

PART I

ITEM 2 Properties

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FMC leases executive offices in Philadelphia, Pennsylvania and operates 32 manufacturing facilities in 19 countries as well as one mine in Argentina. Our major research and development facilities are in Ewing, New Jersey, Shanghai, China and Copenhagen, Denmark.

We believe our facilities are in good operating conditions. The number and location of our owned or leased production properties for continuing operations are:

	United States	Latin America & Canada	Western Europe	Asia-Pacific	Total
FMC Agricultural Solutions	2	1	4	5	12
FMC Health and Nutrition	2	1	7	3	13
FMC Lithium	1	2	1	3	7
TOTAL	5	4	12	11	32

We have long-term mineral rights to the Salar del Hombre Muerto lithium reserves in Argentina. Our FMC Lithium division requires the lithium brine that is mined from these reserves, without which other sources of raw materials would have to be obtained.

ITEM 3 Legal Proceedings

Like hundreds of other industrial companies, we have been named as one of many defendants in asbestos-related personal injury litigation. Most of these cases allege personal injury or death resulting from exposure to asbestos in premises of FMC or to asbestos-containing components installed in machinery or equipment manufactured or sold by discontinued operations. The machinery and equipment businesses we owned or operated did not fabricate the asbestos-containing component parts at issue in the litigation, and to this day, neither the U.S. Occupational Safety and Health Administration nor the Environmental Protection Agency has banned the use of these components. Further, the asbestos-containing parts for this machinery and equipment were accessible only at the time of infrequent repair and maintenance. A few jurisdictions have permitted claims to proceed against equipment manufacturers relating to insulation installed by other companies on such machinery and equipment. We believe that, overall, the claims against FMC are without merit.

As of December 31, 2016, there were approximately 8,000 premises and product asbestos claims pending against FMC in several jurisdictions. Since the 1980s, approximately 113,000 asbestos claims against FMC have been discharged, the overwhelming majority of which have been dismissed without any payment to the claimant. Since the 1980s, settlements with claimants have totaled approximately \$80 million.

We intend to continue managing these asbestos-related cases in accordance with our historical experience. We have established a reserve for this litigation within our discontinued operations and believe that

any exposure of a loss in excess of the established reserve cannot be reasonably estimated. Our experience has been that the overall trends in asbestos litigation have changed over time. Over the last several years, we have seen changes in the jurisdictions where claims against FMC are being filed and changes in the mix of products named in the various claims. Because these claim trends have yet to form a predictable pattern, we are presently unable to reasonably estimate our asbestos liability with respect to claims that may be filed in the future.

See Note 1 “Principal Accounting Policies and Related Financial Information—Environmental Obligations,” Note 10 “Environmental Obligations” and Note 18 “Guarantees, Commitments and Contingencies” in the notes to our consolidated financial statements included in this Form 10-K, the content of which are incorporated by reference to this Item 3.

In September 2015, EPA Region 3 filed an administrative complaint against the Company, claiming that certain advertising and labeling regarding one of our pesticide products did not comply with the Federal Insecticide, Fungicide and Rodenticide Act (“FIFRA”) and has calculated a proposed penalty in the amount of \$4,709,400. We disagree with EPA on whether a violation occurred and, if a violation did occur, the appropriate penalty calculation, and will defend ourselves vigorously. We do not expect that any penalty associated with final judgment or other resolution would be material.