

---

---

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

---

**FORM 8-K**

---

**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported) January 10, 2014**

---

**Air Products and Chemicals, Inc.**

(Exact Name of Registrant as Specified in Charter)

---

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

**1-4534**  
(Commission  
File Number)

**23-1274455**  
(IRS Employer  
Identification No.)

**7201 Hamilton Boulevard, Allentown, Pennsylvania**  
(Address of Principal Executive Offices)

**18195-1501**  
(Zip Code)

**(610) 481-4911**  
Registrant's telephone number, including area code

**not applicable**  
(Former Name or Former Address, if Changed Since Last Report)

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
-

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 10, 2014, the Company entered into key employee retention agreements substantially in the form of Exhibit 10.1 (each a “Retention Agreement”) with each of Mr. M. Scott Crocco, Senior Vice President and Chief Financial Officer; Mr. Stephen J. Jones, Senior Vice President and General Manager – Tonnage Gases, Equipment and Energy and China President; and Mr. John D. Stanley, Senior Vice President, General Counsel, and Chief Administrative Officer (each an “Officer”).

The Retention Agreements were entered to ensure stability of the Company’s senior management team during the Company’s previously announced search for a new chief executive officer and the transition period thereafter. The Agreements cover the period beginning on January 10, 2014 and ending on December 1, 2015 (the “Retention Period”). Under the Retention Agreements, each of the Officers will be entitled to receive a one-time cash retention payment (the “Retention Bonus”) equal to one million dollars if he satisfies certain conditions, including continued employment through the Retention Period.

The Retention Agreements also provide that the Officer will be entitled to the Retention Bonus if the Officer is involuntarily terminated other than for Cause, as defined, during the Retention Period, or voluntarily terminates for Good Reason, as defined, during the Retention Period. Cause includes the Officer’s failure to perform his duties, willful misconduct, certain illegal acts, insubordination, dishonesty, or violation of the Company’s Code of Conduct. Good Reason includes a material adverse change in the Officer’s position; a decrease in the Officer’s salary or a material reduction in incentive compensation opportunities or benefits if not similarly applied to other highly compensated employees.

The foregoing summary of the Retention Agreement with Messrs. Crocco, Jones, and Stanley is qualified in its entirety by the Form of Retention Agreement filed herewith as Exhibit 10.1.

Item 9.01. Financial Statements and Exhibits

d. Exhibits

10.1 Form of Retention Agreement

SIGNATURES

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

Air Products and Chemicals, Inc.  
(Registrant)

Dated: January 15, 2014

By: \_\_\_\_\_ /s/ Mary T. Afflerbach  
Mary T. Afflerbach  
Corporate Secretary and Chief  
Governance Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of Retention Agreement

**Form of Retention Agreement**

Date

Name  
Address

Re: Retention Agreement

Dear :

On behalf of Air Products and Chemicals, Inc., I am pleased to provide you with this key employee retention agreement (the "Agreement"). The terms of the Agreement are as follows:

1. **Retention Bonus.** In addition to your current salary, long- and short-term incentive opportunities, and other compensation and benefits (including, without limitation, severance benefits), you are eligible to receive additional compensation in the amount of \$1,000,000.00 (the "**Retention Bonus**").

2. **Conditions and Timing of Payment.**

2.1. You will be entitled to the payment of the Retention Bonus if you remain employed by the Company through the earliest of the following:

1. 1 December 2015;
2. Your involuntary termination of employment by the Company other than for Cause (as defined below); or
3. Your voluntary termination of employment by the Company for Good Reason (as defined below).

2.2. The Retention Bonus will be paid, subject to applicable withholding taxes, no later than 30 days after the earliest of the events described in subsection 2.1.

2.3. **Definitions.** For purposes of this Agreement, the following terms shall have the meanings ascribed:

- a) "Cause" shall mean (a) your willful failure to substantially perform your duties with the Company (other than a failure due to your personal illness or temporary disability covered by the Company's salary continuation program or following your delivery to the Company of notice of Good Reason as described below), after a demand for substantial performance is delivered, which demand shall identify the manner in which the Company believes that you have not substantially performed your duties, (b) your willful and serious misconduct that has caused or would reasonably be expected to result in material injury to the Company or any of its affiliates, (c) your conviction of,

or entering a plea of nolo contendere to, a crime that constitutes a felony, (d) your engaging (i) in repeated acts of insubordination or (ii) an act of dishonesty, (e) your violation of any provision of the Company's Code of Conduct, or (f) your breach of Section 3 of this Agreement.

- b) "Good Reason" shall mean the occurrence of any of the following without your consent:
- (i) A material adverse change in your position or office with the Company, including, without limitation, your dismissal from membership on the Corporate Executive Committee or any successor thereto or a material diminution in your duties, reporting responsibilities and authority with the Company; or an assignment to you of duties or responsibilities, which are materially inconsistent with your status or position with the Company; provided that:
    - (A) any of the foregoing in connection with termination of your employment for Cause, or due to voluntary retirement, death, or a disability causing your absence from work for more than 26 weeks shall not constitute Good Reason; and
    - (B) a change in position, office, duties, reporting responsibilities or authority shall not constitute Good Reason if, in your new role, you continue to report to the chief executive officer of the Company, perform a significant policy making function at the enterprise level for the Company, and serve on the Corporate Executive Committee or any successor senior executive committee.
  - (ii) Reduction of your base salary; provided, however, that a reduction in your base salary shall not constitute Good Reason if such reduction is no less favorable to you than the average annual percentage reduction during the applicable Fiscal Year for all Highly Compensated Employees;
  - (iii) A material reduction in your annual incentive opportunities under the Company's Annual Incentive Plan or your long-term incentive opportunities under the Company's Long-Term Incentive Plan without a corresponding increase in other incentive compensation payable by the Company; provided, however, that a reduction in your annual or long-term incentive opportunities under the Annual or Long-Term Incentive Plans shall not constitute Good Reason if such reduction is on a basis no less favorable to you than the basis upon which the Company reduces the annual or long-term incentive opportunities payable to all Highly Compensated Employees during the applicable Fiscal Year; or
  - (iv) A material reduction in your aggregate Company provided benefits under the Company's employee pension benefit, life insurance, medical, dental, health and accident, disability, severance, and paid

vacation plans, programs, and practices; provided, however, that a reduction in the aggregate benefits payable to you shall not constitute Good Reason if such reduction is on a basis no less favorable to you than the basis on which the Company reduces aggregate benefits provided with respect to Highly Compensated Employees; and a discontinuation of international assignment benefits and payments upon termination of an international assignment shall not constitute Good Reason if occurring at a time and in a manner consistent with the Company's International Assignment Policy as in effect on the date of this Agreement.

Notwithstanding anything to the contrary contained herein, your termination of employment will not be treated as for Good Reason as the result of the occurrence of any event specified in the foregoing clauses (i) through (iv) (each such event, a "Good Reason Event") unless, within 90 days following the occurrence of such event, you provide written notice to the Company of the occurrence of such event, which notice sets forth the exact nature of the event and the conduct required to cure such event. The Company will have 30 days from the receipt of such notice within which to cure such event (such period, the "Cure Period"). If, during the Cure Period, such event is remedied, you will not be permitted to terminate your employment for Good Reason. If, at the end of the Cure Period, the Good Reason Event has not been remedied, your voluntary termination will be treated as for Good Reason during the 90-day period that follows the end of the Cure Period. If you do not terminate employment during such 90-day period, you will not be permitted to terminate employment and receive the payments and benefits set forth under this Agreement as a result of such Good Reason Event.

- c) "Highly Compensated Employee" shall mean the highest paid one percent of employees of the Company together with all corporations, partnerships, trusts, or other entities controlling, controlled by, or under common control with, the Company.

3. **Confidentiality.** You shall not publicize or disclose the terms of this Agreement, either directly or through any other person, either in specific or as to general content, to any person, specifically including (but not limited to) any employee or former employee of the Company, except and only to the extent that you are required to do so by applicable law or regulation. Your agreement to keep confidential the terms of this Agreement extends to all persons other than your spouse or domestic partner, attorneys, accountants, financial advisers, or other professionals who have a legitimate need to know the terms of this Agreement in order to render professional advice or services to you, and then only as reasonably necessary for rendering such advice or services. You agree not to identify or reveal any terms of this Agreement except as otherwise permitted herein and agrees that you will direct your spouse or domestic partner, accountants, attorneys, and other agents not to disclose this Agreement or any terms hereof. Any publication or disclosure of this Agreement or of any of its terms by you, by your spouse or domestic partner, or by any of your accountants, attorneys, or other agents shall be considered a breach of this Section 3.

4. Continued Employment. Nothing in this letter agreement modifies the “at-will” nature of your employment with the Company. The terms of this Agreement do not and are not intended to create either an express or implied contract of employment with the Company for any particular period of time, and either party may terminate the employment relationship at any time for any reason or no reason.

Very truly yours,

---

John E. McGlade  
Chairman, President, and  
Chief Executive Officer

Agreed to this    day of            2014.

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