Board upon the expiration of his term at the 2019 Annual Meeting. Dennis made many valuable contributions to the Board during his tenure.

**World-Class Safety Performance**

In 2018, we continued our impressive safety performance. Through the hard work and focus of our employees, safety awareness has been elevated across the Company, yielding impressive results. Our employees know world-class safety performance is possible; and, importantly, 2018's results demonstrate this goal is attainable. Our company-wide Lost Time Incident Rate (LTIR) was 0.20, a world-class LTIR for the second year in a row.

### **Sustainability**

We also issued our fourth Sustainability Report in 2018 in response to our shareholders' request that we share our story on the efforts and improvements we are making in this important aspect. In addition, we have enhanced our reporting in this document and the 2018 Annual Report to further describe our world-class safety programs and performance, targeted and intentional support of education and health, and environmental programs that ensure operational excellence. We have also discussed more fully the risks associated with various sustainability matters.

### **Your Vote Matters**

I urge you to cast your vote promptly even if you plan to attend the Annual Meeting. We encourage you to vote so that your shares will be represented at the meeting.

Thank you for your continued support of Martin Marietta.

Sincerely,

**C. Howard Nye**

*Chairman of the Board, President and Chief Executive Officer*

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**MARTIN MARIETTA MATERIALS, INC.**

**2710 Wycliff Road, Raleigh, North Carolina 27607**

Notice of Annual Meeting of Shareholders

To Be Held May 9, 2019

**To Our Shareholders:**

The Annual Meeting of Shareholders of Martin Marietta Materials, Inc. will be held on Thursday, May 9, 2019, at 11:30 a.m. at our principal office located at 2710 Wycliff Road, Raleigh, North Carolina. At the meeting, the holders of our outstanding common stock will act on the following matters:

1

Election as Directors the nine (9) nominees named in the attached proxy statement, each to serve for a one-year term until 2020, and until their successors are duly elected and qualified;

2

Ratification of the appointment of PricewaterhouseCoopers LLP as independent auditors for 2019;

3

Advisory vote to approve the compensation of our named executive officers; and

4

Any other business that may properly come before the meeting.

All holders of record of Martin Marietta common stock (NYSE: MLM) at the close of business on March 8, 2019 are entitled to notice of and to vote at the Annual Meeting and any adjournments or postponements of the meeting.

The Board of Directors unanimously recommends that you vote **FOR** proposals 1, 2, and 3.

This notice and the accompanying proxy statement are being first mailed to shareholders on or about April 10, 2019. We have enclosed our 2018 Annual Report to Shareholders. The report is not part of the proxy soliciting materials for the Annual Meeting.

Whether or not you expect to attend the meeting, we hope you will **date and sign the enclosed proxy card** and mail it promptly in the enclosed stamped envelope. Submitting your proxy now will not prevent you from voting your shares at the meeting, as your proxy is revocable at your option.

Sincerely,

**Roselyn R. Bar**

*Executive Vice President, General Counsel and Secretary*

Raleigh, North Carolina

April 10, 2019

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
ANNUAL SHAREHOLDER MEETING TO BE HELD ON MAY 9, 2019:**

Martin Marietta's proxy statement, form of proxy card and 2018 Annual Report to Shareholders are also available at  
*[ir.martinmarietta.com/investor-relations/reports-filings](http://ir.martinmarietta.com/investor-relations/reports-filings)*.

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Proxy Summary

This Proxy Summary highlights information about Martin Marietta Materials, Inc. ( Martin Marietta or the Company ) that can be found elsewhere in this proxy statement. It does not contain all of the information you should consider in voting your shares. We encourage you to read the entire proxy statement for more detailed information on each topic prior to casting your vote. This proxy statement, the proxy card, and the notice of meeting are being sent commencing on approximately April 10, 2019 to shareholders of record on March 8, 2019.

**2019 Annual Meeting of Shareholders**

**Meeting Date:** May 9, 2019

**Place:** 2710 Wycliff Road, Raleigh, NC

**Time:** 11:30 am ET

**Record Date:** March 8, 2019

Your vote is important. You may vote in person at the Annual Meeting or submit a proxy over the internet. If you have received a paper copy of the proxy card (or if you request a paper copy of the materials), you may submit a proxy by telephone or by mail.

**Via the Internet**

www.voteproxy.com.

**In Person**

Attend the Annual Meeting and vote by ballot.

**By Telephone**

1-800-PROXIES (1-800-776-9437)

in the United States or 1-718-921-8500  
from outside the United States.

**By Mail**

Sign, date and mail your proxy card in  
the envelope provided.

If you submit your proxy by telephone or over the internet, you do not need to return your proxy card by mail.

**PROPOSALS AND VOTING RECOMMENDATIONS**

<b>Proposal</b>	<b>Description</b>	<b>Board Voting Recommendation</b>	<b>Page</b>
1	Election of Nine Director Nominees	FOR ALL DIRECTOR NOMINEES	15
2	Ratification of the appointment of PricewaterhouseCoopers LLP as independent auditors	FOR	29
3	Advisory Vote on the Company's Named Executive Officer Compensation	FOR	65

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**Shareholders Benefit from Martin Marietta's Record 2018 Performance**

The past year was one of improved key financial metrics and disciplined capital allocation. In addition, through asset and portfolio rationalization, we strengthened our foundation for long-term financial success, including through our purchase of Bluegrass Materials Company in 2018. Largely driven by acquisitions, our record 2018 financial performance is a continuation of the growth in total revenues, gross profit, adjusted earnings before interest, tax, depreciation and amortization (EBITDA) and adjusted earnings per diluted share (EPS) since 2011. These trends, along with our record financial results, validate both our strategic plan and our ability to logically and successfully execute against that plan. Disciplined execution against our capital allocation priorities extended beyond strategic acquisitions in 2018 as we resumed our share repurchase program and meaningfully increased our dividend.

**Adjusted operating earnings growth<sup>1</sup> of \$33 million, or 5%**, over 2017; reported 2018 gross profit of \$966.6 million and earnings from operations of \$690.7 million.

**Net earnings attributable to Martin Marietta of \$470 million**, as compared with 2017 net earnings of \$713.3 million, which was an increase of 68% over 2016 and included a one-time, non-cash benefit of \$258.1 million resulting from the Tax Cuts and Jobs Act of 2017 (2017 Tax Act).

Record adjusted consolidated earnings before interest, taxes, depreciation and amortization (**Adjusted EBITDA**) of **\$1.104 billion, resulting in a 26% Adjusted EBITDA margin.**<sup>2</sup>

\$150 million contribution to the qualified defined benefit pension plan, which is fully funded.

**Repurchase of 521,000 shares for \$100.4 million.** We have repurchased 5.9 million shares since announcing a 20 million share repurchase authorization in February 2015.

**Dividend increase of 9% in August 2018.**

<sup>1</sup> 2018 adjusted earnings from operations excludes an increase in cost of revenues from the impact of selling acquired inventory after its markup to fair value as part of acquisition accounting; asset and portfolio rationalization charges; and acquisition-related expenses, net. 2017 adjusted earnings from operations

excludes acquisition-related expenses. See Appendix B for reconciliation to reported earnings from operations.

- <sup>2</sup> 2018 EBITDA has been adjusted to exclude the impacts of acquisition-related items and the charge related to asset and portfolio rationalization. See Appendix B for reconciliation to reported net earnings attributable to Martin Marietta.
- <sup>3</sup> 2018 adjusted gross profit excludes the \$18.7 million impact of selling acquired inventory after its markup to fair value as part of acquisition accounting. See Appendix B for reconciliation to reported gross profit.
- <sup>4</sup> The 2017 earnings per diluted share has been adjusted to exclude from the \$11.25 2017 diluted earnings per share the one-time \$4.07 per diluted share tax benefit of the 2017 Tax Act. See Appendix B for reconciliation to reported earnings per diluted share.

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**Corporate Governance Highlights:**

**Creating Sustainable Long-Term Shareholder Value**

**Recent Updates**

**Directors elected annually** to serve one-year terms

**Elimination of excise tax gross-up, walk-right and value of perquisites in the severance calculation in Employment Protection Agreements**

**Elimination of single-trigger vesting in equity award agreements for grants beginning in 2019**

Adoption of **Stock Ownership Guidelines**

Adoption of **Hedging and Pledging Policy**

Adoption of **Clawback Policy**

Our shareholders have the ability to nominate director candidates and have those nominees included in our proxy statement, subject to meeting the requirements in our Bylaws, a shareholder right known as **proxy access**

**Board of Directors**

Lead Independent Director who is a former public company CEO

10 current Directors; 9 or 90% are independent

**Key Committee Chairs are independent, consisting of independent Chairs of the Audit Committee, Management Development and Compensation Committee, and Nominating and Corporate Governance Committee**

Executive sessions of non-management Directors at each regularly-scheduled meeting

All Directors attended 100% of all Board and Committee meetings during their term of service in 2018

**Two women, or 20%, of our Board serve in leadership roles**

90% of Board has experience on other public company boards and 60% are current or former public company CEOs

Code of Ethical Business Conduct and ethics program that reports to a Board Committee

**Annual Board and individual performance evaluations are conducted, including Director peer review**

Risk oversight by full Board and Committees

**Chair/CEO is the only Board member who is currently also management**

**Only two members of our 10-member Board of Directors are currently or formerly management of the Company**

Shareholder Interest



Majority voting standard for uncontested Director elections

No shareholder rights plan

Annual advisory vote to ratify independent auditor

Annual advisory vote to approve executive compensation

Longstanding active shareholder engagement

**We publish annually a Sustainability Report** that discusses our commitment to our shareholders, employees and the communities that we serve. We also created a new position to better focus on these important issues Senior Vice President Sustainability, Community Relations and Communications

No shares with enhanced voting rights

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**Board Composition**

We seek to include a diverse group of Directors on our Board to provide different perspectives to the Board's oversight responsibilities. Our nominees for Board election demonstrate diversity in the form of experience, geography, gender, ethnicity, age and tenure. We were recognized in 2019, 2017 and 2015 at the *Women's Forum of New York* at its Biennial Breakfast of Corporate Champions for our Board diversity. We were also recognized by *2020 Women on Boards* as a Winning W Company for **eight consecutive years** for championing board diversity. With the addition of Ms. Ables in 2018, our Board has strengthened an important element of diversity:

**33% of our Board nominees are women**

**44% of our Board nominees bring diversity in gender or ethnicity to our Board**

Our Board refreshment has resulted in a decrease of the average tenure, with a greater mix of Directors with long-term knowledge of the Company, its strategy, opportunities and challenges and those with new perspectives

**DIRECTOR NOMINEES**

**Board Attendance**

In 2018, during their term of service, all directors attended 100% of the total Board and Committee meetings to which they were assigned. All directors then in office attended the May 2018 Annual Meeting and all directors expect to attend the May 2019 Annual Meeting.

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**Effective Shareholder Engagement**

Accountability to our shareholders is an important component of the Company's success. We recognize the value of building informed relationships with our investors that promote further transparency and accountability. While proxy voting is one direct way to influence corporate behavior, proactive engagement with our investors can be effective and impactful. Investor views are communicated to the Board and are instrumental in the development of our governance, compensation and sustainability policies and inform our business strategy.

During 2018, we engaged in person, by telephone and/or written correspondence with our largest institutional investors and other significant shareholders on an array of governance topics, including our executive compensation programs.

At our 2018 Annual Meeting of Shareholders, 78.9% of the shares cast voted in favor of the advisory vote on executive compensation, or Say On Pay. In contrast, more than 96% of shares cast voted in favor of Say On Pay in 2017. We made meaningful changes in 2018 to our compensation program based on feedback from shareholders consisting of:

The elimination of the excise tax gross-up in executive officers' Employment Protection Agreements

The elimination of the walk-right and value of perks in the severance calculation in executive officers' Employment Protection Agreements

The decision to not include these provisions in future Employment Protection Agreements

The elimination of the single-trigger vesting for equity award beginning in 2019

**Proactively Engaging and Responding to Shareholders**

**CORPORATE GOVERNANCE HIGHLIGHTS**

Eliminated staggered board Directors **elected for 1-year terms**

**Eliminated gross-up, walk-right on Change of Control**

**Eliminated single-trigger vesting** for equity awards beginning in 2019

Established robust **stock ownership guideline** for Officers and Directors

Implemented **hedging and pledging policy**

Adopted **clawback policy**

Implemented **majority voting standard**

**Eliminated shareholder rights plan**

Adopted **proxy access**

Added **4 new Board members** since 2016

Published **Annual Sustainability Report**



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**Our Compensation Approach**

A substantial portion of compensation paid to our named executive officers (NEOs) is variable and performance-based. We use the 50th percentile of our comparator group as a reference point when determining target compensation, but target pay is set based on a variety of factors and actual pay realized by our NEOs is dependent on our financial, operational and other related performance. Based on our record levels of performance in 2018, variable compensation payable under both our short-term and long-term incentive plans exceeded the target amounts established for each NEO, which is consistent with our pay-for-performance philosophy. **All compensation paid to our CEO and other NEOs in 2018 was performance-based other than base salary: 87% of our CEO's compensation was performance-based and approximately 80% of our other NEOs' compensation was performance based.\***

\* Based on grant date value of PSUs and RSUs.

**Will any other matters be presented at the Annual Meeting?**

At the time this proxy statement was filed with the Securities and Exchange Commission, the Board of Directors was not aware that any matters not referred to herein would be presented for action at the Annual Meeting. If any other matters properly come before the meeting, it is intended that the persons named in the enclosed proxy will vote the shares represented by proxies on such matters in accordance with the recommendation of the Board of Directors, or, if no recommendation is given, in their own discretion. It is also intended that discretionary authority will be exercised with respect to the vote on any matters incident to the conduct of the meeting.

**What are the Board's recommendations?**

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of the Board of Directors. The Board's recommendation, as well as a description of each proposal, is set forth in this proxy statement. The Board recommends a vote:

**FOR** the election of all Director Nominees;

**FOR** the ratification of the selection of PricewaterhouseCoopers LLP as independent auditors; and

**FOR** the approval, on a non-binding advisory basis, of the compensation of our NEOs as described in this proxy statement.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

*This proxy statement contains forward-looking statements as defined in the Securities Exchange Act of 1934 and is subject to the safe harbors created therein. The forward-looking statements contained herein are generally identified by the words believe, project, expect, anticipate, estimate, intend, strategy, future, opportunity, will, would, will be, will continue, will likely result, and similar expressions. Forward-looking statements are on the beliefs and assumptions of our management and on currently available information. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in our annual report on Form 10-K for the fiscal year ended December 31, 2018. We undertake no responsibility to publicly update or revise any forward-looking statement.*

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### The Board of Directors

The Board of Directors currently consists of ten members, nine of whom are non-employee Directors. At the 2016 Annual Meeting, shareholders approved the Board of Directors' proposal to amend our Articles of Incorporation to phase out the classification of the terms of our Directors and to provide instead for the annual election of our Directors. Prior to the charter amendment, our Board of Directors was divided into three classes, with each class serving three-year terms. Commencing with the 2019 Annual Meeting of Shareholders, our Directors are elected to one-year terms of office.

Under our Bylaws, nominations of persons for election to the Board of Directors may be made at an Annual Meeting of Shareholders by the Board of Directors and by any shareholder who complies with the notice procedures set forth in the Bylaws. As described in the proxy statement for our 2018 Annual Meeting, for a nomination to be properly made by a shareholder at the 2019 Annual Meeting, the shareholder's notice must have been sent to, and received by, our Secretary at our principal executive offices between January 18, 2019 and February 17, 2019. No such notice was received during this period.

The Bylaws of the Corporation provide that a Director will retire at the Annual Meeting of Shareholders following the Director's 75th birthday. One of our current Directors, Dennis L. Rediker, reached this mandatory retirement age this year and is not eligible for election at the Annual Meeting for a new term. Mr. Rediker has stated that he intends to serve as a Director through the commencement of the 2019 Annual Meeting of Shareholders, after which he will retire from the Board. Mr. David Maffucci also retired from Board service in 2018. The Board extends its sincere appreciation to both Mr. Rediker and Mr. Maffucci for their years of service and thoughtful Board leadership. Mr. Rediker and Mr. Maffucci gave generously of their time and consistently provided the Board with independent insight and advice, which have been invaluable to the Board and to Martin Marietta. In light of the retirement of Mr. Rediker, the Board of Directors has set the size of the Board at nine effective upon the commencement of the 2019 Annual Meeting.

The Board of Directors has nominated nine persons for election as Directors to serve a one-year term expiring in 2020. Unless otherwise directed, proxies will be voted in favor of these nominees. Each nominee has agreed to serve if elected. Each of the nominees is currently serving as a Director. Should any nominee become unable to serve as a Director, the persons named in the enclosed form of proxy will, unless otherwise directed, vote for the election of such other person for such position as the present Board of Directors may recommend in place of such nominee. Proxies cannot be voted for a greater number of persons than the number of nominees named. Should any of the following nominees be unavailable for election by reason of death or other unexpected occurrence, the proxy, to the extent permitted by applicable law, may be voted with discretionary authority in connection with the nomination by the Board of Directors and the election of any substitute nominee.

## **BOARD EFFECTIVENESS AND REFRESHMENT**

Board composition is one of the most critical areas of focus for the Board of Directors. Having the right mix of people who bring diverse perspectives, business and professional experiences, and skills provides a foundation for robust dialogue, informed advice and collaboration in the boardroom. The Nominating and Corporate Governance Committee develops criteria for open Board positions, taking into account a variety of factors, which may include current Board member skills, composition, age, tenure, other diversity factors, the range of talents and experience that would best complement those already represented on the Board, the need for specialized expertise, and anticipated retirements to define gaps that may need to be filled through the board refreshment process. The Board strives to ensure an environment that encourages diverse critical thinking and values innovative, strategic discussions to achieve a higher level of success for the Company.

The Nominating and Corporate Governance Committee screens and recommends candidates for nomination by the full Board. It uses a variety of methods to help identify potential Board candidates with the desired skills and background needed for the Company's business, including from time to time informal networks, third party search firms and other channels. When the Committee is assisted from time to time with its recruitment efforts by an outside search firm, the firm recommends candidates that satisfy the criteria defined by the Board. The search firm provides background research and pertinent information regarding prospective candidates.

Once the Committee has identified a prospective nominee, it makes an initial determination as to whether to conduct a full evaluation. In making this determination, the Committee takes into account various information, including information provided at the time of the candidate recommendation, the Committee's own knowledge, and information obtained through inquiries to third parties to the extent the Committee deems appropriate. The preliminary determination is based primarily on the need for additional Board members and the likelihood that the prospective nominee can satisfy the criteria that the Committee has established. If the Committee determines, in

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### The Board of Directors

consultation with the Chairman, President and CEO and other Directors as appropriate, that additional consideration is warranted, it may request management or a third-party search firm to gather additional information about the prospective nominee's background and experience and to report its findings to the Committee. The Committee then evaluates the prospective nominee against the specific criteria that it has established for the position, as well as the standards and qualifications set out in the Company's *Corporate Governance Guidelines*, including:

the ability of the prospective nominee to represent the interests of the shareholders of the Company;

the prospective nominee's standards of integrity, commitment and independence of thought and judgment;

the prospective nominee's ability to dedicate sufficient time, energy and attention to the diligent performance of his or her duties, including the prospective nominee's service on other public company boards, as specifically set out in the Company's *Corporate Governance Guidelines*;

the extent to which the prospective nominee contributes to the range of talent, skill and expertise appropriate for the Board; and

the extent to which the prospective nominee helps the Board reflect the diversity of the Company's shareholders, employees, customers and the communities in which it operates.

If the Committee decides, on the basis of its preliminary review, to proceed with further consideration, members of the Committee, the Chairman, President and CEO, as well as other members of the Board as appropriate, interview the nominee. After completing this evaluation and interview, the Committee makes a recommendation to the full Board, which makes the final determination whether to nominate or appoint the new Director after considering the Committee's report. A background check is completed before a final recommendation is made to the Board to appoint a candidate to the Board.

In selecting nominees for Director, the Board seeks to achieve a mix of members who together bring experience and personal backgrounds relevant to the Company's strategic priorities and the scope and complexity of the Company's business. The Board also seeks demonstrated ability to manage complex issues that involve a balance of risk and reward. The background information on current nominees beginning on page 15 and the skills matrix on page 9 set out how each of the current nominees contributes to the mix of experience and qualifications the Board seeks. In making its recommendations with respect to the nomination for re-election of existing Directors at the annual shareholders meeting, the Committee assesses the composition of the Board at the time and considers the extent to which the Board continues to reflect the criteria set forth above.

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**The Board of Directors**

The following sets forth certain information for each nominee for election regarding age, gender, diversity, tenure and skills that are important to the Board of Directors.

<b>Demographics and Background</b>										
Age	61	68	71	68	56	65	70	57	74	
Gender	F	F	M	M	M	F	M	M	M	
Ethnic Diversity										
Tenure	<1	17	1	3	9	15	11	3	26	

<b>Qualifications and Experience</b>	
<b>Why is this important to Martin Marietta?</b>	

Corporate Governance/Legal	Ensures background and knowledge necessary to provide effective oversight and governance
----------------------------	--

Current or Former CEO of Public Company	Strong leadership skills and critical experience with demands and challenges with managing a large public organization
---	--

Financial or Accounting	Enables in-depth analysis of our financial statements, capital structure, financial transactions, and financial reporting process
-------------------------	---

Government  
Relations/

Regulatory/

Sustainability

Critical for understanding complex regulatory and governmental environment that impacts our business and our strategic goals relating to sustainability

Logistics/

Operations

Necessary in overseeing a sustainable company that relies heavily on logistics

Other Public

Boards

Adds perspective important to shareholders and public company governance

Risk Management

Facilitates understanding of the risks facing the Company and appropriate process and procedures for managing them

Strategy/M&A

Supports setting of long-term corporate vision, disciplined strategic development and integration to facilitate company's growth

Technology

Important to facilitate business objectives and security of Company's proprietary and confidential data

The Board has implemented a number of processes to assist it in refreshing the Board in an appropriate manner that helps create shareholder value.



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**The Board of Directors**

**Board Refreshment Elements**

**Review of Board Candidates** The Board seeks a diverse group of candidates who, at a minimum, possess the background, skills, expertise and time to make a significant contribution to the Board, the Company and its shareholders. The *Corporate Governance Guidelines* list criteria against which candidates may be judged. In addition, the Nominating and Corporate Governance Committee considers, among other things:

input from the Board's self-assessment process to prioritize areas of expertise that were identified;

investor feedback and perceptions;

the candidates' skills and competencies to ensure they are aligned with the Company's future strategic challenges and opportunities; and

the needs of the Board in light of recent and anticipated Board vacancies.

During the process of identifying and selecting director nominees, the Nominating and Corporate Governance Committee screens and recommends candidates for nomination by the full Board. The Bylaws provide that the size of the Board may range from 9 to 11 members.

Director candidates also may be identified by shareholders and will be evaluated under the same criteria applied to other director nominees and considered by the Nominating and Corporate Governance Committee. Information on the process and requirements for shareholder nominees may be found in our Bylaws on the Corporation's website at [ir.martinmarietta.com/investor-relations/corporate-governance](http://ir.martinmarietta.com/investor-relations/corporate-governance).



**Board Assignments** In February, the Nominating and Corporate Governance Committee reviews the membership, tenure, leadership and commitments of each of the Committees and considers possible changes given the qualifications and skill sets of members on the Board or a desire for committee rotation or refreshment. The Nominating and Corporate Governance Committee also takes into consideration the membership requirements and responsibilities set forth in each of the respective Committee charters and the *Corporate Governance Guidelines* as well as any upcoming vacancies on the Board due to our mandatory retirement age. The Nominating and Corporate Governance Committee recommends to the Board any proposed changes to Committee assignments and leadership to be made effective at the next annual meeting of shareholders. The Nominating and Corporate Governance Committee also reviews the operation of the Board generally.

**Refreshment** The Board has added four new directors in the past three years. Mr. Rediker will retire at the Annual Meeting and Mr. Zelnak is expected to retire in May 2020, providing further opportunity for refreshment. At the same time, obtaining a detailed understanding of the Corporation's business takes time. We believe that implementing term limitations may prevent the Board from taking advantage of insight that longer tenure brings.

**Annual Performance Assessment** The Board conducts a self-assessment of its performance and effectiveness as well as that of its Committees on an annual basis. The self-assessment helps the Nominating and Corporate Governance Committee track progress in certain areas targeted for improvement from year-to-year and to identify ways to enhance the Board's and its Committees' effectiveness. For 2018, each director completed a written questionnaire. The questions were open-ended to solicit candid feedback. The collective ratings and comments are compiled and summarized and then discussed by the Nominating and Corporate Governance Committee and the full Board.

**Onboarding and Continuing Education** New directors are provided with an orientation about the Company, including our business operations, strategy and governance. Directors also are provided continuing education by subject matter experts and/or continuing education programs sponsored by educational and other institutions to assist them in staying abreast of developments in corporate governance and critical issues relating to the operation of public company boards. Members of our senior management regularly review with the Board the operating plan of each of our business segments and the Company as a whole. The Board also conducts periodic visits to our facilities as part of its regularly scheduled Board meetings.

## Tenure Guidelines

**Mandatory Retirement Age** Directors must retire at the annual meeting following his or her 75th birthday.

**Employment Change** Directors must report to the Chairman of the Board and Chairman of the Nominating and Corporate Governance Committee regarding any significant change in principal employment or responsibilities to assure he/she can commit the appropriate time to Board service.

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The Board of Directors

**BOARD, COMMITTEE AND INDIVIDUAL**

**DIRECTOR EVALUATIONS**

As a part of our continuous improvement process intended to enhance the Board's overall effectiveness, the Board regularly evaluates its performance through self-assessments, corporate governance reviews and periodic charter reviews. Those evaluations, changes in our business strategy or operating environment, and the future needs of the Board in light of anticipated director retirements are used to identify desired backgrounds and skill sets for future Board members. The feedback solicited from Board members regarding the Board, each Committee on which they serve, and individual Board members is one of the tools used to assist the Nominating and Corporate Governance Committee in its responsibility to evaluate Board and Committee performance annually. For 2018, each director completed a written questionnaire. The questions were intended to solicit candid feedback by asking for comments. The collective ratings and comments were compiled, summarized and presented to the Nominating and Corporate Governance Committee, the Chair of which then followed-up as appropriate and shared the feedback with the full Board and the Chair of each Board Committee.

**Board Committees**

Martin Marietta's Board of Directors has six standing Committees: the Audit Committee, the Ethics, Environment, Safety and Health Committee, the Executive Committee, the Finance Committee, the Management Development and Compensation Committee, and the Nominating and Corporate Governance Committee. Each Committee has a written charter

that describes its purposes, membership, meeting structure, authority and responsibilities. These charters are reviewed by the respective Committee on an annual basis with any recommended changes adopted upon approval by our Board. The charters of our six standing Committees are posted on our website.

Below is a summary of our current Committee structure and membership information.

Director	Independent Audit Director	Ethics, Environment, Safety and Health Committee	Executive Committee	Finance Committee	Compensation Committee	Management Development and Nominating and Corporate Governance Committee
Dorothy M. Ables <i>Financial Expert</i>						
Sue W. Cole						<b>Chair</b>
Smith W. Davis						
John J. Koraleski <i>Financial Expert</i>						
C. Howard Nye*				<b>Chair</b>		
Laree E. Perez <i>Financial Expert</i>					<b>Chair</b>	
Michael J. Quillen <i>Lead Independent Director</i>						<b>Chair</b>
Dennis L. Rediker						

*Financial Expert*

**Chair**

Donald W. Slager

Stephen P. Zelnak, Jr.

**Chair**

<b>Number of Meetings in 2018</b>		<b>8</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>6</b>
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\*Mr. Nye is the only member of management who sits on the Board.

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[The Board of Directors](#) Board Committees

The **Executive Committee** held no meetings during 2018. It has the authority to act during the intervals between the meetings of the Board of Directors and may exercise the powers of the Board in the management of the business and affairs of Martin Marietta as may be authorized by the Board of Directors,

except to the extent such powers are by statute, the Articles of Incorporation or Bylaws reserved to the full Board. The Committee's current members are Directors Nye (Chair), Koraleski, and Quillen.

The primary responsibilities, membership and meeting information for our other standing Committees are summarized below.

***Current Members:***

	<b><i>Meetings in 2018:</i></b>	<b><i>Average Attendance in 2018:</i></b>
Laree E. Perez (Chair)		
Dorothy M. Ables	8	100%
John J. Koraleski		
Dennis L. Rediker		

***Primary Responsibilities:***

Reviews our significant accounting principles, policies and practices in reporting our financial results under generally accepted accounting principles.

Reviews our annual audited financial statements and related disclosures.

Reviews management letters or internal control reports, and reviews our system of internal control over financial reporting.

Appoints, retains and oversees the work of the independent accountants.

Reviews the effectiveness of the independent audit effort.

Pre-approves audit and permissible non-audit services provided by the independent registered public accounting firm.

Reviews our interim financial results for each fiscal quarter.

Reviews the qualifications and the plan and scope of work of the corporate internal audit function.

Reviews and discusses the reports of our internal audit group.

Reviews and discusses management's assessment of the effectiveness of Martin Marietta's system of internal control over financial reporting.

Discusses Martin Marietta's earnings press releases, as well as financial information and earnings guidance provided to analysts, investors and rating agencies.

Discusses matters related to risk assessment and risk management and how the process is handled by management.

Reviews and oversees related party transactions.

Reviews complaints regarding accounting, internal controls or auditing matters.

Considers allegations of possible financial fraud or other financial improprieties.

Reviews annually the adequacy of the Committee charter and recommends proposed changes to the Board.

Prepares the annual Audit Committee Report to be included in the proxy statement.

*Other Governance Matters:*

**All four members of the Audit Committee, including the Chair, are audit committee financial experts under applicable SEC regulations.**

**The Chair of the Audit Committee is an independent Director.**

The Chair of the Audit Committee has experience serving as a Chair and member of other public company Audit Committees.

All members satisfy the audit committee experience and independence standards required by the New York Stock Exchange (NYSE).

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**Table of Contents**Board Committees [The Board of Directors](#)***Current Members:***

	<b><i>Meetings in 2018:</i></b>	<b><i>Average Attendance in 2018:</i></b>
Dennis L. Rediker (Chair)		
Smith W. Davis	2	100%
Laree E. Perez		
Stephen P. Zelnak, Jr.		

***Primary Responsibilities:***

Monitors compliance with our *Code of Ethical Business Conduct* and reviews all matters presented to it by the Corporate Ethics Officer concerning the ethical practices of Martin Marietta and its Directors, officers, and employees, including conflicts or potential conflicts of interest between Martin Marietta and any of its Directors, officers, and employees.

**Reviews and discusses our sustainability efforts and annual Sustainability Report.**

Reviews and monitors the adequacy of our policies and procedures and organizational structure for ensuring compliance with environmental laws and regulations.

Reviews matters relating to our health and safety programs and performance.

Reviews annually the adequacy of the Committee charter and recommends proposed changes to the Board.

***Meetings in 2018:******Average Attendance in 2018:***

***Current Members:***

4

100%

Stephen P. Zelnak, Jr. (Chair)

Michael J. Quillen

Donald W. Slager

***Primary Responsibilities:***

Provides general oversight relating to the management of our financial affairs.

Reviews and approves establishment of lines of credit or other short-term borrowing arrangements and investing excess working capital funds on a short-term basis.

Reviews and makes recommendations to the Board concerning changes to capital structure, including the incurrence of long-term debt, issuance of equity securities, share repurchases, and the payment of dividends, as well as capital expenditures.

Approves our charitable contributions budget.

Reviews annually the adequacy of the Committee charter and recommends proposed changes to the Board.

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[The Board of Directors](#) Board Committees

***Current Members:***

	<b><i>Meetings in 2018:</i></b>	<b><i>Average Attendance in 2018:</i></b>
Michael J. Quillen (Chair)	4	100%
Sue W. Cole		
John J. Koraleski		

***Primary Responsibilities:***

Establishes an overall strategy with respect to compensation for officers and management to enable Martin Marietta to attract and retain qualified employees.

Reviews and oversees executive succession and management development plans.

Reviews and approves management's assessment of the performance of executive officers, and reviews and approves the salary, incentive compensation, and other compensation of such officers.

Approves and administers our equity and other plans relating to compensation of Martin Marietta's directors and executive officers.

Reviews and discusses the Compensation Discussion and Analysis and produces a compensation committee report as required by the SEC to be included in this proxy statement.

Provides oversight of our Benefit Plan Committee, which administers Martin Marietta's defined benefit and contribution plans.

Reviews and approves the goals and objectives for the CEO's compensation, evaluates the CEO's performance in light of those goals and objectives, and determines and approves the CEO's compensation.

Makes recommendations to the Board on changes in the compensation of non-employee directors.

Reviews annually the adequacy of the Committee charter and recommends proposed changes to the Board.

Has the authority, in its sole discretion, to retain, pay, and terminate any consulting firm, if any, used to assist in evaluating director, chief executive officer, or senior executive compensation.

***Other Governance Matters:***

All members are non-employee, independent Directors, as required by the rules of the NYSE, the Martin Marietta *Guidelines for Director's Independence*, applicable rules of the Securities and Exchange Commission (SEC), and the Committee's charter.

***Current Members:***

	<b><i>Meetings in 2018:</i></b>	<b><i>Average Attendance in 2018:</i></b>
Sue W. Cole (Chair)	6	100%
Smith W. Davis		
Donald W. Slager		

***Primary Responsibilities:***

Develops criteria for nominating and appointing directors, including Board size and composition, corporate governance policies, and individual director expertise, attributes and skills.

Recommends to the Board the individuals to be nominated as directors.

Recommends to the Board the appointees to be selected for service on the Board Committees.

Oversees an annual review of the performance of the Board and each Committee.

Reviews annually the adequacy of the Committee charter and recommends proposed changes to the Board.

Oversees the development and implementation of a set of corporate governance principles applicable to Martin Marietta.

***Other Governance Matters:***

All members are non-employee, independent Directors, as required by the rules of the NYSE.

Upon recommendation of this Committee, the Board of Directors has adopted a set of *Corporate Governance Guidelines* for Martin Marietta. The Guidelines are posted and available for public viewing on our website at [ir.martinmarietta.com/investor-relations/corporate-governance](http://ir.martinmarietta.com/investor-relations/corporate-governance). A copy may also be obtained upon request from Martin Marietta's Corporate Secretary.

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Proposal No. 1

**Election of Directors**

The following sets forth the age, experience, key attributes and other biographical information for each member of the Board of Directors who is a nominee for election for a one-year term until 2020.

<p><b>DOROTHY M. ABLES</b></p> <p><b>Director Since:</b> 2018</p> <p><b>Age:</b> 61</p> <p><b>Committees:</b></p>	<p>Ms. Ables joined the Martin Marietta Board in November 2018. Ms. Ables held a number of executive positions with Spectra Energy and predecessor companies, including serving from 2008 to 2017 as the Chief Administrative Officer of Spectra Energy Corp., a global energy infrastructure company, where she was responsible for human resources, information technology, support services, community relations and audit services. Prior to that, she served as Vice President of Audit Services and Chief Ethics and Compliance Officer for Spectra Energy and Senior Vice President and Chief Financial Officer for Duke Energy Gas Transmission. Spectra Energy was a Fortune 500 Company and one of North America’s leading pipeline and midstream companies prior to its acquisition by Enbridge Inc. in 2017. Ms. Ables started her career in the audit department of Peat, Marwick, Mitchell &amp; Co.</p> <p>Ms. Ables serves as an Independent Director of Cabot Oil &amp; Gas Corporation, an independent oil and gas company, where she is a member of the Audit Committee and Compensation Committee. She served as a Director of Spectra Energy Partners, an affiliate of Spectra Energy Corp., from 2013 to 2017. Ms. Ables attended the University of Texas at Austin where she earned a Bachelor of Business Administration degree in Accounting.</p>	<p><i>Key attributes, experience and skills:</i></p> <p>Financial expertise acquired through serving as CFO of Duke Energy Gas Transmission and as Vice President of Audit Services of Spectra Energy Corp.</p> <p>Valuable business leadership in human resources, information technology, community relations, finance and financial statements</p> <p>Strong leadership skills and familiarity with Texas, an important state for the Company</p>
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**SUE W. COLE**

**Director Since:**  
2002

**Age:** 68

**Committees:**

*Chair*

Ms. Cole is the managing partner of SAGE Leadership & Strategy, LLC, an advisory firm for businesses, organizations and individuals relating to strategy, governance and leadership development. Ms. Cole was previously a principal of Granville Capital Inc., a registered investment advisor, from 2006 to 2011, and before that she was the Regional CEO, Mid-Atlantic Region, of U.S. Trust Company, N.A., where she was responsible for the overall strategic direction, growth, and leadership of its North Carolina, Philadelphia and Washington, D.C. offices. Ms. Cole previously held various positions in the U.S. Trust Company, N.A. and its predecessors. Ms. Cole serves as Chair of the Compensation Committee of Biscuitville, Inc., where she was previously Chairman of the Board. Ms. Cole has previously served on the public-company board of UNIFI, Inc. She has also been active in community and charitable organizations, including previously serving as Chairman of the North Carolina Chamber of Commerce, on the Investment Committee of the University of North Carolina at Greensboro and as a member on the North Carolina Economic Development Board. Ms. Cole attended the University of North Carolina at Greensboro where she earned a Bachelor of Science degree in Business Administration and a Masters in Business Administration in Finance.

***Key attributes, experience and skills:***

Valuable experience in executive compensation, corporate governance, human resources, finance and financial statements, and customer service

Chief executive officer of several financial services businesses as well as several non-profit organizations

Strong leadership skills and familiarity with North Carolina, an important state for the Company

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**Proposal 1: Election of Directors** Director Nominees

<b>SMITH W. DAVIS</b>	<p>Mr. Davis is a senior partner at Akin Gump Strauss Hauer &amp; Feld LLP, an international law firm, where he provides counsel on a wide variety of legislative and regulatory matters, including those before a variety of congressional committees. Mr. Davis joined Akin Gump in 1979 and his practice has included advising on legal matters relating to environmental issues, financial institutions, mergers and acquisitions, and pension reform. Mr. Davis also has served on the law firm's compensation and management committees. Prior to joining Akin Gump, Mr. Davis served as a counsel to the House Judiciary Committee. Mr. Davis attended Yale University where he received a Bachelors of Arts degree, magna cum laude and Yale Law School where he received his Juris Doctor degree.</p>	<i>Key attributes, experience and skills:</i>
<b>Director Since:</b> 2018		Extensive experience in legal, compliance, and corporate governance
<b>Age:</b> 71		Strong leadership skills and expertise in governmental and regulatory issues, safety, health and environmental matters, mergers and acquisitions, executive compensation, financial affairs, and risk assessment
<b>Committees:</b>		Brings new perspective to the Board on diversity and corporate citizenship
<b>JOHN J. KORALESKI</b>	<p>Mr. Koraleski joined the Martin Marietta Board in 2016. Mr. Koraleski served from February 2015 through his retirement in September 2015 as executive Chairman of the Board of the Union Pacific Corporation (UP), which through its subsidiaries operates North America's premier railroad franchise, covering 23 states across the western two-thirds of the United States. Prior to that, he was named President and Chief Executive Officer of the UP in March 2012, elected as a Director of the UP in July 2012 and appointed Chairman of the Board in 2014. Since joining the Union Pacific (Railroad) in 1972, Mr. Koraleski held a</p>	<i>Key attributes, experience and skills:</i>
<b>Director Since:</b> 2016		Experience with the demands and challenges associated with managing a large publicly-traded organization from his experience as Chairman and



<b>Age:</b> 68	number of executive positions in the UP and the Railroad, including, Executive Vice President Marketing and Sales from 1999 to 2012, Executive Vice President Finance and Information Technology, Chief Financial Officer and Controller. Mr. Koraleski served as the Chairman of The Bridges Investment Fund, Inc., a general equity fund whose primary investment objective is to seek long-term capital appreciation, from 2005 through March 2012 and is a past Chairman of the Association of American Railroads. Mr. Koraleski earned a Bachelor's and Master's degree in business administration from the University of Nebraska at Omaha.	CEO of Union Pacific	Extensive knowledge of financial system management, public company accounting, disclosure requirements and financial markets
<b>Committees:</b>			Valuable expertise in talent management, compensation, governance and succession planning
			Understanding of complex logistic operations, safety and rail operations
			Broad strategic analysis and experience with acquisitions, integration, marketing and information technologies

**Table of Contents**Director Nominees [Proposal 1: Election of Directors](#)

<b>C. HOWARD NYE</b>	<p>Mr. Nye has served as Chairman of the Board since 2014 and as President and Chief Executive Officer of Martin Marietta since January 1, 2010. He previously served as President and Chief Operating Officer of Martin Marietta from August 2006 to 2009. From 2003 to 2006, Mr. Nye served as Executive Vice President of Hanson Aggregates North America, a producer of aggregates for the construction industry, and in other managerial roles since 1993. Mr. Nye is also currently an independent Director of General Dynamics (NYSE: GD), an American aerospace and defense multinational corporation and the world's fifth-largest defense contractor. Mr. Nye has also been active in a number of various business, civic, and education organizations, including serving as Chairman of the Steering Committee, as a member of the Executive Committee and Nominating &amp; Leadership Development Committee and past Chairman of the Board of Directors of the National Stone, Sand &amp; Gravel Association, Vice Chairman of the Board of Directors of the American Road &amp; Transportation Builders Association (ARTBA), and a member of the Board of Directors of the United States Chamber of Commerce. Mr. Nye was previously a member of the Board of CREE, Inc., until October 2018. Mr. Nye has also been a gubernatorial appointee to the North Carolina Mining Commission. Mr. Nye received a Bachelor's degree from Duke University and a Juris Doctor degree from Wake Forest University.</p>	<p><i>Key attributes, experience and skills:</i></p> <p>Extensive knowledge of the construction aggregates industry</p> <p>Extensive leadership, business, operating, marketing, mergers and acquisitions, legal, customer-relations, and safety and environmental experience</p> <p>Understands the competitive nature of the business and has strong management skills, broad executive experience, and corporate governance expertise</p> <p>Broad strategic vision for the future growth of Martin Marietta</p>
<b>Director Since:</b> 2010		
<b>Age:</b> 56		
<i>Chairman of the Board</i>		
<b>Committees:</b>		
<i>Chair</i>		
<b>LAREE E. PEREZ</b>	<p>Ms. Perez is an investment consultant with DeRoy &amp; Devereaux, an independent investment adviser, where she has provided client consulting services since 2015. She was previously Owner and Managing Partner of The Medallion</p>	<p><i>Key attributes, experience and skills:</i></p>

<b>Director Since:</b> 2004	Company, LLC, a consulting firm, from 2003 to 2015. Ms. Perez was previously a Director of GenOn Energy, Inc., one of the largest power producers in the United States, from 2002 to 2012, and served as the Chairman of the Audit Committee of GenOn Energy, Inc. from 2002 to 2007 and a member of its Audit and Risk and Finance Oversight Committees from 2008 to 2012. Previously, she was Vice President of Loomis, Sayles & Company, L.P. and co-founder, President and Chief Executive Officer of Medallion Investment Company, Inc. In addition to civic and charitable organizations, Ms. Perez recently served as Vice Chairman of the Board of Regents at Baylor University and previously served on the Board of Trustees of New Mexico State University, where she was also Chairman of the Board. Ms. Perez earned a Bachelor's degree from Baylor University in Finance and Economics.	Significant business, financial and private investment experience
<b>Age:</b> 65		Significant expertise with respect to financial statements, corporate finance, accounting and capital markets, mergers and acquisitions, and strategic analysis
<b>Committees:</b>		
<i>Chair</i>		Insight into auditing best practices
		Familiarity with the southwestern United States

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**Proposal 1: Election of Directors** Director Nominees

**MICHAEL J.  
QUILLEN**

**Director Since:** 2008

**Age:** 70

*Lead Independent Director*

**Committees:**

*Chair*

Mr. Quillen was the founder and served as Chief Executive Officer of Alpha Natural Resources, Inc. (ANR), a leading Appalachian coal supplier, since its formation in 2004 until its merger with Foundation Coal Holdings, Inc. in July 2009, and served as President and Chairman of ANR from 2006 to 2009, and non-Executive Chairman until May 2012. Mr. Quillen held senior executive positions in the coal industry throughout his career at Pittston/Pittston Coal Sales Corp., AMVEST Corporation, NERCO Coal Corporation, Addington, Inc. and Mid-Vol Leasing, Inc. He has also served as Chairman (Rector) of the Board of Visitors of Virginia Polytechnic Institute and State University from July 2012 to June 2018. He was Chairman of the Audit and Finance Committee of Virginia Polytechnic Institute and State University from July 2010 to June 2012. He also served on the Virginia Port Authority from 2003 to 2012 and as Chairman from July 2011 to December 2012. Mr. Quillen attended Virginia Polytechnic Institute and State University, earning both Bachelor's and Master's degrees in Civil Engineering.

***Key attributes,  
experience and skills:***

Valuable business, leadership, management, financial, and mergers and acquisitions experience

Extensive experience related to mining companies, governmental and regulatory issues, safety, health and environmental matters

Tremendous insight and expertise with respect to strategic analysis, the natural resources industry, and energy

Wealth of knowledge related to transportation

**DONALD W.  
SLAGER**

**Director Since:** 2016

**Age:** 57

**Committees:**

Mr. Slager serves as President and Chief Executive Officer of Republic Services, Inc., a service provider in the non-hazardous solid waste industry, holding this position since January 2011. Prior to this, he served as President and Chief Operating Officer of Republic from December 2008 until his promotion to CEO. Prior to that, Mr. Slager served in the same capacity for Allied Waste Industries, Inc. (Allied Waste), from 2005 to 2008, prior to its merger with Republic Services. Mr. Slager was Executive Vice President and Chief Operating Officer of Allied Waste between 2003 and 2004. Prior to that, Mr. Slager held varying positions of increasing responsibility with Allied Waste. Mr. Slager also has served as a Director of Republic since 2010. Mr. Slager previously served as an independent Director of UTi Worldwide Inc. (UTi) from 2009 to January 2016, where he served as Chairman of the Nominating and Corporate Governance Committee and as a member of both the Compensation and Risk Committees. UTi, a former NYSE listed company, was an international, non-asset-based supply chain services and solutions company providing air and ocean freight forwarding, contract logistics, customs brokerage, distribution, inbound logistics, truckload brokerage and other supply chain management services until it was acquired by DSV A/S, a third-party logistics services provider, in January 2016. Mr. Slager has completed the Northwestern University Kellogg School Advanced Executive Program and holds a certificate from the Stanford University Board Consortium Development Program.

*Key attributes,  
experience and skills:*

More than 14 years of C-Suite experience

More than 27 years of general management experience in a complex, capital intensive and logistics business

Extensive experience in mergers and acquisitions, integration, and strategic development and analysis

Valuable experience from his membership on two publicly-traded board of directors

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Director Nominees [Proposal 1: Election of Directors](#)

<p><b>STEPHEN P. ZELNAK, JR.</b></p> <p><b>Director Since:</b> 1993</p> <p><b>Age:</b> 74</p> <p><b>Committees:</b></p> <p><i>Chair</i></p>	<p>Mr. Zelnak currently serves as Chairman of the Board of Beazer Homes USA, Inc., a geographically diversified homebuilder with active operations in 13 states within three geographic regions in the United States. He previously served as Chief Executive Officer of Martin Marietta from 1993 to 2009, President from 1993 to 2006, Chairman of the Board from 1997 through 2009, Executive Chairman from January 2010 to May 2010, and non-Executive Chairman from May 2010 until May 2014. Mr. Zelnak joined Martin Marietta Corporation in 1981 and was responsible for the aggregates operations since 1982. Mr. Zelnak is also Chairman and majority owner of ZP Enterprises, LLC, a private investment firm. In addition to community and charitable organizations, Mr. Zelnak has served as Chairman of the North Carolina Chamber and the National Stone, Sand and Gravel Association. He currently serves on the Advisory Board of the College of Management at North Carolina State University and is a Trustee Emeritus of the Georgia Tech Foundation Board. Mr. Zelnak received a Bachelor's degree from Georgia Institute of Technology and Master's degrees in Administrative Science and Business Administration from the University of Alabama system.</p>	<p><i>Key attributes, experience and skills:</i></p> <p>Former Chairman and CEO of Martin Marietta</p> <p>Extensive mentorship, business and operating experience</p> <p>Knowledge of all aspects of Martin Marietta and the construction aggregates industry</p> <p>Broad strategic and financial experience</p> <p>Knowledge of the homebuilding industry and factors that impact construction</p>
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The Board Unanimously Recommends a Vote **FOR** All Nominees for Election to the Board of Directors on this Proposal 1



**Table of Contents****Proposal 1: Election of Directors** Director Compensation**Director Compensation**

Martin Marietta uses a combination of cash and stock-based compensation to attract and retain qualified candidates to serve on the Board of Directors. In setting Director compensation, Martin Marietta considers the significant amount of time that Directors expend in fulfilling their duties to Martin Marietta as well as the skill level required by Martin Marietta of members of the Board. The Board determines reasonable compensation for Directors upon recommendation of the Management Development and Compensation Committee of the Board, which retains an independent compensation consultant to assist it in making each recommendation.

**Cash Compensation Paid to Board Members**

The cash-based elements of annual Director compensation for fiscal year 2018 paid in quarterly installments, measured from the end of the month during which the Annual Meeting of Shareholders is held, were as follows.

<b>Cash Component Amount</b>	
Annual Board cash retainer	\$ 120,000
Annual Audit Committee chair retainer <sup>1</sup>	\$ 20,000
Annual Management Development and Compensation Committee chair retainer <sup>2</sup>	\$ 17,500
Annual Finance Committee chair retainer <sup>2</sup>	\$ 15,000