

TREDEGAR CORP
Form DEF 14A
March 30, 2017

United States
Securities and Exchange Commission
Washington, D.C. 20549

Schedule 14A Information

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Company

File by a party other than the Company

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 §240.14a-12

Tredegear Corporation
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) 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 file fee is calculated and state how it was determined):
4. Proposed aggregate offering price:

5. Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by the 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:

1100 Boulders Parkway Richmond, Virginia 23225

Annual Meeting of Shareholders

March 31, 2017

To Our Shareholders:

We invite you to attend the Annual Meeting of Shareholders to be held at Lewis Ginter Botanical Garden, 1800 Lakeside Avenue, Richmond, Virginia, 23228, on Wednesday, May 17, 2017, at 9:00 a.m., Eastern Daylight Time. A formal notice of the meeting, a proxy statement and a proxy card are enclosed. You are being asked to consider and act upon each of the following items:

1. To elect the six directors identified in the enclosed proxy statement;
2. To ratify the selection of PricewaterhouseCoopers LLP as our independent auditors for fiscal year 2017; and
3. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

There are four ways for you to exercise your vote. You may vote by completing, signing, dating and returning the enclosed proxy card in the self-addressed, stamped envelope provided. You also have the option of voting your shares by telephone or via the Internet. Finally, you may vote in person at the meeting, even if you return the proxy.

On behalf of our Board of Directors, management and employees of Tredegar Corporation, I thank you for your continued support and confidence in our company.

Sincerely yours,

William M. Gottwald
Chairman of the Board

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE AND TIME: Wednesday, May 17, 2017, at 9:00 a.m., Eastern Daylight Time

PLACE: Lewis Ginter Botanical Garden
1800 Lakeside Avenue
Richmond, Virginia 23228

- ITEMS OF BUSINESS:
1. To elect the six directors identified in the proxy statement;
 2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017; and
 3. To transact any other business as may properly come before the annual meeting or any adjournments or postponements of the annual meeting.

WHO MAY VOTE: You may vote if you were a shareholder of record on March 17, 2017.

DATE OF MAILING: This notice and the proxy statement are first being mailed to shareholders on or about March 31, 2017.

By Order of the Board of Directors

Michael J. Schewel
Vice President, General Counsel and Corporate Secretary

PROXY STATEMENT

for

ANNUAL MEETING OF SHAREHOLDERS
TREDEGAR CORPORATION

To be held on May 17, 2017

Approximate date of mailing March 31, 2017

VOTING INFORMATION

The Board of Directors (Board) of Tredegar Corporation, a Virginia corporation (Tredegar, the Company, we, our or us), is soliciting your proxy for the annual meeting of shareholders to be held on Wednesday, May 17, 2017 (the annual meeting or the 2017 annual meeting). This proxy statement and the enclosed proxy card contain information about the items you will be voting on at the annual meeting.

Who may vote?

You may vote if you owned shares of Tredegar common stock on March 17, 2017, the date our Board established for determining shareholders entitled to vote at the annual meeting. On that date, there were 33,043,001 outstanding shares of Tredegar common stock. You are entitled to one vote for each share of Tredegar common stock you own.

What are the proposals shareholders will be voting on at the annual meeting?

You will be voting on the following:

1. the election of the six directors identified in this proxy statement to serve until the 2018 annual meeting of shareholders and until their successors are elected and qualified;
2. the ratification of the appointment of PricewaterhouseCoopers LLP (or PwC) as our independent registered public accounting firm for the fiscal year ending December 31, 2017; and
3. the transaction of any other business as may properly come before the annual meeting or any adjournments or postponements of the annual meeting.

How do I vote my shares?

You may vote your shares as follows:

- If your shares of Tredegar common stock are registered directly in your name with Computershare:
- You may vote in person at the annual meeting by requesting a ballot at the annual meeting.

You may vote by mail by completing, signing, dating and returning the enclosed proxy card in the self-addressed, stamped envelope provided.

You may vote by telephone by calling toll-free 1-800-652-VOTE (8683) and following the instructions. Please have your control number located on the enclosed proxy card available when you call.

You may vote via the Internet by accessing the web page www.investorvote.com/TG and following the on-screen instructions. Please have your control number located on the enclosed proxy card available when you access the web page.

If your shares of Tredegar common stock are held in street name with a brokerage firm, you may vote by completing, signing and returning the voting instruction form provided by your broker. You may also be able to vote by telephone or via the Internet if your broker makes these methods available. Please see the voting instruction form provided by your broker.

Even if you plan to attend the annual meeting, we encourage you to vote your shares by proxy by one of the methods described above.

What constitutes a quorum for the annual meeting?

A quorum is a majority of the outstanding shares of Tredegar common stock, present in person or represented by proxy at the annual meeting. Abstentions, withheld votes and shares held of record by a broker or its nominee that are voted on any matter at the annual meeting are included in determining the number of shares present. Shares held of record by a broker or its nominee that are not voted on any matter at the annual meeting will not be included in determining whether a quorum is present. A quorum is necessary to conduct business at the annual meeting.

Will my shares be voted if I do not return my proxy?

If you are a Tredegar shareholder whose stock is registered directly in your name with Computershare, our transfer agent, and you do not provide your signed proxy or attend the annual meeting in person, your shares will not be represented at the meeting, will not count toward the quorum requirement and will not be voted.

If you are a Tredegar shareholder whose stock is held in street name with a brokerage firm, your broker may or may not vote your shares in its discretion if you have not provided voting instructions to the broker. Whether the broker may vote your shares depends on the proposals before the meeting. Under the rules of the New York Stock Exchange (or the NYSE), your broker may vote your shares in its discretion on "routine matters." The ratification of the appointment of the independent registered public accounting firm (Proposal 2) is a routine matter on which brokers are permitted to vote on behalf of their clients if their clients do not furnish voting instructions with respect to this matter.

The rules of the NYSE, however, do not permit your broker to vote your shares on proposals that are not considered "routine." When a proposal is not a routine matter and your broker has not received your voting instructions with respect to that proposal, your broker cannot vote your shares on that proposal. This is called a "broker non-vote." Under the rules of the NYSE, the election of directors (Proposal 1) is considered a non-routine matter. To avoid a broker non-vote of your shares on this proposal, you must send voting instructions to your broker.

Can I change or revoke my vote?

You may change or revoke your proxy at any time before it is voted at the annual meeting. You can change or revoke your proxy by (1) voting in person at the annual meeting, (2) delivering another later-dated proxy or (3) notifying Tredegar's Corporate Secretary in writing that you want to change or revoke your proxy. Attendance at the annual meeting will not by itself revoke a proxy. If your shares of Tredegar common stock are held in street name with a brokerage firm, you should follow the instructions provided by your broker to revoke or change your voting instructions.

What happens if I do not specify a choice when returning a proxy?

All signed proxies that have not been revoked will be voted at the annual meeting. If your proxy contains any specific voting instructions, they will be followed. However, if you sign and return your proxy without providing specific voting instructions, you give authority to the individuals designated on the proxy card to vote on the proposal(s) for which you have not made specific selections. If no specific instruction is given or selection made, it is intended that all proxies signed and returned will be voted in the manner recommended by our Board as disclosed in this proxy statement. As to any other business that may properly come before the annual meeting, the individuals designated on the proxy card will vote the shares of Tredegar common stock represented by the proxy card in the manner as our Board may recommend or otherwise in the proxyholders' discretion.

Who pays for the solicitation of proxies?

We will pay the cost of soliciting proxies and may use employees to solicit proxies by mail, in person or by telephone. We have engaged Alliance Advisors, LLC (or Alliance) to solicit proxies from brokers, nominees, fiduciaries and other custodians. We will pay Alliance \$5,000 for its services and will reimburse Alliance for its out of pocket expenses, including mailing, copying, phone calls, faxes and other matters, and will indemnify Alliance against any losses arising out of that firm's proxy soliciting services on our behalf.

How do I communicate with the Board of Directors?

Shareholders can communicate in writing to our Board, any Board Committee or any individual director by either mailing communications c/o Tredegar Corporation, 1100 Boulders Parkway, Richmond, Virginia, 23225, Attention: Corporate Secretary, or by sending an e-mail to the following address: directors@tredegar.com. We will forward communications to the intended recipient(s), although we screen mail for security purposes.

Where can I find Tredegar's corporate governance materials?

Our Governance Guidelines, Code of Conduct and the charters of our Audit Committee, Executive Compensation Committee and Nominating and Governance Committee are available on our website at www.tredegar.com by selecting "Corporate Governance" under "Investors." Information on, or that can be accessed through, our website is not, and shall not be deemed to be, a part of this proxy statement or incorporated into other filings we make with the Securities and Exchange Commission (or SEC).

How may I obtain Tredegar's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and other financial information?

Unless you have given specific instructions that you prefer to receive your materials electronically, we have enclosed a copy of our 2016 Annual Report, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (2016 Form 10-K).

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 17, 2017

The proxy statement and the 2016 Annual Report are available at www.tredegar.com under “Investors.”

Shareholders may request additional copies of the 2016 Form 10-K (including the financial statements and financial statement schedules), without charge, from our Investor Relations Department at Tredegar Corporation, 1100 Boulders Parkway, Richmond, Virginia 23225, invest@tredegar.com, 1-855-330-1001. We will deliver a list of exhibits to the 2016 Form 10-K, showing the cost of each, with the copy of the 2016 Form 10-K. We will provide any of the exhibits upon payment of the charge noted on the list. Exhibits to the 2016 Form 10-K are also available on the SEC’s website at www.sec.gov.

PROPOSAL 1:
ELECTION OF DIRECTORS

At the 2016 annual meeting of shareholders, shareholders approved an amendment to our Articles of Incorporation to eliminate the classified structure of our Board. We are in our second year of eliminating the classified structure of our Board. The six directors elected at the 2017 annual meeting will serve for a one-year term expiring at the 2018 annual meeting of shareholders. Beginning with the 2018 annual meeting, all directors will be elected for one-year terms expiring at the next succeeding annual meeting of shareholders.

The terms of Messrs. John D. Gottwald, George A. Newbill, Kenneth R. Newsome, Gregory A. Pratt, Thomas G. Snead, Jr., John M. Steitz, and Carl E. Tack, III, will expire at the 2017 annual meeting. Upon the recommendation of the Nominating and Governance Committee, the Board has nominated and recommended Messrs. John D. Gottwald, Kenneth R. Newsome, Gregory A. Pratt, Thomas G. Snead, Jr., John M. Steitz, and Carl E. Tack, III, for election at the 2017 annual meeting to serve for a one-year term expiring at the 2018 annual meeting. As previously announced, Mr. Newbill will retire from Tredegar's Board upon the expiration of his current term at the 2017 annual meeting. At its February meeting, the Board took action to reduce the size of the Board from nine to eight directors, effective immediately following the annual meeting, to remove the vacancy created by the departure of Mr. Newbill. Proxies cannot be voted for a greater number of directors than the number of nominees named.

Each nominee has agreed to serve if elected. If any nominee is not able to serve, the Board may designate a substitute or reduce the number of directors serving on the Board. Proxies will be voted for the nominees (or if not able to serve, such substitutes as may be designated by the Board). The Board has no reason to believe that any of the nominees will be unable to serve.

Vote Required and Board Recommendation

Directors will be elected by a majority of the votes cast. A majority of the votes cast means that the number of votes "FOR" a nominee must exceed the number of votes "AGAINST" that nominee. Abstentions and broker non-votes will have no effect on the outcome.

Any director who receives a greater number of votes "AGAINST" his election than votes "FOR" such election will promptly tender his resignation to the Board in accordance with Tredegar's Governance Guidelines. The Nominating and Governance Committee will consider the tendered resignation and recommend to the Board whether to accept or reject the tendered resignation. The full Board will consider all factors it deems relevant to the best interests of Tredegar, make a determination and publicly disclose its decision and, if such resignation is rejected, the rationale behind the decision, within 90 days after certification of the election results.

Our Board recommends that you vote "FOR" each of the nominees.

TREDEGAR'S BOARD OF DIRECTORS

Following is certain biographical and professional information, including information regarding each director's or nominee's specific experience, qualifications, attributes or skills that led to the conclusion that the individual should serve as a Tredegar director, concerning the nominees as well as the directors whose terms of office will continue after the annual meeting:

Nominees for Election at the 2017 Annual Meeting for Terms Expiring at the 2018 Annual Meeting

John D. Gottwald; age 62; director since 1989; President and Chief Executive Officer of Tredegar since August 18, 2015; having served previously as Interim President and Chief Executive Officer of Tredegar from June 26, 2015 until August 17, 2015, and as President and Chief Executive Officer of Tredegar from March 1, 2006 until January 31, 2010, and as Chairman of the Board of Tredegar from September, 2001 until May, 2006. The Board has concluded that Mr. Gottwald should serve as a director based on his significant knowledge and understanding of Tredegar and its businesses and his significant experience and expertise in the leadership of global manufacturing companies.

Kenneth R. Newsome; age 57; director since 2014; President and Chief Executive Officer of Markel Food Group, a food processing and manufacturing company, since February, 2014, having served previously as President and Chief Executive Officer of AMF Bakery Systems, Inc., a leading manufacturer of high speed industrial baking equipment, since 1996. The Board has concluded that Mr. Newsome should serve as a director based on his manufacturing expertise and significant leadership and management skills acquired as the chief executive of a global manufacturing company.

Gregory A. Pratt; age 68; director since 2014; Chairman of the Board of Carpenter Technology Corporation (Carpenter), a manufacturer and distributor of cast/wrought and powder metal stainless steels and specialty alloys, since November, 2009, having served previously as Executive Chairman of Carpenter from July, 2015 until November, 2015, Executive Chairman, Chief Executive Officer and President of Carpenter from November, 2014 until June, 2015, and Chairman, Chief Executive Officer and President of Carpenter from September, 2009 to July, 2010. Mr. Pratt has served as Capital Area Chapter Chairman of the National Association of Corporate Directors, a non-profit organization focused on improving boardroom governance, since 2007. Other directorship: Carpenter. The Board has concluded that Mr. Pratt should serve as a director based on his financial and manufacturing expertise and leadership and management skills acquired as the chief executive of a large public company, and based on his corporate governance expertise.

Thomas G. Snead, Jr.; age 63; director since 2013; Retired, having served previously as President of Wellpoint, Inc., Southeast Region (now Anthem, Inc.), a managed care and health insurance company, from December, 2004 until his retirement in January, 2006. Other directorship: Xenith Bankshares, Inc., a holding company for a Virginia banking corporation. The Board has concluded that Mr. Snead should serve as a director based on his significant executive, financial and operations experience at a complex and highly regulated public company. His extensive background in corporate strategy, finance, accounting and operations allows Mr. Snead to provide valuable insight. In addition, he brings public company board experience gained from his service on other public company boards.

John M. Steitz; age 58; director since 2017; President and Chief Executive Officer of Addivant Corporation, a leading global supplier of antioxidants, intermediates, inhibitors, modifiers, UV stabilizers and other additives to the plastic and rubber industries, since March, 2015, having served previously as President and Chief Operating Officer of PQ Corporation, a leading worldwide producer of specialty inorganic performance chemicals and catalysts, from October, 2013 until March, 2015, as President and Chief Executive Officer of Avantor Performance Materials, a global supplier of ultra-high-purity life sciences materials with strict regulatory and performance specifications, from September, 2012 until September, 2013, as President and Chief Operating Officer of Albemarle Corporation, a specialty chemicals company (Albemarle), from March, 2012 until August, 2012, and as Chief Operating Officer and Executive Vice President of Albemarle from April, 2007 until August, 2012. Other directorships: Innophos Holdings, Inc., a

producer of specialty grade phosphate products for the food, pharmaceutical and industrial market segments. The Board has concluded that Mr. Steitz should serve as a director based on his extensive operational background in the chemical industry and broad global commercial experience. In addition, Mr. Steitz brings public company experience from both a senior management and board member perspective.

Carl E. Tack, III; age: 61; director since 2014; Clinical Professor of Finance, Mason School of Business, College of William and Mary, since August, 2015, having served previously as Adjunct Professor at the Mason School of Business and Marshall-Wythe School of Law, College of William and Mary, from July, 2013 until August, 2015, as Managing Partner, Delta Partners Group, from December, 2010 until May, 2012, Lecturer (Finance) at Imperial College London from January, 2010 until May, 2010, Executive in Residence, London Business School, from January, 2010 until June, 2011, and Managing Director, Deutsche Bank, from June, 1996 until April, 2009. The Board has concluded that Mr. Tack should serve as a director based on his significant corporate finance and corporate strategy expertise acquired through his 25 years of experience as an investment banker and consultant working with companies engaged in a variety of industries and global markets.

Directors Whose Terms Expire at the 2018 Annual Meeting

George C. Freeman, III; age 53; director since 2011; Chief Executive Officer of Universal Corporation, an international leaf tobacco merchant (Universal), since April, 2008, Chairman of Universal since August, 2008, and President of Universal since December, 2006. Other directorship: Universal. The Board has concluded that Mr. Freeman should serve as a director based on his strong executive management and leadership skills, his financial expertise and his extensive knowledge of international business, risk oversight and corporate governance.

William M. Gottwald; age 69; director since 1997; Chairman of the Board of Tredegar, having served previously as Vice Chairman of Tredegar from April, 2004 until June, 2015 and as Chairman of the Board of Directors of Albemarle, from 2001 until 2008. The Board has concluded that Mr. Gottwald should serve as a director based on his significant experience and expertise in the leadership of global manufacturing companies.

On the recommendation of the Nominating and Governance Committee, our Board has affirmatively determined that the following directors and nominees are independent, as that term is defined under the general independence standards of the NYSE listing standards and our Governance Guidelines: George C. Freeman, III, Kenneth R. Newsome, Gregory A. Pratt, Thomas G. Snead, Jr., John M. Steitz and Carl E. Tack, III.

Our Board has adopted, as part of our Governance Guidelines, categorical standards to assist it in making these independence determinations. All of the directors and the nominees identified as “independent” in this proxy statement meet these categorical standards, which are available on our website at www.tredegar.com by selecting “Corporate Governance” under “Investors.”

BOARD MEETINGS, MEETINGS OF NON-MANAGEMENT DIRECTORS AND BOARD COMMITTEES

Our Board held six meetings in 2016. Each director who served as a director during 2016 attended 100% of the total number of Board meetings and the total number of meetings of all committees of the Board on which the director then served. The committees of the Board were the Audit Committee, the Executive Compensation Committee and the Nominating and Governance Committee.

The non-management directors of our Board meet regularly in private session. The Chairman of the Board chairs the meetings of non-management directors. During these meetings, the Chairman of the Board has the power to lead the meeting and set the agenda, but all non-management directors are encouraged to and do suggest topics for discussion and identify materials and other information for review. The independent directors of our Board meet as needed, and at least annually, in private session. The Chairman of the Nominating and Governance Committee chairs these meetings.

Shareholders and other interested persons may contact the independent directors (individually or as a group) or the Chairman (individually) in writing through one of the means described under “Voting Information How do I communicate with the Board of Directors?” on page 3 of this proxy statement.

Audit Committee

Our Audit Committee currently consists of Messrs. Thomas G. Snead, Jr. (Chairman), Gregory A. Pratt and Carl E. Tack, III. The Audit Committee met on four occasions during 2016. The Audit Committee operates under a written charter adopted by our Board, which is available on our website at www.tredegar.com by selecting “Corporate Governance” under “Investors.” The principal functions of our Audit Committee are to review and oversee financial reporting, policies, procedures and internal controls; to retain and oversee activities of our independent registered public accounting firm; to oversee the internal audit function; to oversee legal and regulatory compliance and adherence to our Code of Conduct; to review and approve, if appropriate, related person transactions; to receive from and discuss with our independent registered public accounting firm written disclosures as to independence; to prepare the Audit Committee report for inclusion in the annual proxy statement; and to establish procedures for complaints received regarding our accounting, internal accounting controls and auditing matters.

Upon the recommendation of our Nominating and Governance Committee, our Board has determined that each member of our Audit Committee is independent of management and free of any relationships that, in the opinion of our Board, would interfere with the exercise of independent judgment and is independent, as that term is defined under the enhanced independence standards for audit committee members in the Securities Exchange Act of 1934, as amended (or the Exchange Act) and rules thereunder, as incorporated into the listing standards of the NYSE, and in accordance with the Audit Committee Charter and our Governance Guidelines.

Our Board has determined that Messrs. Gregory A. Pratt and Thomas G. Snead, Jr., are “audit committee financial experts,” as that term is defined in the rules promulgated by the SEC under the Sarbanes-Oxley Act of 2002. Our Board has further determined that each of the members of our Audit Committee is financially literate and that, as required by the NYSE listing standards, at least one member of the Committee has accounting or related financial management expertise, as such terms are interpreted by our Board in its business judgment.

Our Audit Committee has adopted written procedures for pre-approving certain audit and permissible non-audit services provided by our independent registered public accounting firm. These procedures include reviewing a budget for audit and permissible non-audit services. The budget includes a description of, and a budgeted amount for, particular categories of audit and permissible non-audit services that are recurring in nature and therefore anticipated at the time the budget is submitted. Audit Committee approval is required to exceed the budget amount for a particular category of audit and permissible non-audit services and to engage the independent registered public

accounting firm for any audit and permissible non-audit services not included in the budget. For both types of pre-approval, our Audit Committee considers whether such services are consistent with the SEC rules on auditor independence. Our Audit Committee may delegate pre-approval authority to the Chairman of our Audit Committee. Our Audit Committee periodically monitors the services rendered and actual fees paid to the independent registered public accounting firm to ensure that such services are within the parameters approved by our Audit Committee.

Executive Compensation Committee

Our Executive Compensation Committee currently consists of Messrs. George A. Newbill (Chairman), George C. Freeman, III, Kenneth R. Newsome and Thomas G. Snead, Jr. The Executive Compensation Committee met on three occasions during 2016. The Executive Compensation Committee operates under a written charter adopted by our Board, which is available on our website at www.tredegar.com by selecting “Corporate Governance” under “Investors.” The principal functions of our Executive Compensation Committee are to approve corporate goals and objectives relevant to Chief Executive Officer compensation and evaluate our Chief Executive Officer’s performance in light of those goals and objectives; to determine and approve Chief Executive Officer compensation, including base salary and incentive awards; to approve the salaries and incentive awards of executive officers; to grant awards under our equity incentive plans; to review compensation programs to confirm they do not encourage unnecessary risk-taking; to retain compensation consultants, legal counsel and any other advisors to the Committee; to review and recommend for approval by the Board our approach with respect to the advisory vote on executive compensation (say-on-pay) and how frequently we should permit shareholders to have a say-on-pay; to review and discuss with our management the Compensation Discussion and Analysis and based on such review and discussion, determine whether to recommend to our Board that the Compensation Discussion and Analysis be included in the annual proxy statement; and to prepare the Executive Compensation Committee report for inclusion in the annual proxy statement.

All of the members of our Executive Compensation Committee are “non-employee directors” (within the meaning of Rule 16b-3 of the Exchange Act), “outside directors” (within the meaning of Section 162(m) of the Internal Revenue Code), and “independent directors” (within the meaning of the current NYSE listing standards and our Governance Guidelines).

Executive Compensation Committee Interlocks and Insider Participation

No member of our Executive Compensation Committee was at any time an officer or employee of Tredegar. None of our executive officers serves as a director or member of a compensation committee (or other committee of a board performing equivalent functions) of another entity where an executive officer of such entity served as a director of Tredegar or on our Board’s Executive Compensation Committee.

Nominating and Governance Committee

Our Nominating and Governance Committee currently consists of Messrs. Gregory A. Pratt (Chairman), George C. Freeman, III, and Carl E. Tack, III. The Nominating and Governance Committee met on four occasions during 2016. The Nominating and Governance Committee operates under a written charter adopted by our Board, which is available on our website at www.tredegar.com by selecting “Corporate Governance” under “Investors.” The principal functions of our Nominating and Governance Committee are to review the size and composition of our Board; to ensure a balance of appropriate skills and characteristics on our Board; to develop criteria for director nominees; to recruit new directors, to consider director nominees recommended by shareholders and others and to recommend nominees for election as directors, all in accordance with the director selection criteria; to approve compensation of directors, including the compensation of our Chairman and any Vice Chairman (except for a director who is also our Chief Executive Officer, whose compensation is determined solely by our Executive Compensation Committee); to review our Code of Conduct, Governance Guidelines and other governance matters, and to ensure policies are properly communicated and consistently enforced; to make recommendations regarding composition of our Board committees; and to recommend actions to increase our Board’s effectiveness.

All members of our Nominating and Governance Committee are independent, as defined under the general independence standards of the NYSE listing standards and our Governance Guidelines.

CORPORATE GOVERNANCE

Board of Directors

Our Board is currently composed of nine directors, seven of whom our Board has affirmatively determined are independent under the general independence standards of the NYSE and our Governance Guidelines. The primary mission of our Board is to represent and protect the interests of our shareholders by overseeing management and acting in the best interests of Tredegar and our shareholders. As provided in our Governance Guidelines, our Board has a non-management Chairman whose duties and responsibilities are separate and distinct from those of our Chief Executive Officer. We believe that the separation of the Chairman and Chief Executive Officer roles is appropriate and in the best interests of Tredegar and our shareholders at this time. We believe the separation of the Chairman and the Chief Executive Officer roles, and our Audit Committee, Executive Compensation Committee and Nominating and Governance Committee, which are comprised entirely of independent directors, help provide effective oversight of management, and facilitates the relationship between our Board and management in overseeing and managing the material risks we face. This system of checks and balances helps ensure that key decisions made by our management team, including the Chief Executive Officer, are reviewed and subject to oversight.

Risk Management

Management is responsible for the day-to-day management of the risks we face, while our Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed. Management regularly reports to our Board on operating and other risks.

While our Board is ultimately responsible for risk oversight at Tredegar, various Board committees assist our Board in fulfilling its oversight responsibilities in certain areas of risk. The Audit Committee assists the Board in discharging its oversight responsibilities relating to the accounting, reporting and financial practices of Tredegar and our subsidiaries and also assists the Board in overseeing our internal auditing and compliance functions. The Audit Committee is responsible for discussing with management our major financial risk exposures and the steps management has taken to monitor and control such exposures. The Nominating and Governance Committee oversees risks associated with our Governance Guidelines, including compliance with listing standards for independent directors. The Executive Compensation Committee oversees risks associated with our executive compensation programs.

Code of Conduct

Our Code of Conduct applies to our officers, employees and directors, including our Chief Executive Officer, our Chief Financial Officer and our Principal Accounting Officer and Controller. We conduct our business in accordance with the highest standards of conduct. Full compliance with the letter and spirit of the laws applicable to our businesses is fundamental to us. Equally important are honesty, integrity and fairness in our business operations and in our dealings with others. Diligently applying these standards makes good business sense and allows us to earn the trust and respect of our shareholders, employees, customers, suppliers, regulators and the communities in which we operate. We have provided employees, customers and suppliers with a number of avenues for the reporting of ethics violations or similar concerns, including an anonymous telephone hotline provided by a third-party vendor. Our Code of Conduct reflects the foregoing principles. Our Code of Conduct is available on our website at www.tredegar.com by selecting “Corporate Governance” under “Investors.”

Governance Guidelines

Our Board has adopted Governance Guidelines that reflect our governance principles and our long-standing commitment to maintaining high corporate governance standards. Our Governance Guidelines are available on our website at www.tredegar.com by selecting “Corporate Governance” under “Investors.”

Director Attendance at Annual Meeting of Shareholders

Our policy is that directors attend the annual meeting of shareholders. All of our directors who served as directors in 2016 attended the 2016 annual meeting.

COMPENSATION OF DIRECTORS

Components of Director Compensation

The Nominating and Governance Committee determines and approves director compensation, except for a director who is also our Chief Executive Officer, whose compensation is determined solely by our Executive Compensation Committee. For 2016, non-employee directors and committee members received the following annual retainers, payable in equal quarterly installments in arrears, for their service on our Board:

Non-Employee Director	\$ 113,000
Chairman of the Board	\$ 65,000
Audit Committee Chairman	\$ 16,000
Non-Chair Member of the Audit Committee	\$ 9,500
Executive Compensation Committee Chairman	\$ 11,000
Non-Chair Member of the Executive Compensation Committee	\$ 7,000
Nominating and Governance Committee Chairman	\$ 7,500
Non-Chair Member of the Nominating and Governance Committee	\$ 4,500
Executive Committee Chairman	\$ 9,000
Non-Chair Member of the Executive Committee	\$ 4,500

The retainers for non-employee directors and Chairman of the Board were paid 50% in the form of cash and 50% in the form of a stock award under the Tredegar Corporation Amended and Restated 2004 Equity Incentive Plan (or the 2004 Plan). The stock award was determined based on the closing price of Tredegar common stock as reported on the NYSE on the date of grant. Each quarterly stock award became fully vested and transferable immediately upon the date of grant. Retainers for our Chairman of the Board and committee Chairmen and members commenced after our Board elected members to these positions.

The following table presents information relating to total compensation of our directors, other than the Chief Executive Officer, for the fiscal year ended December 31, 2016.

Director Compensation

Name ⁽¹⁾	Fees Earned or		Total
	Paid in Cash (\$)	Stock Awards ⁽²⁾ (\$)	
George C. Freeman, III	\$ 68,876	\$ 56,459	\$ 125,335
William M. Gottwald	\$ 93,547	\$ 88,931	\$ 182,478
George A. Newbill	\$ 67,525	\$ 56,459	\$ 123,984
Kenneth R. Newsome	\$ 68,025	\$ 56,459	\$ 124,484
Gregory A. Pratt	\$ 73,525	\$ 56,459	\$ 129,984
Thomas G. Snead, Jr.	\$ 79,525	\$ 56,459	\$ 135,984
Carl E. Tack, III	\$ 70,525	\$ 56,459	\$ 126,984

(1) Mr. Steitz did not join our Board until February 21, 2017.

As part of his 2016 annual retainer, each non-employee director received quarterly grants of Tredegar common stock under the 2004 Plan. Each non-employee director received a number of shares of Tredegar common stock equal as nearly as possible to but not to exceed \$14,125 per quarter for their service on the Board, with the (2) Chairman of the Board receiving an additional number of shares of Tredegar common stock equal as nearly as possible to but not to exceed \$8,125 per quarter, both based on the closing price of Tredegar common stock as reported on the NYSE on the dates of grant. The following table indicates the respective dates of grant, the number of shares received and the closing price of Tredegar common stock for each such grant received:

Date of Grant	Non-Employee Director	Chairman of the Board	Closing Price
	Shares	Additional Shares	
March 31, 2016	898	516	\$ 15.72
June 30, 2016	876	504	\$ 16.12
September 30, 2016	759	437	\$ 18.59
December 30, 2016	588	338	\$ 24.00

The amounts set forth in the Director Compensation Table represent the grant date fair value computed in accordance with FASB Accounting Standards Codification™ Topic 718, Compensation – Stock Compensation, for the shares of Tredegar common stock awarded to each non-employee director identified above under the terms of the 2004 Plan during the fiscal year ended December 31, 2016, based on the closing price of Tredegar common stock as reported on the NYSE on the respective dates of grant.

Outside Director Stock Ownership Guidelines

Under Tredegar's Outside Director Stock Ownership Guidelines, all of our non-employee directors are to achieve ownership of Tredegar common stock in an amount equal to at least three times that director's base annual cash retainer. Directors have three years from their election to the Board to satisfy 50% of the requirement and six years to satisfy the full requirement. All of our directors have satisfied the full stock ownership requirement, except Mr. Steitz, who joined our Board on February 21, 2017, and has until 2020 to satisfy the three-year, 50% requirement.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Messrs. John D. Gottwald, a director and our President and Chief Executive Officer, and William M. Gottwald, a director and the Chairman of the Board, are brothers. Messrs. John D. Gottwald and William M. Gottwald, together with members of their immediate families (or the Gottwalds), may be deemed to be a “group” for purposes of Section 13(d)(3) of the Exchange Act. There is no agreement between the Gottwalds with respect to the acquisition, retention, disposition or voting of Tredegar common stock.

Our Audit Committee is responsible for reviewing and approving, if appropriate, related person transactions. Our Audit Committee operates under a written charter, the relevant provisions of which require it, to the extent not otherwise delegated to another committee comprised solely of independent directors, to review related person transactions for potential conflicts of interest situations. The Audit Committee reviews each related person transaction on a case-by-case basis and approves only those related person transactions that it determines in good faith to be in the best interests of Tredegar.

For purposes of Tredegar’s Related Parties and Related Persons Transactions policy, (a) “Related person” means any director or executive officer of Tredegar; any employee of Tredegar or any of our subsidiaries; any nominee for director; any immediate family member(s) of directors, executive officers, employees or nominees for director; or any beneficial owner of more than 5% of Tredegar’s voting securities; (b) “Related person transaction” means a transaction in which Tredegar or any of our subsidiaries is, or is proposed to be, a participant and the amount involved exceeds \$120,000, and in which a related person has, had or may have a direct or indirect interest; (c) “Immediate family member” means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, and any person (other than a tenant or employee) sharing the household of any director, nominee for director, executive officer, employee or beneficial owner of more than 5% of Tredegar’s voting securities; and (d) “Transaction” means any financial contract, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar contracts, arrangements or relationships.

During 2016, The London Company, which is a beneficial owner of more than 5% of Tredegar common stock, provided asset management services to our pension plan and received approximately \$174,000 in fees for such services in 2016. The investment management agreement was entered into on an arm’s-length basis in the ordinary course of business and was reviewed and approved by the Audit Committee.

STOCK OWNERSHIP

Below is information on the beneficial ownership of Tredegar common stock as of February 14, 2017 by each director, each person nominated for election to the Board, and each executive officer named in the Summary Compensation Table beginning on page 28 of this proxy statement. The table also shows the beneficial ownership of all directors, nominees and executive officers of Tredegar as a group as of February 14, 2017.

Security Ownership of Management

	Number of Shares with Sole Voting and Investment Power Outstanding		Number of Shares with Shared Voting and Investment Power	Total Number of Shares	Percent of Class(a)	
Directors, Nominees and Certain Executive Officers (b)						
D. Andrew Edwards	14,173	-	-	14,173		
George C. Freeman, III	14,117	-	-	14,117		
Michael W. Giancaspro	7,623	-	-	7,623		
John D. Gottwald	1,888,028	-	1,127,613	3,015,641	(c)	9.13 %
William M. Gottwald	73,566	-	957,453	1,031,019	(d)	3.12 %
George A Newbill	17,993	-	-	17,993		
Kenneth R. Newsome	8,854	-	-	8,854		
Gregory A. Pratt	8,854	-	-	8,854		
Michael J. Schewel	4,087	-	-	4,087		
Thomas G. Snead, Jr.	10,456	-	-	10,456		
John M. Steitz	-	-	-	-		
Carl E. Tack, III	8,854	-	-	8,854		
All directors, nominees and executive officers as a group (13) (e)(f)	2,068,304	12,115	2,085,066	4,160,550		12.59 %

(a) Unless a specific percentage is noted in this column, each person owns less than 1% of the outstanding shares of Tredegar common stock.

(b) Some of the shares may be considered to be beneficially owned by more than one person or group listed and are included in the table for each.

(c) John D. Gottwald disclaims beneficial ownership of 4,935 shares of Tredegar common stock.

(d) William M. Gottwald disclaims beneficial ownership of 4,935 shares of Tredegar common stock.

The directors and executive officers have sole voting and investment power over their shares, except for those listed under the heading "Number of Shares with Shared Voting and Investment Power," which are held by or jointly (e) with spouses, by children or in partnerships or trusts. Any shares of Tredegar common stock held under our benefit plans for any director or executive officer are included in the number of shares over which that person has sole voting or investment power. Shares held by the trustees of those plans for other employees are not included.

Messrs. John D. Gottwald and William M. Gottwald share voting and investment power for 4,935 shares of (f) Tredegar common stock. This overlap in beneficial ownership has been eliminated in calculating the total number of shares and the percentage of class owned by directors, nominees and executive officers as a group.

The table below lists any person (including any “group” as defined in Section 13(d)(3) of the Exchange Act) known to us who beneficially owned more than 5% of the shares of Tredegar common stock as of February 14, 2017.

Security Ownership of Certain Beneficial Owners

Names and Addresses of Beneficial Owners	Number of Shares of Common Stock	Percent of Class
John D. Gottwald William M. Gottwald and Floyd D. Gottwald, Jr.(a) 9030 Stony Point Parkway Richmond, VA 23235	7,354,800	22.12 % (b)
GAMCO Investors, Inc. One Corporate Center Rye, NY 10580-1435	5,691,168	17.22 % (c)
BlackRock, Inc. 55 East 52nd Street New York, NY 10022	2,909,074	8.80 % (d)
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	2,751,900	8.33 % (e)
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	2,290,141	6.93 % (f)
The London Company 1801 Bayberry Court, Suite 301 Richmond, VA 23226	2,072,800	6.27 % (g)

Messrs. John D. Gottwald, William M. Gottwald and Floyd D. Gottwald, Jr., together with members of their (a) immediate families, may be deemed to be a “group” for purposes of Section 13(d)(3) of the Exchange Act, although there is no agreement among them with respect to the acquisition, retention, disposition or voting of Tredegar common stock.

(b) Based solely on the information contained in Amendment No. 11 to the Schedule 13D filed with the SEC on February 20, 2014.

(c) Based solely on the information contained in Amendment No. 14 to the Schedule 13D filed with the SEC on September 15, 2015.

(d) Based solely on the information contained in Amendment No. 7 to the Schedule 13G filed with the SEC on January 27, 2017.

(e) Based solely on the information contained in Amendment No. 10 to the Schedule 13G filed with the SEC on February 9, 2017.

(f) Based solely on the information contained in Amendment No. 2 to the Schedule 13G filed with the SEC on February 13, 2017.

(g) Based solely on the information contained in Amendment No. 8 to the Schedule 13G filed with the SEC on February 14, 2017.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

In this section, we provide an overview of our executive compensation philosophy and describe the material components of our executive compensation program, with a focus on the following executive officers (or NEOs) whose compensation is set forth in the 2016 Summary Compensation Table and the other compensation tables contained in this proxy statement:

· John D. Gottwald, President and Chief Executive Officer;

· D. Andrew Edwards, Vice President and Chief Financial Officer;

· Michael J. Schewel, Vice President, General Counsel and Corporate Secretary, who joined Tredegar on May 9, 2016; and

· Michael W. Giancaspro, Vice President, Business Processes and Corporate Development.

Mr. Gottwald asked not to participate in Tredegar's 2016 annual cash incentive plan or receive long-term incentive grants in 2016, and the Executive Compensation Committee (or the Committee) agreed to Mr. Gottwald's request.

Key Compensation Corporate Governance Practices

The Executive Compensation Committee and our Nominating and Governance Committee continuously review evolving practices in executive compensation and corporate governance. We have adopted certain policies and practices that we believe are consistent with industry best practices.

Tredegear Executive Compensation Policies - What we do

We make variable performance compensation a significant component of each executive's total compensation, with the proportion of compensation allocated to variable performance compensation increasing with the level of responsibility.

We balance short-term and long-term compensation, which discourages short-term risk-taking at the expense of long-term results.

We require meaningful stock ownership and retention at levels that increase with responsibility.

We require NEOs to hold stock beyond vesting. NEOs who receive an award of restricted stock must retain such shares of restricted stock (net of any shares surrendered to satisfy tax withholding obligations) until the sixth anniversary of the date of grant.

The Committee uses an independent executive compensation consultant that reports directly to the Committee and does not provide any services to Tredegear other than executive and director compensation services.

We conduct an annual compensation risk review of potential and existing risks arising from our compensation programs and policies and concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on Tredegear.

We have a claw back policy for the recovery of performance-based compensation in the event of executive officer misconduct related to our financial results.

Tredegear Executive Compensation Policies - What we don't do

No hedging transactions on our stock are permitted.

No special perquisites are provided to any employee. We do not provide executives with special perquisites such as company cars, personal use of corporate assets or special company-funded executive deferred compensation plans.

No employment agreements. We have no employment agreements with any of our executive officers.

No stock option re-pricings without shareholder approval or discounted stock options are permitted under our equity incentive plan.

The Role of Shareholder Say-on-Pay Votes

At our 2015 annual meeting of shareholders, approximately 90.5% of the votes cast, which, under Virginia law, excludes abstentions and broker non-votes, on the "say-on-pay" proposal approved the compensation of our NEOs. The Committee believes that the 2015 shareholder vote endorsed the compensation philosophy of the Committee and our executive compensation programs and, as a result, the Committee did not make any material adjustments to the 2016 executive compensation program. The Committee will consider future "say-on-pay" votes by the shareholders in

making adjustments to or developing executive compensation programs in the future. Our next say-on-pay vote is scheduled for 2018.

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Compensation Philosophy and Objectives

Our businesses operate in highly competitive industries that require outstanding customer service and manufacturing efficiency. To lead and manage these businesses, we require high-caliber executive talent with strong vision and operational skills. The objectives of our executive compensation programs are to attract, motivate and retain highly qualified executive officers. To accomplish these objectives, we rely on a pay strategy that emphasizes performance-based compensation through annual and long-term incentives. We believe that this pay strategy aligns with our business strategy of generating strong operating results and shareholder value creation while controlling fixed costs. In this manner, we believe that our executive compensation program supports and reinforces our business objectives and creates a strong link between pay and performance.

Specifically, our executive compensation programs:

- are primarily performance based, with the percentage of an executive's total compensation opportunity based on our financial performance increasing with the executive's level of responsibility;
- are significantly stock-based in order to ensure our executives have common interests with our shareholders;
- enhance retention of our executives by subjecting a meaningful portion of their total compensation to multi-year vesting;
- link a significant portion of total pay to the execution of strategies intended to create long-term shareholder value;
 - provide our executives with an opportunity for competitive total pay; and
- do not encourage our executives to take unnecessary or excessive risks.

Our executive compensation philosophy and strategy aim generally to provide targeted compensation opportunities for base salaries, annual cash incentives and long-term equity incentives near the market 50th percentile in order to attract and retain talent while using a balance of fixed and variable pay programs to align actual compensation earned with company performance. Allocations between short-term and long-term compensation opportunities and between cash and equity awards take into account market data, but may vary over time and among executives. Greater detail regarding these company-specific and individual factors is included in this discussion.

Process and Procedure for Determining Compensation of Executive Officers

The primary role of the Committee is to develop and oversee the implementation of our philosophy with respect to the compensation of our executive officers, including the NEOs. The Committee has the overall responsibility to evaluate the performance of and determine the compensation of our Chief Executive Officer and approve the compensation structure for our other executive officers. Our Chief Executive Officer makes specific recommendations to the Committee regarding the compensation of our other executive officers based on the compensation structure approved by the Committee. After review and discussion, the Committee gives its final approval of the compensation for our other executive officers. The Committee reports regularly to our Board on matters relating to the Committee's actions.

Under its charter, the Committee has the authority to engage compensation consultants to assist the Committee in fulfilling its responsibilities. The Committee has engaged Pearl Meyer, a nationally-recognized compensation consulting firm, as its outside advisor for executive compensation. Pearl Meyer reports directly to the Committee, and the scope of its work is directed by the Committee. In retaining Pearl Meyer, the Committee assessed the independence of Pearl Meyer pursuant to applicable NYSE and SEC rules and concluded that no conflict of interest exists that would prevent Pearl Meyer from independently advising the Committee.

Executive compensation was last compared against a peer group in 2013, when upon the Committee's request, Pearl Meyer conducted a competitive market study of executive compensation levels for our NEOs. The study included compensation data as disclosed in peer company proxy statements as well as survey compensation data published in the fall of 2013. The peer group used in developing proxy-disclosed pay is set forth below:

HB Fuller Co.
Griffon Corporation
Kraton Performance Polymers Inc.
Kaiser Aluminum Corporation
EnPro Industries, Inc.
AEP Industries Inc.
Spartech Corp.
Chart Industries Inc.
Quanex Building Products Corporation
Buckeye Technologies Inc.
Neenah Paper, Inc.
Myers Industries Inc.
Innospec Inc.
Tennant Company
Calgon Carbon Corporation
Rogers Corporation

The peer group companies listed above were chosen because they operate in industries similar to those in which we operate, and, at the time they were selected, had similar annual revenues and profitability (collectively referred to as the peer group).

In determining the compensation of our Chief Executive Officer and approving the compensation structure for our other executive officers, the Committee considers Tredegar's performance, individual executive performance, recommendations from the Chief Executive Officer (for all positions other than the Chief Executive Officer position), the 2013 peer group, published compensation survey data and comments from Pearl Meyer regarding changes in market data since the date of the last competitive market study. The Committee also reviews tally sheets prepared by management showing all elements of compensation and total compensation payable to each NEO. The use of tally sheets is intended to ensure that the Committee has a total compensation perspective when making decisions regarding specific elements of the compensation program and allows for internal equity comparisons among the NEOs. Both the external market pay data and the internal pay history help guide the Committee's decision-making, but no precise formulas or percentiles are applied to all NEOs in all situations.

In 2016, the Committee requested that Pearl Meyer review the compensation peer group for appropriateness and to update the peer group as needed. Pearl Meyer screened companies included in Standard & Poor's Global Industry Classification Standard specialty chemicals, commodity chemicals and industrial machinery industry groups, reviewed the 2016 Institutional Shareholder Services selected peer group and completed a peer analysis and salary benchmarking that resulted in updates to the 2013 peer group. The updated peer group will be used beginning with the 2017 compensation decisions.