

FLOWSERVE CORP  
Form DEF 14A  
April 11, 2019  
02UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934**

Filed by the Registrant Filed by a Party other than the Registrant

**Check the appropriate box:**

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to ss.240.14a-12

**FLOWSERVE CORPORATION**

*(Name of Registrant as Specified In Its Charter)*

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

**Payment of Filing Fee (Check the appropriate box):**

**No fee required.**

**Fee computed on table below per Exchange Act Rules 14a-6(i)(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 filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

**Fee paid previously with preliminary materials.**

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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Invitation to 2019 Annual  
Meeting of Shareholders

**Thursday, May 23, 2019**

**11:30 a.m., local time**

**R. Scott Rowe**

*President and*

*Chief Executive Officer*

*Flowserve Global Technology and Training Center,  
4343 West Royal Lane, Irving, Texas 75063*

Dear Fellow Shareholder:

I am pleased to invite you to join me, our Board of Directors, executive officers, associates and other shareholders at Flowserve's 2019 Annual Meeting of Shareholders. The attached Notice of 2019 Annual Meeting of Shareholders and Proxy Statement contain details of the business to be conducted.

2018 was an important turning point for Flowserve with us beginning to see concrete benefits from our Flowserve 2.0 Transformation program, as well as improvements in our markets and increased activity from our core customer segments. With the capability of our people, proven legacy of our product brands, and now, the new guiding principles and foundation in place for our organization, we believe that Flowserve's future is optimistic.

2018 highlights include:

- Implementation of new purpose statement and values
- Significant increase in employee engagement
- Progress in implementation of Flowserve 2.0 Transformation manifested in financial improvement
- Adding several new leaders to the executive team
- Systematic focus and improvement on customer lead time, on time delivery and quality

Looking to 2019, we expect that Flowserve will be better positioned to take advantage of new opportunities — specifically due to our increased backlog, renewed aftermarket activity and growth opportunities in emerging markets. With Flowserve better positioned to take advantage of new opportunities to grow our business and continue to make operational improvements, we are very excited for the future of our company.

Flowserve's Board and senior leadership continue to be encouraged by the positive feedback we have received about the clarity of information we provide through our proxy statement. We have further enhanced the information in this proxy and will continue to do so based on your feedback. Your vote is very important to us and to our business. Prior to the meeting, I encourage you to sign and return your proxy card, or use telephone or Internet voting, so that your

shares will be represented and voted at the meeting. You can find instructions on how to vote beginning on page 11.

I hope to see you at our annual meeting. Thank you in advance for voting and for your continued support of Flowserve.

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Table of Contents

<u>PROXY STATEMENT FOR THE 2019 ANNUAL MEETING OF SHAREHOLDERS</u>	<u>10</u>
<u>Solicitation</u>	<u>10</u>
<u>Voting</u>	<u>11</u>
<u>Shareholder Proposals and Nominations</u>	<u>12</u>
<u>PROPOSAL ONE:</u>	<u>14</u>
<u>ELECTION OF DIRECTORS</u>	<u>14</u>
<u>Required Vote and Recommendation</u>	<u>14</u>
<u>Board of Directors — Biographical Information</u>	<u>15</u>
<u>Role of the Board; Corporate Governance Matters</u>	<u>17</u>
<u>Committees of the Board</u>	<u>18</u>
<u>Board of Directors Compensation</u>	<u>20</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>21</u>
<u>EXECUTIVE OFFICERS</u>	<u>22</u>
<u>EXECUTIVE COMPENSATION</u>	<u>23</u>
<u>Compensation Discussion and Analysis</u>	<u>23</u>
<u>Annual Executive Compensation Program Review and Compensation Risk</u>	<u>39</u>
<u>Organization and Compensation Committee Report</u>	<u>39</u>
<u>Summary Compensation Table</u>	<u>40</u>
<u>2018 Grants of Plan-Based Awards</u>	<u>42</u>
<u>Outstanding Equity Awards at Year-End 2018</u>	<u>43</u>
<u>2018 Option Exercises and Stock Vested</u>	<u>44</u>
<u>2018 Pension Benefits</u>	<u>44</u>
<u>Potential Payments upon Termination or Change In Control</u>	<u>44</u>
<u>PROPOSAL TWO:</u>	<u>49</u>
<u>ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	<u>49</u>
<u>Required Vote and Recommendation</u>	<u>50</u>
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	<u>51</u>
<u>SECURITY OWNERSHIP OF DIRECTORS AND CERTAIN EXECUTIVE OFFICERS</u>	<u>52</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS</u>	<u>53</u>
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	<u>54</u>

[Back to Contents](#)

<a href="#"><u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></a>	<a href="#">54</a>
<a href="#"><u>PROPOSAL THREE:</u></a>	
<a href="#"><u>RATIFICATION OF APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP TO SERVE AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2019</u></a>	<a href="#">55</a>
<a href="#"><u>Required Vote and Recommendation</u></a>	<a href="#">55</a>
<a href="#"><u>PROPOSAL FOUR:</u></a>	
<a href="#"><u>APPROVAL OF THE FLOWSERVE CORPORATION 2020 LONG-TERM INCENTIVE PLAN</u></a>	<a href="#">56</a>
<a href="#"><u>Proposed Plan</u></a>	<a href="#">56</a>
<a href="#"><u>Required Vote and Recommendation</u></a>	<a href="#">65</a>
<a href="#"><u>PROPOSAL FIVE:</u></a>	
<a href="#"><u>SHAREHOLDER PROPOSAL ON GREENHOUSE GAS EMISSIONS</u></a>	<a href="#">66</a>
<a href="#"><u>Shareholder Resolution</u></a>	<a href="#">66</a>
<a href="#"><u>The Company's Opposition Statement</u></a>	<a href="#">66</a>
<a href="#"><u>Required Vote and Recommendation</u></a>	<a href="#">67</a>
<a href="#"><u>PROPOSAL SIX:</u></a>	
<a href="#"><u>SHAREHOLDER PROPOSAL ON SHAREHOLDER ACTION BY WRITTEN CONSENT</u></a>	<a href="#">68</a>
<a href="#"><u>Shareholder Resolution</u></a>	<a href="#">68</a>
<a href="#"><u>The Company's Opposition Statement</u></a>	<a href="#">68</a>
<a href="#"><u>Required Vote and Recommendation</u></a>	<a href="#">69</a>
<a href="#"><u>REPORT OF THE AUDIT COMMITTEE</u></a>	<a href="#">70</a>
<a href="#"><u>OTHER AUDIT INFORMATION</u></a>	<a href="#">71</a>
<a href="#"><u>Relationship with Independent Registered Public Accounting Firm</u></a>	<a href="#">71</a>
<a href="#"><u>Audit and Non-Audit Fees and Services</u></a>	<a href="#">71</a>
<a href="#"><u>Audit Committee Approval Policy</u></a>	<a href="#">71</a>
<a href="#"><u>OTHER MATTERS</u></a>	<a href="#">71</a>
<a href="#"><u>APPENDIX A:</u></a>	
<a href="#"><u>FLOWSERVE CORPORATION 2020 LONG-TERM INCENTIVE PLAN</u></a>	<a href="#">A-1</a>

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[Back to Contents](#)

**Notice of  
2019 Annual Meeting  
of Shareholders**

**When:**

**Thursday, May 23, 2019 at 11:30 a.m. (local time)**

**Where:**

**Flowserve Corporation  
Global Technology and Training Center,  
4343 West Royal Lane, Irving, Texas 75063**

We are pleased to invite you to join our Board of Directors and senior leadership at Flowserve's 2019 Annual Meeting of Shareholders. Directions to the Annual Meeting and a map of the area are included in the proxy materials on the inside back cover and are also available online at [www.proxyvote.com](http://www.proxyvote.com). We will also broadcast the Annual Meeting as a live audio webcast at [www.flowserve.com](http://www.flowserve.com), under the "Investors—Events & Presentations" section.

**At the Annual Meeting, shareholders will vote on the following matters either in person or by proxy:**

1.  
the election of ten directors, each to serve a term expiring at the 2020 Annual Meeting of Shareholders;
2.  
an advisory vote to approve the Company's executive compensation;
3.  
ratification of the appointment of PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for 2019;
4.  
approval of the Flowserve Corporation 2020 Long-Term Incentive Plan;
5.  
two shareholder proposals, if properly presented; and
6.  
any other business properly presented at the Annual Meeting.

The enclosed proxy statement contains other important information that you should read and consider before you vote.

**Record date:**

Shareholders of record of the Company's common stock, par value \$1.25 per share, at the close of business on March 29, 2019 are entitled to notice of and to vote at the Annual Meeting.

**Voting Information:**

In accordance with Securities and Exchange Commission rules, we are furnishing proxy materials to our shareholders on the Internet, rather than by mail. We believe this e-proxy process expedites our shareholders' receipt of proxy materials, lowers our costs and reduces the environmental impact of our Annual Meeting. The proxy statement and annual report to shareholders and any other proxy materials are available on our hosted website at [www.proxyvote.com](http://www.proxyvote.com). For additional related information, please refer to the section entitled "Important Notice of Electronic Availability of Materials for the Shareholder Meeting to be held on May 23, 2019" in the enclosed proxy statement.

**Your vote is very important.** Whether or not you plan to attend the Annual Meeting, please complete and return your proxy card or vote by telephone or via the Internet by following the instructions included in the Notice of Internet Availability of Proxy Materials. Returning a proxy card or otherwise submitting your proxy does not deprive you of your right to attend the Annual Meeting and vote in person.

By order of the Board of Directors,

**Lanesha T. Minnix**  
*Senior Vice President,  
Chief Legal Officer and Corporate Secretary*

**YOU CAN VOTE BY ANY OF THE FOLLOWING METHODS:**

<b>INTERNET</b>	<b>BY TELEPHONE</b>	<b>BY MAIL</b>	<b>IN PERSON</b>
<a href="http://www.proxyvote.com">www.proxyvote.com</a> until May 22, 2019	(1-800-690-6903) until May 22, 2019	Complete by signing and returning your proxy or voting instruction card before May 23, 2019	If you are a registered shareholder. You may deliver a completed proxy card or vote by ballot at the meeting.

**Please refer to the enclosed proxy materials or the information forwarded by your bank, broker or other holder of record to see which voting methods are available to you.**

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[Back to Contents](#)

Proxy Summary

*This summary highlights information contained elsewhere in the proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. Page references are supplied to help you find additional information in the proxy statement.*

2019 Annual Meeting of Shareholders

**Date and Time:** May 23, 2019, 11:30 a.m. (local time)

**Record Date:** March 29, 2019

**Location:** Flowserve Global Technology and Training Center, 4343 W. Royal Lane, Irving, Texas 75063

**Audio Webcast:** The Annual Meeting will be broadcast as a live audio webcast at [www.flowserve.com](http://www.flowserve.com), under the “Investors—Events & Presentations” section.

Voting Matters

	Board Vote Recommendation	Page Reference (for more detail)
Election of Directors	FOR each nominee	14
Management Proposals:		
Advisory Vote on Executive Compensation	FOR	49
Ratification of Auditors	FOR	55
2020 Long-Term Incentive Plan	FOR	56
Shareholder Proposals:		
Adopt Shareholder Proposal on Greenhouse Gas Emissions	AGAINST	66
Adopt Shareholder Proposal on Right to Act by Written Consent	AGAINST	68
How to Vote (page 11)		

**YOU CAN VOTE BY ANY OF THE FOLLOWING METHODS:**

<b>INTERNET</b>	<b>BY TELEPHONE</b>	<b>BY MAIL</b>	<b>IN PERSON</b>
<a href="http://www.proxyvote.com">www.proxyvote.com</a> until May 22, 2019	(1-800-690-6903) until May 22, 2019	Complete by signing and returning your proxy or voting instruction card before May 23, 2019	If you are a registered shareholder. You may deliver a completed proxy card or vote by ballot at the meeting.

**Please refer to the enclosed proxy materials or the information forwarded by your bank, broker or other holder of record to see which voting methods are available to you.**



[Back to Contents](#)

Board Nominees (page 15)

**- 2019 PROXY STATEMENT 7**

---

[Back to Contents](#)

## Executive Officers (page 22)

Name	Age	Position	Since	Previous Position
R. Scott Rowe	48	President and CEO	April 2017	President — Cameron Group, Schlumberger Ltd.
Elizabeth L. Burger	48	Senior VP and Chief Human Resources Officer	April 2018	Chief Human Resources Officer, Hanesbrands Inc.
Lee S. Eckert	52	Senior VP and Chief Financial Officer	October 2017	Senior Vice President and CFO, CHC Group LLC
Keith E. Gillespie	53	Senior VP and Chief Sales Officer	May 2015	Managing Director, AlixPartners LLP
John R. Lenander	61	President, Flow Control Division	February 2017	Interim President, Flow Control Division
Laneshia T. Minnix	44	Senior VP and Chief Legal Officer	June 2018	SVP and General Counsel, BMC Stock Holdings, Inc.
Kirk R. Wilson	51	President, Aftermarket Services & Solutions	September 2015	Flowserve President, Services & Solutions
David J. Wilson	50	President, Flowserve Pumps Division	September 2017	President, Industrial, SPX Flow, Inc.

## Executive Compensation Highlights (page 24)

## Objectives and Principles

Our key compensation objectives are to attract and retain key leaders, reward current performance, drive future performance and align the long-term interests of our executives with those of our shareholders. We use the following principles to effect these objectives:

- ***Compensation Should Reinforce Our Business Objectives and Strategy*** – we consider our key strategies for achieving our business vision when identifying incentive measures and assigning goals and objectives.
- ***Compensation Should Align Pay and Performance*** – a significant portion of our executives’ total compensation should be tied to how well they perform individually and should be “at risk” based on how well the Company performs.
- ***Compensation Levels Should be Market Competitive*** – our executive compensation program is compared to relevant market data to ensure we encourage building long-term shareholder value and attract and retain executive talent.
- ***The Executive Compensation Program Should be Reviewed Annually for Effectiveness*** – our Organization and Compensation Committee conducts an annual review of all executive compensation program components to ensure alignment with our compensation objectives.
- ***Performance-Based Compensation Should be Benchmarked*** – internal performance metrics without comparison to an industry-appropriate, high performing external benchmark yield an incomplete measure of Company performance.

- ***Incentive Compensation Should Represent the Majority of Total Compensation*** – the proportion of an executive’s total compensation that is “at risk” based on individual or Company performance should increase with the scope and level of responsibilities.
- ***Incentive Compensation Should Balance Short-Term and Long-Term Performance*** – we use annual cash incentive opportunities and equity-based awards to balance the Company’s short- and long- term performance objectives.
- ***Long-Term Incentives Should Balance Stock- and Financial-Based Achievements*** – our equity awards are equally weighted between time-vested restricted stock units, which makes the Company’s share price a targeted incentive, and contingent performance shares, which emphasize achievement of financial performance metrics.

## Executive Compensation Program Elements

Category	Compensation Element	Description
<b><i>Cash</i></b>	<b>Base Salary</b>	Fixed cash compensation based on responsibilities of the position
	<b>Annual Incentive Opportunity</b>	Annual cash incentive for achievement of financial performance metrics
<b><i>Long-Term Incentives</i></b>	<b>Restricted Stock Units</b>	Vests ratably over a three-year period
	<b>Contingent Performance Units</b>	Cliff vests at end of a three-year period based on financial performance metrics
	<b>Qualified Pension Plan</b>	Qualified pension plan, available to all salaried U.S. employees
<b><i>Retirement</i></b>	<b>Senior Management Pension Plan</b>	Partially-funded, non-qualified defined benefit restoration plan, available to certain U.S. employees based on salary level
	<b>Supplemental Executive Pension Plan</b>	Partially-funded, non-qualified supplemental defined benefit plan, available to eligible U.S. executives to maintain competitive total retirement benefits
<b><i>Other</i></b>	<b>401(k) Plan</b>	Qualified 401(k) plan available to all U.S. employees
	<b>Severance Plan</b>	Sets standard benefits for senior executives in the event of severance
	<b>Change-in-Control Plan</b>	Sets standard benefits for senior executives upon a change-in-control
	<b>Other Benefits</b>	Physical exam, enhanced vacation; no other perquisites offered

[Back to Contents](#)

## 2018 Executive Total Compensation Mix

## 2018 Executive Compensation Summary (page 40)

Name and Principal Position	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Change in Pension		All Other Compensation (\$)	Total (\$)
				Non-Equity Incentive Plan Compensation (\$)	Value and Non- Qualified Deferred Compensation Earnings (\$)		
R. Scott Rowe President and CEO	1,126,654	-5,944,049		1,250,832	227,180	153,754	8,702,469
Lee S. Eckert Senior VP and CFO	563,327	-4,666,626		390,885	75,861	35,951	2,732,650
David Wilson President, FPD	459,087	-4,118,009		281,524	61,781	160,802	2,081,203
Keith E. Gillespie Senior VP and Chief Sales Officer	485,000	-4,077,752		406,042	84,258	44,976	2,098,028
Elizabeth L. Burger Senior VP and CHRO	330,865	100,000	935,972	198,077	38,347	65,371	1,668,632

**- 2019 PROXY STATEMENT 9**

[Back to Contents](#)

## PROXY STATEMENT FOR THE 2019 ANNUAL MEETING OF SHAREHOLDERS

### Flowserve Corporation

5215 N. O'Connor Blvd., Suite 2300  
Irving, Texas 75039

### Solicitation

We are providing these proxy materials in connection with the solicitation by the Board of Directors (the “Board”) of Flowserve Corporation, a New York corporation (the “Company” or “Flowserve”), of proxies to be voted at the 2019 Annual Meeting of Shareholders (the “Annual Meeting”), which will be held on Thursday, May 23, 2019, and at any adjournments or postponements of this scheduled meeting. The use of “we,” “us” or “our” in this proxy statement refers to the Company.

### **IMPORTANT NOTICE OF ELECTRONIC AVAILABILITY OF MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 23, 2019**

Pursuant to Securities and Exchange Commission (“SEC”) rules, we may furnish proxy materials, including this proxy statement and the Company’s annual report for the year ending December 31, 2018, to our shareholders by providing access to such documents on the Internet instead of mailing printed copies. Most shareholders will not receive printed copies of the proxy materials unless they request them. Instead, a Notice of Internet Availability of Proxy Materials (“Notice of Internet Availability”), which was mailed to most of our shareholders, will explain how you may access and review the proxy materials and how you may submit your proxy on the Internet. If you would like to receive a paper or electronic copy of our proxy materials, please follow the instructions included in the Notice of Internet Availability. Shareholders who requested paper copies of proxy materials or previously elected to receive proxy materials electronically did not receive the Notice of Internet Availability and are receiving the proxy materials in the format requested.

This proxy statement and the Company’s annual report for the year ending December 31, 2018 are available electronically on our hosted website at **[www.proxyvote.com](http://www.proxyvote.com)**.

To access and review the materials made available electronically:

1.  
Go to **[www.proxyvote.com](http://www.proxyvote.com)** and input the 16-digit control number from the Notice of Internet Availability or proxy card.
2.  
Click the “2019 Proxy Statement” in the right column.
3.  
Have your proxy card or voting instructions available.

We encourage you to review all of the important information contained in the proxy materials before voting. If you would like to attend the Annual Meeting in person, please refer to the inside back cover of this proxy statement or **[www.proxyvote.com](http://www.proxyvote.com)** for directions to the meeting. We will also broadcast the Annual Meeting as a live audio webcast at [www.flowserve.com](http://www.flowserve.com) under the “Investors—Events & Presentations” section.

The Notice of Internet Availability and the proxy materials are first being made available to our shareholders on or about April 11, 2019.

#### Cost of Proxy Solicitation

The solicitation of proxies is made by our Board and will be conducted primarily by mail. Brokerage firms and other custodians, nominees and fiduciaries are reimbursed by the Company for reasonable out-of-pocket expenses that they incur to send proxy materials to shareholders and solicit their votes. In addition to this mailing, proxies may be solicited, without extra compensation, by our officers and employees, by mail, telephone, facsimile, electronic mail and other methods of communication. The Company bears the full cost of soliciting proxies. The Company has also retained Alliance Advisors to aid in the solicitation of proxies by mail, telephone, facsimile, e-mail and personal solicitation and will request brokerage houses and other nominees, fiduciaries and custodians to forward soliciting materials to beneficial owners of the Company's common stock, par value \$1.25 per share ("common stock"). For these services, the Company will pay Alliance Advisors a fee of \$9,000 plus reimbursement for reasonable out-of-pocket expenses.

#### Shareholders Sharing an Address

To reduce the expenses of delivering duplicate proxy materials, we deliver one Notice of Internet Availability and, if applicable, annual report and proxy statement, to multiple shareholders sharing the same mailing address unless otherwise requested. We will promptly send a separate annual report and proxy statement to a shareholder at a shared address upon request at no cost. Shareholders with a shared address may also request that we send a single copy in the future if we are currently sending multiple copies to the same address. Requests related to delivery of proxy materials may be made by calling Investor Relations at (972) 443-6500 or writing to Flowserve Corporation, Attention: Investor Relations, 5215 N. O'Connor Blvd., Suite 2300, Irving, Texas 75039. Shareholders who hold shares in "street name" (as described below) may contact their brokerage firm, bank, broker-dealer or similar organization to request information about this "householding" procedure.



[Back to Contents](#)

## Voting

### Who May Vote and Number of Votes

If you are a shareholder of record at the close of business on March 29, 2019 (the “Record Date”), you may vote on the matters proposed in this proxy statement. You have one vote for each share you own.

### Quorum for the Meeting

A majority of the outstanding shares of common stock entitled to vote at the Annual Meeting and represented in person or by proxy constitutes a quorum. A quorum is necessary to conduct business at the Annual Meeting. ***You are part of the quorum if you have voted.*** Shares that a shareholder abstains from voting on a particular proposal are counted as present at the meeting for purposes of determining a quorum.

Broker non-votes are also counted as present for purposes of determining a quorum. A “broker non-vote” occurs when a broker holding shares in “street name” for a beneficial owner is represented in person or by proxy at the meeting but does not vote on a particular proposal because the broker has not received voting instructions from the beneficial owner and cannot or chooses not to vote the shares in its discretion for that particular proposal.

### Counting of Votes

The voting standards required to elect directors and approve the other proposals, as well as the treatment of abstentions and broker non-votes, are described with each proposal under the respective “Required Vote and Recommendation” heading.

Only “votes cast” count in the voting results, and abstentions are not considered votes cast. If your shares are held through a broker, your vote instructs the broker how you want your shares to be voted. If you vote on each proposal, your shares will be voted in accordance with your instructions. Under the rules of the New York Stock Exchange (“NYSE”), brokers may vote shares they hold in “street name” on behalf of beneficial owners who have not voted with respect to certain discretionary matters. The proposal to ratify the appointment of PricewaterhouseCoopers LLP (Proposal Three) is considered a discretionary matter, so brokers may vote shares on this matter in their discretion if no voting instructions are received. However, the election of directors (Proposal One), the advisory vote on executive compensation (Proposal Two), the approval of the Company’s 2020 Long-Term Incentive Plan (Proposal Four) and the shareholder proposals (Proposal Five and Proposal Six) are ***NOT*** considered discretionary matters, so brokers have no discretion to vote shares for which no voting instructions are received, and no vote will be cast if you do not vote on those items. ***We therefore urge you to vote on ALL voting items.***

The advisory vote on executive compensation is non-binding, meaning that our Board will not be obligated to take any compensation actions, or to adjust our executive compensation programs or policies, as a result of the vote. Notwithstanding the advisory nature of the vote, the resolution will be considered passed with the affirmative vote of a majority of the votes cast at the Annual Meeting.

There are no dissenters’ rights of appraisal with respect to the matters to be acted upon at the meeting.

At the close of business on the Record Date, 131,101,071 shares of common stock were issued and outstanding (excluding treasury shares) that may be voted at the Annual Meeting.

### How to Vote

Voting by Proxy Holders for Shares Registered in the Name of a Brokerage Firm or Bank

If your shares are held by a broker, bank or other nominee (i.e., in “street name”), you will receive instructions from your nominee, which you must follow in order to have your shares voted. “Street name” shareholders who wish to vote at the meeting will need to obtain a proxy from the broker, bank or other nominee that holds their shares to confirm their shareholder status for entry into the Annual Meeting.

Voting by Proxy Holder for Shares Registered Directly in the Name of Shareholder

If you hold your shares in your own name as a holder of record, you must vote your shares in person at the Annual Meeting or instruct the proxy holders named on the proxy card how to vote your shares by either (i) using the Internet website or the toll-free telephone number set forth below or (ii) if you received paper copies of the proxy materials, signing, dating and mailing the enclosed proxy card to our independent proxy tabulation firm, Broadridge Investor Communications Services (“Broadridge”), in the enclosed envelope. Each of these voting methods is described below:

- ***Vote by Internet.*** You have the option to vote via the Internet at the address of **www.proxyvote.com** by following the on-screen instructions that will direct you how to vote your shares. Internet voting is available 24 hours a day, 7 days a week, until 11:59 p.m., Eastern Time, on May 22, 2019. Have your proxy card available when you access the Internet website. **IF YOU VOTE BY INTERNET, YOU DO NOT NEED TO RETURN A PROXY CARD.**

[Back to Contents](#)

- **Vote by Telephone.** If you hold your shares in your name as a holder of record, you may vote by telephone by calling toll-free to 1-800-690-6903 from the United States and Canada and following the series of voice instructions that will direct you how to vote your shares. Have your proxy card available when you place your telephone call. Telephone voting is available 24 hours a day, 7 days a week, until 11:59 p.m., Eastern Time, on May 22, 2019. **IF YOU VOTE BY TELEPHONE, YOU DO NOT NEED TO RETURN A PROXY CARD.**

- **Vote by Mail.** If you received paper copies of the proxy materials, you may mark the enclosed proxy card, sign and date it and return it to Broadridge in the enclosed envelope as soon as possible before the Annual Meeting. Your signed proxy card must be received by Broadridge prior to the date of the Annual Meeting for your vote to be counted at the Annual Meeting.

- **Vote in Person.** If you are a registered shareholder and attend the Annual Meeting in person, you may deliver a completed proxy card or vote by ballot at the Annual Meeting.

#### Voting by Participants in the Flowserve Corporation Retirement Savings Plan

If you are a participant in the Flowserve Corporation Retirement Savings Plan, your vote serves as a voting instruction to the trustee for this plan.

- To be timely, if you vote your shares in the Flowserve Corporation Retirement Savings Plan by telephone or Internet, your vote must be received by 11:59 p.m., Eastern Time, on May 22, 2019. If you do not vote by telephone or Internet, please return your proxy card as soon as possible.

- If you vote in a timely manner, the trustee will vote the shares as you have directed.

- If you do not vote, or if you do not vote in a timely manner, the trustee will vote your shares in the same proportion as the shares voted by participants who timely return their cards to the trustee.

#### Changing Your Vote

You may revoke your proxy at any time before it has been exercised at the Annual Meeting by:

- timely mailing in a revised proxy dated later than the prior submitted proxy;

- timely notifying the Corporate Secretary in writing that you are revoking your proxy;

- timely casting a new vote by telephone or the Internet; or

- if you are a holder of record, appearing in person and voting by ballot at the Annual Meeting.

## Vote Tabulations

Tabulation of voted proxies will be handled by Broadridge, an independent firm. Broadridge is the inspector of elections for the Annual Meeting.

## Shareholder Proposals and Nominations

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 (the “Exchange Act”), certain shareholder proposals may be eligible for inclusion in our 2020 proxy statement. These shareholder proposals must comply with the requirements of Rule 14a-8, including a requirement that shareholder proposals be received by the Corporate Secretary no later than December 13, 2019. We strongly encourage any shareholder interested in submitting a proposal to contact the Corporate Secretary in advance of this deadline to discuss the proposal. Submitting a shareholder proposal does not guarantee that we will include it in our proxy statement. The Corporate Governance and Nominating Committee reviews all shareholder proposals and makes recommendations to the Board for action on such proposals.

In order for an eligible shareholder or group of shareholders to nominate a director nominee for election at our 2020 annual meeting of shareholders pursuant to the proxy access provision of our By-laws, the shareholder must submit notice of such nomination and other required information in writing between November 13, 2019 and December 13, 2019. If, however, the 2020 annual meeting is held more than 30 days before or more than 60 days after the anniversary of the 2019 annual meeting, the shareholder must submit any such notice and other required information between (i) 150 calendar days prior to the 2020 annual meeting and (ii) the later of 120 calendar days prior to the 2020 annual meeting or 10 days following the date on which the date of the 2020 annual meeting is publicly announced. The nomination and supporting materials must also comply with the requirements set forth in our By-laws for inclusion of director nominees in the proxy statement.

Alternatively, under the Company’s By-laws, if a shareholder does not want to submit a proposal for inclusion in our proxy statement but wants to introduce it at our 2020 annual meeting, or intends to nominate a person for election to the Board directly (rather than by inclusion in our proxy statement or by recommending such person as a candidate to our Corporate Governance and Nominating Committee as described below under “Board of Directors—Committees of the Board—Corporate Governance and Nominating Committee”), the shareholder must submit the proposal or nomination in writing between January 24, 2020 and February 23, 2020. If, however, the 2020 annual meeting is held more than 30 days before or more than 60 days after the anniversary of the 2019 Annual Meeting, the shareholder must submit any such proposal between (i) 120 calendar days prior to the 2020 annual meeting and (ii)

[Back to Contents](#)

the later of 90 calendar days prior to the 2020 annual meeting or 10 days following the date on which the date of the 2020 annual meeting is publicly announced.

The shareholder's submission must be made by a registered shareholder on his or her behalf or on behalf of a beneficial owner of the shares, and must include detailed information specified in our By-laws concerning the proposal or nominee, as the case may be, and detailed information as to the shareholder's interests in Company securities. At the 2020 annual meeting, we will not entertain any proposals or nominations that do not meet these requirements other than shareholder nominations eligible to be included in our 2020 proxy statement as described above.

If the shareholder does not comply with the requirements of Rule 14a-4(c)(1) under the Exchange Act, we may exercise discretionary voting authority under proxies that we solicit to vote in accordance with our best judgment on any such shareholder proposal or nomination. The Company's By-laws are posted on our website at **www.flowserve.com** under the "Investors — Corporate Governance" caption. To make a submission or to request a copy of the Company's By-laws, shareholders should contact our Corporate Secretary at the following address:

Flowserve Corporation  
5215 N. O'Connor Blvd., Suite 2300  
Irving, Texas 75039

Attention: Corporate Secretary

We strongly encourage shareholders to seek advice from knowledgeable legal counsel and contact the Corporate Secretary before submitting a proposal or a nomination.

**- 2019 PROXY STATEMENT 13**

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[Back to Contents](#)

**PROPOSAL ONE:**  
**ELECTION OF DIRECTORS**

The Company's Board currently consists of eleven directors. Leif E. Darner will retire from the Board effective as of the Annual Meeting and is therefore not nominated for reelection. Upon Mr. Darner's retirement, the Board will reduce the number of directors to ten. Accordingly, the Board has nominated the following ten directors: R. Scott Rowe, Ruby R. Chandy, Gayla J. Delly, Roger L. Fix, John R. Friedery, John L. Garrison, Joe E. Harlan, Michael C. McMurray, Rick J. Mills and David E. Roberts, whose terms of office as members of the Board are expiring at this Annual Meeting, to serve a one-year term expiring at the 2020 annual meeting of shareholders. Biographical information for each nominee is provided below under the headings "Board of Directors—Biographical Information—Nominees to Serve an Annual Term Expiring at the 2020 Annual Meeting of Shareholders."

**Required Vote and Recommendation**

Our By-laws require that, in an uncontested election, each director will be elected by a vote of the majority of the votes cast. A majority of votes cast means that the number of shares cast "for" a director's election exceeds the number of votes cast "against" that director. We will not treat any share as having cast a vote on this proposal and will therefore have no effect on the proposal (a) where the ballot is marked as abstained, (b) if it is otherwise present at the Annual Meeting but there is an abstention or (c) where a shareholder gives no authority or direction. In a contested election, the directors will be elected by a plurality of the votes cast, meaning the directors receiving the largest number of "for" votes will be elected to the open positions.

In an uncontested election, any nominee for director who duly holds office as a director under the By-Laws and does not receive an affirmative vote of a majority of the votes cast in favor of or against such nominee is required to tender his or her resignation promptly after such election. The independent directors of the Board, giving due consideration to the best interests of the Company and our shareholders, will then evaluate the relevant facts and circumstances and make a decision, within 30 days after the election, on whether to accept the tendered resignation. Any director whose resignation is under consideration is prohibited from participating in the Board's decision. The Board will promptly disclose publicly its decision and, if applicable, the reasons for rejecting the tendered resignation. The Board may fill any vacancy resulting from a director's accepted resignation, as provided in our By-laws.

Broker non-votes will not be considered to have voted on this proposal and will therefore have no effect on the proposal.

The individuals named as proxies on the enclosed proxy card will vote your proxy "FOR" the election of these nominees unless you instruct otherwise or you abstain for any one or more of them. If any director is unable to stand for re-election, the Board may reduce the number of directors or choose a substitute. The nominees have indicated their willingness to serve as directors, and we have no reason to believe any nominee will not be able to stand for re-election.

The Board recommends that you vote "**FOR**" the election of all nominees to serve as directors.

[Back to Contents](#)

Board of Directors — Biographical Information

Nominees to Serve an Annual Term Expiring at the 2020 Annual Meeting of Shareholders

**R. Scott Rowe**, age 48, has served as a director and as President and Chief Executive Officer of Flowserve since April 2017. Mr. Rowe previously served as President of the Cameron Group of Schlumberger Ltd, a position he assumed in April 2016 following the merger between Schlumberger Ltd. and Cameron International Corporation (“Cameron”). Prior to this position, he served as President and Chief Executive Officer of Cameron from October 2015 to April 2016. From October 2014 to September 2015, Mr. Rowe served as President and Chief Operating Officer of Cameron, from March 2014 to September 2014, Mr. Rowe served as Chief Executive Officer of OneSubsea, a joint venture established by Cameron and Schlumberger, from August 2012 to February 2014, Mr. Rowe served as President of the Subsea Systems division of Cameron, and from April 2010 to August 2012, Mr. Rowe served as President of the Engineered and Process Valves division of Cameron.

We believe Mr. Rowe is well qualified to serve as a director due to his position as the Company’s President and Chief Executive Officer, which enables him to provide the Board with intimate knowledge of the Company’s day to day operations.

**Ruby R. Chandy**, age 57, has served as a director since May 2017 and serves as a member of the Finance Committee and Organization and Compensation Committee. Ms. Chandy was the President of the Industrial Division of Pall Corporation, a leading supplier of filtration, separation, and purification technologies, from April 2012 to November 2015. Previously, she was Managing Director, Vice President of Dow Plastics Additives, a unit of The Dow Chemical Company, a multinational chemical corporation, from 2011 to April 2012. Ms. Chandy is currently a director of AMETEK, Inc., a manufacturer of electronic instruments and electromechanical devices, serving since May 2013. She served as a director of IDEX Corporation, a designer and manufacturer of fluidics systems and specialty engineered products, from April 2006 until April 2013.

We believe Ms. Chandy is well qualified to serve as a director due to her executive management experience, marketing and strategy skills, relevant experience in industrial companies, extensive engineering and management education, broad international business and financial experience and enterprise risk oversight experience.

**Gayla J. Delly**, age 59, has served as a director since January 2008 and serves as Chair of the Audit Committee and as a member of the Corporate Governance and Nominating Committee. From January 2012 to September 2016, Ms. Delly served as President and Chief Executive Officer of Benchmark Electronics Inc., a company that provides contract manufacturing, design, engineering, test and distribution services to manufacturers of computers, medical devices, telecommunications equipment and industrial control and test instruments. Ms. Delly is a certified public accountant. At Benchmark Electronics Inc., she previously served as President from 2006 to December 2011, Executive Vice President and Chief Financial Officer from 2001 to 2006, and as Corporate Controller and Treasurer from 1995 to 2001. Ms. Delly currently serves as a director and member of the audit committee and nominating and corporate governance committee of Broadcom Ltd., a designer, developer and global supplier of semiconductor devices, being appointed in December 2017. From March 2005 to October 2008, Ms. Delly also served as a member of the board of directors for Power One, a provider of power conversion and management solutions.

We believe that Ms. Delly is well qualified to serve as a director due to her international manufacturing experience, with specific focus on engineering and technology in emerging markets, including Asia and Latin America, which

provides valuable insight into the Company's operations and assists in identifying product portfolio opportunities. In addition to her board experience, Ms. Delly has valuable executive leadership experience and financial expertise gained from her time with Benchmark Electronics Inc.

**Roger L. Fix**, age 65, has served as a director since April 2006 and serves as the Chairman of the Board. Mr. Fix served as the President and Chief Executive Officer of Standex International Corporation ("Standex"), a publicly traded diversified manufacturing company, from 2003 to January 2014 and as a director for Standex from 2001 to October 2017. Mr. Fix served as the non-executive chairman of the Standex board of directors from January 2014 to October 2016. He was Standex's Chief Operating Officer from 2001 to 2002. Before joining Standex, he was employed by Outboard Marine Corporation, a marine manufacturing company, as Chief Executive Officer and President from 2000 to 2001 and Chief Operating Officer and President during 2000. He also served as a member of its board of directors from 2000 to 2001. He served as Chief Executive of John Crane Inc., a global manufacturer of mechanical seals for pump and compressor applications in the process industry, from 1998 to 2000 and as its President — North America from 1996 to 1998. He was President of Xomox Corporation, a manufacturer of process control valves and actuators, from 1993 to 1996. He was also employed by Reda Pump Company, a manufacturer of electrical submersible pumping systems for oil production, from 1981 to 1993, most recently as Vice President and General Manager/Eastern Division. Since June 2014, Mr. Fix has served as a director of Commercial Vehicle Group, Inc., a global supplier of complete cab systems in the heavy-duty truck, construction and agricultural markets including the specialty and military transportation markets.

We believe that Mr. Fix is well qualified to serve as a director due to his executive leadership experience, including with John Crane Inc., Xomox Corporation and other competitor companies, which provides extensive knowledge of the Company's products and valuable insight into the competitive landscape for flow control products. In addition to his board experience, Mr. Fix also has international operations experience and corporate development expertise.



[Back to Contents](#)

**John R. Friedery**, age 62, has served as a director since August 2007 and serves as Chair of the Corporate Governance and Nominating Committee and as a member of the Organization and Compensation Committee. From January 2008 to January 2010, Mr. Friedery served as Senior Vice President; President, Metal Beverage Packaging, Americas and Asia, for Ball Corporation, a provider of metal and plastic packaging for beverages, foods and household products, and of aerospace and other technologies services. From January 2004 to December 2007, he served as Ball Corporation's Chief Operating Officer, Packaging Products Americas, and from April 2000 to May 2004 as the President, Metal Beverage Container operations, as well as other leadership roles in Ball Corporation since 1988. Prior to his employment with Ball Corporation, he served in field operations for Dresser/Atlas Well Services and in operations, exploration and production for Nondorf Oil and Gas. Mr. Friedery is currently providing strategic and management consulting services to the packaging and other manufacturing industries.

We believe that Mr. Friedery is well qualified to serve as a director due to his extensive operational experience with an international industrial manufacturing focus, which provides a global business perspective and a deep understanding of the Company's industry, end-markets and strategic focus. In addition to his board experience, Mr. Friedery also has experience with renewables and sustainability expertise gained from his service with Ball Corporation.

**John L. Garrison**, age 58, has served as a director since October 2018 and serves as a member of the Organization and Compensation Committee and Corporate Governance and Nominating Committee. Since November 2015, Mr. Garrison has served as the President and Chief Executive Officer of Terex Corporation, a worldwide manufacturer of lifting and material handling solutions, and since August 2018 has served as the Chairman of the Board of Terex Corporation. Previously, he was President and Chief Executive Officer of Bell Helicopter, a segment of Textron, Inc., since 2009.

We believe that Mr. Garrison is well qualified to serve as a director due to his strong manufacturing, international operations and leadership experience gained through his various executive and board leadership roles. In addition, Mr. Garrison is currently leading an operational transformation at Terex Corporation which began in 2016 and has similar elements to the Company's Flowserve 2.0 Transformation program. This experience provides Mr. Garrison with unique insights into the current climate the Company faces and the significant focus required by the Company to implement the Flowserve 2.0 Transformation.

**Joe E. Harlan**, age 59, has served as a director since August 2007 and serves as a member of the Audit Committee and the Corporate Governance and Nominating Committee. From September 2011 to August 2017, Mr. Harlan served in various executive positions at Dow Chemical Company, a global specialty chemical, advanced materials, agrosociences and plastics company, including most recently as Vice Chairman and Chief Commercial Officer from October 2014 to August 2017. From 2008 to August 2011, he served as Executive Vice President of the Consumer and Office Business of the 3M Company, a diversified consumer products and office supply provider. From 2005 to 2008, Mr. Harlan served as 3M Company's Executive Vice President of the Electro and Communications Business. He served as President and Chief Executive Officer of Sumitomo 3M Ltd., a diversified technology and products manufacturer, from 2003 to 2004. Prior to his career with 3M Company, he spent 20 years with General Electric Company, holding a number of leadership positions including serving as Vice President of Finance and Chief Financial Officer for GE Lighting Group (Global). Mr. Harlan has served as a director of Hitachi, Ltd., a global information technology company headquartered in Japan, since June 2018.

We believe that Mr. Harlan is well qualified to serve as a director due to his strong international experience and familiarity with emerging markets, including Asian markets, gained through his various executive leadership roles. In addition to his board experience, Mr. Harlan also has experience in engineering and technology service from his positions with General Electric and 3M Company.

**Michael C. McMurray**, age 54, has served as a director since October 2018 and serves as a member of the Audit Committee and Finance Committee. Since August 2012, Mr. McMurray has served as the Senior Vice President and Chief Financial Officer of Owens Corning, a global manufacturer of insulation, roofing and fiberglass composites. Prior to this role, he served in the roles of Vice President, Investor Relations and Treasurer of Owens Corning and Vice President and Finance Leader of Owens Corning's Building Materials Group. Prior to joining Owens Corning in 2008, he had over two decades of finance experience at Royal Dutch Shell.

We believe that Mr. McMurray is well qualified to serve as a director due to his extensive knowledge of global industrial manufacturing, the Company's end markets and the financial markets, which provides valuable insight into the strategic decisions to capitalize on the Company's growth opportunities. Additionally, Mr. McMurray has valuable multinational executive leadership and financial expertise at both Owens Corning and Royal Dutch Shell.

**Rick J. Mills**, age 71, has served as a director since May 2007 and serves as a member of the Audit Committee and the Finance Committee. He served as a Vice President of Cummins Inc., a manufacturer of large diesel engines, and President of the Components Group at Cummins Inc., from 2005 to March 2008. He was Vice President and President — Filtration Business from 2000 to 2005 and held other key management positions with Cummins Inc. from 1970 to 2000, including Corporate Controller and Chief Accounting Officer from 1996 to 2000. From February 2005 to April 2009, Mr. Mills served as a director for Rohm & Haas, a specialty chemicals company, which was sold to Dow Chemical in April 2009. From 2008 to 2010, Mr. Mills served as a director and member of the audit committee of GERDAU Ameristeel, the second largest mini-mill steel producer in North America, which was acquired by GERDAU, SA in 2010. Since January 2012, Mr. Mills has served as a director and member of the audit committee of Commercial Metals Company, a global manufacturer, recycler and marketer of steel and metal products and related materials. From October 2013 to May 2018, Mr. Mills served as director and member of the audit committee of Masonite International, a global manufacturer of interior and exterior doors, door components and door entry systems. Mr. Mills intends to retire from the Board at the 2020 annual meeting of shareholders.

We believe that Mr. Mills is well qualified to serve as a director due to his extensive knowledge of industrial manufacturing and cyclical

[Back to Contents](#)

end-markets, which provides a deep familiarity with the Company's industrial challenges and opportunities. Additionally, Mr. Mills has valuable corporate governance and compliance expertise through his board of directors and audit committee experience.

**David E. Roberts**, age 58, has served as a director since November 2011 and serves as Chair of the Organization and Compensation Committee and as a member of the Finance Committee. Since February 2017, Mr. Roberts has served as the Chief Executive Officer of Gavilan Resources, LLC, a private company formed in partnership with Blackstone that is focused on oil and natural gas development and production opportunities in South Texas. Prior to this role, Mr. Roberts served as President and CEO of Penn West Exploration, a Canadian oil and gas exploration and production company, from June 2013 to October 2016. He served as Executive Vice President and Chief Operating Officer of Marathon Oil Corporation, an independent upstream company with international operations in exploration and production, oil sands mining and integrated gas, from 2011 through December 2012. He held other key management positions with Marathon from 2006 through 2011, including Executive Vice President in charge of Marathon's worldwide upstream operations and Senior Vice President of business development. Prior to his time at Marathon, Mr. Roberts held leadership roles at BG Group, an integrated natural gas company, and served as advisor to the Vice Chairman of Chevron Corporation from 2001 to 2003.

We believe Mr. Roberts is well qualified to serve as a director due to his executive leadership experience, strong international operations background, business development experience and extensive knowledge of and experience in the energy industry. This provides Mr. Roberts with a unique insight into the Company's operational challenges and opportunities and its end-markets and customer needs.

#### Role of the Board; Corporate Governance Matters

The Board has a duty to oversee the Chief Executive Officer and other senior management in the competent and ethical operation of the Company on a day-to-day basis and to help ensure that our shareholders' best interests are served. In its efforts to satisfy this duty, the Board has established internal guidelines designed to promote effective oversight of the Company's vital business affairs that the Board monitors, which it updates as it deems appropriate.

The guidelines set parameters for the director recruiting process and the composition of Board committees. They also determine the formal process for review and evaluation of the Chief Executive Officer, individual directors and the Board's performance. The guidelines further establish targets for director equity ownership and require a director to offer his or her resignation when such director's principal occupation changes during a term of office. Under such circumstances, the Corporate Governance and Nominating Committee of the Board will review whether it is appropriate for the director to continue serving on the Board. Finally, these guidelines establish age limits for directors, which may be waived by the Board if deemed appropriate.

Further, the Board has adopted formal Corporate Governance Guidelines ("Guidelines"), which, among other things, contain a prescribed set of qualification standards with respect to the determination of director independence, which either meet or exceed the independence requirements of the NYSE. Under the Guidelines, only those directors who have no material relationship with the Company (except in his or her role as a director) are deemed independent. The Guidelines specify the criteria by which the independence of our directors will be determined, including strict guidelines for directors and their immediate family members with respect to past employment or affiliation with the Company or its independent registered public accounting firm.

The Board has determined that, other than R. Scott Rowe, the Company's President and Chief Executive Officer, each member of the Board, including all persons nominated for re-election, meet the independence standards set forth in the

applicable rules of the SEC and the NYSE corporate governance listing standards.

The Board's Guidelines, and Code of Ethics, as well as the Company's Code of Ethics and Code of Business Conduct, are available on the Company's website at [www.flowserve.com](http://www.flowserve.com) under the "Investors — Corporate Governance" caption.

#### Board Leadership Structure and Risk Oversight

The positions of Chairman of the Board and Chief Executive Officer have been separated at the Company since 2005. Roger L. Fix, the Company's current Non-Executive Chairman of the Board, presides over the meetings of the Board, including executive sessions of the Board where only non-employee directors are present. He reviews and approves the agendas for Board meetings, among his other duties as Chairman of the Board. He also serves as an alternate member for all Board committees. Mr. Fix strives to attend as many committee meetings as possible.

We currently believe that separating the positions of Chairman of the Board and Chief Executive Officer is most appropriate for the Company because it places an independent director in a position of leadership on the Board. We believe this independent leadership and the Non-Executive Chairman's authority to call meetings of the non-employee directors adds value to our shareholders by facilitating a more efficient exercise of the Board's fiduciary duties in the current structure. We also believe the Non-Executive Chairman further enhances independent oversight by being responsible for establishing the Board's annual schedule and collaborating with the Chief Executive Officer on the agendas for all Board meetings. The separation of Chairman and Chief Executive Officer also allows the Non-Executive Chairman to provide support and advice to the Chief Executive Officer, reinforcing the reporting relationship, and accountability, of the Chief Executive Officer to the Board.

The Company's Chief Executive Officer and other members of senior management are responsible for the ongoing assessment and management of the risks the Company faces, including risks relating to capital structure, liquidity and credit, financial reporting, information technology, cybersecurity and public disclosure, operations and governance. The Board and each of the Board's four committees (the Audit Committee, Finance Committee, Corporate Governance and Nominating Committee and Organization and Compensation Committee)

[Back to Contents](#)

oversee senior management’s policies and procedures in addressing these and other risks that fall within the scope of the Board’s and the committees’ respective areas of oversight responsibility. For example, the Board directly oversees risk management relating to strategic planning, the Finance Committee directly oversees risk management relating to capital structure and liquidity, the Corporate Governance and Nominating Committee directly oversees risk management relating to director independence and corporate governance and the Organization and Compensation Committee directly oversees risk management relating to employee compensation and succession planning. Additionally, the Audit Committee directly oversees risk management relating to financial reporting and public disclosure and legal and regulatory compliance and, in accordance with provisions of the NYSE Listed Company Manual, reviews and discusses, in a general manner, the process by which the Board and its committees oversee senior management’s exercise of risk management responsibilities. The Board is regularly informed through committee reports of each committee’s activities in overseeing risk management within their respective areas of oversight responsibility.

## Meetings of the Board

The Board held nine regular meetings and one special meeting in 2018. Executive sessions of non-employee directors are normally held at each regular Board meeting. Any non-employee director may request that additional executive sessions be scheduled. Shareholders may communicate with the Company’s non-employee directors by following the instructions set forth under “—Shareholder Communications with the Board” below. Board members customarily have attended the Company’s annual meetings of shareholders. All Board members attended the Company’s 2018 annual meeting of shareholders with the exception of John L. Garrison and Michael C. McMurray as they joined the Board after the annual meeting. In 2018, each director attended at least 75% of the meetings of the Board and the committees on which he or she served during the period for which he or she has been a director.

## Shareholder Communications with the Board

Shareholders and other interested parties may communicate with the Board directly by writing to: Non-Executive Chairman of the Board, c/o Flowserve’s Corporate Secretary, Flowserve Corporation, 5215 N. O’Connor Blvd., Suite 2300, Irving, Texas 75039. All such communications will be delivered to our chairman, Mr. Fix.

## Committees of the Board

The Board maintains an Audit Committee, a Finance Committee, a Corporate Governance and Nominating Committee (“CG&N Committee”) and an Organization and Compensation Committee (“O&C Committee”). Only independent directors are eligible to serve on Board committees. Each committee is governed by a written charter. The charters of the Audit Committee, Finance Committee, CG&N Committee and O&C Committee are available on the Company’s website at [www.flowserve.com](http://www.flowserve.com) under the “Investors — Corporate Governance — Documents & Charters” caption.

## Committee Membership and Number of Meetings

The following table identifies the current members of each of the Board’s committees and the number of meetings held in 2018:

Name	Audit <sup>(1)(2)</sup>	Corporate Governance & Nominating <sup>(2)</sup>	Finance <sup>(2)</sup>	Organization & Compensation <sup>(2)</sup>
Ruby R. Chandy			X	X

Leif E. Darner <sup>(4)</sup>			<b>Chair</b>	<b>X</b>
Gayla J. Delly	<b>Chair</b>	<b>X</b>		
Roger L. Fix <sup>(3)</sup>				
John R. Friedery		<b>Chair</b>		<b>X</b>
John L. Garrison		<b>X</b>		<b>X</b>
Joe E. Harlan	<b>X</b>	<b>X</b>		
Michael C. McMurray	<b>X</b>		<b>X</b>	
Rick J. Mills	<b>X</b>		<b>X</b>	
David E. Roberts			<b>X</b>	<b>Chair</b>
<b>Number of Meetings Held</b>	<b>9</b>	<b>5</b>	<b>6</b>	<b>5</b>

**- 2019 PROXY STATEMENT 18**

[Back to Contents](#)

(1)

The Board has determined that Ms. Delly qualifies as an audit committee financial expert under SEC rules and has accounting or related financial management expertise for purposes of the NYSE corporate governance listing standards. The Board has also determined that all members of the Audit Committee are financially literate, within the meaning of the NYSE corporate governance listing standards, and meet the applicable independence standards set forth in the SEC rules and required by the NYSE.

(2)

The Board has determined that all members of the committee meet the applicable independence standards of the NYSE.

(3)

As the Non-Executive Chairman of the Board of Directors, Mr. Fix serves as an alternate director of all committees for any committee member not in attendance at a committee meeting.

(4)

Mr. Darner is retiring at the Annual Meeting.  
Audit Committee

The Audit Committee directly engages the Company's independent auditors, pre-approves the scope of the annual external audit and pre-approves all audit and non-audit services to be provided by the independent auditor. The Audit Committee further approves and directly reviews the results of the Company's internal audit plan. The Audit Committee also meets with management and the independent auditors to review the quality and accuracy of the annual and quarterly financial statements and considers the reports and recommendations of independent internal and external auditors pertaining to audit results, accounting practices, policies and procedures and internal controls. The Audit Committee also reviews and discusses, in a general manner, the process by which the Board and the other Board committees oversee senior management's exercise of risk management responsibilities.

The Audit Committee meets regularly with the external and internal auditors in executive sessions to discuss their reports on a confidential basis. In addition, the Audit Committee prepares and issues the "Report of the Audit Committee" included in this proxy statement.

#### Finance Committee

The Finance Committee advises the Board on all corporate financing and related treasury matters regarding capital structure and major corporate transactions. The Finance Committee also approves major capital expenditures, including acquisitions, made by the Company and also advises the Board on the Company's pension fund performance, information technology and cybersecurity risks.

#### Corporate Governance and Nominating Committee

The CG&N Committee is responsible for making recommendations to the Board for the positions of Chairman of the Board, President and Chief Executive Officer. The CG&N Committee is also responsible for recommending candidates for membership to the Board. Prior to considering director nominee candidates, the CG&N Committee assesses the appropriateness of the Board's current size and composition and whether any vacancies on the Board are expected due to retirement or other factors. If additional directors are needed or vacancies are anticipated or otherwise arise, the CG&N Committee utilizes a variety of methods for identifying and evaluating nominee director candidates.

The identification and evaluation of director candidates begins with the Guidelines, which establish the criteria for Board membership. As a starting point under the Guidelines, all prospective Board members must possess the highest professional and personal ethics. Board members should have varied professional expertise in fields of accounting and finance, engineering, industrial sales, manufacturing, international operations, human resources and field service. Additionally, all existing and prospective Board members should have a broad strategic view, possess a global business perspective and demonstrate relevant and successful career experience. A Board member's service on the boards of other public companies should be limited to a number that permits them, given their individual circumstances, to responsibly perform all director duties and effectively represent the interests of the shareholders.

The Guidelines further articulate the Board's firm belief that, underlying the aforementioned criteria, the Board's members should have a diversity of backgrounds, which is viewed in comprehensive terms. In evaluating diversity of backgrounds, the Board considers individual qualities and attributes, such as educational background, professional skills, business experience and cultural viewpoint, as well as more categorical diversity metrics, such as race, age, gender and nationality. This consideration is implemented through the selection process for director nominees, and the Board assesses its effectiveness in promoting diversity through an annual self-assessment process that solicits feedback concerning the appropriateness of the Board's diversity, among other critical performance factors.

The CG&N Committee considers various potential director candidates who may come to the attention of the CG&N Committee through current Board members, professional search firms, shareholders or other persons. The CG&N Committee generally retains a national executive-recruiting firm to research, screen and contact potential candidates regarding their interest in serving on the Board, although the CG&N Committee may also use less formal recruiting methods.

A shareholder desiring to recommend a candidate for election to the Board should submit a written notice, as required by the Company's By-laws, including the candidate's name and qualifications to our Corporate Secretary, who will refer the recommendation to the CG&N Committee. The CG&N Committee may require any shareholder-recommended candidate to furnish such other information as may reasonably be required to determine the eligibility of such recommended candidate or to assist in evaluating the recommended candidate. The CG&N Committee may require the submission of a fully completed and signed Questionnaire for Directors and Executive Officers on the Company's standard form and a written consent by the shareholder-recommended candidate to serve as a director, if so elected.

Under the proxy access provisions of our By-laws, eligible shareholders and/or shareholder groups are permitted to include shareholder-nominated director candidates in our proxy materials. Additional details about the process to include shareholder-nominated director candidates in our proxy materials are set forth under "—Shareholder Proposals and Nominations" above and in Article II, Section 9 of the Company's By-laws.



[Back to Contents](#)

All identified candidates, including shareholder-recommended candidates, are evaluated by the CG&N Committee using generally the same methods and criteria, although those methods and criteria may vary from time to time depending on the CG&N Committee’s assessment of the Company’s needs and current situation.

The CG&N Committee also oversees the annual Board and committee self-evaluation process. The performance evaluations solicit anonymous input from the directors regarding the performance and effectiveness of the Board, the Board committees and individual directors, and provide an opportunity for directors to identify areas for improvements. The CG&N Committee reviews the results and feedback from the evaluation process and makes recommendations for improvements as appropriate. The Board has successfully used this process to evaluate Board and committee effectiveness and identify opportunities to strengthen the Board.

The CG&N Committee is also responsible for preparing materials for the Chief Executive Officer’s annual performance review conducted by the Board. Further, the CG&N Committee reviews and recommends, as deemed appropriate, changes to the Company’s corporate governance policies consistent with SEC rules and the NYSE corporate governance listing standards.

#### Organization and Compensation Committee

The O&C Committee is responsible for establishing executive compensation for officers, including the Chief Executive Officer and other corporate officers. As further discussed under “Executive Compensation,” decisions regarding compensation are made by the O&C Committee in a manner that is intended to be internally equitable, externally competitive and an incentive for effective performance in the best interests of our shareholders, while adhering to and promoting the Company’s risk management objectives. The O&C Committee is the administrator of the Company’s various equity and incentive compensation plans for key employees. The O&C Committee may, under certain circumstances, delegate routine or ministerial activities under these plans to management.

The O&C Committee also reviews the recommendations of the Chief Executive Officer and the Senior Vice President, Chief Human Resources Officer, regarding adjustments to the Company’s executive compensation programs. The O&C Committee has retained and regularly meets with its independent executive compensation consultant, Frederic W. Cook & Co., Inc. (“FW Cook”). FW Cook has assisted the O&C Committee in evaluating the Company’s compensation programs and adherence to the philosophies and principles stated below under “Executive Compensation—Compensation Discussion and Analysis.”

The O&C Committee is also responsible for reviewing management succession plans and for recommending changes in director compensation to the Board. The O&C Committee periodically reviews the organizational design, management development plans and managerial capabilities of the Company. The O&C Committee also prepares and issues the “Organization and Compensation Committee Report” included in this proxy statement.

#### Board of Directors Compensation

The following table sets forth certain information with respect to our non-employee director compensation for the fiscal year ended December 31, 2018. Compensation information for Mr. Rowe is set forth below under “Executive Compensation—Summary Compensation Table.” Mr. Rowe did not receive any compensation solely for service as a director.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) <sup>(1)(2)</sup>	Total (\$)
Ruby R. Chandy	115,000 <sup>(3)</sup>	124,992	239,992
Leif E. Darner	110,000	124,992	234,992

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Gayla J. Delly	138,000	(3)	124,992	262,992
Roger L. Fix	225,000	(4)	124,992	349,992
John R. Friedery	110,000		124,992	234,992
John L. Garrison <sup>(5)</sup>	25,000		—	25,000
Joe E. Harlan	100,000		124,992	224,992
Michael C. McMurray <sup>(6)</sup>	25,000		—	25,000
Rick J. Mills	115,000	(3)	124,992	239,992
David E. Roberts	115,000		124,992	239,992

(1)

Eligible directors received an annual equity grant of 2,894 shares of restricted common stock on May 24, 2018, the date of the Company's 2018 Annual Meeting of shareholders. The amounts shown in this column reflect the grant date fair value of the awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification 718, "Compensation – Stock Compensation", and are calculated using a price per share of \$43.19, the closing market price of the Company's common stock as reported by the NYSE on the date of grant. Assumptions used in the valuations are discussed in Note 6 to the Company's audited consolidated financial statements for the year ended December 31, 2018 in the Annual Report on Form 10-K filed on February 20, 2019.

(2)

The non-employee directors elected at the 2018 annual meeting of shareholders each had 2,894 shares of restricted common stock outstanding at December 31, 2018; all other shares held are vested.

(3)

Amount reported includes a 15% premium to actual fees due to the director's election to defer all or a portion of cash retainer payments in the form of Company common stock under the Company's director stock deferral plan.

(4)

Includes an additional \$125,000 cash retainer for services as Non-Executive Chairman of the Board.

(5)

Mr. Garrison was elected to the Board effective October 2, 2018.

(6)

Mr. McMurray was elected to the Board effective October 2, 2018.

- 2019 PROXY STATEMENT 20

[Back to Contents](#)

## 2018 Director Compensation Elements

In 2018, non-employee directors received, as applicable: (a) an annual cash retainer of \$85,000; (b) an annual cash committee service fee of \$7,500 (per committee); (c) an annual cash committee chairman service fee of \$20,000 for the Audit Committee chairman, \$15,000 for the O&C Committee chairman and \$10,000 for the Finance and CG&N Committee chairman; (d) an annual cash retainer for services as Non-Executive Chairman of the Board of \$125,000; and (e) equity compensation with a target value of \$125,000. Directors are also eligible to receive special additional compensation when performing services that have been determined by the Board to be well above and beyond the normal director service requirements. The Board has set a compensatory rate of \$3,500 per day for such services, though no compensation was paid for this purpose in 2018. The compensation elements and amounts were established by the Board after review of data prepared by the O&C Committee's independent consultant, showing competitive director compensation levels for peer companies and the Company's compensation peer group, which is discussed under "Executive Compensation."

Pursuant to the Company's cash and stock director deferral plans and equity compensation plans, directors may elect to defer all or a portion of their annual cash compensation and equity compensation. The annual cash compensation may be deferred in the form of cash or in the form of an equivalent value of Company common stock. Compensation deferred in the form of cash accrues interest while deferred at rates that do not exceed market rates or constitute preferential earnings. If a director elects to defer cash compensation in the form of Company common stock, the director receives a 15% premium on the amount deferred.

The equity portion of non-employee director compensation is provided in the form of restricted common stock of the Company having a \$125,000 fair market valuation at the time of grant, which is established on the date of the annual meeting of shareholders of the applicable year. Voting rights accompany such restricted common stock, which fully vest after the earlier of one year from the date of grant, the termination of the director's service due to death or disability or a change in control. Under the Guidelines, all non-employee directors must own shares of Company common stock with a value at least five times his or her annual cash retainer (currently valued at \$425,000) by his or her fifth anniversary of Board service. If the stock ownership requirement is not met, the director will receive all future Board compensation in the form of Company common stock until the requirement is satisfied. For 2018, all non-employee directors met their stock ownership requirements.

## Compensation Committee Interlocks and Insider Participation

During 2018, the members of the O&C Committee included Ms. Chandy, Mr. Darner, Mr. Friedery, Mr. Garrison and Mr. Roberts. None of the members of the O&C Committee were at any time during 2018 an officer or employee of the Company or were formally an officer of the Company. None of our executive officers serve as a member of the board of directors or a compensation committee of any entity that has one or more executive officers serving as a member of our Board or O&C Committee.

[Back to Contents](#)

## EXECUTIVE OFFICERS

The following sets forth certain information regarding the Company's executive officers. Information pertaining to Mr. Rowe, who is both a director and executive officer of the Company, is presented above under "Board of Directors—Biographical Information—Nominees to Serve an Annual Term Expiring at the 2020 Annual Meeting of Shareholders."

Name	Age	Position with the Company
R. Scott Rowe	48	President, Chief Executive Officer and Director
Elizabeth L. Burger <sup>(1)</sup>	48	Senior Vice President, Chief Human Resources Officer
Lee S. Eckert	52	Senior Vice President, Chief Financial Officer
Keith E. Gillespie	53	Senior Vice President, Chief Sales Officer
John R. Lenander	62	President, Flow Control Division
Laneshia T. Minnix <sup>(2)</sup>	44	Senior Vice President, Chief Legal Officer
Kirk R. Wilson	52	President, Aftermarket Services & Solutions
David J. Wilson	50	President, Flowserve Pumps Division

(1)  
Ms. Burger was appointed as Senior Vice President, Chief Human Resources Officer effective April 16, 2018.

(2)  
Ms. Minnix was appointed as Senior Vice President, Chief Legal Officer and Corporate Secretary effective June 11, 2018.

**Elizabeth L. Burger** has served as Senior Vice President, Chief Human Resources Officer since joining Flowserve in April 2018. Before joining the Company, she was Chief Human Resources Officer with Hanesbrands Inc., a global manufacturer and marketer of everyday basic apparel. Prior to joining HanesBrands Inc., she worked at Monsanto Company in various roles of increasing responsibility, and most recently served as its Senior Vice President, Global Business Operations.

**Lee S. Eckert** has served as Senior Vice President, Chief Financial Officer since joining Flowserve in October 2017. Before joining the Company, he was Senior Vice President and CFO of CHC Group LLC, a global commercial helicopter service provider to the offshore oil and gas industry, from July 2015 to September 2017. CHC Group LLC and certain of its affiliates filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in May 2016. Prior to CHC Group LLC, Mr. Eckert served as chief financial officer of the U.S. division of National Grid Plc. from June 2011 to September 2014, and, from June 2006 to June 2011, Mr. Eckert served in various executive capacities as MeadWestvaco Corporation, including as Vice President, Operations, Healthcare from November 2010 to June 2011, and chief financial officer, packaging resource group from June 2006 to October 2010.

**Keith E. Gillespie** has served as Senior Vice President, Chief Sales Officer since October 2016. In this capacity, he has responsibility for selling and commercial operations activities of the Company. Prior to this role, he served as Chief Strategy Officer of the Company from May 2015 to October 2016 with responsibility for corporate strategy, research and development, corporate development and marketing at the Company. Before joining the Company, he was Managing Director at AlixPartners from 2002 to 2015, where he was responsible for leading the firm's Business and Consumer Services Practice and the firm's Growth and Strategy Practice, as well as business improvement efforts at global companies across multiple sectors. Prior to AlixPartners, he served in various senior executive roles at McKinsey & Company, i2 Technologies, and TenFold Corporation.

**John R. Lenander** has served as President, Flow Control Division since February 2017. He has served in various roles since joining the Company in June 2006, most recently as Interim President, Flow Control Division from November 2015 to February 2017, as Vice President & General Manager, Oil & Gas Sector from 2008 to 2015 and Vice President, Business Development, Flow Control Division from 2006 to 2008. He was employed previously with Dresser, Inc., where he held several management positions, most recently as Vice President, Global Sales, Flow Solutions Division from 2002 to 2005.

**Laneshia T. Minnix** has served as Senior Vice President, Chief Legal Officer and Corporate Secretary since joining Flowserve in June 2018. Prior to joining Flowserve, Ms. Minnix served as Senior Vice President, General Counsel for BMC Stock Holdings, Inc., a leading provider of diversified building products and services. Prior to this role, Ms. Minnix was Vice President, Deputy General Counsel and Chief Compliance Officer for ABM Industries Incorporated, a Fortune 500 facility solutions company. Before her tenure with ABM Industries Incorporated, Ms. Minnix held roles with increasing responsibility at both Royal Dutch Shell/Shell Oil Company and Sprint Corporation. Ms. Minnix began her career as a corporate associate at the law firm of K&L Gates.

**Kirk R. Wilson** has served as President of Aftermarket Services & Solutions, a component of our Flowserve Pumps Division, since September 2015. He has served in various roles since joining the Company in 1987, most recently as President, Services and Solutions Operations from January 2012 to September 2015, as Vice President and General Manager, Integrated Solutions Group from 2008 to 2011 and Vice President, Marketing for the Pump Division from 2004 to 2008.

**David J. Wilson** has served as President of the Flowserve Pumps Division since July 2018 and as President of the Industrial Product Division since September 2017. He was employed previously with SPX Flow, Inc., a manufacturer and supplier of engineered products, as President, Industrial until January 2017. Prior to SPX Flow, Inc.'s spin-off from SPX Corporation, Mr. Wilson served as President, Flow Technology – Industrial, of SPX Corporation. Prior to his most recent position at SPX Corporation, he held various senior positions within that company from 1998 to 2013.

[Back to Contents](#)

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

This Compensation Discussion and Analysis (“CD&A”) describes our executive compensation program and policies and the material compensation decisions we have made for our principal executive officer and our other executive officers named in the “Summary Compensation Table” on page 41. To guide the discussion and analysis, we have organized our CD&A into the following sections:

I.

**Executive Summary** - This section provides an overview of our executive officers, market context, and Page 23 the 2018 say-on-pay vote.

II.

**Executive Compensation Program Objectives and Principles** – This section describes the objectives Page 25 that guide our compensation programs and discusses the individual principles the O&C Committee has established to drive our achievement of those objectives.

III.

**Elements of the Executive Compensation Program** – This section discusses the individual elements of our compensation program for the Named Executive Officers, including base salary, annual cash incentive opportunity, long-term equity incentives (including stock ownership requirements), pension Page 27 plan, severance benefits, change-in-control plan and certain other benefits. This includes how our performance peer group is established and how compensation is benchmarked to market reference points.

IV.

**Oversight of the Executive Compensation Program** – This section describes the respective roles and Page 34 responsibilities of the O&C Committee and the O&C Committee’s independent compensation consultant.

V.

**Additional Executive Compensation Information** – This section includes an overview of other Page 35 important executive compensation programs and policies, including employment agreements, tax and accounting implications.

Executive Summary

### Introduction

We refer to this group of executive officers collectively as our “Named Executive Officers” throughout this document. During 2018, our Named Executive Officers were:

**R. Scott Rowe**

President and Chief Executive Officer (“CEO”) (principal executive officer)

**Lee S. Eckert**

Senior Vice President and Chief Financial Officer (“CFO”) (principal financial officer)

**David J. Wilson**

President, Flowserve Pumps Division

**Keith E. Gillespie**

Senior Vice President, Chief Sales Officer

**Elizabeth L. Burger**

Senior Vice President, Chief Human Resources Officer<sup>(1)</sup>

(1)

Ms. Burger was appointed as Senior Vice President, Chief Human Resources Officer, effective April 16, 2018. For more information on the Named Executive Officers, see “Executive Officers” on page 22.

Strategy, Market and Organization Context

Significant Strategic and Organizational Transformation in 2018

Fiscal 2018 was a year of significant improvement and transformation for Flowserve. Mr. Rowe continued the implementation of a new transformational business strategy called Flowserve 2.0 and fully established his executive team.

**FLOWSERVE 2.0 — Implementing our Transformative Business Strategy**

- 2019 PROXY STATEMENT 23

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[Back to Contents](#)

The highlights of our 2018 progress towards our new strategic initiatives include:

Progress in implementation of Flowserve 2.0 led to improved financial performance

Systematic focus and improvement on customer lead time, on time delivery and quality

Improved safety performance

Implemented new purpose statement and values

Significant increase in employee engagement

#### Market Context

Our major end markets include oil and gas, chemical, power and general industries. In 2018, most of our major end markets have improved from the cyclical downturns experienced in recent years. Over the past several years, our customers delayed large capital projects, including regular maintenance and upgrades. This conservative approach in their capital planning had an effect on our financial performance over the last few years. However, in 2018 we saw an increase in project opportunities and capital expenditures in the oil and gas market, as well as a majority of our other end markets.

#### Pay and Performance Alignment

The following charts illustrate the directional relationship between our Company performance and our various incentive plan components: the Company's annual incentive plan (AIP) and contingent performance shares (PSUs).



[Back to Contents](#)

## Compensation Alignment in Support of Our Strategic Objectives

To support the implementation of our Flowserve 2.0 transformational strategy, we adopted the following compensation program design for 2019.

### **2019 ANNUAL INCENTIVE PLAN (“AIP”):**

Design Feature	Rationale
<ul style="list-style-type: none"> <li>• Maintained emphasis on operating income and working capital efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Critical to execute our strategy</li> </ul>
<ul style="list-style-type: none"> <li>• Changed PWC calculation from a year-end to quarterly measurement</li> </ul>	<ul style="list-style-type: none"> <li>• To reward continuous and sustained improvement</li> </ul>
<ul style="list-style-type: none"> <li>• Changed on-time delivery calculation</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure balance across our aftermarket and original equipment business</li> </ul>
<ul style="list-style-type: none"> <li>• Focused on stretch goals</li> </ul>	<ul style="list-style-type: none"> <li>• Reward year-over-year improvement</li> </ul>

### **2019-2021 CONTINGENT PERFORMANCE SHARES:**

Design Feature	Rationale
<ul style="list-style-type: none"> <li>• Maintained total shareholder return (TSR) metric measured against a performance peer group</li> </ul>	<ul style="list-style-type: none"> <li>• Aligned with shareholder interests</li> </ul>
<ul style="list-style-type: none"> <li>• Maintained ROIC metric with improvement targets aligned with the 2022 financial targets communicated to investors at December 13, 2018 analyst day</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage effective capital deployment and alignment with shareholders</li> </ul>
<ul style="list-style-type: none"> <li>• 2018 Say-on-Pay Vote</li> </ul>	

Management and the O&C Committee are attentive to the outcome of the shareholder “Say on Pay” vote. At the Company’s 2018 annual shareholder meeting, the Company received 94% of votes cast in favor of the Say on Pay resolution. While our shareholders expressed strong support in favor of our Named Executive Officers’ compensation at the 2018 Annual Meeting, we are constantly seeking to improve our compensation program as demonstrated by the changes made since the end of 2017.

Executive Compensation Program Objectives and Principles

Compensation Governance Practices

The O&C Committee maintains a thoughtful approach to corporate governance practices for executive compensation. Below is a summary of those practices.

- 2019 PROXY STATEMENT 25

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[Back to Contents](#)

What We Do

Target the market median for all elements of pay

Balance compensation programs

Cap incentive program payments

Maintain a clawback policy

Provide 50% of long-term incentives in the form of performance-based compensation

Maintain stock ownership requirements

Fully disclose incentive plan targets and results

Utilize an independent compensation consultant

What We Don't Do

No hedging or pledging stock

No excise tax gross-ups for executives

No employment agreements with Named Executive Officers

No option repricing without stockholder approval