

GANDER MOUNTAIN CO  
Form DEF 14A  
May 06, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Gander Mountain Company  
(Name of Registrant as Specified In Its Charter)

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

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**GANDER MOUNTAIN COMPANY**

**Notice of Annual Meeting of Shareholders**

**to be held on June 8, 2005**

The annual meeting of shareholders of Gander Mountain Company will be held at the Jerome Hill Theater, located at 180 East Fifth Street, Saint Paul, Minnesota, on Wednesday, June 8, 2005, commencing at 9:00 a.m., central time, for the following purposes:

1. to elect a board of directors of seven directors, to serve until the next annual meeting of shareholders or until their successors have been duly elected and qualified;
2. to approve the amendment and restatement of the Gander Mountain Company 2004 Omnibus Stock Plan to, among other things, increase the aggregate number of shares of common stock authorized for issuance under the plan by 1,856,000 shares to 4,000,000 shares;
3. to approve the Gander Mountain Company Employee Stock Purchase Plan pursuant to which we may sell a maximum of 500,000 shares to our eligible employees;
4. to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending January 28, 2006; and

to transact other business that may properly be brought before the meeting.

Our board of directors has fixed April 13, 2005 as the record date for the meeting, and only shareholders of record at the close of business on that date are entitled to receive notice of and vote at the meeting.

**Your proxy is important to ensure a quorum at the meeting. Even if you own only a few shares, and whether or not you expect to be present, you are requested to date, sign and mail the enclosed proxy in the postage-paid envelope that is provided, or vote the enclosed proxy by telephone or through the Internet in accordance with the voting instructions set forth on the enclosed proxy card. The proxy may be revoked by you at any time prior to being exercised, and returning your proxy or voting your proxy by telephone or through the Internet will not affect your right to vote in person if you attend the meeting and revoke the proxy.**

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By Order of the Board of Directors,

/s/ Dennis M. Lindahl  
Dennis M. Lindahl  
*Secretary*

Saint Paul, Minnesota  
May 6, 2005

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**VOTING INSTRUCTIONS**

All shareholders may vote their shares through the mail. **If you hold your shares through a broker or bank**, you may also vote your shares through the Internet or by telephone. Please help us save administrative and postage costs by voting through the Internet or by telephone. Each method is available 24 hours a day until 11:59 p.m., eastern daylight time, on June 7, 2005 and will ensure that your vote is confirmed and counted immediately. To vote:

**BY INTERNET**

Go to the web site at **www.proxyvote.com**, 24 hours a day, seven days a week.

Enter the control number and personal identification number (PIN) (if required) as shown on your proxy card or electronic notification.

Complete the electronic ballot and submit your voting instructions.

**BY TELEPHONE**

From a touch-tone telephone, call the toll-free number printed on your proxy card or electronic notification, 24 hours a day, seven days a week.

Enter the control number shown on your proxy card or electronic notification.

Follow the simple recorded instructions.

**BY MAIL**

Mark your selections on the proxy card.

Date and sign your name exactly as it appears on your proxy card.

Mail the proxy card in the enclosed postage-paid envelope.

**YOUR VOTE IS IMPORTANT. THANK YOU FOR VOTING.**

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**PROXY STATEMENT**



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**GANDER MOUNTAIN COMPANY**

**PROXY STATEMENT FOR  
2005 ANNUAL MEETING OF SHAREHOLDERS**

**ABOUT THE ANNUAL MEETING**

The enclosed proxy is being solicited by our board of directors for use in connection with our annual meeting of shareholders to be held on Wednesday, June 8, 2005 in the Jerome Hill Theater, located at 180 East Fifth Street, Saint Paul, Minnesota, at 9:00 a.m., central time, and at any adjournments thereof. The mailing of this proxy statement and our board of directors' form of proxy to shareholders will commence on or about May 6, 2005.

The board of directors requests that you vote on the proposals described in this proxy statement. You are invited to attend the meeting, but you do not need to attend the meeting in order to vote your shares. Instead, you may follow the instructions below to vote your shares over the telephone or on the Internet, or you can complete, sign and return the enclosed proxy card.

*What is the purpose of the annual meeting?*

At the annual meeting we will ask our shareholders to vote on four matters:

1. to elect a board of directors of seven directors, to serve until the next annual meeting of shareholders or until their successors have been duly elected and qualified;
2. to approve the amendment and restatement of the Gander Mountain Company 2004 Omnibus Stock Plan to, among other things, increase the aggregate number of shares of common stock authorized for issuance under the plan by 1,856,000 shares to 4,000,000 shares;
3. to approve the Gander Mountain Company Employee Stock Purchase Plan pursuant to which we may sell a maximum of 500,000 shares to our eligible employees; and
4. to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending January 28, 2006;

as well as to transact other business that may properly be brought before the meeting. Following the formal portion of the meeting, our management will report on our performance and answer questions from our shareholders.

*Who is entitled to vote at the meeting?*

Only shareholders of record at the close of business on April 13, 2005 will be entitled to vote at the meeting or adjournments thereof. At the close of business on the record date, we had 14,246,925 shares of our common stock outstanding and entitled to vote. Every share is entitled to

one vote on each matter that comes before the meeting.

***Who is entitled to attend the meeting?***

Subject to space availability, all shareholders as of the record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration will begin at 8:30 a.m. If you plan to attend the meeting, please note that you will be asked to present valid picture identification, such as a driver's license or passport. Cameras, recording devices and other electronic devices will not be permitted at the meeting.

Please also note that if you hold your shares in street name (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date.

***What constitutes a quorum?***

A majority of the shares outstanding on the record date, present in person or represented by proxy, will constitute a quorum for the transaction of business at the meeting. If a quorum is present, the meeting can proceed. Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting for purposes of determining whether there is a quorum.

*How do I vote?*

Proxies in the accompanying form that are properly signed and duly returned to us, or if you hold your shares through a broker or bank, voted by telephone or through the Internet in accordance with the voting instructions set forth below, and not revoked, will be voted in the manner specified. We encourage you to vote by telephone or on the Internet, if possible, to reduce the costs of tabulating the vote.

To vote by mail:

Mark your selections on the proxy card.

Date and sign your name exactly as it appears on your proxy card.

Mail the proxy card in the enclosed postage-paid envelope.

If you hold your shares through a broker or bank, to vote by Internet:

Go to the web site at [www.proxyvote.com](http://www.proxyvote.com), 24 hours a day, seven days a week.

Enter the control number and personal identification number (PIN) (if required) as shown on your proxy card or electronic notification.

Complete the electronic ballot and submit your voting instructions.

If you hold your shares through a broker or bank, to vote by telephone:

From a touch-tone telephone, call the toll-free number printed on your proxy card or electronic notification, 24 hours a day, seven days a week.

Enter the control number shown on your proxy card or electronic notification.

Follow the simple recorded instructions.

If you are a registered shareholder and attend the annual meeting, you may deliver your proxy in person. If you hold your shares in street name, you need to obtain a proxy form from the institution that holds your shares.

***May I change my vote after I return my proxy card?***

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised by filing with our corporate secretary either a notice of revocation or a duly executed proxy bearing a later date. Alternatively, if you have voted by telephone or through the Internet, you may change your vote by calling the toll-free number again and following the instructions, or by accessing the web site and following the instructions. The powers of the proxy holders will be suspended if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy

***What is the recommendation of the board of directors on voting my shares?***

Our board of directors recommends a vote *for* the election of the seven nominated directors to constitute the board of directors; *for* approval of the amendment and restatement of the 2004 Omnibus Stock Plan; *for* approval of the Employee Stock Purchase Plan; and *for* the ratification of Ernst & Young LLP as our independent registered public accounting firm. If any other matters come up for a vote at the meeting, the proxy holders will vote in line with the recommendations of the board of directors or, if there is no recommendation, at their own discretion.

***What vote is required to approve each item?***

**Election of Directors.** Directors are elected by a plurality of the voting power of the shares of common stock entitled to vote and present in person or represented by proxy at the meeting. For this purpose, a properly executed proxy marked **WITHHELD** with respect to the election of director nominees will be counted for purposes of determining whether there is a quorum, but will have no effect on the outcome of the vote on the election of directors.

**Other Items.** For all other items that properly come before the meeting, the affirmative vote of a majority of the outstanding shares of common stock entitled to vote and present in person or represented by proxy at the meeting is required for approval. A properly executed proxy marked **ABSTAIN** with respect to any such matter

will be counted for purposes of determining whether there is a quorum and will be considered present in person or by proxy and entitled to vote.

***What is the effect of abstentions and broker non-votes?***

If shareholders indicate on their proxy that they wish to abstain from voting on a particular proposal, including brokers holding their customers shares of record who cause abstentions to be recorded, these shares are considered present and entitled to vote at the meeting. These shares will count toward determining whether or not a quorum is present. However, these shares will not be considered cast with respect to the proposal for which they abstain from voting and will not be taken into account in determining the outcome of any of those proposals. Accordingly, an abstention will have the effect of a negative vote.

If a shareholder does not give a broker holding the shareholder's shares instructions as to how to vote the shares, the broker has authority under New York Stock Exchange rules to vote those shares for or against routine matters, such as the election of directors and the ratification of Ernst & Young LLP as our independent registered public accounting firm. Brokers cannot vote on their customers' behalf on non-routine proposals. These rules apply to us notwithstanding the fact that shares of our common stock are traded on The Nasdaq National Market. If a broker votes shares that are unvoted by its customers for or against a routine proposal, these shares are counted for the purpose of establishing a quorum and also will be counted for the purpose of determining the outcome of the routine proposals on which they are cast. Shares held by a broker on behalf of a shareholder will not be considered cast with respect to any non-routine proposals and will not be taken into account in determining the outcome of any of non-routine proposals.

***May the meeting be adjourned?***

If a quorum is not present to transact business at the meeting or if we do not receive sufficient votes in favor of the proposals by the date of the meeting, the persons named as proxies may propose one or more adjournments of the meeting to permit solicitation of proxies. Any adjournment would require the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting.

***Who pays the expenses incurred in connection with the solicitation of proxies?***

We will pay the cost of soliciting proxies in the accompanying form. In addition to solicitation by the use of the mail, certain directors, officers and regular employees may solicit proxies by telephone, the internet, email or personal interview, and may request brokerage firms and custodians, nominees and other record holders to forward soliciting materials to the beneficial owners of our shares. We will reimburse them for their reasonable out-of-pocket expenses in forwarding these materials.

***How may I obtain additional copies of the annual report?***

Our annual report for our fiscal year ended January 29, 2005, known as fiscal 2004, including financial statements, is enclosed. The annual report is also available online at [www.gandermountain.com](http://www.gandermountain.com). For additional printed copies, which are available without charge, please contact our investor relations representative by e-mail at [investorrelations@gandermountain.com](mailto:investorrelations@gandermountain.com) or by mail to Gander Mountain Company, c/o Investor



Relations, 180 East Fifth Street, Suite 1300, Saint Paul, Minnesota 55101.

***What is the deadline for submitting a shareholder proposal for the 2006 annual meeting?***

We must receive shareholder proposals intended to be presented at the 2006 annual meeting of shareholders that are requested to be included in the proxy statement for that meeting at our principal executive office no later than December 23, 2005. We must receive any other shareholder proposals intended to be presented at the 2006 annual meeting of shareholders at our principal executive office no later than March 10, 2006. The inclusion of any shareholder proposals in such proxy materials will be subject to the requirements of the proxy rules adopted under the Securities Exchange Act of 1934, including Rule 14a-8. Written copies of all shareholder proposals should be sent to our principal executive offices at Gander Mountain Company, c/o Corporate Secretary, 180 East Fifth Street, Suite 1300, Saint Paul, Minnesota 55101.

**PROPOSAL 1 ELECTION OF DIRECTORS****Directors and Director Nominees**

Seven directors are to be elected at the meeting, each director to hold office until the next Annual Meeting of Shareholders, or until his or her successor is elected and qualified. All of the nominees named below are current directors of our company. Each nominee has indicated a willingness to serve as a director for the ensuing year. Proxies solicited by the board will, unless otherwise directed, be voted to elect the seven nominees named below to constitute the entire board, but in case any nominee is not a candidate at the meeting for any reason, the proxies named in the enclosed proxy form may vote for a substitute nominee in their discretion.

The following table sets forth certain information regarding each director nominee:

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Director Since</b>
Mark R. Baker	47	President, Chief Executive Officer and Director	2004
Karen M. Bohn	51	Director	2004
Marshall L. Day	61	Lead Independent Director	2004
Richard C. Dell	59	Director	2004
Gerald A. Erickson	67	Director	1997
Ronald A. Erickson	68	Chairman of the Board of Directors and Director	1997
<b>Dale Nitschke</b>	43	Director	2004

*Mark R. Baker*, an avid outdoorsman, has served as Chief Executive Officer since September 2002. He was appointed to the office of President in February 2004. From 1996 to July 2001, he served in various positions with Home Depot Inc., including serving as Executive Vice President, Chief Operating Officer and Chief Merchandising Officer from 1999 to 2001. Prior to joining Home Depot, Mr. Baker held senior management positions with various retailers, including Knox Hardware and Lumber, Scotty's Home Improvement Centers, and HomeBase. Mr. Baker is a director of The Scotts Company, a public company that manufactures and markets lawn and garden products.

*Karen M. Bohn* is currently President and Chief Executive Officer of Galeo Group LLC, a strategic management resource for companies in governance, philanthropy, strategy, and management effectiveness. Previously, she held a variety of positions with Piper Jaffray Companies, most recently as Chief Administrative Officer and member of the Management Committee.

*Marshall L. Day* served in various positions with Home Depot Inc. from 1986 through April 2000, serving as Senior Vice President Finance from 1993 to 1995, Senior Vice President Chief Financial Officer from 1995 to 1998 and Senior Vice President Finance and Accounting from 1998 through April 2000. Since his retirement from Home Depot Inc. in April 2000, Mr. Day has served as an independent consultant.

*Richard C. Dell* has served as the Chief Executive Officer of Ames True Temper, a manufacturer and marketer of non-powered lawn and garden tools and accessories, since January 2002. Prior to joining Ames True Temper, Mr. Dell spent 27 years in a variety of positions at Newell Rubbermaid, most recently as Group President.

*Gerald A. Erickson* has been a principal of Holiday Companies since its formation in December 1992 and has served on the Board of Directors and as Vice President of Holiday Companies since that time. Mr. Erickson has also served as Vice Chairman of the Board of Directors of Holiday Companies since 2003.

*Ronald A. Erickson* is the Chief Executive Officer and Chairman of the Board of Directors of Holiday Companies, positions he has held since its formation in December 1992. Mr. Erickson is also a member of the Board of Directors of Carriage Services, Inc., a public company engaged in the funeral services business, and Andersen Corporation, a privately held company engaged in the manufacture and sale of windows and doors.

*Dale Nitschke* is currently President of Target.com, the direct sales arm of Target Corporation, focusing primarily on Internet commerce. He has held a variety of merchandising positions with Target Corporation since 1985, most recently as Senior Vice President and General Merchandising Manager for Marshall Fields.

#### **Committees of Our Board of Directors**

##### *Audit Committee*

Messrs. Day (Chair), Dell and Nitschke comprise our audit committee. The purpose of our audit committee is to oversee the accounting and financial reporting processes of our company and the audits of the financial statements of our company. Our audit committee's function is one of oversight and, in that regard, our audit

committee meets with our management and our independent registered public accounting firm to review and discuss our financial reporting and our controls regarding accounting and risk of material loss. The responsibilities of our audit committee are set forth in the Audit Committee Charter, which is regularly reviewed in light of Securities and Exchange Commission and National Association of Securities Dealers regulations; the current version was adopted by our board of directors on May 27, 2004 and is available on our website at [www.GanderMountain.com](http://www.GanderMountain.com) and attached as Exhibit A to this proxy statement. In addition to regular consultation with our management, our audit committee held three meetings in fiscal 2004.

Our board of directors has determined that all members of our audit committee are independent, as that term is used in Section 10A of the Securities Exchange Act of 1934, as that term is defined in Rule 4200(a)(15) of the National Association of Securities Dealers listing standards and as that term is defined by Section 301 of the Sarbanes-Oxley Act of 2002. Our board of directors has determined that Mr. Day, the chair of our audit committee, is an audit committee financial expert as defined by Securities and Exchange Commission regulations.

#### *Compensation Committee*

Ms. Bohn (Chair) and Messrs. Day and Dell comprise our compensation committee. All members of our compensation committee are independent, as that term is defined in Rule 4200(a)(15) of the National Association of Securities Dealers listing standards. The purposes of our compensation committee are to discharge the responsibilities of the board with respect to all forms of compensation of our executive officers, oversee our company's equity-based incentive plans and report to the shareholders regarding our company's executive compensation practices and policies. The responsibilities of our compensation committee are set forth in the Compensation Committee Charter, which is regularly reviewed in light of Securities and Exchange Commission and National Association of Securities Dealers regulations and is available on our website at [www.GanderMountain.com](http://www.GanderMountain.com). In addition to regular consultation with our management, our compensation committee held three meetings in fiscal 2004 and acted by written consent in lieu of a meeting on one occasion.

#### *Governance and Nominating Committee*

Ms. Bohn (Chair) and Mr. Nitschke comprise our governance and nominating committee. All members of the governance and nominating committee are independent, as that term is defined in Rule 4200(a)(15) of the National Association of Securities Dealers listing standards. The purposes of our governance and nominating committee are to oversee corporate governance matters; approve director-nominees to be considered for election by shareholders and for election by the board to fill any vacancy or newly created directorship; and make recommendations to the board concerning the appropriate size and composition of the board and each board committee, and the establishment of new board committees. Our governance and nominating committee also assists our board of directors in developing and implementing our Principles of Corporate Governance and Code of Business Conduct and Ethics. The responsibilities of our governance and nominating committee are set forth in the Governance and Nominating Committee Charter, which is regularly reviewed in light of Securities and Exchange Commission and National Association of Securities Dealers regulations and is available on our website at [www.GanderMountain.com](http://www.GanderMountain.com). In addition to regular consultation with our management, our governance and nominating committee held one meeting in fiscal 2004.

#### **Board of Directors Meetings and Attendance**

Our board of directors held three meetings during fiscal 2004 and acted by written consent in lieu of a meeting on five occasions. During fiscal 2004, each director attended all of the meetings of our board of directors and of the board committees on which the director serves.

**Principles of Corporate Governance**

Our board of directors has adopted Principles of Corporate Governance to assist in the performance of its responsibilities. These principles are available on our website at [www.GanderMountain.com](http://www.GanderMountain.com).

### **Director Independence**

Our board of directors has determined that all of its members except Messrs. Baker, G. Erickson and R. Erickson are independent, as that term is used in Section 10A of the Securities Exchange Act of 1934, and as that term is defined in Rule 4200(a)(15) of the National Association of Securities Dealers regulations.