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

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

**Date of Report (Date of earliest event reported): February 24, 2014**

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**ALBEMARLE CORPORATION**  
(Exact Name of Registrant as Specified in its Charter)

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**Virginia**  
(State or Other Jurisdiction  
of Incorporation)

**001-12658**  
(Commission  
File Number)

**54-1692118**  
(I.R.S. Employer  
Identification Number)

**451 Florida Street, Baton Rouge, Louisiana 70801**  
(Address of Principal Executive Offices, including Zip Code)

**Registrant's Telephone Number, including Area Code: (225) 388-8011**

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

*2014 Base Salaries*

On February 24, 2014, the Executive Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) established the following base salaries for named executive officers of Albemarle Corporation (the “Company”) for fiscal year 2014: Luther C. Kissam, IV (\$800,000); Scott A. Tozier (\$485,000); D. Michael Wilson (\$420,000); Karen G. Narwold (\$420,000); and Susan Kelliher (\$376,000).

*2014 Annual Incentive Plan*

On February 24, 2014, the Committee approved the 2014 annual incentive plan target award percentages for the named executive officers of the Company pursuant to the Albemarle Corporation 2008 Incentive Plan (as amended, the “Incentive Plan”). Under the Incentive Plan, each of the named executive officers is eligible to receive an annual cash incentive payment of zero to three times a target percentage of their respective base salaries if certain company-wide criteria established by the Committee are met for 2014. The target percentages of base salary are as follows: Luther C. Kissam, IV (110%); Scott A. Tozier (75%); D. Michael Wilson (70%); Karen G. Narwold (60%); and Susan Kelliher (60%). The named executive officers earn these targeted percentages for achieving target performance levels under the Incentive Plan company-wide criteria. For superior corporate performance, up to two times target may be earned. Further, based on specific individual performance goals, an additional amount may be earned up to the set maximum potential bonus. The maximum amounts payable for 2014 are as follows: Luther C. Kissam, IV (\$2,640,000); Scott A. Tozier (\$1,091,250); D. Michael Wilson (\$882,000); Karen G. Narwold (\$756,000); and Susan Kelliher (\$676,800). In order to comply with Section 162(m) of the Internal Revenue Code of 1986, as amended, in 2014, if earnings before interest, taxes, depreciation and amortization exceeds 5% of net sales, the awards are initially determined at maximum. The annual incentive awards actually paid to the named executive officers are then adjusted to a level below the maximum in accordance with the actual Company performance, individual performance, and award targets described above. The Committee bases the annual incentive awards for named executive officers on performance measures allowed by the Incentive Plan and uses its negative discretion to pay incentive awards for the executives at the performance level achieved against the goals. The Committee also established the annual incentive plan company-wide criteria for 2014 bonuses based on the following factors: EBIT (as defined below) (60%), days of working capital (15%), cash flow from operations (15%) and stewardship (10%), which includes criteria related to safety, the environment and sustainability. Any incentive payments earned under the Incentive Plan for 2014 will be paid in the first quarter of 2015.

“EBIT” is combined income of each business segment before interest and taxes less corporate expenses before special items each calendar year in the measurement period as determined by the Company for such purpose; provided, however, that in accordance with the Incentive Plan and as approved by the Committee in its sole and absolute discretion, EBIT may be adjusted to reflect extraordinary and significant events that distort current earnings.

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### *2014 Long Term Incentive Grant*

On February 24, 2014, the Committee approved a total grant value of up to \$28.3 million for the 2014 long term incentive plan, comprised of: (i) Stock Options, which will vest in three equal installments over three years beginning on February 24, 2017, and which will expire February 23, 2024; (ii) Performance Stock Units ("PSUs") that can be earned based on the Company's total shareholder return ("Total Shareholder Return") relative to its peers and will vest in two equal tranches, the first half in early 2017 and the second half on January 1, 2018; (iii) Restricted Stock Units ("RSUs") vesting on February 24, 2017; and (iv) a one-time grant of Performance-Based Restricted Stock Units ("PBRsUs") that can be earned based on the level of the Company's reduction in working capital and will vest in two equal tranches, the first half in early 2016 and the second half on January 1, 2017.

Total Shareholder Return is calculated by dividing (a) the sum of the dividends paid during the performance period and the difference between the twenty-day average daily closing price of the Company's shares at the end and the beginning of the measurement period, by (b) the twenty-day average daily closing price of the Company's common shares at the beginning of the performance period. The Company's Total Shareholder Return is compared to the Total Shareholder Return of the Company's peer group of companies in the Dow Jones Chemical Index (the "Peer Group") calculated on the same basis. The threshold performance level for the PSUs is at the 25th percentile of the Peer Group and the target performance level for the PSUs is at the 50th percentile of the Peer Group. Superior performance level begins at the 75th percentile of the Peer Group results. Awards for performance between the specified performance levels will be interpolated.

The percentage of PBRsUs will be earned according to the level of reduction of the Company's working capital. Superior level performance will be achieved by decreasing working capital to 24.5% of revenues or less (measured at the end of the 2015 fiscal year). Achievement of the Superior level performance will result in 100% of the award being earned. Decreasing working capital to 26.0% of revenues (measured at the end of the 2015 fiscal year) will result in 75% of the award being earned. If working capital is 27.8% of revenues or greater, 50% of the award will be earned. Awards for performance between the specified performance measures will be interpolated.

Each of the grants listed above will be awarded to certain employees of the Company, and are subject to the terms set forth in the Notice of Option Grant (Exhibit 10.1), Notice of TSR Performance Unit Award (Exhibit 10.2), Notice of Restricted Stock Unit Award (Exhibit 10.3) and Notice of Performance-Based Restricted Stock Unit Award (Exhibit 10.4), all of which are incorporated by reference herein.

As part of the grants on February 24, 2014, the Committee granted Stock Options, PSUs and PBRsUs to the Company's named executive officers for 2014 under the Incentive Plan. The values granted to each named executive officer are set forth below, and are apportioned approximately 25% in the form of Stock Options, 37.5% in the form of PSUs and 37.5% in the form of PBRsUs, respectively: Luther C. Kissam, IV (\$6,400,000); Scott A Tozier (\$1,380,000); D. Michael Wilson (\$960,000); Karen G. Narwold (\$960,000); and Susan Kelliher (\$800,000). The value of PSUs included in the above figures reflects the approximate number of PSUs that each named executive officer would receive for target level performance by the Company multiplied by the grant date closing stock price.

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*Appointment of Chief Accounting Officer*

Effective February 26, 2014, the Board appointed Donald J. LaBauve Jr. as Vice President, Corporate Controller and Chief Accounting Officer of the Company. Mr. LaBauve, age 47, has over twenty years of management, finance and accounting experience with the Company. Mr. LaBauve most recently served as Vice President, Corporate Controller since February 12, 2013, after having previously served as Vice President, Finance - Business Operations since April 2009. Mr. LaBauve served as Chief Financial Officer, Fine Chemistry from April 2007 until April 2009. Since joining the Company (at that time part of Ethyl Corporation) in April 1990, Mr. LaBauve has held various staff and leadership positions of increasing responsibility within the finance function, including an assignment to our European headquarters in Belgium in April 2000 where he held the regional finance leadership role from July 2002 through June 2005.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

- 10.1 Notice of Option Grant
- 10.2 Notice of TSR Performance Unit Award
- 10.3 Notice of Restricted Stock Unit Award
- 10.4 Notice of Performance-Based Restricted Stock Unit Award

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**ALBEMARLE CORPORATION**

Date: February 28, 2014

By: /s/ Karen G. Narwold

Karen G. Narwold  
Senior Vice President, General Counsel, Corporate and Government  
Affairs, Corporate Secretary

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**EXHIBIT INDEX**

<b><u>Exhibit Number</u></b>	<b><u>Exhibit</u></b>
10.1	Notice of Option Grant
10.2	Notice of TSR Performance Unit Award
10.3	Notice of Restricted Stock Unit Award
10.4	Notice of Performance-Based Restricted Stock Unit Award

**NOTICE OF OPTION GRANT**

under the

**ALBEMARLE CORPORATION 2008 INCENTIVE PLAN**No. of shares subject to option: «Stock Options»

This GRANT, made as of the 24th day of February, 2014, by Albemarle Corporation, a Virginia corporation (the "Company"), to «First Name» «Last Name» ("Participant"), is made pursuant and subject to the provisions of the Company's 2008 Incentive Plan (the "Plan"), a copy of which has been given to Participant. All terms used herein that are defined in the Plan have the same meaning given them in the Plan.

1. **Grant of Option.** Pursuant to the Plan, the Company, on February 24, 2014, granted to Participant, subject to the terms and conditions of the Plan and subject further to the terms and conditions herein set forth, the right and option to purchase from the Company all or any part of the aggregate of shares of Common Stock at the option price of \$XX.XX per share (the "Option Price"), being not less than the Fair Market Value per share of the Common Stock on the date the option was granted. Such option will be exercisable as hereinafter provided. This option is not intended to be treated as an incentive stock option under Code section 422.

2. **Expiration Date.** The Expiration Date of this option is the date that is ten (10) years from the date of the grant of this option. This option may not be exercised on or after the tenth anniversary of its grant.

3. **Vesting of Option.** Except as provided in paragraphs 7, 8, 9, 10 or 11, this option shall become Vested as to one-third of the option (            shares) on February 24, 2017, as to another one-third of the option (            shares) on February 24, 2018, and as to the final one-third of the option (            shares) on February 24, 2019.

4. **Exercisability of Option.** Except as provided in paragraphs 7, 8, 9, 10 or 11, this option shall be exercisable as to one-third of the option (            shares) on February 24, 2017, as to another one-third of the option (            shares) on February 24, 2018, and as to the final one-third of the option (            shares) on February 24, 2019. Once the option has become exercisable in accordance with the preceding sentence, it shall continue to be exercisable until the termination of Participant's rights hereunder pursuant to paragraphs 7, 8, 9, 10 or 11, or until the option period has expired. A partial exercise of this option shall not affect Participant's right to exercise this option with respect to the remaining shares, subject to the terms and conditions of the Plan and those set forth herein.

5. **Method of Exercising and Payment for Shares.** This option shall be exercised through a licensed brokerage firm at Participant's expense, in conjunction with established procedures and coordinated with the Company's Human Resources and Law Departments. From time to time the procedures for exercising this option may be subject to modification by the aforesaid departments, but in no case shall the number of shares subject to the option or its terms for vesting be changed by the procedures for exercise or by the modification thereof. Procedures for the exercise of this option will be provided to Participant by the Company's Human Resources Department.

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6. **Nontransferability.** This option is nontransferable except by will or the laws of descent and distribution. During Participant's lifetime, this option may be exercised only by Participant.

7. **Vesting and Exercise in the Event of Death.** If the Participant dies while employed by the Company or an Affiliate, after one year following the date the option was granted and prior to the Expiration Date, this option (to the extent not already Vested) shall become Vested as to a pro-rata portion of the option; such pro-rata portion shall be determined as follows: the option (i) shall be Vested as to one-fifth of the option for each completed year of service by the Participant during the Vesting period and prior to death, and (ii) shall be Vested as to a fraction of one-fifth of the option for any partial year of service (other than the first year after the option is granted), where the numerator of such fraction is the number of days in the year prior to Participant's death, and the denominator of such fraction is 365 (or 366 for a leap year). The non-Vested portion of the option shall be forfeited. The Vested portion of the option may be immediately exercised and shall remain exercisable according to the terms provided in Paragraph 4, notwithstanding the date of death. This option may be exercised by Participant's beneficiary. Participant shall have the right to designate his beneficiary in accordance with procedures established under the Plan for such purpose. If Participant fails to designate a beneficiary, or if at the time of his death there is no surviving beneficiary, this option may be exercised by his estate. Participant's beneficiary (or estate as the case may be) may exercise this option during the remainder of the period preceding the Expiration Date.

8. **Vesting and Exercise in the Event of Permanent and Total Disability.** If the Participant becomes permanently and totally disabled (within the meaning of Section 22(e)(3) of the Code) ("Disabled") while employed by the Company or an Affiliate, after one year following the date the option was granted and prior to the Expiration Date, this option shall become Vested as to a pro-rata portion of the option; such pro-rata portion shall be determined as follows: the option (i) shall be Vested as to one-fifth of the option for each completed year of service by the Participant during the Vesting period and prior to the Disability, and (ii) shall be Vested as to a fraction of one-fifth of the option for any partial year of service (other than the first year after the option is granted), where the numerator of such fraction is the number of days in the year prior to Participant's Disability, and the denominator of such fraction is 365 (or 366 for a leap year). The non-Vested portion of the option shall be forfeited. The Vested portion of the option may be immediately exercised and shall remain exercisable according to the terms provided in Paragraph 4, notwithstanding the date of permanent and total disability. The Participant may exercise this option during the remainder of the period preceding the Expiration Date.

9. **Vesting and Exercise in the Event of Retirement.** In the event that the Participant Retires from the employ of the Company or an Affiliate after one year following the date the option was granted and prior to the Expiration Date, this option shall become Vested as to a pro-rata portion of the option; such pro-rata portion shall be determined as follows: the option (i) shall be Vested as to one-fifth of the option for each completed year of service by the Participant during the Vesting period, and (ii) shall be Vested as to a fraction of one-fifth of the option for any partial year of service (other than the first year after the option is granted), where the numerator of such fraction is the number of days in the year prior to Participant's Retirement, and the denominator of such fraction is 365 (or 366 for a leap year). The non-Vested portion of the option shall be forfeited. Participant may exercise the Vested portion of the option with respect to the shares he is entitled to purchase, as of the date the option would have become exercisable pursuant to paragraph 4 above, provided that the option must be exercised during the remainder of the period preceding the Expiration Date. For purposes of this Grant, the terms "Retires" and "Retirement" means, for purposes of this Award, termination of employment after

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having attained age 55 and completed at least 10 years of service with the Company or an Affiliate. The preceding sentence shall not apply to a separation from service following the date that Participant is advised (upon recommendation by the Executive Compensation Committee of the Board of Directors of Albemarle Corporation) that his employment is being, or will be, terminated for Cause, on account of performance or in circumstances that prevent him from being in good standing with the Company, in which case all rights under this Grant shall terminate, and this option shall expire on the date of Participant's termination of employment.

10. **Vesting and Exercise After Termination of Employment.** Except as provided in paragraphs 7, 8, or 9, in the event Participant ceases to be employed by the Company or an Affiliate, the rules under this paragraph 10 shall apply. If Participant ceases to be employed prior to the time any portion of the option is Vested, such non-Vested portion of the option shall be forfeited. If Participant ceases to be employed after the option is Vested, but prior to the Expiration Date, Participant may exercise this option with respect to the shares he is entitled to purchase pursuant to paragraphs 3 and 4 above within sixty (60) days of the date of such termination of employment (but in no event later than the Expiration Date).

11. **Change in Control.** Notwithstanding any other provision of this Notice of Award, all shares of the option not previously forfeited shall become Vested and exercisable on a Change in Control as defined in the Plan.

12. **Fractional Shares.** Fractional shares shall not be issuable hereunder, and when any provision hereof may entitle Participant to a fractional share such fraction shall be disregarded.

13. **No Right to Continued Employment.** This option does not confer upon Participant any right with respect to continuance of employment by the Company or an Affiliate, nor shall it interfere in any way with the right of the Company or an Affiliate to terminate his employment at any time.

14. **Change in Capital Structure.** The terms of this option shall be adjusted as the Committee determines is equitable in the event the Company effects one or more stock dividends, stock split-ups, subdivisions or consolidations of shares or other similar changes in capitalization.

15. **Governing Law.** This Grant shall be governed by the laws of the Commonwealth of Virginia. All disputes arising under this Grant shall be adjudicated solely within the state or Federal courts located within the Commonwealth of Virginia.

16. **Conflicts.** (a) In the event of any conflict between the provisions of the Plan as in effect on the date hereof and the provisions of this Grant, the provisions of the Plan shall govern. All references herein to the Plan shall mean the Plan as in effect on the date hereof.

(b) In the event of any conflict between the provisions of this Award and the provisions of any separate Agreement between the Company and the Participant, including, but not limited to, any Severance Compensation Agreement entered between the Participant and the Company, the provisions of this Award shall govern.

17. **Binding Effect.** Subject to the limitations set forth herein and in the Plan, this Grant shall be binding upon and inure to the benefit of the legatees, distributees, and personal representatives of Participant and the successors of the Company.

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18. **Taxes.** Tax withholding requirements attributable to the exercise of this option, including employment taxes, Federal income taxes, and state and local income taxes with respect to the state and locality where, according to the Company's system of records, the Participant resides at the time the option is exercised, except as otherwise might be determined to be required by the Company, will be satisfied by the Participant as instructed in the established procedures for exercising this option; *provided, however*, that the foregoing employment, Federal, state and local income tax withholding provision shall be subject to any special rules or provisions that may apply to Participants who are non-US employees (working inside or outside of the United States) or US employees working outside of the United States. It is the Participant's responsibility to properly report all income and remit all Federal, state, and local taxes that may be due to the relevant taxing authorities as the result of exercising this option.

IN WITNESS WHEREOF, the Company has caused this Grant to be signed by a duly authorized officer.

**ALBEMARLE CORPORATION**

By: \_\_\_\_\_

**NOTICE OF TSR PERFORMANCE UNIT AWARD**

under the

**ALBEMARLE CORPORATION 2008 INCENTIVE PLAN**

This AWARD, made as of the 24th day of February, 2014, by Albemarle Corporation, a Virginia corporation (the "Company"), to «Name» ("Participant"), is made pursuant to and subject to the provisions of the Company's 2008 Incentive Plan (the "Plan"). All terms that are used herein that are defined in the Plan shall have the same meanings given them in the Plan.

**Contingent Performance Units**

1. **Grant Date.** Pursuant to the Plan, the Company, on February 24, 2014 (the "Grant Date"), granted Participant an Award ("Award") in the form of «Units» TSR Performance Units (which number of Units is also referred to herein as the "Target Units"), subject to the terms and conditions of the Plan and subject to the terms and conditions set forth herein.
2. **Accounts.** TSR Performance Units granted to Participant shall be credited to an account (the "Account") established and maintained for Participant. The Account of Participant shall be the record of TSR Performance Units granted to the Participant under the Plan, is solely for accounting purposes and shall not require a segregation of any Company assets.
3. **Terms and Conditions.** No Award shall be earned and Participant's interest in the TSR Performance Units granted hereunder shall be forfeited, except to the extent that the following paragraphs are satisfied.
4. **Performance Criteria.** Participant's TSR Performance Units shall be earned as soon as practicable after the end of the Measurement Period based on the following formula (to the nearest whole TSR Performance Unit). Such TSR Performance Units shall be subject to the terms and conditions set forth in the following paragraphs of this Notice of Award.
  - (a) The Measurement Period is the 2014, 2015 and 2016 calendar period.
  - (b) Earned Award = TSR % of Target Units x TSR Performance Units
  - (c) TSR % of Target Units. The TSR % of Target Units is determined according to the following table (awards to be interpolated between the TSR percentages below):

<u>RTSR to Peer Group</u>	<u>TSR % of Target Units</u>
75 <sup>th</sup> percentile or higher	200% of Target Units
50 <sup>th</sup> percentile	100% of Target Units
25 <sup>th</sup> percentile	25% of Target Units
less than 25 <sup>th</sup> percentile	0%

- (d) "TSR %" is calculated using the following formula:

$$\frac{\text{Ending Stock Price} - \text{Starting Stock Price} + \text{Dividends paid}}{\text{Starting Stock Price}}$$

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- (i) "Starting Stock Price" means the average FMV of the Company's Common Stock over the 20-trading-day period commencing January 1, 2014.
  - (ii) "Ending Stock Price" means the average FMV of the Company's Common Stock over the 20-trading-day period ending December 31, 2016.
  - (iii) "Dividends" means the total amount of dividends paid on the Company's Common Stock over the Measurement Period.
- (e) "RTSR to Peer Group" is the TSR % of the Company as compared to the TSR % of the Peer Group.
- (f) "Peer Group" is the group of companies listed on Exhibit A. If a company in the Peer Group has its common stock delisted or if it no longer exists as a separate entity, the TSR% will be retroactively calculated for remaining performance period without such company.
- (g) The Company shall retain discretion to decrease Awards but may not increase any Awards, directly or indirectly, hereunder.
- (h) For purposes of the above calculations, TSR % of Target Units will be rounded to the nearest whole percent.

#### **Valuation of TSR Performance Units**

- 5. **Value of Units.** The value of each TSR Performance Unit shall be equal to the value of one share of the Company's Common Stock.
- 6. **Value of Stock.** For purposes of this Award, the value of the Company's Common Stock is the Fair Market Value (as defined in the Plan) on the date any TSR Performance Units become vested and payable hereunder.

#### **Vesting of Earned TSR Performance Units**

- 7. **Earned Awards.** As soon as practicable after the end of the Measurement Period, a determination shall be made by the Committee of the number of whole TSR Performance Units that Participant has earned. The date as of which the Committee determines the number of TSR Performance Units earned shall be the "Award Date."
- 8. **Restrictions.** Except as provided herein, the earned TSR Performance Units shall remain unvested and forfeitable.
- 9. **Vesting.** Participant's interest in one-half of the earned TSR Performance Units shall become vested and non-forfeitable on the Award Date and will be paid as soon as practicable thereafter. The final one-half of the earned TSR Performance Units shall become vested and non-forfeitable as of January 1 of the first calendar year following the calendar year that contains the Award Date.

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**Death, Disability, Retirement and Termination by the Company for any Reason other than Cause**

10. **During the Measurement Period.** Anything in this Notice of Award to the contrary notwithstanding, (a) if a Participant separates from service for any reason during 2014, then the Participant's TSR Performance Units shall be forfeited; and (b) if a Participant separates from service during 2015 or 2016 on account of death, permanent and total disability within the meaning of section 22(e)(3) of the Code ("Disability" or "Disabled"), Retirement (as defined in paragraph 14 hereof) or termination by the Company for any reason other than Cause, then the Participant's TSR Performance Units shall be earned under paragraph 7 above as of the Award Date based on the criteria set forth in paragraph 4 above and, if the Participant terminates under this paragraph (b) in 2015, one-third of the TSR Performance Units granted to the Participant, and if the Participant terminates under this paragraph (b) in 2016, two-thirds of the TSR Performance Units granted to the Participant; and any remaining TSR Performance Units shall be forfeited. The number of TSR Performance Units earned shall be determined by the Committee in its sole and absolute discretion within the limits provided in the Plan and the TSR Performance Units shall be fully vested as of the Award Date, and payable pursuant to paragraphs 16-18 hereof.
11. **After the Measurement Period.** Anything in this Notice of Award to the contrary notwithstanding, if, after the Measurement Period ends, but prior to the Award Date, Participant dies, becomes Disabled or Retires while in the employ of the Company or an Affiliate or is terminated by the Company for any reason other than Cause, such Participant shall earn his TSR Performance Units pursuant to paragraph 7 and such earned Units shall be fully vested as of the Award Date and payable pursuant to paragraphs 16-18 hereof.
12. **During the Vesting Period.** Anything in this Notice of Award to the contrary notwithstanding, if, after the Award Date, but prior to the forfeiture of the TSR Performance Units under paragraph 13, Participant dies, becomes Disabled or Retires while in the employ of the Company or an Affiliate or is terminated by the Company for any reason other than Cause, then all earned TSR Performance Units that are forfeitable shall become non-forfeitable as of the date of Participant's death, Disability, Retirement or termination by the Company for any reason other than Cause, as the case may be, and shall be paid pursuant to paragraphs 16-18 hereof.
13. **Forfeiture.** All TSR Performance Units that are forfeitable shall be forfeited if Participant's employment with the Company or an Affiliate terminates voluntarily or is terminated with Cause, except by reason of Participant's death, Retirement, Disability, or his termination by the Company for any reason other than Cause.
14. **Retirement.** Retirement means, for purposes of this Award, termination of employment after having attained age 55 and completed at least 10 years of service with the Company or an Affiliate.
15. **Termination for Cause.** The Committee shall have the authority to determine whether Participant's termination from employment is for Cause or for any reason other than Cause.

**Payment of Awards**

16. **Time of Payment.** Payment of Participant's TSR Performance Units shall be made as soon as practicable after the Units have become non-forfeitable (or the Award Date, if later), but in no event later than March 15<sup>th</sup> of the calendar year after the year in which the Units become non-forfeitable.
17. **Form of Payment.** The vested TSR Performance Units shall be paid in whole shares of the Company's Common Stock.

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18. **Death of Participant.** If Participant dies prior to the payment of his earned and vested TSR Performance Units, an amount equal to the amount of the Participant's non-forfeitable TSR Performance Units shall be paid to his or her Beneficiary. Participant shall have the right to designate a Beneficiary in accordance with procedures established under the Plan for such purpose. If Participant fails to designate a Beneficiary, or if at the time of the Participant's death there is no surviving Beneficiary, any amounts payable will be paid to the Participant's estate.
19. **Taxes.** The Company will withhold from the Award the number of shares of Common Stock necessary to satisfy Federal tax-withholding requirements and state and local tax-withholding requirements with respect to the state and locality designated by the Participant as their place of residence in the Company's system of record at the time the Award becomes taxable, except to the extent otherwise determined to be required by the Company, subject, however, to any special rules or provisions that may apply to Participants who are non-US employees (working inside or outside of the United States) or US employees working outside of the United States. It is the Participant's responsibility to properly report all income and remit all Federal, state, and local taxes that may be due to the relevant taxing authorities as the result of receiving this Award.

#### **General Provisions**

20. **No Right to Continued Employment.** Neither this Award nor the granting, earning or vesting of TSR Performance Units shall confer upon Participant any right with respect to continuance of employment by the Company or an Affiliate, nor shall it interfere in any way with the right of the Company or an Affiliate to terminate the Participant's employment at any time.
21. **Change in Capital Structure.** In accordance with the terms of the Plan, the terms of this grant shall be adjusted as the Committee determines is equitable in the event the Company effects one or more stock dividends, stock split-ups, subdivisions or consolidations of shares or other similar changes in capitalization.
22. **Governing Law.** This Award shall be governed by the laws of the Commonwealth of Virginia and applicable Federal law. All disputes arising under this Award shall be adjudicated solely within the state or Federal courts located within the Commonwealth of Virginia.
23. **Conflicts.** (a) In the event of any conflict between the provisions of the Plan as in effect on the Grant Date and the provisions of this Award, the provisions of the Plan shall govern. All references herein to the Plan shall mean the Plan as in effect on the Grant Date.
- (b) In the event of any conflict between the provisions of this Award and the provisions of any separate Agreement between the Company and the Participant, including, but not limited to, any Severance Compensation Agreement entered between the Participant and the Company, the provisions of this Award shall govern.
24. **Binding Effect.** Subject to the limitations stated above and in the Plan, this Award shall be binding upon and inure to the benefit of the legatees, distributees, and personal representatives of Participant and the successors of the Company.

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25. **Change in Control.** Anything in this Notice of Award to the contrary notwithstanding, upon a Change in Control (as defined in the Plan), the following rules shall apply:

(a) If a Change in Control occurs before the Measurement Period has been completed, the Participant's TSR Performance Units shall be deemed earned and will be vested and paid at 100% of Target Units upon the Change in Control.

(b) If a Change in Control occurs after the Measurement Period has been completed, but prior to the forfeiture of the Performance Units under paragraph 13, all earned TSR Performance Units that are forfeitable shall become non-forfeitable and shall vest and be paid as of the date of the Change in Control.

IN WITNESS WHEREOF, the Company has caused this Award to be signed on its behalf.

**ALBEMARLE CORPORATION**

By: \_\_\_\_\_

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**EXHIBIT A**

**Peer Group for Award**

**The Peer Group for the 2014 Performance Unit based relative TSR Award will include the following Companies:**

Air Products and Chemicals, Inc. (APD)  
Airgas, Inc. (ARG)  
Ashland Inc. (ASH)  
Axiall Corporation (AXLL)  
Cabot Corporation (CBT)  
Celanese Corporation (CE)  
CF Industries Holdings, Inc. (CF)  
Chemtura Corporation (CHMT)  
Cytec Industries Inc. (CYT)  
The Dow Chemical Company (DOW)  
E. I. du Pont de Nemours & Company (DD)  
Eastman Chemical Company (EMN)  
Ecolab Inc. (ECL)  
FMC Corporation (FMC)  
H.B. Fuller Company (FUL)  
Huntsman Corporation (HUN)  
International Flavors & Fragrances Inc. (IFF)  
LyondellBasell Industries NV (LYB)  
Minerals Technologies Inc (MTX)  
Monsanto Company (MON)  
The Mosaic Company (MOS)  
NewMarket Corporation (NEU)  
Olin Corporation (OLN)  
PolyOne Corporation (POL)  
Polypore International, Inc. (PPO)  
PPG Industries, Inc. (PPG)  
Praxair, Inc. (PX)  
Rockwood Holdings, Inc. (ROC)  
RPM International Inc. (RPM)  
Sensient Technologies Corporation (SXT)  
Sigma-Aldrich Corporation (SIAL)  
Westlake Chemical Corporation (WLK)  
W.R Grace & Co (GRA)

**NOTICE OF RESTRICTED STOCK UNIT AWARD**

under the

**ALBEMARLE CORPORATION 2008 INCENTIVE PLAN**

This AWARD, made as of the 24th day of February 2014, by Albemarle Corporation, a Virginia corporation (the "Company"), to **XXXX** ("Participant"), is made pursuant to and subject to the provisions of the Company's 2008 Incentive Plan (the "Plan"). All terms that are used herein that are defined in the Plan shall have the same meanings given them in the Plan.

**Contingent Restricted Stock Units**

1. **Grant Date.** Pursuant to the Plan, the Company, on February 24, 2014 (the "Grant Date"), granted Participant an incentive award ("Award") in the form of **XXXX Restricted Stock Units**, subject to the terms and conditions of the Plan and subject to the terms and conditions set forth herein.
2. **Accounts.** Restricted Stock Units granted to Participant shall be credited to an account (the "Account") established and maintained for Participant. A Participant's Account shall be the record of Restricted Stock Units granted to the Participant under the Plan, is solely for accounting purposes and shall not require a segregation of any Company assets.
3. **Terms and Conditions.** Except as otherwise provided herein, the Restricted Stock Units shall remain nonvested and subject to substantial risk of forfeiture.

**Valuation of Restricted Stock Units**

4. **Value of Units.** The value of each Restricted Stock Unit on any date shall be equal to the value of one share of the Company's Common Stock on such date.
5. **Value of Stock.** For purposes of this Award, the value of the Company's Common Stock is the Fair Market Value of the Stock (as defined in the Plan) on the relevant date.

**Vesting of Restricted Stock Units**

6. **Vesting.** Participant's interest in 100% of the Restricted Stock Units shall become vested and non-forfeitable on the **third** anniversary of the Grant Date.

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### **Termination of Employment During the Vesting Period**

7. **Death or Disability.** Anything in this Notice of Award to the contrary notwithstanding, if Participant dies or becomes Disabled while in the employ of the Company or an Affiliate and prior to the forfeiture of the Restricted Stock Units under paragraph 8, all Restricted Stock Units that are forfeitable shall become non-forfeitable as of the date of Participant's death or Disability, as the case may be. For purposes of this Award, "Disabled" means a Participant's permanent and total disability within the meaning of Section 22(e)(3) of the Code.
8. **Forfeiture.** Subject to paragraph 18 hereof, all Restricted Stock Units that are forfeitable shall be forfeited if Participant's employment with the Company or an Affiliate terminates for any reason except the Participant's death or Disability.

### **Payment of Awards**

9. **Time of Payment.** Payment of Participant's Restricted Stock Units shall be made as soon as practicable after the Units have become non-forfeitable, but in no event later than March 15<sup>th</sup> of the calendar year after the year in which the Units become non-forfeitable.
10. **Form of Payment.** The vested Restricted Stock Units shall be paid in whole shares of the Company's Common Stock.
11. **Death of Participant.** If Participant dies prior to the payment of his or her non-forfeitable Restricted Stock Units, such Units shall be paid to his or her Beneficiary. Participant shall have the right to designate a Beneficiary in accordance with procedures established under the Plan for such purpose. If Participant fails to designate a Beneficiary, or if at the time of the Participant's death there is no surviving Beneficiary, any amounts payable will be paid to the Participant's estate.
12. **Taxes.** The Company will withhold from the Award the number of shares of Common Stock necessary to satisfy Federal tax-withholding requirements and state and local tax-withholding requirements with respect to the state and locality designated by the Participant as their place of residence in the Company's system of record at the time the Award becomes taxable, except to the extent otherwise determined to be required by the Company, subject, however, to any special rules or provisions that may apply to Participants who are non-US employees (working inside or outside of the United States) or US employees working outside of the United States. It is the Participant's responsibility to properly report all income and remit all Federal, state, and local taxes that may be due to the relevant taxing authorities as the result of receiving this Award.

### **General Provisions**

13. **No Right to Continued Employment.** Neither this Award nor the granting or vesting of Restricted Stock Units shall confer upon Participant any right with respect to continuance of employment by the Company or an Affiliate, nor shall it interfere in any way with the right of the Company or an Affiliate to terminate the Participant's employment at any time.

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14. **Change in Capital Structure.** In accordance with the terms of the Plan, the terms of this grant shall be adjusted as the Committee determines is equitable in the event the Company effects one or more stock dividends, stock split-ups, subdivisions or consolidations of shares or other similar changes in capitalization.
15. **Governing Law.** This Award shall be governed by the laws of the Commonwealth of Virginia and applicable Federal law. All disputes arising under this Award shall be adjudicated solely within the state or Federal courts located within the Commonwealth of Virginia.
16. **Conflicts.** (a) In the event of any conflict between the provisions of the Plan as in effect on the Grant Date and the provisions of this Award, the provisions of the Plan shall govern. All references herein to the Plan shall mean the Plan as in effect on the Grant Date.
- (b) In the event of any conflict between the provisions of this Award and the provisions of any separate Agreement between the Company and the Participant, including, but not limited to, any Severance Compensation Agreement entered between the Participant and the Company, the provisions of this Award shall govern.
17. **Binding Effect.** Subject to the limitations stated above and in the Plan, this Award shall be binding upon and inure to the benefit of the legatees, distributees, and personal representatives of Participant and the successors of the Company.
18. **Change in Control.** Anything in this Notice of Award to the contrary notwithstanding, upon a Change in Control (as defined in the Plan) prior to the forfeiture of the Restricted Stock Units under paragraph 8, the Participant's Restricted Stock Units shall be fully vested and paid.

IN WITNESS WHEREOF, the Company has caused this Award to be signed on its behalf.

**ALBEMARLE CORPORATION**

By: \_\_\_\_\_

**NOTICE OF PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD**

under the

**ALBEMARLE CORPORATION 2008 INCENTIVE PLAN**

This AWARD, made as of the 24th day of February 2014, by Albemarle Corporation, a Virginia corporation (the “Company”), to **XXXX** (“Participant”), is made pursuant to and subject to the provisions of the Company’s 2008 Incentive Plan (the “Plan”). All terms that are used herein that are defined in the Plan shall have the same meanings given them in the Plan.

**Contingent Performance-Based Restricted Stock Units (“Restricted Stock Units”)**

1. **Grant Date.** Pursuant to the Plan, the Company, on February 24th, 2014 (the “Grant Date”), granted Participant an incentive award (“Award”) in the form of **XXXX Restricted Stock Units** (which number of Units is also referred to herein as the “Target Units”), subject to the terms and conditions of the Plan and subject to the terms and conditions set forth herein.
2. **Accounts.** Restricted Stock Units granted to Participant shall be credited to an account (the “Account”) established and maintained for Participant. A Participant’s Account shall be the record of Restricted Stock Units granted to the Participant under the Plan, is solely for accounting purposes and shall not require a segregation of any Company assets.
3. **Terms and Conditions.** Except as otherwise provided herein, the Restricted Stock Units shall remain unearned, nonvested and subject to substantial risk of forfeiture.
4. **Performance Criteria.** Participant’s Restricted Stock Units shall be earned as soon as practicable after the end of the Measurement Period based on the Company’s Working Capital Level, determined under the formula below. Such Restricted Stock Units (rounded to the nearest whole Unit) shall be subject to the terms and conditions set forth in the following paragraphs of this Notice of Award.
  - (a) **Measurement Period.** The Measurement Period is the 2014 and 2015 calendar period.
  - (b) **Working Capital Level.** Working Capital Level is the Company’s “Working Capital” divided by the Company’s “Revenues” as of the end of the Measurement Period. Working Capital shall mean Accounts Receivable and Inventories, net of Accounts Payable (same definition as for AIP), as adjusted for one-time items and sustainability. Revenues shall mean trailing twelve months net sales (2015 revenue), as adjusted for one-time items.
  - (c) **Earned Award.** The Earned Award shall be a Designated Percentage of Restricted Stock Units where the Designated Percentage is determined under the following table (Awards to be interpolated between the Designated Percentages below):
 

<u>Working Capital Level</u>	<u>Designated Percentage is</u>
27.8% or greater	50% of Target Units
26%	75% of Target Units
24.5% or less	100% of Target Units

- (d) For purposes of the above calculations, the Designated Percentage of Restricted Stock Units will be rounded to the nearest whole percent.

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### **Valuation of Restricted Stock Units**

5. **Value of Units.** The value of each Restricted Stock Unit on any date shall be equal to the value of one share of the Company's Common Stock on such date.
6. **Value of Stock.** For purposes of this Award, the value of the Company's Common Stock is the Fair Market Value of the Stock (as defined in the Plan) on the date any Restricted Stock Units become earned, vested and payable hereunder.

### **Vesting of Earned Restricted Stock Units**

7. **Earned Awards.** As soon as practicable after the end of the Measurement Period, a determination shall be made by the Committee of the number of whole Restricted Stock Units that Participant has earned. The date as of which the Committee determines the number of Restricted Stock Units earned shall be the "Award Date."
8. **Restrictions.** Except as provided herein, the earned Restricted Stock Units shall remain unvested and forfeitable.
9. **Vesting.** Participant's interest in one-half of the earned Restricted Stock Units shall become vested and non-forfeitable on the Award Date and will be paid as soon as practicable thereafter. The final one-half of the earned Restricted Stock Units shall become vested and non-forfeitable as of January 1 of the first calendar year following the calendar year that contains the Award Date.

### **Death, Disability, Retirement and Termination by the Company for any Reason other than Cause**

10. **During the Measurement Period.** Anything in this Notice of Award to the contrary notwithstanding, (a) if a Participant separates from service for any reason during 2014, then the Participant's Restricted Stock Units shall be forfeited; and (b) if a Participant separates from service during 2015 on account of death, permanent and total disability within the meaning of section 22(e)(3) of the Code ("Disability" or "Disabled"), Retirement (as defined in paragraph 14 hereof) or termination by the Company for any reason other than Cause, then the Participant's Restricted Stock Units shall be earned under paragraph 7 above as of the Award Date based on the criteria set forth in paragraph 4 above and 50% of the Restricted Stock Units granted to the Participant; and any remaining Restricted Stock Units as of the Award Date shall be forfeited. The number of Restricted Stock Units earned shall be determined by the Committee in its sole and absolute discretion within the limits provided in the Plan and the Restricted Stock Units shall be fully vested as of the Award Date, and payable pursuant to paragraphs 16-18 hereof.
11. **After the Measurement Period.** Anything in this Notice of Award to the contrary notwithstanding, if, after the Measurement Period ends, but prior to the Award Date, Participant dies, becomes Disabled or Retires while in the employ of the Company or an Affiliate or is terminated by the Company for any reason other than Cause, such Participant shall earn his Restricted Stock Units pursuant to paragraph 7 and such earned Units shall be fully vested as of the Award Date and payable pursuant to paragraphs 16-18 hereof.

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12. **During the Vesting Period.** Anything in this Notice of Award to the contrary notwithstanding, if, after the Award Date, but prior to the forfeiture of the Restricted Stock Units under paragraph 13, Participant dies, becomes Disabled or Retires while in the employ of the Company or an Affiliate or is terminated by the Company for any reason other than Cause, then all earned Restricted Stock Units that are forfeitable shall become non-forfeitable as of the date of Participant's death, Disability, Retirement or termination by the Company for any reason other than Cause, as the case may be, and shall be paid pursuant to paragraphs 16-18 hereof.
  13. **Forfeiture.** All Restricted Stock Units that are forfeitable shall be forfeited if Participant's employment with the Company or an Affiliate terminates voluntarily or is terminated with Cause, except by reason of Participant's death, Retirement, Disability, or his termination by the Company for any reason other than Cause.
  14. **Retirement.** Retirement means, for purposes of this Award, termination of employment after having attained age 55 and completed at least 10 years of service with the Company or an Affiliate.
  15. **Termination for Cause.** The Committee shall have the authority to determine whether Participant's termination from employment is for Cause or for any reason other than Cause.

#### **Payment of Awards**

16. **Time of Payment.** Payment of Participant's Restricted Stock Units shall be made as soon as practicable after the Units have become non-forfeitable (or the Award Date, if later), but in no event later than March 15<sup>th</sup> of the calendar year after the year in which the Units become non-forfeitable.
17. **Form of Payment.** The vested Restricted Stock Units shall be paid in whole shares of the Company's Common Stock.
18. **Death of Participant.** If Participant dies prior to the payment of his or her non-forfeitable Restricted Stock Units, such Units shall be paid to his or her Beneficiary. Participant shall have the right to designate a Beneficiary in accordance with procedures established under the Plan for such purpose. If Participant fails to designate a Beneficiary, or if at the time of the Participant's death there is no surviving Beneficiary, any amounts payable will be paid to the Participant's estate.
19. **Taxes.** The Company will withhold from the Award the number of shares of Common Stock necessary to satisfy Federal tax-withholding requirements and state and local tax-withholding requirements with respect to the state and locality designated by the Participant as their place of residence in the Company's system of record at the time the Award becomes taxable, except to the extent otherwise determined to be required by the Company, subject, however, to any special rules or provisions that may apply to Participants who are non-US employees (working inside or outside of the United States) or US employees working outside of the United States. It is the Participant's responsibility to properly report all income and remit all Federal, state, and local taxes that may be due to the relevant taxing authorities as the result of receiving this Award.

#### **General Provisions**

20. **No Right to Continued Employment.** Neither this Award nor the granting, earning or vesting of Restricted Stock Units shall confer upon Participant any right with respect to

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continuance of employment by the Company or an Affiliate, nor shall it interfere in any way with the right of the Company or an Affiliate to terminate the Participant's employment at any time.

21. **Change in Capital Structure.** In accordance with the terms of the Plan, the terms of this grant shall be adjusted as the Committee determines is equitable in the event the Company effects one or more stock dividends, stock split-ups, subdivisions or consolidations of shares or other similar changes in capitalization.
22. **Governing Law.** This Award shall be governed by the laws of the Commonwealth of Virginia and applicable Federal law. All disputes arising under this Award shall be adjudicated solely within the state or Federal courts located within the Commonwealth of Virginia.
23. **Conflicts.** (a) In the event of any conflict between the provisions of the Plan as in effect on the Grant Date and the provisions of this Award, the provisions of the Plan shall govern. All references herein to the Plan shall mean the Plan as in effect on the Grant Date.
- (b) In the event of any conflict between the provisions of this Award and the provisions of any separate Agreement between the Company and the Participant, including, but not limited to, any Severance Compensation Agreement entered between the Participant and the Company, the provisions of this Award shall govern.
24. **Binding Effect.** Subject to the limitations stated above and in the Plan, this Award shall be binding upon and inure to the benefit of the legatees, distributees, and personal representatives of Participant and the successors of the Company.
25. **Change in Control.** Anything in this Notice of Award to the contrary notwithstanding, upon a Change in Control (as defined in the Plan), the following rules shall apply:
- (a) If a Change in Control occurs before the Measurement Period has been completed, a portion of the Participant's Restricted Stock Units shall be deemed earned and will be vested and paid. The number of Restricted Stock Units that will be deemed earned and vested in accordance with the prior sentence shall equal the greater of:
- (i) 50% of the target number of Restricted Stock Units; and
- (ii) a number of Restricted Stock Units based on actual performance of the Company against the performance criteria for the Restricted Stock Units for that portion of the Measurement Period for the Restricted Stock Units elapsed up to the end of the most recently completed calendar quarter prior to the date of the Change in Control and based on target performance during the balance of such Measurement Period in accordance with the following formula:
- Number of Units to be vested and paid =  $(QC/8) \times (AP/TP) \times \text{Number of Target Units} + ((8-QC)/8) \times \text{Number of Target Units}$
- Where: QC = the number of completed calendar quarters of the performance period prior to a Change in Control.
- AP = actual performance of the Company under the criteria for the Restricted Stock Units for the relevant period.

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TP = target performance of the Company under the criteria for the Restricted Stock Units for the relevant period whereas 'target performance' is equal to 100%, meaning that the Working Capital Level is 24.5% or less.

- (b) If a Change in Control occurs after the Measurement Period has been completed, but prior to the forfeiture of the Performance Units under paragraph 13, all earned Restricted Stock Units that are forfeitable shall become non-forfeitable as of the date of the Change in Control.

IN WITNESS WHEREOF, the Company has caused this Award to be signed on its behalf.

**ALBEMARLE CORPORATION**

By: \_\_\_\_\_