

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**
FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2018

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 001-38694

LIVENT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

**(State or other jurisdiction of
incorporation or organization)**

82-4699376

**(I.R.S. Employer
Identification No.)**

2929 Walnut Street

Philadelphia, Pennsylvania

19104

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: 215-299-6000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock, \$0.001 par value

Name of each exchange on which registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes No

As of June 29, 2018, the last business day of the registrant's most recently completed second fiscal quarter, the registrant's common stock was not publicly traded. The registrant's common stock began trading on the New York Stock Exchange on October 11, 2018. As of February 15, 2019, non-affiliates of the registrant held 23 million shares of the registrant's Common Stock, for which the aggregate market value was approximately \$295 million, based upon the closing price on the New York Stock Exchange reported for such date. Our Parent, FMC, plans to make a tax-free distribution to its stockholders of all of its remaining equity interest in us on March 1, 2019. The distribution is expected to be effected as a dividend to all FMC stockholders, at which time the registrant's Common Stock held by non-affiliates will increase by 123 million common shares.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date

<u>Class</u>	<u>December 31, 2018</u>
Common Stock, par value \$0.001 per share	146,000,000

DOCUMENTS INCORPORATED BY REFERENCE

DOCUMENT	FORM 10-K REFERENCE
Portions of Proxy Statement for 2019 Annual Meeting of Stockholders	Part III

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**Livent Corporation
2018 Form 10-K
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Glossary of Terms

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below:

AOCI	Accumulated other comprehensive income
ARO	Asset retirement obligation
ASC	Accounting Standards Codification, under U.S. GAAP
ASU	Accounting Standards Update, under U.S. GAAP
BEAT	Base erosion and anti-abuse tax
Brexit	The withdrawal of the United Kingdom from the European Union
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act
Distribution	On March 1, 2019, FMC plans to make a tax-free distribution to its stockholders of all its remaining interest in Livent Corporation
EV	Electric vehicle
FASB	Financial Accounting Standards Board
FDII	Foreign-derived intangible income
FMC	FMC Corporation, our parent
FMC Plan	FMC Corporation Incentive Compensation and Stock Plan
GILTI	Global intangible low-taxed income
IPO	Initial public offering
kMT	Thousand Metric Tons
LCE	Lithium Carbon Equivalent
Livent Plan	Livent Corporation Incentive Compensation and Stock Plan
MdA	Minera del Altiplano SA, our local operating subsidiary in Argentina
MT	Metric Ton
NPI	Net parent investment
NYSE	New York Stock Exchange
OCI	Other comprehensive income
OM&M	Operation, maintenance and monitoring of site environmental remediation
Parent	FMC Corporation
Prospectus	The final Prospectus included in our Registration on Form S-1 originally filed with the SEC on October 12, 2018
RCRA	Resource Conservation and Recovery Act
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
REMSA	Recursos Energeticos y Mineros Salta, S.A., local natural-gas sub-distributor in Argentina
Revolving Credit Facility	Livent's \$400 million senior secured revolving credit facility
RSU	Restricted Stock Unit
SEC	Securities and Exchange Commission
Securities Act	Securities Act of 1933
Separation Date	On October 15, 2019, Livent Corporation completed the IPO and sold 20 million shares of Livent common stock to the public at a price of \$17.00 per share
Tax Act	Tax Cuts and Jobs Act
TMA	Tax Matters Agreement
TSA	Transaction Services Agreement
U.S. GAAP	United States Generally Accepted Accounting Principles

PART I

ITEM 1. BUSINESS

FMC Corporation formed and incorporated FMC Lithium USA Holding Corp. in the State of Delaware on February 27, 2018, which was subsequently renamed Livent Corporation ("Livent"). Livent's principal executive offices are located at 2929 Walnut Street, Philadelphia, Pennsylvania, 19104. Throughout this Annual Report on Form 10-K, except where otherwise stated or indicated by the context, "Livent", the "Company", "we," "us," or "our" means Livent Corporation and its consolidated subsidiaries and their predecessors after giving effect to the transactions described under "The Separation" and "The Distribution" below, and references to "FMC," and "Parent" refer to FMC Corporation, Livent's parent, and its consolidated subsidiaries other than Livent and Livent's subsidiaries. Unless the context requires otherwise, statements relating to our history throughout this Annual Report on Form 10-K describe the history of FMC's lithium segment. Copies of the annual, quarterly and current reports we file with the Securities and Exchange Commission ("SEC"), and any amendments to those reports, are available on our website at www.livent.com as soon as practicable after we furnish such materials to the SEC.

The Separation

On March 31, 2017, FMC publicly announced a plan to separate Livent into a publicly traded company (the "Separation"). Prior to the completion of the initial public offering ("IPO") on October 15, 2018, we were a wholly owned subsidiary of FMC, and all of our outstanding shares of common stock were owned by FMC. Following a series of restructuring steps, on October 1, 2018, prior to the IPO of Livent common stock, FMC transferred to us substantially all of the assets and liabilities of its lithium business (the "Lithium Business"). In exchange, we issued to FMC 123 million shares of our common stock.

On October 15, 2018 (the "Separation Date"), we completed the IPO and sold 20 million shares of Livent common stock to the public at a price of \$17.00 per share. On November 8, 2018, the underwriters exercised, in full, their option (the "Over-allotment Option Exercise") to purchase an additional 3 million shares of our common stock, the closing of which was completed on November 13, 2018. Our common stock is listed on the New York Stock Exchange (the "NYSE") under the symbol "LTHM."

Net proceeds from the sale of 23 million shares of our common stock issued in connection with the IPO and Over-allotment Option Exercise were approximately \$369 million, after deducting underwriting discounts and commissions. The net proceeds from the offering, after payment of financing fees and other IPO related costs, were subsequently distributed to FMC. Immediately following the IPO and the Over-allotment Option Exercise, FMC owned approximately 84% of our outstanding common stock. Accordingly, we are considered a "controlled company" under the NYSE rules. Further details can be found in the final Prospectus ("Prospectus") included in our Registration Statement on Form S-1 originally filed with the Securities and Exchange Commission on October 12, 2018, as amended.

In connection with the Separation and completion of the IPO, we entered into certain agreements with FMC that govern various interim and ongoing relationships between the parties. These agreements include a separation and distribution agreement, a transition services agreement, a shareholders' agreement, a tax matters agreement, a registration rights agreement, an employee matters agreement and a trademark license agreement.

The Distribution

FMC has informed us that it plans to make a tax-free distribution to its stockholders of all of its remaining equity interest in us on March 1, 2019. The distribution (referred to in this Annual Report on Form 10-K as the "Distribution") is expected to be effected as a dividend to all FMC stockholders.

General

We are a pure-play, fully integrated lithium company, with a long, proven history of producing performance lithium compounds. Our primary products, namely battery-grade lithium hydroxide, butyllithium and high purity lithium metal are critical inputs used in various performance applications. Our strategy is to focus on supplying high performance lithium compounds to the fast-growing electric vehicle ("EV") battery market, while continuing to maintain our position as a leading global producer of butyllithium and high purity lithium metal. With extensive global capabilities, over 60 years of continuous production experience, applications and technical expertise and deep customer relationships, we believe we are well positioned to capitalize on the accelerating trend of vehicle electrification.

Differentiated Producer of Performance Lithium Compounds		
Performance Applications Drive Our Business	Our Focus, Approach and Capabilities Differentiate Us	We Benefit From A Low-Cost Global Manufacturing Network
 Electric Vehicles  Primary Battery  Greases  Pharmaceutical  Polymer  Aerospace	 Focus on producing lithium hydroxide, butyllithium and high purity lithium metal  Proprietary process and technical know-how developed over 60+ years  Customer collaboration and extensive application expertise  Deep customer relationships with long term supply contracts	<ul style="list-style-type: none">Expanding battery-grade lithium hydroxide capacityAbility to supply global butyllithium customers in each regionVertically integrated lithium metal productionLow cost mineral deposits for base lithium compounds, with capacity to support production expansion

We produce lithium compounds for use in applications that have specific performance requirements, including battery-grade lithium hydroxide for use in high performance lithium-ion batteries. We believe the demand for our compounds will continue to grow as the electrification of transportation accelerates, and as the use of high nickel content cathode materials increases in the next generation of battery technology products. We also supply butyllithium, which is used as a synthesizer in the production of polymers and pharmaceutical products, as well as a range of specialty lithium compounds including high purity lithium metal, which is used in the production of lightweight materials for aerospace applications and non-rechargeable batteries. It is in these applications that we have established a differentiated position in the market through our ability to consistently produce and deliver performance lithium compounds.

Livent Strategy

We believe that growth in EV sales will drive significant growth in demand for performance lithium compounds. We believe that we are well positioned to benefit from this trend thanks to our leading position and long-standing customer relationships. To fully capitalize on this opportunity, our strategy will involve investing in our assets, our technology capabilities and our people to ensure we can continue to meet our customers' demands.

Expand our Production Capacities

In February 2018, we announced our intention to expand our lithium hydroxide capacity to approximately 55 thousand metric tons ("kMT") by the end of 2025 at multiple locations. These expansions are to have the capacity to meet customer demands globally, as they expand their own production networks around the globe.

In addition, to support our lithium hydroxide expansion, we have announced plans to expand annual lithium carbonate production in Argentina from 15 kMT in 2017 to at least 60 kMT by the end of 2025, in four separate stages. We expect to consume the majority of any incremental lithium carbonate produced internally or sourced externally in our lithium hydroxide operations.

We also continue to add butyllithium capacity at our China facility as demand in Asia continues to increase. For high purity lithium metal, we are evaluating expansion opportunities to align with the potential increase in demand for lithium metal as our customers develop next generation battery technologies.

Diversify our Sources of Supply

We continue to pursue additional sources of lithium carbonate, which may include further expansion in Argentina, acquisition and development of new resources, entering into long-term supply agreements with other producers or some combination thereof. We will continually assess new resources that offer the potential to provide alternative sources of lithium carbonate and will look to invest in developing such resources where it makes sense to do so.

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Expand our Application and Process Technology Capabilities

Our market position today is built upon our ability to consistently provide our customers with the products they need. To maintain this position, we are continuously investing in our application and process technologies. As we work with our customers to understand their evolving lithium needs, we will focus on improving our own abilities to adapt the properties of our products, whether physical or chemical, to meet those needs. This may require us to invest in and potentially acquire new capabilities, hire people or acquire new technical resources.

Develop Next Generation Lithium Compounds

We believe that the evolution of battery technologies will lead to the adoption of lithium-based applications in the anode and electrolyte within the battery. This evolution will require new forms of lithium to be produced, such as new lithium metal powders or printable lithium products. We will continue to invest in our research and development efforts to help us create new products, and will also invest with and partner alongside our customers to further their own research and development efforts.

Invest in Our People

Our business requires that we hire and retain the best research scientists, engineers and technical salesforce in our industry. We will continue to invest in our people through training and developing our employees to ensure we retain the best talent in the industry.

Financial Information About Our Business

We operate as one reportable segment based on the commonalities among our products and services, the types of customers we serve and the manner in which we review and evaluate operating performance. As we earn substantially all of our revenues through the sale of lithium products, we have concluded that we have one operating segment for reporting purposes.

Business Overview

As a result of our focus on supplying performance lithium compounds for use in the rapidly growing EV market, we expect the shares of lithium hydroxide, energy storage and Asia as percentages of our total revenue by product, application and geography, respectively, to increase. We intend to maintain our leadership positions in other high performance markets such as greases and polymers.

We believe that we have earned a reputation as a leading supplier in the markets we serve, based on the performance of our products in our customers' production processes and our ability to provide application know-how and technical support. In the EV market, we are one of a small number of lithium suppliers whose battery-grade lithium hydroxide has been qualified by customers for use in their cathode material production processes. Throughout our history, as end market application technologies have evolved, we have worked closely with our customers to understand their changing performance requirements and have developed products to address their needs.

As a vertically integrated producer, we benefit from operating one of the lowest cost lithium mineral deposits in the world. We have been extracting lithium brine at our operations at the Salar del Hombre Muerto in Argentina for more than 20 years, and have been producing lithium compounds for over 60 years. Our operational history provides us with a deep understanding of the process to extract lithium compounds from brine. We have developed proprietary process knowledge that enables us to produce high quality, low impurity lithium carbonate and lithium chloride. We source the majority of our base lithium compounds for use in the production of performance lithium compounds from these low cost operations in Argentina. Our operations in Argentina are expandable, giving us the ability to increase our lithium carbonate and lithium chloride production to meet increasing demand. We also have the operational flexibility to procure lithium carbonate from third party suppliers as raw materials. This strategy allows us to manage our production requirements and raw material cost, creating opportunities to optimize profitability.

We are one of a few lithium compound producers with global manufacturing capabilities. We use the majority of the lithium carbonate we produce in the production of battery-grade lithium hydroxide in the United States and China. We use the lithium chloride we produce in the production of butyllithium products in the United States, the United Kingdom, China and India, as well as in the production of high purity lithium metal in the United States. We have significant know-how and experience in the lithium hydroxide, butyllithium and high purity lithium metal production processes and product applications, which we believe provides us with a competitive advantage in these markets.

Capacity and Production

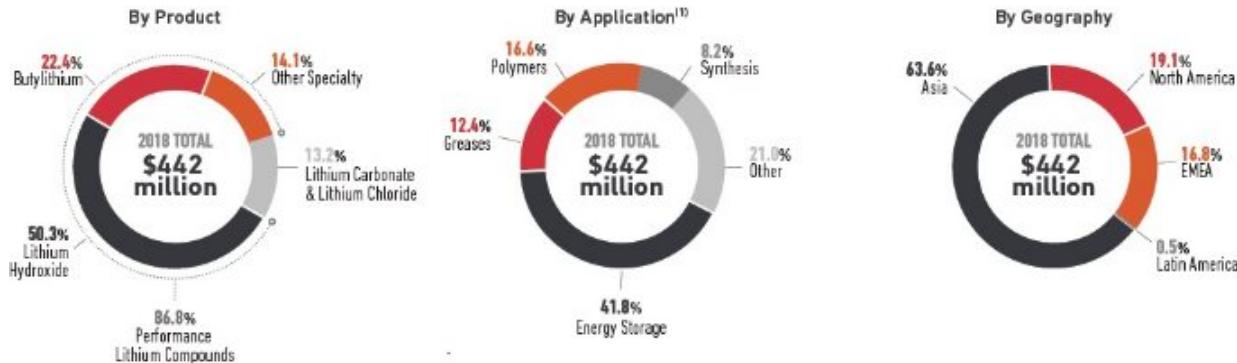
The chart below presents a breakdown of our capacity and production by product type and category presented in product basis metric tons ("MT") for the years ended December 31, 2018 , 2017 and 2016 :

Product Category	Product	2018		2017		2016	
		Capacity	Production	Capacity	Production	Capacity	Production
Performance Lithium	Lithium Hydroxide ⁽¹⁾	18,500	15,936	18,500	13,057	10,000	7,692
	Butyllithium	3,265	2,389	3,265	2,218	3,265	2,175
	High Purity Lithium Metal ⁽²⁾	250	140	250	101	250	152
Base Lithium	Lithium Carbonate ⁽³⁾	18,000	17,238	16,000	15,153	16,000	12,563
	Lithium Chloride ⁽³⁾	9,000	5,005	9,000	4,501	9,000	6,468

- (1) Capacity indicated as of December 31, 2017 reflects an expansion of capacity that came on-line in the second half of 2017.
- (2) Excludes other specialty product capacities and production.
- (3) Represents theoretical capacity for lithium carbonate and lithium chloride, although combined production of both products is lower and limited by the total capacity of lithium brine production. Lithium brine production was approximately 21,000 MT on a lithium carbon equivalent ("LCE") basis for 2018 and approximately 18,000 MT for 2017 and 2016, resulting in the total production shown in the chart.

The charts below detail our 2018 revenues by product, application and geography.

2018 REVENUE BREAKDOWN



- (1) Company internal estimates

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Products and Markets

Our performance lithium compounds are frequently produced to meet specific customer application and performance requirements. We have developed our capabilities in producing performance lithium compounds through decades of interaction with our customers, and our products are key inputs into their production processes. Our customer relationships provide us with first-hand insight into our customers' production objectives and future needs, which we in turn use to further develop our products.

Our Performance Compounds			
Product Category	End Applications	Our Differentiation	
Battery-Grade Lithium Hydroxide	Electric Vehicles 	<ul style="list-style-type: none"> One of a small number of major suppliers of lithium hydroxide for EV applications Products from all sites qualified for EV applications More than 20 years of experience and partnerships with leading customers across EV value chain 	
Non-Battery Lithium Hydroxide	High Performance Greases 	<ul style="list-style-type: none"> Focused on high performance grease customers where grease performance and consistency is critical to protect expensive equipment Stable customer base with long-standing relationships that are typically measured in decades Typical sales agreements are multi-year with a defined price range for future years 	
Butyllithium	Polymers  Pharmaceutical 	<ul style="list-style-type: none"> High level of technical support including safety, product handling, plant engineering and application know-how Manufacturing facilities in all regions to support our global customers 	
High Purity Lithium Metal and Other Specialties	Primary Battery  Aerospace 	<ul style="list-style-type: none"> One of the few producers of high purity lithium metal, and the only producer in the Western Hemisphere Niche high value specialty applications 	

Other specialties include lithium phosphate, pharmaceutical-grade lithium carbonate, high purity lithium chloride and specialty organics. In addition to performance lithium compounds, we also produce lithium carbonate and lithium chloride, both of which we largely consume as feedstock in the process of producing our performance lithium compounds.

Competition and Industry Overview

We sell our performance lithium compounds worldwide. Most markets for lithium compounds are global, with significant growth occurring in Asia, driven primarily by the development and manufacture of lithium-ion batteries. The market for lithium compounds also faces some barriers to entry, including access to an adequate and stable supply of lithium, technical expertise and development lead time. According to Roskill's 2018 estimates, we are one of six producers, including SQM, Albemarle, Tianqi, Orocobre and Jiangxi Ganfeng Lithium, that accounted for approximately 78% of the global supply of lithium compounds as measured by lithium carbon equivalent ("LCE"). We expect additional capacity to be added by new and existing producers over time. We believe our lithium brines in Salar del Hombre Muerto, Argentina, considered by the industry to be one of the lowest cost sources of lithium, provide us with a distinct competitive advantage against these current or future entrants.

We compete by providing advanced technology, high product quality, reliability, quality customer and technical service, and by operating in a cost-efficient manner. We believe we are a leading provider of battery-grade lithium hydroxide in EV battery applications and of performance greases and benefit from low production costs and a history of efficient capital deployment. We also believe we are one of only two global suppliers of butyllithium. Our primary competitor for performance lithium compounds is Albemarle Corporation. We are the only producer of high purity lithium metal in the Western Hemisphere and enjoy competitive advantages from our vertically integrated manufacturing approach and low production costs. Our primary competitors within the lithium metal product category include Jiangxi Ganfeng Lithium and other Chinese producers.

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Growth

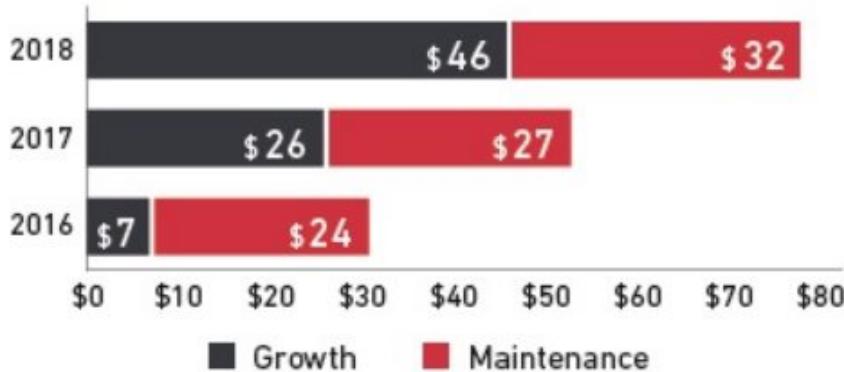
According to Bloomberg New Energy Finance's May 2018 report, EV sales are expected to exceed 60.2 million units in 2040, representing a penetration rate of 55% of all vehicles sold. Automotive OEMs have announced plans to introduce longer-range EV models using higher energy density batteries, and are increasingly doing so by moving to high nickel content cathode materials. This shift will increasingly require battery-grade lithium hydroxide in the production of cathode materials.

As an existing, proven global producer of battery-grade lithium hydroxide, we are well positioned to benefit from this expected increase in lithium demand from EV growth. As one of the pioneers in the lithium industry, we have relationships throughout the lithium-ion battery value chain. Across the battery value chain, product performance requirements have continued to evolve since the first lithium-ion batteries were introduced in the early 1990s. We have developed our application and materials knowledge by working with our customers over time to produce performance lithium compounds which meet evolving customer needs.

In February 2018, we announced an intention to expand annual lithium hydroxide production capacity to approximately 55 kMT by the end of 2025.

Our growth efforts focus on developing environmentally compatible and sustainable lithium products. We are committed to providing unique, differentiated products to our customers by acquiring and further developing technologies as well as investing in innovation to extend product life cycles. Our external growth efforts include product acquisitions, in-licensing of chemistries and technologies and alliances that bolster our market access, complement our existing product portfolio or provide entry into adjacent spaces. We have entered into a range of collaboration agreements with other companies that provide access to new technologies and products which we can subsequently commercialize.

LIVENT CAPITAL SPENDING⁽¹⁾ (in millions)



(1) Includes capital expenditures and other investing activities. See our consolidated and combined statements of cash flows in Part II, Item 8 of this Form 10-K for further details.

Raw Materials

Lithium

Our primary raw material is lithium, and we obtain the substantial majority of our lithium from our operations in Argentina. We extract lithium through solar evaporation and a proprietary process from naturally occurring lithium-rich brines located in the Andes Mountains of Argentina, which are believed to be one of the world's most significant and lowest cost sources of lithium. We process the brine into lithium carbonate at our co-located manufacturing facility in Fenix, Argentina and into lithium chloride at our nearby manufacturing facility in Güemes, Argentina.

For the years ended December 31, 2018 and 2017 , our Argentine operations extracted and processed approximately 17 kMT and 15 kMT of lithium carbonate, respectively, and approximately 5 kMT of lithium chloride for each of the years ended December 31, 2018 and 2017 .

In 2018 and 2017 , we expanded production of lithium carbonate at these facilities through debottlenecking projects as well as announced plans to more than triple lithium carbonate production at this site to at least 60 kMT per year by the end of 2025. We also purchase a minority portion of our lithium carbonate raw materials from other suppliers.

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In October 2016, we entered into a long-term supply agreement (the “Agreement”) with Nemaska Lithium Shawinigan Transformation Inc. (“Nemaska”), a subsidiary of Nemaska Lithium Inc. based in Quebec, Canada. Pursuant to the Agreement, Nemaska is to provide lithium carbonate to us from an electrochemical plant that is under construction. Since completion of the project financing had significantly delayed the construction of its electrochemical plant, Nemaska had reported that it was not in position to start delivering lithium carbonate according to the schedule in the Agreement.

To enforce our right to supply under the Agreement, in July 2018, we filed for arbitration before the International Chamber of Commerce (in accordance with the Agreement’s terms). In an attempt to resolve the dispute, the parties actively negotiated a revised schedule as well as arrangements to see that (in spec) lithium carbonate be nonetheless supplied to us from alternative sources under the responsibility of Nemaska, with a view to providing us with product while minimizing Nemaska’s exposure until its electrochemical plant is in operation.

On September 25, 2018, the parties agreed to suspend the arbitration process under the expectation that the parties would agree on arrangements regarding alternative supply sources and an amended and restated supply agreement to reflect such alternative arrangements. On February 15, 2019, we received written notice from Nemaska that it was terminating the Agreement. Livent disagrees that Nemaska has the right to terminate the Agreement. Since we received Nemaska’s termination notice, we have resumed our previously suspended arbitration and intend to vigorously pursue our claims. However, there can be no assurance that we will prevail in arbitration.

Salar del Hombre Muerto

We conduct our Argentine operations through Minera del Altiplano SA ("MdA"), our local operating subsidiary. We extract lithium from naturally occurring lithium-rich brines in Salar del Hombre Muerto, an area covering approximately 600 square kilometers in a region of the Andes Mountains of northwest Argentina known as the “lithium triangle.” This area of the Central Andes is within an arid plateau with numerous volcanic peaks and salt flats known as “salars” and is the principal lithium-bearing region of South America.

Salar del Hombre Muerto consists of evaporite deposits formed within an isolated basin depression. Fault-bounded bedrock hills occur within and along the margins of the salar basin, subdividing the Salar del Hombre Muerto into two separate sub-basins (eastern and western), each with different evaporite sediment compositions. The eastern sub-basin is dominated by borate evaporites, whereas the western sub-basin is relatively free of clastic sediment (such as sand, silts and clays) and is dominated by halite (sodium chloride) evaporite deposits.

We performed initial geological investigations of the Salar del Hombre Muerto in the early 1990s, prior to development of our lithium production facilities. We commenced commercial extraction operations in Salar del Hombre Muerto in 1998. Lithium extract is processed into lithium carbonate at our co-located manufacturing facility in Fenix, Argentina and into lithium chloride at our nearby manufacturing facility in Güemes, Argentina. These facilities were opened in conjunction with the commencement of our extraction operations and are in good working condition. MdA owns these facilities. We use natural gas and diesel to generate electricity, which is the principal source of power at our facilities. From time to time, we experience interruptions in the supply of electricity, but we do not believe these interruptions materially impact our operations.

Brine containing approximately 600 parts per million ("ppm") lithium is pumped from saltwater aquifers using extraction wells. The brine is then diverted to an evaporation pond system. We have also developed a proprietary lithium concentration and purification process for brine operations that significantly reduces the time from pumping brine from the Salar to processing it into lithium carbonate or lithium chloride. This reduction in processing time compares favorably to a conventional solar evaporation process, while effectively removing impurities and providing increased process control. During evaporation, other minerals, such as sodium, potassium and magnesium, which are typically contained in brine, are concentrated and removed through processing. The resulting lithium chloride brine from the terminal pond of the system is then routed to our processing plants.

We access our extraction sites and nearby manufacturing facilities by local roadway, which is a suitable transportation alternative. We transport the brine extract from our Fenix facility by truck to our Güemes facility for processing. We then transport the processed lithium carbonate and lithium chloride by truck to ports in Argentina and Chile, where it is shipped by vessel to our manufacturing facilities and customers.

Mineral concession rights

MdA holds title to mineral concession rights for its extraction activities in Salar del Hombre Muerto. These mineral concession rights cover an area of approximately 327 square kilometers and are granted to MdA pursuant to the Argentine Mining Code. See subsection “Argentine Law and Regulation” to this Item 1 for more information. Pursuant to the Argentine Mining Code, MdA’s mineral concession rights are valid until the deposit is depleted of all minerals. The concession rights may be rescinded if we fail to pay fees or do not actively extract minerals for a period lasting more than four years.

In 1991, MdA entered into an ongoing agreement, for so long a time as our mineral concession is valid, with the Argentine federal government and the Catamarca province in connection with the development of the Salar del Hombre Muerto exploration site. Following legislative and constitutional reforms in 1993 and 1994, the Argentine federal government assigned all of its rights and

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obligations under the agreement to the Catamarca province. The agreement governs limited matters relating to our production activities and grants to the Catamarca province an immaterial minority ownership stake in MdA, which enables the province to receive certain dividends and to appoint two of MdA's ten member Board of Directors and one of MdA's three member audit committee. The term of the agreement expires when MdA ceases to extract and produce lithium compounds from Salar del Hombre Muerto.

MdA is required to pay the Catamarca province an immaterial semi-annual "canon" fee pursuant to the Argentine Mining Code and royalties equal to 3% of the pithead value of the minerals extracted by MdA pursuant to the Argentine Mining Investment Law and Catamarca provincial law. Total payments to the Catamarca province equaled \$5.3 million , \$ 3.3 million and \$2.1 million for the years ended December 31, 2018 , 2017 and 2016 , respectively. Under an amendment to its long term agreement with Catamarca entered into on January 25, 2018, and contingent upon the receipt of certain required permits, MdA will instead pay the Catamarca province a monthly contribution and royalty payment. Together, the contribution and royalty amount will equal 2% of sales of products in a given month measured at the higher of MdA's average invoice price or an average international price for similar products, net of tax. Royalty payments to the province are netted to give effect to any dividends it receives as a result of its ownership stake in MdA. Total payments to the Catamarca province, including water trust and CSR payments, would have been approximately \$9.2 million , \$6.5 million and \$4.6 million for the years ended December 31, 2018 , 2017 and 2016 had the amendment described above been in effect for all twelve months for such years.

A portion of the territory governed by our concession rights is subject to a longstanding border dispute between Catamarca and the adjacent Salta province. The border dispute has not impacted our operations for the 21 years we have been operating in Argentina and we do not expect that it will impact our operations going forward. We estimate the total area in dispute represents approximately 7.6% of our concession (approximately 25 square kilometers). We do not view this as material, especially considering that the area in question is largely at the fringe of the salar, where the deposits are not as thick and the grade of lithium concentration is much lower.

Although to date the Salta province has not commenced any judicial actions against us, the Salta province claims that it is entitled to royalties from us for the minerals extracted within the small portion of our concession that falls within the disputed territory, although under Argentine law we cannot be charged duplicate royalties for the same minerals. In addition, the Salta province has granted and may grant mineral concessions in the disputed territory to other parties, although to date Catamarca authorities have not permitted any others to extract lithium from within the boundaries of our concession.

Water

Our Argentine operations require fresh water. We have water rights for the supply of fresh water from the Trapiche aquifer, from which water is pumped through a battery of wells to our facilities. Our water use is managed in a sustainable and environmentally sensitive manner, and we and the Catamarca province regularly monitor the water and salinity levels of the aquifer. We have only once had to temporarily suspend water extraction, which was due to a dispute with the Catamarca province, and our access to our water source was quickly restored. We also regularly evaluate supplemental supplies of fresh water. The grant of water concessions and other water rights is subject to local governmental approvals, the timing and availability of which are uncertain and may be subject to delay or denial.

In October 2015, MdA entered into a trust agreement with the Catamarca province that was amended in 2018. Under the amended trust agreement, MdA is obligated to pay an amount equal to 1.2% of its annual sales determined in a manner consistent with the contribution and royalty payments described above in the "Mineral Concession Rights" subsection to this Item 1, which payment obligations are fully reflected in our financial statements, in lieu of any water use fees.

Energy

Our Argentine operations rely on a steady source of energy. In 2015, we completed construction of a 135 kilometer natural gas pipeline from Pocitos, within the Salta province, to our Fenix facilities at Salar del Hombre Muerto, which eliminated our reliance on natural gas shipments by truck. This pipeline is governed by various agreements between MdA and Recursos Energeticos y Mineros Salta, S.A., or REMSA, a local natural gas sub-distributor, including a subdistribution agreement providing for contracted capacity through 2027. We are in discussions to increase our contracted capacity in advance of our needs for all phases of our expansion plans and may need to invest in additional infrastructure to support this expansion. REMSA has no obligation to provide us the additional capacity on a timely basis or at all. If we cannot obtain such additional capacity, we would need to secure alternative arrangements to meet the increased energy needs of the planned expansion and such alternative arrangements may be less cost effective.

MdA also has a natural gas supply contract with Pluspetrol providing for the supply of natural gas for our Fenix manufacturing facility. This supply agreement expires in April 2019 and is typically renewed on an annual basis. We also have a purchase agreement with YPF SA for the supply of diesel fuel and gasoline to our Fenix and Güemes manufacturing facilities, pursuant to which we submit monthly purchase orders.

Other raw materials

We purchase raw materials and chemical intermediates for use in our production processes, including materials for use in our production of the proprietary absorbent used to selectively extract lithium from our brine in Argentina, soda ash, or sodium carbonate, for use in our production of lithium carbonate, and lithium metal for our production of butyllithium. In 2018 and 2017, costs of major raw materials represented 9% and 11% of our total revenues, respectively. Major raw materials include soda ash, solvents, butyl chloride, hydrochloric acid, quicklime and caustic soda. We generally satisfy our requirements through spot purchases and medium- or long-term contractual relationships. In general, where we have limited sources of raw materials, we have developed contingency plans to minimize the effect of any interruption or reduction in supply, such as sourcing from other suppliers or maintaining safety stocks.

Temporary shortages of raw materials may occasionally occur and cause temporary price increases. For example, we have had past regional interruptions in raw material supply, notably in China. In recent years, these shortages have not resulted in any material unavailability of raw materials. However, the continuing availability and price of raw materials are affected by many factors, including domestic and world market and political conditions, as well as the direct or indirect effect of governmental regulations. During periods of high demand, our raw materials are subject to significant price fluctuations, and such fluctuations may have an adverse impact on our results of operations. The impact of any future raw material shortages on our business as a whole or in specific geographic regions, including China, or in specific business lines cannot be accurately predicted.

Seasonality

Our operations in Argentina are seasonally impacted by weather, including varying evaporation rates and amounts of rainfall during different seasons. These changes impact the concentration in large evaporation ponds and can have an impact on the downstream processes to produce lithium carbonate and lithium chloride. Our operations team continuously measures pond concentrations and models how they will change based on operating decisions. Our processes use proprietary and traditional technologies to minimize the variation of concentrations at the inlet to our plants. In 2018 , there were no unexpected impacts from these seasonal factors.

Argentine Law and Regulation

We are subject to various regulatory requirements in Argentina under the Argentine Mining Code, the Argentine Mining Investment Law and certain federal and provincial regulations, including with respect to environmental compliance. In addition, the relationship between us, MdA and the Catamarca provincial government is regulated through a contractual framework.

The Argentine Mining Code, which sets forth the rights and obligations of both mining companies and their workers, is the principal regulatory framework under which we conduct our operations in Argentina. Under Section 7 of the Argentine Mining Code, minerals derived from Argentine land belong to the provinces or the federal state, depending on where they are found. However, the provinces themselves are not permitted to exploit or extract such resources. Instead, the provinces regulate and administer the granting of mining rights to third parties.

The Argentine Mining Code establishes two basic means of granting title to mining property: the exploration permit and the mining concession, both of which convey valid mining title in Argentina. Any entity or individual person may apply for either type of permit, and there are no separate restrictions imposed on foreign legal entities or individuals to apply for mining property in Argentina.

Exploration permits grant their holders the right to freely explore for minerals within the boundaries of the territory covered by that permit as well as to request the mining concession for any discoveries within the covered territory. Exploration permits are valid for a finite period of time, which varies in accordance with the size of the areas covered by the permit. After an exploration permit has been issued, and new minerals have been discovered in the area covered by the exploration permit, its recipient may commence the procedures of obtaining a mining concession for the covered territory. Mining concessions may be also be obtained without the applicant first holding an exploration permit, provided that the covered area is free of other concession claims.

Once a mining concession is granted, the recipient owns all in-place mineral deposits within the boundaries of the territory covered by the concession. Mining concessions are freely tradable by the title holder and can be sold, leased or otherwise transferred to third parties. Two requirements must be met to keep a mining concession in good standing: (i) the concession holder must make regular payments of a semi-annual fee known as a canon; and (ii) the concession holder must file and perform an initial five year expenditure plan. In addition, prior to commencing mining activities, the concession holder must submit environmental impact studies, which must be renewed at least every two years, for approval by the relevant environmental authorities.

In addition to the Argentine Mining Code, we are also subject to the Argentine Mining Investment Law. The Argentine Mining Investment Law offers specific financial incentives to mining investors, including a 30 year term fiscal stability of national, provincial and municipal tax rates; a deduction from income tax for prospecting, exploration and feasibility study expenditures; a refund of Value Added Tax fiscal credits resulting from exploration works; accelerated depreciation of fixed assets; duty free importation of fixed assets to be used in the mining production process; and a 3% cap on royalties payable out of production to the province where the deposit is located.

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Of note, our fiscal stability rights under the Argentine Mining Investment Law have been challenged by the imposition of certain export taxes on our lithium chloride and carbonate exports that did not exist at the time we obtained our 30 year term fiscal stability certificate. Under such certificate, we are entitled to reimbursement or setoff (against other federal taxes) of any amount paid in excess of the total federal taxable burden applicable to us under such certificate. Although we are litigating to exercise our fiscal stability rights with respect to the imposition of certain of such export taxes, there can be no assurance that we will seek, or be able to obtain, reimbursement or setoff.

Environmental Laws and Regulations

We are subject to and incur capital and operating costs to comply with, numerous foreign, U.S. federal, state and local environmental, health and safety laws and regulations, including those governing employee health and safety, the composition of our products, the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, the usage and availability of water, the cleanup of contaminated properties and the reclamation of our mines, brine extraction operations and certain other assets at the end of their useful life.

Our business and our customers are subject to significant requirements under the European Community Regulation for the Registration, Evaluation, Authorization and Restriction of Chemicals (“REACH”). REACH imposes obligations on European Union manufacturers and importers of chemicals and other products into the European Union to compile and file comprehensive reports, including testing data, on each chemical substance, and perform chemical safety assessments. Additionally, substances of high concern, as defined under REACH, are subject to an authorization process. Authorization may result in restrictions in the use of products by application or even in banning of the product. REACH regulations impose significant additional responsibilities and costs on chemical producers, importers, downstream users of chemical substances and preparations, and the entire supply chain. Our manufacturing presence and sales activities in the European Union may result in increases in the costs of raw materials we purchase and the products we sell. Increases in the costs of our products could result in a decrease in their overall demand; additionally, customers may seek products that are not regulated by REACH, which could also result in a decrease in the demand of certain products subject to the REACH regulations.

In June 2016, modifications to the Toxic Substances Control Act in the U.S. were signed into law, requiring chemicals to be assessed against a risk-based safety standard and for the elimination of unreasonable risks identified during risk evaluation. Other pending initiatives potentially will require toxicological testing and risk assessments of a wide variety of chemicals, including chemicals used or produced by us. These initiatives include the Voluntary Children’s Chemical Evaluation Program, and High Production Volume Chemical Initiative in the U.S., as well as new initiatives in Asia and other regions. These assessments may result in heightened concerns about the chemicals involved and additional requirements being placed on the production, handling, labeling or use of the subject chemicals. Such concerns and additional requirements could also increase the cost incurred by our customers to use our chemical products and otherwise limit the use of these products, which could lead to a decrease in demand for these products.

Liabilities associated with the investigation and cleanup of hazardous substances and wastes, as well as personal injury, property damages or natural resource damages arising from the release of, or exposure to, such hazardous substances and wastes, may be imposed in many situations without regard to violations of laws or regulations or other fault, and may also be imposed jointly and severally. Such liabilities may be imposed on entities that formerly owned or operated the property affected by the hazardous substances and wastes, entities that arranged for the disposal of the hazardous substances and wastes at the affected property, and entities that currently own or operate such property. Our Bessemer City, North Carolina facility is currently undergoing investigation and remediation of contamination pursuant to a Resource Conservation and Recovery Act Part B corrective action permit. In addition, we currently have, and may in the future incur, liability as a potentially responsible party with respect to third party locations under CERCLA or state and foreign equivalents, including potential joint and several liability requiring us to pay in excess of our pro rata share of remediation costs.

We use and generate hazardous substances and wastes in our operations and may become subject to claims and substantial liability for personal injury, property damage, wrongful death, loss of production, pollution and other environmental damages relating to the release of such substances into the environment. In addition, some of our current properties are, or have been, used for industrial purposes, which could contain currently unknown contamination that could expose us to governmental requirements or claims relating to environmental remediation, personal injury and/or property damage. Depending on the frequency and severity of such incidents, it is possible that the Company’s revenues, operating costs, insurability and relationships with customers, employees and regulators could be impaired.

We record accruals for environmental matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. It is possible that new information or future developments could require us to reassess our potential exposure related to environmental matters. We may incur significant costs and liabilities in order to comply with existing environmental laws and regulations. It is also possible that other developments, such as increasingly strict environmental laws, regulations and orders of regulatory agencies, as well as claims for damages to property and the environment or injuries to employees and other persons resulting from our current or past operations, could result in substantial costs and liabilities in the future.

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A discussion of environmental related factors and related reserves can be found in Note 8 “ Environmental Obligations ” in the notes to our consolidated financial statements included in this Form 10-K.

Employees

As of December 31, 2018 , we employed approximately 800 people, with approximately 300 people in our domestic operations and 500 people in our foreign operations. We believe we have a good relationship with our employees.

Approximately 183 of our Argentine employees are represented by collective bargaining agreements. To date, we have not faced any material work stoppages. We cannot predict, however, the outcome of future contract negotiations or the effect any future work stoppage may have on our results of operations. We also utilize approximately 60 independent contractors in our facility in Patancheru, India pursuant to a manufacturing services agreement that expires in 2022.

ITEM 1A. RISK FACTORS

Among the factors that could have an impact on our ability to achieve operating results and meet our other goals are:

Growth Strategy and Market Risks:

Our growth depends upon the continued growth in demand for electric vehicles.

We are one of a few producers of performance lithium compounds that are a critical input in current and next generation high energy density batteries used in electric vehicle applications. Our growth is dependent upon the continued adoption by consumers of electric vehicles. If the market for electric vehicles does not develop as we expect, or develops more slowly than we expect, our business, prospects, financial condition and results of operations will be affected. The market for electric vehicles is relatively new, rapidly evolving, and could be affected by numerous external factors, such as:

- government regulations;
- tax and economic incentives;
- rates of consumer adoption, which is driven in part by perceptions about electric vehicle features (including range per charge), quality, safety, performance and cost;
- competition, including from other types of alternative fuel vehicles, plug-in hybrid electric vehicles, and high fuel-economy internal combustion engine vehicles; and
- volatility in the cost of oil and gasoline.

Adverse conditions in the economy and volatility and disruption of financial markets can negatively impact our customers, and downturns in our customers' end-markets could adversely affect our sales and profitability.

We produce performance lithium compounds for application in a diverse range of end-products, including electric vehicle batteries and for a wide variety of industrial, pharmaceutical, aerospace, electronic and polymer applications. Deterioration in the global economy or in the specific industries in which our customers compete could adversely affect the demand for our customers' products, which, in turn, could negatively affect our sales and profitability. Many of our customers' end-markets are cyclical in nature or are subject to secular downturns. Historically, cyclical or secular end-market downturns have resulted in diminished demand for our performance lithium compounds and have caused a decline in average selling prices, and we may experience similar problems in the future.

Our research and development efforts may not succeed, and our competitors may develop more effective or successful products.

The industries and the end markets into which we sell our products experience regular technological change and product improvement. Our ability to compete successfully depends in part upon our ability to maintain a superior technological capability and to continue to identify, develop and commercialize new and innovative performance lithium compounds for use in our customers' products in the electric vehicle, aerospace and other sectors. There is no assurance that our research and development efforts will be successful or that any newly developed products will pass our customers' qualification processes or achieve market-wide acceptance. If we fail to keep pace with evolving technological innovations in our customers' end markets, our business, financial condition and results of operations could be adversely affected. In addition, existing or potential competitors may develop products which are similar or superior to our products or are more competitively priced. If our product launching efforts are unsuccessful, our financial condition and results of operations may be adversely affected.

Lithium prices can be volatile, especially due to changes in supply.

The prices of lithium have been, and may continue to be, volatile. We seek to manage volatility through the sale of performance lithium compounds and by entering into long term contracts with our customers; however, such efforts may not be successful. We expect that prices for the performance lithium compounds we manufacture will continue to be influenced by various factors, including worldwide supply and demand as well as the business strategies of major producers. Some of the major producers (including us) have increased production, which affects overall global supply. In addition, certain market analysts predict a significant increase in global lithium capacity over the next seven years, although there is a high degree of uncertainty about the status of new lithium production capacity expansion projects being developed by current and potential competitors. Declines in lithium prices could have a material adverse effect on our business, financial condition and results of operations.

We face competition in our business.

We compete globally against a number of other lithium producers. Competition is based on several key criteria, including technological capabilities, service, product performance and quality, and price. Some of our competitors are larger than we are and may have greater financial resources. These competitors may also be able to maintain greater operating and financial flexibility. If we fail to compete effectively, we may be unable to retain or expand our market share, which could have a material adverse effect on our business, results of operations and financial condition.

Our operating results are subject to substantial quarterly and annual fluctuations.

Our revenue and operating results have fluctuated in the past and are likely to fluctuate in the future. These fluctuations may occur on a quarterly and annual basis and are due to a number of factors, many of which are beyond our control. These factors include, among others:

- changes in our product mix or customer mix and their effect on our gross margin;
- the timing of receipt, reduction or cancellation of significant product orders by customers;
- the timing, duration and pricing terms of new customer contracts and renewals;
- our ability to adapt to changes in technology trends affecting the lithium industry, including new manufacturing processes;
- fluctuations in currency exchange and interest rates;
- the effects of competitive pricing pressures, including decreases in average selling prices of our products.

In addition, a significant amount of our operating expenses are relatively fixed in nature due to our significant sales, research and development, and internal manufacturing overhead costs. As a result, we believe that quarter-to-quarter comparisons of our revenue and operating results may not be meaningful or a reliable indicator of our future performance. If our operating results in one or more future quarters fail to meet the expectations of securities analysts or investors, a significant decline in the trading price of our common stock may occur, which may happen immediately or over time.

Our production expansion efforts are complex projects that will require significant capital expenditures and are subject to significant risks and uncertainties.

In order to meet growing and forecasted demands for our performance lithium compounds, particularly lithium hydroxide, we have commenced and plan to continue substantial capital projects, including a planned expansion of production of lithium hydroxide to approximately 55 kMT by the end of 2025 , and of lithium carbonate to at least 60 kMT by the end of 2025 . These projects are complex undertakings, and there can be no assurance that we will be able to complete these projects within our projected budget and schedule or that we will be able to achieve the anticipated benefits from them. Unforeseen technical or construction difficulties could increase the cost of these projects, delay the projects or render them infeasible. Any significant delay in the completion of the project or increased costs could have an adverse effect on our business, financial condition and results of operations.

We may make future acquisitions which may be difficult to integrate, divert management and financial resources and result in unanticipated costs.

As part of our continuing business strategy, we may make acquisitions of, or investments in, companies or technologies that complement our current products, enhance our market coverage, technical capabilities or production capacity, or offer growth opportunities. We do not have specific timetables for these plans and we cannot be certain that we will be able to identify suitable acquisition or investment candidates for sale at reasonable prices.

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Future acquisitions could pose numerous risks to our operations, including difficulty integrating the acquired operations, products, technologies or personnel; substantial unanticipated integration costs; diversion of significant management attention and financial resources from our existing operations; a failure to realize the potential cost savings or other financial benefits and/or the strategic benefits of the acquisitions; and the incurrence of liabilities from the acquired businesses for environmental matters, infringement of intellectual property rights or other claims, and we may not be successful in seeking indemnification for such liabilities or claims. These and other risks relating to acquiring, integrating and operating acquired assets or companies could cause us not to realize the anticipated benefits from such activity and could have a material adverse effect on our business, financial condition and results of operations.

The development and adoption of new battery technologies that rely on inputs other than lithium compounds could significantly impact our prospects and future revenues.

Current and next generation high energy density batteries for use in electric vehicles rely on lithium compounds as a critical input. The development and adoption of new battery technologies that rely on inputs other than lithium compounds could significantly impact our prospects and future revenues. Many materials and technologies are being researched and developed with the goal of making batteries lighter, more efficient, faster charging and less expensive, and some of these could be less reliant on lithium compounds. We cannot predict which new technologies may ultimately prove to be commercially viable and on what time horizon. Commercialized battery technologies that use less lithium compounds could materially and adversely impact our prospects and future revenues.

We may have difficulty accessing global credit markets.

We expect to rely on cash generated from operations and external financing to fund our growth and ongoing capital needs. The expansion of our business or other business opportunities may require significant amounts of working capital. While we believe that our cash from operations and available borrowings under our revolving credit facility will be sufficient to meet these needs in the foreseeable future, if we need additional external financing, our access to credit markets and the pricing of our capital will be dependent upon maintaining sufficiently strong credit metrics and the state of the capital markets generally. There can be no assurances that we would be able to obtain equity or debt financing on terms we deem acceptable, and it is possible that the cost of any financings could increase significantly, thereby increasing our expenses and decreasing our net income. If we are unable to generate sufficient cash flow or raise adequate external financing, including as a result of significant disruptions in the global credit markets, we could be forced to restrict our operations and growth opportunities, which could adversely affect our operating results.

Operational Risks:

We have substantial international operations and sales, and the risks of doing business in foreign countries could adversely affect our business, financial condition and results of operations.

We conduct a substantial portion of our business outside the United States. For the years ended December 31, 2018 and December 31, 2017, approximately 81% and 77% of our revenues, respectively, were derived from sales outside of the United States. In addition, for the years ended December 31, 2018 and December 31, 2017, approximately 38% and 44% of our revenues, respectively, were denominated in a currency other than the U.S. Dollar (primarily the Chinese yuan and Euro) and approximately 26% and 28% of our costs, respectively, were denominated in a currency other than the U.S. Dollar (primarily the Argentine peso, Chinese yuan and British pound). Accordingly, our business is subject to risks related to foreign exchange as well as risks related to the differing legal, political, social and regulatory requirements and economic conditions of the many jurisdictions where we conduct business.

Changes in exchange rates between foreign currencies and the U.S. Dollar will affect the recorded levels of our assets, liabilities, net sales, cost of goods sold and operating margins and could result in exchange losses. Our results of operations may be adversely affected by any volatility in currency exchange rates and our ability to manage effectively our currency transaction and translation risks. Foreign currency debt and foreign exchange forward contracts are used in countries where we do business, thereby reducing our net asset exposure. Foreign exchange forward contracts are also used to hedge firm and highly anticipated foreign currency cash flows. The Argentine peso has recently declined significantly in value, and we currently do not hedge foreign currency risks associated with the Argentine peso due to the limited availability and high cost of suitable derivative instruments.

In addition, it may be more difficult for us to enforce agreements or collect receivables through foreign legal systems. There is a risk that foreign governments may nationalize private enterprises in certain countries where we operate. In certain countries or regions, terrorist activities and the response to such activities may threaten our operations more than in the United States. Social and cultural norms in certain countries may not support compliance with our corporate policies including those that require compliance with substantive laws and regulations. Also, changes in general economic and political conditions in countries where we operate are a risk to our financial performance and future growth. Our sales depend on international trade and moves to impose tariffs and other trade barriers, as is happening in various countries including the United States, could negatively affect our sales and have a material adverse effect on our business, financial condition and results of operations.

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We and our subsidiaries are also subject to rules and regulations related to anti-bribery, anti-corruption (such as the Foreign Corrupt Practices Act), anti-money laundering, trade sanctions and export controls. Compliance with such laws may be costly and violations of such laws may carry substantial penalties.

As we continue to operate our business globally, our success will depend, in part, on our ability to anticipate and effectively manage these and other related risks. There can be no assurance that the consequences of these and other factors relating to our international operations will not have an adverse effect on our business, financial condition or results of operations.

In particular, one of our key manufacturing facilities is located in the United Kingdom. Following a referendum in June 2016 in which a majority of voters in the United Kingdom approved an exit from the European Union, the United Kingdom initiated the formal process to leave the European Union (often referred to as “Brexit”), with the expected result that the United Kingdom would leave the European Union on March 29, 2019 unless the United Kingdom and the remaining European Union member states were to otherwise agree. The British government and the European Union negotiated a withdrawal agreement which the European Union approved, however the British parliament recently rejected the agreement. Failure to obtain both European Union and British parliamentary approval of a negotiated withdrawal agreement would mean that the United Kingdom would leave the European Union on March 29, 2019, probably with no agreement (a so-called “hard Brexit”). At this stage, it is unclear how Brexit, especially in the case of a hard Brexit, will affect economic conditions in the United Kingdom, the European Union, or globally. Brexit could adversely affect European and worldwide economic and market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations, as the United Kingdom determines which European Union laws to replace or replicate. While we actively monitor for developments and update our contingency plans, any of these effects of Brexit, and others we cannot anticipate, could adversely affect our business, financial condition or results of operations.

Our lithium extraction and production operations in Argentina expose us to specific political, financial and operational risks.

We obtain the substantial majority of our lithium from our operations in Argentina. Our operations in Argentina expose us to the following risks, and the occurrence of any of these risks could have a material adverse effect on our business, financial condition or results of operations:

- *Political and financial risks that are typical of developing countries.* Such risks include: high rates of inflation; risk of expropriation and nationalization or changes in or nullification of concession rights; changes in taxation policies; restrictions on foreign exchange and repatriation; labor unrest; and changing political norms, currency controls and governmental regulations that favor or require us to award contracts in, employ citizens of, or purchase supplies from, Argentina. In particular, changes in mining or investment policies or shifts in political attitude in Argentina concerning mining may adversely affect our operations or profitability. There can be no assurance that future governments of Argentina will not impose greater state control of lithium resources, or take other actions that are adverse to us. Argentina has recently faced significant currency devaluation, high inflation and interest rates and labor unrest, and has recently reached an agreement with the International Monetary Fund (the “IMF”) for a \$56.3 billion line of credit, pursuant to which Argentina must make further reforms to its economy. Recently, the Argentine federal government imposed a tax on the export of certain products, including lithium, as part of a package of austerity measures it has implemented to help speed the receipt of financial support from the IMF. The tax applies immediately to our Argentine exports at a rate of 12%, with a cap of 3 Argentine pesos per US dollar. This new tax is not expected to have a material impact on our results of operations or financial condition. Under the tax stability certificate we have with the Argentine federal government, we are entitled to reimbursement or setoff (against other federal taxes) of any amount paid in excess of the total federal taxable burden applicable to us under such certificate. However, there can be no assurance that we will seek, or be able to obtain, such reimbursement.
- *Operational risks stemming from our dependence upon mining concessions granted to us under the Argentine Mining Code.* We hold title to these mining concessions in perpetuity until the deposit is exhausted of all minerals, provided that we pay annual mining fees and keep the mining concessions active in accordance with the Argentine Mining Code. Failure to pay the annual fees or to keep the mining concessions active may result in revocation of our mining concessions. In addition, Argentinian federal and provincial mining authorities retain broad discretion in the enforcement of mining and environmental regulations, including through imposition of fines or suspension of mining extraction or related water rights.

- *Risks associated with the loss or depletion of our mineral deposit.* Our primary source for lithium is our current brine site at Salar del Hombre Muerto. In order to maintain our production capabilities, we will need to replace or supplement our lithium resources there in the event our access is disrupted or lost, whether due to a natural disaster, depletion or otherwise. Although we seek to reduce dependence on this primary source of supply for lithium, there is no assurance we will be able to do so in a timely manner or on commercially favorable terms. In addition, due to the current trend of growth in the lithium industry, there is no assurance that we will be able to discover or acquire new and valuable lithium resources, or that the actual production results will match the expected results.
- *Risks of certain natural disasters.* Our lithium brines and related production facilities are located in a seismically active region in northwest Argentina. A major earthquake could have adverse consequences for our operations and for general infrastructure, such as roads, rail, and access to goods in Argentina.
- *Risks associated with water rights and our access to water.* Access to fresh water is essential to our production operations in Argentina; we hold water use rights granted to us by provincial Argentine authorities and will need to secure additional water rights for our planned production expansion. See “Business - Raw Materials-Water.” Our operations take place in a dry, mountainous region that has limited access to fresh water, and the governmental authority may seek to suspend or alter our rights or the applicable water rights code may change, each of which may limit our access to fresh water. In addition, our access to water may be impacted by changes in geology, climate change (including the potential effects of climate change such as drought, changes in precipitation patterns, and severe weather events) or other natural factors, such as wells drying up or reductions in the amount of water available in the wells or sources from which we obtain water, that we cannot control. There can be no assurance that we will have access to sufficient quantities of water to support our production operations, either at current capacities or our planned production expansion, in the future.

Our operations are subject to hazards and other disruptions, which could adversely affect our reputation and results of operations.

We conduct large-scale lithium production operations in Argentina and own, operate and/or contract with large-scale manufacturing facilities in China, India, the United Kingdom and the United States. Our operating results will be dependent in part on the continued operation of the various production facilities and the ability to manufacture products on schedule. Interruptions at these facilities may materially reduce the productivity and profitability of a particular manufacturing facility, or our business as a whole, during and after the period of such operational difficulties. Our operations and those of our contract manufacturers are subject to hazards inherent in lithium production and manufacturing and the related storage and transportation of raw materials, products such as butyllithium, and wastes. These potential hazards include explosions, fires, severe weather and natural disasters, including earthquakes, mechanical failure, unscheduled downtimes, supplier disruptions, labor shortages or other labor difficulties (including widespread labor unrest in Argentina and Chile), information technology systems outages, disruption in our supply chain or manufacturing and distribution operations, transportation interruptions, chemical spills, discharges or releases of toxic or hazardous substances or gases, shipment of contaminated or off-specification product to customers, storage tank leaks, other environmental risks, or other sudden disruption in business operations beyond our control as a result of events such as acts of sabotage, terrorism or war, civil or political unrest, natural disasters, pandemic situations and large scale power outages. Some of these hazards may cause severe damage to or destruction of property and equipment or personal injury and loss of life and may result in suspension of operations or the shutdown of affected facilities, which could have a material adverse effect on our business, financial condition and results of operations.

We derive a substantial portion of our revenue from a limited number of customers, and the loss of, or a significant reduction in orders from, a large customer could have a material adverse effect on our business and operating results.

In any particular period, a substantial amount of our total revenue could come from a relatively small number of customers. For the years ended December 31, 2018 and December 31, 2017 , one customer accounted for approximately 14% of our total revenue. For the years ended December 31, 2018 and December 31, 2017 , our ten largest customers accounted in the aggregate for approximately 53% and 45% of our total revenue, respectively. It is likely that we will continue to derive a significant portion of our revenue from a relatively small number of customers in the future. If we were to lose any material customer, such loss could have a material adverse effect on our business, financial condition and results of operations.

We may not satisfy customers' or governments' quality standards, and we could be subject to damages based on claims brought against us or lose customers as a result of the failure of our products to meet certain quality standards.

Since our products are derived from natural resources, they may contain impurities that may not meet certain customer or government quality standards. As a result, we may not be able to sell our products if we cannot meet such requirements. In addition, customers may impose stricter quality standards on our products or governments may enact stricter regulations for the distribution

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or use of our products. Failure to meet such standards could materially adversely affect our business, financial condition and results of operations if we are unable to sell our products in one or more markets or to important customers in such markets. In addition, our cost of production may increase to meet any newly imposed or enacted standards.

We warrant to our customers that our products conform to mutually agreed product specifications. If a product fails to meet warranted quality specifications, a customer could seek a replacement, the refund of the purchase price or damages for costs incurred as a result of the product failing to meet the specification. In addition, because many of our products are integrated into our customers' products, such as in lithium-ion batteries in automobiles, we may be requested to participate in, or fund in whole or in part the costs of, a product recall conducted by a customer, even though we generally seek to limit our liability for such matters in contracts with our customers.

In addition, we utilize third parties to produce a portion of our lithium hydroxide using our proprietary process and to produce lithium metal. We endeavor to contract with third-party manufacturers that we believe are able to meet our delivery schedule and other requirements. Nevertheless, we may not be able to monitor the performance of these third parties as directly and efficiently as we do our own production facilities. As a result, we are exposed to the risk that our third-party providers may fail to perform their contractual obligations, which may in turn adversely affect our business, financial condition and results of operations.

As with all quality control systems, any failure or deterioration of our quality control systems could result in defects in our projects or products, which in turn may subject us to contractual, product liability and other claims. Any such claims, regardless of whether they are ultimately successful, could cause us to incur significant costs, harm our business reputation and result in significant disruption to our operations. Furthermore, if any such claims were ultimately successful, we could be required to pay substantial monetary damages or penalties, which could have a material adverse effect on our reputation, business, financial condition and results of operations.

Fluctuations in the price of energy and certain raw materials, and our inability to obtain raw materials and products under contract sourcing arrangements, could have an adverse effect on the margins of our products, our business, financial condition and our results of operations.

The long-term profitability of our operations will be, in part, related to our ability to continue to economically and reliably obtain resources, including energy, raw materials, and finished products. Our raw material and energy costs can be volatile and may increase significantly. We enter into long-term contracts for most of our products and these contracts are often at fixed prices or otherwise do not permit us to pass on increased costs in sale prices immediately or at all. To the extent we are unable to obtain such resources or to pass on increases in the prices of energy and raw materials to our customers, our financial condition and results of operations could be materially adversely affected. In addition, we source a significant portion of our intermediate and finished products through contract manufacturing arrangements. An inability to obtain these products or execute under these arrangements would adversely impact our ability to sell products and could have an adverse effect on our business, financial condition and results of operations.

Our success depends upon our ability to attract and retain key employees and the identification and development of talent to succeed senior management.

Our success depends on our ability to attract and retain key personnel, and we rely heavily on our senior management team. The inability to recruit and retain key personnel, including personnel with technical skills, or the unexpected loss of such personnel may adversely affect our operations. In addition, because of our reliance on our senior management team, our future success depends, in part, on our ability to identify and develop or recruit talent to succeed our senior management and other key positions throughout the organization. If we fail to identify and develop or recruit successors, we are at risk of being harmed by the departures of these key employees.

Some of our employees are unionized or are employed subject to local laws that are less favorable to employers than the laws of the United States.

As of December 31, 2018 , we had approximately 800 employees. A large number of our employees are employed in countries in which employment laws provide greater bargaining or other rights to employees than the laws of the United States. Such employment rights require us to work collaboratively with the legal representatives of the employees to effect any changes to labor arrangements. For example, most of our employees in Argentina, approximately 183 , are represented by a union that must approve any changes in conditions of employment, including salaries and benefits and staff changes, and may impede efforts to restructure our workforce. In prior years, we have had to negotiate wage increases for our employees with the union because of inflation in Argentina and will be expected to do so in the future, which is typical for all companies with unions in Argentina. Although we believe that we have a good working relationship with our employees, a strike, work stoppage, slowdown or significant dispute with our employees could result in a significant disruption of our operations or higher ongoing labor costs.

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Our business and operations could suffer in the event of cybersecurity breaches or disruptions to our information technology environment.

As with all enterprise information systems, our information technology systems could be penetrated by outside parties intent on extracting information, corrupting information, or disrupting business processes. Our systems, which contain critical information about our business (including intellectual property and confidential information of our customers, vendors and employees), have in the past been, and likely will in the future be, subject to unauthorized access attempts. Unauthorized access could disrupt our business operations and could result in failures or interruptions in our computer systems and in the loss of assets (including our intellectual property and confidential business information), which could harm our competitive position, reduce the value of our investment in research and development and other strategic initiatives or otherwise have a material adverse effect on our business, financial condition or results of operations. In addition, breaches of our security measures or the accidental loss, inadvertent disclosure, or unapproved dissemination of proprietary information or sensitive or confidential information about the company, our employees, our vendors, or our customers, could result in litigation, violations of various data privacy regulations in some jurisdictions, and also potentially result in liability to us. This could damage our reputation, or otherwise harm our business, financial condition, or results of operations, and the devotion of additional resources to the security of our information technology systems in the future could significantly increase the cost of doing business.

Our inability to protect our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

Protection of our proprietary processes, methods, formulations, and compounds, the incorporation of such formulations and compounds into various products and other technology is important to our business. Although our existing processes and products may not be protected or protectable by patents, we generally rely on the intellectual property laws of the United States and certain other countries in which our products are produced or sold, as well as licenses and nondisclosure and confidentiality agreements, to protect our intellectual property rights. Additionally, the patent, trade secret and trademark laws of some countries, or their enforcement, may not protect our intellectual property rights to the same extent as the laws of the United States. Failure to protect our intellectual property rights may result in the loss of valuable proprietary technologies. If patents are issued to us, those patents may not provide meaningful protection against competitors or against competitive technologies. We cannot assure you that our intellectual property rights will not be challenged, invalidated, circumvented or rendered unenforceable.

From time to time, we may license or otherwise obtain certain intellectual property rights from third parties and we endeavor to do so on terms favorable to us. However, we may not be able to license or otherwise obtain intellectual property rights on such terms or at all, which could have a material adverse effect on our ability to create a competitive advantage and create innovative solutions for our customers, which will adversely affect our net sales and our relationships with our customers.

With respect to unpatented proprietary manufacturing expertise, continuing technological innovation and other trade secrets necessary to develop and maintain our competitive position, while we generally enter into confidentiality agreements with our employees and third parties to protect our intellectual property, we cannot assure you that our confidentiality agreements will not be breached, that they will provide meaningful protection for our trade secrets and proprietary manufacturing expertise or that adequate remedies will be available in the event of an unauthorized use or disclosure of our trade secrets or manufacturing expertise. In addition, our trade secrets and know-how may be improperly obtained by other means, such as a breach of our information technology security systems or direct theft.

If we fail to successfully enforce our intellectual property rights, our competitive position could suffer. We may also be required to spend significant resources to monitor and police our intellectual property rights. Similarly, if we were to infringe on the intellectual property rights of others, our competitive position could suffer. Furthermore, other companies may duplicate or reverse engineer our technologies or design around our patents.

In some instances, litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our products infringe their intellectual property rights. Any litigation or claims brought by or against us, whether with or without merit, could result in substantial costs to us and divert the attention of our management, which could harm our business and results of operations. In addition, any intellectual property litigation or claims against us could result in the loss or compromise of our intellectual property and proprietary rights, subject us to significant liabilities, require us to seek licenses on unfavorable terms, prevent us from manufacturing or selling certain products or require us to redesign certain products, any of which could harm our business and results of operations.

We have not established “proven” or “probable” reserves, as defined by the SEC under Industry Guide 7, through the completion of a feasibility study for the minerals that we produce.

We have not established proven or probable reserves, as defined by the SEC under Industry Guide 7, through the completion of a “final” or “bankable” feasibility study for any of the minerals that we produce. Since we conduct operations without having established proven or probable reserves, there may be greater inherent uncertainty as to whether or not mineralized material can be economically obtained as originally planned and anticipated. In addition, we do not at present plan to conduct exploration activities or other activities to establish reserves. Because we do not have any proven or probable reserves, there can be no assurance

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that a commercially viable deposit exists to support production at existing levels or to expand our production capacity in the future, which could have a material adverse effect on our business, financial condition and results of operations.

Regulatory and Governmental Risks:

Our business and financial results may be adversely affected by various legal and regulatory proceedings.

We are involved from time to time in legal and regulatory proceedings, which may be material in the future. The outcome of proceedings, lawsuits and claims may differ from our expectations, leading us to change estimates of liabilities and related insurance receivables.

Legal and regulatory proceedings, whether with or without merit, and associated internal investigations, may be time-consuming and expensive to prosecute, defend or conduct, divert management's attention and other resources, inhibit our ability to sell our products, result in adverse judgments for damages, injunctive relief, penalties and fines, and otherwise negatively affect our business.

We, our operations, facilities, products and raw materials are subject to environmental, health and safety laws and regulations, and costs to comply with, and liabilities related to, these laws and regulations could adversely affect our business.

We are subject to extensive federal, state, local, and foreign environmental and safety laws, regulations, directives, rules and ordinances concerning, among other things, employee health and safety, the composition of our products, the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, the usage and availability of water, the cleanup of contaminated properties (including the federal Comprehensive Environmental Response, Compensation and Liability Act, commonly known as CERCLA or Superfund, in the U.S., and similar foreign and state laws) and the reclamation of our brine extraction operations and certain other assets at the end of their useful life. In addition, our production facilities require numerous operating permits. Due to the nature of these requirements and changes in our operations, we may incur substantial capital and operating costs, which may have a material adverse effect on our results of operations.

We may also incur substantial costs, including fines, damages, criminal or civil sanctions and remediation costs, or experience interruptions in our operations, for violations arising under these laws and regulations or permit requirements. In addition, we may be required to either modify existing or obtain new permits to meet our capacity expansion plans. We may be unable to modify or obtain such permits or if we can, it may be costly to do so. Furthermore, environmental, health and safety laws and regulations are subject to change and have become increasingly stringent in recent years. Future environmental, health and safety laws and regulations could require us to alter our production processes, acquire pollution abatement or remediation equipment, modify our products or incur other expenses, which could harm our business and results of operations.

If we violate environmental, health and safety laws or regulations, in addition to being required to correct such violations, we can be held liable in administrative, civil or criminal proceedings for substantial fines and other sanctions could be imposed that could disrupt or limit our operations. Liabilities associated with the investigation and cleanup of hazardous substances, as well as personal injury, property damages or natural resource damages arising from the release of, or exposure to, such hazardous substances, may be imposed without regard to violations of laws or regulations or other fault, and may also be imposed jointly and severally. Such liabilities may also be imposed on many different entities, including, for example, current and prior property owners or operators, as well as entities that arranged for the disposal of the hazardous substances.

We have in the past, and may in the future, be subject to claims by third parties or employees relating to exposure to hazardous materials and the associated liabilities may be material. We also have generated, and continue to generate, hazardous wastes at a number of our facilities, including our Bessemer City, North Carolina facility. Additional information may arise in the future concerning the nature or extent of our liability with respect to Bessemer City, North Carolina, and additional sites may be identified for which we are alleged to be liable, that could cause us to materially increase our environmental accrual or the upper range of the costs we believe we could reasonably incur for such matters.

Unanticipated changes in our tax provisions, variability of our effective tax rate, the adoption of new tax legislation or exposure to additional tax liabilities could impact our financial performance.

We operate in multiple jurisdictions, which contributes to the volatility of our effective tax rate. Our future effective tax rates may be materially impacted by numerous items including: a future change in the composition of earnings from foreign and domestic tax jurisdictions; accounting for uncertain tax positions; business combinations; expiration of statutes of limitations or settlement of tax audits; changes in valuation allowances; and changes in tax law. We have a tax stability certificate in Argentina as a result of which our tax burden is determined at 1996 levels and cannot be increased as a result of changes in Argentine federal, provincial and municipal tax rates. This certificate will expire in 2026, and there can be no assurance that our certificate will be renewed on similar terms or at all. Upon expiration of our certificate, our tax burden will no longer be limited to 1996 levels (which approximate current levels) and will be determined by the tax rates in effect at such time or as amended from time to time, which could be materially higher.

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We are also subject to ongoing tax audits in various jurisdictions. Tax authorities may disagree with our intercompany charges, cross-jurisdictional transfer pricing or other matters, and may assess additional taxes as a result. There can be no assurance that we will accurately predict the outcomes of these audits, and the amounts ultimately paid upon resolution of audits could be materially different from the amounts previously included in our income tax expense and therefore could have a material impact on our tax provision, net income and cash flows. If these audits result in assessments different from amounts reserved, future financial results may include unfavorable adjustments to our tax liabilities.

Risks Related to the Separation:

We may not realize the anticipated benefits from the Separation, and the Separation could harm our business.

We have historically operated as a business segment of FMC. We may not be able to achieve the full strategic and financial benefits expected to result from the Separation, or such benefits may be delayed or not occur at all. The Separation is expected to enhance strategic and management focus, provide a distinct investment identity and allow us to efficiently allocate resources and deploy capital. We may not achieve these and other anticipated benefits for a variety of reasons, including, among others:

- the Separation has required and will continue to require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business;
- as a result of the Separation, we may be more susceptible to economic downturns and other adverse events than if we were still a part of FMC;
- now that the Separation has been effected, our business is less diversified than FMC's business prior to the Separation; our business will also experience a loss of scale and purchasing power and access to certain financial, managerial and professional resources from which we have benefited at lower cost in the past; and
- the other actions required to complete the separation of the respective businesses could disrupt our operations.

If we fail to achieve some or all of the benefits expected to result from the Separation, or if such benefits are delayed, our business could be harmed.

We have limited history of operating as an independent company, and our historical financial statements prior to the Separation, are not necessarily representative of the results that we would have achieved as an independent, publicly traded company and may not be a reliable indicator of our future results.

Our historical financial statements reflect less than one fiscal quarter of our results of operations following the Separation. Our historical financial information, as at dates and for periods prior to the Separation, is not necessarily indicative of our future results of operations, financial condition or cash flows, nor does it reflect what our results of operations, financial condition or cash flows would have been as an independent public company during such historical periods presented. In particular, the historical financial information included in this Form 10-K is not necessarily indicative of our future results of operations, financial condition or cash flows primarily because of the following factors:

- Prior to the Separation, our business has been operated by FMC as part of its broader corporate organization, rather than as an independent company; FMC or one of its affiliates provide support for various corporate functions for us, such as information technology, compensation and benefits, human resources, engineering, finance and internal audit.
- Our historical financial results prior to the Separation reflect the direct, indirect and allocated costs for such services historically provided by FMC. Following the Separation, FMC continues to provide some of these services to us on a transitional basis, generally for a period of up to seventeen and a half months pursuant to a transition services agreement that we entered into with FMC. Our historical financial information does not reflect our obligations under the various transitional and other agreements we entered into with FMC in connection with the Separation, though costs under such agreements are expected to be broadly similar to what was charged to the business in the past. At the end of this transition period, we will need to perform these functions ourselves or hire third parties to perform these functions on our behalf, and these costs may differ significantly from the comparable expenses we have incurred in the past.

- Prior to the Separation, our working capital requirements and capital expenditures historically were satisfied as part of FMC's corporate-wide cash management and centralized funding programs, and our cost of debt and other capital may significantly differ from the historical amounts reflected in our historical financial statements.
- Prior to the Separation, our business was integrated with that of FMC and we benefited from FMC's size and scale in costs, employees and vendor and customer relationships. Thus, costs we incur as an independent company may significantly exceed comparable costs we incurred as part of FMC.

Some of our directors and officers may have actual or potential conflicts of interest because of their equity ownership in FMC, and some of our directors may have actual or potential conflicts of interest because they also serve as officers of FMC.

Because of their current or former positions with FMC, some of our directors and executive officers may own shares of FMC common stock or have options to acquire shares of FMC common stock, and the individual holdings may be significant for some of these individuals compared to their total assets. In addition, certain of our directors serve as officers or directors of FMC. Although all transactions with related parties will be approved by a committee of non-FMC-affiliated directors, this ownership or service may create the appearance of conflicts of interest when the FMC-affiliated directors and officers are faced with decisions that could have different implications for FMC or us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between FMC and us regarding the terms of the agreements governing the Separation and the relationship thereafter between the companies.

If FMC completes the Distribution, and there is a determination that the Separation and the Distribution is taxable for U.S. federal income tax purposes, then FMC and its stockholders could incur significant U.S. federal income tax liabilities, and we could incur significant liabilities.

If FMC completes the Distribution, in connection with the Distribution, FMC will receive a tax opinion from counsel that the Distribution, together with certain related transactions, will qualify as a tax-free "reorganization" within the meaning of Section 368(a)(1)(D) of the Internal Revenue Code (the "Code") and a tax-free distribution within the meaning of Section 355 of the Code. The opinion will rely on certain facts, assumptions, representations and undertakings from FMC and us regarding the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations or undertakings are incorrect or not otherwise satisfied, FMC and its stockholders may not be able to rely on the opinion of counsel and could be subject to significant tax liabilities. Notwithstanding the opinion of counsel, the Internal Revenue Service ("IRS") could determine on audit that the Separation and the Distribution is taxable if it determines that any of these facts, assumptions, representations or undertakings is not correct or has been violated or if it disagrees with the conclusions in the opinion, or for other reasons, including as a result of certain significant changes in the stock ownership of FMC or us after the Distribution. If the Separation and the Distribution is determined to be taxable for U.S. federal income tax purposes, FMC and/or its stockholders could incur significant U.S. federal income tax liabilities, and we could incur significant liabilities under applicable law or as a result of the Tax Matters Agreement.

We will be subject to numerous restrictions to preserve the tax-free nature of the Separation and Distribution, which may reduce our strategic and operating flexibility.

To preserve the tax-free treatment to FMC and its stockholders of the Separation and the potential Distribution, under the Tax Matters Agreement we will generally be prohibited from taking certain actions including:

- during the two-year period following the Distribution (or otherwise pursuant to a "plan" within the meaning of Section 355(e) of the Code), we may not cause or permit certain business combinations or transactions to occur;
- during the two-year period following the Distribution, we may not discontinue the active conduct of our business (within the meaning of Section 355(b)(2) of the Code);
- during the two-year period following the Distribution, we may not sell or otherwise issue our common stock, other than pursuant to issuances that satisfy certain regulatory safe harbors set forth in Treasury regulations related to stock issued to employees and retirement plans;
- during the two-year period following the Distribution, we may not redeem or otherwise acquire any of our common stock, other than pursuant to certain open-market repurchases of less than 20% of our common stock (in the aggregate);

- during the two-year period following the Distribution, we may not amend our certificate of incorporation (or other organizational documents) or take any other action, whether through a stockholder vote or otherwise, affecting the voting rights of our common stock; and
- more generally, we may not take any action that could reasonably be expected to cause the Separation and the Distribution to fail to qualify as tax-free transactions under Section 368(a)(1)(D) and Section 355 of the Code.

If we wish to take any such restricted action, we are required to cooperate with FMC to obtain an IRS ruling or obtain an unqualified tax opinion, in each case to the effect that the action will not affect the tax-free treatment to FMC and its stockholders of the Separation and the Distribution. In the event such actions result in tax-related losses to FMC, we generally will be required to indemnify FMC for such tax-related losses under the Tax Matters Agreement. Due to these restrictions and indemnification obligations under the Tax Matters Agreement, we may be limited in our ability to pursue strategic transactions, equity or convertible debt financings or other transactions that may otherwise be in our best interests. Also, our potential indemnity obligation to FMC might discourage, delay or prevent a change of control that our stockholders may consider favorable.

We potentially could have received better terms from unaffiliated third parties than the terms we received in our agreements with FMC.

The agreements we entered into with FMC in connection with the Separation were negotiated while we were still part of FMC's business. Accordingly, during the period in which the terms of those agreements will have been negotiated, we did not have an independent board of directors or a management team independent of FMC. The terms of the agreements negotiated in the context of the Separation relate to, among other things, the allocation of assets, intellectual property, liabilities, rights and other obligations between FMC and us, and arm's-length negotiations between FMC and an unaffiliated third party in another form of transaction, such as a buyer in a sale of a business, may have resulted in more favorable terms to the unaffiliated third party.

FMC has agreed to indemnify us for certain liabilities. However, there can be no assurance that the indemnity will be sufficient to insure us against the full amount of such liabilities, or that FMC's ability to satisfy its indemnification obligation will not be impaired in the future.

Pursuant to the separation and distribution agreement and certain other agreements with FMC, FMC has agreed to indemnify us for certain liabilities. However, third parties could also seek to hold us responsible for any of the liabilities that FMC has agreed to retain, and there can be no assurance that the indemnity from FMC will be sufficient to protect us against the full amount of such liabilities, or that FMC will be able to fully satisfy its indemnification obligations in the future. Even if we ultimately succeed in recovering from FMC any amounts for which we are held liable, we may be temporarily required to bear these losses. Each of these risks could negatively affect our business, financial condition, results of operations and cash flows.

Risks Related to Ownership of Our Common Stock:

Our stock price may fluctuate significantly.

The trading price of our common stock is likely to be volatile and subject to wide price fluctuations in response to various factors, including:

- market conditions in the broader stock market in general, or in our industry in particular;
- actual or anticipated fluctuations in our quarterly financial and operating results;
- introduction of new products and services by us or our competitors;
- issuance of new or changed securities analysts' reports or recommendations;
- sales of large blocks of our stock;
- additions or departures of key personnel;
- regulatory developments;
- litigation and governmental investigations;
- economic and political conditions or events; and
- changes in investor perception of our market positions based on third-party information.

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These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business.

The trading market for our common stock will also be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade our stock, or if our results of operations do not meet their expectations, our stock price could decline.

Until the Distribution, we will continue to be a “controlled company” within the meaning of the rules of the NYSE and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. These exemptions do not offer the same protections to stockholders of companies that are subject to such requirements.

Until Distribution, FMC continues to control a majority of the voting power of our outstanding common stock. As a result, we are a “controlled company” within the meaning of the corporate governance standards of the NYSE. Under these rules, a listed company of which more than 50% of the voting power is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of the Board of Directors consist of independent directors;
- the requirement that our nominating and corporate governance committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- the requirement that our compensation committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities.

As a result of these exemptions, although following the Separation we have had a majority of independent directors, our nominating and corporate governance and compensation committees have not consisted entirely of independent directors. Accordingly, until we revise the composition of these committees within the one-year transition period allowed by the NYSE corporate governance requirements, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE. Following the Distribution, we will no longer qualify as a controlled company and will be required to fully implement NYSE corporate governance requirements within one year of the Distribution.

The Distribution or future sales by others of our common stock, could depress our common stock price.

FMC owns approximately 84% of our outstanding common stock. Subject to the restrictions described in the paragraph below, future sales of these shares in the public market will be subject to the volume and other restrictions of Rule 144 under the Securities Act of 1933 (the “Securities Act”), for so long as FMC is deemed to be our affiliate, unless the shares to be sold are registered with the SEC. We have granted certain registration rights to FMC. The Distribution or sale by FMC of a substantial number of shares could significantly reduce the market price of our common stock.

We, our officers and directors and FMC have agreed with the underwriters that, without the prior written consent of the representative of the underwriters, we and they will not, subject to certain exceptions, during the period ending 180 days after the date of our Prospectus (“Prospectus”) included in our Registration Statement on Form S-1 originally filed with the SEC on October 12, 2018, as amended, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, or enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock or publicly disclose the intention to make any such offer, sale, pledge or disposition. The representative of the underwriters may, in its sole discretion and at any time without notice, release all or any portion of the shares of our common stock subject to the lock-up. The lock-up agreement with FMC contains an exception that permits FMC to effect the Distribution beginning 120 days after the date of the Prospectus (i.e. any time after February 9, 2019).

All of the shares of our common stock distributed in the Distribution will be freely tradable without restriction or further registration under the Securities Act, except for shares received by individuals who are our affiliates, who may sell these shares in the future subject to the lock-up as well as volume limits and other requirements of Rule 144 applicable to affiliates, or in future public offerings.

Immediately following the offering, we filed a registration statement registering under the Securities Act the shares of our common stock reserved for issuance under our equity compensation plan. If equity securities granted under our equity compensation plan are sold or it is perceived that they will be sold in the public market, the trading price of our common stock could decline substantially. These sales also could impede our ability to raise future capital.

Some provisions of Delaware law and our certificate of incorporation and bylaws may deter third parties from acquiring us.

Our certificate of incorporation and bylaws provide for, among other things:

- a staggered board and restrictions on the ability of our stockholders to fill a vacancy on the Board of Directors;
- the authorization of undesignated preferred stock, the terms of which may be established and shares of which may be issued without stockholder approval;
- a requirement that certain business combinations with interested stockholders arising after the date on which no person or group owns a majority of the voting power of our common stock must be approved by the holders of at least 80% of the voting power of our common stock;
- advance notice requirements for stockholder proposals; and
- a requirement that, after such time as no person or group holds a majority of the voting power of our common stock, our stockholders may not take action by written consent without a duly called annual or special meeting.

These anti-takeover defenses could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take other corporate actions than you desire.

We are not declaring or paying cash dividends at this time.

Any future determination to pay dividends will be at the discretion of our Board of Directors in accordance with applicable law and will be dependent upon our financial condition and results of operations, capital requirements, contractual restrictions, business prospects and other factors that our Board of Directors considers relevant. At this time, no declaration or payment of cash dividends has been made or planned.

Our internal controls over financial reporting may not be effective and our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation.

Prior to the Separation, we were a business segment of FMC, and FMC is subject to Section 404 of the Sarbanes-Oxley Act. However, following Separation, we will not immediately be required to comply with SEC rules that implement Section 404 of the Sarbanes-Oxley Act and therefore will not be required to make a formal assessment of the effectiveness of our internal controls over financial reporting for that purpose. Section 404(a) of the Sarbanes-Oxley Act, or Section 404(a), requires that beginning with our second annual report following our initial public offering, management assess and report annually on the effectiveness of our internal control over financial reporting and identify any material weaknesses in our internal control over financial reporting. Although Section 404(b) of the Sarbanes-Oxley Act, or Section 404(b), requires our independent registered public accounting firm to issue an annual report that addresses the effectiveness of our internal control over financial reporting, we have opted to rely on the exemptions provided in the JOBS Act, and consequently will not be required to comply with SEC rules that implement Section 404(b) until such time as we are no longer an “emerging growth company.” We expect our first Section 404(a) assessment will take place for our annual report for the fiscal year ending December 31, 2019, and we will not be required to comply with Section 404(b) rules until we cease to be an “emerging growth company” as defined in the JOBS Act which may occur as soon as December 31, 2019. In order to comply with these rules, we expect to incur additional expenses and devote increased management effort toward ensuring compliance. To maintain and improve the effectiveness of our disclosure controls and procedures, we will need to commit significant resources, hire additional staff and provide additional management oversight. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

When evaluating our internal controls over financial reporting, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. In addition, if we fail to achieve and maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. We cannot be certain as to the timing of completion of our evaluation, testing and any remediation actions or the impact of the same on our operations. If we are not able to implement the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or with adequate compliance, our independent registered public accounting firm may issue an adverse opinion due to ineffective

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internal controls over financial reporting, and we may be subject to sanctions or investigation by regulatory authorities, such as the SEC. As a result, there could be a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. In addition, we may be required to incur costs in improving our internal control system and the hiring of additional personnel. Any such action could negatively affect our results of operations and cash flows.

The obligations associated with being a public company require significant resources and management attention.

Subsequent to the Separation, we are directly subject to reporting and other obligations under the Exchange Act and the rules of the NYSE. As an independent public company, we are required to, among other things:

- prepare and distribute periodic reports, proxy statements and other stockholder communications in compliance with the federal securities laws and NYSE rules;
- have our own board of directors and committees thereof, which comply with federal securities laws and NYSE rules;
- maintain an internal audit function;
- institute our own financial reporting and disclosure compliance functions;
- establish an investor relations function;
- establish internal policies, including those relating to trading in our securities and disclosure controls and procedures; and
- comply with the rules and regulations implemented by the SEC, the Sarbanes-Oxley Act, the Dodd-Frank Act, the Public Company Accounting Oversight Board and the NYSE.

These reporting and other obligations place significant demands on our management and our administrative and operational resources, including accounting resources, and we expect to face increased legal, accounting, administrative and other costs and expenses relating to these demands that we had not incurred as a segment of FMC. Certain of these functions will be provided on a transitional basis by FMC pursuant to a transition services agreement. Our investment in compliance with existing and evolving regulatory requirements will result in increased administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

We are an “emerging growth company” and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

Statement under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995: We and our representatives may from time to time make written or oral statements that are “forward-looking” and provide other than historical information, including statements contained in Item 1. Business and Management’s Discussion and Analysis of Financial Condition and Results of Operations within this Form 10-K, in our other filings with the SEC, or in reports to our stockholders.

In some cases, we have identified forward-looking statements by such words or phrases as “will likely result,” “is confident that,” “expect,” “expects,” “should,” “could,” “may,” “will continue to,” “believe,” “believes,” “anticipates,” “predicts,” “forecasts,” “estimates,” “projects,” “potential,” “intends” or similar expressions identifying “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including the negative of those words and phrases. Such forward-looking statements are based on our current views and assumptions regarding future events, future business conditions and the outlook for the company based on currently available information. These forward-looking statements may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our business. These statements are only predictions

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based on our current expectations and projections about future events. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statement. These factors include, among other things, the risk factors listed in Item 1A "Risk Factors" of this Form 10-K. You should specifically consider the numerous risks outlined under "Risk Factors." We wish to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. We are under no duty to update any of these forward-looking statements after the date of this Form 10-K to conform our prior statements to actual results or revised expectations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

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ITEM 2. PROPERTIES

Livent leases executive offices in Philadelphia, Pennsylvania and operates six manufacturing facilities in five countries in addition to our lithium extraction operations in Salar del Hombre Muerto, Argentina. We also have six facilities in five countries to support our sales, marketing, research and development and other administrative needs. Our research, development and innovation facilities are located in Bessemer City, North Carolina.

We have long-term mineral rights to the Salar del Hombre Muerto lithium reserves in Argentina. We require the lithium brine that is mined from these reserves, without which other sources of raw materials would have to be obtained. See Item 1 "Business" included in this Form 10-K for further discussion of our raw materials.

We believe our facilities are in good operating conditions. The function and location of our owned or leased production properties is presented in the table below:

Location	Function	Leased/Owned
<u>United States</u>		
Philadelphia, Pennsylvania	Corporate Headquarters	Leased
Ewing, New Jersey	Operations and Administrative	Leased
Bessemer City, North Carolina	Manufacturing and Research	Owned
Charlotte, North Carolina	Sales and Administrative	Leased
<u>South America</u>		
Fenix, Argentina (Salar del Hombre Muerto)	Lithium Extraction and Manufacturing	Owned
Guemes, Argentina	Manufacturing	Owned
Catamarca, Argentina	Administrative	Leased
Salta, Argentina	Administrative	Owned
Pocitos, Salta, Argentina	Transfer Station	Land use right so long as we have our mining concession
<u>Europe</u>		
Bromborough, United Kingdom	Manufacturing and Sales	Leased
<u>Asia Pacific</u>		
Zhangjiagang, China	Manufacturing	Land use right, building owned
Shanghai, China	Sales and Administrative	Leased
Tokyo, Japan	Sales	Leased
Patancheru, India	Manufacturing	Leased
Singapore	Operations and Administrative	Leased

ITEM 3. LEGAL PROCEEDINGS

See Note 2 " Principal Accounting Policies and Related Financial Information " - Environmental obligations, Note 8 " Environmental Obligations " and Note 16 " Commitments and Contingencies " in the notes to our consolidated and combined financial statements included in this Form 10-K, the content of which are incorporated by reference to this Item 3.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

[Table of Contents](#)**ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT**

The executive officers of Livent Corporation, the offices they currently hold, their business experience and their ages as of December 31, 2018 , are as follows:

Name	Age on 12/31/2018	Office, year of election and other information
Paul W. Graves	47	President, Chief Executive Officer and Director (May 2018-Present); Executive Vice President and Chief Financial Officer, FMC (12-18); Managing Director, Goldman Sachs Group (06-12)
Gilberto Antoniazzi	51	Vice President and Chief Financial Officer (May 2018-Present); Chief Financial Officer , FMC's Agricultural Solutions business segment (13-18); Chief Financial Officer, FMC's Latin America Region (04-13)
Thomas Schneberger	47	Vice President and Chief Operating Officer (May 2018-Present); Vice President and Global Business Director, FMC's Lithium business segment (14-18); Vice President and Global Business Director, FMC's Alkali Chemicals division (13-14); Global Sustainability Director, FMC (11-13)
Sara Ponessa	47	Vice President, General Counsel and Secretary (May 2018-Present); Senior Business Counsel, FMC's Lithium business segment (14-18); Business Counsel, FMC's Alkali Chemicals division (12-14); Vice President and Risk Management and Compliance Section Manager, Wilmington Trust Company (06-12)

All officers are elected to hold office for one year or until their successors are elected and qualified. No family relationships exist among any of the above-listed officers, and there are no arrangements or understandings between any of the above-listed officers and any other person pursuant to which they serve as an officer. The above-listed officers have not been involved in any legal proceedings during the past ten years of a nature for which the SEC requires disclosure that are material to an evaluation of the ability or integrity of any such officer.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDERS MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

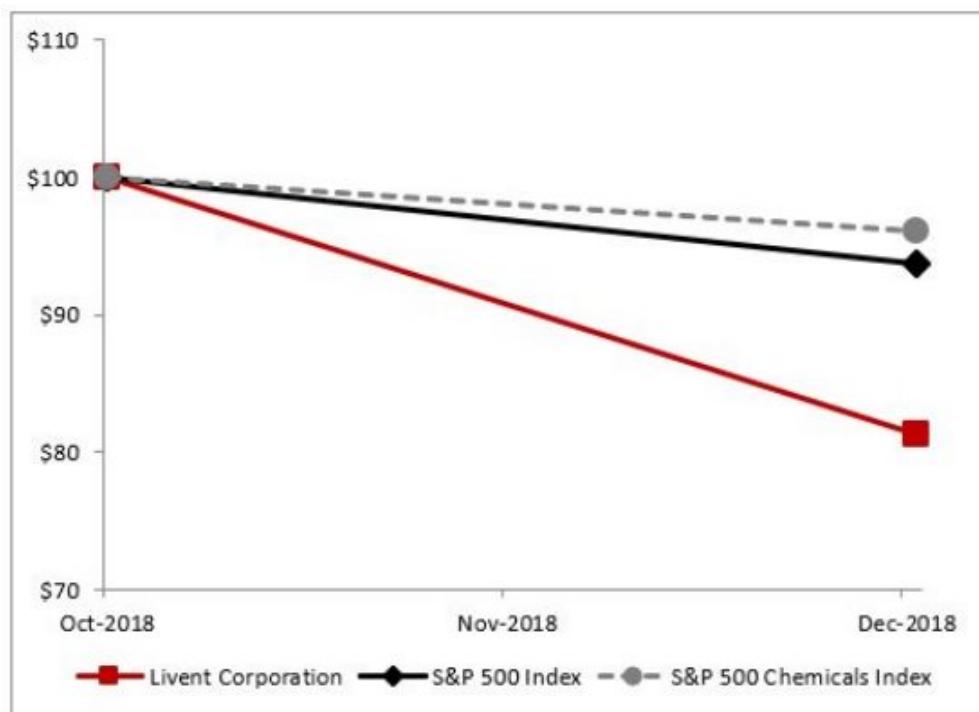
Livent common stock of \$0.001 par value is traded on the New York Stock Exchange (Symbol: LTHM). As of February 27, 2019, we had two holders of record of our common stock and approximately 10,397 beneficial holders of our common stock. We anticipate that the number of record and beneficial holders of our common stock will change substantially as a result of the Distribution that is expected to take place on March 1, 2019.

Our Board of Directors has not declared any quarterly dividends as of December 31, 2018 and does not expect to pay any dividends in the foreseeable future. Any future payment of dividends will depend on our financial condition, results of operations, conditions in the financial markets and such other factors as are deemed relevant by our Board of Directors.

Stockholder Return Performance Presentation

The graph that follows shall not be deemed to be incorporated by reference into any filing made by Livent under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The following Stockholder Performance Graph compares the cumulative total return on Livent's Common Stock with the S&P 500 Index and the S&P 500 Chemicals Index for the period following the IPO through December 31, 2018. The comparison assumes \$100 was invested on October 12, 2018, in Livent's Common Stock and in both of the indices, and the reinvestment of all dividends.



ITEM 6. SELECTED FINANCIAL DATA**SELECTED CONSOLIDATED AND COMBINED FINANCIAL DATA**

The selected consolidated and combined financial and other data presented below for, and as of the end of, each of the years in the three-year period ended December 31, 2018, are derived from our consolidated and combined financial statements. The selected consolidated and combined financial data should be read in conjunction with our consolidated and combined financial statements for the year ended December 31, 2018.

We derived the selected consolidated and combined financial data as of December 31, 2018 and 2017 and for the years ended December 31, 2018, 2017 and 2016 from the annual consolidated and combined financial statements in Part II, Item 8 of this Annual Report on Form 10-K. The selected historical condensed consolidated and combined financial data as of December 31, 2016 is derived from audited combined financial statements that are not included in this annual report on Form 10-K.

Prior to the Separation, the selected historical consolidated and combined financial data included certain expenses of FMC that were allocated to Livent related to certain governance and corporate functions such as, finance, treasury, tax, human resources, legal, investor relations and certain other costs. These past costs included in our historical information prior to the Separation may not be representative of the costs incurred after the Separation as an independent, publicly traded company.

In addition, our historical financial information prior to the Separation did not reflect changes as a result of our Separation from FMC, including changes in Livent's cost structure, personnel needs, tax structure, capital structure, financing and business operations. Consequently, the historical financial information prior to the Separation included here may not necessarily reflect what Livent's financial position, results of operations, and cash flows would have been had it been an independent, publicly traded company during the periods presented prior to the Separation. Accordingly, these historical results prior to the Separation should not be relied upon as an indicator of Livent's future performance.

	Year Ended December 31,		
(in Millions, except per share data)	2018	2017	2016
Income Statement Data:			
Revenue			
Revenue	\$ 442.5	\$ 347.4	\$ 264.1
Income from operations before non-operating pension expense and settlement charges, interest expense, net and income taxes	153.2	101.5	59.0
Net income	\$ 126.1	\$ 42.2	\$ 47.1
Basic earnings per common share ⁽¹⁾			
Basic earnings per common share ⁽¹⁾	\$ 0.99	\$ 0.34	\$ 0.38
Diluted earnings per common share ⁽¹⁾	\$ 0.99	\$ 0.34	\$ 0.38
Balance Sheet Data:			
Total assets	\$ 660.0	\$ 496.2	\$ 372.1
Long-term debt	\$ 34.0	—	—

(1) For all prior periods presented and the current period through the completion of the public offering on October 15, 2018, the weighted average shares outstanding for both basic and diluted earnings per share were calculated using 123 million shares of common stock outstanding, which was the number of shares issued to FMC in part in exchange for the asset contribution by FMC to us. Weighted average shares outstanding for all periods prior to the completion of the public offering on October 15, 2018 excludes the 23 million shares of common stock subsequently issued as part of the public offering and over-allotment option exercise. Refer to the discussion in Item 8, Note 2 for further details.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in conjunction with our financial statements and the related notes included elsewhere in this Form 10-K. This discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth under "Risk Factors" and elsewhere in this Form 10-K.

Overview

We are a pure-play, fully integrated lithium company, with a long, proven history of producing performance lithium compounds. Our primary products, namely battery-grade lithium hydroxide, butyllithium and high purity lithium metal are critical inputs used in various performance applications. Our strategy is to focus on supplying high performance lithium compounds to the fast growing Electric Vehicle ("EV") battery market, while continuing to maintain our position as a leading global producer of butyllithium and high purity lithium metal. With extensive global capabilities, over 60 years of continuous production experience, applications and technical expertise and deep customer relationships, we believe we are well positioned to capitalize on the accelerating trend of vehicle electrification.

We produce lithium compounds for use in applications that have specific performance requirements, including battery-grade lithium hydroxide for use in high performance lithium-ion batteries. We believe the demand for our compounds will continue to grow as the electrification of transportation accelerates, and as the use of high nickel content cathode materials increases in the next generation of battery technology products. We also supply butyllithium, which is used as a synthesizer in the production of polymers and pharmaceutical products, as well as a range of specialty lithium compounds including high purity lithium metal, which is used in the production of lightweight materials for aerospace applications and non-rechargeable batteries. It is in these applications that we have established a differentiated position in the market through our ability to consistently produce and deliver performance lithium compounds.

2018 Highlights

The following are the more significant developments in our business during the year ended December 31, 2018 :

- *The Separation* - On March 31, 2017, FMC publicly announced a plan to separate Livent into a publicly traded company (the "Separation"). Prior to the completion of the initial public offering ("IPO") on October 15, 2018, we were a wholly owned subsidiary of FMC. On October 1, 2018, following a series of restructuring steps, prior to the IPO of Livent common stock, FMC transferred to us substantially all of the assets and liabilities of its lithium business (the "Lithium Business"). In exchange, we issued to FMC all 123 million shares of our common stock.

On October 15, 2018 (the "Separation Date"), we completed the IPO and sold 20 million shares of Livent common stock to the public at a price of \$17.00 per share. On November 8, 2018, the underwriters exercised, in full, their option (the "Over-allotment Option Exercise") to purchase an additional 3 million shares of our common stock, the closing of which was completed on November 13, 2018. Our common stock is listed on the New York Stock Exchange (the "NYSE") under the symbol "LTHM."

- Net proceeds from the sale of 23 million shares of our common stock issued in connection with the IPO and Over-allotment Option Exercise were approximately \$369 million , after deducting underwriting discounts and commissions. The net proceeds from the IPO, after payment of financing fees and other IPO related costs, were subsequently distributed to FMC. Immediately following the IPO and the Over-allotment Option Exercise, FMC owned approximately 84% of our outstanding common stock. Accordingly, we are considered a "controlled company" under the NYSE rules. Further details can be found in the final Prospectus ("Prospectus") included in our Registration Statement on Form S-1 originally filed with the Securities and Exchange Commission on October 12, 2018, as amended.
- Revenue of \$442.5 million in 2018 increased \$95.1 million or approximately 27% versus last year. A detailed review of revenues is included under the section entitled "Results of Operations".
- Our gross margin of \$205.7 million in 2018 increased \$56.9 million or approximately 38% versus last year. Gross margin as a percent of revenue is approximately 46% in 2018 versus approximately 43% in 2017 . The increase in gross margin was primarily driven by improved pricing and mix.
- Selling, general and administrative expenses increased approximately 57% from \$13.4 million in 2017 to \$21.1 million 2018 . The increase is primarily driven by incremental standalone company costs.
- Research and development expenses of \$3.8 million for 2018 increased \$0.7 million or approximately 23% from \$3.1 million in 2017 . The increase was primarily due to increased spending in energy applications.

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- Net income of \$126.1 million in 2018 increased \$83.9 million , or approximately 199% , from \$42.2 million in 2017 , primarily due to revenue and gross margin growth in 2018 due to increased volumes and pricing for lithium hydroxide and carbonate.

Other 2018 Highlights

- We are seeing the benefits of our strategy to grow our business in the technology-driven specialty end markets, where demand continues to accelerate. In February 2018, we announced an intention to expand annual lithium hydroxide production capacity to approximately 55 kMT by the end of 2025.
- We expanded production of lithium carbonate at our Argentina site through debottlenecking projects, and we continue with our previously announced plans to more than double lithium carbonate production at that same site to at least 60 kMT by the end of 2025.

2019 Outlook

- *The Distribution* - FMC has informed us that it plans to make a tax-free distribution to its stockholders of all of its remaining equity interest in us on March 1, 2019. The Distribution is expected to be effected as a dividend to all FMC stockholders.
- We believe that the demand for our products will continue to grow during 2019, primarily driven by increased production volumes of electric vehicles. The Company expects to deliver revenue growth from higher volumes and higher prices of performance lithium compounds during the 2019 period. However, we expect that the strong revenue growth will be partially offset by higher costs driven by raw materials, value-added tax on exports out of China and the impact of purchased lithium carbonate, partially offset by favorable foreign exchange.

Results of Operations — Years Ended December 31, 2018, 2017 and 2016

(in Millions)	Year Ended December 31,		
	2018	2017	2016
Revenue	\$ 442.5	\$ 347.4	\$ 264.1
Costs and Expenses			
Costs of sales	236.8	198.6	175.8
Gross Margin	205.7	148.8	88.3
Selling, general and administrative expenses	21.1	13.4	12.0
Corporate allocations	15.7	22.1	13.2
Research and development expenses	3.8	3.1	3.1
Restructuring and other charges	2.6	8.7	1.0
Separation-related costs	9.3	—	—
Total costs and expenses	289.3	245.9	205.1
Income from operations before non-operating pension (benefit)/settlement charges, interest expense, net and income taxes	153.2	101.5	59.0
Non-operating pension (benefit)/settlement charges	(0.2)	31.4	3.6
Interest expense, net	0.3	—	0.9
Income from operations before income taxes	153.1	70.1	54.5
Provision for income taxes	27.0	27.9	7.4
Net income	\$ 126.1	\$ 42.2	\$ 47.1

In addition to net income, as determined in accordance with U.S. GAAP, we evaluate operating performance using certain non-GAAP measures such as EBITDA, which we define as net income plus interest expense, net, income tax expense (benefit), and depreciation and amortization, and Livent Adjusted EBITDA, on a standalone company basis, which we define as EBITDA adjusted for restructuring and other charges (income), non-operating pension expense (benefit) and settlement charges, and separation-related costs. Management believes the use of these non-GAAP measures allows management and investors to compare more easily the financial performance of its underlying business from period to period. The non-GAAP information provided may not be comparable to similar measures disclosed by other companies because of differing methods used by other companies in calculating EBITDA and Livent Adjusted EBITDA. This measure should not be considered as a substitute for net income or other measures of performance or liquidity reported in accordance with U.S. GAAP. The following table reconciles EBITDA and Livent Adjusted EBITDA from net income.

(in Millions)	Year Ended December 31,		
	2018	2017	2016
Net income (GAAP)	\$ 126.1	\$ 42.2	\$ 47.1
Add back:			
Interest expense, net	0.3	—	0.9
Provision for income taxes	27.0	27.9	7.4
Depreciation and amortization	17.8	15.9	14.8
EBITDA (Non-GAAP)	171.2	86.0	70.2
Add back:			
Restructuring and other charges ^(a)	2.6	8.7	1.0
Non-operating pension (benefit)/settlement charges ^(b)	(0.2)	31.4	3.6
Separation-related costs ^(c)	9.3	—	—
Livent Adjusted EBITDA (Non-GAAP)	\$ 182.9	\$ 126.1	\$ 74.8

- (a) We continually perform strategic reviews and assess the return on our business. This sometimes results in a plan to restructure the operations of our business. As part of these restructuring plans, demolition costs and write-downs of long-lived assets may occur.
- (b) Our non-operating pension expense (benefit) and settlement charges are defined as those costs (benefits) related to interest, expected return on plan assets, amortized actuarial gains and losses and the impacts of any plan curtailments or settlements. These are excluded from our results and are primarily related to changes in pension plan assets and liabilities which are tied to financial market performance

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and we consider these costs to be outside our operational performance. We continue to include the service cost and amortization of prior service cost in our Livent Adjusted EBITDA results noted above. These elements reflect the current year operating costs to our businesses for the employment benefits provided to active employees.

- (c) Represents legal, professional, transaction related fees and other separation related activity associated with the IPO and separation.

Year Ended December 31, 2018 compared with Year Ended December 31, 2017

Revenue

Revenue of \$442.5 million for 2018 increased by \$95.1 million, or approximately 27%, versus 2017, primarily driven by higher volumes particularly in lithium hydroxide. Higher volumes impacted revenue by approximately 21% while higher pricing contributed approximately 8% to the revenue increase. Foreign currency had an unfavorable impact on the change in revenue of approximately 2%.

Gross Margin

Gross margin of \$205.7 million for 2018 increased by \$56.9 million, or approximately 38%, versus 2017. The increase in gross margin was primarily driven by the higher volumes discussed above.

Selling, general and administrative expenses

Selling, general and administrative expenses of \$21.1 million for 2018 increased by \$7.7 million, or approximately 57% compared to 2017. The increase in selling, general and administrative was primarily due to costs incurred under the TSA subsequent to the Separation Date and incremental standalone company costs.

Corporate allocations

Corporate allocations of \$15.7 million for 2018 decreased by \$6.4 million or approximately 29% compared to 2017 primarily due to a partial year of allocated shared service costs allocated to Livent from FMC prior to the Separation Date in 2018. Expenses were not allocated to Livent from FMC subsequent to the Separation Date and costs incurred under the TSA subsequent to the Separation Date are direct charges to our consolidated and combined statements of operations.

Research and development expenses

Research and development expense of \$3.8 million for 2018 increased by \$0.7 million or approximately 23% compared to 2017 primarily due to increased spending in energy applications.

Restructuring and other charges

Restructuring and other charges of \$2.6 million and \$8.7 million for the years ended December 31, 2018 and 2017, respectively, were primarily comprised of asset write-downs and miscellaneous restructuring efforts related to our operations at the manufacturing site located in Bessemer City, North Carolina. Other charges of \$0.2 million and \$0.4 million for the years ended December 31, 2018 and 2017, respectively, related to environmental remediation activities for discontinued products in both periods.

Separation-related costs

Separation-related costs of \$9.3 million for 2018 primarily consists of legal, professional, transaction related fees and other separation related activity associated with the IPO and Separation. No separation costs were incurred prior to 2018.

Non-operating pension benefit and settlement charges

Non-operating pension benefit was \$0.2 million for 2018 compared to a charge of \$31.4 million in the prior year. In 2017, we recorded a settlement charge of \$32.5 million related to the termination of the U.K. pension plan. FMC completed the buy-out of the annuity, completing the plan termination and relieving us of the pension liability for the U.K. Plan.

Provision for income taxes

Provision for income taxes of \$27.0 million for 2018 decreased \$0.9 million or approximately 3% versus 2017 primarily due to the impact of 2017 U.S. tax reform, mainly the transition tax, materially offset by tax associated with increased earnings in 2018.

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Net income

Net income of \$126.1 million for 2018 increased \$83.9 million or approximately 199% from \$42.2 million in 2017 primarily due to revenue and gross margin growth and favorable tax provision for 2018 as well as the one-time charge for the termination of the U.K. pension plan in 2017 as discussed above.

Year Ended December 31, 2017 compared with Year Ended December 31, 2016

Revenue

Revenue of \$347.4 million for 2017 increased by \$83.3 million or approximately 32% compared to 2016 driven by improved pricing and mix, which accounted for a 23% increase as the business continued to shift resources into lithium hydroxide and other specialty products. Additionally, higher volumes impacted revenue by 9%. Foreign currency had a minimal impact on the change in revenue.

Gross Margin

Gross margin of \$148.8 million for 2017 increased by \$60.5 million , or approximately 69% , compared to 2016. The increase in gross margin was primarily driven by the higher volumes and improved pricing and mix of approximately \$59 million, with benefits also coming from operating leverage. These increases were partially offset by higher raw material prices and energy prices which lowered margins by approximately \$6 million. Foreign currency had a minimal impact on the change in gross margin.

Selling, general and administrative expenses

Selling, general and administrative expenses of \$13.4 million for 2017 increased slightly compared to 2016.

Corporate allocations

Corporate allocations of \$22.1 million for 2017 increased by \$8.9 million or approximately 67% compared to 2016 primarily due to higher shared service costs allocated to Livent from FMC.

Research and development expenses

Research and development expense were \$3.1 million for each of the years ended December 31, 2017 and 2016 and are primarily related to our product development costs.

Restructuring and other charges

Restructuring and other charges in 2017 were primarily associated with asset write-downs and miscellaneous restructuring efforts of \$7.8 million related to our operations at our manufacturing site located in Bessemer City, North Carolina. The objective of these restructuring efforts was to optimize both the assets and cost structure by reducing certain production lines at the site. Additionally, there were other charges of \$0.4 million related to environmental remediation activities.

Non-operating pension benefit and settlement charges

Non-operating pension expense and settlement charges increased in 2017 primarily due to the settlement charge of \$32.5 million related to the termination of the U.K. Plan. FMC completed the buy-out of the annuity, completing the plan termination and relieving us of the pension liability for the U.K. Plan.

Provision for income taxes

Provision for income taxes for 2017 of \$27.9 million increased \$20.5 million compared to 2016 primarily due to the 2017 enactment of the Tax Cuts and Jobs Act (the "Tax Act"). The net impact of the Tax Act added approximately \$11 million to income tax expense. As a result of the transition tax being paid by FMC, the associated liability is not included in consolidated and combined balance sheets, but the impact to the provision for income taxes was included in the consolidated and combined statement of operations.

Net income

Net income of \$42.2 million decreased \$4.9 million or approximately 10% from \$47.1 million in 2016 primarily due to provisional income tax charges related to the 2017 enactment of the Tax Act as well as the increase in non-operating pension expense and settlement charges. These were partially offset by improved business performance.

Liquidity and Capital Resources

Historically, prior to the Separation, FMC provided centralized cash management and other finance services to Livent. FMC ceased providing these services following the Separation. Only cash accounts specifically owned by Livent and Livent subsidiaries are reflected on the balance sheets of our consolidated and combined financial statements.

Since October 2018, our capital structure and sources of liquidity have changed significantly compared to our historical capital structure as part of FMC. We no longer participate in FMC's capital management system and are evaluated separately in terms of credit and capital allocation by providers of financing. Our prospective success in funding our cash needs will depend on the strength of the lithium market and our continued ability to generate cash from operations and raise capital from other sources. Our primary sources of cash are currently generated from operations and borrowings under the new revolving credit facility.

Cash and cash equivalents at December 31, 2018 and 2017 , were \$28.3 million and \$1.2 million , respectively. Of the cash and cash equivalents balance at December 31, 2018 , \$26.7 million was held by our foreign subsidiaries. The cash held by foreign subsidiaries for permanent reinvestment is generally used to finance the subsidiaries' operating activities and future foreign investments. We have not provided additional income taxes for any additional outside basis differences inherent in our investments in subsidiaries because the investments are essentially permanent in duration or we have concluded that no additional tax liability will arise upon disposal. We have concluded the Tax Act has not altered our assertion of indefinitely reinvested earnings. See Note 9 to the consolidated financial statements included within this Form 10-K for more information.

At December 31, 2018 , we had \$34 million debt outstanding. On September 28, 2018, we and one of our subsidiaries entered into a credit agreement which provides for a \$400 million senior secured revolving credit facility, \$50 million of which is available for the issuance of letters of credit, with an option, subject to certain conditions and limitations, to increase the aggregate amount of the revolving credit commitments to \$600 million. Refer to the details below for more information.

As part of the IPO, we received net proceeds of approximately \$369 million from the sale of an aggregate 23 million shares of our common stock, net of underwriting discounts and commissions, including the exercise by the underwriters of a 30-day option to purchase an additional 3 million shares of common stock from us. Pursuant to the terms of the separation and distribution agreement, the net proceeds from the offering, after payment of financing fees and other IPO related costs, were subsequently distributed to FMC.

Revolving Credit Facility

On September 28, 2018, we entered into a credit agreement among us, our subsidiary, FMC Lithium USA Corp., as borrowers (the "Borrowers"), certain of our wholly owned subsidiaries as guarantors, the lenders party thereto (the "Lenders"), Citibank, N.A., as administrative agent, and certain other financial institutions party thereto, as joint lead arrangers (the "Credit Agreement"). The Credit Agreement provides for a \$400 million senior secured revolving credit facility, \$50 million of which is available for the issuance of letters of credit for the account of the Borrowers, with an option, subject to certain conditions and limitations, to increase the aggregate amount of the revolving credit commitments to \$600 million (the "Revolving Credit Facility"). The issuance of letters of credit and the proceeds of revolving credit loans made pursuant to the Revolving Credit Facility are available, and will be used, for general corporate purposes, including capital expenditures and permitted acquisitions, of the Borrowers and their subsidiaries.

Amounts under the Revolving Credit Facility may be borrowed, repaid and re-borrowed from time to time until the final maturity date of the Revolving Credit Facility, which will be the fifth anniversary of the Revolving Credit Facility's effective date. Voluntary prepayments and commitment reductions under the Revolving Credit Facility are permitted at any time without any prepayment premium upon proper notice and subject to minimum dollar amounts.

Revolving loans under the Credit Agreement will bear interest at a floating rate, which will be either a base rate or a Eurocurrency borrowing plus applicable margin. Base rate borrowings are defined as the greatest of the rate of interest announced publicly by Citibank, N.A. in New York City from time to time as its "base rate"; the federal funds effective rate plus 0.5%; or a Eurodollar rate for a one-month interest period plus 1%. The Eurocurrency borrowing will be defined as a Eurodollar rate for one, two, three or six months. The applicable margins for the two types of loans are set by reference to Livent's leverage ratio, calculated by dividing our debt by our cash flows. Both the debt and cash flows used in this calculation are terms defined in the Credit Agreement. Each Borrower on a joint and several basis is required to pay a commitment fee quarterly in arrears on the average daily unused amount of each Lender's revolving credit commitment at a rate equal to an applicable percentage based on the leverage ratio, as determined in accordance with the provisions of the Credit Agreement. The applicable margin and the commitment fee are subject to adjustment as provided in the Credit Agreement.

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The Credit Agreement contains certain affirmative and negative covenants that are binding on the Borrowers and their subsidiaries, including, among others, restrictions (subject to exceptions and qualifications) on the ability of the Borrowers and their subsidiaries to create liens, to undertake fundamental changes, to incur debt, to sell or dispose of assets, to make investments, to make restricted payments such as dividends, distributions or equity repurchases, to change the nature of their businesses, to enter into transactions with affiliates and to enter into certain burdensome agreements. As of December 31, 2018 , we were in compliance with all requirements of the covenants.

Statement of Cash Flows

Cash provided by operating activities was \$92.0 million , \$58.3 million and \$51.0 million for the years ended December 31, 2018 , 2017 and 2016 , respectively.

The table below presents the components of net cash provided by operating activities.

(in Millions)	Twelve months ended December 31,		
	2018	2017	2016
Income from operations before non-operating pension benefit and settlement charges, interest expense, net and income taxes	\$ 153.2	\$ 101.5	\$ 59.0
Special charges and depreciation and amortization ⁽¹⁾	29.7	24.6	15.8
Operating income before depreciation and amortization (Non-GAAP) ⁽²⁾	\$ 182.9	\$ 126.1	\$ 74.8
Change in trade receivables, net ⁽³⁾	(20.8)	(71.3)	(8.3)
Change in inventories ⁽⁴⁾	(24.2)	6.9	(7.9)
Change in accounts payable ⁽⁵⁾	13.8	32.5	1.8
Change in accrued customer rebates	—	—	(0.4)
Change in advance payments from customers	(1.8)	(0.4)	1.6
Change in all other operating assets and liabilities ⁽⁶⁾	(13.6)	(11.3)	22.7
Operating cash flows (Non-GAAP)	\$ 136.3	\$ 82.5	\$ 84.3
Restructuring and other spending	(1.2)	(0.9)	—
Environmental spending	(0.2)	(0.3)	(0.5)
Pension and other postretirement benefit contributions	—	(1.1)	(24.3)
Net interest payments	(0.3)	—	(0.8)
Tax payments, net of refunds ⁽⁷⁾	(35.3)	(21.9)	(7.7)
Separation-related spending ⁽⁸⁾	(7.3)	—	—
Cash provided by operating activities	\$ 92.0	\$ 58.3	\$ 51.0

(1) Represents the sum of restructuring and other charges, separation-related costs and depreciation and amortization.

(2) Referred to as Livent Adjusted EBITDA.

(3) The change in cash flows related to trade receivables for the years ended December 31, 2018 , 2017 and 2016 were primarily driven by timing of collections and the acceptance of Bank Acceptance Drafts for certain Chinese customers in 2018. See Note 17 for further details.

(4) The change in cash flows related to inventories is a result of increased inventory levels due to increases in operating activities.

(5) The change in cash flows related to accounts payable is primarily driven by timing of payments made to suppliers and vendors. The 2018 period is also impacted by a significant decrease in payables that built in 2017 associated with a lithium hydroxide manufacturing agreement.

(6) Changes in all periods presented primarily represent timing of payments associated with all other operating assets and liabilities. Please see the consolidated and combined statements of cash flows included within these consolidated and combined financial statements for disaggregation of the components that make up this line item.

(7) Tax payments in 2018 increased due to higher global earnings in the period compared to the prior year period.

(8) 2018 activity represents payments for legal, professional, transaction related fees and other separation related activity associated with the IPO and separation.

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Cash required by investing activities of operations was \$(78.4) million, \$(62.5) million and \$(31.3) million for the years ended December 31, 2018, 2017 and 2016, respectively.

The change in cash required by investing activities is primarily due to our investments in production capacity of lithium carbonate and hydroxide resulting in increased capital expenditures.

Cash provided (required) by financing activities was \$13 million, \$1.5 million and \$(18.6) million for the years ended December 31, 2018, 2017 and 2016, respectively.

Cash provided by financing activities in 2018 was due to proceeds from draws on our revolving credit line offset by expenditures of \$24 million related to certain tax jurisdiction payments made to FMC Parent as reimbursement for taxes paid on Livent's behalf.

The change in cash provided by financing activities in 2017 primarily related to the paydown of short-term debt in 2016. As FMC managed our cash and financing arrangements, all excess cash generated through earnings were deemed remitted to FMC and all sources of cash were deemed funded by FMC.

Other potential liquidity needs

Our cash needs for 2019 include operating cash requirements, capital expenditures and costs associated with being a standalone, public company. We plan to meet our liquidity needs through available cash, cash generated from operations, and borrowings under our committed Revolving Credit Facility. At December 31, 2018 our remaining borrowing capacity under our Revolving Credit Facility was \$355.7 million, including letters of credit utilization.

Projected 2019 capital expenditures and expenditures related to contract manufacturers are expected to be approximately \$250 million. We anticipate investing between \$525 million and \$600 million (inclusive of the \$250 million referred to above) to increase our lithium carbonate capacity to at least 60 kMT by the end of 2025. We also expect to invest between \$80 million and \$170 million to expand our lithium hydroxide capacity to approximately 55 kMT by the end of 2025. In the next five years, inclusive of the expenditures referenced in this paragraph, we expect to spend \$1 billion on maintenance and expansion projects.

We believe that our available cash and cash from operations, together with borrowing availability under the credit agreement, will provide adequate liquidity for the next twelve months. Access to capital and the availability of financing on acceptable terms in the future will be affected by many factors, including our credit rating, economic conditions, and the overall liquidity of capital markets.

Contractual Obligations and Commercial Commitments

As of December 31, 2018, our total significant committed contracts that we believe will affect cash over the next five years and thereafter are as follows:

Contractual Commitments (in Millions)	Expected Cash Payments by Period					Total
	Less than 1 year	1-3 years	3-5 years	More than 5 years		
Lease obligations	\$ 1.7	\$ 3.7	\$ 3.3	\$ 10.2	\$ 18.9	
Purchase obligations ⁽¹⁾	53.5	27.2	—	—	—	80.7
Total	\$ 55.2	\$ 30.9	\$ 3.3	\$ 10.2	\$ 99.6	

(1) Represents certain of our raw material commercial contract purchase obligations that are enforceable and legally binding requirements contracts with specified quantities, pricing and timing of transactions.

See Note 16 to our consolidated and combined financial statements included in this Form 10-K for more information.

Climate Change

The potential physical impacts of climate change on our operations are highly uncertain, and would be particular to the geographic circumstances in areas in which we operate. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These changes may have a material adverse effect on our operations, including brine production and transportation of raw materials.

A number of governmental bodies have introduced or are contemplating legislative and regulatory change in response to the potential impacts of climate change. Such legislation or regulation, if enacted, potentially could include provisions for a “cap and trade” system of allowances and credits or a carbon tax, among other provisions. There is also a potential for climate change legislation and regulation to adversely impact the cost of purchased energy and electricity.

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The growing concerns about climate change and related increasingly stringent regulations may provide us with new or expanded business opportunities. We provide solutions to companies pursuing alternative fuel products and technologies (such as renewable fuels, gas-to-liquids and others), emission control technologies (including mercury emissions), alternative transportation vehicles and energy storage technologies and other similar solutions. As demand for, and legislation mandating or incentivizing the use of, alternative fuel technologies that limit or eliminate greenhouse gas emissions increase, we continue to monitor the market and offer solutions where we have appropriate technology.

Recently Issued and Adopted Accounting Pronouncements and Regulatory Items

See Note 3 " Recently Issued and Adopted Accounting Pronouncements and Regulatory Items " to our consolidated and combined financial statements included in this Form 10-K.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Critical Accounting Policies

Our consolidated and combined financial statements are prepared in conformity with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We have described our accounting policies in Note 2 " Principal Accounting Policies and Related Financial Information " to our consolidated and combined financial statements included in this Form 10-K. We have reviewed these accounting policies, identifying those that we believe to be critical to the preparation and understanding of our consolidated financial statements. We have reviewed these critical accounting policies with the Audit Committee of the Board of Directors. Critical accounting policies are central to our presentation of results of operations and financial condition in accordance with U.S. GAAP and require management to make estimates and judgments on certain matters. We base our estimates and judgments on historical experience, current conditions and other reasonable factors.

Revenue recognition and trade receivables

Sale of Goods

Revenue from product sales is recognized when (or as) we satisfy a performance obligation by transferring the promised goods to a customer, that is, when control of the good transfers to the customer. The customer is then invoiced at the agreed-upon price with payment terms generally ranging from 30 to 180 days.

In determining when the control of goods is transferred, we typically assess, among other things, the transfer of risk and title and the shipping terms of the contract. The transfer of title and risk typically occurs either upon shipment to the customer or upon receipt by the customer. As such, we typically recognize revenue when goods are shipped based on the relevant incoterm for the product order, or in some regions, when delivery to the customer's requested destination has occurred. When we perform shipping and handling activities after the transfer of control to the customer (e.g., when control transfers prior to delivery), they are considered fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized. For FOB shipping point terms, revenue is recognized at the time of shipment since the customer gains control at this point in time.

We record amounts billed for shipping and handling fees as revenue. Costs incurred for shipping and handling are recorded as costs of sales. Amounts billed for sales and use taxes, value-added taxes, and certain excise and other specific transactional taxes imposed on revenue-producing transactions are presented on a net basis and excluded from revenue in the consolidated and combined statements of operations. We record a liability until remitted to the respective taxing authority.

Variable Consideration

As a part of our customary business practice, we may offer sales incentives to our customers, such as volume discounts or rebates. Variable consideration given can differ by product. For all such contracts that include any variable consideration, we estimate the amount of variable consideration that should be included in the transaction price utilizing either the expected value method or the most likely amount method depending on the nature of the variable consideration. Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Although determining the transaction price requires significant judgment, we have significant historical experience with incentives provided to customers and estimating the expected consideration considering historical patterns of incentive payouts. These estimates are re-assessed each reporting period as required.

In addition to the variable consideration described above, in certain instances, we may require our customers to meet certain volume thresholds within their contract term. We estimate what amount of variable consideration should be included in the

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transaction price at contract inception and continually reassesses this estimation each reporting period to determine situations when the minimum volume thresholds will not be met. Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. In those circumstances, we apply the guidance on breakage and estimate the amount of the shortfall and recognize it over the remaining performance obligations in the contract.

Right of Return

We warrant to our customers that our products conform to mutually agreed product specifications. This offering is accounted for as a right of return and the transaction price is adjusted for an estimate of expected returns. Per our historical experience, returns due to nonconformity are very uncommon; as such our adjustment to transaction price for our estimate of expected return is not material.

Contract Asset and Contract Liability Balances

We satisfy our obligations by transferring goods and services in exchange for consideration from customers. The timing of performance sometimes differs from the timing the associated consideration is received from the customer, thus resulting in the recognition of a contract liability. We recognize a contract liability if the customer's payment of consideration is received prior to completion of our related performance obligation.

We periodically enter into prepayment arrangements with customers and receive advance payments for product to be delivered in future periods. These advance payments are recorded as deferred revenue and classified as "Advance payments from customers" on the consolidated and combined balance sheet. Revenue associated with advance payments is recognized as shipments are made and title, ownership and control pass to the customer.

Trade Receivables

Trade receivables consist of amounts owed from customer sales and are recorded when revenue is recognized. The allowance for trade receivables represents our best estimate of the probable losses associated with potential customer defaults. In developing our allowance for trade receivables, we use a two stage process which includes calculating a general formula to develop an allowance to appropriately address the uncertainty surrounding collection risk of our entire portfolio and specific allowances for customers where the risk of collection has been reasonably identified either due to liquidity constraints or disputes over contractual terms and conditions.

Our method of calculating the general formula consists of estimating the recoverability of trade receivables based on historical experience, current collection trends, and external business factors such as economic factors, including regional bankruptcy rates, and political factors. Our analysis of trade receivable collection risk is performed quarterly, and the allowance is adjusted accordingly.

On January 1, 2018, Accounting Standards Update 2014-09, *Revenue from Contracts with Customers*, became effective. See Note 3 to our consolidated and combined financial statements in this Form 10-K for more information.

Impairments and valuation of long-lived assets

Our long-lived assets primarily include property, plant and equipment and intangible assets. The Company has no goodwill or indefinite-lived intangible assets as of December 31, 2018 .

We test for impairment whenever events or circumstances indicate that the net book value of our property, plant and equipment may not be recoverable from the estimated undiscounted expected future cash flows expected to result from their use and eventual disposition. In cases where the estimated undiscounted expected future cash flows are less than net book value, an impairment loss is recognized equal to the amount by which the net book value exceeds the estimated fair value of assets, which is based on discounted cash flows at the lowest level determinable. The estimated cash flows reflect our assumptions about selling prices, volumes, costs and market conditions over a reasonable period of time.

Income taxes

We have recorded a valuation allowance to reduce deferred tax assets in certain jurisdictions to the amount that we believe is more likely than not to be realized. In assessing the need for this allowance, we have considered a number of factors including future taxable income, the jurisdictions in which such income is earned and our ongoing tax planning strategies. In the event that we determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax assets would be charged to income in the period such determination was made. Similarly, should we conclude that we would be able to realize certain deferred tax assets in the future in excess of the net recorded amount, an adjustment to the deferred tax assets would increase income in the period such determination was made.

Additionally, we file income tax returns in the United States and various state and foreign jurisdictions, as part of a FMC legal entity. Certain income tax returns for FMC entities taxable in the U.S. and significant foreign jurisdictions are open for examination

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and adjustment. We assess our income tax positions and record a liability for all years open to examination based upon our evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, we have recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. We adjust these liabilities, if necessary, upon the completion of tax audits or changes in tax law.

On December 22, 2017, the Tax Act was enacted in the United States. The Tax Act reduced the U.S. federal corporate tax rate from 35% to 21%, required companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and created new taxes on certain foreign sourced earnings.

As of December 31, 2018 , the Company had completed its accounting for the impacts of the Tax Act.

See Note 9 to our consolidated and combined financial statements included in this Form 10-K for additional discussion surrounding income taxes.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our earnings, cash flows and financial position are exposed to market risks relating to fluctuations in commodity prices, interest rates and foreign currency exchange rates. Our policy is to minimize exposure to our cash flow over time caused by changes in interest and currency exchange rates. To accomplish this, we have implemented a controlled program of risk management consisting of appropriate derivative contracts entered into with major financial institutions.

The analysis below presents the sensitivity of the market value of our financial instruments to selected changes in market rates and prices. The range of changes chosen reflects our view of changes that are reasonably possible over a one-year period. Market value estimates are based on the present value of projected future cash flows considering the market rates and prices chosen.

At December 31, 2018, our net financial instrument position was a net liability of \$1.3 million. There were no financial instruments at December 31, 2017. The change in the net financial instrument position was primarily due to exchange rate fluctuations in our foreign exchange portfolio. FMC also entered into derivative contracts to hedge exposures at the corporate level. Prior to the Separation, these activities represented activities managed at the corporate level and were not specific to our business, the associated assets or liabilities related to these transactions were not included in the consolidated and combined balance sheets, but the gains or losses associated with these transactions were included in the consolidated and combined statements of operations as these costs are deemed costs incurred to run our business. Subsequent to the Separation, Livent entered into derivative contracts to hedge exposures and the associated assets or liabilities were recorded in our consolidated and combined balance sheets and the gains or losses associated with these transactions were included in the consolidated and combined statements of income.

Since our risk management programs are generally highly effective, the potential loss in value for each risk management portfolio described below would be largely offset by changes in the value of the underlying exposure.

Foreign Currency Exchange Rate Risk

Our worldwide operations expose us to currency risk from sales, purchases, expenses and intercompany loans denominated in currencies other than the U.S. dollar, our functional currency. The primary currencies for which we have exchange rate exposure are the Euro, the British pound, the Chinese yuan, the Argentine peso, and the Japanese yen. Foreign currency debt and foreign exchange forward contracts are used where we do business, thereby reducing our net asset exposure. Foreign exchange forward contracts are also used to hedge firm and highly anticipated foreign currency cash flows. We currently do not hedge foreign currency risks associated with the Argentine peso due to the limited availability and the high cost of suitable derivative instruments.

To analyze the effects of changing foreign currency rates, we have performed a sensitivity analysis in which we assume an instantaneous 10% change in the foreign currency exchange rates from their levels at December 31, 2018, with all other variables (including interest rates) held constant.

(in Millions)	Hedged Currency vs. Functional Currency		
	Net Asset / (Liability) Position on Consolidated Balance Sheets	Net Asset / (Liability) Position with 10% Strengthening	Net Asset / (Liability) Position with 10% Weakening
Net asset/(liability) position at December 31, 2018	\$ (1.3)	\$(8.1)	\$ 4.3

Interest Rate Risk

One of the strategies that we can use to manage interest rate exposure is to enter into interest rate swap agreements. In these agreements, we agree to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated on an agreed-upon notional principal amount. As of December 31, 2018 and 2017, we had no interest rate swap agreements.

Our debt portfolio at December 31, 2018 is composed solely of variable-rate debt; consisting of borrowings under our Revolving Credit Facility. Changes in interest rates affect different portions of our variable-rate debt portfolio in different ways.

Based on the variable-rate debt in our debt portfolio at December 31, 2018, a one percentage point increase or decrease in interest rates would have increased or decreased, respectively, gross interest expense by \$0.3 million for the year ended December 31, 2018.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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LIVENT CORPORATION
CONSOLIDATED AND COMBINED STATEMENTS OF INCOME

(in Millions, Except Per Share Data)	Year Ended December 31,		
	2018	2017	2016
Revenue	\$ 442.5	\$ 347.4	\$ 264.1
Costs and Expenses			
Costs of sales	236.8	198.6	175.8
Gross Margin	205.7	148.8	88.3
Selling, general and administrative expenses	21.1	13.4	12.0
Corporate allocations	15.7	22.1	13.2
Research and development expenses	3.8	3.1	3.1
Restructuring and other charges	2.6	8.7	1.0
Separation-related costs	9.3	—	—
Total costs and expenses	289.3	245.9	205.1
Income from operations before non-operating pension (benefit)/settlement charges, interest expense, net and income taxes	153.2	101.5	59.0
Non-operating pension (benefit)/settlement charges	(0.2)	31.4	3.6
Interest expense, net	0.3	—	0.9
Income from operations before income taxes	153.1	70.1	54.5
Provision for income taxes	27.0	27.9	7.4
Net income	\$ 126.1	\$ 42.2	\$ 47.1
Weighted average common shares outstanding - basic ⁽¹⁾	127.7	123.0	123.0
Net income per weighted average share - basic	\$ 0.99	\$ 0.34	\$ 0.38
Weighted average common shares outstanding - diluted ⁽¹⁾	127.7	123.0	123.0
Net income per weighted average share - diluted	\$ 0.99	\$ 0.34	\$ 0.38

(1) For all prior periods presented and the current period through the completion of the public offering on October 15, 2018, the weighted average shares outstanding for both basic and diluted earnings per share were calculated using 123 million shares of common stock outstanding, which was the number of shares issued to FMC in part in exchange for the asset contribution by FMC to us. Weighted average shares outstanding for all periods prior to the completion of the public offering on October 15, 2018 excludes the 23 million shares of common stock subsequently issued as part of the public offering and over-allotment option exercise. Refer to the discussion in Note 2 for further details.

The accompanying notes are an integral part of these consolidated and combined financial statements.

LIVENT CORPORATION
CONSOLIDATED AND COMBINED STATEMENTS OF COMPREHENSIVE INCOME

(in Millions)	Year Ended December 31,		
	2018	2017	2016
Net Income	\$ 126.1	\$ 42.2	\$ 47.1
Other comprehensive (loss) income, net of tax:			
<i>Foreign currency adjustments:</i>			
Foreign currency translation (loss) gain arising during the period	(2.4)	4.7	(9.1)
Total foreign currency translation adjustments ⁽¹⁾	(2.4)	4.7	(9.1)
<i>Derivative instruments:</i>			
Unrealized hedging losses, net of tax of \$0.1, zero and zero	(1.2)	—	—
Total derivative instruments, net of tax of \$0.1, zero and zero	(1.2)	—	—
<i>Pension and other postretirement benefits:</i>			
Unrealized actuarial gains and prior service credits, net of tax of zero, zero and \$3.7 ⁽²⁾	—	—	(16.2)
Reclassification of net actuarial and other gain, amortization of prior service costs and settlement charges, included in net income, net of tax of zero, \$(5.4) and \$0.1 ⁽³⁾	—	26.3	0.2
Total pension and other postretirement benefits, net of tax of zero, \$(5.4) and \$3.6	—	26.3	(16.0)
Other comprehensive (loss) income, net of tax	(3.6)	31.0	(25.1)
Comprehensive income	\$ 122.5	\$ 73.2	\$ 22.0

(1) Income taxes are not provided on the equity in undistributed earnings of our foreign subsidiaries or affiliates since it is our intention that such earnings will remain invested in those affiliates indefinitely.

(2) For years prior to the Separation Date, we remeasured our pension and postretirement plan obligations at which time we recorded any actuarial gains (losses) and prior service (costs) credits to other comprehensive income.

(3) For more detail on the components of these reclassifications and the affected line item in the consolidated statements of income (loss) see Note 13 within these consolidated and combined financial statements.

The accompanying notes are an integral part of these consolidated and combined financial statements.

LIVENT CORPORATION
CONSOLIDATED AND COMBINED BALANCE SHEETS

	December 31,	
(in Millions, Except Share and Par Value Data)	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	\$ 28.3	\$ 1.2
Trade receivables, net of allowance of approximately \$0.1 in 2018 and 2017	141.4	122.7
Inventories, net	71.8	49.6
Prepaid and other current assets	59.8	32.6
Total current assets	301.3	206.1
Property, plant and equipment, net	275.7	220.7
Other assets	80.0	67.0
Deferred income taxes	3.0	2.4
Total assets	\$ 660.0	\$ 496.2
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable, trade and other	\$ 72.0	\$ 59.7
Advance payments from customers	—	1.8
Accrued and other liabilities	46.8	21.3
Income taxes	1.6	3.2
Total current liabilities	120.4	86.0
Long-term debt	34.0	—
Environmental liabilities	5.9	5.9
Deferred income taxes	2.5	8.2
Other long-term liabilities	9.3	10.7
Commitments and contingent liabilities (Note 16)		
Equity		
Common stock; \$0.001 par value; 2,000,000,000 shares authorized in 2018; 146,000,000 shares issued and outstanding in 2018	0.1	—
Net parent investment	—	431.0
Capital in excess of par value of common stock	511.1	—
Retained earnings	25.9	—
Accumulated other comprehensive loss	(49.2)	(45.6)
Total equity	487.9	385.4
Total liabilities and equity	\$ 660.0	\$ 496.2

The accompanying notes are an integral part of these consolidated and combined financial statements.

LIVENT CORPORATION
CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS

(in Millions)	Year Ended December 31,		
	2018	2017	2016
Cash provided by operating activities:			
Net income	\$ 126.1	\$ 42.2	\$ 47.1
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	17.8	15.9	14.8
Change in excess of FIFO cost over LIFO cost	0.6	(1.0)	0.6
Restructuring and other charges	2.6	8.7	1.0
Deferred income taxes	(3.1)	(0.7)	0.4
Pension and other postretirement benefits	0.5	32.5	4.9
Share-based compensation	4.4	3.4	2.1
Changes in operating assets and liabilities:			
Trade receivables, net	(20.8)	(71.3)	(8.3)
Inventories	(24.2)	6.9	(7.9)
Accounts payable, trade and other	13.8	32.5	1.8
Income taxes	(5.2)	6.7	(0.7)
Change in prepaid and other current assets and other assets	(31.8)	(9.9)	20.8
Change in accrued and other current and long-term liabilities	11.3	(7.6)	(25.6)
Cash provided by operating activities	92.0	58.3	51.0
Cash required by investing activities:			
Capital expenditures	(73.6)	(48.9)	(25.7)
Proceeds from disposal of property, plant and equipment	—	0.2	—
Payments associated with long-term supply agreements	—	(10.0)	—
Other investing activities	(4.8)	(3.8)	(5.6)
Cash required by investing activities	(78.4)	(62.5)	(31.3)
Cash provided (required) by financing activities:			
Decrease in short-term debt	—	—	(10.7)
Proceeds from issuance of long-term debt	34.0	—	—
Proceeds from IPO, net of fees	368.7	—	—
Distribution payment to FMC	(365.7)	—	—
Net change in net parent investment	(24.0)	1.5	(7.9)
Cash provided (required) by financing activities	13.0	1.5	(18.6)
Effect of exchange rate changes on cash and cash equivalents			
Increase (decrease) in cash and cash equivalents	0.5	(0.1)	—
Cash and cash equivalents, beginning of period	27.1	(2.8)	1.1
Cash and cash equivalents, end of period	1.2	4.0	2.9
Cash and cash equivalents, end of period	\$ 28.3	\$ 1.2	\$ 4.0

Cash paid for interest, net of capitalized interest was \$0.3 million , zero and \$0.8 million and income taxes paid, net of refunds was \$35.3 million , \$21.9 million and \$7.7 million for the years ended December 31, 2018 , 2017 and 2016 , respectively. Accrued additions to property, plant and equipment, net at December 31, 2018 , 2017 and 2016 were \$3.6 million , \$5.5 million and \$0.3 million , respectively, and are excluded from the change in accounts payable, trade and other within cash provided by operating activities.

The accompanying notes are an integral part of these consolidated and combined financial statements.

LIVENT CORPORATION
CONSOLIDATED AND COMBINED STATEMENTS OF EQUITY

(in Millions, Except Per Share Data)			Common Stock, \$0.001 Per Share		Capital In Excess of Par	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
	Net Parent Investment	Par Value						
Balance December 31, 2015	\$ 348.1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (51.5)	\$ 296.6
Net income	47.1	—	—	—	—	—	—	47.1
Net pension and other benefit actuarial gains/(losses) and prior service costs, net of income tax	—	—	—	—	—	—	(16.0)	(16.0)
Foreign currency translation adjustments	—	—	—	—	—	—	(9.1)	(9.1)
Net change in parent investment	(7.9)	—	—	—	—	—	—	(7.9)
Balance December 31, 2016	\$ 387.3	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (76.6)	\$ 310.7
Net income	42.2	—	—	—	—	—	—	42.2
Net pension and other benefit actuarial gains and prior service costs, net of income tax	—	—	—	—	—	—	26.3	26.3
Foreign currency translation adjustments	—	—	—	—	—	—	4.7	4.7
Net change in parent investment	1.5	—	—	—	—	—	—	1.5
Balance December 31, 2017	\$ 431.0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (45.6)	\$ 385.4
Net income	100.2	—	—	—	25.9	—	—	126.1
Stock compensation plans	—	—	1.0	—	—	—	—	1.0
Unrealized hedging losses, net of income tax	—	—	—	—	—	—	(1.2)	(1.2)
Foreign currency translation adjustments	—	—	—	—	—	—	(2.4)	(2.4)
Net change in parent investment	(24.0)	—	—	—	—	—	—	(24.0)
Issuance of common stock - IPO, net of fees	—	—	368.7	—	—	—	—	368.7
Distribution to FMC	(365.7)	—	—	—	—	—	—	(365.7)
Issuance of common stock to FMC in connection with the Separation and reclassification of Net parent investment	(141.5)	0.1	141.4	—	—	—	—	—
Balance December 31, 2018	\$ —	\$ 0.1	\$ 511.1	\$ 25.9	\$ (49.2)	\$ 487.9		

The accompanying notes are an integral part of these consolidated and combined financial statements.

LIVENT CORPORATION
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

Note 1 : Description of the Business

Background and Nature of Operations

Livent Corporation ("Livent", "we", "us", "Company" or "our"), manufactures lithium for use in a wide range of lithium products, which are used primarily in energy storage, specialty polymers, and chemical synthesis applications. We serve a diverse group of markets. Our product offerings are primarily inorganic and generally have few cost-effective substitutes. A major growth driver for lithium in the future will be the rate of adoption of electric vehicles.

Most markets for lithium chemicals are global with significant growth occurring both in Asia and North America, primarily driven by the development and manufacture of lithium-ion batteries. We are one of the primary producers of performance lithium compounds.

The Separation

On March 31, 2017, our parent, FMC Corporation ("Parent" or "FMC") publicly announced a plan to separate Livent into a publicly traded company (the "Separation"). Prior to the completion of the initial public offering ("IPO") on October 15, 2018, we were a wholly owned subsidiary of FMC, and all of our outstanding shares of common stock were owned by FMC. Following a series of restructuring steps, on October 1, 2018, prior to the IPO of Livent common stock, FMC transferred to us substantially all of the assets and liabilities of its lithium business (the "Lithium Business"). In exchange, we issued to FMC all 123 million shares of our common stock.

On October 15, 2018 (the "Separation Date"), we completed the IPO and sold 20 million shares of Livent common stock to the public at a price of \$17.00 per share. On November 8, 2018, the underwriters exercised, in full, their option (the "Over-allotment Option Exercise") to purchase an additional 3 million shares of our common stock, the closing of which was completed on November 13, 2018. Our common stock is listed on the New York Stock Exchange (the "NYSE") under the symbol "LTHM."

Net proceeds from the sale of 23 million shares of our common stock issued in connection with the IPO and Over-allotment Option Exercise were approximately \$369 million, after deducting underwriting discounts and commissions. The net proceeds from the offering, after payment of financing fees and other IPO related costs, were subsequently distributed to FMC. Immediately following the IPO and Over-allotment Option Exercise, FMC owned approximately 84% of our outstanding common stock. Accordingly, we are considered a "controlled company" under the NYSE rules.

Pursuant to U.S. GAAP, costs incurred associated with separation activities are expensed as incurred. For the Livent Separation, these costs primarily consist of legal, accounting, professional advisory and other transaction fees associated with the preparation and execution of separation activities. Livent generally expects to continue to incur such separation related costs up to one year from the Separation Date or until such time an orderly separation and transition of various functions and processes is in place.

The Distribution

FMC has informed us that it plans to make a tax-free distribution to its stockholders of all of its remaining equity interest in us on March 1, 2019. The distribution (referred to in this Annual Report on Form 10-K as the "Distribution") is expected to be effected as a dividend to all FMC stockholders.

Note 2 : Principal Accounting Policies and Related Financial Information

Basis of presentation. The accompanying consolidated and combined financial statements of Livent include the historical accounts of the FMC Lithium segment ("Lithium Business") of FMC, a publicly traded company incorporated in Delaware (United States).

Principles of consolidation and combination. For all periods prior to the Separation, our combined financial statements were derived from FMC's consolidated financial statements and accounting records where the Lithium Business was a division of FMC. These combined financial statements were prepared in accordance with U.S. GAAP and reflect the historical basis and carrying values established when the Company was part of FMC. The accompanying combined financial statements include the operations, financial position, and cash flows of Livent, as carved out from the historical consolidated financial statements of FMC using both specific identification and the allocation methodologies described below. Transactions between the Lithium Business and FMC and its subsidiaries are reflected in the consolidated and combined balance sheets as "Net parent investment" and in the consolidated and combined statements of cash flows as a financing activity in "Net change in net parent investment." We believe

LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

the assumptions underlying the consolidated and combined financial statements, including the assumptions regarding allocated expenses, reasonably reflect the utilization of services provided to or the benefit received by Livent. However, the pre-Separation financial statements and activities do not purport to reflect what the results of operations, comprehensive income/(loss), financial position, equity or cash flows would have been had we operated as an independent public company during the periods presented.

- The combined statements of income for the years ended December 31, 2017 and December 31, 2016 and the pre-Separation period in the consolidated and combined statement of income for year ended December 31, 2018 reflect the direct, indirect and allocated costs for various corporate function services historically provided by FMC, such as information technology, compensation and benefits, human resources, engineering, finance and internal audit. These allocations are based on either a specific identification basis or, when specific identification is not practicable, proportional allocation methods (i.e., using third-party sales, headcount, etc.), depending on the nature of the services. Actual costs that would have been incurred if Livent had been a standalone company would depend on multiple factors, including organizational structure and strategic decisions in various areas such as information technology and infrastructure.
- Net parent investment represents our Parent's historical investment in us, our accumulated net earnings after taxes and the net effect of transactions with and allocations from our Parent.

For the combined statements of income for the years ended December 31, 2017 and December 31, 2016 and the pre-Separation period in the consolidated and combined statement of income for year ended December 31, 2018 , Livent functioned as part of the larger group of businesses controlled by FMC and, accordingly, utilized centralized functions, such as facilities and information technology of FMC to support its operations. Accordingly, a portion of the shared service costs were historically allocated to Livent. FMC also performed certain corporate functions for Livent. The corporate expenses related to Livent have been allocated from the Parent. These allocated costs are primarily related to certain governance and corporate functions such as finance, internal audit, treasury, tax, human resources benefits and compensation, legal, investor relations, and certain other costs. Where it is possible to specifically attribute such expenses to activities of Livent, these amounts have been charged or credited directly to Livent without allocation or apportionment. Allocation of other such expenses is based on a reasonable reflection of the utilization of the service provided to or benefits received by Livent during the periods presented on a consistent basis, such as, but not limited to, a relative percentage of headcount, tangible assets, third-party sales, cost of goods sold or segment operating profit, defined by FMC as segment revenue less operating expenses. The aggregate costs allocated for these functions to Livent are included in "Corporate allocations" within the consolidated and combined statements of operations and are shown in detail within the following table.

(in Millions)	Year Ended December 31,		
	2018 ⁽⁵⁾	2017	2016
Livent shared service costs ⁽¹⁾	\$ 4.6	\$ 5.4	\$ 3.8
FMC Corporate shared service costs allocated to Livent ⁽²⁾	1.9	3.8	1.8
Stock compensation expense ⁽³⁾	2.7	2.6	1.3
FMC Corporate expense allocation ⁽⁴⁾	6.5	10.3	6.3
Total Corporate allocations	\$ 15.7	\$ 22.1	\$ 13.2

(1) Represents Livent's portion of shared service costs historically allocated to Livent through the October 15, 2018 Separation Date. Does not include \$6.4 million , \$7.1 million and \$5.2 million for the years ended December 31, 2018 , 2017 and 2016 , respectively, of shared service costs historically allocated to and recorded within "Cost of sales" on the consolidated and combined statements of operations.

(2) Amounts represent the Parent's Corporate shared service cost allocated to Livent.

(3) Stock compensation expense represents the allocation of the Parent's Corporate stock compensation expense and the costs specifically identifiable to Livent employees. These amounts exclude the previously allocated portion included within Livent's shared service costs of \$0.6 million , \$0.8 million and \$0.8 million for the years ended December 31, 2018 , 2017 , and 2016 , respectively.

(4) Represents the additional costs of the centralized functions of the Parent allocated to Livent.

(5) Includes Corporate allocations through the Separation Date. Expenses were not allocated to Livent from FMC subsequent to the Separation Date. Costs incurred under the TSA subsequent to the Separation Date are direct charges to our consolidated and combined statements of operations.

Subsequent to the Separation, the accompanying consolidated financial statements are presented on a consolidated basis and include all of the accounts and operations of Livent and its majority-owned subsidiaries. The financial statements reflect the financial position, results of operations and cash flows of Livent in accordance with U.S. GAAP. All significant intercompany accounts and transactions are eliminated in consolidation.

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)**

Earnings per share. The weighted average common shares outstanding for both basic and diluted earnings per share for all pre-Separation periods presented was calculated, in accordance with ASC 260, Earnings Per Share (ASC 260), using 123 million shares of common stock outstanding, which reflects the number of shares held by FMC prior to the IPO.

In connection with our IPO, we issued 20 million shares of our common stock to the public at a public offering price of \$17.00 per share. The IPO closed on October 15, 2018 . On November 13, 2018 , the Company closed on the sale of an additional 3 million shares of its common stock pursuant to the Over-allotment Option Exercise. In accordance with ASC 260, the 23 million shares issued in connection with the IPO and Over-allotment Option Exercise are included in earnings per share calculations for periods subsequent to the closing of the IPO and Over-allotment Option Exercise and are not included in the earnings per share calculations for periods prior to the closing of the IPO. See Note 14 for further information regarding earnings per share.

Estimates and assumptions . In preparing the financial statements in conformity with U.S. GAAP we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results are likely to differ from those estimates, but we do not believe such differences will materially affect our financial position, results of operations or cash flows.

Cash equivalents . We consider investments in all liquid debt instruments with original maturities of three months or less to be cash equivalents.

Trade receivables, net of allowance . Trade receivables consist of amounts owed to us from customer sales and are recorded when revenue is recognized. The allowance for trade receivables represents our best estimate of the probable losses associated with potential customer defaults. In developing our allowance for trade receivables, we use a two stage process which includes calculating a general formula to develop an allowance to appropriately address the uncertainty surrounding collection risk of our entire portfolio and specific allowances for customers where the risk of collection has been reasonably identified either due to liquidity constraints or disputes over contractual terms and conditions.

Our method of calculating the general formula consists of estimating the recoverability of trade receivables based on historical experience, current collection trends, and external business factors such as economic factors, including regional bankruptcy rates, and political factors. Our analysis of trade receivable collection risk is performed quarterly, and the allowance is adjusted accordingly. The allowance for trade receivable was less than \$0.1 million as of December 31, 2018 and 2017 . The provision to the allowance for receivables charged against operations was less than \$0.1 million for the year ended December 31, 2018 . There was no provision to the allowance for trade receivables charged against operations for the years ended December 31, 2017 and 2016 .

Inventories . Inventories are stated at the lower of cost or market value. Inventory costs include those costs directly attributable to products before sale, including all manufacturing overhead but excluding distribution costs. All domestic inventories, excluding materials and supplies, are determined on a last-in, first-out (“LIFO”) basis and our remaining inventories are recorded on a first-in, first-out (“FIFO”) basis. See Note 5 for more information.

Property, plant and equipment . We record property, plant and equipment, including capitalized interest, at cost. We recognize acquired property, plant and equipment, from acquisitions at its estimated fair value. Depreciation is provided principally on the straight-line basis over the estimated useful lives of the assets (land improvements — 20 years , buildings — 20 to 40 years , and machinery and equipment — three to 18 years). Gains and losses are reflected in income upon sale or retirement of assets. Expenditures that extend the useful lives of property, plant and equipment or increase productivity are capitalized. Ordinary repairs and maintenance are expensed as incurred through operating expense.

Capitalized interest . Capitalized interest balances as of December 31, 2018 and 2017 were \$8.5 million and \$8.2 million , respectively. For the years ended December 31, 2018 , 2017 and 2016 we capitalized interest costs of \$0.2 million , \$1.5 million , and \$1.3 million , respectively. These costs were associated with the construction of certain long-lived assets and have been capitalized as part of the cost of those assets. We amortize capitalized interest over the estimated useful lives of the assets.

Impairments of long-lived assets . We review the recoverability of the net book value of long-lived assets whenever events and circumstances indicate that the net book value of an asset may not be recoverable from the estimated undiscounted future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the net book value, we recognize an impairment loss equal to an amount by which the net book value exceeds the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. There were no impairments during the three years ended December 31, 2018 .

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)**

Asset retirement obligations. We record asset retirement obligations (“AROs”) at fair value at the time the liability is incurred if we can reasonably estimate the settlement date. The associated AROs are capitalized as part of the carrying amount of related long-lived assets. In future periods, the liability is accreted to its present value and the capitalized cost is depreciated over the useful life of the related asset. We also adjust the liability for changes resulting from the passage of time and/or revisions to the timing or the amount of the original estimate. Upon retirement of the long-lived asset, we either settle the obligation for its recorded amount or incur a gain or loss.

We have mining operations and legal reclamation obligations related to our facilities upon closure of the mines. The AROs primarily relate to post-closure reclamation of brine wells and sites involved in the surface mining and manufacturing of lithium in Argentina. Also, we have obligations at certain of our manufacturing facilities and offices in the event of permanent plant shutdown.

The carrying amounts for the AROs for the years ended December 31, 2018 and 2017 are \$0.2 million and \$0.2 million, respectively. These amounts are included in "Other long-term liabilities" on the consolidated and combined balance sheets.

Financial instruments. Our financial instruments are trade receivables, trade payables and derivatives. These financial instruments are recorded at cost, which approximates fair value due to the short-term nature of the instruments. Our Parent also entered into derivative contracts to hedge exposures at the corporate level. Prior to the Separation, these activities represent activities managed at the corporate level and were not specific to our business, the associated assets or liabilities related to these transactions were not included in the consolidated and combined balance sheets, but the gains or losses associated with these transactions were included in the consolidated and combined statements of operations as these costs are deemed costs incurred to run our business. Subsequent to the Separation, Livent entered into derivative contracts to hedge exposures and the associated assets or liabilities were recorded in our consolidated and combined balance sheets and the gains or losses associated with these transactions were included in the consolidated and combined statements of income.

Restructuring and other charges. We continually perform strategic reviews and assess the return on our businesses. This sometimes results in a plan to restructure the operations of our business. We record an accrual for severance and other exit costs under the provisions of the relevant accounting guidance.

Additionally, as part of these restructuring plans, write-downs of long-lived assets may occur. Two types of assets are impacted: assets to be disposed of by sale and assets to be abandoned. Assets to be disposed of by sale are measured at the lower of carrying amount or estimated net proceeds from the sale. Assets to be abandoned with no remaining future service potential are written down to amounts expected to be recovered. The useful life of assets to be abandoned that have a remaining future service potential are adjusted and depreciation is recorded over the adjusted useful life.

Finite-lived intangible assets. Finite-lived intangible assets consist of a patent, which is being amortized over a period of 15 years.

Revenue recognition. Revenue from product sales is recognized when (or as) we satisfy a performance obligation by transferring the promised goods to a customer, that is, when control of the good transfers to the customer. The customer is then invoiced at the agreed-upon price with payment terms generally ranging from 30 to 180 days.

In determining when the control of goods is transferred, we typically assess, among other things, the transfer of risk and title and the shipping terms of the contract. The transfer of title and risk typically occurs either upon shipment to the customer or upon receipt by the customer. As such, we typically recognize revenue when goods are shipped based on the relevant incoterm for the product order, or in some regions, when delivery to the customer's requested destination has occurred. When we perform shipping and handling activities after the transfer of control to the customer (e.g., when control transfers prior to delivery), they are considered fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized. For FOB shipping point terms, revenue is recognized at the time of shipment since the customer gains control at this point in time.

We record amounts billed for shipping and handling fees as revenue. Costs incurred for shipping and handling are recorded as costs of sales. Amounts billed for sales and use taxes, value-added taxes, and certain excise and other specific transactional taxes imposed on revenue-producing transactions are presented on a net basis and excluded from revenue in the consolidated and combined statements of operations. We record a liability until remitted to the respective taxing authority. See Note 4 for further details regarding revenue recognition.

Research and Development. Research and development costs are expensed as incurred.

Income and other taxes. We provide current income taxes on income reported for financial statement purposes adjusted for transactions that do not enter into the computation of income taxes payable and recognize deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)**

liabilities. Prior to separation, pursuant to the tax matters agreement with FMC, in jurisdictions where we file consolidated returns with FMC, we have recorded our allocated share of the consolidated liability in Accrued and other liabilities in our consolidated and combined balance sheets. In taxing jurisdictions where we file as a standalone entity we have recorded the tax liability/benefit to income tax payable/receivable. We do not provide income taxes on the equity in undistributed earnings of consolidated foreign subsidiaries as it is our intention that such earnings will remain invested in those companies.

Segment information. We operate as one reportable segment based on the commonalities among our products and services and the manner in which we review and evaluate operating performance. Geographical revenue disclosures based on the location of our customers are included in Note 4 within these consolidated and combined financial statements.

Stock-based compensation. Prior to the consummation of the Separation, we did not sponsor any stock compensation plans. Instead, our eligible employees participated in our Parent's sponsored stock-based compensation plans. Prior to the consummation of the Separation, our employees continued to participate in the Parent's stock-based compensation plans and we recognized stock-based compensation expense based on the awards granted to our employees. We also recorded an allocation of stock-based compensation for corporate employees based on segment operating profit, defined by FMC as segment revenue less operating expenses. Stock-based compensation expense for the three years ended December 31, 2018 has been recognized for all share options and other equity-based arrangements. Stock-based compensation cost is measured at the date of grant, based on the fair value of the award, and is recognized over the employee's requisite service period. We made a policy election to recognize forfeitures in stock based compensation expense as they occur. See Note 12 for more information.

In October 2018, Livent registered 4,290,000 shares of Livent common stock which, as of December 31, 2018, is authorized for issuance pursuant to awards under the Livent Corporation Incentive Compensation and Stock Plan (the "Livent Plan"). In connection with the IPO, Livent granted certain of our executives special, one-time equity awards pursuant to the Livent Plan.

Pension and other postretirement benefits. FMC provides a range of benefits, including pensions, postretirement and postemployment benefits to eligible current and former employees, of which certain of our employees participate. For purposes of the Livent's consolidated and combined financial statements, the U.S. defined benefit plan is being treated as a multiple employer plan. Accordingly, the benefit obligations, plan assets and accumulated other comprehensive income (loss) amounts are not shown in the consolidated and combined balance sheets.

In connection with the Separation, the United Kingdom defined benefit pension plan ("U.K. Plan"), was a legal obligation of the Livent United Kingdom legal entity, has been included in the Livent financial statements up to the point of plan termination as described below. In 2016, FMC made a \$20.7 million payment into our U.K. Plan in order to annuitize the remaining pension obligation. This action removed all future funding requirements for this plan. The assets of \$45.2 million supporting the remaining pension obligation were moved into an annuity at December 31, 2016 which qualified as a Level 3 investment in the fair value hierarchy. In October 2017, FMC completed the buy-out of the annuity, completing the plan termination and relieving FMC of the pension liability for the U.K. Plan. The termination resulted in a settlement charge of \$32.5 million. See Note 11 for more information.

Environmental obligations. We provide for environmental-related obligations when they are probable and amounts can be reasonably estimated. Where the available information is sufficient to estimate the amount of liability, that estimate has been used.

Included in our environmental liabilities are costs for the operation, maintenance and monitoring of site remediation plans ("OM&M"). Such reserves are based on our best estimates for these OM&M plans. Over time we may incur OM&M costs in excess of these reserves. However, we are unable to reasonably estimate an amount in excess of our recorded reserves because we cannot reasonably estimate the period for which such OM&M plans will need to be in place or the future annual cost of such remediation, as conditions at these environmental sites change over time. Such additional OM&M costs could be significant in total but would be incurred over an extended period of years.

Environmental remediation charges represent the costs for the continuing charges associated with environmental remediation at operating sites from previous years and from products that are no longer manufactured. Livent has one environmental remediation site located in Bessemer City, North Carolina. The charges associated with the cost of remediation for the years ended December 31, 2018, 2017 and 2016 are \$0.2 million, \$0.4 million and \$0.2 million, respectively. These amounts are recorded as a component within "Restructuring and other charges" on the consolidated and combined statements of income. The total environmental remediation liability as of December 31, 2018 and 2017 was \$6.4 million and \$6.4 million, respectively.

Foreign currency. We translate the assets and liabilities of our foreign operations at exchange rates in effect at the balance sheet date. For foreign operations for which the functional currency is not the U.S. dollar, we record translation gains and losses as a component of accumulated other comprehensive loss in equity. The foreign operations' income statements are translated at the monthly exchange rates for the period. Transactions denominated in foreign currency other than our functional currency of the operation are recorded upon initial recognition at the exchange rate at the date of the transaction. After initial recognition,

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)**

monetary assets and liabilities denominated in foreign currency are remeasured at each reporting date into the functional currency at the exchange rate at that date. Exchange rate differences are recognized as foreign currency transaction gain or loss recorded as a component of Costs of Sales in our consolidated and combined statements of operations. We recorded transaction gains of \$2.4 million, \$2.1 million and \$1.4 million for the years ended December 31, 2018, 2017 and 2016, respectively.

Note 3 : Recently Issued and Adopted Accounting Pronouncements and Regulatory Items**New Accounting guidance and regulatory items**

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-15, *Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The amendments in this ASU align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The new standard is effective for fiscal years beginning after December 15, 2019 (i.e. a January 1, 2020 effective date). We are evaluating the effect the guidance will have on our consolidated financial statements.

In February 2018, the FASB issued ASU No. 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. This new standard permits a company to reclassify the income tax effects of the change in the U.S federal corporate income tax rate on the gross deferred tax amounts and related valuation allowances as well as other income tax effects related to the application of the Tax Cuts and Jobs Act ("the Act") within accumulated other comprehensive income ("AOCI") to retained earnings. There are also new required disclosures such as a description of the accounting policy for releasing income tax effects from AOCI as well as certain disclosures in the period of adoption if a company elects to reclassify the income tax effects. The new standard is effective for fiscal years beginning after December 15, 2018 (i.e. a January 1, 2019 effective date), and interim periods within those fiscal years, with early adoption permitted. We believe the adoption will not have a material impact on our consolidated and combined financial statements other than a reclassification of certain income tax effects.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses. The update is intended to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The new standard is effective for fiscal years beginning after December 15, 2019 (i.e. a January 1, 2020 effective date), with early adoption permitted for fiscal years beginning after December 15, 2018. We are evaluating the effect the guidance will have on our consolidated financial statements.

In February 2016, the FASB issued its new lease accounting guidance in ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). Under the new guidance, lessees are required to recognize for all leases (with the exception of short-term leases) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. We have adopted this standard as of January 1, 2019 utilizing a modified retrospective approach and have elected the optional transition practical expedient. Under this transition practical expedient, only contracts that exist as of, or are entered into on or after January 1, 2019 are transitioned, with a cumulative effect adjustment as of January 1, 2019. All comparative periods prior to January 1, 2019 will retain the financial reporting and disclosure requirements of ASC 840. While we are still finalizing the effect that ASU 2016-02 will have on our consolidated financial statements and related disclosures, we have performed various assessment, lease abstraction, and operational activities as part of our established project plan to support the implementation of the new lease standard. As part of our impact assessment, we have performed scoping exercises and determined our current lease population, which is approximately 40 leases. This population includes leases identified in our embedded lease assessment process. Information from these leases have been abstracted into our lease accounting software, which will assist us in the quantification of the expected impact on the consolidated balance sheets and facilitate the calculations of the related accounting entries and disclosures. We continue to update this population in our software as new leases are entered or modified and reassess the impact, accordingly. We have also assessed any potential impacts on our internal controls, business processes, and accounting policies related to both the implementation and ongoing compliance of the new guidance and have made updates and/or created new controls and processes to address the significant changes as a result of the adoption of ASU 2016-02.

Additionally, we have developed drafts of our new footnote disclosures required under the new standard that will be disclosed in our first quarter Form 10-Q, but will continue to work on finalizing them during the first quarter of 2019. Although we are still finalizing the quantitative effects of ASU 2016-02, we expect total assets and total liabilities will increase between \$15 million and \$20 million in the period of adoption (this range represents the discounted impact).

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)****Recently adopted accounting guidance**

In March 2018, the FASB issued ASU No. 2018-05, *Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118* ("SAB 118"). This update amends several paragraphs in ASC 740, *Income Taxes*, that contain SEC guidance related to SAB 118, which was previously issued in December 2017 by the SEC. These amendments are effective upon inclusion in the codification. We identified certain adjustments to amounts previously recorded for the remeasurement of the net deferred tax liability and nonrecurring repatriation tax on accumulated earnings of foreign subsidiaries that results in a net tax expense of \$0.6 million. Our analysis under SAB 118 is complete. Refer to Note 9 for more information.

In May 2017, the FASB issued ASU No. 2017-09, *Stock Compensation - Scope of Modification Accounting*. This ASU provides guidance on which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. The new standard is effective for fiscal years beginning after December 15, 2017 (i.e. a January 1, 2018 effective date). There was no impact to our consolidated and combined financial statements upon adoption.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. This ASU provides requirements for the presentation and disclosure of net benefit cost on the financial statements. The service cost component of net benefit cost is required to be presented in the income statement line item where the associated compensation cost is reported, while the other components of net benefit cost are required to be presented outside of operating income. The new standard is effective for fiscal years beginning after December 15, 2017 (i.e. a January 1, 2018 effective date). We adopted this standard on a retrospective basis in the first quarter of 2018. As a result, we have reclassified "Non-operating pension (benefit)/settlement charges" out of "Income from operations before interest expense, net and income taxes" and into "Income from operations before income taxes." There was no impact to "Net income" on our consolidated and combined statements of operations.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740), Intra-Entity Transfers of Assets Other Than Inventory*. Under the new guidance, an entity will recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The new standard was effective for fiscal years beginning after December 15, 2017 (i.e. a January 1, 2018 effective date), with early adoption permitted only in the first quarter of a fiscal year. We adopted this standard beginning in 2018. There was no material impact to our consolidated financial statements upon adoption.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers, Accounting Standards Codification Topic 606*. This standard requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This guidance replaced most existing revenue recognition guidance in U.S. GAAP. On January 1, 2018, we adopted ASU 2014-09 and its related amendments (collectively known as ASC 606) using the modified retrospective adoption method.

In order to adopt this standard, we performed an impact assessment by analyzing revenue transactions and arrangements that are representative of our revenue streams. Additionally, we assessed any potential impacts on our internal controls and processes related to both the implementation and ongoing compliance of the new guidance.

The standard impacted our disclosures including disclosures presenting further disaggregation of revenue. Refer to Note 4 for further information. Based on our assessment, there was no cumulative catchup effect of initially applying ASC 606 that required an adjustment to our retained earnings.

Utilizing the practical expedients and exemptions allowed under the modified retrospective method, ASC 606 was only applied to existing contracts (i.e. those for which we have remaining performance obligations) as of January 1, 2018, and new contracts entered into after January 1, 2018. ASC 606 was not applied to contracts that were completed prior to December 31, 2017. The adoption of ASC 606 had no impact on our financial position, results of operations or cash flows.

LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

Note 4 : Revenue Recognition*Disaggregation of revenue*

We disaggregate revenue from contracts with customers by geographical areas and by product categories.

The following table provides information about disaggregated revenue by major geographical region:

(in Millions)	Year Ended December 31,		
	2018	2017	2016
North America ⁽¹⁾	\$ 84.4	\$ 81.4	\$ 65.3
Latin America	2.0	2.0	2.4
Europe, Middle East & Africa	74.5	59.5	42.1
Asia Pacific ⁽¹⁾	281.6	204.5	154.3
Total Revenue	\$ 442.5	\$ 347.4	\$ 264.1

(1) In 2018 , countries with sales in excess of 10% of combined revenue consisted of Japan, the U.S. and China. Sales for the year ended December 31, 2018 for Japan, the U.S. and China totaled \$116.5 million , \$82.4 million and \$118.6 million , respectively, while sales for the year ended December 31, 2017 totaled \$92.2 million , \$78.5 million and \$69.9 million , respectively, and sales for the year ended December 31, 2016 totaled \$68.5 million , \$63.5 million and \$51.5 million , respectively.

For the years ended December 31, 2018 , 2017 and 2016 , one customer accounted for approximately 14% , 14% and 13% of total revenue, respectively and our 10 largest customers accounted in aggregate for approximately 53% , 45% and 40% of our revenue, respectively. A loss of any material customer could have a material adverse effect on our business, financial condition and results of operations.

The following table provides information about disaggregated revenue by major product category:

(in Millions)	Year Ended December 31,		
	2018	2017	2016
Lithium Hydroxide	\$ 222.7	\$ 157.5	\$ 68.2
Butyllithium	99.0	91.3	83.7
High Purity Lithium Metal and Other Specialty Compounds	62.5	58.1	49.4
Lithium Carbonate and Lithium Chloride	58.3	40.5	62.8
Total Revenue	\$ 442.5	\$ 347.4	\$ 264.1

Our lithium hydroxide and butyllithium products are developed and sold to global and regional customers in the electronic vehicle, polymer and specialty alloy metals market. Lithium hydroxide products are used in advanced batteries for hybrid electric, plug-in hybrid, and all-electric vehicles as well as other products that require portable energy storage such as smart phones, tablets, laptop computers, and military devices. Lithium hydroxide is also sold into grease applications for use in automobiles, aircraft, railcars and agricultural and other types of equipment. Butyllithium products are primarily used as polymer initiators and in the synthesis of pharmaceuticals. High purity lithium metal and other specialty compounds include lithium phosphate, pharmaceutical-grade lithium carbonate, high purity lithium chloride and specialty organics. Additionally, we sell whatever lithium carbonate and lithium chloride we do not use internally to our customers for various applications.

Sale of Goods

Revenue from product sales is recognized when (or as) we satisfy a performance obligation by transferring the promised goods to a customer, that is, when control of the good transfers to the customer. The customer is then invoiced at the agreed-upon price with payment terms generally ranging from 30 to 180 days.

In determining when the control of goods is transferred, we typically assess, among other things, the transfer of risk and title and the shipping terms of the contract. The transfer of title and risk typically occurs either upon shipment to the customer or upon receipt by the customer. As such, we typically recognize revenue when goods are shipped based on the relevant incoterm for the product order, or in some regions, when delivery to the customer's requested destination has occurred. When we perform shipping and handling activities after the transfer of control to the customer (e.g., when control transfers prior to delivery), they are considered fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized. For FOB shipping point terms, revenue is recognized at the time of shipment since the customer gains control at this point in time.

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)**

We record amounts billed for shipping and handling fees as revenue. Costs incurred for shipping and handling are recorded as distribution costs. Amounts billed for sales and use taxes, value-added taxes, and certain excise and other specific transactional taxes imposed on revenue-producing transactions are presented on a net basis and excluded from revenue in the consolidated and combined statements of operations. We record a liability until remitted to the respective taxing authority.

Variable Consideration

As a part of our customary business practice, we may offer sales incentives to our customers, such as volume discounts or rebates. Variable consideration given can differ by product. For all such contracts that include any variable consideration, we estimate the amount of variable consideration that should be included in the transaction price utilizing either the expected value method or the most likely amount method depending on the nature of the variable consideration. Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Although determining the transaction price requires significant judgment, we have significant historical experience with incentives provided to customers and estimating the expected consideration considering historical patterns of incentive payouts. These estimates are re-assessed each reporting period as required.

In addition to the variable consideration described above, in certain instances, we may require our customers to meet certain volume thresholds within their contract term. We estimate what amount of variable consideration should be included in the transaction price at contract inception and continually reassesses this estimation each reporting period to determine situations when the minimum volume thresholds will not be met. Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. In those circumstances, we apply the guidance on breakage and estimate the amount of the shortfall and recognize it over the remaining performance obligations in the contract.

Right of Return

We warrant to our customers that our products conform to mutually agreed product specifications. This offering is accounted for as a right of return and the transaction price is adjusted for an estimate of expected returns. Per our historical experience, returns due to nonconformity are very uncommon; as such our adjustment to transaction price for our estimate of expected return is not material.

Contract asset and contract liability balances

We satisfy our obligations by transferring goods and services in exchange for consideration from customers. The timing of performance sometimes differs from the timing the associated consideration is received from the customer, thus resulting in the recognition of a contract liability. We recognize a contract liability if the customer's payment of consideration is received prior to completion of our related performance obligation.

The following table presents the opening and closing balances of our receivables, net of allowances and contract liabilities from contracts with customers.

(in Millions)	Balance as of		
	December 31, 2018	December 31, 2017	Increase (Decrease)
Receivables from contracts with customers, net of allowances	\$ 141.4	\$ 122.7	\$ 18.7
Contract liabilities: Advance payments from customers	—	1.8	(1.8)

The amount of revenue recognized in the current period that was included in the opening contract liability balance was \$1.8 million .

The balance of receivables from contracts with customers listed in the table above represents the current trade receivables, net of allowance for doubtful accounts. The allowance for receivables represents our best estimate of the probable losses associated with potential customer defaults. We determine the allowance based on historical experience, current collection trends, and external business factors such as economic factors, including regional bankruptcy rates, and political factors.

Performance obligations

At contract inception, we assess the goods and services promised in our contracts with customers and identify a performance obligation for each promise to transfer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, we consider all the goods or services promised in the contract, whether explicitly stated or implied based on customary business practices. Based on our evaluation, we have determined that our current contracts do not contain more than one single performance obligation. Revenue is recognized when (or as) the performance obligation is satisfied, which is when the customer obtains control of the good or service.

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)**

Periodically, we may enter into contracts with customers which require them to submit a forecast of non-binding purchase obligations to us. These forecasts are typically provided by the customer to us in good faith, and there are no penalties or obligations if the forecasts are not met. Accordingly, we have determined that these are optional purchases and do not represent material rights and are not considered as unsatisfied (or partially satisfied) performance obligations for the purposes of this disclosure.

Occasionally, we may enter into multi-year take or pay supply agreements with customers. The aggregate amount of revenue expected to be recognized related to these contracts' performance obligations that are unsatisfied or partially satisfied is approximately \$66 million in 2019 and \$49 million in 2020. These approximate revenues do not include amounts of variable consideration attributable to contract renewals or contract contingencies. Based on our past experience with the customers under these arrangements, we expect to continue recognizing revenue in accordance with the contracts as we transfer control of the product to the customer (refer to the sales of goods section for our determination of transfer of control). However, in the case a shortfall of volume purchases occurs, we will recognize the amount payable by the customer over the remaining performance obligations in the contract.

Practical Expedients and Exemptions

We have elected the following practical expedients following the adoption of ASC 606:

- a. Costs of obtaining a contract: We incur certain costs such as sales commissions which are incremental to obtaining the contract. We have taken the practical expedient of expensing such costs to obtain a contract, as and when they are incurred, when the expected amortization period is one year or less.
- b. Significant financing component: We elected not to adjust the promised amount of consideration for the effects of a significant financing component if we expect, at contract inception, that the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less.
- c. Remaining performance obligations: We elected not to disclose the aggregate amount of the transaction price allocated to remaining performance obligations for our contracts that are one year or less, as the revenue is expected to be recognized within one year. Additionally, we have elected not to disclose information about variable considerations for remaining, wholly unsatisfied performance obligations for which the criteria in paragraph 606-10-32-40 have been met.
- d. Shipping and handling costs: We elected to account for shipping and handling activities that occur after the customer has obtained control of a good as fulfillment activities (i.e., an expense) rather than as a promised service.
- e. Measurement of transaction price: We have elected to exclude from the measurement of transaction price all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by us from a customer.

Note 5 : Inventories, Net

Inventories consisted of the following:

(in Millions)	December 31,	
	2018	2017
Finished goods	\$ 22.2	\$ 4.0
Semi-finished goods	36.6	34.3
Raw materials, supplies, and other	14.5	12.2
FIFO inventory	\$ 73.3	\$ 50.5
Less: Excess of FIFO cost over LIFO cost	(1.5)	(0.9)
Inventories, net	\$ 71.8	\$ 49.6

Approximately 21% and 24% of our inventories in 2018 and 2017 , respectively were recorded on the LIFO basis.

LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

Note 6 : Property, Plant and Equipment, Net

Property, plant and equipment consisted of the following:

(in Millions)	December 31,	
	2018	2017
Land and land improvements	\$ 78.8	\$ 65.0
Buildings	53.7	62.9
Machinery and equipment	250.7	225.7
Construction in progress	85.6	53.6
Total cost	\$ 468.8	\$ 407.2
Accumulated depreciation	(193.1)	(186.5)
Property, plant and equipment, net	\$ 275.7	\$ 220.7

Depreciation expense was \$15 million, \$14.9 million, and \$14.2 million in 2018, 2017 and 2016, respectively.

Note 7 : Restructuring and Other Charges

The following table shows total restructuring and other charges included in the respective line items of the consolidated and combined statements of income:

(in Millions)	Year Ended December 31,		
	2018	2017	2016
Restructuring charges and asset disposals	\$ 2.4	\$ 8.3	\$ —
Other charges, net	0.2	0.4	1.0
Total restructuring and other charges	\$ 2.6	\$ 8.7	\$ 1.0

Restructuring charges and asset disposals

(in Millions)	Year Ended December 31,					
	Bessemer City	Miscellaneous Items	Total	Bessemer City	Miscellaneous Items	Total
Asset disposal charges ⁽¹⁾	\$ 0.5	\$ —	\$ 0.5	\$ 4.0	\$ —	\$ 4.0
Miscellaneous charges ⁽²⁾	1.9	—	1.9	3.7	0.5	4.2
Severance and employee benefits ⁽³⁾	—	—	—	0.1	—	0.1
Total restructuring charges ⁽⁴⁾	\$ 2.4	\$ —	\$ 2.4	\$ 7.8	\$ 0.5	\$ 8.3

(1) Primarily represents fixed asset write-offs which were or are to be abandoned.

(2) Primarily represents costs associated with demolition and other miscellaneous exit costs.

(3) Represents severance and employee benefits charges.

(4) There were no restructuring charges and asset disposals for the year ended December 31, 2016.

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LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

Roll forward of restructuring reserves

The following table shows a roll forward of restructuring reserves that will result in cash spending. These amounts exclude asset retirement obligations.

(in Millions)	Restructuring Reserve Total ⁽¹⁾
Balance December 31, 2016	\$ 0.3
Change in reserves ⁽²⁾	3.8
Cash payments	(0.9)
Other	(0.3)
Balance December 31, 2017	\$ 2.9
Change in reserves ⁽²⁾	1.9
Cash payments	(1.2)
Balance December 31, 2018	\$ 3.6

(1) Included in "Accrued and other current liabilities" on the consolidated and combined balance sheets.

(2) Primarily related to facility shutdowns and other miscellaneous exit costs.

Other charges, net

(in Millions)	Year Ended December 31,		
	2018	2017	2016
Argentina devaluation	\$ —	\$ —	\$ 0.6
Environmental charges, net	0.2	0.4	0.2
Other items, net	—	—	0.2
Other charges, net	\$ 0.2	\$ 0.4	\$ 1.0

Argentina Devaluation

On December 17, 2015, the Argentina government initiated actions to significantly devalue its currency. These actions continued into a portion of first quarter of 2016. These actions created an immediate loss associated with the impacts of the remeasurement of our local balance sheet. Due to the severity of the event and its immediate impact to our operations in the country, the charge associated with the remeasurement was included within restructuring and other charges in our combined statements of operations during the period. We believe these actions have ended and do not expect further charges for remeasurement to be included within restructuring and other charges.

Environmental charges, net

Environmental charges represent charges associated with environmental remediation with respect to certain discontinued products. There is one environmental remediation site in Bessemer City, North Carolina.

Note 8 : Environmental Obligations

We are subject to various federal, state, local and foreign environmental laws and regulations that govern emissions of air pollutants, discharges of water pollutants, and the manufacture, storage, handling and disposal of hazardous substances, hazardous wastes and other toxic materials and remediation of contaminated sites. We are also subject to liabilities arising under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and similar state laws that impose responsibility on persons who arranged for the disposal of hazardous substances, and on current and previous owners and operators of a facility for the clean-up of hazardous substances released from the facility into the environment. We are also subject to liabilities under the Resource Conservation and Recovery Act ("RCRA") and analogous state laws that require owners and operators of facilities that have treated, stored or disposed of hazardous waste pursuant to a RCRA permit to follow certain waste management practices and to clean up releases of hazardous substances into the environment associated with past or present practices. In addition, when deemed appropriate, we enter certain sites with potential liability into voluntary remediation compliance programs, which are also subject to guidelines that require owners and operators, current and previous, to clean up releases of hazardous substances into the environment associated with past or present practices.

Environmental liabilities consist of obligations relating to waste handling and the remediation and/or study of sites at which we are alleged to have released or disposed of hazardous substances. As of the periods presented, the Bessemer City site located in North Carolina is the only site for which we have a reserve. We have provided reserves for potential environmental obligations that we consider probable and for which a reasonable estimate of the obligation can be made. Accordingly, total reserves of \$6.4 million existed at each of the years ended December 31, 2018 and 2017.

The estimated reasonably possible environmental loss contingencies, net of expected recoveries, exceed amount accrued by approximately \$3 million at December 31, 2018. This reasonably possible estimate is based upon information available as of the date of the filing and the actual future losses may be higher given the uncertainties regarding the status of laws, regulations, enforcement policies, the impact of potentially responsible parties, technology and information related to the site.

Although potential environmental remediation expenditures in excess of the reserves and estimated loss contingencies could be significant, the impact on our future combined financial results is not subject to reasonable estimation due to numerous uncertainties concerning the nature and scope of possible contamination, identification of remediation alternatives under constantly changing requirements, selection of new and diverse clean-up technologies to meet compliance standards, and the timing of potential expenditures. The liabilities arising from potential environmental obligations that have not been reserved for at this time may be material to any one quarter's or year's results of operations in the future. However, we believe any liability arising from such potential environmental obligations is not likely to have a material adverse effect on our liquidity or financial condition as it may be satisfied over many years.

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The table below is a roll forward of our total environmental reserves from December 31, 2016 to December 31, 2018.

(in Millions)	Environmental Reserves Total
Balance December 31, 2016	\$ 6.3
Change in reserves	0.4
Cash payments	(0.3)
Balance December 31, 2017	\$ 6.4
Change in reserves	0.2
Cash payments	(0.2)
Balance December 31, 2018	\$ 6.4

The table below provides detail of current and long-term environmental reserves.

(in Millions)	December 31,	
	2018	2017
Environmental reserves, current ⁽¹⁾	\$ 0.5	\$ 0.5
Environmental reserves, long-term ⁽²⁾	5.9	5.9
Total environmental reserves	\$ 6.4	\$ 6.4

(1) These amounts are included within "Accrued and other liabilities" on the consolidated and combined balance sheets.

(2) These amounts are included in "Environmental liabilities" on the consolidated and combined balance sheets.

Note 9 : Income Taxes

Tax Cuts and Jobs Act of 2017

On December 22, 2017, the Tax Cuts and Jobs Act ("Tax Act") was enacted in the United States. The Tax Act significantly revised the U.S. corporate income tax structure resulting in changes to the Company's expected U.S. corporate taxes expense for 2017 and in future periods. Effective January 1, 2018, the Tax Act, among other things, reduced the U.S. federal corporate tax rate from 35 percent to 21 percent, created new provisions related to foreign sourced earnings, and eliminated the deduction for domestic production activities. The Tax Act also imposed a one-time transition tax ("transition tax") on the cumulative earnings and profits of foreign subsidiaries that were previously not repatriated and therefore not taxed for U.S. income tax purposes.

For the year ended December 31, 2017 we recognized provisional expense of \$11.1 million for the remeasurement of the Company's U.S. net deferred tax liabilities and transition tax. In accordance with Staff Accounting Bulletin 118 ("SAB 118"), income tax effects of the Tax Act were refined upon obtaining, preparing, or analyzing additional information during the measurement period. During the twelve months ended December 31, 2018, we recorded an adjustment to our provisional expense in the amount \$0.6 million regarding the transition tax and other effects of the Tax Act. At December 31, 2018, the Company had completed its accounting for the impacts of the Tax Act.

For tax years beginning after December 31, 2017, the Tax Act introduced new provisions for U.S. taxation of certain global intangible low-taxed income ("GILTI") and tax deductions for certain foreign-derived intangible income ("FDII"). For the year ended December 31, 2018, we recorded a tax benefit related to the FDII provisions of the Tax Act and an immaterial tax expense related to the GILTI provisions of the Tax Act. In addition, we made the accounting policy election to account for GILTI as it is incurred.

The impacts of the Tax Act are presented herein as part of our results from operations.

Domestic and foreign components of income from operations before income taxes are shown below:

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LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

(in Millions)	Year Ended December 31,		
	2018	2017	2016
Domestic	\$ 38.6	\$ 30.8	\$ 10.6
Foreign	114.5	39.3	43.9
Total	\$ 153.1	\$ 70.1	\$ 54.5

The provision for income taxes attributable to income from operations consisted of:

(in Millions)	Year Ended December 31,		
	2018	2017	2016
Current:			
Federal ⁽¹⁾	\$ 11.7	\$ 23.1	\$ 4.5
Foreign	18.4	4.6	2.3
State	—	0.9	0.2
Total current	\$ 30.1	\$ 28.6	\$ 7.0
Deferred:			
Federal ⁽²⁾	\$ (0.1)	\$ (2.3)	\$ 0.1
Foreign	(2.9)	1.7	0.3
State	(0.1)	(0.1)	—
Total deferred	(3.1)	(0.7)	0.4
Total	\$ 27.0	\$ 27.9	\$ 7.4

(1) The years ended December 31, 2018 and December 31, 2017 include the one-time impacts of the Tax Act, primarily related to transition tax, further discussed above within this Note.

(2) The year ended December 31, 2017 include the one-time impacts of the Tax Act, primarily related to the measurement of the Company's U.S. domestic net deferred tax liabilities, further discussed above within this Note.

The effective income tax rate applicable to income from operations before income taxes was different from the statutory U.S. federal income tax rate due to the factors listed in the following table:

(in Millions)	Year Ended December 31,		
	2018	2017	2016
U.S. Federal statutory rate	\$ 32.2	\$ 24.5	\$ 19.1
Impacts of Tax Cuts and Jobs Act Enactment ⁽¹⁾	0.6	11.1	—
Foreign earnings subject to different tax rates	(3.8)	(2.6)	(2.8)
Foreign derived intangible income ⁽²⁾	(1.7)	—	—
State and local income taxes, less federal income tax benefit	(0.1)	0.5	0.2
Manufacturer's production deduction and miscellaneous tax credits	—	(1.2)	(0.4)
Tax on intercompany dividends and deemed dividends for tax purposes	4.1	—	—
Changes to unrecognized tax benefits	0.4	0.6	0.6
Other permanent items	(2.2)	(2.3)	(1.4)
Change in valuation allowance	2.2	(3.0)	(7.2)
Exchange gains and losses ⁽³⁾	(4.0)	1.4	(2.3)
Other	(0.7)	(1.1)	1.6
Total Tax Provision	\$ 27.0	\$ 27.9	\$ 7.4

(1) Includes the one-time impacts of the Tax Act, primarily related to transition tax and the decrease to the U.S. tax rate, further discussed above within this Note.

(2) The year ended December 31, 2018 includes tax benefit associated with the impact related to FDII, further discussed above within this Note.

LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

- (3) Includes the impact of transaction gains or losses on net monetary assets for which no corresponding tax expense or benefit is realized and the tax provision for statutory taxable gains or losses in foreign jurisdictions for which there is no corresponding amount in income before taxes.

Significant components of our deferred tax assets and liabilities were attributable to:

(in Millions)	December 31,	
	2018	2017
Environmental and restructuring	\$ 2.3	\$ 2.2
Pension and other postretirement benefits	0.9	2.0
Net operating loss carry-forwards	2.6	0.3
Other assets and reserves	6.6	3.0
Deferred tax assets	\$ 12.4	\$ 7.5
Valuation allowance, net	(2.1)	—
Deferred tax assets, net of valuation allowance	\$ 10.3	\$ 7.5
Property, plant and equipment, net	(9.8)	(13.3)
Deferred tax liabilities	(9.8)	(13.3)
Net deferred tax assets/(liabilities)	\$ 0.5	\$ (5.8)

We evaluate our deferred income taxes quarterly to determine if valuation allowances are required or should be adjusted. U.S. GAAP requires companies to assess whether valuation allowances should be established against deferred tax assets based on all available evidence, both positive and negative, using a “more likely than not” standard. In assessing the need for a valuation allowance, appropriate consideration is given to all positive and negative evidence related to the realization of deferred tax assets. This assessment considers, among other matters, the nature and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carry-forward periods, and tax planning alternatives.

At December 31, 2018, we had total foreign net operating loss carry-forwards of \$2.6 million (tax effected) related to the Netherlands, Switzerland and U.K. expiring over various tax years. The tax losses incurred in Switzerland and the Netherlands are attributable to restructuring that occurred in 2018 in connection with the IPO. The activities in these jurisdictions are non-operational in nature and provide for limited forecasts of future taxable income. As a result, we have recorded a valuation allowance through income tax expense for the year end December 31, 2018.

Taxable income and/or loss generated by us has been included in consolidated income tax returns of FMC when filing in jurisdictions where such filings are required, with all income tax payments made by the Parent to the taxing authorities. U.S. federal, state, and foreign income tax balances calculated in the current year tax expense as part of FMC’s consolidated tax returns in the amount of \$16.9 million are presented within “Accrued and other liabilities” as a liability to FMC pursuant to the TMA. In taxing jurisdictions where we file as a standalone entity, we have recorded the current year income tax liability/benefit to income tax payable/receivable.

Income taxes are not provided for any additional outside basis differences inherent in our investments in subsidiaries because the investments and related unremitted earnings are essentially permanent in duration or we have concluded that no additional tax liability will arise upon disposal. Determining the amount of unrecognized deferred tax liability related to any remaining undistributed foreign earnings is not practicable due to the complexity of the hypothetical calculation.

Uncertain Income Tax Positions

U.S. GAAP accounting guidance for uncertainty in income taxes prescribes a model for the recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, disclosure and transition.

We file tax returns in various jurisdictions. Pursuant to the TMA with FMC we have recorded amounts in uncertain tax positions at December 31, 2018 for tax positions that relate to our legacy business before IPO. In jurisdictions where we filed consolidated returns with FMC, and do not maintain the entity at IPO, our uncertain tax positions have been reduced as of December 31, 2018. We have recorded a \$3.0 million indemnification asset from FMC regarding uncertain tax positions that are related to our legacy business before IPO and for which we are indemnified by FMC. As of December 31, 2018, the U. S. federal and state income tax returns are open for examination and adjustment for the 2018 tax year. Our significant foreign jurisdictions, which total 3 , are open for examination and adjustment during varying periods from 2013 - 2018.

LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

As of December 31, 2018, we had total unrecognized tax benefits of \$2.6 million, of which \$0.1 million would unfavorably impact the effective tax rate from operations if recognized. As of December 31, 2017, we had total unrecognized tax benefits of \$7.5 million, of which \$2.3 million would favorably impact the effective tax rate if recognized. Interest and penalties related to unrecognized tax benefits are reported as a component of income tax expense. For the years ended December 31, 2018, 2017 and 2016, we recognized interest and penalties of \$0.3 million, \$0.3 million, and \$0.1 million, respectively, in the consolidated and combined statements of income. As of December 31, 2018 and 2017, we have accrued interest and penalties in the consolidated and combined balance sheets of \$0.3 million and \$0.4 million, respectively.

Due to the potential for resolution of federal, state, or foreign examinations, and the expiration of various jurisdictional statutes of limitation, it is reasonably possible that our liability for unrecognized tax benefits will decrease within the next 12 months by a range of zero to \$1.0 million.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

(in Millions)	2018	2017	2016
Balance at beginning of year	\$ 7.5	\$ 7.3	\$ 6.5
Increases related to positions taken in the current year	0.6	1.3	2.0
Decreases related to positions taken in prior years	(0.7)	—	—
Decreases related to lapse of statutes of limitations	(1.1)	(1.3)	(1.2)
Increase in unrecognized tax benefits due to foreign currency translation	(0.4)	0.2	—
Decreases for tax positions resulting from the IPO	(3.3)	—	—
Balance at end of year ⁽¹⁾	\$ 2.6	\$ 7.5	\$ 7.3

(1) At December 31, 2018, 2017, and 2016 we recognized an offsetting non-current deferred asset of \$3.2 million, \$5.1 million, and \$5.3 million respectively, relating to specific uncertain tax positions presented above. We have recorded a \$3.1 million indemnification liability at December 31, 2018 to FMC for assets where the offsetting uncertain tax position is with FMC.

Note 10 : Debt

Long-term debt:

Long-term debt consists of the following:

(in Millions)	December 31, 2018			
	Interest Rate Percentage		Maturity Date	Balance
	LIBOR borrowings	Base rate borrowings		
Revolving Credit Facility ⁽¹⁾	4.3%	6.5%	2023	\$ 34.0
Total long-term debt ⁽²⁾				\$ 34.0

(1) As of December 31, 2018, there were \$10.3 million in letters of credit outstanding under our Revolving Credit Facility and available funds under this facility were \$355.7 million at December 31, 2018.

(2) As of December 31, 2018, the Company had no debt maturing within one year. We had no debt outstanding as of December 31, 2017.

Revolving Credit Facility

On September 28, 2018, we entered into a credit agreement among us, our subsidiary, FMC Lithium USA Corp., as borrowers (the “Borrowers”), certain of our wholly owned subsidiaries as guarantors, the lenders party thereto (the “Lenders”), Citibank, N.A., as administrative agent, and certain other financial institutions party thereto, as joint lead arrangers (the “Credit Agreement”). The Credit Agreement provides for a \$400 million senior secured revolving credit facility, \$50 million of which is available for the issuance of letters of credit for the account of the Borrowers, with an option, subject to certain conditions and limitations, to increase the aggregate amount of the revolving credit commitments to \$600 million (the “Revolving Credit Facility”). The issuance of letters of credit and the proceeds of revolving credit loans made pursuant to the Revolving Credit Facility are available, and will be used, for general corporate purposes, including capital expenditures and permitted acquisitions, of the Borrowers and their subsidiaries. Amounts under the Revolving Credit Facility may be borrowed, repaid and re-borrowed from time to time until the final maturity date of the Revolving Credit Facility, which will be the fifth anniversary of the Revolving Credit Facility’s effective

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)**

date. Voluntary prepayments and commitment reductions under the Revolving Credit Facility are permitted at any time without any prepayment premium upon proper notice and subject to minimum dollar amounts.

Revolving loans under the Credit Agreement will bear interest at a floating rate, which will be a base rate or a Eurodollar rate equal to the London interbank offered rate for the relevant interest period, plus, in each case, an applicable margin based on our leverage ratio, as determined in accordance with the provisions of the Credit Agreement. The base rate will be the greatest of: the rate of interest announced publicly by Citibank, N.A. in New York City from time to time as its “base rate”; the federal funds effective rate plus 0.5%; and a Eurodollar rate for a one-month interest period plus 1%. Each Borrower on a joint and several basis is required to pay a commitment fee quarterly in arrears on the average daily unused amount of each Lender’s revolving credit commitment at a rate equal to an applicable percentage based on the leverage ratio, as determined in accordance with the provisions of the Credit Agreement. The applicable margin and the commitment fee are subject to adjustment as provided in the Credit Agreement.

The Borrowers’ domestic material subsidiaries (the “Guarantors”) will guarantee the obligations of the Borrowers under the Revolving Credit Facility. The obligations of the Borrowers and the Guarantors are secured by all of the present and future assets of the Borrowers and the Guarantors, including the Borrowers’ facility and real estate in Bessemer City, North Carolina, subject to certain exceptions and exclusions as set forth in the Credit Agreement and other security and collateral documents.

The Credit Agreement contains certain affirmative and negative covenants that are binding on the Borrowers and their subsidiaries, including, among others, restrictions (subject to exceptions and qualifications) on the ability of the Borrowers and their subsidiaries to create liens, to undertake fundamental changes, to incur debt, to sell or dispose of assets, to make investments, to make restricted payments such as dividends, distributions or equity repurchases, to change the nature of their businesses, to enter into transactions with affiliates and to enter into certain burdensome agreements.

Fees incurred to secure the Revolving Credit Facility have been deferred and will be amortized over the term of the arrangement.

Maturities of long-term debt

Maturities of long-term debt outstanding under the Revolving Credit Facility, at December 31, 2018, are \$34 million in 2023.

Covenants

Among other restrictions, our Revolving Credit Facility contains financial covenants applicable to Livent and its consolidated subsidiaries related to leverage (measured as the ratio of debt to adjusted earnings) and interest coverage (measured as the ratio of adjusted earnings to interest expense). We were in compliance with all covenants at December 31, 2018.

Note 11 : Pension and Other Postretirement Benefits

Certain of our employees, who continued to be employees of FMC until consummation of the Separation described in Note 1, participated in certain funded defined benefit pension and other domestic postretirement plans sponsored by FMC (the “Benefit Plans”), which include participants from FMC’s other business. For the year ended December 31, 2016, FMC had a U.S. qualified plan and nonqualified plan (the “U.S. Plans”) and a United Kingdom (the “U.K. Plan”), Ireland, Belgium, and Norway defined benefit pension plan. The Ireland, Belgium and Norway defined benefit plans were related to the other FMC segments and did not support the Lithium Business. FMC has certain defined benefit pension plans that are specifically designated only for Lithium employees that are included within the consolidated and combined balance sheets. The majority of qualifying employees participate in the FMC-sponsored pension plans that are accounted for by the Lithium Business as multiple employer plans that are not included within the consolidated and combined balance sheets.

For the years ended December 31, 2018, 2017 and 2016, we recorded net annual periodic pension costs of \$0.5 million, \$32.5 million and \$4.9 million, respectively. These include pension costs allocated through the Parent’s shared service cost allocation of \$0.9 million for the year ended December 31, 2018 and \$1.2 million for each of the years ended December 31, 2017 and 2016.

U.S. Plans

We did not record an asset or liability in the combined balance sheets to recognize the funded status of the U.S. Plan. Instead, we recorded net pension cost for the U.S. Plan. This net expense represents an approximation of our portion of the Parent’s net annual periodic pension cost of the U.S. Plan. The Lithium Business’ portion of the Parent’s net annual periodic pension cost was allocated based on Lithium employees’ relative participation in the plan.

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)**

In addition to the pension and other postretirement benefits, our employees took part in the FMC Corporation Savings and Investment Plan (the “FMC Contribution Plan”). The Contribution Plan is a defined contribution plan, which covers substantially all of FMC’s U.S. employees (which includes our employees). For eligible Lithium employees participating in the plan, except for those covered by certain collective bargaining agreements, FMC makes matching contributions of 80% of the portion of those contributions up to five percent of the employee’s compensation. Additionally, effective July 1, 2007, all newly hired and rehired salaried and nonunion employees receive an annual employer contribution of five percent of the employee’s eligible compensation, since these employees are no longer eligible to participate in FMC’s Benefit Plans. We recorded net expense of \$0.5 million for December 31, 2018 and less than \$0.1 million for each the years ended December 31, 2017 , and 2016 for our employees’ participation in the FMC Contribution Plan.

U.K. Plan

In connection with the Separation, the U.K. Plan, which was a legal obligation of the Lithium United Kingdom legal entity, has been included in the Lithium Business combined financial statements up through the period of plan termination as described below. In 2016, FMC made a \$20.7 million payment into our U.K. Plan in order to annuitize the remaining pension obligation. This action removed all future funding requirements for the U.K. Plan. The assets of \$45.2 million supporting the remaining pension obligation were moved into an annuity at December 31, 2016 which qualified as a Level 3 investment in the fair value hierarchy table below. In October 2017, FMC completed the buy-out of the annuity, completing the plan termination and relieving FMC of the pension liability for the U.K. Plan. The termination resulted in a settlement charge of \$32.5 million .

The funded status of our U.K. Plan and net periodic benefit cost recognized in our consolidated and combined financial statements as of December 31, are shown in the tables below.

We are required to recognize in our consolidated and combined balance sheets the overfunded and underfunded status of our defined benefit postretirement plans. The overfunded or underfunded status is defined as the difference between the fair value of plan assets and the projected benefit obligation. We are also required to recognize as a component of other comprehensive income the actuarial gains and losses and the prior service costs and credits that arise during the period.

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LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

There was no defined benefit postretirement activity or balances for 2018. The following table summarizes the components of our defined benefit postretirement plans and reflect a measurement date of December 31, 2017:

(in Millions)	Pensions December 31,	
	2017	
Change in projected benefit obligation		
Projected benefit obligation at January 1	\$	46.0
Interest cost		0.5
Actuarial gain		(1.5)
Foreign currency exchange rate changes		3.3
Settlement		(47.4)
Benefits paid		(0.9)
Projected benefit obligation at December 31	\$	—
Change in plan assets		
Fair value of plan assets at January 1	\$	45.2
Actual return on plan assets		(0.4)
Foreign currency exchange rate changes		3.3
Company contributions		1.1
Actual expenses		(0.9)
Settlement		(47.4)
Benefits paid		(0.9)
Fair value of plan assets at December 31	\$	—
Funded Status		
U.K. plan		—
Net funded status of the plan	\$	—
Amount recognized in the consolidated and combined balance sheets:		
Accrued benefit liability		—
Total	\$	—

Other changes in plan assets and benefit obligations recognized in other comprehensive income are as follows:

(in Millions)	Pensions Year Ended December 31,	
	2017	
Current year net actuarial gain		
Current year net actuarial gain	\$	(0.7)
Amortization of net actuarial loss		(0.8)
Settlement charge		(32.5)
Foreign currency exchange rate changes on the above line items		2.3
Total recognized in other comprehensive income, before taxes	\$	(31.7)
Total recognized in other comprehensive income, after taxes	\$	(26.3)

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)**

The following table summarizes the weighted-average assumptions used for and the components of net annual benefit cost (income):

(in Millions, except for percentages)	Year Ended December 31,	
	Pensions	
	2017	2016
Discount rate	1.35%	1.20%
Expected return on plan assets	1.20%	6.30%
Rate of compensation increase	N/A	N/A
Components of net annual benefit cost:		
Interest cost	\$ 0.5	\$ 1.0
Expected return on plan assets	0.5	(1.4)
Amortization of net actuarial and other loss	0.8	0.3
Recognized loss due to settlement	32.5	—
Net annual benefit cost	\$ 34.3	\$ (0.1)

For the year ended December 31, 2017 , we recorded a settlement charge of \$32.5 million related to the termination of the U.K. pension plan.

We made contributions to our pension plan of \$1.1 million for the year ended December 31, 2017 .

Note 12 : Stock-based Compensation

Stock Compensation Plans

Livent Corporation Incentive Compensation and Stock Plan

Effective October 11, 2018, Livent registered 4,290,000 shares of Livent common stock which were authorized for issuance pursuant to awards under the Livent Corporation Incentive Compensation and Stock Plan (the "Livent Plan"). The Livent Plan provides for the grant of a variety of cash and equity awards to officers, directors, employees and consultants, including stock options, restricted stock, restricted stock units (including performance units), stock appreciation rights, and management incentive awards. The Compensation and Organization Committee of the Livent Board of Directors (the "Livent Committee") has the authority to amend the Livent Plan at any time, approve financial targets, award grants, establish performance objectives and conditions and the times and conditions for payment of awards.

The Livent Corporation Non-Employee Directors' Compensation Policy, administered by the Nominating and Corporate Governance Committee of the Board of Directors, sets forth the compensation that may be paid to the directors, including stock options, restricted stock units and cash retainers and fees.

Stock options granted under the Livent Plan may be incentive or nonqualified stock options. The exercise price for stock options may not be less than the fair market value of the stock at the date of grant. Awards granted under the Livent Plan vest or become exercisable or payable at the time designated by the Livent Committee. The options granted in 2018 will vest in two equal installments on the third and fourth anniversaries of the date of grant, subject generally to continued employment. Incentive and nonqualified options granted under the Livent Plan expire not later than 10 years from the grant date.

Under the Livent Plan, awards of restricted stock units ("RSUs") vest over periods designated by the Livent Committee. The 2018 RSU grants to employees vest on the same schedule as the stock options granted in 2018. The 2018 RSUs granted to non-employee directors vest at the Company's next annual meeting of stockholders following the grant date. Compensation cost is recognized over the vesting periods based on the market value of Livent common stock on the grant date of the award.

IPO Awards - The stock options and RSUs described above were granted primarily in connection with the IPO. The grant date fair value of the IPO Awards granted to employees and executives was approximately \$7.2 million , of which \$3.6 million was for RSUs and \$3.6 million was for stock options. The grant date fair value of the IPO Awards granted to non-employee directors was \$0.2 million , all of which was for RSUs. The actual number of shares of Livent common stock underlying the IPO Awards was determined by dividing the target equity value of the award by the then-current value of Livent common stock.

LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

Stock Compensation

We recognized the following stock compensation expense for awards under the Livent Plan:

(in Millions)	Year Ended December 31,
	2018
Stock Option Expense, net of taxes of less than \$0.1	\$ 0.2
Restricted Stock Expense, net of taxes of \$0.1	0.2
Total Stock Compensation Expense, net of taxes of \$0.1 ⁽¹⁾	\$ 0.4

(1) This expense is classified as "Selling, general and administrative expenses" in our consolidated and combined statements of operations. After the Separation, an additional \$0.4 million of stock compensation expense, not included in the table above, was recorded net of taxes of \$0.1 million in the fourth quarter of 2018 related to awards held by Livent employees that were issued under the FMC Corporation Incentive Compensation and Stock Plan as discussed below.

Stock Options

The grant date fair values of the stock options granted in the year ended December 31, 2018, were estimated using the Black-Scholes option valuation model, the key assumptions for which are listed in the table below. The expected volatility assumption is based on the historical volatility of a group of twelve of our publicly traded peers that operate in the specialty chemical sector and five companies that have recently been spun off from larger publicly traded companies. The expected life represents the period of time that options granted are expected to be outstanding. The risk-free interest rate is based on U.S. Treasury securities with terms equal to the expected timing of stock option exercises as of the grant date. The dividend yield assumption reflects anticipated dividends on Livent's common stock. Livent stock options granted in 2018 have graded vesting of 50% in three years and 50% in four year following the grant date and expire ten years from the date of grant.

Black Scholes valuation assumptions for Livent Plan stock option grants:

	2018
Expected dividend yield	—%
Expected volatility	21.71%
Expected life (in years)	6.76
Risk-free interest rate	3.11%

The weighted-average grant date fair value of options granted during the year ended December 31, 2018 was \$5.23 per share.

The following summary shows stock option activity for the Livent Plan, which consisted of the IPO Awards, for the year ended December 31, 2018 :

	Number of Options Granted But Not Exercised	Weighted-Average Remaining Contractual Life (in Years)	Weighted-Average Exercise Price Per Share	Aggregate Intrinsic Value (in Millions)
Outstanding December 31, 2017	—		\$ —	\$ —
Granted	716,256		16.99	—
Outstanding December 31, 2018	716,256	9.8 years	16.99	—
Exercisable at December 31, 2018	—		—	—

As of December 31, 2018, we had total remaining unrecognized compensation cost related to unvested stock options of \$3.5 million which will be amortized over the weighted-average remaining requisite service period of approximately 3.8 years.

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)****Restricted Stock Unit Awards**

The grant date fair value of RSUs under the Livent Plan is based on the market price per share of Livent's common stock on the date of grant, and the related compensation cost is amortized to expense on a straight-line basis over the vesting period during which the employees perform related services, which for the 2018 RSU grants is graded vesting of 50% in three years and 50% in four years following the grant date.

The following table shows RSU activity of the Livent Plan, which consisted of the IPO Awards, for the year ended December 31, 2018 :

	Restricted Stock Units	
	Number of awards	Weighted-Average Grant Date Fair Value
Nonvested at December 31, 2017	—	\$ —
Granted	237,669	16.94
Converted FMC awards ⁽¹⁾	12,117	17.00
Nonvested at December 31, 2018	249,786	16.94

(1) 2,443 shares of RSUs held by Livent employees under the FMC Plan converted to 12,117 shares of RSUs under the Livent Plan on October 10, 2018 based on the conversion rate of 4.96 Livent Plan shares for each FMC Plan share.

As of December 31, 2018 , the Livent Plan had total remaining unrecognized compensation cost related to unvested RSUs of \$3.9 million which will be amortized over the weighted-average remaining requisite service period of approximately 3.1 years

FMC Corporation Incentive Compensation and Stock Plan ("FMC Plan")

FMC has a share-based compensation plan, in which Lithium Business employees were eligible to participate prior to the IPO. Prior to the IPO, the Lithium Business was allocated an apportioned amount of stock-based compensation expenses related to these awards based on the awards and terms previously granted to its employees as well as an allocation of the Parent's corporate employee expenses. The consolidated and combined financial statements include share-based compensation expense associated with our employees and FMC's costs that have been allocated to us based on awards and terms previously granted. The grant-date fair value of these awards is expensed over the vesting period during which employees perform related services. For the years ended December 31, 2018 , 2017 and 2016 , share-based compensation expense associated with the FMC Plan of \$2.7 million , \$2.6 million and \$1.3 million , was included in the consolidated and combined financial statement, respectively.

Treatment of Outstanding Equity Awards pursuant to the FMC Plan - Effective March 1, 2019 (the "Distribution Date") each outstanding FMC equity award pursuant to the FMC Plan held by a Lithium Business employee will be converted into a Livent equity award ("Converted Award") pursuant to the Livent Plan. The number of Livent shares subject to each Converted Award (and in the case of stock options, the exercise price of the award) will be adjusted to preserve the aggregate intrinsic value of the original FMC Plan award as measured before and after the conversion, subject to rounding. Each such Converted Award will remain subject to the same terms and conditions (including vesting and payment schedules) as were applicable immediately prior to the above described conversion, except that the Converted Awards held by Lithium Business employees will not be subject to any performance-based vesting conditions. Additionally, each outstanding award of FMC RSUs held by FMC employees and issued prior to 2019 will be converted into adjusted FMC RSUs and Livent RSUs.

Note 13 : Equity

The following is a summary of our capital stock activity for the year ended December 31, 2018 :

	Common Stock Shares
December 31, 2017	—
Issued to Parent - transfer of Lithium Business assets	123,000,000
Initial public offering	20,000,000
Over-allotment Option Exercise	3,000,000
December 31, 2018	146,000,000

LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

Accumulated other comprehensive loss

Summarized below is the roll forward of accumulated other comprehensive loss, net of tax.

(in Millions)	Foreign currency adjustments	Derivative Instruments ⁽¹⁾	Pension and other postretirement benefits ⁽²⁾	Total
Accumulated other comprehensive loss, net of tax at December 31, 2015	\$ (41.2)	\$ —	\$ (10.3)	\$ (51.5)
2016 Activity				
Other comprehensive loss before reclassifications	(9.1)	—	(16.2)	(25.3)
Amounts reclassified from accumulated other comprehensive loss	—	—	0.2	0.2
Accumulated other comprehensive loss, net of tax at December 31, 2016	(50.3)	—	(26.3)	(76.6)
2017 Activity				
Other comprehensive income before reclassifications	4.7	—	—	4.7
Amounts reclassified from accumulated other comprehensive loss	—	—	26.3	26.3
Accumulated other comprehensive loss, net of tax at December 31, 2017	(45.6)	—	—	(45.6)
2018 Activity				
Other comprehensive loss before reclassifications	(2.4)	(1.2)	—	(3.6)
Accumulated other comprehensive loss, net of tax at December 31, 2018	\$ (48.0)	\$ (1.2)	\$ —	\$ (49.2)

(1) See Note 15 for more information.

(2) See Note 11 for more information.

Reclassifications of accumulated other comprehensive loss

The table below provides details about the reclassifications from accumulated other comprehensive loss and the affected line items in the consolidated and combined statements of income for each of the periods presented.

Details about Accumulated Other Comprehensive Loss Components	Amounts Reclassified from Accumulated Other Comprehensive Loss ⁽¹⁾			Affected Line Item in the Consolidated and Combined Statements of Income
	Year Ended December 31,			
(in Millions)	2018	2017	2016	
Pension and other postretirement benefits ⁽²⁾:				
Amortization of unrecognized net actuarial and other gains (losses)	\$ —	\$ (0.8)	\$ (0.3)	Non-operating pension (benefit)/settlement charges
Recognized loss due to settlement/curtailment	—	32.5	—	Non-operating pension (benefit)/settlement charges ⁽³⁾
Total before tax	—	31.7	(0.3)	
				Provision for income taxes
Amount included in net income	\$ —	\$ 26.3	\$ (0.2)	
Total reclassifications for the period	\$ —	\$ 26.3	\$ (0.2)	Amount included in net income

(1) Amounts in parentheses indicate charges to the consolidated and combined statements of income.

(2) For detail on pension and other postretirement benefits, see Note 11.

(3) The loss due to settlement for the year ended December 31, 2017 related to the charge to terminate the U.K. Plan. Refer to Note 11 for more information.

Dividends

For the year ended December 31, 2018, we paid no dividends. We do not expect to pay any dividends in the foreseeable future.

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)****Note 14 : Earnings Per Share**

Earnings per common share ("EPS") is computed by dividing net income by the weighted average number of common shares outstanding during the period on a basic and diluted basis.

Our potentially dilutive securities include potential common shares related to our stock options and restricted stock units granted in connection with the IPO. See Note 12 for further information regarding the IPO Awards. Diluted earnings per share ("Diluted EPS") considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an anti-dilutive effect. Diluted EPS excludes the impact of potential common shares related to our stock options in periods in which the option exercise price is greater than the average market price of our common stock for the period.

The weighted average common shares outstanding for both basic and diluted earnings per share for periods through the Separation date and the years ended December 31, 2017 and 2016 was calculated, in accordance with ASC 260, Earnings Per Share (ASC 260), using 123 million shares of common stock outstanding, which reflects the number of shares held by FMC prior to the IPO.

In connection with our IPO, we issued 20 million shares of our common stock to the public at a public offering price of \$17.00 per share. The IPO closed on October 15, 2018. On November 13, 2018 the Company closed on the sale of an additional 3 million shares of its common stock pursuant to the exercise of the over-allotment option. In accordance with ASC 260, the 23 million shares issued in connection with the IPO will be included in earnings per share calculations for periods subsequent to the closing of the IPO and are not included in the earning per share calculations for periods prior to the closing of the IPO.

Earnings applicable to common stock and common stock shares used in the calculation of basic and diluted earnings per share are as follows:

(in Millions, Except Share and Per Share Data)	Year Ended December 31,		
	2018	2017	2016
Numerator:			
Net income	\$ <u>126.1</u>	\$ <u>42.2</u>	\$ <u>47.1</u>
Denominator (in thousands):			
Weighted average common shares outstanding - basic	127,677	123,000	123,000
Weighted average additional shares assuming conversion of potential common shares ⁽¹⁾	—	—	—
Weighted average common shares outstanding - diluted	<u>127,677</u>	<u>123,000</u>	<u>123,000</u>
Basic earnings per common share:			
Net income per weighted average share - basic	\$ <u>0.99</u>	\$ <u>0.34</u>	\$ <u>0.38</u>
Diluted earnings per common share:			
Net income per weighted average share - diluted	\$ <u>0.99</u>	\$ <u>0.34</u>	\$ <u>0.38</u>

(1) Dilutive common stock equivalents related to outstanding RSU awards for 2018 were less than 0.1 million.

Anti-dilutive stock options

For the year ended December 31, 2018, options to purchase 716,256 shares of our common stock at an average exercise price of \$16.99 per share were anti-dilutive and not included in the computation of diluted earnings per share because the exercise price of the options was greater than the average market price of the common stock for the full year.

Additional dilution - the FMC Plan

FMC has a share-based compensation plan, in which Lithium Business employees were eligible to participate prior to the IPO. Effective March 1, 2019 (the "Distribution Date") each outstanding FMC equity award pursuant to the FMC Plan held by a Lithium Business employee will be converted into a Livent equity award ("Converted Award") pursuant to the Livent Plan. The number of Livent shares subject to each Converted Award (and in the case of stock options, the exercise price of the award) will be adjusted to preserve the aggregate intrinsic value of the original FMC Plan award as measured before and after the conversion, subject to rounding. Additionally, each outstanding award of FMC RSUs held by FMC employees and issued prior to 2019 will be converted

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)**

into adjusted FMC RSUs and Livent RSUs. See Note 12 for more information on the FMC Plan. The estimated incremental shares related to the Converted Awards and FMC RSUs that would be considered for diluted earnings per share is approximately 1.1 million shares.

Note 15 : Financial Instruments, Risk Management and Fair Value Measurements

Our financial instruments include cash and cash equivalents, trade receivables, other current assets, accounts payable, and amounts included in investments and accruals meeting the definition of financial instruments. The carrying value of these financial instruments approximates their fair value. Our other financial instruments include the following:

Financial Instrument	Valuation Method
Foreign exchange forward contracts	Estimated amounts that would be received or paid to terminate the contracts at the reporting date based on current market prices for applicable currencies.
Debt	Our estimates and information obtained from independent third parties using market data, such as bid/ask spreads for the last business day of the reporting period.

The estimated fair value of the financial instruments in the above table have been determined using standard pricing models which take into account the present value of expected future cash flows discounted to the balance sheet date. These standard pricing models utilize inputs derived from, or corroborated by, observable market data such as interest rate yield curves and currency and commodity spot and forward rates. In addition, we test a subset of our valuations against valuations received from the transaction's counterparty to validate the accuracy of our standard pricing models. Accordingly, the estimates presented may not be indicative of the amounts that we would realize in a market exchange at settlement date and do not represent potential gains or losses on these agreements. The estimated fair value and the carrying amount of debt was \$34.0 million as of December 31, 2018 . We had no outstanding debt as of December 31, 2017 .

Use of Derivative Financial Instruments to Manage Risk

We mitigate certain financial exposures connected to currency risk through a program of risk management that includes the use of derivative financial instruments. We enter into foreign exchange forward contracts to reduce the effects of fluctuating foreign currency exchange rates.

We formally document all relationships between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions. This process includes relating derivatives that are designated as fair value or cash flow hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. We also assess both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If we determine that a derivative is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, we discontinue hedge accounting with respect to that derivative prospectively.

Foreign Currency Exchange Risk Management

We conduct business in many foreign countries, exposing earnings, cash flows, and our financial position to foreign currency risks. The majority of these risks arise as a result of foreign currency transactions. Our policy is to minimize exposure to adverse changes in currency exchange rates. This is accomplished through a controlled program of risk management that includes the use of foreign currency debt and forward foreign exchange contracts. We also use forward foreign exchange contracts to hedge firm and highly anticipated foreign currency cash flows, with an objective of balancing currency risk to provide adequate protection from significant fluctuations in the currency markets.

The primary currencies for which we have exchange rate exposure are the U.S. dollar versus the Euro, the British pound, the Chinese yuan, the Argentine peso and the Japanese yen.

Concentration of Credit Risk

Our counterparties to derivative contracts are primarily major financial institutions. We limit the dollar amount of contracts entered into with any one financial institution and monitor counterparties' credit ratings. We also enter into master netting agreements with each financial institution, where possible, which helps mitigate the credit risk associated with our financial instruments. While we may be exposed to credit losses due to the nonperformance of counterparties, we consider this risk remote.

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)****Accounting for Derivative Instruments and Hedging Activities*****Cash Flow Hedges***

We recognize all derivatives on the balance sheet at fair value. On the date we enter into the derivative instrument, we generally designate the derivative as a hedge of the variability of cash flows to be received or paid related to a forecasted transaction (cash flow hedge). We record in Accumulated Other Comprehensive Income ("AOCI") changes in the fair value of derivatives that are designated as and meet all the required criteria for, a cash flow hedge. We then reclassify these amounts into earnings as the underlying hedged item affects earnings. In contrast we immediately record in earnings changes in the fair value of derivatives that are not designated as cash flow hedges.

As of December 31, 2018 , we had open foreign currency forward contracts in AOCI in a net after-tax loss position of \$1.2 million designated as cash flow hedges of underlying forecasted sales and purchases. Current open contracts hedge forecasted transactions until December 31, 2018 . At December 31, 2018 , we had open forward contracts with various expiration dates to buy, sell or exchange foreign currencies with a U.S. dollar equivalent of approximately \$77.5 million .

Approximately \$1.2 million of net after-tax loss, representing open foreign currency exchange contracts, will be realized in earnings during the twelve months ending December 31, 2019 if spot rates in the future are consistent with forward rates as of December 31, 2018 . The actual effect on earnings will be dependent on the actual spot rates when the forecasted transactions occur. We recognize derivative gains and losses in the "Costs of sales and services" line in the consolidated and combined statements of income.

Derivatives Not Designated As Cash Flow Hedging Instruments

We hold certain forward contracts that have not been designated as cash flow hedging instruments for accounting purposes. Contracts used to hedge the exposure to foreign currency fluctuations associated with certain monetary assets and liabilities are not designated as cash flow hedging instruments and changes in the fair value of these items are recorded in earnings.

We had open forward contracts not designated as cash flow hedging instruments for accounting purposes with various expiration dates to buy, sell or exchange foreign currencies with a U.S. dollar equivalent of approximately \$63.9 million at December 31, 2018 .

Fair Value of Derivative Instruments

The following tables provide the gross fair value and net balance sheet presentation of our derivative instruments as of December 31, 2018 . Livent had no derivative instruments as of December 31, 2017.

	December 31, 2018		
	Gross Amount of Derivatives		Net Amounts
	Designated as Cash Flow Hedges		
(in Millions)			
Derivatives			
Foreign exchange contracts	\$ (1.3)	\$ (1.3)	
Total derivative liabilities ⁽¹⁾	\$ (1.3)	\$ (1.3)	
Net derivative liabilities	\$ (1.3)	\$ (1.3)	

(1) Net balance is included in "Accrued and other liabilities" in the consolidated and combined balance sheets.

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LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

The following tables summarize the gains or losses related to our cash flow hedges and derivatives not designated as cash flow hedging instruments.

Derivatives in Cash Flow Hedging Relationships

(in Millions)	Foreign Exchange Contracts	Total
Accumulated other comprehensive loss, net of tax at December 31, 2017	\$ —	\$ —
2018 Activity		
Unrealized hedging losses, net of tax	\$ (1.2)	\$ (1.2)
Total derivative instrument impact on comprehensive income, net of tax	\$ (1.2)	\$ (1.2)
Accumulated other comprehensive loss, net of tax at December 31, 2018	\$ (1.2)	\$ (1.2)

(1) Amounts are included in "Cost of sales and services" and "Interest expense, net" on the consolidated and combined statements of income.

Derivatives Not Designated as Cash Flow Hedging Instruments

(in Millions)	Location of Gain or (Loss) Recognized in Income on Derivatives	Amount of Pre-tax Gain or (Loss) Recognized in Income on Derivatives ⁽¹⁾		
		2018	2017	2016
Foreign Exchange contracts	Cost of Sales and Services	\$ (0.6)	\$ —	\$ —
Total		\$ (0.6)	\$ —	\$ —

(1) Amounts in the columns represent the gain or loss on the derivative instrument offset by the gain or loss on the hedged item.

Fair-Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market participants are defined as buyers or sellers in the principle or most advantageous market for the asset or liability that are independent of the reporting entity, knowledgeable and able and willing to transact for the asset or liability.

Fair-Value Hierarchy

We have categorized our assets and liabilities that are recorded at fair value, based on the priority of the inputs to the valuation technique, into a three-level fair-value hierarchy. The fair-value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets and liabilities fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair-value measurement of the instrument.

Recurring Fair Value Measurements

The following tables present our fair-value hierarchy for those assets and liabilities measured at fair-value on a recurring basis in our consolidated balance sheets as of December 31, 2018. Livent had no derivative assets and liabilities as of December 31, 2017.

(in Millions)	December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		\$	1.3		
Liabilities					
Derivatives – Foreign exchange ⁽¹⁾	\$ 1.3	\$ —	\$ 1.3	\$ —	
Total Liabilities	\$ 1.3	\$ —	\$ 1.3	\$ —	

(1) See the Fair Value of Derivative Instruments table within this Note for classifications on our consolidated and combined balance sheets.

LIVENT CORPORATION**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)****Note 16 : Commitments and Contingencies****Commitments****Leases**

We lease office space, plants and facilities. Leases of real estate generally provide for our payment of property taxes, insurance and repairs. The following tables present gross rent expense and future minimum lease payments under operating leases, respectively.

(in Millions)	Year ended December 31,		
	2018	2017	2016
Operating leases rent expense	\$ 1.5	\$ 1.5	\$ 1.1

(in Millions)	Future Minimum Lease Payments	
	Operating Leases	
2019		\$ 1.7
2020		\$ 1.9
2021		\$ 1.8
2022		\$ 1.7
2023		\$ 1.6
Thereafter		\$ 10.2

Contingencies

We have certain contingent liabilities arising in the ordinary course of business. Some of these contingencies are known but are so preliminary that the merits cannot be determined, or if more advanced, are not deemed material based on current knowledge; and some are unknown - for example, claims with respect to which we have no notice or claims which may arise in the future, resulting from products sold, guarantees or warranties made, or indemnities provided. Therefore, we are unable to develop a reasonable estimate of our potential exposure of loss for these contingencies, either individually or in the aggregate, at this time. Based on information currently available and established reserves, we have no reason to believe that the ultimate resolution of known contingencies will have a material adverse effect on the combined financial position, liquidity or results of operations. However, there can be no assurance that the outcome of these contingencies will be favorable, and adverse results in certain of these contingencies could have a material adverse effect on the combined financial position, results of operations in any one reporting period, or liquidity.

Nemaska arrangement

In October 2016, we entered into a long-term supply agreement (the “Agreement”) with Nemaska Lithium Shawinigan Transformation Inc. (“Nemaska”), a subsidiary of Nemaska Lithium Inc. based in Quebec, Canada. Pursuant to the Agreement, Nemaska is to provide lithium carbonate to us from an electrochemical plant that is under construction. Since completion of the project financing had significantly delayed the construction of its electrochemical plant, Nemaska had reported that it was not in position to start delivering lithium carbonate according to the schedule in the Agreement.

To enforce our right to supply under the Agreement, in July 2018, we filed for arbitration before the International Chamber of Commerce (in accordance with the Agreement’s terms). In an attempt to resolve the dispute, the parties actively negotiated a revised schedule as well as arrangements to see that (in spec) lithium carbonate be nonetheless supplied to us from alternative sources under the responsibility of Nemaska, with a view to providing us with product while minimizing Nemaska’s exposure until its electrochemical plant is in operation.

On September 25, 2018, the parties agreed to suspend the arbitration process under the expectation that the parties would agree on arrangements regarding alternative supply sources and an amended and restated supply agreement to reflect such alternative arrangements. On February 15, 2019 we received written notice from Nemaska that it was terminating the Agreement. Livent disagrees that Nemaska has the right to terminate the Agreement. Since we received Nemaska’s termination notice, we have resumed our previously suspended arbitration and intend to vigorously pursue our claims. However, there can be no assurance that we will prevail in arbitration.

LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

Note 17 : Supplemental Information

The following tables present details of prepaid and other current assets, other assets, accrued and other liabilities and other long-term liabilities as presented on the consolidated and combined balance sheets:

(in Millions)	December 31,	
	2018	2017
Prepaid and other current assets		
Argentina government receivable ⁽¹⁾	\$ 8.8	\$ 13.5
Tax related items	4.1	3.6
Other receivables	6.2	6.5
Prepaid expenses	8.4	8.3
Bank Acceptance Drafts ⁽²⁾	29.1	—
Other current assets	3.2	0.7
Total	\$ 59.8	\$ 32.6
Other assets		
Argentina government receivable ⁽¹⁾	\$ 41.5	\$ 34.0
Advance to contract manufacturers ⁽³⁾	15.3	10.0
Capitalized software, net	1.4	2.2
Prepayment associated with long-term supply agreements	10.0	10.0
Tax related items ⁽⁴⁾	6.2	5.1
Other long-term assets	5.6	5.7
Total	\$ 80.0	\$ 67.0

(1) We have various subsidiaries that conduct business within Argentina. At December 31, 2018 and 2017, \$38.0 million and \$38.1 million of outstanding receivables due from the Argentina government, which primarily represent export tax and export rebate receivables, were denominated in U.S. dollars. As with all outstanding receivable balances we continually review recoverability by analyzing historical experience, current collection trends and regional business and political factors among other factors.

(2) Bank Acceptance Drafts are a common Chinese finance note used to settle trade transactions. Livent accepts these notes from Chinese customers based on criteria intended to ensure collectability and limit working capital usage.

(3) We record deferred charges related to certain contract manufacturing agreements which we amortize over the term of the underlying contract.

(4) Represents an offsetting non-current deferred asset of \$3.2 million relating to specific uncertain tax positions and other tax related items. See footnote (1) of the reconciliation table of the beginning and ending amount of unrecognized tax benefits within Note 9 for more information.

(in Millions)	December 31,	
	2018	2017
Accrued and other current liabilities		
Restructuring reserves	\$ 3.6	\$ 2.9
Due to parent - FMC ⁽¹⁾	23.8	—
Accrued payroll	8.5	7.9
Environmental reserves, current	0.5	0.5
Derivative liabilities	1.3	—
Other accrued and other current liabilities	9.1	10.0
Total	\$ 46.8	\$ 21.3

LIVENT CORPORATION

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS — (Continued)

(in Millions)	December 31,	
	2018	2017
Other long-term liabilities		
Asset retirement obligations	\$ 0.2	\$ 0.2
Contingencies related to uncertain tax positions ⁽²⁾	6.0	7.9
Self insurance reserves	2.4	1.7
Other long-term liabilities	0.7	0.9
Total	\$ 9.3	\$ 10.7

- (1) At December 31, 2018, we have obligations to our parent affiliate, FMC, for amounts due under the Transaction Services Agreement of \$2.3 million, \$16.9 million related to income taxes payable to certain tax jurisdictions and payments made by FMC on Livent's behalf related to the Separation steps of \$4.6 million.
- (2) At December 31, 2018, we have recorded a liability for uncertain tax positions of \$2.9 million and a \$3.1 million indemnification liability to FMC for assets where the offsetting uncertain tax position is with FMC.

Note 18 : Quarterly Financial Information (Unaudited)

(in Millions, Except Share and Per Share Data)	2018				2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Revenue	\$ 102.8	\$ 107.9	\$ 112.0	\$ 119.8	\$ 65.7	\$ 73.9	\$ 94.4	\$ 113.4
Gross margin	52.2	53.8	49.5	50.2	26.8	30.2	42.0	49.8
Income from operations before non-operating pension (benefit)/settlement charges, interest expense, net and income taxes	40.4	43.2	35.5	34.1	17.4	17.4	32.8	33.9
Net income ⁽¹⁾	32.2	38.0	30.0	25.9	10.0	17.5	25.6	(10.9)
Net income per weighted average share - basic ⁽²⁾	\$ 0.26	\$ 0.31	\$ 0.24	\$ 0.18	\$ 0.08	\$ 0.14	\$ 0.21	\$ (0.09)
Net income per weighted average share - diluted ⁽²⁾	\$ 0.26	\$ 0.31	\$ 0.24	\$ 0.18	\$ 0.08	\$ 0.14	\$ 0.21	\$ (0.09)
Weighted average common shares outstanding ⁽³⁾ :								
Basic	123.0	123.0	123.0	141.6	123.0	123.0	123.0	123.0
Diluted	123.0	123.0	123.0	141.6	123.0	123.0	123.0	123.0

- (1) The Company recorded a provisional income tax expense of \$11.1 million as a result of the enactment of the Act during the fourth quarter of 2017. See Note 9 for more details.
- (2) The sum of quarterly earnings per common share may differ from the full-year amount.
- (3) For all prior periods presented and the current period through the public offering date of October 15, 2018, the weighted average shares outstanding for both basic and diluted earnings per share were calculated using 123.0 million shares of common stock outstanding, which was the number of shares issued to FMC in part in exchange for the asset contribution by FMC to us. Weighted average shares outstanding for prior periods excludes the 23.0 million shares of common stock subsequently issued as part of the public offering and over-allotment option exercise. Refer to the discussion in Note 2 for further details.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

Livent Corporation:

Opinion on the Consolidated and Combined Financial Statements

We have audited the accompanying consolidated and combined balance sheets of Livent Corporation (the Company) as of December 31, 2018 and 2017, the related consolidated and combined statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the "consolidated and combined financial statements"). In our opinion, the consolidated and combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated and combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated and combined financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated and combined financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated and combined financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated and combined financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated and combined financial statements. We believe that our audits provide a reasonable basis for our opinion.

/ S / **KPMG LLP**

We have served as the Company's auditor since 2017.

Philadelphia, Pennsylvania

February 28, 2019

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures. Based on management's evaluation (with the participation of the Company's Chief Executive Officer and Chief Financial Officer), the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective to provide reasonable assurance that information required to be disclosed by the Company in reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's Report on Internal Control Over Financial Reporting

This Form 10-K does not include a report of management's assessment regarding internal control over financial reporting due to a transition period established by rules of the SEC for newly public companies.

(c) Attestation Report of the Registered Public Accounting Firm

This Form 10-K does not include an attestation report of our registered public accounting firm due to an exemption established by the JOBS Act for "emerging growth companies."

(d) There have been no changes in internal controls over financial reporting that occurred during the quarter ended December 31, 2018, that materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III**Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Information concerning directors, appearing under the caption “III. Board of Directors” in our Proxy Statement to be filed with the SEC in connection with the Annual Meeting of Stockholders scheduled to be held on May 1, 2019 (the “Proxy Statement”), information concerning executive officers, appearing under the caption “Item 4A. Executive Officers of the Registrant” in Part I of this Form 10-K, information concerning the Audit Committee, appearing under the caption “IV. Information About the Board of Directors and Corporate Governance - Committees and Independence of Directors and Controlled Company Exception - Audit Committee” in the Proxy Statement, information concerning the Code of Ethics, appearing under the caption “IV. Information About the Board of Directors and Corporate Governance - Corporate Governance - Code of Ethics and Business Conduct Policy” in the Proxy Statement, and information about compliance with Section 16(a) of the Securities Exchange Act of 1934 appearing under the caption “VII. Other Matters - Section 16(a) Beneficial Ownership Reporting Compliance” in the Proxy Statement, is incorporated herein by reference in response to this Item 10.

ITEM 11. EXECUTIVE COMPENSATION

The information contained in the Proxy Statement in the section titled “VI. Executive Compensation” with respect to executive compensation, in the section titled “IV. Information About the Board of Directors and Corporate Governance—Director Compensation” and “—Corporate Governance—Compensation and Organization Committee Interlocks and Insider Participation” is incorporated herein by reference in response to this Item 11.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information contained in the section titled “V. Security Ownership of Livent Corporation” in the Proxy Statement, with respect to security ownership of certain beneficial owners and management, is incorporated herein by reference in response to this Item 12.

Equity Compensation Plan Information

The table below sets forth information with respect to compensation plans under which equity securities of Livent are authorized for issuance as of December 31, 2018 . All of the equity compensation plans pursuant to which we are currently granting equity awards have been approved by stockholders.

Plan Category	Number of Securities to be issued upon exercise of outstanding options and restricted stock units (A) ⁽¹⁾	Weighted-average exercise price of outstanding options awards (B) ⁽²⁾	Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A)) (C)
Equity Compensation Plans approved by stockholders	966,042	\$ 16.99	3,323,958

(1) Includes 716,256 stock options and 237,950 Restricted Stock Units granted to employees and 11,836 Restricted Stock Units held by directors.

(2) Taking into account all outstanding awards included in this table, the weighted-average exercise price of such stock options is \$16.99 and the weighted-average term-to-expiration is 9.8 years .

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information contained in the Proxy Statement concerning our independent directors and related party transactions under the caption “IV. Information About the Board of Directors and Corporate Governance- Committees and Independence of Directors and Controlled Company Exception” and the information contained in the Proxy Statement concerning our related party transactions policy, appearing under the caption “IV. Information About the Board of Directors and Corporate Governance—Corporate Governance—Related Party Transactions Policy,” is incorporated herein by reference in response to this Item 13.

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ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information contained in the Proxy Statement in the section titled “II. The Proposals to be Voted On—Ratification of Appointment of Independent Registered Public Accounting Firm” is incorporated herein by reference in response to this Item 14.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed with this Report

1. Consolidated and combined financial statements of Livent Corporation and its subsidiaries are incorporated under Item 8 of this Form 10-K.

The schedules not included herein are omitted because they are not applicable or the required information is presented in the financial statements or related notes.

2. Exhibits: See attached Index of Exhibits

(b) Exhibits

<u>Exhibit No.</u>	<u>Exhibit Description</u>
*3.1	Certificate of Incorporation of Livent Corporation (Exhibit 3.1 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1/A filed on October 1, 2018 (the "2018 Form S-1/A"))
*3.2	By-Laws of Livent Corporation (Exhibit 3.2 to the 2018 Form S-1/A)
*4.1	Form of Common Stock Certificate (Exhibit 4.1 to the 2018 Form S-1/A)
*10.1	Separation and Distribution Agreement, dated as of October 15, 2018, by and between Livent Corporation and FMC Corporation (Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 15, 2018 (the "October 15, 2018 Form 8-K"))
*10.2	Transition Services Agreement, dated as of October 15, 2018, by and between Livent Corporation and FMC Corporation (Exhibit 10.2 to the October 15, 2018 Form 8-K)
*10.3	Shareholders' Agreement, dated as of October 15, 2018, by and between Livent Corporation and FMC Corporation (Exhibit 10.3 to the October 15, 2018 Form 8-K)
*10.4	Tax Matters Agreement, dated as of October 15, 2018, by and between Livent Corporation and FMC Corporation (Exhibit 10.4 to the October 15, 2018 Form 8-K)
*10.5	Registration Rights Agreement, dated as of October 15, 2018, by and between Livent Corporation and FMC Corporation (Exhibit 10.5 to the October 15, 2018 Form 8-K)
†10.6	Amended and Restated Employee Matters Agreement, dated as of February 4, 2019, by and between Livent Corporation and FMC Corporation
*10.7	Trademark License Agreement, dated as of October 15, 2018, by and between Livent Corporation and FMC Corporation (Exhibit 10.7 to the October 15, 2018 Form 8-K)
*10.8	Agreement dated as of February 21, 1991, as amended among the Province of Catamarca, Argentina, FMC Corporation and Minera del Altiplano S.A. (Exhibit 10.9 to the Registrant's Form S-1 filed on August 27, 2018)
*10.9	Credit Agreement, dated as of September 28, 2018, among Livent Corporation, FMC Lithium USA Corp., the guarantor subsidiaries described therein, Citibank, N.A., as administrative agent, and the lenders and issuing banks listed therein (Exhibit 10.10 to the 2018 Form S-1/A)
†*10.10	Livent Corporation Incentive Compensation and Stock Plan, as of October 10, 2018 (Exhibit 99 to the Registrant's Registration Statement on Form S-8 filed on October 11, 2018)
†*10.11	Form of IPO RSU Award Agreement under the Livent Corporation Incentive Compensation and Stock Plan (Exhibit 10.11 to the 2018 Form S-1/A)
†*10.12	Form of IPO Option Award Agreement under the Livent Corporation Incentive Compensation and Stock Plan (Exhibit 10.12 to the 2018 Form S-1/A)
†10.13	Form of Employee RSU Award Agreement under the Livent Corporation Incentive Compensation and Stock Plan
†10.14	Form of Employee Option Award Agreement under the Livent Corporation Incentive Compensation and Stock Plan
†*10.15	Form of Non-Employee Director RSU Award Agreement under the Livent Corporation Incentive Compensation and Stock Plan (Annual Equity Grant) (Exhibit 10.13 to the 2018 Form S-1/A)
†*10.16	Form of Non-Employee Director RSU Award Agreement under the Livent Corporation Incentive Compensation and Stock Plan (Retainer Grant) (Exhibit 10.14 to the 2018 Form S-1/A)
†10.17	Livent Corporation Compensation Policy for Non-Employee Directors, as of December 11, 2018
†10.18	Livent Corporation Executive Severance Guidelines for Corporate Officers, as of October 10, 2018

<u>Exhibit No.</u>	<u>Exhibit Description</u>
†10.19	Livent Corporation Executive Severance Plan, as of October 10, 2018
†*10.20	Executive Severance Agreement, dated as of November 6, 2012, by and between FMC Corporation and Paul Graves (Exhibit 10.3 to the Current Report on Form 8-K of FMC Corporation filed on November 9, 2012, SEC File No. 1-2376)
†10.21	Livent Nonqualified Savings Plan Adoption Agreement, as of January 1, 2019
†10.22	Livent Nonqualified Savings Plan, as of January 1, 2019
21.1	Subsidiaries of the Registrant
23.1	Consent of KPMG LLP
23.2	Consent of Bloomberg New Energy Finance
23.3	Consent of Roskill Consulting Group Limited
31.1	Certifying Statement of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certifying Statement of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certifying Statement of the Chief Executive Officer pursuant to Section 1350 of Title 18 of the United States Code
32.2	Certifying Statement of the Chief Financial Officer pursuant to Section 1350 of Title 18 of the United States Code
101	Interactive Data File

* Incorporated by reference

† Management contract or compensatory plan or arrangement

ITEM 16. FORM 10-K SUMMARY

Optional disclosure, not included in this Report.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIVENT CORPORATION
(Registrant)

By: /S/ PAUL W. GRAVES

Paul W. Graves
President, Chief Executive Officer and Director

Date: February 28, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Signature	Title	Date
/S/ PAUL W. GRAVES Paul W. Graves	President, Chief Executive Officer and Director	February 28, 2019
/S/ GILBERTO ANTONIAZZI Gilberto Antoniazzi	Vice President and Chief Financial Officer	February 28, 2019
/S/ NICHOLAS L. PFEIFFER Nicholas L. Pfeiffer	Chief Accounting Officer	February 28, 2019
/S/ PIERRE R. B RONDEAU Pierre R. Brondeau	Chairman and Director	February 28, 2019
/S/ ROBERT C. P ALLASH Robert C. Pallasch	Director	February 28, 2019
/S/ G. PETER D'ALOIA G. Peter D'Aloia	Director	February 28, 2019
/S/ MICHAEL F. BARRY Michael F. Barry	Director	February 28, 2019
/S/ STEVEN T. MERKT Steven T. Merkt	Director	February 28, 2019
/S/ ANDREA E. UTECHT Andrea E. Utecht	Director	February 28, 2019

AMENDED AND RESTATED

EMPLOYEE MATTERS AGREEMENT

by and between

FMC CORPORATION

and

LIVENT CORPORATION

Dated as of February 4, 2019

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AMENDED AND RESTATED EMPLOYEE MATTERS AGREEMENT

This AMENDED AND RESTATED EMPLOYEE MATTERS AGREEMENT, dated as of February 4, 2019 is by and between FMC CORPORATION, a Delaware corporation (“**Parent**”), and LIVENT CORPORATION, a Delaware corporation (the “**Company**”).

R E C I T A L S

WHEREAS, Parent and the Company have entered into the Separation and Distribution Agreement, dated as of October 15, 2018 (the “**Separation and Distribution Agreement**”), pursuant to which Parent and the Company will effectuate the Transactions;

WHEREAS, as contemplated by the Separation and Distribution Agreement, Parent and the Company previously entered into the Employee Matters Agreement (the “**Prior Agreement**”), dated as of October 15, 2018 (the “**Original Effective Date**”), for the purpose of allocating between them the Assets, Liabilities and responsibilities with respect to certain employee matters (including employee compensation and benefit plans and programs);

WHEREAS, Parent and the Company desire to amend and restate the Prior Agreement as set forth herein, and this Agreement shall supersede and replace the Prior Agreement in its entirety as if it were in effect as of the Original Effective Date;

WHEREAS, Parent and the Company have agreed that, except as otherwise specifically provided herein, the general approach and philosophy underlying this Agreement is to (a) allocate Assets, Liabilities and responsibilities to the Lithium Group (as opposed to the Parent Group) to the extent they relate to current or former employees and other service providers primarily related to the Lithium Assets or the Lithium Business and (b) allocate Assets, Liabilities and responsibilities (other than those described in clause (a) above) to the Parent Group (as opposed to the Lithium Group); and

WHEREAS, except as expressly set forth herein, this Agreement is not intended to address the matters specifically and expressly covered by the Plan of Reorganization (as defined in the Separation and Distribution Agreement).

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the parties, intending to be legally bound, hereby agree as follows:

Article I
DEFINITIONS

Section 1.01. *Certain Definitions*. For purposes of this Agreement, the following terms shall have the following meanings; provided that capitalized terms used but not otherwise defined in this Section 1.01 shall have the respective meanings ascribed to such terms in the Separation and Distribution Agreement:

“**2018 Cash Bonuses**” has the meaning set forth in Section 7.01 hereto.

“**Adjusted Banked Parent PRSU**” means any Banked Parent PRSU adjusted pursuant to Section 8.02(b) or Section 8.02(c) hereto.

“**Adjusted Company Stock Value**” means the product of (a) the Company Stock Value *multiplied by* (b) the Distribution Ratio.

“**Adjusted Parent Awards**” means, collectively, the Adjusted Parent Options, the Adjusted Banked Parent PRSUs, the Adjusted Unbanked Parent PRSUs and the Adjusted Parent RSUs.

“**Adjusted Parent Option**” means any Parent Option adjusted pursuant to Section 8.04(b) hereto.

“**Adjusted Parent Post-Distribution Stock Value**” means the amount equal to the Parent Pre-Distribution Stock Value *less* the Adjusted Company Stock Value.

“**Adjusted Parent RSU**” means any Parent RSU adjusted pursuant to Section 8.02(b) or Section 8.02(c) hereto.

“**Adjusted Unbanked Parent PRSU**” means any Unbanked Parent PRSU adjusted pursuant to Section 8.03(b) or Section 8.03(c) hereto.

“**Agreement**” means this Amended and Restated Employee Matters Agreement, including all of the schedules and exhibits hereto, as may be amended from time to time in accordance with its terms.

“**Banked Parent PRSU**” means any Parent PRSU (or portion thereof) for which the applicable performance period has been completed as of the applicable date of determination.

“**Benefits Commencement Date**” means (a) January 1, 2019 (in the case of U.S. Lithium Participants) and (b) the Separation Date (in the case of Non-U.S. Lithium Participants).

“**Benefits Transition Period**” has the meaning set forth in Section 5.01(c) hereto.

“**COBRA**” means the continuation coverage requirements for “group health plans” under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as codified in Section 4980B of the Code and Sections 601 through 608 of ERISA.

“**Collective Bargaining Agreements**” means any and all agreements, memorandums of understanding, contracts, letters, side letters and contractual obligations of any kind, nature and description, oral or written, that have been entered into between or that involve or apply to any employer and any labor organization, union, employee association, agency or employee committee or plan.

“**Company**” has the meaning set forth in the preamble hereto.

“**Company Stock Value**” means the value of a share of Company Common Stock that will be determined by the Parent Board (or an appropriate committee thereof), in its sole discretion, in a manner intended to preserve the aggregate value of the applicable outstanding equity awards.

“**Distribution Effective Time**” means the effective time of the Distribution.

“**Delayed Transfer Employee**” means any Lithium Inactive Employee, New Lithium Employee, Transferred Lithium Employee or Sponsored Employee (to the extent applicable).

“**Delayed Transfer Period**” has the meaning set forth in Section 3.01(b) hereto.

“ Distribution Ratio ” means the number of shares of Company Common Stock distributed in the Distribution in respect of one share of Parent Common Stock.

“ Employee Plan ” means any (a) “employee benefit plan” as defined in Section 3(3) of ERISA, (b) compensation, employment, consulting, severance, termination protection, change in control, transaction bonus, retention or similar plan, agreement, arrangement, program or policy or (c) other plan, agreement, arrangement, program or policy providing for compensation, bonuses, profit-sharing, equity or equity-based compensation or other forms of incentive or deferred compensation, vacation benefits, insurance (including any self-insured arrangement), medical, dental, vision, prescription or fringe benefits, life insurance, relocation or expatriate benefits, perquisites, disability or sick leave benefits, employee assistance program, supplemental unemployment benefits or post-employment or retirement benefits (including compensation, pension, health, medical or insurance benefits), in each case whether or not written.

“ ERISA ” means the Employee Retirement Income Security Act of 1974, as amended, together with the rules and regulations promulgated thereunder.

“ Former Parent Employee ” means each individual who, as of immediately prior to the Distribution Effective Time, is a former employee of any member of the Parent Group (other than any individual who was last actively employed primarily with respect to the Lithium Assets or the Lithium Business).

“ H&W Plan ” means any Parent H&W Plan or Lithium H&W Plan.

“ HIPAA ” means the health insurance portability and accountability requirements for “group health plans” under the Health Insurance Portability and Accountability Act of 1996, as amended, together with the rules and regulations promulgated thereunder.

“ Lithium 401(k) Plan ” means any Lithium Plan that is a defined contribution plan intended to qualify under Section 401(a) of the Code.

“ Lithium Awards ” means, collectively, the Lithium Options, the Lithium PRSUs and the Lithium RSUs.

“ Lithium Assumed Employee Liabilities ” has the meaning set forth in Section 2.01(b) hereto.

“ Lithium CBA ” means any Collective Bargaining Agreement covering Lithium Employees or Lithium Contractors, as applicable, as listed on Schedule I hereto.

“ Lithium Change in Control ” has the meaning set forth in Section 8.06(b) hereto.

“ Lithium Contractor ” means each individual independent contractor or consultant who, as of the Separation Effective Time, primarily provides or provided services with respect to the Lithium Assets or the Lithium Business.

“ Lithium Employee ” means each (a) individual who, as of the Separation Effective Time, is (i) actively employed primarily with respect to the Lithium Assets or the Lithium Business by any member of the Parent Group or the Lithium Group or (ii) (x) an inactive employee (including any employee on short- or long-term disability leave or other authorized leave of absence) or (y) a former employee and, in each case, who was last actively employed primarily with respect to the Lithium Assets or the Lithium Business by any member of the Parent Group or the Lithium Group, (b) Transferred Lithium Employee or (c) New Lithium Employee.

“ Lithium Equity Plan ” has the meaning set forth in Section 8.06(a) hereto.

“ Lithium FSAs ” has the meaning set forth in Section 6.04 hereto.

“ Lithium H&W Plan ” means any Lithium Plan that is (a) an “employee welfare benefit plan” or “welfare plan” (as defined under Section 3(1) of ERISA) or (b) a similar plan that is sponsored, maintained, administered, contributed to or entered into outside of the United States. For the avoidance of doubt, Lithium FSAs are Lithium H&W Plans.

“ Lithium Inactive Employee ” has the meaning set forth in Section 3.01(b) hereto.

“ Lithium NQ Savings Plan ” has the meaning set forth in Section 5.05(a) hereto.

“ Lithium Option ” has the meaning set forth in Section 8.04(a) hereto.

“ Lithium Participant ” means any individual who is a Lithium Employee or Lithium Contractor, and any beneficiary, dependent, or alternate payee of such individual, as the context requires.

“Lithium Plan” means any Employee Plan that (a) is or was sponsored, maintained, administered, contributed to or entered into by any member of the Lithium Group, whether before, as of or after the Separation Date or (b) for which Liabilities transfer to any member of the Lithium Group under this Agreement or pursuant to applicable Law as a result of the Distribution.

“Lithium PRSU” means each award of restricted share units with respect to Company Common Stock granted under the Lithium Equity Plan pursuant to Section 8.03(b) that is subject to performance-based vesting conditions.

“Lithium RSU” has the meaning set forth in Section 8.02(a) hereto.

“Lithium Specified Rights” means any and all rights to enjoy, benefit from or enforce any and all restrictive covenants, including covenants relating to non-disclosure, non-solicitation, non-competition, confidentiality or Intellectual Property, applicable or related, in whole or in part, to the Lithium Assets or the Lithium Business pursuant to any Employee Plan covering or with any Lithium Employee or Lithium Contractor and to which any member of the Lithium Group or Parent Group is a party; *provided* that, with respect to any Intellectual Property existing, conceived, created, developed or reduced to practice prior to the Separation Effective Time, the foregoing rights to enjoy, benefit from or enforce any restrictive covenants related to Intellectual Property is limited to those restrictive covenants related to Intellectual Property included in the Lithium Assets.

“New Lithium Employee” means any individual who is hired following the Separation Effective Time to primarily provide services to the Lithium Assets or the Lithium Business.

“Non-U.S. Lithium Participant” means any Lithium Participant who is not a U.S. Lithium Participant.

“Parent” has the meaning set forth in the preamble hereto.

“Parent 401(k) Plan” means any Parent Plan that is a defined contribution plan intended to qualify under Section 401(a) of the Code.

“Parent Awards” means, collectively, the Parent Options, the Banked Parent PRSUs, the Unbanked Parent PRSUs and the Parent RSUs.

“Parent Bonus Plan” has the meaning set forth in Section 7.01 hereto.

“Parent CBA” means any Collective Bargaining Agreement covering Parent Employees or Parent Contractors, as applicable.

“Parent Change in Control” has the meaning set forth in Section 8.06(b) hereto.

“Parent Contractor” means each individual independent contractor or consultant (other than a Lithium Contractor) of any member of the Parent Group, or solely for purposes of Article VIII, any non-employee director of the Parent Board.

“Parent Employee” means each individual who, as of the Separation Effective Time, is (a) not a Lithium Employee and (b) either (i) actively employed by any member of the Parent Group or (ii) (x) an inactive employee (including any employee on short- or long-term disability leave or other authorized leave of absence) or (y) a former employee, in each case, of any member of the Parent Group.

“Parent Equity Plan” means the FMC Corporation Incentive Compensation and Stock Plan.

“Parent Executive Severance Plan” means the FMC Corporation Executive Severance Plan.

“Parent FSA” means any Parent Plan that is a flexible spending account for health and dependent care expenses.

“Parent H&W Plan” means any Parent Plan that is (a) an “employee welfare benefit plan” or “welfare plan” (as defined under Section 3(1) of ERISA) or (b) a similar plan that is sponsored, maintained, administered, contributed to or entered into outside of the United States. For the avoidance of doubt, Parent FSAs are Parent H&W Plans.

“Parent NQ Pension Plan” means the FMC Corporation Salaried Employees’ Equivalent Retirement Plan.

“Parent NQ Savings Plan” means the FMC Corporation Non-Qualified Savings and Investment Plan.

“Parent Option” means each option to acquire Parent Common Stock granted under the Parent Equity Plan.

“ Parent Participant ” means any individual who is a Parent Employee or Parent Contractor, and any beneficiary, dependent, or alternate payee of such individual, as the context requires.

“ Parent Plan ” means any Employee Plan (other than a Lithium Plan) sponsored, maintained, administered, contributed to or entered into by any member of the Parent Group. For the avoidance of doubt, no Lithium Plan is a Parent Plan.

“ Parent Pre-Distribution Stock Value ” means the value of a share of Parent Common Stock that will be determined by the Parent Board (or an appropriate committee thereof), in its sole discretion, in a manner intended to preserve the aggregate value of the applicable outstanding equity awards.

“ Parent PRSU ” means each award of restricted share units with respect to Parent Common Stock granted under the Parent Equity Plan subject to performance-based vesting conditions.

“ Parent Retained Employee Liabilities ” has the meaning set forth in Section 2.01(a) hereto.

“ Parent Retiree H&W Plan ” means any Parent H&W Plan that provides or promises any post-retirement health, medical or life insurance or similar benefits (whether insured or self-insured).

“ Parent RSU ” means each award of restricted share units with respect to Parent Common Stock granted under the Parent Equity Plan (other than Parent PRSUs).

“ Parent Specified Rights ” means any and all rights to enjoy, benefit from or enforce any and all restrictive covenants, including covenants relating to non-disclosure, non-solicitation, non-competition, confidentiality or Intellectual Property, pursuant to any Employee Plan covering or with any Lithium Employee, Lithium Contractor, Parent Employee or Parent Contractor and to which any member of the Lithium Group or Parent Group is a party (other than Lithium Specified Rights).

“ Parent U.S. Qualified Pension Plan ” means the FMC Corporation Employees’ Retirement Program, Salaried and Nonunion Hourly Employees’ Retirement Plan (Part I).

“ Personnel Records ” has the meaning set forth in Section 9.01 hereto.

“ Separation Date ” has the meaning set forth in the Separation and Distribution Agreement.

“ Separation Effective Time ” means the closing of the IPO.

“ Separation and Distribution Agreement ” has the meaning set forth in the recitals hereto.

“ Sponsored Employee ” means any Lithium Employee working on a visa or work permit sponsored by Parent or a Parent Group member as of immediately prior to the Separation Effective Time.

“ Transferred Lithium Employee ” means any individual who (a) did not become a Lithium Employee effective on or before the Separation Effective Time and (b) Parent and the Company mutually agree following the Separation Effective Time should have his or her employment transferred from the Parent Group to the Lithium Group.

“ UK Pension Plan ” means the FMC Chemicals Pension Plan (together with all obligations related thereto, including obligations associated with the winding-up of such plan). For the avoidance of doubt, the UK Pension Plan is a Lithium Plan.

“ Unbanked Parent PRSU ” means any Parent PRSU (or portion thereof) for which the applicable performance period has not been completed as of the applicable date of determination.

“ UK DC Plan ” has the meaning set forth in Section 5.02(a) hereto.

“ U.S. Lithium Employee ” means any Lithium Employee who is employed (or, in the case of former employees, last actively employed) in the United States.

“ U.S. Lithium Participant ” means any Lithium Participant employed or engaged (or, in the case of former employees, individual independent contractors or consultants, last actively employed or engaged, as applicable) in the United States.

ARTICLE II GENERAL ALLOCATION OF LIABILITIES; INDEMNIFICATION

Section 2.01. *Allocation of Employee-Related Liabilities* .

(a) Subject to the terms and conditions of this Agreement, effective as of the Separation Effective Time, Parent shall, or shall cause the applicable member of the Parent Group to, assume and retain, and no member of the Lithium Group shall have any further obligation with respect to, any and all Liabilities (i) relating to, arising out of or in respect of any Parent Participant or any Parent Plan, in each case, other than any Lithium Assumed Employee Liabilities, or (ii) attributable to actions expressly specified to be taken by any member of the Parent Group under this Agreement, in each case, (x) whether arising before, on or after the Separation Date, (y) whether based on facts occurring before, on or after the Separation Date and (z) irrespective of which Person such Liabilities are asserted against or which Person such Liabilities attached to as a matter of applicable Law or contract or (b) expressly assumed or retained, as applicable, by any member of the Parent Group pursuant to this Agreement (collectively, “**Parent Retained Employee Liabilities**”). For the avoidance of doubt, all Parent Retained Employee Liabilities are Parent Liabilities for purposes of the Separation and Distribution Agreement.

(c) Subject to the terms and conditions of this Agreement, effective as of the Separation Effective Time, the Company shall, or shall cause the applicable member of the Lithium Group to, assume, and no member of the Parent Group shall have any further obligation with respect to, any and all Liabilities (i) relating to, arising out of or in respect of any Lithium Participant or any Lithium Plan or (ii) attributable to actions expressly specified to be taken by any member of the Lithium Group under this Agreement, in each case, (x) whether arising before, on or after the Separation Date, (y) whether based on facts occurring before, on or after the Separation Date and (z) irrespective of which Person such Liabilities are asserted against or which Person such Liabilities attached to as a matter of applicable Law or contract (collectively, “**Lithium Assumed Employee Liabilities**”), including without limitation:

- (i) employment, separation or retirement agreements or arrangements to the extent applicable to any Lithium Participant;
- (ii) wages, salaries, incentive compensation, commissions, bonuses and other compensation payable to any Lithium Participants, without regard to when such wages, salaries, incentive compensation, equity compensation, commissions, bonuses and other compensation are or may have been earned;
- (iii) severance or similar termination-related pay or benefits applicable to any Lithium Participant;
- (iv) claims made by or with respect to any Lithium Participant in connection with any employee benefit plan, program or policy, without regard to when such claim is in respect of;
- (v) workers’ compensation and unemployment compensation benefits for all Lithium Participants;
- (vi) change in control, transaction bonus, retention and stay bonuses payable to any Lithium Participants;
- (vii) the Lithium CBAs;
- (viii) any applicable Law (including ERISA and the Code) to the extent related to participation by any Lithium Participant in any Employee Plan;
- (ix) any Actions, allegations, demands, assessments, settlements or judgments relating to or involving any Lithium Participant (including, without limitation, those relating to labor and employment, wages, hours, overtime, employee classification, hostile workplace, civil rights, discrimination, harassment, affirmative action, work authorization, immigration, safety and health, information privacy and security, workers’ compensation, continuation coverage under group health plans, wage payment, hiring practice and the payment and withholding of Taxes);
- (x) any costs or expenses incurred in designing, establishing and administering any Lithium Plans or payroll or benefits administration for Lithium Participants;
- (xi) the employer portion of any employment, payroll or similar Taxes relating to any of the foregoing or any Lithium Participant; and
- (xii) any Liabilities expressly assumed or retained, as applicable, by any member of the Lithium Group pursuant to this Agreement.

For the avoidance of doubt, all Lithium Assumed Employee Liabilities are Lithium Liabilities for purposes of the Separation and Distribution Agreement.

Section 2.02. *Indemnification*. For the avoidance of doubt, the provisions of Article VIII of the Separation and Distribution Agreement shall apply to and govern the indemnification rights and obligations of the parties with respect to the matters addressed by this Agreement.

ARTICLE III EMPLOYEES AND CONTRACTORS; EMPLOYMENT AND COLLECTIVE BARGAINING AGREEMENTS

Section 3.01. *Transfers of Employment; Post-IPO Transfers.*

(a) Effective as of or prior to the Separation Effective Time, (i) the employment of each Lithium Employee, to the extent employed at such time, will be transferred to or continued by, as applicable, a member of the Lithium Group and (ii) the employment of each Parent Employee, to the extent employed at such time, will be continued by a member of the Parent Group. Following the Separation Effective Time and prior to the Distribution Effective Time, Parent and the Company shall cooperate in good faith to transfer the employment of each Transferred Lithium Employee from the Parent Group to the Lithium Group, and the parties shall use their reasonable best efforts to cause all such transfers of employment to occur no later than the Distribution Effective Time; *provided* however, that the parties agree and acknowledge that there may be a limited number of Transferred Lithium Employees whose employment may not be transferred to the Lithium Group until on or after the Distribution Effective Time, in which case the parties will mutually cooperate to transfer the employment of such individuals to the Lithium Group as soon as possible following the Distribution Effective Time and, unless as otherwise contemplated in connection with the Transition Services Agreement, in no event later than the expiration of the Delayed Transfer Period. For the avoidance of doubt, each Transferred Lithium Employee shall be deemed to be a “Lithium Employee” for all purposes of the Agreement following the applicable date of transfer of his or her employment from the Parent Group to the Lithium Group.

(b) Notwithstanding anything to the contrary in this Agreement, each U.S. Lithium Employee who, as of the Separation Effective Time, is (i) on an approved leave of absence and (ii) receiving long-term or short-term disability benefits under a Parent H&W Plan (each, a “**Lithium Inactive Employee**”) will continue to be employed by a member of the Parent Group until such individual returns to active service. Upon a Lithium Inactive Employee’s return to active service, such Lithium Inactive Employee will be transferred to a member of the Lithium Group (or, if such Lithium Inactive Employee returns to active service following the Distribution Effective Time, the Company will make an offer of employment to such Lithium Inactive Employee on terms and conditions of employment consistent with (A) this Agreement and (B) the terms and conditions of employment applicable to such Lithium Inactive Employee at such time); *provided*, that such Lithium Inactive Employee returns to active service within 18 months following the Separation Date (such period, the “**Delayed Transfer Period**”). For the avoidance of doubt, (x) effective on or before the Separation Effective Time, the employment of each Lithium Employee (other than any Lithium Inactive Employee) who is on an approved leave of absence (including parental, military or other authorized leave of absence) will continue with or be transferred to, as applicable, the Lithium Group in accordance with Section 3.01(a) and (y) all costs relating to any compensation, benefits, severance or other employment-related costs in respect of Lithium Inactive Employees will constitute Lithium Assumed Employee Liabilities.

(c) Any New Lithium Employees will be hired by a member of the Lithium Group, and will be deemed to be a Lithium Employee for all purposes of this Agreement from and after the applicable date of hire; *provided* that, to the extent any such individual cannot be hired by a member of the Lithium Group prior to the Distribution Effective Time, the parties will cooperate in good faith for such individual to be hired by a member of the Parent Group and thereafter transferred to a member of the Lithium Group, effective as of no later than the Distribution Effective Time. For the avoidance of doubt, any New Lithium Employee will be deemed to be a Lithium Employee for all purposes of this Agreement following his or her applicable hire date (regardless of whether hired by a member of the Lithium Group or a member of the Parent Group).

(d) Each of the parties hereto agrees to execute, and to use their reasonable best efforts to have the applicable employees execute, any such documentation or consents as may be necessary or desirable to reflect or effectuate any such assignments or transfers contemplated by this Section 3.01.

(e) Effective as of the Separation Effective Time, (i) the Company shall adopt or maintain, and shall cause each member of the Lithium Group to adopt or maintain, leave of absence programs and (ii) the Company shall honor, and shall cause each member of the Lithium Group to honor, all terms and conditions of authorized leaves of absence which have been granted to any Lithium Participant before the Separation Effective Time, including such leaves that are to commence on or after the Separation Effective Time.

(f) In the event that the parties reasonably determine following the Separation Effective Time that (i) any individual employed outside the United States who is not a Lithium Employee has inadvertently become employed by a member of the Lithium

Group (due to the operation of transfer of undertakings or similar applicable Law), the parties shall cooperate and take such actions as may be reasonably necessary in order to cause the employment of such individual to be promptly transferred to a member of the Parent Group, and Parent shall reimburse the applicable members of the Lithium Group for all compensation, benefits and other employment-related costs incurred by the Lithium Group members in employing and transferring such individuals or (i) any individual employed outside the United States who was intended to transfer to, and become employed by, a member of the Lithium Group pursuant to the operation of transfer of undertakings or similar applicable Law instead continues to be employed by the Parent Group, the parties shall cooperate and take such actions as may be reasonably necessary in order to cause the employment of such individual to be promptly transferred to a member of the Lithium Group, and the Company shall reimburse the applicable members of the Parent Group for all compensation, benefits and other employment-related costs incurred by Parent Group members in employing and transferring such individuals.

(g) With respect to any employment agreements or restrictive covenant agreements with Lithium Employees or Parent Employees to which a member of the Lithium Group or a member of the Parent Group, respectively, is not a party, or which do not otherwise transfer to a Lithium Group member or a Parent Group member, respectively, by operation of applicable Law, the parties shall use reasonable best efforts to assign the applicable employment agreement to a member of the Lithium Group or a member of the Parent Group, as applicable, in the applicable jurisdiction, and the Company or Parent, as applicable, shall, or shall cause a member of the Lithium Group or a member of the Parent Group, respectively, to assume and perform such employment agreements in accordance with their terms; *provided, however,* that this Section 3.01(g) shall not apply to (i) any employment agreements with any Lithium Participants who are employed in a jurisdiction outside of the United States in which the parties do not intend for such agreements to be transferred to the Lithium Group or (ii) any executive severance agreements with any Lithium Employees under the Parent Executive Severance Plan.

(h) Neither the Separation, the Distribution nor any assignment, transfer or continuation of the employment of employees as contemplated by this Article III shall be deemed a termination of employment or service of any Lithium Participant or Parent Participant for purposes of this Agreement or any Parent Plan or Lithium Plan (including, for the avoidance of doubt, any individual employment, severance, change in control, independent contractor, consulting or similar agreements).

(i) Except as provided in Section 8.06(h), with respect to any Delayed Transfer Employee, references to “Separation Effective Time”, “Separation Date”, “Benefits Commencement Date”, “Distribution Effective Time” and “Distribution Date” in this Agreement, as applicable, shall in each case be deemed to refer to the date such Delayed Transfer Employee commences employment with the Lithium Group, *mutatis mutandis*, if later.

Section 3.02. *Contractors*. With respect to any independent contractor or consulting agreements with Lithium Contractors or Parent Contractors to which a Lithium Group member or a Parent Group member, respectively, is not a party, or which do not otherwise transfer to a Lithium Group member or a Parent Group member, respectively, by operation of applicable Law, the parties shall use reasonable best efforts to assign the applicable agreements to a member of the Lithium Group or a member of the Parent Group, as applicable, in the applicable jurisdiction, and the Company or Parent, as applicable, shall, or shall cause a member of the Lithium Group or a member of the Parent Group, respectively, to assume and perform such independent contractor and consulting agreements.

Section 3.03. *Assumption of Collective Bargaining Agreements; Labor Relations.*

(a) From and after the Separation Effective Time, the Company hereby agrees to comply with and honor the Lithium CBAs and become, and fulfill its obligations as, a successor employer to the applicable Parent Group member for all purposes under the Lithium CBAs with respect to any Lithium Employee or Lithium Contractor, and the Company assumes responsibility for, and Parent or the relevant member of the Parent Group hereby ceases to be responsible for or to otherwise have any Liability in respect of, the Lithium CBAs to the extent they pertain to any Lithium Employee or Lithium Contractor.

(b) To the extent required by applicable Law, any Lithium CBA, Parent CBA or any other Collective Bargaining Agreement, the parties shall cooperate and consult in good faith to provide notice, engage in consultation, and take any similar action which may be required on its part in connection with the IPO or Distribution.

Section 3.04. *Assumption of Individual Lithium Employee Agreements and Lithium Contractor Agreements.* From and after the Separation Effective Time, the Company hereby agrees to comply with and honor any employment or services agreement between any member of the Parent Group or the Lithium Group, as the case may be, on the one hand, and any Lithium Employee or Lithium Contractor, on the other hand, and assumes responsibility for, and, to the extent applicable, Parent or the relevant member of the Parent Group hereby ceases to be responsible for or to otherwise have any Liability in respect of, such agreements. For the avoidance of doubt, this Section 3.04 shall not apply to any executive severance agreements with any Lithium Employees under Parent’s Executive Severance Plan.

Section 3.05. *Assignment of Specified Rights*. To the extent permitted by applicable Law and the applicable agreement, if any, effective as of the Separation Effective Time, (i) Parent hereby assigns, to the maximum extent possible, on behalf of itself and the Parent Group, the Lithium Specified Rights, to the Company and (ii) the Company hereby assigns, to the maximum extent possible, on behalf of itself and the Lithium Group, the Parent Specified Rights, to Parent.

ARTICLE IV PLANS

Section 4.01. *Plan Participation*. Except as otherwise expressly provided in this Agreement, effective as of immediately prior to the applicable Benefits Commencement Date, (a) (i) all Lithium Participants shall cease any participation in, and benefit accrual under, Parent Plans and (ii) all members of the Lithium Group shall cease to be participating employers under the Parent Plans and, (a) to the extent applicable, (i) all Parent Participants shall cease any participation in, and benefit accrual under, Lithium Plans and (ii) all members of the Parent Group shall cease to be participating employers under the Lithium Plans. Prior to the Separation Date, Parent and the Company shall take all actions necessary to effectuate the actions contemplated by this Section 4.01 and to cause (A) the applicable Lithium Group member to assume or retain all Liabilities with respect to each Lithium Plan and the applicable Parent Group member to assume or retain all Liabilities with respect to each Parent Plan, in each case, effective as of the Separation Effective Time and (B) all Assets of any Lithium Plan to be transferred to or retained by the applicable Lithium Group member in the applicable jurisdiction and all Assets of any Parent Plan to be transferred to or retained by the applicable Parent Group member in the applicable jurisdiction, in each case, effective as of the Separation Effective Time.

Section 4.02. *Adoption and Administration of Lithium Plans; Service Credit*.

(a) To the extent necessary to comply with its obligations under this Agreement, the Company or a member of the Lithium Group shall adopt, or cause to be adopted, at the Company's expense, Lithium Plans to be effective from and after the applicable Benefits Commencement Date. The Company expressly agrees to reimburse Parent for any and all costs and expenses incurred by the Parent Group before the applicable Benefits Commencement Date to design, establish or administer any Lithium Plan.

(b) For the avoidance of doubt, from and after the applicable Benefits Commencement Date, the applicable member of the Lithium Group shall be responsible for the administration of the applicable Lithium Plan, and no member of the Parent Group shall have any Liability or obligation (including any administration obligation) with respect to any Lithium Plans.

(c) From and after the applicable Benefits Commencement Date, for purposes of determining eligibility to participate, vesting and benefit accrual under any Lithium Plan in which a Lithium Participant is eligible to participate on and following the applicable Benefits Commencement Date, such Lithium Participant's service with any member of the Parent Group or the Lithium Group, as the case may be, prior to the applicable Benefits Commencement Date shall be treated as service with the Lithium Group, to the extent recognized by the Parent Group or the Lithium Group, as applicable, under an analogous Parent Plan or Lithium Plan, as applicable, prior to the applicable Benefits Commencement Date; *provided, however,* that such service shall not be recognized to the extent that such recognition would result in any duplication of benefits.

ARTICLE V
RETIREMENT PLANS

Section 5.01. *401(k) Plan.*

(a) Effective as of the Benefits Commencement Date, each Lithium Participant who participates in the Parent 401(k) Plan as of immediately prior to the Benefits Commencement Date (i) will cease active participation in the Parent 401(k) Plan and (i) will become eligible to participate in the Lithium 401(k) Plan. For the avoidance of doubt, all employee pre-tax deferrals and employer contributions with respect to the Lithium Participants will be made to the Lithium 401(k) Plan on and following the Benefits Commencement Date.

(b) Effective as of the Distribution Effective Time, each Lithium Participant will become eligible to elect a distribution of his or her account balance under the Parent 401(k) Plan, including a voluntary “rollover distribution” of such Lithium Participant’s eligible account balance under the Parent 401(k) Plan (other than any participant loans) to either the Lithium 401(k) Plan or an Individual Retirement Account (or, for the avoidance of doubt, such Lithium Participant may otherwise continue to maintain his or her account under the Parent 401(k) Plan in accordance with the terms of the Parent 401(k) Plan), as determined by each such Lithium Participant; *provided* that any portion of such Lithium Participant’s account balance under the Parent 401(k) Plan to be “rolled over” to the Lithium 401(k) Plan must be done in the form of cash (i.e., no in-kind or Parent Common Stock transfers will be permitted). In the event that a Lithium Participant makes a voluntary election to rollover such Lithium Participant’s account balance from the Parent 401(k) Plan to the Lithium 401(k) Plan, the Company agrees to cause the Lithium 401(k) Plan to accept such rollover, to the extent permitted by applicable Law.

(c) Subject to participant rollovers as provided for in Section 5.01(b) above, all Liabilities under the Parent 401(k) Plan (whether relating to Parent Participants or Lithium Participants), including with respect to participant loans, will be retained by Parent and will constitute Parent Retained Employee Liabilities; *provided* that any and all costs, expenses or Liabilities relating to participation by Lithium Participants in the Parent 401(k) Plan during the period, if any, between the Separation Date and the Benefits Commencement Date (the “**Benefits Transition Period**”) shall be assumed by the Lithium Group and constitute Lithium Assumed Employee Liabilities, which shall be reimbursed by the Company to the Parent Group in accordance with the terms of the Transition Services Agreement. For the avoidance of doubt, there will be no trust-to-trust transfer of any Assets or Liabilities from the Parent 401(k) Plan to the Lithium 401(k) Plan.

(d) From and after the Benefits Commencement Date, the applicable member of the Lithium Group shall be responsible for the administration of the Lithium 401(k) Plan, and no member of the Parent Group shall have any Liability or obligation (including any administration obligation) with respect to the Lithium 401(k) Plan.

Section 5.02. *Non-U.S. Defined Contribution Plans .*

(a) Effective as of the Separation Effective Time, the Lithium Plan that is a defined contribution plan maintained for the benefit of Non-U.S. Lithium Participants in the United Kingdom (the “**UK DC Plan**”) will be retained by the Lithium Group in accordance with its terms, and, for the avoidance of doubt, (i) all obligations in respect of the UK DC Plan will be retained by the Lithium Group from and after the Separation Effective Time and (ii) any Liabilities relating to or arising from the UK DC Plan will constitute Lithium Assumed Employee Liabilities.

(b) Effective on or before the Separation Effective Time, each Non-U.S. Lithium Participant who participates in a Parent Plan that is a statutory India Provident Fund shall cease active participation in such plan and will become eligible to participate in a Lithium Plan that is a statutory India Provident Fund.

Section 5.03. *Parent U.S. Qualified Pension Plan.*

(a) Effective as of the Benefits Commencement Date, each Lithium Participant who participates in the Parent U.S. Qualified Pension Plan will cease active participation in the Parent U.S. Qualified Pension Plan (including the accrual of any additional benefits under the Parent U.S. Qualified Pension Plan).

(b) On and following the Benefits Commencement Date, each Lithium Participant who participates in the Parent U.S. Qualified Pension Plan as of immediately prior to the Benefits Commencement Date shall receive credit for his or her service with the Lithium Group on and following the Benefits Commencement Date for purposes of attaining “early retirement” eligibility under, and in accordance with the terms of, the Parent U.S. Qualified Pension Plan.

(c) From and after the Distribution Effective Time, the terms of the Parent U.S. Qualified Pension Plan will govern the terms of distributions, if any, of any benefits payable under the Parent U.S. Qualified Pension Plan to any Lithium Participants.

(d) All Liabilities under the Parent U.S. Qualified Pension Plan (whether relating to Parent Participants or Lithium Participants) will be retained by Parent and will constitute Parent Retained Employee Liabilities; *provided, however,* that any and all costs, expenses or Liabilities relating to participation by Lithium Participants in the Parent U.S. Qualified Pension Plan during the Benefits Transition Period shall be assumed by the Lithium Group and constitute Lithium Assumed Employee Liabilities, which shall be reimbursed by the Company to the Parent Group in accordance with the terms of the Transition Services Agreement.

Section 5.04. *Non-U.S. Pension Plans.*

(a) Effective as of the Separation Effective Time, the UK Pension Plan will be retained by the Lithium Group in accordance with its terms, and, for the avoidance of doubt, any Liabilities arising from or relating to the UK Pension Plan will constitute Lithium Assumed Employee Liabilities. Without limiting the generality of Schedule 5.05 of the Separation Agreement, as of and following the Separation Effective Time, the Bromborough Indemnity Deed will remain in full force and effect in accordance with its terms; *provided* that any and all Liabilities related to or arising under the Bromborough Indemnity Deed shall constitute Lithium Assumed Employee Liabilities.

(b) Effective on or before the Separation Effective Time, (i) each Non-U.S. Lithium Participant who participates in a Parent Plan that is an India Gratuity Plan or Japan Retirement Allowance Plan will cease active participation in such plan and will become eligible to participate in a corresponding Lithium Plan and (ii) (A) the Company shall, and shall cause the applicable member of the Lithium Group to, assume all Liabilities under such India Gratuity Plan and Japan Retirement Plan with respect to Non-U.S. Lithium Participants, (B) Parent shall, and shall cause the applicable member of the Parent Group to, transfer all such Liabilities to the applicable member of the Lithium Group, and (C) the Parent Group shall have no further Liability or obligation (including any administration obligation) with respect thereto.

Section 5.05. *Parent NQ Savings Plan.*

(a) Effective as of the Benefits Commencement Date, each Lithium Participant who participates in the Parent NQ Savings Plan as of immediately prior to the Benefits Commencement Date (i) will cease active participation in the Parent NQ Savings Plan and (ii) will become eligible to participate in a corresponding Lithium non-qualified savings and investment plan (the “**Lithium NQ Savings Plan**”). For the avoidance of doubt, from and after the Benefits Commencement Date, each Lithium Participant shall not actively participate in or accrue any additional benefits under the Parent NQ Savings Plan.

(b) During the Benefits Transition Period, any and all costs, expenses or Liabilities relating to participation by Lithium Participants in the Parent NQ Savings Plan shall be assumed by the Lithium Group and constitute Lithium Assumed Employee Liabilities, which shall be reimbursed by the Company to the Parent Group in accordance with the terms of the Transition Services

Agreement. Effective as of the Benefits Commencement Date, (i) the Company shall, and shall cause the Lithium NQ Savings Plan to, accept all Assets and assume all Liabilities under the Parent NQ Savings Plan with respect to Lithium Participants, (ii) Parent shall, and shall cause the Parent NQ Savings Plan to, transfer all such Assets and Liabilities to the Lithium NQ Savings Plan, and (iii) the Parent NQ Savings Plan and the Parent Group shall have no further Liability or obligation (including any administration obligation) with respect thereto. The Parent NQ Savings Plan shall continue to be responsible for Liabilities in respect of Parent Participants.

(c) On and following the Benefits Commencement Date, any effective deferral elections made by a Lithium Participant with respect to amounts deferred by such Lithium Participant under, and in accordance with the terms of, the Parent NQ Savings Plan prior to the Benefits Commencement Date, shall remain in effect with respect to such amounts in accordance with their terms.

(d) Lithium Participants shall receive credit under the Lithium NQ Savings Plan for vesting, eligibility and benefit service for all service credited for those purposes under the Parent NQ Savings Plan as of the Benefits Commencement Date as if that service had been rendered to the Lithium Group.

(e) To the maximum extent permitted by Section 409A of the Code, a Lithium Participant shall not be considered to have undergone a “separation from service” for purposes of Section 409A of the Code and the Parent NQ Savings Plan solely by reason of the Distribution, and, following the Distribution Effective Time, the determination of whether a Lithium Participant has incurred a separation from service with respect to his or her benefit in the Lithium NQ Savings Plan shall be based solely upon his or her performance of services for the Lithium Group.

Section 5.06. *Parent NQ Pension Plan.*

(a) Effective as of the Benefits Commencement Date, each Lithium Participant who participates in the Parent NQ Pension Plan as of immediately prior to the Distribution Effective Time will cease active participation in the Parent NQ Pension Plan and will not accrue any additional benefits thereunder.

(b) At and following the Distribution Effective Time, the terms of the Parent NQ Pension Plan (and any applicable deferral elections thereunder) will govern the terms of any distributions of account balances made to Lithium Participants participating in the Parent NQ Pension Plan.

(c) All Liabilities under the Parent NQ Pension Plan (whether relating to Parent Participants or Lithium Participants) will be retained by Parent and will constitute Parent Retained Employee Liabilities; *provided, however,* that any and all costs, expenses or Liabilities relating to participation by Lithium Participants in the Parent NQ Pension Plan during the Benefits Transition Period be assumed by the Lithium Group and constitute Lithium Assumed Employee Liabilities, which shall be reimbursed by the Company to the Parent Group in accordance with the terms of the Transition Services Agreement.

ARTICLE VI HEALTH AND WELFARE PLANS; PAID TIME OFF AND VACATION

Section 6.01. *Cessation of Participation in Parent H&W Plans ; Participation in Lithium H&W Plans.*

(a) Without limiting the generality of Section 4.01, effective as of the applicable Benefits Commencement Date, Lithium Participants shall cease to participate in the Parent H&W Plans; *provided* that any participation in, and benefit accrual under, Parent H&W Plans by Lithium Participants during the Benefits Transition Period shall be in accordance with, and pursuant to, the terms and conditions of the Transition Services Agreement.

(b) Effective as of the applicable Benefits Commencement Date, the Company shall cause Lithium Participants who participate in a Parent H&W Plan immediately prior to the applicable Benefits Commencement Date to be automatically enrolled or offered participation in a corresponding Lithium H&W Plan.

(c) To the extent applicable, the Company shall cause Lithium H&W Plans to recognize and maintain all coverage and contribution elections made by Lithium Participants under the corresponding Parent H&W Plans as of the applicable Benefits Commencement Date and apply such elections under the applicable Lithium H&W Plan for the remainder of the period or periods for which such elections are by their terms applicable.

(d) Neither the transfer or other movement of employment or service from any member of the Parent Group to any member of the Lithium Group at any time before the applicable Benefits Commencement Date nor the Distribution shall constitute or be treated as a “status change” under the Parent H&W Plans or the Lithium H&W Plans.

(e) Subject to the terms of the applicable Lithium H&W Plan and applicable Law, the Company shall use its reasonable best efforts to waive all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to Lithium Participants under any Lithium H&W Plan in which such Lithium Participants may be eligible to participate on or after the applicable Benefits Commencement Date.

Section 6.02. *Assumption of Health and Welfare Plan Liabilities*. Subject Section 6.03, effective as of the Separation Effective Time, all Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred prior to, on or after the Separation Effective Time by each Lithium Participant under the Parent H&W Plans shall cease to be Liabilities of the Parent Group and shall be assumed by the Lithium Group and deemed to be Lithium Assumed Employee Liabilities. Without limiting the generality of the foregoing, subject to Section 6.03, any and all costs, expenses or Liabilities relating to participation by Lithium Participants in the Parent H&W Plans during the Benefits Transition Period shall be reimbursed by the Company to the Parent Group in accordance with the terms of the Transition Services Agreement. For the avoidance of doubt, subject to Section 6.03, (a) all Liabilities arising under (i) any Parent H&W Plan (other than a Parent Retiree H&W Plan) with respect to Lithium Participants or (i) any Lithium H&W Plan and (a) all Liabilities arising out of, relating to or resulting from the cessation of a Lithium Participant's participation in any Parent H&W Plan (other than a Parent Retiree H&W Plan) and transfer to a Lithium H&W Plan as set forth herein (including any Actions or claims by any Lithium Participants related thereto) shall, in each case, be Lithium Assumed Employee Liabilities.

Section 6.03. *Post-Retirement Health and Welfare Benefits*. Notwithstanding anything to the contrary in Section 6.01 or Section 6.02, (a) effective as of the applicable Benefits Commencement Date, all Lithium Participants shall cease to participate in, and earn benefit service under, any Parent Retiree H&W Plan (*provided* that any Lithium Participant who has elected to receive benefits under any applicable Parent Retiree H&W Plan in accordance with the terms of such plan prior to the applicable Benefits Commencement Date shall continue to participate in, and receive benefits under, such Parent Retiree H&W Plan in accordance with the terms of such plan) and (a) all Liabilities under the Parent Retiree H&W Plans (whether relating to Parent Participants or Lithium Participants) will be retained by Parent and will constitute Parent Retained Employee Liabilities.

Section 6.04. *Flexible Spending Account Plan Treatment*. Effective as of the applicable Benefits Commencement Date, the Company shall establish or designate flexible spending accounts for health and dependent care expenses (the “**Lithium FSAs**”). To the extent applicable, the parties shall take all actions reasonably necessary or appropriate so that the account balances (positive or negative) under the Parent FSAs of each Lithium Participant who has elected to participate therein in the year in which the applicable Benefits Commencement Date occurs shall be transferred, effective as of the applicable Benefits Commencement Date, from the Parent FSAs to the corresponding Lithium FSAs. The Lithium FSAs shall assume responsibility as of the applicable Benefits Commencement Date for all outstanding dependent care and health care claims under the Parent FSAs of each Lithium Participant for the year in which the applicable Benefits Commencement Date occurs and shall assume the rights of and agree to perform the obligations of the analogous Parent FSA from and after the applicable Benefits Commencement Date. The parties shall cooperate in good faith to provide that the contribution elections of each such Lithium Participant as in effect immediately before the applicable Benefits Commencement Date remain in effect under the Lithium FSAs from and after the applicable Benefits Commencement Date.

Section 6.05. *Workers’ Compensation Liabilities*. Unless as otherwise expressly provided in the Separation and Distribution Agreement, effective as of the Separation Effective Time, all workers’ compensation Liabilities relating to, arising out of, or resulting from any claim by any Lithium Participant that result from an accident or from an occupational disease, regardless of whether incurred before, on or after the Separation Date, shall be assumed by the Company and shall constitute Lithium Assumed Employee Liabilities. The parties shall cooperate with respect to any notification to appropriate governmental agencies of the disposition and the issuance of new, or the transfer of existing, workers’ compensation insurance policies and contracts governing the handling of claims.

Section 6.06. *Vacation and Paid Time Off*. Effective as of the Separation Effective Time, the applicable Lithium Group member shall recognize and assume all Liabilities with respect to vacation, holiday, sick leave, paid time off, floating holidays, personal days and other paid time off with respect to Lithium Participants accrued on or prior to the Separation Effective Time, and the Company shall credit each such Lithium Participant with such accrual; *provided*, that if any such vacation or paid time off is required under applicable Law to be paid out to the applicable Lithium Participant in connection with the Distribution, such payment will be made by the Company as of the Distribution Date, and the Company will credit such Lithium Participant with unpaid vacation time or paid time off in respect thereof; it being understood that any amount of vacation or paid time off required to be paid out in connection with the Distribution shall constitute Lithium Assumed Employee Liabilities.

Section 6.07. *COBRA and HIPAA*.

(a) The Parent Group shall administer the Parent Group’s compliance with the health care continuation coverage

requirements of COBRA, the certificate of creditable coverage requirements of HIPAA and the corresponding provisions of the Parent H&W Plans with respect to Lithium Participants who incur a COBRA “qualifying event” occurring on or before the applicable Benefits Commencement Date entitling them to benefits under a Parent H&W Plan; *provided* that, for the avoidance of doubt, any Liabilities related thereto shall constitute Lithium Assumed Employee Liabilities.

(b) The Company shall be solely responsible for all Liabilities incurred pursuant to COBRA and for administering, at the Company’s expense, compliance with the health care continuation coverage requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the Lithium H&W Plans with respect to Lithium Participants who incur a COBRA “qualifying event” that occurs at any time after the applicable Benefits Commencement Date entitling them to benefits under a Lithium Plan.

(c) The parties agree that neither the Separation, the Distribution nor any assignment or transfer of the employment or services of any employee or individual independent contractor as contemplated under this Agreement shall constitute a COBRA “qualifying event” for any purpose of COBRA.

ARTICLE VII INCENTIVE COMPENSATION

Section 7.01. *Cash Incentive and Cash Bonus Plans*. Each Lithium Participant participating in any Parent Plan that is a cash bonus or cash incentive plan with respect to the 2018 performance year (each, a “**Parent Bonus Plan**”) will remain eligible to receive a cash bonus in respect of the 2018 performance year (the “**2018 Cash Bonuses**”) in accordance with the terms of such applicable Parent Bonus Plan. Any 2018 Cash Bonuses payable to Lithium Participants under such Parent Bonus Plans will be paid by the Company on behalf of Parent in accordance with the terms of the applicable Parent Bonus Plan (including terms relating to the timing of payment), which such amounts shall constitute Lithium Assumed Employee Liabilities; *provided* that Parent will reimburse Lithium for the portion of the 2018 Cash Bonuses paid by the Company to Lithium Participants that relates to the portion of the 2018 performance period that elapsed prior to the Separation Date, which such amount to be reimbursed by Parent will constitute a Parent Retained Employee Liability.

ARTICLE VIII TREATMENT OF OUTSTANDING EQUITY AWARDS

Section 8.01. *No Adjustments at the IPO*. Except as may otherwise be provided pursuant to the express terms of any Parent RSU, Parent PRSU or Parent Option, no adjustments shall be made to any Parent RSU, Parent PRSU or Parent Option in connection with the execution of this Agreement or the consummation of the IPO.

Section 8.02. *RSU and Banked PRSU Distribution Adjustments*.

(a) Effective as of the Distribution Effective Time, each Parent RSU and Banked Parent PRSU that is outstanding as of immediately prior to the Distribution Effective Time and held by a Lithium Participant shall be converted into an award of restricted share units with respect to Company Common Stock (each, a “**Lithium RSU**”). The number of shares of Company Common Stock subject to such Lithium RSU shall be determined by the Parent Board (or an appropriate committee thereof) in a manner intended to preserve the value of such Parent RSU or Banked Parent PRSU, as applicable, by taking into account the relative values of the Parent Pre-Distribution Stock Value and the Company Stock Value, with any fractional shares rounded down to the nearest whole number of shares. Each such Lithium RSU shall be subject to the same terms and conditions (including vesting and payment schedules) as applicable to the corresponding Parent RSU or Banked Parent PRSU, as applicable, as of immediately prior to the Distribution Effective Time.

(b) Effective as of the Distribution Effective Time, each Parent RSU and Banked Parent PRSU that, in each case, (x) was granted prior to January 1, 2019, (y) is outstanding as of immediately prior to the Distribution Effective Time and (z) is held by a Parent Participant who is not a Former Parent Employee shall be converted into both an Adjusted Parent RSU or Adjusted Banked Parent PRSU, as applicable, and a Lithium RSU, and each such Adjusted Parent RSU, Adjusted Banked Parent PRSU and Lithium RSU shall be subject to the same terms and conditions (including vesting and payment schedules) as were applicable to the corresponding Parent RSU or Banked Parent PRSU as of immediately prior to the Distribution Effective Time; *provided* that from and after the Distribution Effective Time:

1. the number of shares of Parent Common Stock subject to such Adjusted Parent RSU or Adjusted Banked Parent PRSU, as applicable, shall be equal to the number of shares of Parent Common Stock subject to the corresponding Parent RSU or Banked Parent PRSU, as applicable, immediately prior to the Distribution Effective Time; and

2. the number of shares of Company Common Stock subject to such Lithium RSU shall be determined by the

Parent Board (or an appropriate committee thereof) in a manner intended, in combination with such Adjusted Parent RSU or Adjusted Banked Parent PRSU, as applicable, to preserve the value of such Parent RSU or Banked Parent PRSU, as applicable, by taking into account the Distribution Ratio relative to the number of Parent RSUs or Banked Parent PRSUs, as applicable, with any fractional shares rounded down to the nearest whole number of shares.

(c) Effective as of the Distribution Effective Time, each Parent RSU and Banked Parent PRSU that, in each case, (x) was granted on or after January 1, 2019, (y) is outstanding as of immediately prior to the Distribution Effective Time and (z) held by a Parent Participant who is not a Former Parent Employee shall be converted into an Adjusted Parent RSU or Adjusted Banked Parent PRSU, as applicable. The number of shares of Parent Common Stock subject to such Adjusted Parent RSU or Adjusted Banked Parent PRSU, as applicable, shall be determined by the Parent Board (or an appropriate committee thereof) in a manner intended to preserve the value of such Parent RSU or Banked Parent PRSU, as applicable, by taking into account the relative values of the Parent Pre-Distribution Stock Value and the Adjusted Parent Post-Distribution Stock Value, with any fractional shares rounded down to the nearest whole number of shares. Each such Adjusted Parent RSU or Adjusted Banked Parent PRSU, as applicable, shall be subject to the same terms and conditions (including vesting and payment schedules) as applicable to the corresponding Parent RSU or Banked Parent PRSU, as applicable, as of immediately prior to the Distribution Effective Time.

(d) Effective as of the Distribution Effective Time, each Parent RSU and Banked Parent PRSU that is outstanding as of immediately prior to the Distribution Effective Time and held by a Former Parent Employee shall be converted into an Adjusted Parent RSU or Adjusted Banked Parent PRSU, as applicable. The number of shares of Parent Common Stock subject to such Adjusted Parent RSU or Adjusted Banked Parent PRSU, as applicable, shall be determined by the Parent Board (or an appropriate committee thereof) in a manner intended to preserve the value of such Parent RSU or Banked Parent PRSU, as applicable, by taking into account the relative values of the Parent Pre-Distribution Stock Value and the Adjusted Parent Post-Distribution Stock Value, with any fractional shares rounded down to the nearest whole number of shares. Each such Adjusted Parent RSU or Adjusted Banked Parent PRSU, as applicable, shall be subject to the same terms and conditions (including vesting and payment schedules) as applicable to the corresponding Parent RSU or Banked Parent PRSU, as applicable, as of immediately prior to the Distribution Effective Time.

Section 8.03. *Unbanked PRSU Distribution Adjustments.*

(a) Effective as of the Distribution Effective Time, each Unbanked Parent PRSU that is outstanding as of immediately prior to the Distribution Effective Time and held by a Lithium Participant shall be converted into a Lithium RSU. The number of shares of Company Common Stock subject to such Lithium RSU shall be determined by the Parent Board (or an appropriate committee thereof) in a manner intended to preserve the target value of such Unbanked Parent PRSU by taking into account the relative values of the Parent Pre-Distribution Stock Value and the Company Stock Value, with any fractional shares rounded down to the nearest whole number of shares. Each such Lithium RSU shall be subject to the same terms and conditions (including vesting and payment schedules) as applicable to the corresponding Unbanked Parent PRSU as of immediately prior to the Distribution Effective Time; *provided*, that each such Lithium RSU shall not be subject to any performance-based vesting conditions and shall vest solely based on the continuous service of the Lithium Participant with the Lithium Group.

(b) Effective as of the Distribution Effective Time, each Unbanked Parent PRSU granted prior to January 1, 2019 that is outstanding as of immediately prior to the Distribution Effective Time and held by a Parent Participant who is not a Former Parent Employee shall be converted into both an Adjusted Unbanked Parent PRSU and a Lithium PRSU, and each such Adjusted Unbanked Parent PRSU and Lithium PRSU shall be subject to the same terms and conditions (including vesting and payment schedules and performance-based vesting conditions) as were applicable to the corresponding Unbanked Parent PRSU as of immediately prior to the Distribution Effective Time; *provided* that from and after the Distribution Effective Time:

1. the target number of shares of Parent Common Stock subject to such Adjusted Unbanked Parent PRSU shall be equal to the target number of shares of Parent Common Stock subject to the corresponding Unbanked Parent PRSU immediately prior to the Distribution Effective Time;

2. the number of shares of Company Common Stock subject to such Lithium PRSU shall be determined by the Parent Board (or an appropriate committee thereof) in a manner intended, in combination with such Adjusted Unbanked Parent PRSU, to preserve the target value of such Unbanked Parent PRSU by taking into account the Distribution Ratio relative to the number of Unbanked Parent PRSUs, with any fractional shares rounded down to the nearest whole number of shares; and

3. the performance-based vesting conditions applicable to the Adjusted Unbanked Parent PRSU and the Lithium PRSUs may be equitably adjusted by the Parent Board (or an appropriate committee thereof) in accordance with their terms to reflect the effect of the Distribution.

(c) Effective as of the Distribution Effective Time, each Unbanked Parent PRSU granted on or after January 1, 2019 that is outstanding as of immediately prior to the Distribution Effective Time and held by a Parent Participant who is not a Former Parent Employee shall be converted into an Adjusted Unbanked Parent PRSU. The number of shares of Parent Common Stock subject to such Adjusted Unbanked Parent PRSU shall be determined by the Parent Board (or an appropriate committee thereof) in a manner

intended to preserve the target value of such Unbanked Parent PRSU by taking into account the relative values of the Parent Pre-Distribution Stock Value and the Adjusted Parent Post-Distribution Stock Value, with any fractional shares rounded down to the nearest whole number of shares. Each such Adjusted Unbanked Parent PRSU shall be subject to the same terms and conditions (including vesting and payment schedules and performance-based vesting conditions) as applicable to the corresponding Unbanked Parent PRSU as of immediately prior to the Distribution Effective Time; *provided* that the performance-based vesting conditions applicable to such Adjusted Unbanked Parent PRSUs may be equitably adjusted by the Parent Board (or an appropriate committee thereof) in accordance with their terms to reflect the effect of the Distribution.

(d) Effective as of the Distribution Effective Time, each Unbanked Parent PRSU that is outstanding as of immediately prior to the Distribution Effective Time and held by a Former Parent Employee shall be converted into an Adjusted Unbanked Parent PRSU. The number of shares of Parent Common Stock subject to such Adjusted Unbanked Parent PRSU shall be determined by the Parent Board (or an appropriate committee thereof) in a manner intended to preserve the target value of such Unbanked Parent PRSU by taking into account the relative values of the Parent Pre-Distribution Stock Value and the Adjusted Parent Post-Distribution Stock Value, with any fractional shares rounded down to the nearest whole number of shares. Each such Adjusted Unbanked Parent PRSU shall be subject to the same terms and conditions (including vesting and payment schedules and performance-based vesting conditions) as applicable to the corresponding Unbanked Parent PRSU as of immediately prior to the Distribution Effective Time; *provided* that the performance-based vesting conditions applicable to such Adjusted Unbanked Parent PRSUs may be equitably adjusted by the Parent Board (or an appropriate committee thereof) in accordance with their terms to reflect the effect of the Distribution.

Section 8.04. *Stock Option Distribution Adjustments.*

(a) Effective as of the Distribution Effective Time, each Parent Option, whether vested or unvested, that is outstanding as of immediately prior to the Distribution Effective Time and held by a Lithium Participant shall be converted into an option to acquire Company Common Stock (each, a “**Lithium Option**”) and shall be subject to the same terms and conditions (including vesting and expiration schedules) as applicable to the corresponding Parent Option as of immediately prior to the Distribution Effective Time; *provided* that from and after the Distribution Effective Time, the number of shares of Company Common Stock subject to, and the exercise price per share of, such Lithium Option shall be determined by the Parent Board (or an appropriate committee thereof) in a manner intended to preserve the value of such Parent Option by taking into account (A) the exercise price per share of such Parent Option and (B) the relative values of the Parent Pre-Distribution Stock Value and the Company Stock Value, with any fractional shares rounded down to the nearest whole number of shares and any exercise price rounded up to the nearest whole cent.

(b) Effective as of the Distribution Effective Time, each Parent Option, whether vested or unvested, that is outstanding as of immediately prior to the Distribution Effective Time and held by a Parent Participant (including, for the avoidance of doubt, any Former Parent Employee) shall be converted into an Adjusted Parent Option and shall be subject to the same terms and conditions (including vesting and expiration schedules) as applicable to the corresponding Parent Option as of immediately prior to the Distribution Effective Time; *provided* that from and after the Distribution Effective Time, the number of shares of Parent Common Stock subject to, and the exercise price per share of, such Adjusted Parent Option shall be determined by the Parent Board (or an appropriate committee thereof) in a manner intended to preserve the value of such Parent Option by taking into account (A) the exercise price per share of such Parent Option and (B) the relative values of the Parent Pre-Distribution Stock Value and the Adjusted Parent Post-Distribution Stock Value, with any fractional shares rounded down to the nearest whole number of shares and any exercise price rounded up to the nearest whole cent.

(c) Notwithstanding anything to the contrary in this Section 8.04, the exercise price, the number of shares of Parent Common Stock or Company Common Stock, as applicable, and the terms and conditions of exercise applicable to any Adjusted Parent Option or Lithium Option, as the case may be, shall be determined in a manner consistent with the requirements of Section 409A of the Code.

Section 8.05. *Equity Award Adjustment Illustrations*. For an illustration of the transactions contemplated by Section 8.02, Section 8.03 and Section 8.04, see Exhibit A hereto. For the avoidance of doubt, Exhibit A represents an illustration only, and the principles set forth in Section 8.02, Section 8.03 and Section 8.04 shall govern the actual treatment of outstanding Parent RSUs, Banked Parent PRSUs, Unbanked Parent PRSUs and Parent Options.

Section 8.06. *Miscellaneous Terms and Actions; Tax Reporting and Withholding.*

(a) Effective as of the Separation Effective Time, the Company shall adopt an equity incentive compensation plan for the benefit of eligible participants (the “**Lithium Equity Plan**”). Prior to the Distribution Effective Time, each of Parent and the Company shall take any actions necessary to give effect to the transactions contemplated by this Article VIII, including, in the case

of the Company, the reservation, issuance and listing of shares of Company Common Stock as is necessary to effectuate the transactions contemplated by this Article VIII. From and after the Distribution Effective Time, (i) the Company shall retain the Lithium Equity Plan, and all Liabilities thereunder shall constitute Lithium Assumed Employee Liabilities, and (ii) Parent shall retain the Parent Equity Plan, and all Liabilities thereunder shall constitute Parent Retained Employee Liabilities. From and after the Distribution Effective Time, all Adjusted Parent Awards, regardless of by whom held, shall be granted under and subject to the terms of the Parent Equity Plan and shall be settled by Parent, and all Lithium Awards, regardless of by whom held, shall be granted under and subject to the terms of the Lithium Equity Plan and shall be settled by the Company. Notwithstanding anything to the contrary in this Agreement (including Section 2.02 or Section 11.04), (i) each Parent Participant shall have third-party beneficiary rights with respect to his or her Parent Awards that are converted into Lithium Awards pursuant to this Article VIII , including the right to bring any Action against the Company relating to or arising from such Lithium Awards and, other than pursuant to clause (ii) below, neither Parent nor any other member of the Parent Group shall have any right or remedy with respect to any Parent Participant's Parent Awards that are converted into Lithium Awards pursuant to this Article VIII , and (ii) any and all Actions brought by or on behalf of any Parent Participant, Lithium Participant (or any dependent or beneficiary thereof) or any other Person in respect of or relating to any Parent Awards that are converted into Lithium Awards pursuant to this Article VIII shall be the sole obligation and responsibility of the Company, and the Company shall indemnify, defend and hold the Parent Group harmless from and against any and all such Actions and any Liabilities related thereto.

(b) From and after the Distribution Effective Time, for purposes of any Parent Participant's Parent Awards converted into Lithium Awards pursuant to this Article VIII , (i) a Parent Participant's employment with or service to the Parent Group shall be treated as employment with and service to the Lithium Group and (i) any reference to "cause", "good reason", "disability", "willful" or other similar terms applicable to such Lithium Awards shall be deemed to refer to the definitions of "cause", "good reason", "disability", "willful" or other similar terms set forth in the Parent Equity Plan. From and after the Distribution Effective Time, (x) any reference to a "change in control," "change of control" or similar term applicable to any Adjusted Parent Award contained in any applicable award agreement, employment or services agreement or the Parent Equity Plan shall be deemed to refer to a "change in control," "change of control" or similar term as defined in such award agreement, employment or services agreement or the Parent Equity Plan (a "**Parent Change in Control**") and (y) any reference to a "change in control," "change of control" or similar term applicable to any Lithium Award contained in any applicable award agreement, employment or services agreement or the Lithium Equity Plan shall be deemed to refer to a "change in control," "change of control" or similar term as defined in the Lithium Equity Plan (a "**Lithium Change in Control**"); *provided*, however, with respect to any Parent Awards held by Parent Participants that are converted into Lithium Awards pursuant to this Article VIII, a Parent Change in Control shall also be treated as a Lithium Change in Control. For the avoidance of doubt, the Distribution shall not, in and of itself, be treated as either a Parent Change in Control or a Lithium Change in Control. Neither the Separation, the Distribution nor any assignment, transfer or continuation of the employment of employees as contemplated by Article III shall be deemed a termination of employment or service of any Lithium Participant or Parent Participant or a Parent Change in Control or Lithium Change in Control for purposes of the Parent Equity Plan or the Lithium Equity Plan, or any Parent Award or Lithium Award outstanding thereunder, respectively, and, without limiting the generality of the foregoing, to the extent Parent determines it necessary or desirable, each Parent RSU, Parent PRSU or Parent Option, as the case may be, shall be amended to expressly clarify the same.

(c) Unless otherwise required by applicable Law, (i) the applicable member of the Lithium Group shall be responsible for all applicable income, payroll, employment and other similar tax withholding, remittance and reporting obligations in respect of Lithium Participants relating to any Lithium Awards and (i) the applicable member of the Parent Group shall be responsible for all applicable income, payroll, employment and other similar tax withholding, remittance and reporting obligations in respect of Parent Participants relating to any Adjusted Parent Awards or Lithium Awards. The parties shall facilitate performance by the other party of its obligations hereunder by promptly remitting amounts withheld in respect of any Adjusted Parent Awards or Lithium Awards, as applicable, directly to the applicable Governmental Authority on such other party's behalf or to the other Party for remittance to such Governmental Authority. The parties will cooperate and communicate with each other and with third-party providers to effectuate withholding and remittance of taxes, as well as required tax reporting, in a timely, efficient and appropriate manner.

(d) The Company shall be responsible for the settlement of cash dividend equivalents on any Lithium Awards held by a Lithium Participant, and Parent shall be responsible for the settlement of cash dividend equivalents on any Adjusted Parent Awards or Lithium Awards held by a Parent Participant or Former Parent Employee; *provided* that, with respect to Lithium Awards held by Parent Participants, prior to the date any such settlement is due, the Company shall pay Parent in cash amounts required to settle any dividend equivalents accrued following the Distribution Effective Time.

(e) The Company shall prepare and file with the SEC a registration statement on an appropriate form with respect to the shares of Company Common Stock subject to the Parent Awards converted into Lithium Awards pursuant to this Article VIII and shall use its reasonable best efforts to have such registration statement declared effective as soon as practicable following the Distribution Effective Time and to maintain the effectiveness of such registration statement covering such Lithium Awards (and to maintain the current status of the prospectus contained therein) for so long as any Lithium Awards remain outstanding.

(f) Prior to the Distribution Effective Time, each party shall take all such steps as may be required to cause any dispositions of Parent Common Stock (including Parent Awards or any other derivative securities with respect to Parent Common Stock) or acquisitions of Company Common Stock (including Lithium Awards or any other derivative securities with respect to Company Common Stock) resulting from the Distribution or the transactions contemplated by this Agreement or the Separation and Distribution Agreement by each individual who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to Parent or who are or will become subject to such reporting requirements with respect to the Company to be exempt under Rule 16b-3 promulgated under the Exchange Act. With respect to those individuals, if any, who, subsequent to the Distribution Effective Time, are or become subject to the reporting requirements under Section 16(a) of the Exchange Act, as applicable, the Company shall administer any Parent Award converted into a Lithium Award pursuant to this Article VIII in a manner that complies with Rule 16b-3 promulgated under the Exchange Act to the extent such converted Parent Award complied with such rule prior to the Distribution Effective Time.

(g) From and after the Distribution Effective Time, each of Parent and the Company shall cooperate in good faith to facilitate the orderly administration of the Lithium Awards held by Parent Participants, including, without limitation, the sharing of information relating to a Parent Participant's employment or service status with the Parent Group, as well as other information relating to the vesting and forfeiture of Lithium Awards, tax withholding and reporting and compliance with applicable Law.

(h) Notwithstanding anything to the contrary herein, with respect to any Delayed Transferred Employees whose employment is not transferred to the Lithium Group on or prior to the Distribution Effective Time, any Parent Awards held by such Delayed Transferred Employees shall be adjusted as of the Distribution Effective Time in the manner set forth in Sections 8.02(b), 8.02(c), 8.03(b), 8.03(c) and 8.04(b), as applicable, and such awards shall not be further adjusted upon the date such Delayed Transferred Employee's employment is transferred to the Lithium Group.

(i) Without limiting the generality of Section 8.04(c), and notwithstanding anything to the contrary herein, all adjustments to Parent Awards contemplated by this Article VIII shall be made in accordance with the terms and conditions of the Parent Equity Plan (including, without limitation, Section 4.02 of the Parent Equity Plan) and, to the extent applicable, in a manner consistent with the requirements of Section 409A of the Code.

ARTICLE IX PERSONNEL RECORDS; PAYROLL AND TAX WITHHOLDING

Section 9.01. *Personnel Records*. To the extent permitted by applicable Law, each of the Lithium Group and the Parent Group shall be permitted by the other to access and retain copies of such records, data and other personnel-related information in any form (" **Personnel Records** ") as may be necessary or appropriate to carry out their respective obligations under applicable Law, the Separation and Distribution Agreement or any of the Ancillary Agreements, and for the purposes of administering their respective employee benefit plans and policies. All Personnel Records shall be accessed, retained, held, used, copied and transmitted in accordance with all applicable Laws, policies and agreements between the parties hereto.

Section 9.02. *Payroll; Tax Reporting and Withholding*.

(a) Subject to the obligations of the parties as set forth in the Transition Services Agreement, effective as of no later than the Separation Date, (i) the members of the Lithium Group shall be solely responsible for providing payroll services (including for any payroll period already in progress) to the Lithium Employees and for any Liabilities with respect to garnishments of the salary and wages thereof and (ii) the members of the Parent Group shall be solely responsible for providing payroll services (including for any payroll period already in progress) to the Parent Employees and for any Liabilities with respect to garnishments of the salary and wages thereof.

(b) To the extent consistent with the terms of the Tax Matters Agreement, the party that is responsible for making a payment hereunder shall be responsible for (i) making the appropriate withholdings, if any, attributable to such payments and (ii) preparing and filing all related required forms and returns with the appropriate Governmental Authority.

(c) With respect to Lithium Employees, the parties shall (i) treat the Company (or the applicable member of the Lithium Group) as a "successor employer" and Parent (or the applicable member of the Parent Group) as a "predecessor," within the meaning of Sections 3121(a)(1) and 3306(b)(1) of the Code, for purposes of taxes imposed under the U.S. Federal Unemployment Tax Act or the U.S. Federal Insurance Contributions Act, and (ii) cooperate and use reasonable best efforts to implement the alternate procedure described in Section 5 of Revenue Procedure 2004-53.

ARTICLE X NON-U.S. EMPLOYEES AND EMPLOYEE PLANS

Section 10.01. *Special Provisions for Employees and Employee Plans Outside of the United States* .

(a) From and after the date hereof, to the extent not addressed in this Agreement, the parties shall reasonably cooperate in good faith to effect the provisions of this Agreement with respect to employees and employee-, compensation- and benefits-related matters outside of the United States (including Employee Plans covering non-U.S. Parent Participants and Non-U.S. Lithium Participants), which in all cases shall be consistent with the general approach and philosophy regarding the allocation of Assets and Liabilities (as expressly set forth in the recitals to this Agreement).

(b) Without limiting the generality of Section 3.03(a), to the extent required by applicable Law or the terms of any Lithium CBA or similar employee representative agreement, Lithium or a member of the Lithium Group, as applicable, shall become a party to the applicable collective bargaining, works council, or similar arrangements with respect to Lithium Employees or Lithium Contractor located outside of the United States and shall comply with all obligations thereunder from and after the Separation Effective Time.

ARTICLE XI GENERAL AND ADMINISTRATIVE

Section 11.01. *Sharing of Participant Information* . To the maximum extent permitted under applicable Law, Parent and the Company shall share, and shall cause each member of its respective Group to reasonably cooperate with the other party hereto to (i) share, with each other and their respective agents and vendors all participant information reasonably necessary for the efficient and accurate administration of each of the Parent Plans and the Lithium Plans (including notifications regarding the termination of employment or service of any Lithium Participant or Parent Participant to the extent relevant to the administration of a Parent Plan or Lithium Plan, as the case may be), (i) facilitate the transactions and activities contemplated by this Agreement and (i) resolve any and all employment-related claims regarding Lithium Participants. The Company and its respective authorized agents shall, subject to applicable Laws, be given reasonable and timely access to, and may make copies of, all information relating to the subjects of this Agreement in the custody of the Parent Group, to the extent reasonably necessary for such administration. Parent Group members shall be entitled to retain copies of all Company Books and Records relating to the subjects of this Agreement in the custody of the Parent Group, subject to the terms of the Separation and Distribution Agreement and applicable Law.

Section 11.02. *Cooperation* . Following the date of this Agreement, the parties shall, and shall cause their respective Subsidiaries to, to cooperate in good faith with respect to any employee compensation or benefits matters that either party reasonably determines require the cooperation of the other party in order to accomplish the objectives of this Agreement (including, without limitation, relating to any audits by any Governmental Authorities).

Section 11.03. *Notices of Certain Events* . Each of the Company and Parent shall promptly notify and provide copies to the other of: (a) written notice from any Person alleging that the approval or consent of such Person is or may be required in connection with the transactions contemplated by this Agreement; (a) any written notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement or the Separation and Distribution Agreement; and (a) any actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting the Lithium Group or the Parent Group, as the case may be, that relate to the consummation of the transactions contemplated by this Agreement or the Separation and Distribution Agreement; *provided* that the delivery of any notice pursuant to this Section 11.03 shall not affect the remedies available hereunder to the party receiving such notice.

Section 11.04. *No Third Party Beneficiaries*. Notwithstanding anything to the contrary herein, nothing in this Agreement shall: (a) create any obligation on the part of any member of the Lithium Group or any member of the Parent Group to retain the employment or services of any current or former employee, director, independent contractor or other service provider; (a) be construed to create any right, or accelerate entitlement, to any compensation or benefit whatsoever on the part of any future, present, or former employee or service provider of any member of the Parent Group or the Lithium Group (or any beneficiary or dependent thereof) under this Agreement, the Separation and Distribution Agreement, any Parent Plan or Lithium Plan or otherwise; (a) preclude the Company or any Lithium Group member (or, in each case, any successor thereto), at any time after the Separation Effective Time, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Lithium Plan, any benefit under any Lithium Plan or any trust, insurance policy, or funding vehicle related to any Lithium Plan (in each case in accordance with the terms of the applicable arrangement); (a) preclude Parent or any Parent Group member (or, in each case, any successor thereto), at any time after the Separation Effective Time, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Parent Plan, any benefit under any Parent Plan or any trust, insurance policy, or funding vehicle related to any Parent Plan (in each case in accordance with the terms of the applicable arrangement); or (a) except as otherwise expressly provided in Section 8.06(a), confer any rights or remedies (including any third-party beneficiary rights) on any current or former employee or service provider of any member of the Parent Group or the Lithium Group or any beneficiary or dependent thereof or any other Person.

Section 11.05. *Fiduciary Matters*. Parent and the Company each acknowledge that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable Law, and no party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination (as supported by advice from counsel experienced in such matters) that to do so would violate such a fiduciary duty or standard. Each party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other party for any Liabilities caused by the failure to satisfy any such responsibility.

Section 11.06. *Consent of Third Parties*. If any provision of this Agreement is dependent on the consent of any third party (such as a vendor or Governmental Authority), the parties shall cooperate in good faith and use reasonable best efforts obtain such consent, and if such consent is not obtained, to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, the parties shall negotiate in good faith to implement the provision in a mutually satisfactory manner. A party's obligation to use its "reasonable best efforts" shall not require such party to take any action to the extent it would reasonably be expected to (i) jeopardize, or result in the loss or waiver of, any attorney-client or other legal privilege, (i) contravene any applicable Law or fiduciary duty, (i) result in the loss of protection of any Intellectual Property or other proprietary information or (i) incur any non-routine or unreasonable cost or expense.

Section 11.07. *Sponsored Employees*. The parties shall, and shall cause their respective Group members, to cooperate in good faith with each other and the applicable Governmental Authorities with respect to the process of obtaining work authorization for each Sponsored Employee to work with the Company or a Lithium Group member, including but not limited to, petitioning the applicable Governmental Authorities for the transfer of each Sponsored Employee's (as well as any spouse or dependent thereof, as applicable) visa or work permit, or the grant of a new visa or work permit, to any Lithium Group member. Any costs or expenses incurred with the foregoing shall constitute Lithium Assumed Employee Liabilities. In the event that it is not legally permissible for a Sponsored Employee to continue work with the Lithium Group from and after the Separation Effective Time, the parties shall reasonably cooperate to provide for the services of such Sponsored Employee to be made available exclusively to the Lithium Group under an employee secondment or similar arrangement, which any costs incurred by the Parent Group (including those relating to compensation and benefits in respect of such Sponsored Employee) shall constitute Lithium Assumed Employee Liabilities.

ARTICLE XII DISPUTE RESOLUTION

Section 12.01. *General*. The provisions of Section 9.03 of the Separation and Distribution Agreement shall apply, *mutatis mutandis*, to all disputes, controversies, or claims (whether arising in contract, tort, or otherwise) that may arise out of or relate to, or arise under or in connection with, this Agreement or the transactions contemplated hereby.

ARTICLE XIII MISCELLANEOUS

Section 13.01. *General*. The provisions of Article IX of the Separation and Distribution Agreement (other than Section

9.10 of the Separation and Distribution Agreement) are hereby incorporated by reference into and deemed part of this Agreement and shall apply, *mutatis mutandis*, as if fully set forth in this Agreement.

Section 13.02. *Entire Agreement; References*. This Agreement shall supersede and replace the Prior Agreement in its entirety. For the avoidance of doubt, any references to the “Employee Matters Agreement” in the Separation and Distribution Agreement, the Ancillary Agreements, the Lithium Equity Plan or any other agreement or arrangement entered into by Parent or the Company shall be deemed references to this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

FMC CORPORATION

By: /s/ Pierre Brondeau

Name: Pierre Brondeau

Title: Chief Executive Officer

LIVENT CORPORATION

By: /s/ Pierre Brondeau

Name: Paul Graves

Title: Chief Executive Officer and
President

SCHEDULE I

Lithium CBAs

Collective Bargaining Agreement by and between Minera del Altiplano S.A. and the Mining Workers' Association of Argentina

Schedule I-1

**RESTRICTED STOCK UNIT AWARD AGREEMENT
UNDER THE LIVENT CORPORATION
INCENTIVE COMPENSATION AND STOCK PLAN**

This RESTRICTED STOCK UNIT AWARD AGREEMENT (this “**Agreement**”) is made by and between Livent Corporation (the “**Company**”) and [Participant Name] (the “**Participant**”).

WHEREAS, the Company maintains the Livent Corporation Incentive Compensation and Stock Plan (as it may be amended from time to time, the “**Plan**”);

WHEREAS, Article 11 of the Plan authorizes the grant of Awards in the form of Restricted Stock Units;

WHEREAS, in recognition of the Participant’s past and anticipated future contributions to the Company, and to further align the Participant’s personal financial interests with those of the Company’s stockholders, the Committee has approved this grant of Restricted Stock Units to the Participant on the terms described herein, effective as of [Grant Date] (the “**Grant Date**”); and

WHEREAS, the terms of the Plan are incorporated herein by reference and made a part of this Agreement and will control the rights and obligations of the Company and the Participant under this Agreement. In the event of a conflict among the provisions of the Plan, this Agreement and any descriptive materials provided in connection herewith, the provisions of the Plan will prevail. Capitalized terms not otherwise defined herein will have the same meanings as in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Grant of Restricted Stock Units. Pursuant to the Plan, effective as of the Grant Date, the Committee hereby grants to the Participant this Award of [Number of Shares Granted] Restricted Stock Units on the terms and conditions set forth herein (the “**Units**”). Each Unit, once vested, represents an unfunded, unsecured right of the Participant to receive one share of Common Stock (each, a “**Share**”) at a specified time. The Units will become vested, and the underlying Shares will be issued in respect of vested Units, as set forth in this Agreement.

2. Vesting.

(a) Subject to the Participant’s continued employment by the Company or any of its Affiliates through the Vesting Date (as defined below), 100% of the Units shall become vested on the third-anniversary of the Grant Date (the “**Vesting Date**”). Notwithstanding the foregoing, subject to the Participant’s continued employment by the Company or any of its Affiliates through the applicable date or event, unvested Units shall fully vest upon the earliest to occur of:

(i) the date the Participant has both attained age 62 and completed 10 years of service with the Company, FMC and their respective Affiliates;

(ii) the Participant’s attainment of age 65;

(iii) the Participant’s death;

(iv) the Participant’s Disability;

(v) a Change in Control, if the Company’s successor or the surviving entity (or its parent) fails to continue or assume the Award;

(vi) subject to Section 2(d), the Participant’s Termination of Employment within two years following a Change in Control due to either a termination by the Company or its applicable Affiliate without Cause or a resignation by the Participant with Good Reason (as defined in Section 24); or

(vii) the Company’s termination of this arrangement in a manner consistent with the requirements of Treas. Reg. § 1.409A-3(j)(4)(ix).

(b) Notwithstanding anything to the contrary in Section 2(a), subject to Section 2(d), in the event of the Participant’s Termination of Employment by the Company without Cause prior to the Vesting Date (other than within two years following a Change in Control), a pro-rata portion of the unvested Units shall become vested on the effective date of such Termination of Employment, determined by multiplying (A) the number of unvested Units by (B) a fraction (x) the numerator of which is the number of days the Participant was employed by the Company or any of its Affiliates from and after the Grant Date and

prior to the date of the Participant's Termination of Employment and (B) the denominator of which is the total number of calendar days during the period beginning on the Grant Date and ending on the Vesting Date.

(c) Upon the Participant's Termination of Employment for any reason, any Unit (or portion thereof) that has not become vested on or prior to the effective date of such Termination of Employment (including, for the avoidance of doubt, in accordance with the terms of Sections 2(a) or (b)) will then be forfeited immediately and automatically and the Participant will have no further rights with respect thereto.

(d) The application of Sections 2(a)(vi) and 2(b) is in each case conditioned on (i) the Participant's execution and delivery to the Company of a general release of claims against the Company, FMC and their respective Affiliates in a form prescribed by the Company, and (i) such release becoming irrevocable within 60 days following the Participant's Termination of Employment or such shorter period specified by the Company. For avoidance of doubt, if this release requirement is not timely satisfied, the Units will be forfeited as of the effective date of the Participant's Termination of Employment and the Participant will have no further rights with respect thereto.

3. Timing of Issuance

(a) Subject to Section 3(b), Shares will be issued in respect of vested Units upon the earliest to occur of:

(i) the Vesting Date;

(ii) the Participant's "separation from service" (as that term is defined in Treas. Reg. § 1.409A-1(h)), provided that such separation is due to (A) a termination by the Company or an Affiliate without Cause, (B) a resignation by the Participant with Good Reason within two years following a Change in Control, or (C) the Participant's Disability, if such condition does not render the Participant "disabled" as that term is defined in Treas. Reg. §§ 1.409A-3(i)(4)(i) and (iii);

(iii) the Participant Disability, if such condition renders the Participant "disabled" as that term is defined in Treas. Reg. §§ 1.409A-3(i)(4)(i) and (iii);

(iv) the Participant's death; or

(v) the Company's termination of this arrangement in a manner consistent with the requirements of Treas. Reg. § 1.409A-3(j)(4)(ix).

(b) Notwithstanding anything herein to the contrary:

(i) to the extent permitted by Treas. Reg. § 1.409A-3(j)(4)(vi), the issuance of Shares in respect of a number of vested Units will be accelerated to the date that employment taxes become payable with respect to this Award. Such number of Units will be equal to the reasonably estimated amount of employment taxes then required to be withheld and remitted, divided by the then current Fair Market Value;

(ii) to the extent the requirements of Treas. Reg. § 1.409A-2(b)(7)(ii) are met, the issuance of Shares hereunder will be delayed to the extent the Company reasonably anticipates that the issuance will violate Federal securities laws or other applicable laws;

(iii) to the extent compliance with the requirements of Treas. Reg. § 1.409A-3(i)(2) is necessary to avoid the application of an additional tax under Section 409A of the Code, Shares that are otherwise issuable upon the Participant's "separation from service" (as that term is defined in Treas. Reg. § 1.409A-1(h)) will be deferred (without interest) and issued to the Participant immediately following that six-month period; and

(iv) if the Units vest as a result of the application of Section 2(a)(vi) or 2(b) and the period for the required release to become irrevocable under Section 2(d)(ii) spans two calendar years, Shares will not be issued prior to the start of that second calendar year.

(c) Fractional Shares will be rounded up to the next whole Share.

4. Non-Transferability. Neither the Units nor any right with respect thereto may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance will be void and unenforceable against the Company.

5. Stockholder Rights.

(a) The Participant will not have any stockholder rights or privileges, including voting or dividend rights, with respect to the Shares subject to Units until such Shares are actually issued and registered in the Participant's name in the Company's books and records.

(b) The foregoing notwithstanding, if the Company declares and pays a cash dividend or distribution with respect to Shares while Units are outstanding hereunder, the Company will make a special cash payment to the Participant equal to the amount of the dividend or distribution that would have been payable to the Participant had he or she been the record holder of a number of Shares equal to the number of Units outstanding hereunder (whether or not vested) on the record date of such dividend or distribution. Such special cash payment will be paid at the same time as the related dividend or distribution and will be subject to withholding for applicable taxes.

6. No Limitation on Rights of the Company. For the avoidance of doubt, the grant of the Units will not in any way affect the right or power of the Company to make adjustments, reclassifications or changes in its capital or business structure or to merge, consolidate, reincorporate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

7. Clawback Policy. Without limiting the generality of Article 14 of the Plan, to the extent the Participant is a current or former executive officer of the Company, the Units, any Shares or other securities or property issued in respect of the Units, and the rights of the Participant hereunder, are subject to any policy (whether currently in existence or later adopted) established by the Company providing for clawback or recovery of amounts paid or credited to current or former executive officers of the Company. The Committee will make any determination for clawback or recovery under any such policy in its sole discretion and in accordance with any applicable law or regulation, and the Participant agrees to be bound by any such determination.

8. Employment. Nothing in this Agreement or in the Plan will confer on the Participant any right to continue in employment or service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or Affiliate employing or retaining the Participant) to terminate the Participant's employment or service at any time for any reason, with or without cause.

9. Tax Treatment and Withholding.

(a) The Participant has had the opportunity to review with his or her own tax advisors the federal, state and local tax consequences of the transactions contemplated by this Agreement. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

(b) The Company may withhold any tax (or other governmental obligation) arising in connection with this Award (or any dividend or distribution thereon). It is a condition to the Company's obligation to issue Shares hereunder that the Participant pay to the Company such amount as may be required to satisfy all tax withholding obligations (or other governmental obligations) arising in connection with this Award (or otherwise make arrangements acceptable to the Company for the satisfaction of such tax withholding obligations). If the required withholding amount required is not timely paid or satisfied, the Participant's right to receive such Shares will be permanently forfeited. Notwithstanding the foregoing, and in accordance with Section 17.03 of the Plan, the Participant may satisfy any such withholding requirement by transferring to the Company pursuant to such procedures as the Committee may require, effective as of the date on which such requirement arises, a number of vested Shares owned and designated by the Participant having an aggregate Fair Market Value as of such date that is at least equal to the minimum, and not more than the maximum, amount required to be withheld. If the Committee permits the Participant to satisfy any such withholding requirement pursuant to the preceding sentence, the Company shall remit to the Internal Revenue Service and appropriate state and local revenue agencies, for the credit of the Participant, an amount of cash withholding equal to the Fair Market Value of the Shares transferred to the Company as provided above.

10. Notices.

(a) Any notice required to be given or delivered to the Company under the terms of this Agreement will be addressed to it in care of its Secretary, Livent Corporation, 2929 Walnut Street, Philadelphia, PA 19104, and any notice to the Participant will be addressed to the Participant's address now on file with the Company, or to such other address as either may designate to the other in writing. Except as otherwise provided below in Section 11(b), any notice will be deemed to be duly given when enclosed in a properly sealed envelope addressed as stated above and deposited, postage paid, in a post office or branch post office regularly maintained by the United States government.

(b) The Participant hereby authorizes the Company to deliver electronically any prospectuses or other

documentation related to this Award, the Plan and any other compensation or benefit plan or arrangement in effect from time to time (including, without limitation, reports, proxy statements or other documents that are required to be delivered to participants in such plans or arrangements pursuant to federal or state laws, rules or regulations). For this purpose, electronic delivery will include, without limitation, delivery by means of e-mail or e-mail notification that such documentation is available on the Company's Intranet site. Upon written request, the Company will provide to the Participant a paper copy of any document also delivered to the Participant electronically. The authorization described in this Section 11(b) may be revoked by the Participant at any time by written notice to the Company.

11. Beneficiaries. In the event of the death of the Participant, the issuance of Shares under Section 3 shall be made in accordance with the Participant's written beneficiary designation on file with the Company or its representative and/or agent (if such a designation has been duly filed with the Company or its representative and/or agent, in the form prescribed by the Company and in accordance with the notice provisions of Section 11(a)). In the absence of any such beneficiary designation, the delivery of Shares under Section 3 will be made to the person or persons to whom the Participant's rights shall pass by will or by the applicable laws of intestacy.

12. Government Regulation. The Company's obligation to deliver Shares in respect of vested Units will be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

13. Administration. By entering into this Agreement, the Participant agrees and acknowledges that (a) the Company has provided or made available to the Participant a copy of the Plan, (b) he or she has read the Plan, (c) all Units are subject to the Plan and (d) pursuant to the Plan, the Committee is authorized to interpret the Plan and to adopt rules and regulations not inconsistent with the Plan as it deems appropriate. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee with respect to questions arising under the Plan or this Agreement.

14. References. References herein to rights and obligations of the Participant shall apply, where appropriate, to the Participant's legal representative or estate without regard to whether specific reference to such legal representative or estate is contained in a particular provision of this Agreement.

15. Binding Effect. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

16. Entire Agreement; Amendment. This Agreement, together with the Plan, represents the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreement, written or otherwise, relating to the subject matter hereof. This Agreement may only be amended by a writing signed by each of the parties hereto, except that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan.

17. Governing Law. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without reference to the principles of conflict of laws.

18. Privacy. By signing this Agreement, the Participant hereby acknowledges and agrees to the Company's transfer of certain personal data of such Participant to the Company and its agents for purposes of implementing, performing or administering the Plan, this Award or any related benefit. Participant expressly gives his or her consent to the Company to process such personal data.

19. Discretionary Nature. The Participant acknowledges and agrees that this award is discretionary, and any future awards will be made in the Committee's discretion; and that the Plan may be terminated, amended or canceled by the Company at any time in accordance with its terms.

20. Section Headings. The headings of sections and paragraphs of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

21. Counterparts. This Agreement may be executed in multiple counterparts (including by facsimile or .pdf signature), each of which will be deemed to be an original, but all of which together will constitute but one and the same instrument.

22. Section 409A of the Code. To the extent applicable, this Agreement is intended to comply with the requirements of Section 409A of the Code and the regulations thereunder, and the provisions of this Agreement shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and this Agreement shall be operated accordingly. If any provision of this Agreement or any term or condition of the Units would otherwise frustrate or conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict. Notwithstanding the foregoing, in no event shall the

Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

23. **Good Reason**. For purposes of this Agreement, “**Good Reason**” will have the meaning defined in the Participant’s Individual Agreement, if any. If no Individual Agreement exists, “Good Reason” will mean the occurrence of any one or more of the following without the Participant’s consent:

- (a) A material, adverse change in title, authority or duties (including the assignment of duties materially inconsistent with the Participant’s position);
- (b) A relocation of the Participant’s principal worksite more than 50 miles; or
- (c) A material reduction in the Participant’s base salary;

provided that none of the foregoing events or conditions will constitute Good Reason unless the Participant provides the Company with written objection to the event or condition within 30 days following the initial occurrence thereof, the Company does not reverse or otherwise cure the event or condition within 30 days of receiving that written objection, and the Participant resigns his or her employment within 30 days following the expiration of that cure period.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company’s duly authorized representative and the Participant have each executed this Agreement on the respective date below indicated.

LIVENT CORPORATION

By:

Title: _____

Date: _____

PARTICIPANT

Signature: _____

Date: _____

**NONQUALIFIED STOCK OPTION AWARD AGREEMENT
UNDER THE LIVENT CORPORATION
INCENTIVE COMPENSATION AND STOCK PLAN**

This NONQUALIFIED STOCK OPTION AWARD AGREEMENT (this “**Agreement**”) is made by and between Livent Corporation (the “**Company**”) and [Participant Name] (the “**Participant**”).

WHEREAS, the Company maintains the Livent Corporation Incentive Compensation and Stock Plan (as it may be amended from time to time, the “**Plan**”);

WHEREAS, Article 8 of the Plan authorizes the grant of Awards in the form of Nonqualified Stock Options; and

WHEREAS, in recognition of the Participant’s past and anticipated future contributions to the Company, and to further align the Participant’s personal financial interests with those of the Company’s stockholders, the Committee has approved this grant of an award of Nonqualified Stock Options to the Participant on the terms described herein, effective as of [Grant Date] (the “**Grant Date**”); and

WHEREAS, the terms of the Plan are incorporated herein by reference and made a part of this Agreement and will control the rights and obligations of the Company and the Participant under this Agreement. In the event of a conflict among the provisions of the Plan, this Agreement and any descriptive materials provided in connection herewith, the provisions of the Plan will prevail. Capitalized terms not otherwise defined herein will have the same meanings as in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Grant of Option. Pursuant to the Plan, effective as of the Grant Date, the Committee hereby grants the Participant a Nonqualified Stock Option (“**Option**”) to purchase an aggregate of [Number of Shares Granted] shares of Common Stock (“**Shares**”), at an exercise price of [Exercise Price] per Share (“**Exercise Price**”), subject to the terms and conditions set forth in this Agreement.

2. Vesting.

(a) Subject to the Participant’s continued employment by the Company or any of its Affiliates through the Vesting Date (as defined below), 100% of the Option will vest and become exercisable upon the third anniversary of the Grant Date (the “**Vesting Date**”). Notwithstanding the foregoing, subject to the Participant’s continued employment by the Company or any of its Affiliates through the applicable date or event, the Option shall fully vest and become exercisable upon the earliest to occur of:

(i) the date of the Participant’s death;

(ii) the date of the Participant’s Disability;

(iii) the date of the Participant’s retirement after he or she (i) has both attained age 62 and completed 10 years of service with the Company, FMC and their respective Affiliates; or (ii) attained age 65 (“**Retirement**”);

(iv) a Change in Control, if the Company’s successor or the surviving entity (or its parent) fails to continue or assume the Option;

(v) the Participant’s Termination of Employment within two years following a Change in Control due to a termination by the Company or its applicable Affiliate without Cause or a resignation by the Participant with Good Reason (as defined in Section 25), *provided* (A) the Participant executes and delivers to the Company a general release of claims against the Company, FMC and their respective Affiliates in a form prescribed by the Company, and (B) such release becomes irrevocable within 60 days following the Participant’s Termination of Employment or such shorter period specified by the Company. For avoidance of doubt, if this release requirement is not timely satisfied, the Option will be forfeited as of the effective date of the Participant’s Termination of Employment and the Participant will have no further rights with respect thereto.

(b) Upon the Participant’s Termination of Employment for any reason, any Unvested Option (as defined below) will be forfeited immediately and automatically and the Participant will have no further rights with respect thereto.

(c) For purposes of this Agreement, (i) “**Vested Option**” means any portion of the Option which has vested and become exercisable in accordance with the terms of this Agreement (including pursuant to Sections 2(a)(i)-(v)) and (ii) “**Unvested Option**” means any portion of the Option that is not a Vested Option.

3. **Termination of Option**. The Option and all rights hereunder, to the extent such rights will not have been exercised, will terminate and become null and void on the earliest to occur of (a) [Expiration Date], (a) three months after the date of the Participant's Termination of Employment for any reason other than due to the Participant's death, Disability or Retirement, (a) the fifth anniversary of the Participant's Retirement or Termination of Employment due to the Participant's Disability or death, (d) the date of the Participant's Termination for Cause, (a) the date the Option is terminated in accordance with the Plan and this Agreement or (a) if so determined by the Committee, the date of a Change in Control, *provided* the Participant is afforded the opportunity to exercise any Vested Option immediately prior to such Change in Control (such earliest date being referred to herein as the "**Option Expiration Date**").

4. **Right to Exercise**. Subject to the terms of this Agreement and the Plan, any Vested Option will remain exercisable from time to time, in whole or in part, until the Option Expiration Date. In no event may the Option (or any portion thereof) be exercised to any extent by the Participant (a) before it becomes a Vested Option or (a) after the Option Expiration Date.

5. **Method of Exercise; Settlement**.

(a) The Participant may exercise a Vested Option with respect to all or any portion of the Shares underlying such Vested Option at any time prior to the Option Expiration Date by (a) delivering to the Company, in accordance with such procedures as determined by the Company, a written notice specifying the Grant Date, the number of such Shares as to which the Vested Option is being exercised (the "**Exercise Notice**") and paying the Company an amount equal to the sum of (i) the aggregate Exercise Price applicable to such Shares being exercised and (ii) the amount of any taxes required to be withheld by the Company (collectively, the "**Option Payment**") in accordance with Section 5(b) and (b) giving satisfactory assurance to the Company in writing that such Shares will not be publicly offered for sale, other than on a national securities exchange. The date on which the Participant delivers the Exercise Notice in accordance with this Section 5(a) shall be referred to herein as the "**Exercise Date**". The Company may from time to time make available alternative methods of exercise upon notice to the Participant.

(b) The Participant may pay the Option Payment by any of the following means (or by a combination thereof): (i) cash or check, certified bank draft or postal or express money order payable to the order of the Company in lawful money of the United States; or (i) if permitted by the Committee, in its sole discretion, pursuant to such procedures as the Committee may require, by the Participant's (A) transferring to the Company, effective as of the Exercise Date, a number of vested Shares owned and designated by the Participant having an aggregate Fair Market Value as of the Exercise Date equal to the Option Payment, (A) electing a "net cashless exercise" procedure in accordance with Section 8.04 of the Plan (A) delivering irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such sale equal to the Option Payment; or (i) by any other method acceptable to the Committee.

(c) As soon as practicable after receipt of the Exercise Notice and the Option Payment, the Company will, without transfer or issue tax or other incidental expense to the Participant, issue the Shares deliverable upon such exercise by causing its transfer agent to make an appropriate book entry in the name of the Participant.

6. **Adjustment**. The Committee may make equitable substitutions or adjustments to the Option (including, without limitation, the Exercise Price) and/or Shares issuable upon the exercise of the Option as it determines to be necessary or appropriate in the event of any stock dividend, stock split, merger, consolidation, separation or other change in capitalization, spin-off, extraordinary dividend or distribution, reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code), reclassification, recapitalization, partial or complete liquidation of the Company or other similar event or transaction; *provided, however,* that no such substitution or adjustment will be made if such substitution or adjustment would give rise to any tax under Section 409A of the Code.

7. **Non-Transferrability**. During the Participant's lifetime, the Option will only be exercisable by the Participant, and neither the Option nor any right with respect thereto may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance will be void and unenforceable against the Company and may result in the Company terminating the Option.

8. **Stockholder Rights**. The Participant will not have any stockholder rights or privileges, including voting or dividend rights, with respect to the Shares subject to the Option until such Shares are actually issued and registered in the Participant's name in the Company's books and records.

9. **No Limitation on Rights of the Company**. For the avoidance of doubt, the grant of the Option will not in any way affect the right or power of the Company to make adjustments, reclassifications or changes in its capital or business structure or to merge, consolidate, reincorporate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

10. Clawback Policy. Without limiting the generality of Article 14 of the Plan, to the extent the Participant is a current or former executive officer of the Company, the Option, any Shares or other securities or property issued in respect of the Option or upon exercise of the Option, and the rights of the Participant hereunder, are subject to any policy (whether currently in existence or later adopted) established by the Company providing for clawback or recovery of amounts paid or credited to current or former executive officers of the Company. The Committee will make any determination for clawback or recovery under any such policy in its sole discretion and in accordance with any applicable law or regulation, and the Participant agrees to be bound by any such determination.

11. Employment. Nothing in this Agreement or in the Plan will confer on the Participant any right to continue in employment or service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or Affiliate employing or retaining the Participant) to terminate the Participant's employment or service at any time for any reason, with or without cause.

12. Tax Treatment and Withholding.

(a) The Participant has had the opportunity to review with his or her own tax advisors the federal, state and local tax consequences of the transactions contemplated by this Agreement. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

(b) The Company may withhold any tax (or other governmental obligation) arising in connection with the Option, and it is a condition to the Company's obligation to issue Shares upon the exercise of the Option hereunder that the Participant pay to the Company such amount as may be required to satisfy all tax withholding obligations (or other governmental obligations) arising in connection with the Option (or otherwise make arrangements acceptable to the Company for the satisfaction of such tax withholding obligations). If the required withholding amount required is not timely paid or satisfied, the Participant's right to receive such Shares upon exercise of the Option will be permanently forfeited. Notwithstanding the foregoing, and in accordance with Section 17.03 of the Plan, the Participant may satisfy any such withholding requirement by transferring to the Company pursuant to such procedures as the Committee may require, effective as of the date on which such requirement arises, a number of vested Shares owned and designated by the Participant having an aggregate Fair Market Value as of such date that is at least equal to the minimum, and not more than the maximum, amount required to be withheld. If the Committee permits the Participant to satisfy any such withholding requirement pursuant to the preceding sentence, the Company shall remit to the Internal Revenue Service and appropriate state and local revenue agencies, for the credit of the Participant, an amount of cash withholding equal to the Fair Market Value of the Shares transferred to the Company as provided above.

13. Government Regulation. The Company's obligation to deliver Shares upon exercise of the Option will be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

14. Notices.

(a) Any notice required to be given or delivered to the Company under the terms of this Agreement will be addressed to it in care of its Secretary, Livent Corporation, 2929 Walnut Street, Philadelphia, PA 19104, and any notice to the Participant will be addressed to the Participant's address now on file with the Company, or to such other address as either may designate to the other in writing. Except as otherwise provided below in Section 15(b), any notice will be deemed to be duly given when enclosed in a properly sealed envelope addressed as stated above and deposited, postage paid, in a post office or branch post office regularly maintained by the United States government.

(b) The Participant hereby authorizes the Company to deliver electronically any prospectuses or other documentation related to the Option, the Plan and any other compensation or benefit plan or arrangement in effect from time to time (including, without limitation, reports, proxy statements or other documents that are required to be delivered to participants in such plans or arrangements pursuant to federal or state laws, rules or regulations). For this purpose, electronic delivery will include, without limitation, delivery by means of e-mail or e-mail notification that such documentation is available on the Company's Intranet site. Upon written request, the Company will provide to the Participant a paper copy of any document also delivered to the Participant electronically. The authorization described in this Section 15(b) may be revoked by the Participant at any time by written notice to the Company.

15. Administration. By entering into this Agreement, the Participant agrees and acknowledges that (a) the Company has provided or made available to the Participant a copy of the Plan, (a) he or she has read the Plan, (a) the Option is subject to the Plan and (a) pursuant to the Plan, the Committee is authorized to interpret the Plan and to adopt rules and regulations not inconsistent with the Plan as it deems appropriate. The Participant hereby agrees to accept as binding, conclusive and final all decisions or

interpretations of the Committee with respect to questions arising under the Plan or this Agreement.

16. References. References herein to rights and obligations of the Participant shall apply, where appropriate, to the Participant's legal representative or estate without regard to whether specific reference to such legal representative or estate is contained in a particular provision of this Agreement.

17. Binding Effect. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

18. Entire Agreement; Amendment. This Agreement, together with the Plan, represents the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreement, written or otherwise, relating to the subject matter hereof. This Agreement may only be amended by a writing signed by each of the parties hereto, except that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan.

19. Governing Law. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware, without reference to the principles of conflict of laws.

20. Privacy. By signing this Agreement, the Participant hereby acknowledges and agrees to the Company's transfer of certain personal data of such Participant to the Company and its agents for purposes of implementing, performing or administering the Plan, this Award or any related benefit. Participant expressly gives his or her consent to the Company to process such personal data.

21. Discretionary Nature. The Participant acknowledges and agrees that this award is discretionary, and any future awards will be made in the Committee's discretion; and that the Plan may be terminated, amended or canceled by the Company at any time in accordance with its terms.

22. Section Headings. The headings of sections and paragraphs of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

23. Counterparts. This Agreement may be executed in multiple counterparts (including by facsimile or .pdf signature), each of which will be deemed to be an original, but all of which together will constitute but one and the same instrument.

24. Section 409A of the Code. To the extent applicable, this Agreement is intended to comply with the requirements of Section 409A of the Code and the regulations thereunder, and the provisions of this Agreement shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and this Agreement shall be operated accordingly. If any provision of this Agreement or any term or condition of the Option would otherwise frustrate or conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict. Notwithstanding the foregoing, in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

25. Good Reason. For purposes of this Agreement, "**Good Reason**" will have the meaning defined in the Participant's Individual Agreement, if any. If no Individual Agreement exists, "Good Reason" will mean the occurrence of any one or more of the following without the Participant's consent:

- (a) A material, adverse change in title, authority or duties (including the assignment of duties materially inconsistent with the Participant's position);
- (b) A relocation of the Participant's principal worksite more than 50 miles; or
- (c) A material reduction in the Participant's base salary;

provided that none of the foregoing events or conditions will constitute Good Reason unless the Participant provides the Company with written objection to the event or condition within 30 days following the initial occurrence thereof, the Company does not reverse or otherwise cure the event or condition within 30 days of receiving that written objection, and the Participant resigns his or her employment within 30 days following the expiration of that cure period.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company's duly authorized representative and the Participant have each executed this

Agreement on the respective date below indicated.

LIVENT CORPORATION

By:

Title:

Date:

PARTICIPANT

Signature:

Date:

LIVENT CORPORATION
COMPENSATION POLICY FOR NON-EMPLOYEE DIRECTORS
(Effective December 11, 2018)

Part I - GENERAL PROVISIONS

1. *Purpose*. The purpose of this Policy is to provide a compensation program to attract and retain qualified individuals not employed by the Company or its Subsidiaries or Affiliates to serve on the Board and to further align the interests of those directors with those of stockholders by providing that a substantial portion of compensation will be linked directly to increases in stockholder value.

2. *Definitions*. Except as otherwise defined herein, terms used herein in capitalized form will have the meanings attributed to them as set forth below or in the Stock Plan.

(a) “**Annual Retainer**” means the retainer fee established by the Board and paid to a director for services on the Board for a year in accordance with Section 1 of Part II of this Policy.

(b) “**Audit Committee Fee**” means the fee established by the Board and paid to a director for service as a member of the Audit Committee of the Board (other than the chairman of the Audit Committee) in accordance with Section 4 of Part II of this Policy.

(c) “**Board**” means the Board of Directors of the Company.

(d) “**Change in Control**” has the meaning set forth in the Stock Plan; *provided* that in no event will a Change in Control be deemed to have occurred with respect to the Participant if the Participant is part of a purchasing Person which consummates the Change in Control. The Participant will be deemed to be “part of a purchasing group” for purposes of the preceding sentence if the Participant is an equity participant in the purchasing Person (except for: (i) passive ownership of less than 3% of the stock of the purchasing Person; or (ii) ownership of equity participation in the purchasing Person which is otherwise not significant, as determined prior to the Change in Control by a majority of the non-employee continuing directors of the Board). In addition, solely for purposes of Section 4(a) of Part III of this Policy, no event or transaction will constitute a Change in Control unless that event or transaction also constitutes a “change in ownership” of the Company, a “change in effective control” of the Company or a “change in the ownership of a substantial portion of the assets” of the Company, as those terms are used in Section 409A(a)(2)(v) of the Code and defined in regulations issued thereunder.

(e) “**Change in Control Price**” means the higher of (i) if applicable, the price paid per share of Common Stock pursuant to the Change in Control transaction and (ii) the closing price per share of Common Stock as reported in the New York Stock Exchange, on the last trading day preceding the date of the Change in Control.

(f) “**Committee Chairman Fee**” means the fee established by the Board and paid to a director for service as chairman of any committee of the Board in accordance with Section 3 of Part II of this Policy.

(g) “**Company**” means Livent Corporation, a Delaware corporation.

(h) “**Lead Director Fee**” means the retainer fee established by the Board and paid to a director for service as the Lead Director of the Board in accordance with Section 2 of Part II of this Policy.

(i) “**Non-Employee Director**” means a member of the Board who is not an employee of the Company or any of its Subsidiaries or Affiliates, as determined in the discretion of the Board.

(j) “**Participant**” means a Non-Employee Director who is eligible to participate in this Policy.

(k) “**Policy**” means the Livent Corporation Compensation Policy for Non-Employee Directors, as may be amended from time to time.

(l) “**Rule 16b-3**” means Rule 16b-3 promulgated under the Exchange Act.

(m) “**Separation Date**” means the date on which the Participant’s Separation from Service occurs.

(n) “**Separation from Service**” means the termination of the Participant’s service on the Board for any reason; *provided*, however, that solely for purposes of Section 4 of Part III, “Separation from Service” will mean a “Separation from Service” as that term is used in Section 409A(a)(2)(i) of the Code and defined in regulations issued thereunder.

(o) “**Stock Plan**” means the Livent Corporation Incentive Compensation and Stock Plan, as may be amended from time to time.

3. *Effective Date.* This Policy is effective as of November 1, 2018.

PART II - COMPENSATION

1. *Annual Retainer.*

(a) Each Participant will be entitled to receive an Annual Retainer in such amount as will be determined from time to time by the Board. Until changed by resolution of the Board, the Annual Retainer will be \$75,000, which will be payable in cash in equal installments at the end of each calendar year quarter.

(b) Notwithstanding the foregoing, not less than 60 days prior to the last day of any calendar year, a Participant may elect that any portion of the Annual Retainer payable in the following calendar year be paid in the form of Restricted Stock Units, as set forth in Section 1 of Part III, by providing written notice of such election to the Company. Any such election will be effective on the first day of the next calendar year beginning after the date of such election.

(c) Notwithstanding anything to the contrary in Section 1(b), a Participant who is a newly elected or appointed to the Board may elect, by written notice to the Company within 30 days after joining the Board, to receive that portion of the Annual Retainer that is payable with respect to the remainder of the first calendar year of his or her service in the form of Restricted Stock Units (as set forth in Section 1 of Part III).

(d) If and to the extent the Company, in its sole discretion, determines that the approval by the Board of an election made under this Section 1 is necessary to assure that such election complies with the requirements of Rule 16b-3, the effectiveness of such election will be deferred until such later date, if any, as such approval has been obtained.

2. *Lead Director/Non-Executive Chairman Fee.* The Participant who serves as the Lead Director or non-executive Chairman of the Board will be entitled to receive a Lead Director Fee in such amount as will be determined from time to time by the Board. Until changed by resolution of the Board, the Lead Director Fee will be \$20,000, which will be paid in cash in equal installments at the end of each calendar year quarter.

3. *Committee Chairman Fees.* Each Participant who serves as chairman of a committee of the Board will be entitled to receive a Committee Chairman Fee in such amount as will be determined from time to time by the Board, for the tenure of such service. Until changed by resolution of the Board, the Committee Chairman Fees for each committee of the Board will be paid in cash at the annualized rates set forth in the table below in equal installments at the end of each calendar quarter.

Audit Committee Chairman Fee	\$20,000
Compensation and Organization Committee Chairman Fee	\$15,000
Nominating and Corporate Governance Committee Chairman Fee	\$10,000
All other committees of the Board	\$10,000

4. *Audit Committee Fee.* Each Participant who serves as a member of the Audit Committee of the Board (other than the chairman of the Audit Committee) will be entitled to receive additional fees in respect of such service in such amount as will be determined from time to time by the Board. Until changed by resolution of the Board, this additional Audit Committee fee will be paid in cash at an annualized rate of \$5,000 in equal installments at the end of each calendar quarter.

PART III - STOCK COMPENSATION

1. Retainer Grant .

(a) Effective as of May 1 of each calendar year, each Participant will receive a number of Restricted Stock Units determined by dividing (i) the portion of the Participant's Annual Retainer payable in that calendar year that the Participant elected to defer in accordance with Section 1(b) or 1(c) of Part II by (ii) the Fair Market Value on the date of grant. Restricted Stock units granted under this Section 1 of Part III are hereinafter referred to as "**Retainer Units** ." Retainer Units will be granted pursuant to, and subject to the terms of, the Stock Plan.

(b) In the event of the Participant's Separation from Service at any time prior to a Change in Control for any reason other than due to his or her death or Disability, the Participant will forfeit a portion of his or her most recent grant of Retainer Units, determined by multiplying (i) the number of such Retainer Units (including any additional Retainer Units credited under that grant pursuant to Section 1(c)) by (i) a fraction, the numerator of which is (x) the number of days remaining as of his or her Separation Date until the first anniversary of the date of grant for that award of Retainer Units and (y) the denominator of which is 365.

(c) If a cash dividend or distribution is paid with respect to outstanding shares of Common Stock, then effective as of the dividend or distribution payment date, each grant of Retainer Units then outstanding will be increased by a number of additional Retainer Units equal to the quotient of (i) the total dividend or distribution that would then be payable with respect to a number of shares of Common Stock equal to the number of Retainer Units subject to that grant on the dividend or distribution record date (including any additional Retainer Units previously credited pursuant to this Section 1(c)) divided by (i) the Fair Market Value on the dividend or distribution record date.

2. Annual Equity Grant .

(a) Effective as of May 1 of each calendar year, each Participant will be granted a number of Restricted Stock units determined by dividing \$90,000 by the Fair Market Value on the date of grant. Restricted Stock Units granted under this Section 2 are hereinafter referred to as "**Annual Units** ." Annual Units will be granted pursuant to, and subject to the terms of, the Stock Plan.

(b) Annual Units will vest on the earlier of (i) the date of the next annual meeting of the Company's stockholders' and (i) a Change in Control; provided in each case that the Participant has remained in service on the Board through the applicable time. Notwithstanding the foregoing, in the event of the Participant's Separation from Service as a result of his or her death, a pro rata portion of his or her unvested Annual Units will vest and become payable, determined based on the portion of the vesting period that has elapsed as of the Separation Date. Any portion of a Participant's Annual Units that have not vested on or prior to his or her Separation from Service will then be forfeited and all rights of the Participant to or with respect to such Annual Units will then automatically terminate.

(c) If a cash dividend or distribution is paid with respect to outstanding shares of Common Stock, then effective as of the dividend or distribution payment date, each outstanding award of vested Annual Units will be increased by a number of additional vested Annual Units equal to the quotient of (i) the total dividend or distribution that would then be payable with respect to a number of shares of Common Stock equal to the number of vested Annual Units held by the Participant on the dividend or distribution record date (including any additional vested Annual Units previously credited pursuant to this Section 2(c)) divided by (i) the Fair Market Value on the dividend or distribution record date.

3. Fractional Units . All Restricted Stock Units, as well as dividend equivalent rights credited with respect to such Restricted Stock Units, will be credited in whole units, with any fractional unit being rounded up to the nearest whole number.

4. Form and Time of Payment .

(a) Payments with respect to vested Restricted Stock Units will be made upon the earlier of (i) the Participant's Separation Date, (i) a Change in Control, or (i) such other date elected by the Participant in a form and manner specified by the Company.

(b) Payments made upon the occurrence of a Separation Date or a specified date elected by the Participant will be made in shares of Common Stock.

(c) Payments made in connection with a Change in Control will be made in a single lump sum cash payment. For purposes of the preceding sentence, the amount of cash delivered in payment for Restricted Stock Units will be equal to (i) the Change in Control Price multiplied by (i) the number of Restricted Stock Units with respect to which such cash payment is being made.

5. Rights . Except to the extent otherwise set forth herein, Participants will not have any of the rights of a stockholder with respect to Restricted Stock Units.

6. *Payments of Stock Upon Death*. In the event of the Participant's death, payments with respect to any vested Restricted Stock Units will be made in Common Stock to the beneficiary designated by the Participant or, in the absence of a duly executed and filed beneficiary designation form, to the person(s) legally entitled thereto, as designated under his or her will or determined under the laws of intestacy for the jurisdiction of his or her domicile.

7. *Nonqualified Stock Options*.

(a) The Board retains the right to grant Nonqualified Stock Options to Participants in its sole discretion. All such Stock Options will be subject to the terms set forth in this Section and, for the avoidance of doubt, will not be Incentive Stock Options.

(b) The per share exercise price to be paid by each Participant at the time a Nonqualified Stock Option is exercised will be equal to 100% of the Fair Market Value on the date of the grant of the Nonqualified Stock Option.

(c) Subject to Section 7(d), each Nonqualified Stock Option will expire on the earlier of the (i) 10th anniversary of the date of grant and (ii) 5th anniversary of the Participant's Separation Date.

(d) Each Nonqualified Stock Option will vest on the earlier of (i) the date of the Company's annual stockholder's meeting immediately following the date of grant and (ii) a Change in Control, *provided* in each case that the Participant has remained in service on the Board through the applicable time. Notwithstanding the foregoing, in the event of the Participant's Separation from Service as a result of his or her death, a pro rata portion of his or her unvested Nonqualified Stock Options will vest and become exercisable, determined based on the number full months of service completed during the vesting period of the Nonqualified Stock Option from the date of grant to the Separation Date. Any vested Nonqualified Stock Option held by a Participant at the time of his or her death (determined after application of the preceding sentence) may be exercised during the remainder of its term by the beneficiary designated by the Participant, or in the absence of a duly executed and filed beneficiary designation form, by the person(s) designated in the Participant's will or determined under the laws of intestacy for the jurisdiction of his or her domicile. Any portion of a Participant's Nonqualified Stock Options that have not vested on or prior to his or her Separation from Service will then be forfeited and all rights of the Participant to or with respect to such Nonqualified Stock Options will then automatically terminate.

PART IV - ADDITIONAL PROVISIONS

1. *Administration*. The Board administers the Policy. The Board has full power to interpret the Policy, formulate additional details and regulations for carrying out the Policy and amend or terminate the Policy as from time to time it deems proper and in the best interest of the Company. Any decision or interpretation of the Board is final and conclusive.

2. *Statement of Account*. Each Participant will receive an annual statement showing the number and status of and essential terms applicable to Options and Restricted Stock Units that have been awarded to the Participant.

3. *Unsegregated Funds*. The Company will not segregate any funds or securities in respect of the Participant's interests under this Policy, and the Participant's service on the Board is the Participant's acknowledgment and agreement that any interests of the Participant remain a part of the Company's general funds and are subject to the claims of the Company's general creditors. Nothing in this Policy will be construed as creating any trust, express or implied, for the benefit of any Participant.

4. *Awards Issued Pursuant to the Policy*. All equity-based awards described herein (including any Restricted Stock Units or Options) will be granted under, and subject to the terms of, the Stock Plan (or any successor plan thereto) and the applicable Notice thereunder.

5. *Payment of Certain Costs of the Participant*. If a dispute arises regarding the interpretation or enforcement of this Policy and the Participant (or in the event of his or her death, his beneficiary) obtains a final judgment in his or her favor from a court of competent jurisdiction from which no appeal may be taken, whether because the time to do so has expired or otherwise, or his or her claim is settled by the Company prior to the rendering of such a judgment, all reasonable legal and other professional fees and expenses incurred by the Participant in contesting or disputing any such claim or in seeking to obtain or enforce any right or benefit provided for in this Policy or in otherwise pursuing his or her claim will be promptly paid by the Company with interest thereon at the highest Delaware statutory rate for interest on judgments against private parties from the date of payment thereof by the Participant to the date of reimbursement by the Company.

6. *Reservation of Rights*. Nothing in this Policy will be construed to (a) give any Participant any right to defer compensation received for services as a director of the Company other than as expressly authorized and permitted in this Policy or in any other plan or arrangement approved by the Board, (b) create any obligation on the part of the Board to nominate any Participant

for reelection by the Company's stockholders or (a) limit in any way the right of the Board to remove a Participant as a director of the Board.

7. *Amendment or Termination*. The Board may, at any time by resolution, terminate or amend this Policy, *provided* that no such termination or amendment will adversely affect the rights of Participants or beneficiaries of Participants with respect to cash or equity-based awards granted under this Policy prior to such termination or amendment, without the consent of the Participant or, if applicable, the Participant's beneficiaries.

8. *Withholding*. The Company will have the right to deduct or withhold from all payments of compensation any taxes required by law to be withheld with respect to such payments.

9. *Change in Law*. If, for any reason, the anticipated benefits of the deferral of any Retainer Units pursuant to this Policy or any provision hereof are frustrated by reason of any interpretation of or change in law, policy or regulation, the Board may, in its discretion, terminate the deferral arrangement or delete or suspend the operation of such provision.

10. *Directors Elected Between Annual Stockholders' Meetings*. Notwithstanding anything to the contrary in this Policy, unless otherwise determined by the Board, the compensation hereunder of an individual who becomes a Participant as a result of his or her election to the Board other than at an annual meeting of the Company's stockholders will be prorated for the period of service commencing with his or her initial election and ending on the Company's next annual stockholders' meeting.

11. *Section 409A*. This Policy and any compensation granted hereunder is intended to comply with, or be exempt from, the provisions of Section 409A of the Code. If any provision of the Policy would otherwise frustrate or conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict. Notwithstanding the foregoing, the tax treatment of the benefits provided under the Policy is not warranted or guaranteed, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by any Participant on account of non-compliance with Section 409A of the Code.

Livent Corporation

Executive Severance Guidelines for Corporate Officers

Background

The intent of these severance guidelines (“Guidelines”) is to provide corporate officers of Livent Corporation (the “Company”) with reasonable transition benefits in the event of a termination of his or her employment without cause (other than in the context of a change in control or as a result of death, disability or normal retirement). This document is a guideline for the Chief Executive Officer of the Company. Any deviations from these Guidelines will be reviewed and approved by the Compensation and Organization Committee of the Company’s Board of Directors (the “Committee”).

Severance Guidelines

Key elements of the Guidelines:

- **Severance Pay**
 - Twelve (12) months base salary, payable in a lump sum;
 - Twelve (12) months of target bonus, payable in a lump sum; and
 - Prorated target bonus for the year of termination
- **Medical/Dental Benefits**
 - Twelve (12) months of continued benefits from the termination date at normal employee rates
- **Long-Term Incentives, Stock Options, Restricted Stock Units and Performance-Based Cash/Equity**
 - Unvested options that would have vested within one calendar year following termination become exercisable on regularly scheduled dates, and remain exercisable for twelve months thereafter
 - Twelve (12) months to exercise vested options
 - Prorated vesting of service-vesting restricted stock units at termination date
 - “Banked” performance-based cash/equity awards will vest and be paid at the end of the original performance cycle
 - Prorated vesting of “unbanked” performance-based cash/equity awards as of the termination date, which will be paid at the end of the original performance cycle, based on actual performance for each applicable measurement period
- **Other Transition Benefits**
 - Outplacement assistance (\$20K cap)
 - Vacation pay (earned and accrued)
 - Financial planning assistance for last calendar year of employment
 - Tax planning for last calendar year of employment
- **Conditions**
 - Corporate officer must execute non-compete, non-disclosure and non-solicitation agreement in a form satisfactory to the Company
 - Corporate officer must execute and not revoke a release of claims in a form satisfactory to the Company

Role of the Committee

The Committee approves these Guidelines and any amendments or exceptions hereto. The Committee should be notified prior to the termination of any corporate officer. These Guidelines will be reviewed periodically to ensure that they are appropriate and relevant to the market.

Role of Management

Management advises the Committee of any anticipated termination of a corporate officer of the Company, periodically reviews the appropriateness of these Guidelines, and administers the Guidelines in a fair and evenhanded manner.

Effective Date

October 10, 2018

Livent Corporation

Executive Severance Plan

(Effective as of October 10, 2018)

1. *Purpose*. The purpose of the Plan is to assure the Company that it will have the continued dedication and the availability of objective advice and counsel from key executives of the Company, notwithstanding the possibility, threat or occurrence of a bid to take over control of the Company.

The Board believes it is imperative that, if the Company receives any proposals from a third person concerning a possible business combination with the Company or the acquisition of the Company's assets or equity securities, both the Company and the Board be able to rely upon key executives to continue in their positions and to be available for advice, without concern that those individuals might be distracted by their own personal financial situations and the risks to themselves created by the proposal.

If the Company receives any such proposal, key executives will be called upon to assist in assessing the proposal, to advise management and the Board regarding whether the proposal is in the best interest of the Company and its stockholders, and to take such other actions as the Board might deem appropriate.

2. *Eligible Executives*. The following individuals will be Participants:

- (a) the Chief Executive Officer and the Chief Financial Officer of the Company;
- (b) the Chief Operating Officer, the General Counsel and the Chief Human Resources Officer of the Company;
- (c) the Vice President, External Affairs & Communications, the Vice President, Investor Relations & Strategy, the Director, Global Operations and the Corporate Controller of the Company; and
- (d) other key executives of the Company and its Affiliates who are from time to time named as Participants by the Committee in its sole discretion.

A Participant will cease to be a Participant if and when the Committee determines he or she should no longer be a Participant. The Committee will not determine that a Participant has ceased to be a Participant during any period that the Company knows a Person has taken steps reasonably calculated to effect a Change in Control, and before the Board has determined that that Person has abandoned or terminated its efforts to effect a Change in Control. The decision of the Board that a Person has abandoned or terminated its efforts to effect a Change in Control will be conclusive and binding on all Participants.

3. *Terms of the Plan*. The terms of the Plan are as set forth in the forms of Agreement attached to this Plan, with Form I applicable to Tier I Participants, Form II applicable to Tier II Participants and Form III applicable to Tier III Participants. The Company will enter into Agreements with each Participant containing the terms set forth in the applicable form. Once an individual becomes a Participant, for periods prior to the date the Company and the Participant execute an Agreement, the Participant will be entitled to participate in the Plan on the terms and conditions set forth in the form of Agreement applicable to the Participant.

4. *Certain Definitions*. Capitalized terms used in this Plan will have the meanings set forth below.

- (a) “**Affiliate**” means a corporation or other entity controlled by, controlling or under common control with the Company, including, without limitation, any corporation partnership, joint venture or other entity during any period in which at least a fifty percent (50%) voting or profits interest is owned, directly or indirectly, by the Company or any successor to the Company.
- (b) “**Agreement**” means the executive severance agreements, in the forms attached to the Plan as Exhibit A hereto, that the Company enters into with Participants to memorialize the terms of their entitlement to executive severance benefits.
- (c) “**Board**” means the Board of Directors of the Company, as it is constituted from time to time.
- (d) “**Change in Control**” means the happening of any of the following events:
 - (i) An acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of twenty percent (20%) or more of either (A) the then outstanding shares of common stock of the Company (the “**Outstanding Company Common Stock**”) or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); excluding, however, the following: (1) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (4) any acquisition pursuant to a transaction which complies with Subsections (A), (B) and (C) of Subsection (3) of this Section 4(d);

(ii) A change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (such Board will be hereinafter referred to as the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; *provided*, *however*, for purposes of this Section 4(d), that any individual who becomes a member of the Board subsequent to the Effective Date, whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) will be considered as though such individual were a member of the Incumbent Board; but, *provided further*, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board will not be so considered as a member of the Incumbent Board;

(iii) Consummation of a reorganization, merger or consolidation, sale or other disposition of all or substantially all of the assets of the Company or acquisition by the Company of the assets or stock of another entity (“**Corporate Transaction**”); excluding, however, such a Corporate Transaction pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than sixty percent (60%) of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (A) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, twenty percent (20%) or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed prior to the Corporate Transaction,

and (A) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(iv) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

For the avoidance of doubt, the Distribution (as defined in the Employee Matters Agreement) shall not constitute a Change in Control.

(e) “**Committee**” means the Compensation and Organization Committee of the Board, or any other committee of the Board that has, on the date of determination, the duties and responsibilities delegated to the Compensation and Organization Committee as of the Effective Date.

(f) “**Company**” means Livent Corporation, a Delaware Corporation, or any successor thereto.

(g) “**Effective Date**” means the date on which the registration statement covering the initial public offering of common stock of the Company, par value \$0.001 per share, is declared effective by the Securities and Exchange Commission, subject to prior approval by the Board.

(h) “**Employee Matters Agreement**” means the Employee Matters Agreement, by and between FMC Corporation, a Delaware corporation, and the Company, dated as of October 15, 2018, as such agreement may be amended from time to time.

(i) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, or any successor thereto.

(j) “**Participant**” means one of the Tier I Participants, Tier II Participants or Tier III Participants.

(k) “**Person**” has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections B(d) and 14(d) thereof, including a “**group**” as provided in Section B(d) thereof.

(l) “**Plan**” means the Livent Corporation Executive Severance Plan, as set forth herein and as hereinafter amended from time to time.

(m) “**Tier I Participants**” means the Chief Executive Officer and the Chief Financial Officer of the Company, and any other employees of the Company or an Affiliate designated by the Committee as Tier I Participants.

(n) “**Tier II Participants**” means the Chief Operating Officer, the General Counsel and the Chief Human Resources Officer of the Company, and

any other employees of the Company or an Affiliate designated by the Committee as Tier II Participants.

(o) “**Tier III Participants**” means the Vice President, External Affairs & Communications, the Vice President, Investor Relations & Strategy, the Director, Global Operations and the Corporate Controller of the Company, and any other employees of the Company or an Affiliate designated by the Committee as Tier III Participants.

5. *Termination and Amendment of the Plan*. The Board or the Committee will have the power at any time, in its discretion, to amend, abandon or terminate the Plan, in whole or in part. Notwithstanding the foregoing, no amendment, abandonment or termination may modify, waive or discharge any provisions of the Agreements, unless each affected Participant agrees in writing, signed by the Participant and an authorized member of the Board or the Committee (or by either or both parties’ legal representatives or successors), to the modification, waiver or discharge.

6. *Governing Law*. The validity, interpretation, construction and enforcement of this Plan will be governed by the laws of the State of Delaware, without giving effect to that state’s conflicts of laws principles. Notwithstanding the foregoing, to the extent state laws are preempted by the laws of the United States, the laws of the United States will control the validity, interpretation, construction and enforcement of this Plan.

7. *Administration by the Committee*. The Committee is the administrator of the Plan, and has all powers necessary to carry out the Plan’s provisions. Among other things, the Committee has the authority, subject to the terms of the Plan and the Agreements, to adopt, alter and replace administrative rules, guidelines and practices governing the Plan, to interpret the terms and provisions of the Plan and any Agreements and to take any action it deems appropriate for the administration of the Plan. The Committee may act only by a majority of its members then in office unless it allocates or delegates its authority to a Committee member or other person to act on its behalf. The Committee may allocate all or any portion of its responsibilities and powers to anyone or more of its members and may delegate all or any part of its responsibilities and powers to any other person or persons. Any such allocation or delegation may be revoked by the Committee at any time. The regularly kept records of the Company and its Affiliates will be final, conclusive and binding on all persons regarding a Participant’s date and length of service, amount of compensation and the manner of its payment, type and length of absences from work and all other matters contained in those records. Any authority granted to the Committee may also be exercised by the Board. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action will control.

8. *Incapacity*. If any person entitled to a distribution under the Plan is deemed by the Company or the Committee or their delegates to be incapable of personally receiving and giving a valid receipt for the distribution, then, unless and until a duly appointed guardian or other representative of the person claims the distribution, the

Company or its delegate may pay the distribution or any part of it to any other person or institution then contributing toward or providing for the care and maintenance of the person entitled to the distribution. Any payment pursuant to the preceding payment will be a payment for the account of the person entitled to it, and a complete discharge of the Company, the Board, the Committee, their delegates and the Plan from any liability for the payment.

9. *Indemnification*. The Company and each Affiliate will indemnify and hold harmless each member of the Board and the Committee, or any employee of the Company or any Affiliate (to the extent not indemnified or saved harmless under any liability insurance or any other indemnification arrangement) from any and all claims, losses, liabilities, costs and expenses (including attorneys' fees) arising out of any actual or alleged act or failure to act made in good faith pursuant to the provisions of the Plan, including expenses reasonably incurred in the defense of any claim regarding the administration of the Plan. Notwithstanding the foregoing, no indemnification or defense will be provided under this Plan to any person, regarding any conduct that has been judicially determined, or agreed by the parties, either to have constituted willful misconduct by that person, or to have resulted in his or her receipt of personal profit or advantage to which he or she was not entitled.

10. *Limitations on Liability*. Notwithstanding any of the preceding provisions of this Plan, neither the Company, the Board, the Committee nor any individual acting as an employee or agent of the Company will be liable to any Participant, former Participant or other person for any claim, loss, liability or expense incurred in connection with the Plan, other than claims for benefits payable under any Agreement.

11. *Unclaimed Benefit*. If all or any portion of a distribution payable to a Participant cannot be timely paid because the Committee is unable to locate the Participant, after sending a registered letter, return receipt requested, to the last known address of the Participant, then the amount payable to the Participant will be forfeited, and will be retained by the Company as part of its general assets.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed in its name and behalf on this October 10, 2018.

LIVENT CORPORATION

By: /s/ Kathleen Weslock
Name: Kathleen Weslock
Title: Chief Human Resources Officer

Exhibit A

Form of Agreement

FORM OF EXECUTIVE SEVERANCE AGREEMENT

This EXECUTIVE SEVERANCE AGREEMENT is made and entered into as of [DATE] (the “Effective Date”), by and between Livent Corporation, a Delaware corporation (hereinafter referred to as the “Company”) and [NAME] (hereinafter referred to as the “Executive”) (this “Agreement”).

WHEREAS, the Executive presently serves the Company in a position of authority and responsibility; and

WHEREAS, the Executive and the Company desire to enter into this Agreement on the terms and conditions set forth herein.

NOW THEREFORE, to assure the Company that it will have the continued dedication of the Executive and the availability of the Executive’s service notwithstanding the possibility, threat, or occurrence of a Change in Control, and to induce the Executive to remain in the employ of the Company, and for other good and valuable consideration, the Company and the Executive agree as follows:

1. Establishment, Term, and Purpose

This Agreement is effective from the Effective Date and will continue in effect until [DATE]. On that date, and on each subsequent anniversary thereof, the term of this Agreement will be extended automatically for one (1) additional year, unless the Committee delivers written notice six (6) months prior to such date to the Executive that this Agreement will not be extended. If timely notice not to extend is given, this Agreement will terminate at the end of the term, or extended term, then in progress.

However, in the event a Change in Control occurs during the original or any extended term, this Agreement will remain in effect for the longer of: (i) twenty-four (24) months beyond the end of the month in which such Change in Control occurred; and (ii) until all obligations of the Company hereunder have been fulfilled, and until all benefits required hereunder have been paid to the Executive.

2. Definitions

Whenever used in this Agreement, the following terms will have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized.

(a) “Affiliate” means a corporation or other entity controlled by, controlling or under common control with the Company, including, without

limitation, any corporation partnership, joint venture or other entity during any period in which at least a fifty percent (50%) voting or profits interest is owned, directly or indirectly, by the Company or any successor to the Company.

(b) “**Base Salary**” means the salary of record paid to the Executive as annual salary, excluding amounts received under incentive or other bonus plans, whether or not deferred.

(c) “**Beneficiary**” means the persons or entities designated or deemed designated by the Executive pursuant to Section 10.02 herein.

(d) “**Board**” means the Board of Directors of the Company.

(e) “**Cause**” means:

(i) the Executive’s Willful and continued failure to substantially perform the Executive’s employment duties in any material respect (other than any such failure resulting from physical or mental incapacity or occurring after issuance by the Executive of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to the Executive that specifically identifies the manner in which the Company believes the Executive has failed to perform the Executive’s duties, and after the Executive has failed to resume substantial performance of the Executive’s duties on a continuous basis within thirty (30) calendar days of receiving such demand;

(ii) the Executive’s Willful and deliberate conduct (other than conduct covered under (a) above) which is materially injurious to the Company or an Affiliate; or

(iii) the Executive’s having been convicted of, or pleading guilty or nolo contendere to, a felony under federal or state law on or prior to a Change in Control.

(f) “**Change in Control**” means the happening of any of the following events:

(i) An acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of twenty percent (20%) or more of either (A) the then outstanding shares of common stock of the Company (the “**Outstanding Company Common Stock**”) or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); excluding, however, the following: (1) any acquisition directly from the Company, other than an acquisition by virtue of the

exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (1) any acquisition by the Company, (1) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (1) any acquisition pursuant to a transaction which complies with Subsections (i), (ii) and (iii) of Subsection (c) of this Section 2.06;

(ii) A change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (such Board will be hereinafter referred to as the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; *provided*, *however*, for purposes of this Section 2.06, that any individual who becomes a member of the Board subsequent to the Effective Date, whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) will be considered as though such individual were a member of the Incumbent Board; *but, provided further*, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board will not be so considered as a member of the Incumbent Board;

(iii) Consummation of a reorganization, merger or consolidation, sale or other disposition of all or substantially all of the assets of the Company, or acquisition by the Company of the assets or stock of another entity (“**Corporate Transaction**”); excluding, however, such a Corporate Transaction pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than sixty percent (60%) of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (A) no

Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, twenty percent (20%) or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed prior to the Corporate Transaction, and (A) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

- (iv) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

For the avoidance of doubt, the Distribution (as defined in the Employee Matters Agreement) shall not constitute a Change in Control.

(g) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

(h) “**Committee**” means the Compensation and Organization Committee of the Board or any other committee of the Board appointed to perform the functions of the Compensation and Organization Committee.

(i) “**Company**” means Livent Corporation, a Delaware corporation, or any successor thereto as provided in Article 9 herein.

(j) “**Date of Separation from Service**” means the date on which a Qualifying Termination occurs.

(k) “**Disability**” means complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which the Executive was employed when such disability commenced.

(l) “**Employee Matters Agreement**” means the Employee Matters Agreement, by and between FMC Corporation, a Delaware corporation, and the Company, dated as of October 15, 2018, as such agreement may be amended from time to time.

(m) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

(n) “**Good Reason**” means, without the Executive’s express written consent, the occurrence of any one or more of the following:

- (i) The assignment of the Executive to duties materially inconsistent with the Executive's authorities, duties, responsibilities and status (including, without limitation, offices, titles and reporting requirements) as an employee of the Company (including, without limitation, any material change in duties or status as a result of the stock of the Company ceasing to be publicly traded or of the Company becoming a subsidiary of another entity), or a reduction or alteration in the nature or status of the Executive's authorities, duties, or responsibilities from the greatest of those in effect (A) immediately preceding the Company's entry into any definitive agreement to conduct the Change in Control, or (A) immediately preceding the Change in Control;
- (ii) The Company's requiring the Executive to be based at a location which is at least fifty (50) miles further from the Executive's then current primary residence than such residence is from the office where the Executive is located at the time of the Change in Control, except for required travel on the Company's business to an extent substantially consistent with the Executive's business obligations;
- (iii) A reduction by the Company in the Executive's Base Salary;
- (iv) A material reduction in the Executive's level of participation in any of the Company's short-and/or long-term incentive compensation plans, or employee benefit or retirement plans, policies, practices, or arrangements in which the Executive participates from the greatest of the levels in place: (A) immediately preceding the Company's entry into any definitive agreement to conduct the Change in Control, or (A) immediately preceding the Change in Control;
- (v) The failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement, as contemplated in Article 9 herein.

provided that any such event shall constitute Good Reason only if Executive notifies the Company in writing of such event within 90 days following the initial occurrence thereof, the Company fails to cure such event within 30 days after receipt from Executive of written notice thereof, and the Executive resigns from the Executive's employment within two years following the initial occurrence of such event.

The existence of Good Reason will not be affected by the Executive's temporary incapacity due to physical or mental illness not constituting a Disability.

- (o) "**Notice of Termination**" means a written notice which indicates the specific termination provision in this Agreement relied upon, and sets forth in

reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(p) “**Person**” has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a “group” as provided in Section 13(d).

(q) “**Qualifying Termination**” means any of the events described in Section 3.02 herein, the occurrence of which triggers the payment of Severance Benefits hereunder.

(r) “**Separation from Service**” means the Executive’s termination of employment with the Company, its Affiliates and with each member of the controlled group (within the meaning of Sections 414(b) or (c) of the Code) of which the Company is a member. The Executive will not be treated as having a Separation from Service during any period the Executive’s employment relationship continues, such as a result of a leave of absence, and whether a Separation from Service has occurred shall be determined by the Committee (on a basis consistent with rules under Section 409A) after consideration of all the facts and circumstances, including whether either no further services are to be performed or there is a reasonably anticipated permanent and substantial decrease (e.g., 80% or more) in the level of services to be performed (and the related amount of compensation to be received for such services) below the level of services previously performed (and compensation previously received).

(s) “**Severance Benefits**” means the payment of severance compensation as provided in Section 3.03 herein.

(t) “**Willful**” means any act or omission by the Executive that was in good faith and with a reasonable belief that the action or omission was in the best interests of the Company or its Affiliates. Any act or omission based upon authority given pursuant to a duly adopted Board resolution, or, upon the instructions of any senior officer of the Company, or based upon the advice of counsel for the Company will be conclusively presumed to be taken or omitted by the Executive in good faith and in the best interests of the Company and/or its Affiliates.

3. Severance Benefits

(a) *Right to Severance Benefits*. The Executive will be entitled to receive the Severance Benefits from the Company if a Qualifying Termination occurs on or after a Change in Control and before the end of the twenty-fourth (24th) calendar month following the end of the month in which the Change in Control occurs.

The Executive will not be entitled to receive Severance Benefits if the Executive's employment is terminated (i) for Cause, (ii) due to a voluntary termination without Good Reason, or (iii) due to death or Disability.

(b) *Qualifying Termination*. A Qualifying Termination shall occur if:

(i) The Executive incurs a Separation from Service because of an involuntary termination of the Executive's employment by the Company for reasons other than Cause, Disability or death; or

(ii) The Executive incurs a Separation from Service because of a voluntary termination by the Executive for Good Reason pursuant to a Notice of Termination delivered to the Company by the Executive.

(c) *Description of Severance Benefits*. In the event the Executive becomes entitled to receive Severance Benefits, as provided in Sections 3.01 and 3.02 herein, the Company will pay to the Executive (or in the event of the Executive's death, the Executive's Beneficiary) and provide the Executive with the following at the time or times provided in Section 4.01 herein:

(i) An amount equal to [1,2 or 3] times the highest rate of the Executive's annualized Base Salary in effect at any time up to and including the Date of Separation from Service.

(ii) An amount equal to [1,2 or 3] times the Executive's highest annualized target Management Incentive Award granted under the Livent Corporation Incentive Compensation and Stock Plan for any plan year up to and including the plan year in which the Executive's Date of Separation from Service occurs.

(iii) An amount equal to the Executive's unpaid Base Salary, and unused and accrued vacation pay, earned or accrued through the Date of Separation from Service.

(iv) Any Management Incentive Award otherwise payable (but for Executive's separation) for the plan year in which the Executive's Date of Separation from Service occurred, prorated through the Date of Separation from Service.

(v) A continuation of the Company's welfare benefits of life and accidental death and dismemberment, and disability insurance coverage for [1, 2 or 3] full years after the Date of Separation from Service. These benefits will be provided to the Executive (and to the Executive's covered spouse and dependents) at the same premium cost, and at the same coverage level, as in effect as of the date of the Change in Control. The continuation of these welfare benefits will be discontinued

prior to the end of the [1, 2 or 3] year period if the Executive has available substantially similar benefits at a comparable cost from a subsequent employer, as determined by the Committee.

(vi) For a period of [1, 2 or 3] full years following the Date of Separation from Service, the Company shall provide medical insurance for the Executive (and the Executive's covered spouse and dependents) at the same premium cost, and at the same coverage level, as in effect as of the date of the Change in Control. The continuation of this medical insurance will be discontinued prior to the end of the [1, 2 or 3] year period if the Executive has available substantially similar medical insurance at a comparable cost from a subsequent employer, as determined by the Committee. The date that medical benefits provided in this paragraph cease to be provided under this paragraph will be the date of the Executive's qualifying event for continuation coverage purposes under Code Section 4980B(f) (3)(B).

Awards granted under the Livent Corporation Incentive Compensation and Stock Plan, and other incentive arrangements adopted by the Company will be treated pursuant to the terms of the applicable plan.

The aggregate benefits accrued by the Executive as of the Date of Separation from Service under any savings or retirement plans sponsored by the Company from time to time will be distributed pursuant to the terms of the applicable plan.

[In addition, for purposes of benefit calculation only under the Company's nonqualified retirement plans with respect to benefits that have not been paid prior to such Change in Control, it will be assumed that the Executive's employment continued following the Date of Separation from Service for [1, 2 or 3] full years (i.e., [1, 2 or 3] additional years of age and service credits will be added); *provided, however,* that for purposes of determining "final average pay" under such programs, the Executive's actual pay history as of the Date of Separation from Service will be used.]

(d) *Termination for Disability.* If the Executive's employment is terminated due to Disability, the Executive will receive the Executive's Base Salary through the Date of Separation from Service, and the Executive's benefits will be determined in accordance with the Company's disability, retirement, survivor's benefits, insurance and other applicable plans and programs then in effect. If the Executive's employment is terminated due to Disability, the Executive will not be entitled to the Severance Benefits described in Section 3.03.

(e) *Termination upon Death.* If the Executive's employment is terminated due to death, the Executive's benefits will be determined in accordance with the Company's retirement, survivor's benefits, insurance and other applicable programs of the Company then in effect. If the Executive's employment is terminated due to death, neither the Executive's estate nor the

Executive's Beneficiary will be entitled to the Severance Benefits described in Section 3.03.

(f) *Termination for Cause, or Other Than for Good Reason.* Following a Change in Control of the Company, if the Executive's employment is terminated either: (a) by the Company for Cause; or (b) by the Executive (other than for Good Reason), the Company will pay the Executive an amount equal to the Executive's Base Salary and accrued vacation through the Date of Separation from Service, at the rate then in effect, plus all other amounts to which the Executive is entitled under any plans of the Company, at the time such payments are due and the Company will have no further obligations to the Executive under this Agreement.

(g) *Notice of Termination.* Any termination of employment by the Company or by the Executive for Good Reason will be communicated by a Notice of Termination.

4. Form and Timing of Severance Benefits

(a) *Form and Timing.* Subject to Section 4.02:

(i) the amounts payable under Sections 3.03(a), (b) and (c) will be paid in a lump sum on the 61st day following the Termination Date (or, if such 61st day is not a business day, the next business day immediately following such 61st day);

(ii) the amount payable under Section 3.03(d) will be paid in a lump sum at the same time that Management Incentive Awards are paid to employees generally for the year in which the Executive's Separation from Service occurs, but in no event later than 2½ months following the end of the year in which the Executive's Separation from Service occurs; and

(iii) the benefits due under Sections 3.03(e) and 3.03(f) will continue uninterrupted following the Executive's Separation from Service (but will be discontinued if the requirements of Section 4.02 are not timely satisfied).

(b) *Release.* All rights, payments and benefits due to the Executive under Section 3.03 (other than Section 3.03(c)) shall be conditioned on the Executive's execution of a general release of claims against the Company and its affiliates in a form reasonably prescribed by the Company and on that release becoming irrevocable within 60 days following the Termination Date.

5. Taxes and Tax Compliance

(a) *Withholding of Taxes*. The Company will be entitled to withhold from any amounts payable under this Agreement all taxes as it may believe are reasonably required to be withheld (including, without limitation, any United States federal taxes and any other state, city, or local taxes).

(b) *Section 409A Compliance*. This Agreement shall be interpreted to avoid any penalty sanctions under Section 409A of the Code. If any payment or benefit cannot be provided or made at the time specified herein without incurring sanctions under Section 409A of the Code, then such benefit or payment shall be provided in full at the earliest time thereafter when such sanctions will not be imposed. All payments to be made upon a termination of employment under this Agreement will be made upon a “separation from service” under Section 409A of the Code. For purposes of Section 409A of the Code, each payment made under this Agreement shall be treated as a separate payment. In no event may the Executive, directly or indirectly, designate the calendar year of payment. Notwithstanding any other provision of this Agreement to the contrary, any payment that constitutes the deferral of compensation (within the meaning of Treas. Reg. § 1.409A-1(b)) that is otherwise required to be made to the Executive prior to the day after the date that is six months from the Date of Separation from Service shall be accumulated, deferred and paid in a lump sum to the Executive (with interest on the amount deferred from the Date of Separation from Service until the day prior to the actual payment at the federal short-term rate on the Date of Separation from Service) on the day after the date that is six months from the Date of Separation from Service; *provided, however*, if Executive dies prior to the expiration of such six month period, payment to the Executive’s Beneficiary shall be made as soon as practicable following the Executive’s death. Any reimbursements or in-kind benefits that constitute a deferral of compensation (within the meaning of Treas. Reg. § 1.409A1(b)) will be provided subject to the requirements of Treas. Reg. §§ 1.409A3(i)(1)(iv)(A)(3), (4) and (5).

(c) *Parachute Payments*.

(i) Notwithstanding anything to the contrary in this Agreement or otherwise, in the event that any payment or benefit received or to be received by the Executive in connection with a Change in Control or the Executive’s Separation from Service (whether pursuant to the terms of this Agreement or any other plan, policy, arrangement or agreement maintained or entered into by the Company (or any of its Affiliates or successors) or any Person whose actions result in a Change in Control (or any Person affiliated with such Person)) (all such payments and benefits, the “**Parachute Payments**”) would be subject (in whole or in part) to an excise tax under Section 4999 of the Code (the “**Excise Tax**”), then the Parachute Payments shall either be (i) reduced (but not below zero) so that the present value of the Parachute Payments is one dollar less than three times the Executive’s “base amount” (as defined in

Section 280G(b)(3) of the Code) so that no portion of the Parachute Payments shall be subject to the Excise Tax or (ii) paid in full, whichever produces the better net after-tax position to the Executive (taking into account the Excise Tax and any other applicable taxes).

(ii) The reduction of the Parachute Payments contemplated in Section 5.03(a) above shall be implemented by determining the Parachute Payment Ratio (as defined below), as determined in good faith by the Company (or its successor), for each Parachute Payment and then reducing the Parachute Payments in order beginning with the Parachute Payment with the highest Parachute Payment Ratio. For Parachute Payments with the same Parachute Payment Ratio, such Parachute Payments shall be reduced based on the time of payment of such Parachute Payments, with amounts having later payment dates being reduced first. For Parachute Payments with the same Parachute Payment Ratio and the same time of payment, such Parachute Payments shall be reduced on a pro rata basis (but not below zero) prior to reducing Parachute Payments with a lower Parachute Payment Ratio. For purposes hereof, the term “**Parachute Payment Ratio**” shall mean a fraction, (i) the numerator of which is the value of the applicable Parachute Payment (as calculated for purposes of Section 280G of the Code), and (ii) the denominator of which is the intrinsic (i.e., economic) value of such Parachute Payment.

6. The Company’s Payment Obligation

The Company’s obligation to make the payments and the arrangements provided for herein will be absolute and unconditional, and will not be affected by any circumstances, including, without limitation, any offset, counterclaim, recoupment, defense, or other right which the Company may have against the Executive or anyone else. All amounts payable by the Company hereunder will be paid without notice or demand. Each and every payment made hereunder by the Company will be final, and the Company will not seek to recover all or any part of such payment from the Executive or from whomsoever may be entitled thereto, for any reasons whatsoever.

The Executive will not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and the obtaining of any such other employment will in no event effect any reduction of the Company’s obligations to make the payments and arrangements required to be made under this Agreement, except to the extent provided in Sections 3.03(e) and (f) herein. Notwithstanding anything in this Agreement to the contrary, if Severance Benefits are paid under this Agreement, no severance benefits under any program of the Company, other than benefits described in this Agreement, will be paid to the Executive.

7. Fees and Expenses

To the extent permitted by law, the Company will pay as incurred (within ten (10) days following receipt of an invoice from the Executive) all legal fees, costs of litigation, prejudgment interest, and other expenses incurred in good faith by the Executive as a result of the Company's refusal to provide the Severance Benefits to which the Executive becomes entitled under this Agreement, or as a result of the Company's contesting the validity, enforceability, or interpretation of this Agreement, or as a result of any conflict between the parties pertaining to this Agreement; *provided, however,* that the Company will reimburse the Executive only for such expenses arising out of litigation commenced within three (3) years following the Executive's Separation from Service. Notwithstanding any other provision in this Article 7, the Company will reimburse the Executive only for expenses incurred prior to the end of the fifth (5th) year following the Executive's Separation from Service.

8. Outplacement Assistance

Following a Qualifying Termination (as described in Section 3.02 herein), the Executive will be reimbursed by the Company for the costs of all reasonable outplacement services obtained by the Executive within the two (2) year period after the Date of Separation from Service; *provided, however,* that reimbursements must be made by the end of the third year following the Date of Separation from Service and the total reimbursement for such outplacement services will be limited to an amount equal to fifteen percent (15%) of the Executive's Base Salary as of the Date of Separation from Service.

9. Successors and Assignment

(a) *Successors to the Company.* The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof to expressly assume and agree to perform the Company's obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform them if no such succession had taken place.

(b) *Assignment by the Executive.* This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If the Executive dies while any amount would still be payable to the Executive hereunder had the Executive continued to live, all such amounts, unless otherwise provided herein, will be paid in accordance with the terms of this Agreement to the Executive's Beneficiary. If the Executive has not named a Beneficiary, then such amounts will be paid to the Executive's devisee, legatee, or other designee, or if there is no such designee, to the Executive's estate, and such designee, or the Executive's estate will be treated as the Beneficiary hereunder.

10. Miscellaneous

(a) *Employment Status*. Except as may be provided under any other agreement between the Executive and the Company, the employment of the Executive by the Company is “at will,” and may be terminated by either the Executive or the Company at any time, subject to applicable law.

(b) *Beneficiaries*. The Executive may designate one or more persons or entities as the primary and/or contingent Beneficiaries of any Severance Benefits owing to the Executive under this Agreement. Such designation must be in the form of a signed writing acceptable to the Committee. The Executive may make or change such designations at any time.

(c) *Severability*. In the event any provision of this Agreement will be held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Agreement, and the Agreement will be construed and enforced as if the illegal or invalid provision had not been included. Further, the captions of this Agreement are not part of the provisions hereof and will have no force and effect.

(d) *Modification*. No provision of this Agreement may be modified, waived, or discharged unless such modification, waiver, or discharge is agreed to in writing and signed by the Executive and by an authorized member of the Committee, or by the respective parties’ legal representatives and successors.

(e) *Applicable Law*. To the extent not preempted by the laws of the United States, the laws of the state of Delaware will be the controlling law in all matters relating to this Agreement.

(f) *Indemnification*. To the full extent permitted by law, the Company will, both during and after the period of the Executive’s employment, indemnify the Executive (including by advancing the Executive expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including any attorneys’ fees, incurred by the Executive in connection with the defense of any lawsuit or other claim to which the Executive is made a party by reason of being (or having been) an officer, director or employee of the Company or any of its subsidiaries. The Executive will be covered by director and officer liability insurance to the maximum extent that that insurance covers any officer or director (or former officer or director) of the Company.

[Signature Page Follows]

LIVENT NONQUALIFIED SAVINGS PLAN

ADOPTION AGREEMENT

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ADOPTION AGREEMENT

1.01 PREAMBLE

By the execution of this Adoption Agreement the Plan Sponsor hereby [complete (a) or (b)]

- (a) adopts a new plan as of January 1, 2019. Account balances and associated distribution elections under the FMC Corporation Nonqualified Savings & Investment Plan (the "FMC Plan") with respect to compensation earned on or before December 31, 2018 are transferred into this Plan effective as of January 1, 2019, or as soon as administratively feasible following such date, for those Plan participants with an account under the FMC Plan as of December 31, 2018. Deferral and distribution elections with respect to compensation earned after December 31, 2018 shall be made in accordance with the provisions of this Plan, as provided herein.

- (b) amends and restates its existing plan as of [month, day, year] which is the Amendment Restatement Date. Except as otherwise provided in Appendix A, all amounts deferred under the Plan prior to the Amendment Restatement Date shall be governed by the terms of the Plan as in effect on the day before the Amendment Restatement Date.

Original Effective Date: [month, day, year]

Pre-409A Grandfathering: Yes No

1.02 PLAN

Plan Name: Livent Nonqualified Savings Plan

Plan Year: Calendar Year

1.03 PLAN SPONSOR

Name: FMC Lithium USA Corp.

Address: 2929 Walnut Street, Philadelphia, Pennsylvania 19104

Phone #: (215) 557-9150

EIN #: 82-4688610

Fiscal Year: December 31

Is stock of the Plan Sponsor, any Employer or any Related Employer publicly traded on an established securities market? Yes No

1.04 EMPLOYER

The following entities have been authorized by the Plan Sponsor to participate in and have adopted the Plan [insert "Not Applicable" if none have been authorized]:

<u>Entity</u>	<u>Publicly Traded on Est. Securities Market</u>	
	<u>Yes</u>	<u>No</u>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>

1.05 ADMINISTRATOR

The Plan Sponsor has designated the following party or parties to be responsible for the administration of the Plan:

Name: Livent Employee Benefit Plan Committee

Address: 2929 Walnut Street, Philadelphia, Pennsylvania 19104

Note: The Administrator is the person or persons designated by the Plan Sponsor to be responsible for the administration of the Plan. Neither Fidelity Employer Services Company nor any other Fidelity affiliate can be the Administrator.

1.06 KEY EMPLOYEE DETERMINATION DATES

The Employer has designated December 31 as the Identification Date for purposes of determining Key Employees.

In the absence of a designation, the Identification Date is December 31.

The Employer has designated April 1 as the effective date for purposes of applying the six month delay in distributions to Key Employees.

In the absence of a designation, the effective date is the first day of the fourth month following the Identification Date.

2.01 PARTICIPATION

- (a) Employees [complete (i), (ii) or (iii)]
- (i) Eligible Employees are selected by the Employer.
- (ii) Eligible Employees are those employees of the Employer who satisfy the following criteria:

Employee earned a total of at least \$250,000 (based on Compensation including Bonus) in the prior Plan Year and is reasonably expected to earn at least \$250,000 in the Plan Year, or

Employee earned a total of at least \$250,000 (based on Compensation including Bonus) in the year prior to the prior Plan Year (but not in the prior Plan Year), and is reasonably expected to earn at least \$250,000 in the Plan Year, or

Any other Employee who transferred to Livent Corporation and participated in the FMC Corporation Employees' Retirement Program as of 12/31/2018, but, only for purposes of receiving Employer Contributions under Section 5.01(b) that would be in excess of the IRC Sec. 415(c) limits under the Livent Savings and Investment Plan when added to total allocations for a limitation year under that Plan, or

Other Employees as selected by the Employer.

-
- (iii) Employees are not eligible to participate.
- (b) Directors [complete (i), (ii) or (iii)]
- (i) All Directors are eligible to participate.
- (ii) Only Directors selected by the Employer are eligible to participate.
- (iii) Directors are not eligible to participate.

3.01 COMPENSATION

For purposes of determining Participant contributions under Article 4 and Employer contributions under Article 5, Compensation shall be defined in the following manner [complete (a) or (b) and select (c) and/or (d), if applicable]:

- (a) Compensation is defined as:

- (b) Compensation as defined in the Livent Savings and Investment Plan without regard to the limitation in Section 401(a)(17) of the Code for such Plan Year plus any Compensation deferred under Sec. 4.01 of this Plan

- (c) Director Compensation is defined as:

- (d) Compensation shall, for all Plan purposes, be limited to \$_____.

- (e) Not Applicable.

3.02 BONUSES

Compensation, as defined in Section 3.01 of the Adoption Agreement, includes the following type of bonuses that will be the subject of a separate deferral election:

Type	[Will be treated as]	
	Performance Based Compensation	
	Yes	No
<u>Management Incentive Award that is paid in cash and based on a performance period that is one calendar year ("Management Incentive Award")</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>

Not Applicable.

4.01 PARTICIPANT CONTRIBUTIONS

If Participant contributions are permitted, complete (a), (b), and (c). Otherwise complete (d).

(a) Amount of Deferrals

A Participant may elect within the period specified in Section 4.01(b) of the Adoption Agreement to defer the following amounts of remuneration. For each type of remuneration listed, complete "dollar amount" and/or "percentage amount".

(i) Compensation other than Bonuses [do not complete if you complete (iii)]

Type of Remuneration	Dollar Amount		% Amount		Increment
	Min	Max	Min	Max	
(a) Compensation other than Bonuses			1%	50%	1%
(b)					
(c)					

Note: The increment is required to determine the permissible deferral amounts. For example, a minimum of 0% and maximum of 20% with a 5% increment would allow an individual to defer 0%, 5%, 10%, 15% or 20%.

(ii) Bonuses [do not complete if you complete (iii)]

Type of Bonus	Dollar Amount		% Amount		Increment
	Min	Max	Min	Max	
(a) Management Incentive Award			1%	100%	1%
(b)					
(c)					

(iii) Compensation [do not complete if you completed (i) and (ii)]

Dollar Amount		% Amount		Increment
Min	Max	Min	Max	

--	--	--	--	--	--

(iv) Director Compensation

Type of Compensation	Dollar Amount		% Amount		Increment
	Min	Max	Min	Max	
Annual Retainer					
Meeting Fees					
Other:					
Other:					

(b) Election Period

(i) Performance Based Compensation

A special election period

Does

Does Not

apply to each eligible type of performance based compensation referenced in Section 3.02 of the Adoption Agreement.

The special election period, if applicable, will be determined by the Employer.

(ii) Newly Eligible Participants

An employee who is classified or designated as an Eligible Employee during a Plan Year

May

May Not

elect to defer Compensation earned during the remainder of the Plan Year by completing a deferral agreement within the 30 day period beginning on the date he is eligible to participate in the Plan.

The special election period, if applicable, will be determined by the Employer.

(c) Revocation of Deferral Agreement

A Participant's deferral agreement

Will

Will Not

be cancelled for the remainder of any Plan Year during which he receives a hardship distribution of elective deferrals from a qualified cash or deferred arrangement maintained by the Employer to the extent necessary to satisfy the requirements of Reg. Sec. 1.401(k)-1(d)(3). If cancellation occurs, the Participant may resume participation in accordance with Article 4 of the Plan.

(d) No Participant Contributions

Participant contributions are not permitted under the Plan.

5.01 EMPLOYER CONTRIBUTIONS

If Employer contributions are permitted, complete (a) and/or (b). Otherwise complete (c).

(a) Matching Contributions

(i) Amount

For each Plan Year, the Employer shall make a matching contribution on behalf of each Participant who defers Compensation for the Plan Year and satisfies the requirements of Section 5.01(a)(ii) of the Adoption Agreement equal to [complete the ones that are applicable]:

- (A) [insert percentage]% of the Compensation the Participant has elected to defer for the Plan Year
- (B) An amount determined by the Employer in its sole discretion
- (C) Matching contributions for each Participant shall be limited to \$ _____ and/or [insert percentage]% of Compensation
- (D) Other:

Eighty percent (80%) of a Participant's elective deferrals under the Plan not to exceed 5% of total Compensation, inclusive of deferrals made under this Plan, offset by the maximum allowable match under the Livent Savings and Investment Plan. For clarity the maximum allowable match under both plans will not exceed 4% of a Participant's total Compensation, inclusive of deferrals to this Plan, for an applicable Plan Year.

- (E) Not Applicable [Proceed to Section 5.01(b)]

(ii) Eligibility for matching contribution

A Participant who defers Compensation for the Plan Year shall receive an allocation of matching contributions determined in accordance with Section 5.01(a)(i) provided he satisfies the following requirements [complete the ones that are applicable]:

- (A) Describe requirements:
-

- (B) Is selected by the Employer in its sole discretion to receive an allocation of matching contributions

(C) No requirements

(iii) Time of Allocation

Matching contributions, if made, shall be treated as allocated [select one]:

(A) As of the last day of the Plan Year

(B) At such times as the Employer shall determine in its sole discretion

(C) At the time the Compensation on account of which the matching contribution is being made would otherwise have been paid to the Participant, or at a later time as the Employer shall elect in its sole discretion.

(D) Other:

(b) Other Contributions

(i) Amount

The Employer shall make a contribution on behalf of each Participant who satisfies the requirements of Section 5.01(b)(ii) equal to [complete the ones that are applicable]:

(A) An amount equal to 5% of the Participant's Compensation in excess of IRC Sec. 401(a)(17).

(B) An amount determined by the Employer in its sole discretion

(C) Contributions for each Participant shall be limited to \$ _____

(D) Other:

See Addendum

(E) Not Applicable [Proceed to Section 6.01]

(ii) Eligibility for Other Contribution

A Participant shall receive an allocation of other Employer contributions determined in accordance with Section 5.01(b)(i) for the Plan Year if he satisfies the following requirements [complete the one that is applicable]:

- (A) Describe requirements:

- (B) Is selected by the Employer in its sole discretion to receive an allocation of other Employer contributions

- (C) No requirements

(iii) Time of Allocation

Employer contributions, if made, shall be treated as allocated [select one]:

- (A) As of the last day of the Plan Year

- (B) At such times or times as the Employer shall determine in its sole discretion

- (C) Other:

At the time the Compensation on account of which the Other Contribution is being made would otherwise have been paid to the Participant, or at a later time as the Employer shall elect in its sole discretion.

(c) No Employer Contributions

- Employer contributions are not permitted under the Plan.

6.01 DISTRIBUTIONS

The timing and form of payment of distributions made from the Participant's vested Account shall be made in accordance with the elections made in this Section 6.01 of the Adoption Agreement except when Section 9.6 of the Plan requires a six month delay for certain distributions to Key Employees of publicly traded companies.

(a) Timing of Distributions

(i) All distributions shall commence in accordance with the following [choose one]:

- (A) As soon as administratively feasible following the distribution event but in no event later than the time prescribed by Treas. Reg. Sec. 1.409A-3(d).
- (B) On the first day of the month following the distribution event.
- (C) Annually on specified month and day [insert month and day]
- (D) Calendar quarter on specified month and day [insert month and day] Q[insert numerical quarter 1, 2, 3, or 4]

(ii) The timing of distributions as determined in Section 6.01(a)(i) shall be modified by the adoption of:

- (A) Event Delay – Distribution events other than those based on Specified Date or Specified Age or Separation from Service plus 6 months will be treated as not having occurred for 90 days
- (B) Hold Until Next Year – Distribution events other than those based on Specified Date or Specified Age will be treated as not having occurred for twelve months from the date of the event if payment pursuant to Section 6.01(a)(i) will thereby occur in the next calendar year or on the first payment date in the next calendar year in all other cases
- (C) Immediate Processing – The timing method selected by the Plan Sponsor under Section 6.01(a)(i) shall be overridden for the following distribution events [insert events]:

- (D) Not applicable

(b) **Distribution Events**

Participants may elect the following payment events and the associated form or forms of payment. If multiple events are selected, the earliest to occur will trigger payment. For installments, insert the range of available periods (e.g., 5-15) or insert the periods available (e.g., 5, 7, 9).

		<u>Lump Sum</u>	<u>Installments</u>
(i)	<input checked="" type="checkbox"/> Specified Date	X	<u>2-10 years</u>
(ii)	<input type="checkbox"/> Specified Age	_____	_____ years
(iii)	<input type="checkbox"/> Separation from Service	_____	_____ years
(iv)	<input checked="" type="checkbox"/> Separation from Service plus 6 months	X	<u>2-10 years</u>
(v)	<input type="checkbox"/> Separation from Service plus _____ months [not to exceed _____ months]	_____	_____ years
(vi)	<input type="checkbox"/> Retirement	_____	_____ years
(vii)	<input type="checkbox"/> Retirement plus 6 months	_____	_____ years
(viii)	<input type="checkbox"/> Retirement plus _____ months	_____	_____ years
(ix)	<input type="checkbox"/> Disability	_____	_____ years
(x)	<input type="checkbox"/> Death	_____	_____ years
(xi)	<input type="checkbox"/> Change in Control	_____	_____ years

The minimum deferral period for Specified Date or Specified Age event shall be _____ years.

Installments may be paid [select each that applies]

- Monthly
- Quarterly
- Annually

- (c) Specified Date and Specified Age elections may not extend beyond age: Not Applicable.

(d) **Payment Election Override**

Payment of the remaining vested balance of the Participant's Account will automatically occur at the time specified in Section 6.01(a) of the Adoption Agreement in the form indicated upon the earliest to occur of the following events [check each event that applies and for each event include only a single form of payment]:

<u>Events</u>	<u>Form of Payment</u>	
	<u>Lump Sum</u>	<u>Installments</u>
<input type="checkbox"/> Separation from Service	—	—
<input type="checkbox"/> Separation from Service before Retirement	—	—
<input checked="" type="checkbox"/> Death	X	—
<input type="checkbox"/> Disability	—	—
<input type="checkbox"/> Not Applicable	—	—

(e) **Involuntary Cashouts**

- For participants transferred from the FMC Plan as of December 31, 2018, if the Participant's vested Account at the time of his Separation from Service does not exceed the Code section 402(g) limit, distribution of the vested Account shall automatically be made in the form of a single lump sum in accordance with Section 9.5 of the Plan. For participants who begin participating in the Plan on or after January 1, 2019, if the Participant's vested Account at the time of his Separation from Service does not exceed \$50,000, distribution of the vested Account shall automatically be made in the form of a single lump sum in accordance with Section 9.5 of the Plan.

- There are no involuntary cashouts.

(f) **Retirement**

- Retirement shall be defined as a Separation from Service that occurs on or after the Participant [insert description of requirements]:
-
-

No special definition of Retirement applies.

(g) **Distribution Election Change**

A Participant

Shall

Shall Not

be permitted to modify a scheduled distribution date and/or payment option in accordance with Section 9.2 of the Plan.

A Participant shall generally be permitted to elect such modification an unlimited number of times.

Administratively, allowable distribution events will be modified to reflect all options necessary to fulfill the distribution change election provision.

(h) **Frequency of Elections**

The Plan Sponsor

Has

Has Not

elected to permit annual elections of a time and form of payment for amounts deferred under the Plan. If a single election of a time and/or form of payment is required, the Participant will make such election at the time he first completes a deferral agreement which, in all cases, will be no later than the time required by Reg. Sec. 1.409A-2.

(i) **Disability**

For Purposes of Section 2.11 of the Plan, Disability shall be defined as

- Total disability as determined by the Social Security Administration or the Railroad Retirement Board.
- As determined by the Employer's long term disability insurance policy.
- As follows [insert description of requirements]:

- Not applicable.

7.01 VESTING

(a) Matching Contributions

The Participant's vested interest in the amount credited to his Account attributable to matching contributions shall be based on the following schedule:

<input checked="" type="checkbox"/> <u>Years of Service</u>	<u>Vesting %</u>
0	<u>100%</u> [insert "100" if there is immediate vesting]
1	<u> %</u>
2	<u> %</u>
3	<u> %</u>
4	<u> %</u>
5	<u> %</u>
6	<u> %</u>
7	<u> %</u>
8	<u> %</u>
9	<u> %</u>

Other:

Class year vesting applies:

Not applicable.

(b) Other Employer Contributions

The Participant's vested interest in the amount credited to his Account attributable to Employer contributions other than matching contributions shall be based on the following schedule:

<input checked="" type="checkbox"/> <u>Years of Service</u>	<u>Vesting %</u>
0	<u>100%</u> [insert "100" if there is immediate vesting]
1	<u>%</u>
2	<u>%</u>
3	<u>%</u>
4	<u>%</u>
5	<u>%</u>
6	<u>%</u>
7	<u>%</u>
8	<u>%</u>
9	<u>%</u>

Other:

Class year vesting applies:

Not applicable.

(c) Acceleration of Vesting

The Participant's vested interest in his Account will automatically be 100% upon the occurrence of the following events [select the ones that are applicable]:

- (i) Death.
- (ii) Disability.
- (iii) Change in Control.
- (iv) Eligibility for Retirement.
- (v) Other:

-
-
- (vi) Not applicable.

(d) Years of Service

- (i) A Participant's Years of Service shall include all service performed for the Employer and

Shall

Shall Not

include service performed for the Related Employer.

- (ii) Years of Service shall also include service performed for the following entities:

- (iii) Years of Service shall be determined in accordance with [select one]:

- (A) The elapsed time method in Treas. Reg. Sec. 1.410(a)-7
- (B) The general method in DOL Reg. Sec. 2530.200b-1 through b-4
- (C) Participant's Years of Service credited under:
[insert name of plan]
- (D) Other:

- (iv) Not applicable.

8.01 UNFORESEEABLE EMERGENCY

- (a) A withdrawal due to an Unforeseeable Emergency as defined in Section 2.24:

Will

Will Not [if Unforeseeable Emergency withdrawals are not permitted, proceed to Section 9.01]

be allowed.

- (b) Upon a withdrawal due to an Unforeseeable Emergency, a Participant's deferral election for the remainder of the Plan Year:

Will

Will Not

be cancelled. If cancellation occurs, the Participant may resume participation in accordance with Article 4 of the Plan.

9.01 INVESTMENT DECISIONS

Investment decisions regarding the hypothetical amounts credited to a Participant's Account shall be made by [select one]:

- (a) The Participant or his Beneficiary
- (b) The Employer

10.01 TRUST

The Employer [select one]:

Does

Does Not

intend to establish a rabbi trust as provided in Article 11 of the Plan.

11.01 TERMINATION UPON CHANGE IN CONTROL

The Plan Sponsor

Reserves

Does Not Reserves

the right to terminate the Plan and distribute all vested amounts credited to Participant Accounts upon a Change in Control as described in Section 9.7.

11.02 AUTOMATIC DISTRIBUTION UPON CHANGE IN CONTROL

Distribution of the remaining vested balance of each Participant's Account

Shall

Shall Not

automatically be paid as a lump sum payment upon the occurrence of a Change in Control as provided in Section 9.7.

11.03 CHANGE IN CONTROL

A Change in Control for Plan purposes includes the following [select each definition that applies]:

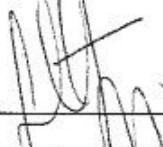
- (a) A change in the ownership of the Employer as described in Section 9.7(c) of the Plan.
- (b) A change in the effective control of the Employer as described in Section 9.7(d) of the Plan.
- (c) A change in the ownership of a substantial portion of the assets of the Employer as described in Section 9.7(e) of the Plan.
- (d) Not Applicable.

12.01 GOVERNING STATE LAW

The laws of Delaware shall apply in the administration of the Plan to the extent not preempted by ERISA.

EXECUTION PAGE

The Plan Sponsor has caused this Adoption Agreement to be executed this 12 day of
July, 2018.

Plan Sponsor: 

By: GILBERTO AUTICH JAZZI

Title: Chief Financial Officer

APPENDIX A

Additional Contributions for Employees Transferred from the FMC Corporation Employees' Retirement Program who participated in such Plan on December 31, 2018

For purposes of Sec. 5.01(b)(i)(D), Participants who's allocations are limited under the Livent Savings and Investment Plan due to the limitations under Internal Revenue Code Sec. 415(c) for a limitation year will receive an Additional Contribution under this Section in an amount consistent with the allocation formula for that Participant in the Livent Savings and Investment Plan as if the limitations under IRC Sec. 415 do not apply. For clarity, amounts provided under this Plan will be offset by the total allocations provided under the Livent Savings and Investment Plan and any Contributions under Sec. 5.01(b)(i)(A) for an applicable Plan Year.



LIVENT NONQUALIFIED SAVINGS PLAN

January 1, 2019

IMPORTANT NOTE

This document has not been approved by the Department of Labor, Internal Revenue Service or any other governmental entity. An adopting Employer must determine whether the Plan is subject to the Federal securities laws and the securities laws of the various states. An adopting Employer may not rely on this document to ensure any particular tax consequences or to ensure that the Plan is “unfunded and maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees” under Title I of the Employee Retirement Income Security Act of 1974, as amended, with respect to the Employer’s particular situation. Fidelity Employer Services Company, its affiliates and employees cannot provide you with legal advice in connection with the execution of this document. This document should be reviewed by the Employer’s attorney prior to execution.

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PREAMBLE

The Plan is intended to be a “plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees” within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended, or an “excess benefit plan” within the meaning of Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended, or a combination of both. The Plan is further intended to conform with the requirements of Internal Revenue Code Section 409A and the final regulations issued thereunder and shall be interpreted, implemented

and administered in a manner consistent therewith.

ARTICLE 1 – GENERAL

1.1 Plan. The Plan will be referred to by the name specified in the Adoption Agreement.

1.2 Effective Dates.

- (a) Original Effective Date. The Original Effective Date is the date as of which the Plan was initially adopted.
- (b) Amendment Effective Date. The Amendment Effective Date is the date specified in the Adoption Agreement as of which the Plan is amended and restated. Except to the extent otherwise provided herein or in the Adoption Agreement, the Plan shall apply to amounts deferred and benefit payments made on or after the Amendment Effective Date.
- (c) Special Effective Date. A Special Effective Date may apply to any given provision if so specified in Appendix A of the Adoption Agreement. A Special Effective Date will control over the Original Effective Date or Amendment Effective Date, whichever is applicable, with respect to such provision of the Plan.

1.3 Amounts Not Subject to Code Section 409A

Except as otherwise indicated by the Plan Sponsor in Section 1.01 of the Adoption Agreement, amounts deferred before January 1, 2005 that are earned and vested on December 31, 2004 will be separately accounted for and administered in accordance with the terms of the Plan as in effect on December 31, 2004.

ARTICLE 2 – DEFINITIONS

Pronouns used in the Plan are in the masculine gender but include the feminine gender unless the context clearly indicates otherwise. Wherever used herein, the following terms have the meanings set forth below, unless a different meaning is clearly required by the context:

- 2.1 “Account”** means an account established for the purpose of recording amounts credited on behalf of a Participant and any income, expenses, gains, losses or distributions included thereon. The Account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant or to the Participant’s Beneficiary pursuant to the Plan.
- 2.2 “Administrator”** means the person or persons designated by the Plan Sponsor in Section 1.05 of the Adoption Agreement to be responsible for the administration of the Plan. If no Administrator is designated in the Adoption Agreement, the Administrator is the Plan Sponsor.
- 2.3 “Adoption Agreement”** means the agreement adopted by the Plan Sponsor that establishes the Plan.
- 2.4 “Beneficiary”** means the persons, trusts, estates or other entities entitled under Section 8.2 to receive benefits under the Plan upon the death of a Participant.
- 2.5 “Board” or “Board of Directors”** means the Board of Directors of the Plan Sponsor.
- 2.6 “Bonus”** means an amount of incentive remuneration payable by the Employer to a Participant.
- 2.7 “Change in Control”** means the occurrence of an event involving the Plan Sponsor that is described in Section 9.7.
- 2.8 “Code”** means the Internal Revenue Code of 1986, as amended.
- 2.9 “Compensation”** has the meaning specified in Section 3.01 of the Adoption Agreement.
- 2.10 “Director”** means a non-employee member of the Board who has been designated by the Employer as eligible to participate in the Plan.
- 2.11 “Disability”** means a determination by the Administrator that the Participant is either (a) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (b) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or last for a continuous period of not less than twelve months, receiving income replacement benefits for a period

of not less than three months under an accident and health plan covering employees of the Employer. A Participant will be considered to have incurred a Disability if he is determined to be totally disabled by the Social Security Administration or the Railroad Retirement Board.

- 2.12** “**Eligible Employee**” means an employee of the Employer who satisfies the requirements in Section 2.01 of the Adoption Agreement.
- 2.13** “**Employer**” means the Plan Sponsor and any other entity which is authorized by the Plan Sponsor to participate in and, in fact, does adopt the Plan.
- 2.14** “**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.
- 2.15** “**Identification Date**” means the date as of which Key Employees are determined which is specified in Section 1.06 of the Adoption Agreement.
- 2.16** “**Key Employee**” means an employee who satisfies the conditions set forth in Section 9.6.
- 2.17** “**Participant**” means an Eligible Employee or Director who commences participation in the Plan in accordance with Article 3.
- 2.18** “**Plan**” means the unfunded plan of deferred compensation set forth herein, including the Adoption Agreement and any trust agreement, as adopted by the Plan Sponsor and as amended from time to time.
- 2.19** “**Plan Sponsor**” means the entity identified in Section 1.03 of the Adoption Agreement or any successor by merger, consolidation or otherwise.
- 2.20** “**Plan Year**” means the period identified in Section 1.02 of the Adoption Agreement.
- 2.21** “**Related Employer**” means the Employer and (a) any corporation that is a member of a controlled group of corporations as defined in Code Section 414(b) that includes the Employer and (b) any trade or business that is under common control as defined in Code Section 414(c) that includes the Employer.
- 2.22** “**Retirement**” has the meaning specified in 6.01(f) of the Adoption Agreement.
- 2.23** “**Separation from Service**” means the date that the Participant dies, retires or otherwise has a termination of employment with respect to all entities comprising the Related Employer. A Separation from Service does not occur if the Participant is on military leave, sick leave or other bona fide leave of absence if the period of leave does not exceed six months or such longer period during which the Participant’s right to re-employment is provided by statute or contract. If the period of leave exceeds six months and the Participant’s right to re-employment is not provided either by statute or contract, a Separation from Service will be deemed to have occurred on the first day following the six-month period. If the period of leave is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where the impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a 29 month period of absence may be substituted for the six month period.

Whether a termination of employment has occurred is based on whether the facts and circumstances indicate that the Related Employer and the Participant reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the Participant would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than 20 percent of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36 month period (or the full period of services to the Related Employer if the employee has been providing services to the Related Employer for less than 36 months).

An independent contractor is considered to have experienced a Separation from Service with the Related Employer upon the expiration of the contract (or, in the case of more than one contract, all contracts) under which services are performed for the Related Employer if the expiration constitutes a good-faith and complete termination of the contractual relationship.

If a Participant provides services as both an employee and an independent contractor of the Related Employer, the Participant must separate from service both as an employee and as an independent contractor to be treated as having incurred a Separation from Service. If a Participant ceases providing services as an independent

contractor and begins providing services as an employee, or ceases providing services as an employee and begins providing services as an independent contractor, the Participant will not be considered to have experienced a Separation from Service until the Participant has ceased providing services in both capacities.

If a Participant provides services both as an employee and as a member of the board of directors of a corporate Related Employer (or an analogous position with respect to a noncorporate Related Employer), the services provided as a director are not taken into account in determining whether the Participant has incurred a Separation from Service as an employee for purposes of a nonqualified deferred compensation plan in which the Participant participates as an employee that is not aggregated under Code Section 409A with any plan in which the Participant participates as a director.

If a Participant provides services both as an employee and as a member of the board of directors of a corporate related Employer (or an analogous position with respect to a noncorporate Related Employer), the services provided as an employee are not taken into account in determining whether the Participant has experienced a Separation from Service as a director for purposes of a nonqualified deferred compensation plan in which the Participant participates as a director that is not aggregated under Code Section 409A with any plan in which the Participant participates as an employee.

All determinations of whether a Separation from Service has occurred will be made in a manner consistent with Code Section 409A and the final regulations thereunder.

- 2.24 “Unforeseeable Emergency”** means a severe financial hardship of the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, the Participant’s Beneficiary, or the Participant’s dependent (as defined in Code Section 152, without regard to Code section 152(b)(1), (b)(2) and (d)(1)(B); loss of the Participant’s property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.
- 2.25 “Valuation Date”** means each business day of the Plan Year that the New York Stock Exchange is open.
- 2.26 “Years of Service”** means each one year period for which the Participant receives service credit in accordance with the provisions of Section 7.01(d) of the Adoption Agreement.

ARTICLE 3 – PARTICIPATION

- 3.1 Participation.** The Participants in the Plan shall be those Directors and employees of the Employer who satisfy the requirements of Section 2.01 of the Adoption Agreement.
- 3.2 Termination of Participation.** The Administrator may terminate a Participant’s participation in the Plan in a manner consistent with Code Section 409A. If the Employer terminates a Participant’s participation before the Participant experiences a Separation from Service the Participant’s vested Accounts shall be paid in accordance with the provisions of Article 9.

ARTICLE 4 – PARTICIPANT ELECTIONS

- 4.1 Deferral Agreement.** If permitted by the Plan Sponsor in accordance with Section 4.01 of the Adoption Agreement, each Eligible Employee and Director may elect to defer his Compensation within the meaning of Section 3.01 of the Adoption Agreement by executing in writing or electronically, a deferral agreement in accordance with rules and procedures established by the Administrator and the provisions of this Article 4.

A new deferral agreement must be timely executed for each Plan Year during which the Eligible Employee or

Director desires to defer Compensation. An Eligible Employee or Director who does not timely execute a deferral agreement shall be deemed to have elected zero deferrals of Compensation for such Plan Year.

A deferral agreement may be changed or revoked during the period specified by the Administrator. Except as provided in Section 9.3 or in Section 4.01(c) of the Adoption Agreement, a deferral agreement becomes irrevocable at the close of the specified period.

4.2 Amount of Deferral. An Eligible Employee or Director may elect to defer Compensation in any amount permitted by Section 4.01(a) of the Adoption Agreement.

4.3 Timing of Election to Defer. Each Eligible Employee or Director who desires to defer Compensation otherwise payable during a Plan Year must execute a deferral agreement within the period preceding the Plan Year specified by the Administrator. Each Eligible Employee who desires to defer Compensation that is a Bonus must execute a deferral agreement within the period preceding the Plan Year during which the Bonus is earned that is specified by the Administrator, except that if the Bonus can be treated as performance based compensation as described in Code Section 409A(a)(4)(B)(iii), the deferral agreement may be executed within the period specified by the Administrator, which period, in no event, shall end after the date which is six months prior to the end of the period during which the Bonus is earned, provided the Participant has performed services continuously from the later of the beginning of the performance period or the date the performance criteria are established through the date the Participant executed the deferral agreement and provided further that the compensation has not yet become 'readily ascertainable' within the meaning of Reg. Sec 1.409A-2(a)(8). In addition, if the Compensation qualifies as 'fiscal year compensation' within the meaning of Reg. Sec. 1.409A-2(a)(6), the deferral agreement may be made not later than the end of the Employer's taxable year immediately preceding the first taxable year of the Employer in which any services are performed for which such Compensation is payable.

Except as otherwise provided below, an employee who is classified or designated as an Eligible Employee during a Plan Year or a Director who is designated as eligible to participate during a Plan Year may elect to defer Compensation otherwise payable during the remainder of such Plan Year in accordance with the rules of this Section 4.3 by executing a deferral agreement within the thirty (30) day period beginning on the date the employee is classified or designated as an Eligible Employee or the date the Director is designated as eligible, whichever is applicable, if permitted by Section 4.01(b)(ii) of the Adoption Agreement. If Compensation is based on a specified performance period that begins before the Eligible Employee or Director executes his deferral agreement, the election will be deemed to apply to the portion of such Compensation equal to the total amount of Compensation for the performance period multiplied by the ratio of the number of days remaining in the performance period after the election becomes irrevocable and effective over the total number of days in the performance period. The rules of this paragraph shall not apply unless the Eligible Employee or Director can be treated as initially eligible in accordance with Reg. Sec. 1.409A-2(a)(7).

4.4 Election of Payment Schedule and Form of Payment.

All elections of a payment schedule and a form of payment will be made in accordance with rules and procedures established by the Administrator and the provisions of this Section 4.4.

(a) If the Plan Sponsor has elected to permit annual distribution elections in accordance with Section 6.01(h) of the Adoption Agreement the following rules apply. At the time an Eligible Employee or Director completes a deferral agreement, the Eligible Employee or Director must elect a distribution event (which includes a specified time) and a form of payment for the Compensation subject to the deferral agreement from among the options the Plan Sponsor has made available for this purpose and which are specified in 6.01(b) of the Adoption Agreement. Prior to the time required by Reg. Sec. 1.409A-2, the Eligible Employee or Director shall elect a distribution event (which includes a specified time) and a form of payment for any Employer contributions that may be credited to the Participant's Account during the Plan Year. If an Eligible Employee or Director fails to elect a distribution event, he shall be deemed to have elected Separation from Service as the distribution event. If he fails to elect a form of payment, he shall be deemed to have elected a lump sum form of payment.

(b) If the Plan Sponsor has elected not to permit annual distribution elections in accordance with Section 6.01(h) of the Adoption Agreement the following rules apply. At the time an Eligible Employee or Director first completes a deferral agreement but in no event later than the time required by Reg. Sec. 1.409A-2, the Eligible Employee or Director must elect a distribution event (which includes a specified time) and a form of payment for amounts credited to his Account from among the options the Plan Sponsor has made available for this purpose and which are specified in Section 6.01(b) of the Adoption Agreement. If an Eligible Employee or Director fails to

elect a distribution event, he shall be deemed to have elected Separation from Service in the distribution event. If the fails to elect a form of payment, he shall be deemed to have elected a lump sum form of payment.

ARTICLE 5 – EMPLOYER CONTRIBUTIONS

- 5.1 **Matching Contributions.** If elected by the Plan Sponsor in Section 5.01(a) of the Adoption Agreement, the Employer will credit the Participant's Account with a matching contribution determined in accordance with the formula specified in Section 5.01(a) of the Adoption Agreement. The matching contribution will be treated as allocated to the Participant's Account at the time specified in Section 5.01(a)(iii) of the Adoption Agreement.
- 5.2 **Other Contributions.** If elected by the Plan Sponsor in Section 5.01(b) of the Adoption Agreement, the Employer will credit the Participant's Account with a contribution determined in accordance with the formula or method specified in Section 5.01(b) of the Adoption Agreement. The contribution will be treated as allocated to the Participant's Account at the time specified in Section 5.01(b)(iii) of the Adoption Agreement.

ARTICLE 6 – ACCOUNTS AND CREDITS

- 6.1 **Establishment of Account.** For accounting and computational purposes only, the Administrator will establish and maintain an Account on behalf of each Participant which will reflect the credits made pursuant to Section 6.2, distributions or withdrawals, along with the earnings, expenses, gains and losses allocated thereto, attributable to the hypothetical investments made with the amounts in the Account as provided in Article 7. The Administrator will establish and maintain such other records and accounts, as it decides in its discretion to be reasonably required or appropriate to discharge its duties under the Plan.
- 6.2 **Credits to Account.** A Participant's Account will be credited for each Plan Year with the amount of his elective deferrals under Section 4.1 at the time the amount subject to the deferral election would otherwise have been payable to the Participant and the amount of Employer contributions treated as allocated on his behalf under Article 5.

ARTICLE 7 – INVESTMENT OF CONTRIBUTIONS

- 7.1 **Investment Options.** The amount credited to each Account shall be treated as invested in the investment options designated for this purpose by the Administrator.
- 7.2 **Adjustment of Accounts.** The amount credited to each Account shall be adjusted for hypothetical investment earnings, expenses, gains or losses in an amount equal to the earnings, expenses, gains or losses attributable to the investment options selected by the party designated in Section 9.01 of the Adoption Agreement from among the investment options provided in Section 7.1. If permitted by Section 9.01 of the Adoption Agreement, a Participant (or the Participant's Beneficiary after the death of the Participant) may, in accordance with rules and procedures established by the Administrator, select the investments from among the options provided in Section 7.1 to be used for the purpose of calculating future hypothetical investment adjustments to the Account or to future credits to the Account under Section 6.2 effective as of the Valuation Date coincident with or next following notice to the Administrator. Each Account shall be adjusted as of each Valuation Date to reflect: (a) the hypothetical earnings, expenses, gains and losses described above; (b) amounts credited pursuant to Section 6.2; and (c) distributions or withdrawals. In addition, each Account may be adjusted for its allocable share of the hypothetical costs and expenses associated with the maintenance of the hypothetical investments provided in

ARTICLE 8 – RIGHT TO BENEFITS

- 8.1 Vesting.** A Participant, at all times, has a 100% nonforfeitable interest in the amounts credited to his Account attributable to his elective deferrals made in accordance with Section 4.1.

A Participant's right to the amounts credited to his Account attributable to Employer contributions made in accordance with Article 5 shall be determined in accordance with the relevant schedule and provisions in Section 7.01 of the Adoption Agreement. Upon a Separation from Service and after application of the provisions of Section 7.01 of the Adoption Agreement, the Participant shall forfeit the nonvested portion of his Account.

- 8.2 Death.** The Plan Sponsor may elect to accelerate vesting upon the death of the Participant in accordance with Section 7.01(c) of the Adoption Agreement and/or to accelerate distributions upon Death in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement. If the Plan Sponsor does not elect to accelerate distributions upon death in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement, the vested amount credited to the Participant's Account will be paid in accordance with the provisions of Article 9.

A Participant may designate a Beneficiary or Beneficiaries, or change any prior designation of Beneficiary or Beneficiaries in accordance with rules and procedures established by the Administrator.

A copy of the death notice or other sufficient documentation must be filed with and approved by the Administrator. If upon the death of the Participant there is, in the opinion of the Administrator, no designated Beneficiary for part or all of the Participant's vested Account, such amount will be paid to his estate (such estate shall be deemed to be the Beneficiary for purposes of the Plan) in accordance with the provisions of Article 9.

- 8.3 Disability.** If the Plan Sponsor has elected to accelerate vesting upon the occurrence of a Disability in accordance with Section 7.01(c) of the Adoption Agreement and/or to permit distributions upon Disability in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement, the determination of whether a Participant has incurred a Disability shall be made by the Administrator in its sole discretion in a manner consistent with the requirements of Code Section 409A.

ARTICLE 9 – DISTRIBUTION OF BENEFITS

- 9.1 Amount of Benefits.** The vested amount credited to a Participant's Account as determined under Articles 6, 7 and 8 shall determine and constitute the basis for the value of benefits payable to the Participant under the Plan.

- 9.2 Method and Timing of Distributions.** Except as otherwise provided in this Article 9, distributions under the Plan shall be made in accordance with the elections made or deemed made by the Participant under Article 4. Subject to the provisions of Section 9.6 requiring a six month delay for certain distributions to Key Employees, distributions following a payment event shall commence at the time specified in Section 6.01(a) of the Adoption Agreement. If permitted by Section 6.01(g) of the Adoption Agreement, a Participant may elect, at least twelve months before a scheduled distribution event, to delay the payment date for a minimum period of sixty months from the originally scheduled date of payment, provided the election does not take effect for at least twelve months from the date on which the election is made. The distribution election change must be made in accordance with procedures and rules established by the Administrator. The Participant may, at the same time the date of payment is deferred, change the form of payment but such change in the form of payment may not effect an acceleration of payment in violation of Code Section 409A or the provisions of Reg. Sec. 1.409A-2(b). For purposes of this Section 9.2, a series of installment payments is always treated as a single payment and not as a series of separate payments.

- 9.3 Unforeseeable Emergency.** A Participant may request a distribution due to an Unforeseeable Emergency if the Plan Sponsor has elected to permit Unforeseeable Emergency withdrawals under Section 8.01(a) of the Adoption Agreement. The request must be in writing and must be submitted to the Administrator along with evidence that the circumstances constitute an Unforeseeable Emergency. The Administrator has the discretion to require

whatever evidence it deems necessary to determine whether a distribution is warranted, and may require the Participant to certify that the need cannot be met from other sources reasonably available to the Participant. Whether a Participant has incurred an Unforeseeable Emergency will be determined by the Administrator on the basis of the relevant facts and circumstances in its sole discretion, but, in no event, will an Unforeseeable Emergency be deemed to exist if the hardship can be relieved: (a) through reimbursement or compensation by insurance or otherwise, (b) by liquidation of the Participant's assets to the extent such liquidation would not itself cause severe financial hardship, or (c) by cessation of deferrals under the Plan. A distribution due to an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need and may include any amounts necessary to pay any federal, state, foreign or local income taxes and penalties reasonably anticipated to result from the distribution. The distribution will be made in the form of a single lump sum cash payment. If permitted by Section 8.01(b) of the Adoption Agreement, a Participant's deferral elections for the remainder of the Plan Year will be cancelled upon a withdrawal due to an Unforeseeable Emergency. If the payment of all or any portion of the Participant's vested Account is being delayed in accordance with Section 9.6 at the time he experiences an Unforeseeable Emergency, the amount being delayed shall not be subject to the provisions of this Section 9.3 until the expiration of the six month period of delay required by section 9.6.

- 9.4 Payment Election Overrides.** If the Plan Sponsor has elected one or more payment election overrides in accordance with Section 6.01(d) of the Adoption Agreement, the following provisions apply. Upon the occurrence of the first event selected by the Plan Sponsor, the remaining vested amount credited to the Participant's Account shall be paid in the form designated to the Participant or his Beneficiary regardless of whether the Participant had made different elections of time and /or form of payment or whether the Participant was receiving installment payments at the time of the event.
- 9.5 Cashouts Of Amounts Not Exceeding Stated Limit.** If the vested amount credited to the Participant's Account does not exceed the limit established for this purpose by the Plan Sponsor in Section 6.01(e) of the Adoption Agreement at the time he incurs a Separation from Service for any reason, the Employer shall distribute such amount to the Participant at the time specified in Section 6.01(a) of the Adoption Agreement in a single lump sum cash payment following such Separation from Service regardless of whether the Participant had made different elections of time or form of payment as to the vested amount credited to his Account or whether the Participant was receiving installments at the time of such termination. A Participant's Account, for purposes of this Section 9.5, shall include any amounts described in Section 1.3.
- 9.6 Required Delay in Payment to Key Employees .** Except as otherwise provided in this Section 9.6, a distribution made on account of Separation from Service (or Retirement, if applicable) to a Participant who is a Key Employee as of the date of his Separation from Service (or Retirement, if applicable) shall not be made before the date which is six months after the Separation from Service (or Retirement, if applicable).
- (a) A Participant is treated as a Key Employee if (i) he is employed by a Related Employer any of whose stock is publicly traded on an established securities market, and (ii) he satisfies the requirements of Code Section 416(i)(1)(A)(i), (ii) or (iii), determined without regard to Code Section 416(i)(5), at any time during the twelve month period ending on the Identification Date.
- (b) A Participant who is a Key Employee on an Identification Date shall be treated as a Key Employee for purposes of the six month delay in distributions for the twelve month period beginning on the first day of a month no later than the fourth month following the Identification Date. The Identification Date and the effective date of the delay in distributions shall be determined in accordance with Section 1.06 of the Adoption Agreement.
- (c) The Plan Sponsor may elect to apply an alternative method to identify Participants who will be treated as Key Employees for purposes of the six month delay in distributions if the method satisfies each of the following requirements. The alternative method is reasonably designed to include all Key Employees, is an objectively determinable standard providing no direct or indirect election to any Participant regarding its application, and results in either all Key Employees or no more than 200 Key Employees being identified in the class as of any date. Use of an alternative method that satisfies the requirements of this Section 9.6(c) will not be treated as a change in the time and form of payment for purposes of Reg. Sec. 1.409A-2(b).
- (d) The six month delay does not apply to payments described in Section 9.9(a),(b) or (d) or to payments that occur after the death of the Participant. If the payment of all or any portion of the Participant's vested Account is

being delayed in accordance with this Section 9.6 at the time he incurs a Disability which would otherwise require a distribution under the terms of the Plan, no amount shall be paid until the expiration of the six month period of delay required by this Section 9.6.

- 9.7 Change in Control.** If the Plan Sponsor has elected to permit distributions upon a Change in Control, the following provisions shall apply. A distribution made upon a Change in Control will be made at the time specified in Section 6.01(a) of the Adoption Agreement in the form elected by the Participant in accordance with the procedures described in Article 4. Alternatively, if the Plan Sponsor has elected in accordance with Section 11.02 of the Adoption Agreement to require distributions upon a Change in Control, the Participant's remaining vested Account shall be paid to the Participant or the Participant's Beneficiary at the time specified in Section 6.01(a) of the Adoption Agreement as a single lump sum payment. A Change in Control, for purposes of the Plan, will occur upon a change in the ownership of the Plan Sponsor, a change in the effective control of the Plan Sponsor or a change in the ownership of a substantial portion of the assets of the Plan Sponsor, but only if elected by the Plan Sponsor in Section 11.03 of the Adoption Agreement. The Plan Sponsor, for this purpose, includes any corporation identified in this Section 9.7. All distributions made in accordance with this Section 9.7 are subject to the provisions of Section 9.6.

If a Participant continues to make deferrals in accordance with Article 4 after he has received a distribution due to a Change in Control, the residual amount payable to the Participant shall be paid at the time and in the form specified in the elections he makes in accordance with Article 4 or upon his death or Disability as provided in Article 8.

Whether a Change in Control has occurred will be determined by the Administrator in accordance with the rules and definitions set forth in this Section 9.7. A distribution to the Participant will be treated as occurring upon a Change in Control if the Plan Sponsor terminates the Plan in accordance with Section 10.2 and distributes the Participant's benefits within twelve months of a Change in Control as provided in Section 10.3.

- (a Relevant Corporations.** To constitute a Change in Control for purposes of the Plan, the event must relate to (i) the corporation for whom the Participant is performing services at the time of the Change in Control, (ii) the corporation that is liable for the payment of the Participant's benefits under the Plan (or all corporations liable if more than one corporation is liable) but only if either the deferred compensation is attributable to the performance of services by the Participant for such corporation (or corporations) or there is a bona fide business purpose for such corporation (or corporations) to be liable for such payment and, in either case, no significant purpose of making such corporation (or corporations) liable for such payment is the avoidance of federal income tax, or (iii) a corporation that is a majority shareholder of a corporation identified in (i) or (ii), or any corporation in a chain of corporations in which each corporation is a majority shareholder of another corporation in the chain, ending in a corporation identified in (i) or (ii). A majority shareholder is defined as a shareholder owning more than fifty percent (50%) of the total fair market value and voting power of such corporation.
- (b Stock Ownership.** Code Section 318(a) applies for purposes of determining stock ownership. Stock underlying a vested option is considered owned by the individual who owns the vested option (and the stock underlying an unvested option is not considered owned by the individual who holds the unvested option). If, however, a vested option is exercisable for stock that is not substantially vested (as defined by Treasury Regulation Section 1.83-3(b) and (j)) the stock underlying the option is not treated as owned by the individual who holds the option.
- (c Change in the Ownership of a Corporation.** A change in the ownership of a corporation occurs on the date that any one person or more than one person acting as a group, acquires ownership of stock of the corporation that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of such corporation. If any one person or more than one person acting as a group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of a corporation, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the corporation (or to cause a change in the effective control of the corporation as discussed below in Section 9.7(d)). An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the corporation acquires its stock in exchange for property will be treated as an acquisition of stock. Section 9.7(c) applies only when there is a transfer of stock of a corporation (or issuance of stock of a corporation) and stock in such corporation remains outstanding after the transaction. For purposes of this Section 9.7(c), persons will not be considered to

be acting as a group solely because they purchase or own stock of the same corporation at the same time or as a result of a public offering. Persons will, however, be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the corporation. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation only with respect to ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

- (d) **Change in the effective control of a corporation.** A change in the effective control of a corporation occurs on the date that either (i) any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the corporation possessing thirty percent (30%) or more of the total voting power of the stock of such corporation, or (ii) a majority of members of the corporation's board of directors is replaced during any twelve month period by directors whose appointment or election is not endorsed by a majority of the members of the corporation's board of directors prior to the date of the appointment or election, provided that for purposes of this paragraph (ii), the term corporation refers solely to the relevant corporation identified in Section 9.7(a) for which no other corporation is a majority shareholder for purposes of Section 9.7(a). In the absence of an event described in Section 9.7(d)(i) or (ii), a change in the effective control of a corporation will not have occurred. A change in effective control may also occur in any transaction in which either of the two corporations involved in the transaction has a change in the ownership of such corporation as described in Section 9.7(c) or a change in the ownership of a substantial portion of the assets of such corporation as described in Section 9.7(e). If any one person, or more than one person acting as a group, is considered to effectively control a corporation within the meaning of this Section 9.7(d), the acquisition of additional control of the corporation by the same person or persons is not considered to cause a change in the effective control of the corporation or to cause a change in the ownership of the corporation within the meaning of Section 9.7(c). For purposes of this Section 9.7(d), persons will or will not be considered to be acting as a group in accordance with rules similar to those set forth in Section 9.7(c) with the following exception. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation only with respect to the ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.
- (e) **Change in the ownership of a substantial portion of a corporation's assets.** A change in the ownership of a substantial portion of a corporation's assets occurs on the date that any one person, or more than one person acting as a group (as determined in accordance with rules similar to those set forth in Section 9.7(d)), acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) assets from the corporation that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the corporation immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the corporation or the value of the assets being disposed of determined without regard to any liabilities associated with such assets. There is no Change in Control event under this Section 9.7(e) when there is a transfer to an entity that is controlled by the shareholders of the transferring corporation immediately after the transfer. A transfer of assets by a corporation is not treated as a change in ownership of such assets if the assets are transferred to (i) a shareholder of the corporation (immediately before the asset transfer) in exchange for or with respect to its stock, (ii) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the corporation, (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the corporation, or (iv) an entity, at least fifty (50%) of the total value or voting power of which is owned, directly or indirectly, by a person described in Section 9.7(e)(iii). For purposes of the foregoing, and except as otherwise provided, a person's status is determined immediately after the transfer of assets.

- 9.8 Permissible Delays in Payment.** Distributions may be delayed beyond the date payment would otherwise occur in accordance with the provisions of Articles 8 and 9 in any of the following circumstances as long as the Employer treats all payments to similarly situated Participants on a reasonably consistent basis.

- (a) The Employer may delay payment if it reasonably anticipates that its deduction with respect to such payment would be limited or eliminated by the application of Code Section 162(m). Payment must be made during the Participant's first taxable year in which the Employer reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year the deduction of such payment will not be barred by the application of Code Section 162(m) or during the period beginning with the Participant's Separation from Service and ending on the later of the last day of the Employer's taxable year in which the Participant separates from service or the 15th day of the third month following the Participant's Separation from Service. If a scheduled payment to a Participant is delayed in accordance with this Section 9.8(a), all scheduled payments to the Participant that could be delayed in accordance with this Section 9.8(a) will also be delayed.
- (b) The Employer may also delay payment if it reasonably anticipates that the making of the payment will violate federal securities laws or other applicable laws provided payment is made at the earliest date on which the Employer reasonably anticipates that the making of the payment will not cause such violation.
- (c) The Employer reserves the right to amend the Plan to provide for a delay in payment upon such other events and conditions as the Secretary of the Treasury may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

9.9 Permitted Acceleration of Payment. The Employer may permit acceleration of the time or schedule of any payment or amount scheduled to be paid pursuant to a payment under the Plan provided such acceleration would be permitted by the provisions of Reg. Sec. 1.409A-3(j)(4), including the following events:

- (a) **Domestic Relations Order.** A payment may be accelerated if such payment is made to an alternate payee pursuant to and following the receipt and qualification of a domestic relations order as defined in Code Section 414(p).
- (b) **Compliance with Ethics Agreements and Legal Requirements.** A payment may be accelerated as may be necessary to comply with ethics agreements with the Federal government or as may be reasonably necessary to avoid the violation of Federal, state, local or foreign ethics law or conflicts of laws, in accordance with the requirements of Code Section 409A.
- (c) **De Minimis Amounts.** A payment will be accelerated if (i) the amount of the payment is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), (ii) at the time the payment is made the amount constitutes the Participant's entire interest under the Plan and all other plans that are aggregated with the Plan under Reg. Sec. 1.409A-1(c)(2).
- (d) **FICA Tax.** A payment may be accelerated to the extent required to pay the Federal Insurance Contributions Act tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2) of the Code with respect to compensation deferred under the Plan (the "FICA Amount"). Additionally, a payment may be accelerated to pay the income tax on wages imposed under Code Section 3401 of the Code on the FICA Amount and to pay the additional income tax at source on wages attributable to the pyramiding Code Section 3401 wages and taxes. The total payment under this subsection (d) may not exceed the aggregate of the FICA Amount and the income tax withholding related to the FICA Amount.
- (e) **Section 409A Additional Tax.** A payment may be accelerated if the Plan fails to meet the requirements of Code Section 409A; provided that such payment may not exceed the amount required to be included in income as a result of the failure to comply with the requirements of Code Section 409A.
- (f) **Offset.** A payment may be accelerated in the Employer's discretion as satisfaction of a debt of the Participant to the Employer, where such debt is incurred in the ordinary course of the service relationship between the Participant and the Employer, the entire amount of the reduction in any of the Employer's taxable years does not exceed \$5,000, and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.
- (g) **Other Events.** A payment may be accelerated in the Administrator's discretion in connection with such other events and conditions as permitted by Code Section 409A.

ARTICLE 10 – AMENDMENT AND TERMINATION

- 10.1 Amendment by Plan Sponsor.** The Plan Sponsor reserves the right to amend the Plan (for itself and each Employer) through action of its Board of Directors. No amendment can directly or indirectly deprive any current or former Participant or Beneficiary of all or any portion of his Account which had accrued and vested prior to the amendment.
- 10.2 Plan Termination Following Change in Control or Corporate Dissolution.** If so elected by the Plan Sponsor in 11.01 of the Adoption Agreement, the Plan Sponsor reserves the right to terminate the Plan and distribute all amounts credited to all Participant Accounts within the 30 days preceding or the twelve months following a Change in Control as determined in accordance with the rules set forth in Section 9.7. For this purpose, the Plan will be treated as terminated only if all agreements, methods, programs and other arrangements sponsored by the Related Employer immediately after the Change in Control which are treated as a single plan under Reg. Sec. 1.409A-1(c)(2) are also terminated so that all participants under the Plan and all similar arrangements are required to receive all amounts deferred under the terminated arrangements within twelve months of the date the Plan Sponsor irrevocably takes all necessary action to terminate the arrangements. In addition, the Plan Sponsor reserves the right to terminate the Plan within twelve months of a corporate dissolution taxed under Code Section 331 or with the approval of a bankruptcy court pursuant to 11 U. S. C. Section 503(b)(1)(A) provided that amounts deferred under the Plan are included in the gross incomes of Participants in the latest of (a) the calendar year in which the termination and liquidation occurs, (b) the first calendar year in which the amount is no longer subject to a substantial risk of forfeiture, or (c) the first calendar year in which payment is administratively practicable.
- 10.3 Other Plan Terminations.** The Plan Sponsor retains the discretion to terminate the Plan if (a) all arrangements sponsored by the Plan Sponsor that would be aggregated with any terminated arrangement under Code Section 409A and Reg. Sec. 1.409A-1(c)(2) are terminated, (b) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within twelve months of the termination of the arrangements, (c) all payments are made within twenty-four months of the date the Plan Sponsor takes all necessary action to irrevocably terminate and liquidate the arrangements, (d) the Plan Sponsor does not adopt a new arrangement that would be aggregated with any terminated arrangement under Code Section 409A and the regulations thereunder at any time within the three year period following the date of termination of the arrangement, and (e) the termination does not occur proximate to a downturn in the financial health of the Plan sponsor. The Plan Sponsor also reserves the right to amend the Plan to provide that termination of the Plan will occur under such conditions and events as may be prescribed by the Secretary of the Treasury in generally applicable guidance published in the Internal Revenue Bulletin.

ARTICLE 11 – THE TRUST

- 11.1 Establishment of Trust.** The Plan Sponsor may but is not required to establish a trust to hold amounts which the Plan Sponsor may contribute from time to time to correspond to some or all amounts credited to Participants under Section 6.2. In the event that the Plan Sponsor wishes to establish a trust to provide a source of funds for the payment of Plan benefits, any such trust shall be constructed to constitute an unfunded arrangement that does not affect the status of the Plan as an unfunded plan for purposes of Title I of ERISA and the Code. If the Plan Sponsor elects to establish a trust in accordance with Section 10.01 of the Adoption Agreement, the provisions of Sections 11.2 and 11.3 shall become operative.
- 11.2 Rabbi Trust.** Any trust established by the Plan Sponsor shall be between the Plan Sponsor and a trustee pursuant to a separate written agreement under which assets are held, administered and managed, subject to the claims of the Plan Sponsor's creditors in the event of the Plan Sponsor's insolvency. The trust is intended to be treated as a rabbi trust in accordance with existing guidance of the Internal Revenue Service, and the establishment of the trust shall not cause the Participant to realize current income on amounts contributed thereto. The Plan Sponsor must notify the trustee in the event of a bankruptcy or insolvency.
- 11.3 Investment of Trust Funds.** Any amounts contributed to the trust by the Plan Sponsor shall be invested by the trustee in accordance with the provisions of the trust and the instructions of the Administrator. Trust investments

need not reflect the hypothetical investments selected by Participants under Section 7.1 for the purpose of adjusting Accounts and the earnings or investment results of the trust need not affect the hypothetical investment adjustments to Participant Accounts under the Plan.

ARTICLE 12 – PLAN ADMINISTRATION

12.1 Powers and Responsibilities of the Administrator. The Administrator has the full power and the full responsibility to administer the Plan in all of its details, subject, however, to the applicable requirements of ERISA. The Administrator's powers and responsibilities include, but are not limited to, the following:

- (a) To make and enforce such rules and procedures as it deems necessary or proper for the efficient administration of the Plan;
- (b) To interpret the Plan, its interpretation thereof to be final, except as provided in Section 12.2, on all persons claiming benefits under the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;
- (d) To administer the claims and review procedures specified in Section 12.2;
- (e) To compute the amount of benefits which will be payable to any Participant, former Participant or Beneficiary in accordance with the provisions of the Plan;
- (f) To determine the person or persons to whom such benefits will be paid;
- (g) To authorize the payment of benefits;
- (h) To comply with the reporting and disclosure requirements of Part 1 of Subtitle B of Title I of ERISA;
- (i) To appoint such agents, counsel, accountants, and consultants as may be required to assist in administering the Plan;
- (j) By written instrument, to allocate and delegate its responsibilities, including the formation of an Administrative Committee to administer the Plan.

12.2 Claims and Review Procedures.

- (a) Claims Procedure.

If any person believes he is being denied any rights or benefits under the Plan, such person may file a claim in writing with the Administrator. If any such claim is wholly or partially denied, the Administrator will notify such person of its decision in writing. Such notification will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary, and (iv) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the person's right to bring a civil action following an adverse decision on review. If the claim involves a Disability, the denial must also include the standards that governed the decision, including the basis for disagreeing with any health care professionals, vocational professionals or the Social Security Administration as well as an explanation of the scientific or clinical judgement underlying the denial. Such notification will be given within 90 days (45 days in the case of a claim regarding Disability) after the claim is received by the Administrator. The Administrator may extend the period for providing the notification by 90 days (30 days in the case of a claim regarding Disability, which may be extended an additional 30 days) if special circumstances require an extension of time for processing the claim and if written notice of such extension and circumstance is given to such person

within the initial 90 day period (45 day period in the case of a claim regarding Disability). If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his claim.

(b) Review Procedure.

Within 60 days (180 days in the case of a claim regarding Disability) after the date on which a person receives a written notification of denial of claim (or, if written notification is not provided, within 60 days (180 days in the case of a claim regarding Disability) of the date denial is considered to have occurred), such person (or his duly authorized representative) may (i) file a written request with the Administrator for a review of his denied claim and of pertinent documents and (ii) submit written issues and comments to the Administrator. The Administrator will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The notification will explain that the person is entitled to receive, upon request and free of charge, reasonable access to and copies of all pertinent documents and has the right to bring a civil action following an adverse decision on review. The decision on review will be made within 60 days (45 days in the case of a claim regarding Disability). The Administrator may extend the period for making the decision on review by 60 days (45 days in the case of a claim regarding Disability) if special circumstances require an extension of time for processing the request such as an election by the Administrator to hold a hearing, and if written notice of such extension and circumstances is given to such person within the initial 60-day period (45 days in the case of a claim regarding Disability). If the decision on review is not made within such period, the claim will be considered denied.

If the claim is regarding Disability, and the determination of Disability has not been made by the Social Security Administration or the Railroad Retirement Board, the person may, upon written request and free of charge, also receive the identification of medical or vocational experts whose advice was obtained in connection with the denial of a claim regarding Disability, even if the advice was not relied upon.

Before issuing any decision with respect to a claim involving Disability, the Administrator will provide to the person, free of charge, the following information as soon as possible and sufficiently in advance of the date on which the response is required to be provided to the person to allow the person a reasonable opportunity to respond prior to the due date of the response:

- Any new or additional evidence considered, relied upon, or generated by the Administrator or other person making the decision; and
- A new or addition rationale if the decision will be based on that rationale.

(c) Exhaustion of Claims Procedures and Right to Bring Legal Claim

No action at law or equity shall be brought more than one (1) year after the Administrator's affirmation of a denial of a claim, or, if earlier, more than four (4) years after the facts or events giving rising to the claimant's allegation(s) or claim(s) first occurred.

12.3 Plan Administrative Costs. All reasonable costs and expenses (including legal, accounting, and employee communication fees) incurred by the Administrator in administering the Plan shall be paid by the Plan to the extent not paid by the Employer.

ARTICLE 13 – MISCELLANEOUS

- 13.1 Unsecured General Creditor of the Employer.** Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Employer. For purposes of the payment of benefits under the Plan, any and all of the Employer's assets shall be, and shall remain, the general, unpledged, unrestricted assets of the Employer. Each Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.
- 13.2 Employer's Liability .** Each Employer's liability for the payment of benefits under the Plan shall be defined only by the Plan and by the deferral agreements entered into between a Participant and the Employer. An Employer shall have no obligation or liability to a Participant under the Plan except as provided by the Plan and a deferral agreement or agreements. An Employer shall have no liability to Participants employed by other Employers.
- 13.3 Limitation of Rights .** Neither the establishment of the Plan, nor any amendment thereof, nor the creation of any fund or account, nor the payment of any benefits, will be construed as giving to the Participant or any other person any legal or equitable right against the Employer, the Plan or the Administrator, except as provided herein; and in no event will the terms of employment or service of the Participant be modified or in any way affected hereby.
- 13.4 Anti-Assignment .** Except as may be necessary to fulfill a domestic relations order within the meaning of Code Section 414(p), none of the benefits or rights of a Participant or any Beneficiary of a Participant shall be subject to the claim of any creditor. In particular, to the fullest extent permitted by law, all such benefits and rights shall be free from attachment, garnishment, or any other legal or equitable process available to any creditor of the Participant and his or her Beneficiary. Neither the Participant nor his or her Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber, or assign any of the payments which he or she may expect to receive, contingently or otherwise, under the Plan, except the right to designate a Beneficiary to receive death benefits provided hereunder. Notwithstanding the preceding, the benefit payable from a Participant's Account may be reduced, at the discretion of the administrator, to satisfy any debt or liability to the Employer.
- 13.5 Facility of Payment .** If the Administrator determines, on the basis of medical reports or other evidence satisfactory to the Administrator, that the recipient of

any benefit payments under the Plan is incapable of handling his affairs by reason of minority, illness, infirmity or other incapacity, the Administrator may direct the Employer to disburse such payments to a person or institution designated by a court which has jurisdiction over such recipient or a person or institution otherwise having the legal authority under State law for the care and control of such recipient. The receipt by such person or institution of any such payments therefore, and any such payment to the extent thereof, shall discharge the liability of the Employer, the Plan and the Administrator for the payment of benefits hereunder to such recipient.

- 13.6 Notices.** Any notice or other communication to the Employer or Administrator in connection with the Plan shall be deemed delivered in writing if addressed to the Plan Sponsor at the address specified in Section 1.03 of the Adoption Agreement and if either actually delivered at said address or, in the case of a letter, 5 business days shall have elapsed after the same shall have been deposited in the United States mails, first-class postage prepaid and registered or certified.
- 13.7 Tax Withholding .** If the Employer concludes that tax is owing with respect to any deferral or payment hereunder, the Employer shall withhold such amounts from any payments due the Participant or from amounts deferred, as permitted by law, or otherwise make appropriate arrangements with the Participant or his Beneficiary for satisfaction of such obligation. Tax, for purposes of this Section 13.7 means any federal, state, local or any other governmental income tax, employment or payroll tax, excise tax, or any other tax or assessment owing with respect to amounts deferred, any earnings thereon, and any payments made to Participants under the Plan.
- 13.8 Indemnification.** (a) Each Indemnitee (as defined in Section 13.8(e)) shall be indemnified and held harmless by the Employer for all actions taken by him and for all failures to take action (regardless of the date of any such action or failure to take action), to the fullest extent permitted by the law of the jurisdiction in which the Employer is incorporated, against all expense, liability, and loss (including, without limitation, attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined in Subsection (e)). No indemnification pursuant to this Section shall be made, however, in any case where (1) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (2) there is a settlement to which the Employer does not consent.
- (b) The right to indemnification provided in this Section shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Employer in advance of the final disposition of the

Proceeding, to the fullest extent permitted by the law of the jurisdiction in which the Employer is incorporated; provided that, if such law requires, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only on delivery to the Employer of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section or otherwise.

(c) Indemnification pursuant to this Section shall continue as to an Indemnitee who has ceased to be such and shall inure to the benefit of his heirs, executors, and administrators. The Employer agrees that the undertakings made in this Section shall be binding on its successors or assigns and shall survive the termination, amendment or restatement of the Plan.

(d) The foregoing right to indemnification shall be in addition to such other rights as the Indemnitee may enjoy as a matter of law or by reason of insurance coverage of any kind and is in addition to and not in lieu of any rights to indemnification to which the Indemnitee may be entitled pursuant to the by-laws of the Employer.

(e) For the purposes of this Section, the following definitions shall apply:

(1) "Indemnitee" shall mean each person serving as an Administrator (or any other person who is an employee, director, or officer of the Employer) who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding, by reason of the fact that he is or was performing administrative functions under the Plan.

(2) "Proceeding" shall mean any threatened, pending, or completed action, suit, or proceeding (including, without limitation, an action, suit, or proceeding by or in the right of the Employer), whether civil, criminal, administrative, investigative, or through arbitration.

13.9 Successors. The provisions of the Plan shall bind and inure to the benefit of the Plan Sponsor, the Employer and their successors and assigns and the Participant and the Participant's designated Beneficiaries.

13.10 Disclaimer. It is the Plan Sponsor's intention that the Plan comply with the requirements of Code Section 409A. Neither the Plan Sponsor nor the Employer shall have any liability to any Participant should any provision of the Plan fail to satisfy the requirements of Code Section 409A.

13.11 Governing Law. The Plan will be construed, administered and enforced according to the laws of the State specified by the Plan Sponsor in Section 12.01 of the Adoption Agreement.

LIVENT CORPORATION
SIGNIFICANT SUBSIDIARIES OF THE REGISTRANT

The following is a list of the Company's consolidating subsidiaries, as of December 31, 2018 , except for certain subsidiaries of the Registrant which do not, in the aggregate, constitute a significant subsidiary as that term is defined in Rule 12b-2 under the Securities Exchange Act of 1934. This list does not include equity affiliate investments and cost investment.

Name of Subsidiary	State or Country of Incorporation
Livent Corporation (the Registrant)	Delaware
FMC Lithium Singapore Pte. Ltd.	Singapore
FMC Lithium USA Corp.	United States
Livent USA LLC	United States
FMC Chemical International, AG	Hong Kong
MdA Lithium Holdings LLC	United States
Minera del Altiplano S.A.	Argentina

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Livent Corporation:

We consent to the incorporation by reference in the registration statement (No. 333-227776) on Form S-8 of Livent Corporation of our report dated February 28, 2019, with respect to the consolidated and combined balance sheets of Livent Corporation as of December 31, 2018 and 2017, the related consolidated and combined statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the consolidated and combined financial statements), which report appears in the December 31, 2018 annual report on Form 10-K of Livent Corporation.

/s/ KPMG LLP

Philadelphia, Pennsylvania
February 28, 2019

30 January, 2019

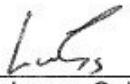
Logan Goldie-Scot
BloombergNEF
731 Lexington Avenue
New York, NY 10022

We hereby consent to the incorporation by reference in the registration statement on Form S-8 (No. 333-227776) of Livent Corporation (the "Registration Statement"), of references to our firm, our Long-Term Electric Vehicle Outlook 2018 (the "Report") published in May 2018, as amended and supplemented from time to time, and all information derived from the Report that is contained in the annual report on Form 10-K of Livent Corporation for the year ended December 31, 2018.

Date: January 30, 2019

BLOOMBERGNEF

By:


Name: Logan Goldie-Scot
Title: Manager, Energy
Storage

Disclaimer

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CONSENT OF ROSKILL CONSULTING GROUP LIMITED

We hereby consent to the incorporation by reference in the registration statement on Form S-8 (No. 333-227776) of Livent Corporation (the "Registration Statement"), of references to our firm, our 2018 Lithium Report 15th Ed., (the "Report") published in June 2018, as amended and supplemented from time to time, and all information derived from the Report that is contained in the annual report on Form 10-K of Livent Corporation for the year ended December 31, 2018.

Date: 5th February, 2019

ROSKILL CONSULTING GROUP LIMITED

By:

Name: Robert Baylis
Title: Managing Director

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Paul W. Graves, certify that:

1. I have reviewed this Annual Report on Form 10-K of Livent Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2019

/s/ Paul W. Graves

Paul W. Graves
President and Chief Executive Officer

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Gilberto Antoniazzi, certify that:

1. I have reviewed this Annual Report on Form 10-K of Livent Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2019

/s/ Gilberto Antoniazzi

Gilberto Antoniazzi
Vice President and Chief Financial Officer

CEO CERTIFICATION OF ANNUAL REPORT

I, Paul W. Graves, President and Chief Executive Officer of Livent Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

- (1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2018 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 28, 2019

/s/ Paul W. Graves

Paul W. Graves
President and Chief Executive Officer

CFO CERTIFICATION OF ANNUAL REPORT

I, Gilberto Antoniazzi, Vice President and Chief Financial Officer of Livent Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

- (1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2018 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 28, 2019

/s/ Gilberto Antoniazzi

Gilberto Antoniazzi
Vice President and Chief Financial Officer