Rexnord Corp
Form DEF 14A
June 11, 2018
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the 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 under Rule 14a-12

**REXNORD 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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# NOTICE OF ANNUAL MEETING

# OF STOCKHOLDERS

# on July 26, 2018

To the Stockholders of Rexnord Corporation:

Rexnord Corporation will hold its annual meeting of stockholders at its corporate offices at 511 W. Freshwater Way, Milwaukee, Wisconsin 53204, on Thursday, July 26, 2018, at 9:00 a.m. Central Time, for the following purposes:

1. To elect three directors to serve for three-year terms expiring in fiscal 2022;

2. To hold an advisory vote to approve the compensation of the Company s named executive officers, as disclosed in Compensation Discussion and Analysis and Executive Compensation in the proxy statement;

3. To hold an advisory vote related to the frequency of future advisory votes to approve named executive officer compensation;

4. To ratify the selection of Ernst & Young LLP as the Company s independent registered public accounting firm for fiscal 2019; and

5. To transact such other business as may properly come before the meeting or any adjournment thereof.

Rexnord Corporation s stockholders of record at the close of business on May 29, 2018, will be entitled to vote at the meeting or any adjournment of the meeting. On or about June 8, 2018, we expect to mail stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement and annual report, as well as vote, online.

We call your attention to the proxy statement accompanying this notice, which contains important information about the matters to be acted upon at the meeting.

By order of the Board of Directors

Patricia M. Whaley
Vice President, General Counsel and Secretary

Milwaukee, Wisconsin

June 11, 2018

**You may vote in person or by using a proxy as follows:**

| | |
|---|---|
| By internet: | Go to www.voteproxy.com. Have the notice we sent to you in hand when you access the website. You will need the control number from the notice to vote. |
| By telephone: | Call 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from other countries on a touch-tone telephone. Have the notice we sent you in hand when you call. You will need the control number from the notice to vote. |
| By mail: | Please request written materials as provided on page 1 of the proxy statement. Complete, sign and date the proxy card, and return it to the address indicated on the proxy card. |

**If you later find that you will be present at the meeting or for any other reason desire to revoke your proxy, you may do so at any time before it is voted.**

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**511 W. Freshwater Way**

**Milwaukee, Wisconsin 53204**

# PROXY STATEMENT

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## ANNUAL MEETING OF STOCKHOLDERS

## JULY 26, 2018

## COMMONLY ASKED QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

**Q:** WHEN IS THE PROXY MATERIAL FIRST BEING MADE AVAILABLE TO STOCKHOLDERS?
**A:** On or about June 11, 2018, Rexnord Corporation ( Rexnord , we or the Company ) expects to mail stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access the proxy material over the internet.

**Q:** WHY DID I RECEIVE A NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS INSTEAD OF A PRINTED COPY OF THE PROXY MATERIAL?
**A:** Securities and Exchange Commission ( SEC ) rules permit us to provide access to our proxy material over the internet instead of mailing a printed copy of the proxy material to each stockholder. As a result, we are mailing stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy material, including our proxy statement and annual report, and vote via the internet. Stockholders will not receive printed copies of the proxy material unless requested by following the instructions included on the Notice of Internet Availability of Proxy Materials or as provided below.

**Important Notice Regarding the Availability of Proxy Materials for**

**the Stockholder Meeting to Be Held on July 26, 2018**

**The proxy statement and annual report to security holders are available at**

**http://www.astproxyportal.com/ast/17558**

**Q:** HOW CAN STOCKHOLDERS REQUEST PAPER COPIES OF THE PROXY MATERIAL?
**A:** Stockholders may request that paper copies of the proxy material, including an annual report, proxy statement and proxy card, be sent to them without charge as follows:

| | |
|---|---|
| By internet: | https://us.astfinancial.com/OnlineProxyVoting/ProxyVoting/RequestMaterials |
| By e-mail: | info@astfinancial.com |
| By telephone: | 888-Proxy-NA (888-776-9962) in the United States or 718-921-8562 from other countries |

When you make your request, please have available your personal control number contained in the notice we mailed to you. To assure timely delivery of the proxy material before the annual meeting, please make your request no later than July 12, 2018.

**Q:** WHAT AM I VOTING ON?
**A:** At the annual meeting you will be voting on four proposals:

1. The election of three directors to serve for three-year terms expiring in fiscal 2022. This year s board nominees are:

   Todd A. Adams

   Theodore D. Crandall

   Robin A. Walker-Lee

2. An advisory proposal to approve the compensation of the Company s named executive officers, as disclosed in Compensation Discussion and Analysis and Executive Compensation herein.

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3. An advisory proposal related to the frequency of future advisory votes to approve the compensation of the Company s named executive officers.

4. A proposal to ratify the selection of Ernst & Young LLP ( E&Y ) as the Company s independent registered public accounting firm for fiscal 2019.

**Q:** WHAT ARE THE BOARD S VOTING RECOMMENDATIONS?
**A:** The board of directors is soliciting this proxy and recommends the following votes:

1. **FOR** each of the board s nominees for election as director.

2. **FOR** approval of the compensation of the Company s named executive officers.

3. **1 YEAR** as the frequency for future advisory votes to approve named executive officer compensation.

4. **FOR** the ratification of the selection of E&Y as the Company s independent registered public accounting firm for fiscal 2019.

**Q:** WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL?
**A:** To conduct the annual meeting, a majority of the shares entitled to vote must be present in person or by duly authorized proxy. This is referred to as a quorum. Abstentions and shares that are the subject of broker non-votes will be counted for the purpose of determining whether a quorum exists; shares represented at a meeting for any purpose are counted in the quorum for all matters to be considered at the meeting. All of the voting requirements below assume that a quorum is present.

Directors are elected by a plurality of the votes cast in person or by proxy at the meeting, and entitled to vote on the election of directors. Plurality means that the individuals who receive the highest number of votes are elected as directors, up to the number of directors to be chosen at the meeting. Any votes attempted to be cast against a candidate are not given legal effect and are not counted as votes cast in the election of directors. Therefore, any shares that are not voted, whether by withheld authority, broker non-vote or otherwise, have no effect in the election of directors except to the extent that the failure to vote for any individual results in another individual receiving a relatively larger number of votes. Our bylaws provide that if any nominee does not receive, in an uncontested election, a majority of the votes cast for his or her election as a director, such individual must submit, promptly following such vote, an irrevocable resignation from the board that is contingent upon acceptance of such resignation by the board.

Assuming a quorum is present, the results of the advisory vote to approve the compensation of the Company s named executive officers will be determined by a majority of shares voting on such matter. Abstentions and broker non-votes will not affect this vote, except insofar as they reduce the number of shares that are voted.

To determine the results of the advisory vote related to the frequency of future advisory votes to approve named executive officer compensation, the frequency receiving the greatest number of votes, whether every year, every two years or every three years, will be considered the frequency approved by stockholders. Abstentions and broker non-votes do not constitute votes for any particular frequency and will have no effect on the outcome of this advisory vote.

The two advisory votes discussed above are not binding on the Company. However, the Compensation Committee, the board and the Company review the voting results carefully and take them into consideration when evaluating and making future decisions regarding executive compensation and the frequency of future advisory votes to approve executive compensation.

An affirmative vote of a majority of the shares represented at the meeting and entitled to vote thereon is required for the ratification of the selection of E&Y as the Company s independent registered public accounting firm for fiscal 2019. Consequently, abstentions will act as votes against this proposal. Since brokers have discretionary authority to vote on this proposal, we do not anticipate any broker non-votes with regard to this matter.

**Q**: WHAT IF I DO NOT VOTE?
**A**: The effect of not voting will depend on how your share ownership is registered. If you own shares as a registered holder and you do not vote, then your unvoted shares will not be represented at the meeting and will not count toward the quorum requirement. If a quorum is obtained, then your unvoted shares will not affect whether a proposal is approved or rejected.

If you are a stockholder whose shares are not registered in your name and you do not vote, then your bank, broker or other holder of record may still represent your shares at the meeting for purposes of obtaining a quorum. In the absence of your voting instructions, your bank, broker or other holder of record may not be able to vote your shares in its discretion depending on the proposal before the meeting. Your broker may not vote your shares in its discretion in the election of directors; therefore, you must vote your shares if you want them to be counted in the election of directors. Your broker is also not permitted to vote your shares in its discretion on matters related to executive compensation. However, your broker may vote your shares in its discretion on routine matters such as the ratification of the Company s independent registered public accounting firm.

**Q:** WHO MAY VOTE?
**A:** You may vote at the annual meeting if you were a stockholder of record as of the close of business on May 29, 2018, which is the Record Date. Each outstanding share of common stock is entitled to one vote on each matter presented. As of the Record Date, Rexnord had 104,330,513 shares of common stock outstanding. Any stockholder entitled to vote may vote either in person or by duly authorized proxy.

**Q:** HOW DO I VOTE?
A: You may vote either in person at the annual meeting or in advance of the meeting by authorizing by internet, telephone or mail the persons named as proxies on the proxy card, Todd A. Adams, Mark W. Peterson and Patricia M. Whaley, to vote your shares in accordance with your directions. We recommend that you vote as soon as possible, even if you are planning to attend the annual meeting, so that the vote count will not be delayed.

We encourage you to vote via the internet, as it is the most cost-effective method available. If you choose to vote your shares via the internet or by telephone, there is no need for you to request or mail back a proxy card.

| | |
|---|---|
| By internet: | A stockholder of record may go to www.voteproxy.com. Have the notice we sent to you in hand when you access the website. You will need the control number from the notice to vote. |
| By telephone: | Call 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from other countries on a touch-tone telephone. Have the notice we sent you in hand when you call. You will need the control number from the notice to vote. |

| | |
|---|---|
| By mail: | Please request written materials as provided on page 1 of the proxy statement. Complete, sign and date the proxy card, and return it to the address indicated on the proxy card. |

If your shares are not registered in your name (for example, held through your broker or bank), then you vote by giving instructions to the firm that holds your shares rather than using any of the methods discussed above. Please check the voting form from the firm that holds your shares to see if it offers internet or telephone voting procedures.

**Q:** WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE REQUEST TO VOTE?
**A:** It means your shares are held in more than one account. You should vote the shares on all of your proxy cards. You may help us reduce costs by consolidating your accounts so that you receive only one set of proxy

material in the future. To consolidate your accounts, please contact our transfer agent, AST Financial ( AST ), toll-free at 1-800-937-5449.

**Q:** WHAT IF I OWN SHARES AS PART OF REXNORD S 401(k) PLAN?
**A:** Stockholders who own shares as part of Rexnord s 401(k) Plan (the 401(k) Plan ) will receive a separate means for voting the shares held in each account. Shares held by the 401(k) Plan for which participant designations are received will be voted in accordance with those designations; those shares for which designations are not received will be voted proportionally based on the shares for which voting directions have been received from participants in the 401(k) Plan.

**Q:** WHO WILL COUNT THE VOTE?
**A:** AST, our transfer agent, will use an automated system to tabulate the votes. Officers or employees of the Company will serve as the inspector(s) of election.

**Q:** WHO MAY ATTEND THE ANNUAL MEETING?
**A:** Only stockholders of record as of the close of business on May 29, 2018, or their proxy holders or the underlying beneficial owners, may attend the annual meeting. However, seating is limited and will be on a first arrival basis.

To attend the annual meeting, please follow these instructions:

- Bring proof of ownership of Rexnord common stock and a form of photo identification; or

- If a broker or other nominee holds your shares, bring proof of ownership of Rexnord common stock through such broker or nominee (or a proxy received from such holder) and a form of photo identification.

**Q:** CAN I CHANGE MY VOTE AFTER I RETURN OR SUBMIT MY PROXY?
**A:** Yes. Even after you have submitted your proxy, you can revoke your proxy or change your vote at any time before the proxy is exercised by appointing a new proxy or by providing written notice to the Corporate Secretary or acting secretary of the meeting and by voting in person at the meeting. Presence at the annual meeting of a stockholder who has appointed a proxy does not in itself revoke a proxy.

If a broker, bank or other nominee holds your shares and you wish to change your proxy prior to the voting thereof, please contact the broker, bank or other nominee to determine whether, and if so how, such proxy can be revoked.

**Q:** MAY I VOTE AT THE ANNUAL MEETING?

**A:** If you vote through the internet or by telephone, or complete a proxy card, then you may still vote in person at the annual meeting. To vote at the meeting, please give written notice that you would like to revoke your original proxy to the Corporate Secretary or acting secretary of the meeting.

If a broker, bank or other nominee holds your shares and you wish to vote in person at the annual meeting you must obtain a proxy issued in your name from the broker, bank or other nominee; otherwise you will not be permitted to vote in person at the annual meeting.

**Q:** WHO IS MAKING THIS SOLICITATION?

**A:** This solicitation is being made on behalf of Rexnord by its board of directors. Rexnord will pay the expenses in connection with the solicitation of proxies. Upon request, Rexnord will reimburse brokers, dealers, banks and voting trustees, or their nominees, for reasonable expenses incurred in forwarding copies of the proxy material and annual report to the beneficial owners of shares which such persons hold of record. Rexnord will solicit proxies by mailing a Notice of Internet Availability of Proxy Materials to all stockholders; paper copies of the proxy material will be sent upon request as provided above as well as in the Notice of Internet Availability of Proxy Materials. Proxies may be solicited in person, or by telephone, e-mail or fax, by officers and regular employees of Rexnord who will not be separately compensated for those services. Rexnord has retained MacKenzie Partners, Inc. to assist in the solicitation of proxies and to provide informational support and analysis for up to $13,000 plus expenses.

**Q:** WHEN ARE STOCKHOLDER PROPOSALS AND STOCKHOLDER NOMINATIONS DUE FOR THE FISCAL 2020 ANNUAL MEETING?

**A:** We expect to hold our fiscal 2020 annual meeting of stockholders on July 25, 2019. Under Rule 14a-8 under the Securities Exchange Act of 1934 (the Securities Exchange Act ), the Corporate Secretary must receive a stockholder proposal no later than February 11, 2019, in order for the proposal to be considered for inclusion in our proxy material for the fiscal 2020 annual meeting. To otherwise bring a proposal or nomination before the fiscal 2020 annual meeting, you must comply with our bylaws. Currently, our bylaws require written notice to the Corporate Secretary between February 26, 2019, and March 28, 2019. The purpose of this requirement is to assure adequate notice of, and information regarding, any such matter as to which stockholder action may be sought. If we receive your notice before February 26, 2019, or after March 28, 2019, then your proposal or nomination will be untimely. In addition, your proposal or nomination must comply with the procedural provisions of our bylaws. If you do not comply with these procedural provisions, your proposal or nomination can be excluded. Should the board nevertheless choose to present your proposal, the named proxies will be able to vote on the proposal using their best judgment.

**Q:** WHAT IS THE ADDRESS OF THE CORPORATE SECRETARY?

**A:** The address of the Corporate Secretary is:

Rexnord Corporation

Attn: Patricia M. Whaley

511 W. Freshwater Way

Milwaukee, Wisconsin 53204

**Q:** WILL THERE BE OTHER MATTERS TO VOTE ON AT THIS ANNUAL MEETING?

**A:** We are not aware of any other matters that you will be asked to vote on at the annual meeting. Other matters may be voted on if they are properly brought before the annual meeting in accordance with our bylaws. If other matters are properly brought before the annual meeting, then the named proxies will vote the proxies they hold in their discretion on such matters.

For matters to be properly brought before the annual meeting, we must have received written notice, together with specified information, by March 28, 2018. We did not receive notice of any matters by the deadline for this year s annual meeting.

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## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL

## OWNERS AND MANAGEMENT

The following table provides certain information regarding the beneficial ownership of our outstanding common stock as of the Record Date for:

- each person or group known to us to be the beneficial owner of more than 5% of our common stock;
- each of our executive officers named in the Summary Compensation Table herein;
- each of our current directors and our director nominees; and
- all of our current directors and executive officers as a group.

Beneficial ownership of shares is determined under the rules of the Securities and Exchange Commission ( SEC ) and generally includes any shares over which a person exercises sole or shared voting or investment power. Except as indicated by footnote, and subject to applicable community or marital property laws, each person identified in the table possesses sole voting and investment power with respect to all shares of common stock held by them. Shares of common stock subject to options currently exercisable or exercisable within 60 days of the Record Date, or restricted stock units that vest within that time frame, are deemed outstanding for the purpose of calculating the percentage of outstanding shares of the person holding these securities, but are not deemed outstanding for the purpose of calculating the percentage of outstanding shares owned by any other person.

| **Name of Beneficial Owner** | | **Shares Beneficially Owned (1)** | **Percentage of Shares Outstanding** |
|---|---|---|---|
| Janus Henderson Group plc | (2) | 15,051,297 | 14.4% |
| BlackRock, Inc. | (3) | 10,695,900 | 10.3% |
| The Vanguard Group. | (4) | 8,604,544 | 8.2% |
| Todd A. Adams | (5) | 2,800,562 | 2.6% |
| Mark S. Bartlett | | 50,677 | * |
| Thomas D. Christopoul | | 48,373 | * |
| Theodore D. Crandall | | 15,602 | * |
| Paul W. Jones | | 75,148 | * |
| David C. Longren | (6) | 22,689 | * |
| George C. Moore | | 52,188 | * |
| Mark W. Peterson | | 497,074 | * |
| George J. Powers | | 139,890 | * |
| Matthew J. Stillings | | 33,604 | * |
| John M. Stropki | (7) | 32,550 | * |

| | | |
|---|---|---|
| John S. Stroup | 79,036 | * |
| Robin A. Walker-Lee | 17,213 | * |
| Kevin J. Zaba | 207,681 | * |
| Current directors and executive officers as a group (19 persons) | 4,914,215 | 4.5% |

* Indicates less than one percent

(1) Amounts include shares subject to stock options that are currently exercisable or are exercisable within 60 days of the Record Date as follows: Mr. Adams (2,627,864), Mr. Bartlett (33,040), Mr. Christopoul (21,977), Mr. Jones (11,003), Mr. Moore (11,043), Mr. Peterson (481,803), Mr. Powers (137,134), Mr. Stillings (13,375), Mr. Stropki (9,409), Mr. Stroup (33,040), Mr. Zaba (204,741), and all current directors and executive officers as a group (4,333,275).

Amounts also include shares subject to restricted stock units that are currently vested, but are subject to deferred settlement, and those that vest within 60 days of the Record Date as follows: Mr. Bartlett (14,145), Mr. Christopoul (14,145), Mr. Crandall (14,145), Mr. Jones (14,145), Mr. Longren (14,145), Mr. Moore

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(14,145), Mr. Stropki (14,145), Mr. Stroup (14,145), Ms. Walker-Lee (15,167), and all current directors and executive officers as a group (128,327).

(2) Janus Henderson Group plc ( Janus ) filed a Schedule 13G/A, dated February 9, 2018, reporting both shared voting power and shared dispositive power as to 15,051,297 shares of common stock as of December 31, 2017. Janus, a parent holding company, filed the report on behalf of Janus Capital Management LLC, INTECH Investment Management, Perkins Investment Management LLC, Geneva Capital Management LLC, Henderson Global Investors Limited, Janus Henderson Investors Australia, Institutional Funds Management Limited and Henderson Global Investors North America Inc., each of which is a registered investment adviser. The address of Janus is 151 Detroit Street, Denver, CO 80206.

(3) BlackRock, Inc. ( BlackRock ) filed a Schedule 13G/A, dated March 5, 2018, reporting sole voting power as to 10,279,456 shares of common stock, shared dispositive power as to 900 shares and sole dispositive power as to 10,696,098 shares as of February 28, 2018. BlackRock filed the report as a parent holding company on behalf of itself and the following subsidiaries: BlackRock International Limited, BlackRock Advisors, LLC, BlackRock (Netherlands) B.V., BlackRock Institutional Trust Company, National Association, BlackRock Asset Management Ireland Limited, BlackRock Financial Management, Inc., BlackRock Japan Co., Ltd., BlackRock Asset Management Schweiz AG, BlackRock Investment Management, LLC, BlackRock Investment Management (UK) Limited, BlackRock Asset Management Canada Limited, BlackRock (Luxembourg) S.A., BlackRock Investment Management (Australia) Limited, BlackRock Advisors (UK) Limited and BlackRock Fund Advisors. The address of BlackRock is 55 East 52nd Street, New York, NY 10055.

(4) The Vanguard Group ( Vanguard ) filed a Schedule 13G/A, dated February 7, 2018, reporting sole voting power as to 113,852 shares of common stock, shared voting power as to 12,882 shares, sole dispositive power as to 8,486,149 shares and shared dispositive power as to 118,395 shares as of December 31, 2017. Vanguard, an investment adviser, filed the report on behalf of itself and its wholly-owned subsidiaries, Vanguard Fiduciary Trust Company and Vanguard Investments Australia, Ltd. The address of Vanguard is 100 Vanguard Boulevard, Malvern, PA 19355.

(5) Includes 1,200 shares held in an individual retirement account, but excludes 33,745 shares held in trusts for the benefit of Mr. Adams children as to which Mr. Adams does not have voting or dispositive power and therefore disclaims beneficial ownership.

(6) Includes 5,955 shares of common stock issuable upon the conversion of 3,000 depositary shares, representing interests in the Company s 5.75% Series A Mandatory Convertible Preferred Stock, at the stated minimum exchange rate.

(7) Includes 5,504 shares held by Mr. Stropki s spouse.

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# PROPOSAL 1: ELECTION OF DIRECTORS

## Nominees for Election at this Meeting

Our bylaws provide that the number of directors shall be not less than eight or more than 15, with the number to be set by the board from time to time. The board is currently composed of 10 directors. The board sets its size so that the board will possess, in the aggregate, the strategic, managerial and financial skills and experience necessary to fulfill its duties and to achieve its objectives as well as to maintain a sufficient number of independent directors.

Our board of directors is divided into three classes. The members of each class serve staggered, three-year terms. Upon the expiration of the term of a class of directors, directors in that class are elected for three-year terms at the annual meeting of stockholders in the year in which their term expires. Any additional directorships resulting from an increase in the number of directors are distributed among the three classes so that, as nearly as possible, each class consists of one-third of our directors. At each annual meeting, our stockholders elect the successors to one class of our directors. Our executive officers and key employees serve at the discretion of our board of directors. Directors may be removed for cause by the affirmative vote of the holders of a majority of our common stock.

Directors are elected by a plurality of votes cast in person or by proxy at the meeting, and entitled to vote on the election of directors. Our bylaws provide that if any nominee does not receive, in an uncontested election, a majority of the votes cast for his or her election as a director, such individual must submit, promptly following such vote, an irrevocable resignation from the board that is contingent upon acceptance of such resignation by the board.

This year s board nominees for election for terms expiring at the fiscal 2022 annual meeting are Todd A. Adams, Theodore D. Crandall, and Robin A. Walker-Lee.

It is our policy that the board of directors should reflect a broad diversity of backgrounds, experience, perspectives and talents. When the Nominating and Corporate Governance Committee of the board determines which directors to nominate for election at any meeting of stockholders, or appoints a new director between meetings, it reviews our director selection criteria and seeks to choose individuals who bring a variety of expertise to the board within these criteria. For further information about the criteria used to evaluate board membership, see Selection Criteria for Directors below.

The following is information about the experience and attributes of the director nominees and Rexnord s other directors. Together, the experience and attributes included below provide the reasons that these individuals were selected for board membership and/or nominated for election, as well as why they continue to serve on the board.

***Nominees for Election for Terms Expiring at the Fiscal 2022 Annual Meeting***

### Todd A. Adams

*Director since 2009*

In addition to serving as a director, Mr. Adams, age 47, is our President and Chief Executive Officer. Mr. Adams joined us in 2004 and has served in various roles, including Chief Financial Officer and President of the Water Management segment; he became our President and CEO in 2009. Mr. Adams is also a director of Badger Meter, Inc. and Generac Holdings Inc. Mr. Adams serves on our board of directors because he has significant experience in the manufacturing industry and an in-depth knowledge of Rexnord and our business as well as because he is our Chief Executive Officer.

**Theodore D. Crandall**

*Director since 2015*

Mr. Crandall, age 62, has served as the Senior Vice President, Control Products and Solutions of Rockwell Automation, Inc., a leading global provider of industrial automation power, control and information solutions, since 2017, and he will hold that position until July 1, 2018. Mr. Crandall has announced his intention to retire from Rockwell near the end of calendar year 2018. Effective July 2, 2018, he will move into the position of Senior Vice President and will assist in transition matters until his retirement. He previously served as the Senior Vice President and Chief Financial Officer of Rockwell from 2007 to 2017. Prior thereto, Mr. Crandall served in various capacities at Rockwell and related companies, including previous service as Senior Vice President, Control Products and Solutions and as Senior Vice President of its Component & Packaged Applications Group. Mr. Crandall serves on the board of governors of the National Electrical Manufacturers Association. Mr. Crandall serves as a director due to his extensive financial and accounting experience, including as a chief financial officer of a multinational public company.

**Robin A. Walker-Lee**

*Director since 2015*

Ms. Walker-Lee, age 64, is the retired Executive Vice President, General Counsel and Secretary of TRW Automotive Holdings Corp., a leader in automotive safety systems. Ms. Walker-Lee was with TRW Automotive from 2010 until her retirement in 2015. Prior to joining TRW Automotive, she served as Assistant General Counsel of Operations for General Motors Company (together with its predecessor General Motors Corporation, GM ), an automobile manufacturer, and as General Counsel and Vice President of Public Policy for GM Latin America, Africa and Middle East; she also served on special assignment to the General Counsel of GM during its bankruptcy restructuring. Ms. Walker-Lee serves as a director because of her significant global business and legal experience, including as general counsel of a public company.

**The board recommends that you vote FOR each of the nominees listed above.**

Shares represented by proxies will be voted according to instructions provided. A vote marked withheld will be considered as a vote withheld from the nominees; any votes attempted to be cast against a candidate are not given legal effect and are not counted as votes cast in the election of directors. In the unlikely event that the board learns prior to the annual meeting that a nominee is unable or unwilling to act as a director, which is not foreseen, the proxies will be voted with discretionary authority for a substitute nominee designated by the board of directors.

**Continuing Directors Not Standing for Election at this Meeting**

***Directors Continuing to Serve Until the Fiscal 2020 Annual Meeting***

**Mark S. Bartlett**

*Director since 2012*

Mr. Bartlett, age 67, is a retired Ernst & Young LLP ( E&Y ) partner. Mr. Bartlett joined E&Y in 1972 and worked there until his retirement in 2012, including having served as Managing Partner of E&Y s Baltimore office and as Senior Client Service Partner for the Mid-Atlantic Region. Mr. Bartlett is a certified public accountant and has extensive experience serving global manufacturers, as well as companies in other industries. Mr. Bartlett also has experience in mergers and acquisitions, SEC rules and regulations, public offerings and financing alternatives. Mr. Bartlett currently serves as a director, chairman of the audit committee and member of the executive compensation and management development committee of T. Rowe Price Group, Inc., as a director and chairman of the audit committee of WillScot Corporation and as a director and member of the audit committee of FTI Consulting, Inc. Mr. Bartlett serves as a director due to his significant accounting experience, as well as his expertise in the manufacturing industry, and in mergers and acquisitions and securities regulation. The board has considered

Mr. Bartlett s commitments to serve on the other audit committees and has affirmatively determined that such simultaneous service does not impair his ability to effectively serve effectively on Rexnord s Audit Committee.

**David C. Longren**

*Director since 2016*

Mr. Longren, age 59, is a retired Senior Vice President of Polaris Industries, Inc., a designer, engineer and manufacturer of off-road vehicles, snowmobiles, motorcycles and small vehicles, a position he held from 2015 until 2016. Mr. Longren served in various capacities at Polaris since 2003, including President, Off-Road Vehicles, Vice President, Chief Technical Officer, and Director of Engineering for the ATV Division. Prior to joining Polaris, Mr. Longren was a Vice President in the Weapons Systems Division of Alliant Techsystems and Senior Vice President, Engineering and Marketing at Blount Sporting Equipment Group. Mr. Longren serves as a director due to his extensive product development and innovation experience.

**George C. Moore**

*Director since 2015*

Mr. Moore, age 63, has served as a director of: Encapsys, LLC, a provider of custom microencapsulation services for use in the building and construction, paper, bedding, and personal and household care industries, since 2015; IPS Corporation, a provider of solvent cements and adhesives for residential, commercial and industrial use, as well as plumbing and roofing products, since 2017; Cypress Performance Group LLC, the parent holding company of Encapsys, LLC and IPS Corporation, since 2017; and Industrial Container Services, LLC, a provider of reusable container solutions, since 2017. Mr. Moore served as a director of Wastequip, Inc., a leading manufacturer of waste handling and recycling equipment in North America, from 2012 until February 2018, and Pro Mach, Inc., a provider of integrated packaging and processing products and solutions, from 2015 until February 2018. Mr. Moore previously served in various capacities with Rexnord from 2006 to 2012, including as our Chief Financial Officer from 2006 to 2008, and as our acting CFO for portions of 2009 and 2010; however, as of 2011, he was no longer deemed a Rexnord executive officer under the Securities Exchange Act. Mr. Moore previously served as the Executive Vice President and Chief Financial Officer of Maytag Corporation, a manufacturer of major appliances and household products, and as group chief financial officer and group vice president of finance at Danaher Corporation, a manufacturer of process/environmental controls and tools and components. Mr. Moore began his career at Arthur Andersen & Co., a former accounting firm. Mr. Moore serves as a director due to his extensive financial and accounting experience, including as chief financial officer, at multinational companies.

**John M. Stropki**

*Director since 2014*

Mr. Stropki, age 67, is the retired Chairman, Chief Executive Officer and President of Lincoln Electric Holdings, Inc., a global manufacturer of welding, cutting and brazing products. Mr. Stropki served for more than 40 years in a variety of progressively more responsible roles at Lincoln Electric Holdings, Inc., including as its Chairman, CEO and President from 2004 to 2012 and its Executive Chairman until 2013. Mr. Stropki currently serves as a director of The Sherwin-Williams Company (including as lead director and a member of its compensation and management development committee and its nominating and corporate governance committee) and Hyster-Yale Materials Handling, Inc. (including as chair of its audit review committee and as a member of its compensation committee as well as its nominating and corporate governance committee). Mr. Stropki serves as a director due to his significant management and leadership experience, including as chief executive officer and chairman at a global industrial company with a long history of financial improvement and his experience on other public company boards.

***Directors Continuing to Serve Until the Fiscal 2021 Annual Meeting***

**Thomas D. Christopoul**

*Director since 2013*

Mr. Christopoul, age 53, has served as a co-founder, Managing Partner and Executive Vice President of 54 Madison Partners, a real estate private equity investment firm, since 2015. He previously served as a Senior Partner and Head of Real Estate Investment, at Cain Hoy Enterprises, LLC, an investment firm launched by Guggenheim Partners, since 2014. Prior to that time, Mr. Christopoul was a Senior Managing Director in the Real Estate Group at Guggenheim Partners, since 2013. Previously, he was a senior advisor at Falconhead Capital, LLC, a boutique private equity firm in New York City, since 2009, and served as executive chairman of two of Falconhead s portfolio companies GPSi Holdings, LLC and Rita s Water Ice Franchise Company.

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Mr. Christopoul is also an active venture capital investor through Somerset Shore Associates, Inc., a private investment company he founded in 2006. Mr. Christopoul served as a director, member of the audit committee and chairman of the compensation committee of the board of directors of Apollo Residential Mortgage, Inc. until it was acquired in 2016. Prior to joining Falconhead, Mr. Christopoul was President and Chief Executive Officer of Resources Connection, Inc., a multi-national professional services firm; prior thereto, he was an independent member on Resources board of directors. Mr. Christopoul serves as a director due to his significant and varied business experience.

**Paul W. Jones**

*Director since 2014*

Mr. Jones, age 69, has served as the Non-Executive Chairman of Rexnord since 2015. He retired in 2014 as the Chairman, Chief Executive Officer and President of A.O. Smith Corporation, a manufacturer of water heating and water treatment systems. Prior to joining A.O. Smith in 2004, Mr. Jones was Chairman and Chief Executive Officer of U.S. Can Company, Inc., a leading provider of containers for personal care, household, paint and industrial products. Mr. Jones previously held various roles, including President and Chief Executive Officer, at Greenfield Industries, Inc., a manufacturer of cutting tools and other material removal products. Mr. Jones currently serves as a director of A.O. Smith. Mr. Jones previously served as a director of Federal Signal Corporation, where he chaired the nominating and governance committee and was a member of the compensation and benefits committee, until his retirement from its board in May 2018, WEC Energy Group, Inc., where he was a member of the audit and oversight committee, until his retirement from its board in December 2017, and Integrys Energy Group, Inc., where he chaired its financial committee and was a member of its audit committee, until its acquisition by WEC Energy Group in 2015. Mr. Jones serves as a director because of his extensive leadership and management experience, including as chief executive officer and chairman, at multinational companies, because he is an experienced strategist focused on enterprise growth and because he is and has been a director of several other publicly traded companies and brings insights as to best practices from those experiences.

**John S. Stroup**

*Director since 2008*

Mr. Stroup, age 52, is currently Chairman, President and Chief Executive Officer of Belden Inc., a company that designs, manufactures, and markets cable, connectivity, and networking products in markets including industrial enterprise, broadcast and network security. Prior to joining Belden in 2005, Mr. Stroup was employed by Danaher Corporation, a manufacturer of process/environmental controls and tools and components. At Danaher, Mr. Stroup initially served as Vice President, Business Development. He was promoted to President of a division of Danaher s Motion Group and later to Group Executive of the Motion Group. Prior to that, he was Vice President of Marketing and General Manager with Scientific Technologies Inc. Mr. Stroup serves as a director because he has significant experience in strategic planning and general management of business units of public companies (including as chief executive officer).

**Selection Criteria for Directors**

The Company believes it is important for its board to be comprised of individuals with diverse backgrounds, skills and experiences. All board members are generally expected to meet Rexnord s board member selection criteria, which are listed below:

Personal and professional integrity, ethics and values.

Experience in corporate or financial management, such as serving as an officer or former officer of a publicly held company.

Experience in the Company s industry and with relevant social policy concerns.

Experience as a board member of another publicly held company.

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Academic expertise in an area of the Company s operations or financial or other areas relevant to the Company.

Practical and mature business judgment.

Such other criteria as the board or the nominating and corporate governance committee may from time to time determine.

In addition to the board member selection criteria identified above, the board and the Nominating and Corporate Governance Committee review the board s composition annually to ensure the right mix of skills, experience and background needed for the foreseeable future and will change the membership mix of the board as required to meet such needs. Important skills and experiences currently identified are as follows:

Significant chief executive officer and/or chief operating officer experience in a publicly traded company, or a major division of a publicly traded company.

International experience, with an understanding of conducting business on a global basis.

Financial and accounting skills and experience in a public accounting firm or a public company, preferably with controller and/or chief financial officer experience, in order to fulfill the SEC requirements of an audit committee financial expert.

Relevant manufacturing management background from a well-respected manufacturing-based company.

Considerable human resources management experience involving the design of both short- and long-term compensation programs, an understanding of benefit plans and experience managing succession planning and leadership development for a successful company.

Experience in one or more of the industries that are served by the Company.

The Company s Corporate Governance Guidelines provide that, if a director experiences a significant change in employment status from the status when that director was most recently elected to the board, the director must inform the chairperson of the change and offer a letter of resignation. The Nominating and Corporate Governance Committee will evaluate the director s change in status and the board will then decide whether to accept or decline the director s resignation. The Corporate Governance Guidelines also provide that, as a general policy, executive officers of the Company who are directors will resign from the board upon the termination of their employment with the Company. In addition, the Company s Corporate Governance Guidelines provide that the board generally will not nominate individuals for election or re-election as directors after they have attained age 72, although a director who reaches age 72 during a term may continue to serve for the remainder of his or her term. Further, the Corporate Governance Guidelines require directors to advise the chairperson of the board and the chairperson of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another board. A non-executive director of the board may serve as a director of another public company only to the extent such position does not conflict or interfere with such person s service as a director of the Company; an executive director may not serve as a director of another public company without the board s consent.

The Company s Corporate Governance Guidelines and Nominating and Corporate Governance Committee Charter state that the Nominating and Corporate Governance Committee will identify candidates without regard to any candidate s race, color, disability, gender, national origin, religion or creed. The board believes that the use of the Nominating and Corporate Governance Committee s general criteria, along with non-discriminatory policies, will best promote a board that shows diversity in many respects.

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## CORPORATE GOVERNANCE

### Board of Directors Meetings

Directors are expected to attend each regular and special meeting of the board of directors and each board committee of which the director is a member. The board of directors held eight meetings during fiscal 2018. All of the directors attended at least 75% of the total meetings of the board and the committees of the board on which they served during fiscal 2018. The board holds regular meetings at least four times per year, including a meeting in connection with the annual stockholders meeting. It is the Company s policy that the board will hold an executive session at each regularly scheduled meeting without members of the Company s management present; Mr. Jones presides at those executive sessions. Upon the request of any independent director (and in any event, not less than annually), the board will hold an executive session without any director who is not an independent director. Directors are expected to attend the annual meeting of stockholders. All of the directors attended the annual meeting of stockholders held in fiscal 2018.

### Director Independence

At least a majority of the board of directors must qualify as independent within the meaning of the listing standards of the New York Stock Exchange (the NYSE ). When making its determinations regarding which directors are independent, the board of directors considers the NYSE rules and also reviews other transactions and relationships, if any, involving the Company and its directors or their family members or related parties. See Certain Relationships and Related Party Transactions for information about Rexnord s policies and practices regarding transactions with members of the board.

The board of directors has affirmatively determined that each of Ms. Walker-Lee and Messrs. Bartlett, Crandall, Christopoul, Jones, Longren, Moore, Stropki and Stroup is independent. Mr. Adams, our President and CEO, is not considered an independent director.

### Board Leadership Structure

The Company has no formal policy regarding the separation or combination of the position of Chairperson and CEO; however, it believes that in the Company s current circumstances it is advantageous to separate those positions. From time to time, the board reviews and considers the optimal board leadership structure.

Mr. Jones, an independent director, serves as our Non-Executive Chairman. The Company believes that having Mr. Jones serve as Chairman is an appropriate leadership structure for the board primarily because of his extensive leadership and management experience (including as chief executive officer and chairman) at multinational companies, his experience as a strategist focused on enterprise growth, his current and past directorships at publicly traded companies and his insights as to best practices from those experiences.

### Board s Role in Risk Oversight

It is management s responsibility to manage the Company s enterprise risks on a day-to-day basis. Through regular updates and the strategic planning process, the board of directors oversees management s efforts to ensure that they effectively identify, prioritize, manage and monitor all material business risks to Rexnord s strategy. In addition, the board delegates certain risk management oversight responsibilities to its committees. The Audit Committee reviews and discusses the Company s material financial and other risk exposures and the steps management has taken to identify, monitor and control such risks. The Compensation Committee is responsible for overseeing the Company s compensation programs, including related risks. See also Compensation and Risk below.

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**Board Committees**

The board of directors has four standing committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Executive Committee. The committees on which directors currently serve are identified in the table below.

| Director | Audit | Compensation | Nominating and Corporate Governance | Executive |
|---|---|---|---|---|
| Todd A. Adams | | | | X |
| Mark S. Bartlett | Chair | | | |
| Thomas D. Christopoul | | Chair | | |
| Theodore D. Crandall | X | | | |
| Paul W. Jones | | X | | Chair |
| David C. Longren | | | X | |
| George C. Moore | X | | | |
| John M. Stropki | | X | | |
| John S. Stroup | | | Chair | X |
| Robin A. Walker-Lee | | | X | |

***Audit Committee***

The Audit Committee held four meetings during fiscal 2018. The Audit Committee is composed entirely of non-employee directors who meet the independence and accounting or financial management expertise standards and requirements of the SEC and the NYSE listing standards. Our board of directors has determined that each of Messrs. Bartlett, Crandall and Moore qualifies as an audit committee financial expert as such term is defined in Item 407(d)(5) of Regulation S-K.

The principal duties and responsibilities of our Audit Committee are as follows:

- to prepare the annual Audit Committee report to be included in our annual proxy statement;

- to oversee and monitor our financial reporting process;

- to oversee and monitor the integrity of our financial statements and internal control system;

- to oversee and monitor the independence, retention, performance and compensation of our independent auditor;

- to oversee and monitor the performance, appointment and retention of our senior internal audit staff person;
- to discuss, oversee and monitor policies with respect to risk assessment and risk management;
- to oversee and monitor our compliance with legal and regulatory matters; and
- to provide regular reports to the board.

The Audit Committee also has the authority to retain counsel and advisors to fulfill its responsibilities and duties and to form and delegate authority to subcommittees.

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### *Compensation Committee*

The Compensation Committee held five meetings during fiscal 2018. The Compensation Committee is composed entirely of directors who meet the independence requirements of the SEC and the NYSE listing standards.

The principal duties and responsibilities of the Compensation Committee are as follows:

- to review, evaluate and make recommendations to the full board of directors regarding our compensation policies and programs, including the ability to retain consultants to advise the Committee on such matters;
- to review and approve the compensation of our chief executive officer, other officers and key employees, including all material benefits, option or stock award grants and perquisites and all material employment agreements, confidentiality and non-competition agreements;
- to review and recommend to the board of directors a succession plan for the chief executive officer and development plans for other key corporate positions as shall be deemed necessary from time to time;
- to review and make recommendations to the board of directors with respect to our incentive compensation plans and equity-based compensation plans;
- to administer incentive compensation and equity-related plans;
- to review and make recommendations to the board of directors with respect to the financial and other performance targets that must be met;
- to set and review the compensation of members of the board of directors; and
- to prepare an annual compensation committee report and take such other actions as are necessary and consistent with the governing law and our organizational documents.

The Compensation Committee recommends to the board how often advisory say-on-pay votes should be held. The Company currently holds say-on-pay votes every three years, which is consistent with the results of the stockholder advisory vote on the advisory say-on-frequency vote that was held at the fiscal 2013 annual meeting. However, at this year s annual meeting, the Compensation Committee and the board are recommending that stockholders support the holding of annual say-on-pay votes in order for the Compensation Committee and the board to receive more frequent feedback from our stockholders on our compensation program.

The Compensation Committee also has the authority to retain compensation consultants, legal counsel and other advisors to fulfill its responsibilities and duties and to form and delegate authority to subcommittees.

***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee held four meetings during fiscal 2018. The Nominating and Corporate Governance Committee is composed entirely of directors who meet the independence requirements of the NYSE listing standards.

The principal duties and responsibilities of the Nominating and Corporate Governance Committee are as follows:

to identify candidates qualified to become directors of the Company, consistent with criteria approved by our board of directors;

to recommend to our board of directors nominees for election as directors at the next annual meeting of stockholders or a special meeting of stockholders at which directors are to be elected, as well as to recommend directors to serve on the other committees of the board;

to recommend to our board of directors candidates to fill vacancies and newly created directorships on the board of directors;

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- to review, in accordance with the Company s bylaws, any resignation by a director due to a failure to receive a majority vote at a meeting of the Company s stockholders and make a recommendation to the board whether to accept such resignation;

- to identify best practices and recommend corporate governance principles, including giving proper attention and making effective responses to stockholder concerns regarding corporate governance;

- to develop and recommend to our board of directors guidelines setting forth corporate governance principles applicable to the Company, and amendments to those principles; and

- to oversee the evaluation of our board of directors and senior management.

The Nominating and Corporate Governance Committee also has the authority to retain counsel and advisors to fulfill its responsibilities and duties and to form and delegate authority to subcommittees.

*The Nomination Process*

At an appropriate time prior to each annual meeting of stockholders at which directors are to be elected, the Nominating and Corporate Governance Committee recommends to the board for nomination by the board such candidates as that Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve. In addition, the Nominating and Corporate Governance Committee recommends candidates to join the board at other times during the year, as needed.

The Nominating and Corporate Governance Committee will identify and consider candidates suggested by outside directors, management and/or stockholders and evaluate them in accordance with its established criteria. Any recommendations for consideration by that Committee should be sent to the Corporate Secretary in writing, together with appropriate biographical information concerning each proposed nominee, at least 120 days but not more than 150 days prior to the first anniversary of the date of the preceding year s annual meeting. Our bylaws also set forth certain requirements for stockholders wishing to nominate director candidates directly for consideration by stockholders. For more information, see Commonly Asked Questions and Answers about the Annual Meeting When are stockholder proposals and stockholder nominations due for the fiscal 2020 annual meeting? above.

***Executive Committee***

The Executive Committee did not meet or act by written consent during fiscal 2018. It is the intent of the board that the Executive Committee only takes action on behalf of the board when convening the full board would be impractical, or when reasonably necessary to expedite the interests of the Company between regularly scheduled board meetings.

**Communications with the Board**

Any communications to the board of directors should be sent to the attention of Rexnord s Corporate Secretary, 511 W. Freshwater Way, Milwaukee, Wisconsin 53204. Any communication sent to the board in care of the Corporate Secretary or any other corporate officer is forwarded to the board. There is no screening process, and any communication will be delivered directly to the director or directors to whom it is addressed. Any other procedures which may be developed, and any changes in those procedures, will be posted as part of our Corporate Governance

Guidelines on Rexnord s Investor Relations website at www.investors.rexnordcorporation.com.

**Availability of Code of Business Conduct and Ethics, Committee Charters and Other Corporate Governance Documents**

We have a Code of Business Conduct and Ethics that applies to all of our officers, directors and employees, including our principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions. These standards are designed to deter wrongdoing and to promote honest and

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ethical conduct. The Code of Business Conduct and Ethics is posted on our Investor Relations website at www.investors.rexnordcorporation.com. Any substantive amendment to, or waiver from, any provision of the Code of Business Conduct and Ethics with respect to any senior executive or financial officer will also be posted on our website. The information contained on or accessible from our website is not part of this Proxy Statement.

In addition, the board has adopted Corporate Governance Guidelines and a written charter for each of the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Executive Committee. The Corporate Governance Guidelines and the charters are available on the Company s Investor Relations website at www.investors.rexnordcorporation.com.

**Directors Compensation**

The table below summarizes the compensation we paid to persons who were non-employee directors of the Company during the fiscal year ended March 31, 2018.

| Name | Fees Earned or Paid in Cash ($) | Stock Awards (1) ($) | Option Awards (2) ($) | All Other Compensation ($) | Total ($) |
|---|---|---|---|---|---|
| Mark S. Bartlett | $ 95,000 | $ 110,006 | $ | $ | 205,006 |
| Thomas D. Christopoul | 90,000 | 110,006 | | | 200,006 |
| Theodore D. Crandall | 80,000 | 110,006 | | | 190,006 |
| Paul W. Jones | 140,000 | 110,006 | | | 250,006 |
| David C. Longren | 80,000 | 110,006 | | | 190,006 |
| George C. Moore | 80,000 | 110,006 | | | 190,006 |
| John M. Stropki | 80,000 | 110,006 | | | 190,006 |
| John S. Stroup | 90,000 | 110,006 | | | 200,006 |
| Robin A. Walker-Lee | 80,000 | 110,006 | | | 190,006 |

(1) During fiscal 2018, each non-employee director received a grant of restricted stock units ( RSUs ) on May 19, 2017, under the Rexnord Corporation Performance Incentive Plan (the Performance Incentive Plan ) in accordance with the Company s standard compensation package for non-employee directors. The RSUs vested immediately on grant, but will not be paid out until six months after the director leaves the board. The amounts reported reflect the grant date fair value of the RSUs computed in accordance with the Financial Accounting Standards Board s Accounting Standards Codification Topic 718 ( ASC 718 ), which requires the Company to recognize compensation expense for stock-related awards granted to our directors based on the estimated fair value of the equity instrument at the time of grant. For a discussion of the assumptions and methodologies used to calculate the amounts reported in this column, please see Note 15 Stock-Based Compensation to our audited consolidated financial statements included in our Annual Report on Form 10-K for fiscal 2018.

(2) Stock options were not granted to directors in fiscal 2018, but were granted in previous fiscal years.

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The following table presents the aggregate number of outstanding stock awards and unexercised options (including any stock awards and options that have not yet vested or are subject to deferred settlement) held as of March 31, 2018, by each of the persons who served as non-employee directors in fiscal 2018.

| Director | Stock Awards Outstanding (#) | Options Outstanding (#) |
|---|---|---|
| Mark S. Bartlett | 11,504 | 33,040 |
| Thomas D. Christopoul | 11,504 | 21,977 |
| Theodore D. Crandall | 11,068 | |
| Paul W. Jones | 10,340 | 11,003 |
| David C. Longren | 10,634 | |
| George C. Moore | 10,340 | 11,043 |
| John M. Stropki | 11,504 | 9,409 |
| John S. Stroup | 11,504 | 33,040 |
| Robin A. Walker-Lee | 11,362 | |

***Narrative to Directors Compensation Table***

In fiscal 2018, we paid certain fees and granted equity-based awards to our non-employee directors, as described below. Directors who are also employees of the Company receive no additional compensation for their service as directors. See the executive compensation disclosures below for information related to Mr. Adams compensation in fiscal 2018.

During fiscal 2018, under the Company s outside director compensation program, each non-employee director received annual cash compensation of $80,000. In addition, the chair of the Audit Committee received a $15,000 annual cash retainer and the chairs of the Compensation Committee and the Nominating and Governance Committee each received a $10,000 annual cash retainer. The Non-Executive Chairman received an additional annual fee of $60,000 for serving in that role. Cash retainer amounts are paid after each fiscal quarter of service, are prorated for partial year service, and may, at a director s option, be paid in Rexnord common stock, as permitted by rules adopted by the Company from time to time. Each non-employee director also received an annual equity grant consisting of 4,756 RSUs on May 19, 2017, valued at approximately $110,000. The RSUs vested immediately on grant, but are not paid out until six months after a director leaves the board.

As described below, non-employee directors are subject to stock ownership guidelines.

**Stock Ownership Guidelines for Directors**

The Company believes that it is important for non-employee directors to maintain an equity stake in Rexnord to further align their interests with those of our stockholders. Non-employee directors must comply with stock ownership guidelines as determined from time to time by our board. The ownership guidelines for non-employee directors require that each non-employee director must own Rexnord stock, which includes vested in-the-money options and vested but deferred RSUs, with a value equal to a minimum of four times the annual cash retainer within five years of his or her initial election to the board. As of the Record Date, all of our non-employee directors had met the ownership guidelines.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act requires Rexnord s officers and directors, and persons who beneficially own more than 10% of Rexnord s common stock, to file reports of ownership and changes in ownership with the SEC. These insiders are required by SEC regulation to furnish Rexnord with copies of all forms they file under Section 16(a).

All publicly-held companies are required to disclose the names of any insiders who fail to make any such filing on a timely basis within the preceding fiscal year, and the number of delinquent filings and transactions, based solely on a review of the copies of the Section 16(a) forms furnished to Rexnord, or written representations

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that no such forms were required. The Company believes that all of these filing requirements were satisfied on a timely basis for the year ended March 31, 2018, except that two transactions by Craig G. Wehr related to a total of 500 shares were reported late due to an administrative error. In making these disclosures, Rexnord has relied solely on written representations of its directors and executive officers and copies of the reports that they have filed with the SEC.

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## COMPENSATION DISCUSSION AND ANALYSIS

### Overview

The following is a discussion of the material elements of compensation and remuneration awarded to, earned by, or paid to our Named Executive Officers during our fiscal year ended March 31, 2018. Throughout this discussion, the individuals named in the Summary Compensation Table below are referred to as Named Executive Officers and the terms Compensation Committee or the Committee refer to the compensation committee of the board of directors.

The Committee, in consultation with the board of directors, appropriate outside advisors and independent compensation consultants, oversees our executive compensation agreements, plans and policies and has the authority to approve all matters regarding executive compensation. The Committee seeks to ensure that the total compensation and benefits package provided to executives, including our Named Executive Officers, were reasonable, fair, balanced and competitive and aligned with stockholders interests and the short- and long-term goals of the Company.

The Committee seeks to foster a pay-for-performance culture that places an emphasis on stockholder value creation and makes a meaningful portion of each executive s compensation subject to the financial, operational and stock price performance of the Company. Based upon these criteria, the Committee sets the principles and strategies that guide the design of our executive compensation program.

We compensate our executives through various forms of cash, equity and other non-cash remuneration. Our executive officer compensation program includes:

- Cash compensation:
  - base salaries, which are intended to attract and retain highly-qualified individuals and compensation for the executive s duties, accomplishments, experience and responsibilities; and
  - annual performance-based cash incentive awards, which reward performance by tying additional cash compensation to specific Company, unit, group and individual performance;
- Long-term equity incentive awards, which are performance-based and further align the financial interests of management with those of our stockholders, consisting of:
  - performance stock units ( PSUs ) tied to specific Company metrics that further incent executive officers by providing economic rewards tied to increased enterprise value of the Company over an extended period of time;
  - stock options, which tie incentives to the appreciation in market value of our stock experienced by stockholders, but which vest over time to achieve a key retention function; and

beginning for fiscal 2019 grants, restricted stock units ( RSUs ) that vest based on continued employment are being added to our executive officer long-term incentive mix in order to better align management with the long-term interests of stockholders, provide retention incentives and maintain a market-competitive compensation structure;

Selective employment agreements, and severance and change in control arrangements, intended to help assure the continuing availability of the executives services over a period of time and protect the Company from competition post-employment, and that also provide protection and a degree of certainty to the executives upon certain events, including in connection with a change in control (and utilize a double trigger in such situation); and

Retirement benefits, as well as a deferred compensation program, which are intended to reward long-term service to the Company and provide incentives to remain with us by building benefits and savings for eventual retirement.

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**General Compensation Philosophy and Objectives of Executive Compensation Programs**

The foundation of our executive compensation program is to reward our executives for achieving specific strategic goals of the Company and to align each executive s interests with those of our stockholders. We believe that rewarding executives for superior levels of performance will result in significant long-term value creation for the Company and our stockholders. As a result, we believe that the compensation packages we provide to executives, including the Named Executive Officers, must include both cash-based and equity-based elements that reward near- and long-term performance. The Committee, with input from the Chief Executive Officer ( CEO ) (for executives other than himself), evaluates the performance of our executives and their compensation packages to ensure that we maintain our ability to retain highly talented key employees and attract new talent, as needed, to successfully grow and lead the organization.

We continuously review and evolve our programs to further align to our pay-for-performance philosophy, placing a strong emphasis on stockholder value creation and subjecting elements of each executive s compensation to risk depending on the performance of the Company. As such, we base our executive compensation program on the following philosophies:

- The compensation program should support the business by establishing an emphasis on balancing critical annual objectives and long-term strategy without encouraging unreasonable risk taking;

- Each executive s total compensation should correlate to his or her relative contribution to the Company and the achievement of individual and/or business (as defined below) goals;

- The compensation program should drive enterprise financial and operational outcomes in a manner that improves the Company s operational performance, creates stockholder value and aligns the executives interests with the interests of our stockholders, all without encouraging inappropriate risk taking; and

- Executives should be rewarded for superior performance through annual cash-based incentives and equity compensation.

Our executive compensation program is designed to focus our executives on critical business goals that translate into long-term value creation. As a result, we believe that a meaningful portion of our executives compensation should be variable and based, as appropriate, on the financial performance of the Company or one of its specific businesses, segments or departments ( businesses ). We have increased the emphasis on performance-based compensation in recent years through our Management Incentive Compensation Plan (the MICP ), a sub-plan of the Performance Incentive Plan, and through the use of PSUs and other equity awards. The PSUs, in particular, subject a material element of executive compensation to the achievement of pre-established performance metrics. The MICP also features a component that is designed to reward annual improvement in personal performance objectives. For each fiscal year, individualized target performance areas are determined for each executive, and a portion of each executive s compensation under the MICP is dependent upon achievement of those objectives. These individualized target performance areas, referred to as annual improvement priorities ( AIPs ), are designed to drive results that meet or exceed financial targets for the year in areas that are critical to the long-term success of the Company. Our executive compensation program also aims to reward long-term value creation through equity-based awards that help align the financial interests of management with those of our stockholders since the ultimate value of equity-based awards is tied to the value of our stock. In addition, our executive compensation program includes selective employment agreements and change in control and severance arrangements that are intended to facilitate those officers commitment and dedication to the Company.

***CEO Compensation Philosophy.*** For our CEO in particular, prior to fiscal 2017 the Compensation Committee s historic approach to compensation differed from the approaches of other peer companies (and the approach used for our other executive officers and key employees). The Committee made adjustments to the CEO s compensation in fiscal 2012, including a material grant of stock options, in connection with the Company s initial public offering (the IPO ), and by design did not provide for subsequent increases to base salary or annual bonus opportunities, nor did it grant the CEO additional long-term incentives, until fiscal 2017.

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For fiscal 2018 compensation planning, the Committee continued with its approach (which was adopted in fiscal 2017) to review the CEO s base and incentive compensation annually (e.g., for merit increases, annual incentive awards and equity grants). The Committee provided the CEO with traditional annually awarded long-term incentive opportunities that are focused on high performance and emphasize long-term value creation for our business and our stockholders. As a result, the CEO s total compensation for fiscal 2018 was positioned near or slightly above the median of peer group comparisons. The Committee intends to conduct more in-depth reviews of broader performance and compensation levels for the CEO periodically. The Committee, along with Willis Towers Watson, its independent compensation consultant, conducted a comprehensive review of the CEO s compensation programs for fiscal 2017. As a result, the Committee adopted changes to the CEO s compensation at that time that included supplemental equity compensation to recognize his past performance and historic below-market pay positioning.

***Stockholder Input and Outreach.*** The Committee also considers the results of advisory say-on-pay stockholder votes when making compensation decisions. At the fiscal 2016 annual meeting, when the Company s most recent advisory say-on-pay vote was held, over 99% of shares voting approved the compensation of the Company s executive officers. The Company currently holds say-on-pay votes every three years; however, at the this year s annual meeting, in addition to a say-on-pay vote, a say-on-frequency vote will be held, and the board has recommended the holding of annual say-on-pay votes in order to receive more frequent feedback from our stockholders on our compensation program.

During fiscal 2018, we met with various stockholders to discuss corporate governance, executive compensation and other matters. The board and the Committee have considered, and will continue to seriously consider, feedback from these discussions as we review and evaluate our corporate governance practices and executive compensation programs.

***Other Considerations.*** The Committee reviews market-based data as one benchmark to provide a reference point for compensation practices as well as a source of comparative information to assist in determining various components of compensation. However, it does not use this information to mathematically calculate compensation nor limit itself to any specified range. The Committee reviews market-based data in general terms, and uses its judgment and discretion to address individual circumstances rather than simply targeting a level of compensation that falls within a specific range of the data.

In December 2017, the Tax Cuts and Jobs Act ( Tax Reform ) was enacted in the United States. Among other changes, Tax Reform eliminated prospectively the provisions under Section 162(m) of the Internal Revenue Code that allowed for tax deductions for certain performance-based compensation above the $1.0 million deductibility limit for certain executive officers. Although Tax Reform has substantially changed certain elements of tax deductibility of executive compensation, including the loss of certain deductions keyed to the former specified performance-based standards, the Committee intends to continue to structure compensation programs to be consistent with its pay-for-performance philosophy; see also Tax Considerations below.

**Setting Executive Compensation and the Role of Our Executive Officers and Consultants in Compensation Decisions**

The Committee annually reviews and approves all compensation decisions related to our Named Executive Officers. Near the beginning of each fiscal year, the CEO establishes the AIPs for each executive officer other than himself; the Committee establishes the AIPs for the CEO. At the end of the year, prior to making the annual compensation determinations for each executive officer, one or more members of the Committee work together with the CEO to review the performance of the Company and its respective businesses, the role of each executive in the various aspects of that performance and the executive s level of achievement of his or her AIPs. To assist with this process, our Chief

Human Resources Officer compiles data provided by our independent compensation consultant and provides compensation recommendations for the executive officers other than himself. Based on this review and data, the CEO makes recommendations to the Committee as to the compensation of all senior management, including the Named Executive Officers other than himself. The Committee considers these recommendations and meets with its compensation consultant independently in making the final determinations. Other than our CEO and Chief Human Resources Officer, none of the other Named Executive Officers had or have any role in determining the fiscal 2018 compensation of other Named Executive Officers. We anticipate that the CEO and Chief Human Resources Officer will continue to have a role in setting the compensation for the senior management of the Company.

The Committee uses independent compensation consultants to assist in analyzing the Company s compensation programs and making compensation decisions. The Committee is directly responsible for the appointment, termination, compensation and oversight of the work of any compensation consultants hired by it, and considers the independence of any such consultant prior to retention. The Company provides appropriate funding, as determined solely by the Committee, for the payment of compensation to the compensation consultants engaged by the Committee.

Willis Towers Watson provides ongoing advisory services to the Committee on various aspects of its overall compensation practices, including, but not limited to, its long-term incentive compensation program and the related Performance Incentive Plan, the Company s deferred compensation plan and the compensation program for outside directors. Willis Towers Watson also provided assistance with the comprehensive review of compensation programs for the CEO, as noted above. After considering the factors set forth in the SEC and NYSE rules, in accordance with the Committee s charter, the Committee determined that Willis Towers Watson is sufficiently independent to appropriately advise the Committee on compensation matters and that its relationship with Willis Towers Watson does not give rise to any conflict of interest. Going forward, the Committee expects that it will continue to engage these and other compensation consultants when and as appropriate, and will conduct an assessment of consultants independence prior to any such engagement.

**Fiscal 2018 Executive Compensation Components and Determinations**

The principal components of our executive compensation program are discussed below.

***Base Salary.*** The Committee currently reviews base salaries for all executives (including the CEO) annually, with base salary adjustments typically finalized in the first quarter of the fiscal year. In determining base salaries, the Committee considers the executive s responsibilities, experience, skills, sustained level of performance in the job, performance in the prior year, contribution to overall business goals, publicly-available data, information obtained from compensation consultants and the CEO s recommendations (with respect to executive officers other than himself). Based on the Committee s subjective review of these factors, the Committee determines each Named Executive Officer s base salary, which are intended to be competitive with the market.

For purposes of its review of base salary and other elements of the compensation program, Willis Towers Watson used a peer group of similarly sized industrial manufacturing companies, which consisted of: Actuant Corporation, Acuity Brands Inc., Ametek Inc., Barnes Group Inc., Belden, Inc., Brady Corp., Briggs & Stratton Corporation, Clarcor Inc., Crane Co., Enpro Industries, Inc., Idex Corporation, Kennametal Inc., Lincoln Electric Holdings, Inc., Mueller Industries, Inc., Mueller Water Products, Inc., Nordson Corp., Regal Beloit Corporation, Roper Technologies, Inc., Trimas Corp., Valmont Industries, Inc., Watts Water Technologies, Inc. and Woodward, Inc. (the Peer Group ).

Base salary increases for the other Named Executive Officers varied from 3.0% to 8.1%, with base salary levels for our executive officers, in aggregate, near the median of the market. For fiscal 2018, the Committee increased Mr. Adams base salary by 3.9% to $935,000 to continue to be comparable to the median of general industry survey data, but slightly above the median of peer group comparisons. The Committee believed this increase was appropriate based on Mr. Adams performance and contributions to the Company. Mr. Peterson s salary increase for fiscal 2018 reflected continued efforts to make his base salary competitive with the pay level of other chief financial officers as well as his performance in fiscal 2017. The increase for Mr. Zaba was intended to reward his strong performance as well as make his base salary more competitive with the market. The increases for Messrs. Stillings and Powers reflected competitive market conditions as well as their performance.

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Based on the above reviews, the Committee determined the base salaries for the Named Executive Officers as indicated in the following table:

| Name | Fiscal 2018 Base Salary ($) | Increase in Base Salary Compared to Fiscal 2017 (%) |
|---|---|---|
| Todd A. Adams | $ 935,000 | 3.9% |
| Mark W. Peterson | 475,000 | 8.0% |
| Matthew J. Stillings | 453,200 | 3.0% |
| Kevin J. Zaba | 465,000 | 8.1% |
| George J. Powers | 385,000 | 5.4% |

***Annual Performance-Based Awards.*** We believe that a substantial portion of our executive officers compensation should be variable, based on the Company s financial performance, and provide an opportunity to earn additional awards in connection with superior business and individual performance.

Cash incentives for our executive officers are principally awarded through the MICP. The MICP is designed to provide our key officers, including our Named Executive Officers, with appropriate variable incentives to achieve and exceed key annual business objectives by providing performance-based cash compensation in addition to their annual base salary. Under the terms of the MICP, participants are eligible to earn variable cash incentives based upon the achievement by the Company or the respective business, as the case may be, of the corporate financial targets established by the Committee and each executive s individual performance and achievement of AIPs; all amounts awarded under the MICP are also subject to the overall review, approval and potential adjustment by the Committee.

Near the beginning of each fiscal year, the board of directors, based on input from the CEO and CFO, approves the corporate financial performance targets for the Company and each business, and the Committee uses those to set the financial targets under the MICP. The Committee sets the AIPs for our CEO and our CEO establishes the AIPs for all of the other members of senior management participating in the MICP, including the other Named Executive Officers. In setting the financial targets, the Company considers its strategic plan and determines what achievement will be required on an annual basis to drive to its multi-year performance commitment.

Under the MICP, each participant s target incentive amount is based upon a specified percentage of the participant s annual base salary. In making determinations for fiscal 2018 MICP awards to executive officers and other key personnel, the Committee reviewed, among other factors, the results of its compensation consultants studies of the Company s cash compensation. For fiscal 2018, the target incentive amounts for Messrs. Adams, Peterson, Stillings, Zaba and Powers were 125%, 70%, 70%, 70% and 55% of base salary, respectively, and target incentive levels for our executive officers were, in aggregate, near the median of the market. The level for each executive was set so as to incentivize executives to achieve superior corporate and individual results by providing meaningful compensation upon the achievement of established goals.

The target incentive level for Mr. Adams was set to make his compensation particularly focused on value creation for stockholders and was generally in line with that of the Peer Group. However, the Committee continued to limit the maximum payment (which was set at 250% of his base salary) that may be earned by Mr. Adams under the MICP, as the Committee believes that a cap on the payment is appropriate and that the cap is at a sufficiently high level so as to continue to encourage strong performance.

Under the terms of the MICP, each participant is initially entitled to his or her target incentive amount if 100% of the specified performance targets ( Base Targets ) are achieved. For the Named Executive Officers to be eligible for a minimum incentive under the corporate financial performance metrics, which are subject to adjustment by the Committee in certain extraordinary circumstances, the Company must reach a specified cliff set near the beginning of each fiscal year, which, for fiscal 2018, was at least 90% of either of the respective

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metrics (which are described in more detail below) with an accelerated payout schedule for attainment as summarized in the below table:

| Achievement | 90% of Base Targets | 100% of Base Targets | 105% of Base Targets | 110% of Base Targets | 115% of Base Targets | 120% of Base Targets | 125% or > of Base Targets |
|---|---|---|---|---|---|---|---|
| Financial Factor Payout | 50% | 100% | 112.5% | 125% | 150% | 175% | 200% and >* |

* For each additional 5% increase in the percent of Base Target plan achievement above 115%, the financial factor payout will increase 25%; provided, however, that the CEO is subject to a maximum payout, which for fiscal 2018 was a maximum of 250% of the CEO s base salary.

Except with respect to Mr. Adams, the MICP does not set a limit on the maximum incentive opportunity payable with respect to the corporate financial performance portion of the incentive formula because the Committee believes that the incentive compensation for the fiscal year should increase incrementally as the level of achievement increases, and the Company does not want to discourage executives from striving for superior results. However, the Committee has discretion to increase or decrease the amount actually paid out under the MICP if necessary to account for certain extraordinary events or other factors that may have disproportionately affected the formulaic results or to adjust for how the formulaic results are calculated. In addition, there is generally no minimum incentive payable under the MICP even if 90% or more of the corporate financial performance metrics are achieved because the incentive payment is subject to the individual s AIP multiplier (also referred to as personal performance multiplier), which could be 0%.

After the corporate financial results have been calculated under the MICP, each individual s personal performance and AIPs are evaluated by the Committee (for the CEO) and by the CEO (for other executive officers), after which the individual s personal performance multiplier is applied to determine the amount of the incentive earned. The Committee believes it is important for the MICP to align each Named Executive Officer s compensation with his individual, unit, group and corporate financial performance. Under the MICP, the personal performance objectives are intended to reinforce cross-functional, business teamwork, should generally tie to strategy deployment objectives and should be aggressive, measureable and critical to success of the Company s business. For executive officers, the personal performance multiplier is between 0% and 150%, with 150% as the base point (to help maximize tax deductibility under the tax law then in effect), and the Committee using negative discretion to reduce the multiplier to the intended level based on the officer s performance. A performance multiplier of 100% is used to denote on-target achievement of goals.

As noted above, Base Targets under the MICP are comprised of Company, or the respective business, financial performance metrics and individual AIPs. For participants whose MICP performance is tied specifically to the Company s consolidated financial performance, including Messrs. Adams, Peterson and Powers, the specific metrics in fiscal 2018 were based on consolidated EBITDA and Unlevered Free Cash Flow, each weighted at 50%. For the MICP, we generally define EBITDA as net income plus interest, income taxes, depreciation and amortization, plus adjustments for restructuring, stock-based compensation expense, other (income) expense, LIFO (income) expense, un-budgeted acquisitions, and other non-recurring items, translated at constant currency as used for internal management reporting. We define Unlevered Free Cash Flow, for purposes of the portion of the MICP based on consolidated Company performance, as cash flow from operations less capital expenditures (net of proceeds from the sale of fixed assets, if any), as adjusted for cash interest on the Company s outstanding debt obligations (to simulate a debt-free capital structure), un-budgeted acquisitions, non-cash excess tax benefits on stock option exercises and, when appropriate, other non-recurring items, translated at the constant currency used for internal management reporting. While the MICP metrics may be measured at various levels within the organization, the mechanics of the calculations are substantially the same for all participants in the MICP.

In fiscal 2018, the Company again used EBITDA in the MICP because it believes EBITDA is an important supplemental measure of performance and is frequently used by analysts, investors and other interested parties in evaluating companies in our industry. Further, the Company used EBITDA because it is used by the Company s

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lenders, and often compared by analysts and investors, in evaluating our ability to meet debt service obligations. The Committee also used Unlevered Free Cash Flow as an additional metric under the MICP because the Committee believes it represents the ability to generate cash and, therefore, potentially improve profits, and because it eliminates the impact of cash interest, over which management has relatively little control. It also provides increased transparency around operating cash flow generation and, therefore, aligns the Named Executive Officers incentive compensation with a measure over which they more directly control.

For MICP participants who are not on the consolidated plan, including Messrs. Stillings and Zaba, the specific fiscal 2018 financial metrics were based 40% on Group EBITDA and 40% on Group Operating Cash Flow (defined as the group level EBITDA plus or minus the change in inventory) for the respective business, and 20% on consolidated EBITDA. In furtherance of its pay-for-performance philosophy and with the intent to drive superior operating performance, the Committee chose these measures for each respective business because it believes they correlate to the Company s strategic goals and align stockholders interests with those of management. The Committee believes that a Company-wide performance factor (consolidated EBITDA) provides an appropriate tie to overall performance to enhance the participants stake in the results of the Company as a whole.

The Committee s intention in setting the Base Targets under the MICP for fiscal 2018 was to provide strong incentive for the executives to perform at a high level and create value for our stockholders in order for any annual incentives to be earned, thereby requiring an exceptional level of performance to attain or exceed the target level, without setting so high of targets that they would not be attainable or that it would encourage excessive risk-taking to achieve them. The Committee established the targets for fiscal 2018 near the beginning of the fiscal year. After each fiscal year, the Committee makes a determination as to whether the targets were met, and determines the extent, if any, to which the target incentives should be paid based on these results and other factors. In addition, under the MICP, if any acquisition or disposition of any business by the Company, merger, consolidation, split-up, spin-off, or any unusual or nonrecurring transactions or events affecting the Company, or the financial statements of the Company, or change in applicable laws, regulations, or accounting principles occurs such that an adjustment is determined by the Committee to be appropriate, then the Committee will, in good faith and in such manner as it may deem equitable, adjust the financial targets of the MICP or modify the payouts thereunder. No adjustments were made to the financial targets or results of the MICP for fiscal 2018.

Under the consolidated plan for fiscal 2018, the Base Target for consolidated EBITDA was set at $375 million and the Base Target for Unlevered Free Cash Flow was set at $254 million.

With respect to consolidated results, the Committee determined that the Company consolidated EBITDA for purposes of the MICP for fiscal 2018 was $386 million, or 103% of the target, and that Unlevered Free Cash Flow for purposes of the MICP for fiscal 2018 was $263 million, or 104% of the target. As a result, under the MICP formula, the consolidated corporate financial performance factors generated a payout amount of 108.8% of the target at the consolidated level. The financial performance metrics for the applicable businesses for Messrs. Stillings and Zaba resulted in payout amounts of 89.5% and 100.5% of target, respectively.

As mentioned above, aggregate incentives under the MICP are weighted to include corporate or specific business financial performance metrics, as well as personal performance; thus, the results under the corporate financial metrics are subject to change based on the personal performance multiplier and achievement of AIPs. For fiscal 2018, Mr. Adams AIPs focused on overall growth and performance of the Company, and increasing organizational capabilities; Mr. Peterson s AIPs focused on compliance, cost savings and the financial strength and systems of the Company; Mr. Stillings AIPs focused on overall growth and performance of the Water Management business; Mr. Zaba s AIPs focused on overall growth and performance of the Power Transmission business; and Mr. Powers AIPs focused on building organizational capabilities, leadership succession and talent management.

After completion of the fiscal year, the Committee reviewed the CEO s level of personal performance and the achievement of AIPs. Additionally, the Committee, along with input from the CEO, reviewed the remaining

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Named Executive Officers level of personal performance and the achievement of AIPs. For fiscal 2018, the personal performance multipliers for the Named Executive Officers other than the CEO varied from 1.00 to 1.26, and the CEO achieved 1.18.

Utilizing the corporate and specific business financial targets, as the case may be, and the personal performance multiplier results, the incentive payments under the MICP for fiscal 2018 were: $1,499,798 for Mr. Adams; $437,528 for Mr. Peterson; $283,930 for Mr. Stillings; $412,181 for Mr. Zaba; and $267,123 for Mr. Powers.

For fiscal 2019, the financial metrics for executive MICP participants on the consolidated plan continue to be based on consolidated EBITDA and Unlevered Free Cash Flow and for those who are not on the consolidated plan, including Messrs. Stillings and Zaba, the metrics are again based 40% on Group EBITDA and 40% on Group Operating Cash Flow for the relevant business, and 20% on consolidated EBITDA.

***Bonuses.*** In addition to annual incentive awards under the MICP, the Committee has the authority and discretion to award bonuses or additional performance-based compensation to our executives if the Committee determined that a particular executive has greatly exceeded his or her objectives and goals or made a unique contribution to the Company during the year, or as other circumstances warrant, such as in connection with recruiting executives to join, or incentivizing them remain with, the Company. No discretionary bonuses were awarded to our Named Executive Officers in fiscal 2018.

***Long-Term Equity Incentive Awards.*** The Company and the Committee provide incentives that link our Named Executive Officers compensation to the returns experienced by our stockholders, primarily through awards under the Performance Incentive Plan. The Performance Incentive Plan is intended to provide performance incentives to our officers, employees and certain others by permitting grants of equity awards and performance-based cash awards to such persons, to encourage them to maximize our performance and to create value for our stockholders. The types of permitted awards include stock options, stock appreciation rights ( SARs ), stock bonuses, restricted stock and RSUs, performance stock and PSUs, stock units and other similar rights to purchase or acquire shares, as well as cash awards. Awards may vest, over time, upon the occurrence of one or more events or by the satisfaction of performance criteria, or any combination thereof. The Performance Incentive Plan is administered by the Committee.

The Committee generally uses an annual grant schedule for equity awards. Typically, grants are made in the first quarter of each fiscal year, following the announcement by the Company of the prior year s results; the Committee expects to continue that practice in the future. The Committee may also make other such grants from time to time, which the Committee currently expects to be evaluated on a quarterly basis, based on various facts and circumstances, including but not limited to new hires, changes in roles or responsibilities, individual performance, specific achievements and other associate retention considerations. The Committee believes that equity-based awards play an important role in fostering a pay-for-performance culture, in which incentives are created for our executives to maximize Company performance and align the interests of our executives with those of our stockholders.

For fiscal 2018, the Committee, in furtherance of its emphasis on performance-based compensation, again granted PSUs (the fiscal 2018 PSUs ) that vest (or will be forfeited) based in part on the relative total stockholder return ( TSR ) of the Company s common stock as compared to the companies in the S&P 1500 Industrial Sector Index during a three-year performance period through fiscal 2020, and in part on goals related to absolute free cash flow conversion. The Committee used relative TSR as one of the performance metrics for the PSUs to further strengthen the focus on creating stockholder value and absolute free cash flow conversion (defined as free cash flow divided by net income before special items) to reward the efficient generation and use of cash, which also aligns with the Company s long-term strategic plan. The PSUs have 100% cliff vesting after three years and can be earned at levels between 0% and 200% based on the degree of satisfaction of the performance conditions. The Committee also again granted options, with an exercise price equal to the Company s closing stock price on the grant date, that vest ratably over three years after the grant date and have a maximum term of 10 years after the grant date.

For fiscal 2018, the equity grant allocation formula for the senior leadership team, including the executive officers, was 50% options and 50% PSUs (as compared to 70% options and 30% PSUs in fiscal 2017), while other equity plan participants received 50% options and 50% RSUs. Target long-term incentive compensation levels for our executive officers were, in aggregate, above the median of the market, in furtherance of our compensation philosophy. The Committee believes that the use of PSUs and the allocation formulas discussed above further align the interests of our executives with those of our stockholders, support our talent strategy, enhance retention opportunities and provide additional motivation for our executives to succeed in the long-term.

In fiscal 2018, Mr. Adams began receiving traditional annual equity grants in connection with, and with the same performance and vesting criteria as, the grants to the Company s other executive officers so as to provide regularly recurring incentives and to allow the Committee to be able to respond more quickly to intervening developments, if appropriate. The expected value of the equity grants to Mr. Adams in fiscal 2018 was set above the median of the Peer Group, which the Committee believed to be appropriate to reinforce its focus on incentive-based compensation, to further its pay-for-performance philosophy and to provide appropriate incentives to increase long-term stockholder value.

On May 19, 2017, the Committee granted certain officers and employees an aggregate of approximately 1.2 million options to purchase shares of common stock, approximately 0.2 million PSUs and approximately 0.2 million RSUs under the Performance Incentive Plan, including to the Named Executive Officers as follows: 216,050 options and 65,830 PSUs to Mr. Adams; 58,642 options and 17,868 PSUs to Mr. Peterson; 40,124 options and 12,226 PSUs to Mr. Stillings; 49,383 options and 15,047 PSUs to Mr. Zaba; and 29,321 options and 8,934 PSUs to Mr. Powers. The options were granted at $23.13 per share and vest ratably over three years after the grant date; the PSUs can be earned at levels between 0% and 200% based on satisfaction of the performance conditions during the fiscal 2018 to fiscal 2020 performance period. Mr. Stillings was guaranteed a fiscal 2018 equity grant equal to at least 125% of his annual base salary pursuant to terms negotiated when he joined Rexnord (a similar guarantee was not provided for fiscal 2019).

The Committee intends to continue to make annual or regularly recurring grants of equity awards to our Named Executive Officers and other officers, key employees, directors and consultants. After a review of competitive practices at peer companies, for fiscal 2019, the Committee is re-introducing RSUs, which vest based on continued service, into the equity grant allocation formula for executive officers in order to better align management with the long-term interests of stockholders, provide retention incentives and maintain market competitiveness. As a result, the equity grant allocation formula for executive officers for fiscal 2019 consists of 50% PSUs (which is unchanged from the prior year), 25% options and 25% RSUs.

On May 25, 2018, the Committee granted certain officers and employees an aggregate of approximately 1.0 million options to purchase shares of common stock, approximately 0.2 million PSUs and approximately 0.3 million RSUs under the Performance Incentive Plan, including to the Named Executive Officers as follows: 90,802 options, 66,586 PSUs and 33,293 RSUs to Mr. Adams; 22,994 options, 16,863 PSUs and 8,432 RSUs to Mr. Peterson; 20,046 options, 14,701 PSUs and 7,351 RSUs to Mr. Zaba; and 11,792 options, 8,648 PSUs and 4,324 RSUs to Mr. Powers. The options were granted at $28.91 per share, which was the closing trading price on the NYSE on the date of the grant, and vest ratably over three years after the grant date; the PSUs can be earned at levels between 0% and 200% based on satisfaction of the performance conditions during the fiscal 2019 to fiscal 2021 performance period; and the RSUs vest in three equal annual installments on the anniversary of the grant date. While vesting of 50% of the value of PSUs continues to be based on absolute free cash flow conversion goals, return on invested capital ( ROIC ) replaced relative TSR as the performance measure for the other half of the value of the fiscal 2019 PSUs. The Committee began using ROIC as a performance measure for the fiscal 2019 PSUs to ensure executives focus on effectively employing capital and creating stockholder value as well as to better align with the Company s current growth strategy.

The three-year performance period for the PSUs granted in fiscal 2016, covering fiscal 2016 through fiscal 2018 (the fiscal 2016 PSUs ), concluded on March 31, 2018. Similar to the fiscal 2018 PSUs, vesting of the PSUs was based on the relative TSR of the Company s common stock as compared to companies in the S&P

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1500 Industrials Index and on goals related to absolute free cash flow conversion. The PSUs could have been earned at levels between 0% and 200% based on satisfaction of the performance conditions during the performance period. Based on performance on both metrics, which is described below, the fiscal 2016 PSUs vested and paid out, in aggregate, at 100% of target value.

For the portion of the fiscal 2016 PSUs that could be earned based on relative TSR performance, the Committee set threshold (50% payout), target (100% payout) and maximum (200% payout) performance levels that corresponded to the percentile rank of the Company s TSR as compared to companies in the S&P 1500 Industrials Index during the three-year performance period. The Committee determined that there would not be any payout on this portion of the 2016 PSUs if the TSR of the Company s common stock during the three-year performance period was below a threshold level of performance. Assuming the achievement of the threshold level of performance, the payout for this portion of the PSUs is determined linearly between the performance levels. The threshold level of performance was set equal to a relative TSR for the Company s common stock at the 25th percentile of companies in the S&P 1500 Industrials Index. In order to achieve a payout at the target level for this portion of the fiscal 2016 PSUs, the TSR of the Company s common stock was required to be at the 50th percentile of companies in the S&P 1500 Industrials Index. To achieve a payout at the maximum level, the TSR of the Company s common stock was required to be at the 75th percentile of such index. The Committee believed that the performance levels discussed above and related payouts provided appropriate levels of incentives to drive stockholder value.

The TSR of our common stock during the three-year performance period did not meet the threshold level. As a result, the portion of the fiscal 2016 PSUs based on this metric did not pay out after certification by the Committee.

Free cash flow conversion for purposes of the 2016 PSUs means the ratio of adjusted free cash flow to net income for the three-year performance period. Adjusted free cash flow is measured as cash flow from operations as adjusted for capital expenditures, unbudgeted acquisitions, non-cash excess tax benefits on stock option exercises and other non-recurring items, translated at constant currency as used for internal management reporting. Net income is calculated in accordance with U.S. GAAP, as adjusted for unbudgeted acquisitions and other non-recurring items.

For the portion of the fiscal 2016 PSUs that could be earned based on absolute free cash flow conversion performance during the three-year performance period, the Committee also set threshold (50% payout), target (100% payout) and maximum (200% payout) performance levels. Similar to the discussion above, the Committee determined that there would not be any payout on this portion of the 2016 PSUs if absolute free cash flow conversion was below a threshold level of performance. Assuming the achievement of the threshold level of performance, the payout for this portion of the PSUs is also determined linearly between the performance levels. The threshold level of absolute free cash flow conversion during the three-year performance period was set at 89%, which represented a level below the projections within the Company s approved three-year strategic plan. In order to achieve a payout at the target level for this portion of the 2016 PSUs, the Company s absolute free cash flow conversion was required to be 99%, which was deemed appropriate in that it required achievement of the projections within the strategic plan. To achieve a payout at the maximum level required absolute free cash flow conversion of 103%, which was considered a significant stretch and difficult to achieve because the amounts exceeded the projections in the strategic plan.

For the fiscal 2016 to fiscal 2018 performance period, absolute free cash flow conversion performance exceeded the maximum level. Therefore, the portion of the fiscal 2016 PSUs that could be earned based on this metric vested at maximum and paid out at 200% of target value, after certification by the Committee.

See also the Outstanding Equity Awards at Fiscal 2018 Year-End table for information regarding outstanding equity awards and the performance of the fiscal 2017 and fiscal 2018 PSUs as of the end of fiscal 2018.

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***Stock Ownership Requirements for Executive Officers.*** The Committee has adopted stock ownership guidelines for our executive officers, including the Named Executive Officers, to align their interests with the long-term interests of our stockholders and to encourage significant levels of stock ownership. The guidelines are expressed as a multiple of an executive s base salary. The guidelines require the CEO to own Rexnord stock with a market value equal to six times his base salary and require the executive officers other than the CEO to own three times their base salary within five years of the adoption of the guidelines. Shares owned, performance shares once earned and vested in-the-money stock options are included in determining the executives level of ownership. As of the Record Date, nine of our executive officers, including the CEO, had met the stock ownership guidelines, and the Company believes that all of the executives will have met their stock ownership guidelines within the specified five-year window.

***Clawback Policy.*** Pursuant to the Company s Executive Compensation Clawback Policy, which was adopted in fiscal 2018, if the Company is required to restate its financial results as a result of material non-compliance with financial reporting requirements, the Committee will review cash incentive compensation and equity-based compensation ( Incentive Compensation ) that was paid to the Company s current and former executive officers based on the achievement of specific corporate financial goals during the period of the restatement. If any Incentive Compensation would have been lower had it been calculated based on the Company s restated financial results, the Committee may, as and to the extent it deems appropriate, recover all or any portion of Incentive Compensation paid in excess of what would have been paid based on the restated financial results. The Committee may seek the recovery of Incentive Compensation for up to three years preceding the date on which the Company is required to restate its financial results. In addition, the Company may take such other disciplinary action, including under other Company policies, against any executive officer whose misconduct led to the restatement as it deems necessary and appropriate, including termination of employment and/or appropriate legal action.

This policy applies in addition to any right of recoupment against the Company s Chief Executive Officer and Chief Financial Officer pursuant to the Sarbanes-Oxley Act of 2002. The policy does not apply in any situation where a restatement is not the result of material non-compliance with financial reporting requirements, such as any restatement due to a change in applicable accounting rules, standards or interpretations, a change in segment designations or the discontinuance of an operation.

***Anti-Hedging and Anti-Pledging Policies.*** The Company s Insider Trading Policy expressly prohibits directors, officers and employees from engaging in any hedging or monetization transactions that are designed to hedge against a decrease in the price of the Company s common securities. Further, the Insider Trading Policy prohibits directors, officers and employees from holding Company securities in a margin account, pledging Company securities as collateral for a loan or taking out loans against 401(k) Plan balances invested in the Rexnord Stock Fund.

***Employment Agreements; Severance and Change in Control Arrangements; Other Benefits upon Termination.*** Historically, the Company generally has not entered into employment agreements with its domestic employees, including with its executive officers in the United States, because the Company believed that management and executives should be treated similarly to other employees and should be subject to at-will employment. Instead, the Company had employment offer letters to set forth the initial terms and conditions of employment, but generally those did not have continuing obligations. That said, the Company has, from time to time, entered into employment agreements, including with its Chief Executive Officer and in connection with acquisitions or significant transactions, in order to retain key individuals. The employment agreement with Mr. Adams, which includes change in control provisions, was amended in fiscal 2016 to extend its initial term for an additional three years, through November 2018.

To provide for uniform treatment of our executive officers, and as part of the Committee s review of benefits to help assure they remain at appropriate levels, in fiscal 2017, the Company adopted an Executive Change in Control Plan and an Executive Severance Plan, both of which apply to all executive officers other than the CEO and to certain other key employees. In connection therewith, prior employment and retention and change in control agreements with such persons (other than with the CEO) were terminated. The Executive Change in Control Plan provides potential benefits that are generally consistent with benefits that would have been provided under the prior executive arrangements, with certain adjustments, including the removal of the annual target bonus from the determination of the amount of severance payments and the removal of the rights to receive any prior year unpaid bonus and to receive a pro-rated annual bonus for the year of termination. The Executive Severance Plan formalizes the Company s practices in the event of a termination of an executive officer without cause other than in connection with a change in control transaction and sets uniform benefits levels, whereas the Company s general severance practices typically vary based on years of service.

The Committee believes it is important to have employment agreements, and change in control and severance arrangements, to help assure the Company of the continuing availability of the Named Executive Officers and other key employees services over a period of time and to protect the Company from competition post-employment, as well as to help assure that those individuals will not be distracted by personal interests in the case of a potential acquisition of Rexnord and to maintain their continuing loyalty to the Company. The change in control provisions in the executives employment agreements and the Executive Change in Control Plan utilize a double trigger before benefits are payable because the Committee did not believe it was appropriate to provide benefits simply upon the change in control if employment is not affected.

For more information regarding the employment agreements, the Executive Change in Control Plan and the Executive Severance Plan, see Executive Compensation Employment-Related Agreements and Potential Payments upon Termination or Change in Control below.

In addition, for all officers and employees, including the Named Executive Officers, outstanding equity awards granted in fiscal 2016 and prior years under the Performance Incentive Plan will become fully vested immediately (with PSUs generally vesting at target) if Rexnord experiences certain liquidity events, such as being acquired, as set forth in those plans. However, awards granted beginning in fiscal 2017 have a double trigger and do not immediately vest on a liquidity event unless certain other conditions, such as a loss of employment, are met.

***Retirement Benefits.*** Each of our Named Executive Officers participates in qualified defined contribution retirement plans maintained by the Company on substantially the same terms as other participating employees. None of the Named Executive Officers participates in any qualified or nonqualified defined benefit pension plan of the Company because participation was closed to new employees prior to their respective hire dates.

***Nonqualified Deferred Compensation.*** The Rexnord Corporation Deferred Compensation Plan (the Deferred Plan ) is intended to further enhance executive officers and other participants ability to defer compensation to permit long-term savings. Pursuant to the Deferred Plan, officers of the Company, including the Named Executive Officers, and other employees selected by the Compensation Committee for participation ( Eligible Participants ) may elect to defer payment of up to 75% of their base salary, annual cash incentive bonus and hiring bonus. Under the Deferred Plan, the Company makes matching contributions equal to 50% of the first 8% of base salary or bonus that each Eligible Participant defers under the Deferred Plan, with the amount of the Company match being capped at 4% of an Eligible Participant s base salary. In addition, under the Plan, each Eligible Participant is eligible to receive a personal retirement account ( PRA ) contribution from the Company for compensation that is above the compensation limit set forth in Internal Revenue Code Section 401(a)(17). PRA contributions, if any, are made at the Company s discretion each quarter and range from 0% to 3% of compensation. Company contributions credited to an Eligible Participant s account will be vested once he or she has been an Eligible Participant for three years.

Eligible Participants may direct the manner in which amounts credited to their accounts are deemed invested by choosing from among investment alternatives that generally parallel those offered under the Company s 401(k) Plan (except that the Rexnord Stock Fund and any collective investment trusts are not offered under the Deferred Plan). Deemed earnings and losses are periodically credited to Eligible Participants accounts

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based on the investment experience of their deemed investments. Each Eligible Participant may elect to have deferred amounts (as adjusted to reflect deemed earnings experience) distributed after the Eligible Participant s separation from service in the form of a lump sum payment or in annual installment payments over a period of 5 or 10 years, with certain exceptions for separation from service prior to the attainment of age 60 or upon death. In any event, payments triggered by a separation from service generally will be delayed for six months following such separation as required under Internal Revenue Code Section 409A. Upon the death of an Eligible Participant or a change in control of the Company, an Eligible Participant s remaining account balance will be distributed in a lump sum.

***Other Personal Benefits.*** The Company and its subsidiaries provide the Named Executive Officers with personal benefits, such as reimbursement of travel expenses, automobile-related benefits, club dues, tax and financial planning assistance, and moving, relocation and temporary housing expenses and reimbursements, all of which the Company believes are reasonable, competitive and consistent with its overall compensation program. In that regard, the Committee has periodically reviewed the benefits provided to the Named Executive Officers. In particular, during fiscal 2018, benefits to the Named Executive Officers included, varying on the particular executive officer, club dues, estate planning assistance, and an automobile allowance or participation in an automobile leasing program.

***Tax Considerations.*** Prior to Tax Reform, Section 162(m) of the Code limited the deductibility of compensation in excess of $1.0 million during a fiscal year to certain executive officers of publicly held companies. Exceptions were made for, among other things, performance-based compensation pursuant to plans approved by stockholders. Stock options and PSUs are included in awards that may be performance-based compensation, as are performance-based cash incentives under the Performance Incentive Plan and the Company s MICP program. Appropriate approvals of the Performance Incentive Plan (as well as its predecessor) and the MICP were obtained to qualify for an exception from Section 162(m) for any stock options, PSUs or performance-based cash incentives awarded under the plans. As a result of Tax Reform, the performance-based compensation exception, which permitted deductibility for certain compensation over $1.0 million, was generally eliminated prospectively, subject to transitional provisions for compensation and grants awarded prior to November 2017.

While the Committee intends to be mindful of both the effects of the reduction of tax deductibility and the need for the Company to continue to offer competitive compensation notwithstanding Tax Reform, the Committee also expects to continue to include compensation keyed to the Company s pay-for-performance philosophy as a significant portion of executive compensation. During the transition period, the Committee anticipates taking appropriate action to preserve the deductibility for past awards to the extent reasonably possible and as permitted by transitional provisions. Although the Committee may from time to time determine that compensation above the Section 162(m) threshold is appropriate in certain circumstances (such as CEO compensation, compensation related to the hiring of a new executive or compensation for strong performance), the Committee expects to continue to be mindful of these limitations and transitional compliance with Section 162(m) as appropriate.

**Compensation Committee Interlocks and Insider Participation**

None of the members of our Compensation Committee during fiscal 2018 was a current or former employee of the Company, nor were there any transactions or relationships involving members of the Compensation Committee that required disclosure under SEC rules.

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## COMPENSATION COMMITTEE REPORT

The duties and responsibilities of the Compensation Committee of the board of directors are described above under Corporate Governance Board Committees Compensation Committee and are set forth in a written charter adopted by the board. The charter is available on the Company s website. The Committee reviews and reassesses this charter annually and recommends any changes to the board for approval.

As part of its duties, the Committee has reviewed and discussed with management the above Compensation Discussion and Analysis. Based upon this review and discussion, the Committee recommended to the Company s board of directors that the Compensation Discussion and Analysis be incorporated by reference in the Company s Annual Report on Form 10-K and be included in this Proxy Statement.

Members of the Compensation Committee at the time of the filing of the Annual Report on Form 10-K and who approved this report:

Thomas D. Christopoul (Chair)

Paul W. Jones

John M. Stropki

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## EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table presents information about the compensation of our CEO, our CFO and the three executive officers who had the highest compensation of our other executive officers (collectively, our Named Executive Officers ).

| Name (a) | Year (b) | Salary ($) (1) (c) | Bonus ($) (2) (d) | Stock Awards ($) (3) (e) | Option Awards ($) (3) (f) | Non-Equity Incentive Plan Compensation ($) (4) (g) | Change in Pension Value and Nonqualified Deferred Compensation Earnings (5) (h) | All Other Compensation ($) (6) (i) | Total ($) (j) |
|---|---|---|---|---|---|---|---|---|---|
| Todd A. Adams | 2018 | $ 929,615 | | $ 1,750,008 | $ 1,750,005 | $ 1,499,798 | $ 45,222 | $ 118,089 | $ 6,092,737 |
| President and Chief Executive Officer | 2017 | 876,923 | | 3,281,336 | 7,000,002 | 703,125 | 25,409 | 93,424 | 11,980,219 |
| | 2016 | 750,000 | | | | 703,125 | 1,200 | 46,618 | 1,500,943 |
| Mark W. Peterson | 2018 | 469,615 | | 474,999 | 475,000 | 437,528 | 2,156 | 49,599 | 1,908,897 |
| Senior Vice President and Chief Financial Officer | 2017 | 437,962 | | 295,330 | 630,000 | 175,890 | 442 | 42,496 | 1,582,120 |
| | 2016 | 423,461 | | 240,011 | 560,003 | 186,469 | 219 | 26,493 | 1,436,656 |
| Matthew J. Stillings | 2018 | 451,169 | | 325,011 | 325,004 | 283,930 | 54 | 38,556 | 1,423,724 |
| Group Executive, President Water Management Platform (7) | 2017 | 211,539 | $ 401,280 | 2,000,018 | | | | 18,873 | 2,631,710 |
| Kevin J. Zaba | 2018 | 459,615 | | 400,005 | 400,002 | 412,181 | 12,929 | 37,330 | 1,722,062 |
| Group Executive, President Process & Motion | 2017 | 425,077 | | 246,110 | 525,005 | 201,380 | 4,857 | 239,527 | 1,641,956 |
| | 2016 | 396,769 | | 105,008 | 244,997 | 169,190 | | 94,845 | 1,010,809 |

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| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| George J. Powers Chief Human Resources Officer (7) | 2018 | 381,923 | | 237,499 | 237,500 | 267,123 | 10,680 | 51,636 | 1,186,361 |

(1) Salary reflects amounts actually paid during the fiscal year. Any amounts deferred under the Rexnord Corporation Deferred Compensation Plan are also included in the Executive Contributions in Last Fiscal Year column of the Nonqualified Deferred Compensation table below.

(2) The amounts in column (d) include only bonus payments made outside of our annual MICP or guaranteed payments thereunder in excess of amounts otherwise earned. Payments under the MICP are set forth in column (g), Non-Equity Incentive Plan Compensation. The amount in column (d) for fiscal 2017 for Mr. Stillings reflects a negotiated cash signing bonus received upon joining Rexnord and his guaranteed MICP payment for that fiscal year.

(3) The amounts in columns (e) and (f) reflect the grant date fair value computed in accordance with ASC 718 for equity awards under the Performance Incentive Plan made in each year. ASC 718 requires the Company to recognize compensation expense for stock options and other stock-related awards granted to our employees based on the estimated fair value of the equity instrument at the time of grant. For a discussion of the assumptions and methodologies used to calculate the amounts reported in this column, please see the discussion of equity awards contained in Note 15 Stock-Based Compensation to our audited consolidated financial statements included in our Annual Report on Form 10-K for fiscal 2018.

The fiscal 2018, 2017 and 2016 grants of PSUs vest based on the relative TSR of the Company s common stock as compared to companies in the S&P 1500 Industrials Sector Index and on goals related to absolute free cash flow conversion. PSUs are reported in column (e), Stock Awards, at target; participants can earn twice the number of PSUs granted for performance at maximum. The value of the fiscal 2018 PSUs at the maximum performance level would be as follows for each Named Executive Officer: Mr. Adams $3,500,016; Mr. Peterson $950,000; Mr. Stillings $650,022; Mr. Zaba $800,010; and Mr. Powers $474,998. The value of the fiscal 2017 PSUs at the maximum performance level would be as follows for each individual who was a Named Executive Officer for fiscal 2017 (other than Mr. Stillings, who was not

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employed by Rexnord on the grant date and received RSUs, instead of PSUs and stock options, in fiscal 2017): Mr. Adams $6,562,672; Mr. Peterson $590,660; and Mr. Zaba $492,220. The value of the fiscal 2016 PSUs at the maximum performance level would be as follows for each individual who was a Named Executive Officer based for fiscal 2016 (other than Mr. Adams who did not receive equity awards in that fiscal year): Mr. Peterson $480,000; and Mr. Zaba $210,000. Grants of stock options and RSUs are not subject to performance conditions.

The three-year performance period for the fiscal 2016 PSUs concluded at the end of fiscal 2018. The PSUs vested and paid out at 100% of target value after certification by the Compensation Committee, as discussed above in Compensation Discussion and Analysis Fiscal 2018 Executive Compensation Components and Determinations Long-Term Equity Incentive Awards.

Please also see the Grants of Plan-Based Awards in Fiscal 2018 table for further information about equity awards granted in fiscal 2018, Compensation Discussion and Analysis General Compensation Philosophy and Objectives of Executive Compensation Programs CEO Compensation Philosophy for a discussion of supplemental equity compensation granted to our CEO in fiscal 2017, and the Outstanding Equity Awards at Fiscal 2018 Year-End table for information regarding all outstanding equity awards at the end of fiscal 2018.

(4) The amounts in column (g) represent the amount payable as cash incentive awards under the Company s MICP to the Named Executive Officers for the respective fiscal year s performance. Any amounts deferred under the Rexnord Corporation Deferred Compensation Plan are also included in the Executive Contributions in Last Fiscal Year column of the Nonqualified Deferred Compensation table below.

(5) The amount in column (h) represents earnings on the non-qualified Deferred Compensation Plan in those fiscal years. No Named Executive Officers currently participate in the Rexnord Pension Plan. See the Pension Benefits and Nonqualified Deferred Compensation tables below for further discussion regarding the Pension Plan and the Deferred Compensation Plan.

(6) The amounts in column (i) for fiscal 2018 include the items listed in the table below.

| Name | Year | 401(k) Matching Contribution ($) | 401(k) Personal Retirement Account ( PRA ) ($) | Deferred Compensation Plan Company Contribution ($) | Automobile Allowance and Related Expenses ($) | Estate Planning ($) | Club Dues ($) | Total ($) |
|---|---|---|---|---|---|---|---|---|
| Todd A. Adams | 2018 | $ 9,496 | $ 8,100 | $ 74,386 | $ 4,566 | $ 9,170 | $ 12,371 | $ 118,089 |
| Mark W. Peterson | 2018 | 7,969 | 8,100 | 27,961 | 5,174 | | 395 | 49,599 |
| Matthew J. Stillings | 2018 | 4,522 | 8,100 | 11,734 | 14,200 | | | 38,556 |
| Kevin J. Zaba | 2018 | 9,162 | 8,100 | 20,068 | | | | 37,330 |
| George J. Powers | 2018 | 8,858 | 8,100 | 20,470 | 14,208 | | | 41,846 |

(7)

Mr. Stillings joined Rexnord as Group Executive, President  Water Management Platform during fiscal 2017. The amounts in the table for fiscal 2017 reflect the compensation he received in fiscal 2017 beginning on his start date.

Mr. Powers joined Rexnord as Chief Human Resources Officer during fiscal 2015, but is a Named Executive Officer for the first time based on his fiscal 2018 compensation. Therefore, in accordance with SEC rules, information for prior fiscal years is not required to be presented.

* * *

***Narrative to Summary Compensation Table***

The  Summary Compensation Table  above quantifies the value of the different forms of compensation earned by or awarded to our Named Executive Officers in the specified fiscal years. The primary elements of each Named Executive Officer s total compensation reported in the table are base salary, long-term equity incentives consisting of PSUs, RSUs and stock options, cash incentive compensation and, for certain Named Executive Officers, signing or retention bonuses and/or accrued benefits under Company retirement plans.

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Named Executive Officers also earned or were paid the other benefits listed in Column (i) of the Summary Compensation Table.

The Summary Compensation Table should be read in conjunction with the tables and narrative descriptions that follow, as well as the preceding Compensation Discussion and Analysis section. The Grants of Plan-Based Awards in Fiscal 2018 table, and the description of the material terms of equity awards that follows it, provide information regarding the long-term equity incentives awarded to our Named Executive Officers in fiscal 2018. The Outstanding Equity Awards at Fiscal 2018 Year-End table provides further information regarding the Named Executive Officers potential realizable value with respect to their outstanding equity awards.. The Nonqualified Deferred Compensation Plan table provides information regarding contributions and year-end balances in the Company s Deferred Compensation Plan. The discussion under Employment-Related Agreements and Potential Payments upon Termination or Change in Control below is intended to further explain potential future payments that are, or may become, payable to our Named Executive Officers under certain circumstances.

**Grants of Plan-Based Awards in Fiscal 2018**

The following table presents information about grants of plan-based awards made to our Named Executive Officers during the fiscal year ended March 31, 2018.

| | | | Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1) | | | Estimated Future Payouts Under Equity Incentive Plan Awards | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| me | Award Type | Grant Date<br>(b) | Threshold (2) ($)<br>(c) | Target (3) ($)<br>(d) | Maximum (4) ($)<br>(e) | Threshold (#)<br>(f) | Target (#)<br>(g) | Maximum (#)<br>(h) | All Other Stock Awards: Number of Shares of Stock or Units (#)<br>(i) | All Other Option Awards: Number of Securities Underlying Options (#)<br>(j) | Exercise of Base Price of Option Awards (5) ($)<br>(k) | Grant Date Fai Value o Stock & Option Awards (6) ($)<br>(l) |
| dd A. ams | MICP | 06/01/2017 | $ 584,375 | $ 1,168,750 | $ 2,337,500 | | | | | | | |
| | Options(7) | 05/19/2017 | | | | | | | | 216,050 | $ 23.13 | $ 1,750,00 |
| | PSUs(8) | 05/19/2017 | | | | 32,915 | 65,830 | 131,660 | | | | 1,750,00 |
| rk W. erson | MICP | 06/01/2017 | 166,250 | 332,500 | | | | | | | | |