

MUELLER INDUSTRIES INC
Form DEF 14A
March 21, 2012

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant [X]

Filed by a Party other than the Registrant [
]

Check the appropriate box:

- Preliminary Proxy Statement Soliciting Material Under Rule 14a-12
- Confidential, For Use of the
Commission Only (as permitted
by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials

Mueller Industries, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
 - 1) Title of each class of securities to which transaction applies:
 - 2) Aggregate number of securities to which transaction applies:
 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - 4) Proposed maximum aggregate value of transaction:
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 - 1) Amount previously paid:
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- 3) Filing Party:
 - 4) Date Filed:
-

**MUELLER INDUSTRIES, INC.
8285 Tournament Drive, Suite 150
Memphis, Tennessee 38125
Telephone (901) 753-3200**

**Notice of Annual Meeting of
Stockholders to be Held
May 3, 2012**

To the Stockholders of
Mueller Industries, Inc.

The Annual Meeting of Stockholders of Mueller Industries, Inc. (the Company or Mueller), will be held at the Company s headquarters at 8285 Tournament Drive, Suite 150, Memphis, Tennessee 38125 on Thursday, May 3, 2012, at 10:00 A.M. local time, for the following purposes:

1. To elect nine directors, each to serve until the next annual meeting of stockholders (tentatively scheduled for May 2, 2013) or until his successor is elected and qualified;
2. To consider and act upon a proposal to approve the appointment of Ernst & Young LLP, independent registered public accountants, as auditors of the Company for the fiscal year ending December 29, 2012;
3. To conduct an advisory vote on the compensation of the Company s named executive officers; and
4. To consider and transact such other business as may properly be brought before the Annual Meeting and any adjournment(s) thereof.

Only stockholders of record at the close of business on March 8, 2012, will be entitled to notice of and vote at the Annual Meeting or any adjournment(s) thereof. A complete list of stockholders entitled to vote at the Annual Meeting will be prepared and maintained at the Company s corporate headquarters at 8285 Tournament Drive, Suite 150, Memphis, Tennessee 38125. This list will be available for inspection by stockholders of record during normal business hours for a period of at least 10 days prior to the Annual Meeting.

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE ANNUAL MEETING REGARDLESS OF THE SIZE OF YOUR HOLDINGS. WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE MEETING IN PERSON, WE URGE YOU TO MARK, DATE AND SIGN THE ENCLOSED PROXY CARD AND RETURN IT IN THE ENCLOSED SELF-ADDRESSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

Gary C. Wilkerson
Corporate Secretary

March 21, 2012

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MUELLER INDUSTRIES, INC.
8285 Tournament Drive, Suite 150
Memphis, Tennessee 38125
Telephone (901) 753-3200

PROXY STATEMENT

Annual Meeting of Stockholders
May 3, 2012

SOLICITATION OF PROXIES

The accompanying proxy is solicited by the Board of Directors of Mueller Industries, Inc., a Delaware corporation (the Company), for use at the annual meeting of stockholders (the Annual Meeting) to be held at the Company's headquarters at 8285 Tournament Drive, Suite 150, Memphis, Tennessee 38125, on Thursday, May 3, 2012, at 10:00 A.M. local time, or at any adjournment(s) thereof.

This Proxy Statement, together with the Company's Annual Report for the fiscal year ended December 31, 2011, is first being mailed to stockholders on or about March 21, 2012. Pursuant to rules adopted by the Securities and Exchange Commission, the Company is providing access to its proxy materials over the Internet at <http://www.proxyvote.com>.

When a proxy card is returned properly signed, the shares represented thereby will be voted in accordance with the stockholder's directions appearing on the card. If the proxy card is signed and returned without directions, the shares will be voted for the nominees named herein and in accordance with the recommendations of the Company's Board of Directors as set forth herein. The discretion granted in the accompanying proxy card includes the authority to vote on all additional matters properly coming before the Annual Meeting as the persons named in the proxy deem appropriate. A stockholder giving a proxy may revoke it at any time before it is voted at the Annual Meeting by giving written notice to the secretary of the Annual Meeting or by casting a ballot at the Annual Meeting. Votes cast by proxy or in person at the Annual Meeting will be tabulated by election inspectors appointed for the Annual Meeting. The election inspectors will also determine whether a quorum is present. The holders of a majority of the shares of common stock, \$.01 par value

per share (Common Stock), outstanding and entitled to vote who are present either in person or represented by proxy will constitute a quorum for the Annual Meeting. The election inspectors will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum and for purposes of determining the approval of any matter submitted. If a broker indicates on a proxy that it does not have discretionary authority as to certain shares to vote on a particular matter (i.e., a broker non-vote), those shares will not be considered as present and entitled to vote with respect to that matter, but will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum. A broker is entitled to vote shares held for a beneficial owner on routine matters, such as the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm, without instructions from the beneficial owner of those shares; on the other hand, a broker may not be entitled to vote shares held for a beneficial owner on certain non-routine items, such as the election of directors and the advisory vote on the compensation of the Company's named executive officers.

The cost of soliciting proxies will be borne by the Company. In addition to solicitation by mail, directors, officers and employees of the Company may solicit proxies by telephone or otherwise. The Company will reimburse brokers or other persons holding stock in their names or in the names of their nominees for their charges and expenses in forwarding proxies and proxy material to the beneficial owners of such stock.

VOTING SECURITIES

The Company had 38,247,828 shares of Common Stock outstanding at the close of business on March 8, 2012, which are the only securities of the Company entitled to be voted at the Annual Meeting. The record holder of each share of Common Stock is entitled to one vote on each matter that may properly be brought before the Annual Meeting. Only stockholders of record at the close of business on March 8, 2012 will be entitled to notice of, and to vote at, the Annual Meeting. The Company's Restated Certificate of Incorporation and Amended and Restated By-laws (Bylaws) do not provide for cumulative voting for the election of directors.

PRINCIPAL STOCKHOLDERS

As of March 8, 2012, the following parties were known by the Company to be the beneficial owner of more than five percent of the Common Stock:

Name and Address of Beneficial Owner	Shares Beneficially	
	Owned	Percent of Class
Leucadia National Corporation 315 Park Avenue South New York, NY 10010	10,422,859(1)	27.30%(2)
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	2,842,704(3)	7.44%(2)
Franklin Resources, Inc. One Franklin Parkway San Mateo, CA 94403-1906	2,036,400(4)	5.30%(2)
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	1,960,366(5)	5.12%(2)

- (1) This information is based on a Schedule 13D/A filing filed by Leucadia National Corporation (Leucadia), Phlcorp Holding LLC (Phlcorp), Baldwin Enterprises, Inc. (Baldwin), BEI Arch Holdings, LLC (BEI Arch), and BEI-Longhorn, LLC (BEI Longhorn) with the Securities and Exchange Commission on September 6, 2011, and the Form 4s filed by the same parties on September 8, 2011. According to the Schedule 13G/A, all shares of the Company's Common Stock shown above are held by BEI Longhorn. By virtue of its ownership of all of the outstanding membership interests in BEI Longhorn, BEI Arch may be deemed to be the beneficial owner of all of the shares of the Company's Common Stock owned by BEI Longhorn shown in the table above. By virtue of its ownership of all of the outstanding membership interests in BEI Arch, Baldwin may be deemed to be the beneficial owner of all of the shares of the Company's Common Stock owned by BEI Longhorn shown in the table above. By virtue of its ownership of all of the outstanding shares of Baldwin, Phlcorp may be deemed to be the beneficial owner of all of the shares of the Company's Common Stock owned by BEI Longhorn shown in the table above. By virtue of its ownership of all of the outstanding membership interests in Phlcorp, Leucadia may be deemed to be the beneficial owner of all of the shares of the Company's Common Stock owned by BEI Longhorn shown in the table above. By virtue of their ownership of Leucadia common shares and their positions as Chairman of the Board, and President and a director, respectively, of Leucadia, for purposes of this Messrs. Cumming and Steinberg may be deemed to be the beneficial owners of all of the shares of Company's Common Stock owned by BEI Longhorn shown in the table above.

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- (2) The percent of class shown was based on the shares of Common Stock reported on the Schedule 13G/A and the total number of shares outstanding as of December 31, 2011. The difference in the total number of shares outstanding on December 31, 2011 and March 8, 2012 does not materially affect the percentage of ownership of the class.
- (3) This information is based on a Schedule 13G/A filed by BlackRock, Inc. with the Securities and Exchange Commission on February 10, 2012. BlackRock Inc. filed this Schedule 13G/A on its own behalf and on behalf of its subsidiaries, BlackRock Japan Co. Ltd; BlackRock Institutional Trust Company, N.A; BlackRock Fund Advisors; BlackRock Asset Management Canada Limited; BlackRock Asset Management Australia Limited; BlackRock Advisors, LLC; BlackRock Investment Management, LLC; BlackRock Asset Management Ireland Limited; and BlackRock International Limited.
- (4) This information is based on a Schedule 13G/A filed by Franklin Resources, Inc. (FRI) with the Securities and Exchange Commission on February 8, 2012. In the Schedule 13G/A, FRI reported that, with respect to the Company's Common Stock, the shares shown in the table above were beneficially owned by one or more open or closed-end investment companies or other managed accounts that are investment management clients of investment managers that are direct and indirect subsidiaries of FRI. The Schedule 13G/A reported that the investment management subsidiaries of FRI have investment and/or voting power over the securities owned by their investment management clients. Accordingly, such subsidiaries may be deemed to be the beneficial owner of the shares shown in the table. The Schedule 13G/A reported that Charles B. Johnson and Rupert H. Johnson, Jr. (the FRI Principal Stockholders) (each of whom has the same business address as FRI) each own in excess of 10% of the outstanding common stock of FRI and are the principal stockholders of FRI and may be deemed to be the beneficial owners of securities held by persons and entities for whom or for which the investment management subsidiaries of FRI provide investment management services. The Schedule 13G/A reported that one of the investment management subsidiaries, Franklin Advisory Services, LLC (whose address is One Parker Plaza, 9th Floor, Fort Lee, New Jersey 07024), has sole voting and dispositive power with respect to 1,961,100 and 2,026,400, respectively, of the shares shown. FRI, the FRI Principal Stockholders and the investment management subsidiaries of FRI disclaim any pecuniary interest or beneficial ownership in the shares shown in the table above and indicate that they are of the view that they are not acting as a group for purposes of the Securities Exchange Act of 1934, as amended (the Exchange Act).
- (5) This information is based on a Schedule 13G filed by The Vanguard Group, Inc. with the Securities and Exchange Commission on February 7, 2012. According to the Schedule 13G, The Vanguard Group, Inc. has sole voting and dispositive power with respect to 57,502 and 1,902,864, respectively, of the shares shown. In addition, the Schedule 13G reported that Vanguard Fiduciary Trust Company (VFTC), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 57,502 shares of the shares shown as a result of its serving as investment manager of collective trust accounts. VFTC directs the voting of these shares.

ELECTION OF DIRECTORS

The size of the Company's Board of Directors is currently nine directors. The Board of Directors proposes to elect the following nine persons, each as nominated by the Board of Directors, at the Annual Meeting to serve (subject to the Company's Bylaws) as directors of the Company until the next Annual Meeting (tentatively scheduled for May 2, 2013), or until the election and qualification of their successors: Ian M. Cumming, Alexander P. Federbush, Paul J. Flaherty, Gennaro J. Fulvio, Gary S. Gladstein, Scott J. Goldman, Terry Hermanson, Joseph S. Steinberg and Gregory L. Christopher (collectively, the Nominees). If any such person should be unwilling or unable to serve as a director of the Company, which is not anticipated, the persons named in the proxy will vote the proxy for substitute nominees selected by them unless the number of directors has been reduced to the number of nominees willing and able to serve.

Directors are elected by a plurality of the votes cast. Plurality means that the individuals who receive the greatest number of votes cast For are elected as directors up to the maximum number of directors to be chosen at the Annual Meeting. Consequently, any shares not voted For a particular director (whether as a result of a direction to withhold or a broker non-vote) will not be counted in such director's favor.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE THEIR SHARES FOR EACH OF THE NOMINEES.

OWNERSHIP OF COMMON STOCK BY DIRECTORS AND EXECUTIVE OFFICERS AND INFORMATION ABOUT DIRECTOR NOMINEES

The following table sets forth, as of March 8, 2012, information about the 11,746,151 shares of Common Stock (calculated based on 38,247,828 shares outstanding) beneficially owned by each of the Company's current directors, nominees for director, executive officers and named executive officers. The named executive officers are those individuals set forth in the Summary Compensation Table for 2011 included herein. Unless otherwise indicated, all directors, nominees for director, executive officers and named executive officers have sole voting and investment power with respect to the shares of Common Stock reported. The table and the accompanying footnotes set forth the foregoing persons' current positions with the Company, principal occupations and employment over the preceding five years, age and directorships held in certain other publicly-owned companies, as well as, with

respect to directors, the experiences, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee and the Board of Directors to determine that the person should serve as a director of the Company in 2012.

Principal Occupation, Employment, etc.	Common Stock Beneficially Owned as of March 8, 2012	Percent of Class
Ian M. Cumming Director of the Company since September 2, 2011; Chairman of Leucadia National Corporation; age 71 (1)(16)	10,422,859	27.3%
Alexander P. Federbush Chairman of the Board of Directors since January 1, 2012 Director of the Company since February 17, 2005; age 69 (2)	16,000	*
Paul J. Flaherty Director of the Company since August 2, 2007; age 72 (3)	11,000	*
Gennaro J. Fulvio Director of the Company since May 9, 2002; age 55 (4)	22,081	*
Gary S. Gladstein Director of the Company since July 1, 2000; age 67 (5)	39,736	*
Scott J. Goldman Director of the Company since January 1, 2008; age 59 (6)	5,871	*
Terry Hermanson Director of the Company since February 13, 2003; age 69 (7)	12,081	*
Joseph S. Steinberg Director of the Company since September 2, 2011; Director and President of Leucadia National Corporation; age 68 (8)(16)	10,422,859	27.3%
Harvey L. Karp Chairman Emeritus since January 1, 2012; Former Chairman of the Board of Directors (from October 8, 1991 – December 31, 2011); former Director of the Company (from August 1991 December 31, 2011); age 84	241,886	*
Gregory L. Christopher Chief Executive Officer of the Company since October 30, 2008; Director of the Company since October 28, 2010; age 50 (9)	364,875	*
Richard W. Corman Vice President-Controller of the Company since October 28, 2004; age 55 (10)	60,715	*

Principal Occupation, Employment, etc.	Common Stock Beneficially Owned as of March 8, 2012	Percent of Class
John B. Hansen President, Plumbing Business of the Company since January 1, 2011; age 65 (11)	51,933	*
Jeffrey A. Martin Vice President - Corporate Development since January 11, 2011; age 45 (12)	27,171	*
Kent A. McKee Executive Vice President of the Company since October 13, 2005; Chief Financial Officer of the Company since April 1, 1999; age 51 (13)	326,002	*
James H. Rourke President, Industrial Business of the Company since December 27, 2003; age 63 (14)	49,441	*
Gary C. Wilkerson Vice President, General Counsel and Secretary of the Company since May 2, 2005; age 65 (15)	94,500	*
Executive Officers and Directors as a Group	11,746,151	30.2%**

* Less than 1%

** Includes 633,702 shares of Common Stock which are subject to currently exercisable stock options and 164,300 shares of non-vested restricted stock held by executive officers and directors of the Company.

- (1) Mr. Cumming has served as a director and Chairman of Leucadia, a New York-based diversified company with interests in beef processing, manufacturing, land based contract oil and gas drilling, real estate activities, gaming entertainment, medical product development and winery operations, since 1978. Mr. Cumming is also a director Jefferies Group, Inc. (Jefferies), where he has served in such capacity since 2008; HomeFed Corporation (HomeFed) where he has served in such capacity since 1999; and SkyWest, Inc. (SkyWest), where he has served in such capacity since 1986. Mr. Cumming is also a member of the Board of Managers of Premier Entertainment Biloxi, LLC, the owner of the Hard Rock Hotel and Casino in Biloxi, Mississippi. Mr. Cumming also served as a director of AmeriCredit Corp. and The FINOVA Group, Inc., when those companies were publicly traded. The number of shares of Common Stock beneficially owned by Mr. Cumming consists of 10,422,859 shares beneficially owned by Leucadia National Corporation of which Mr. Cumming is an officer.

- (2) Mr. Federbush served as the President of the Queens West Development Corp., a subsidiary of the Empire State Development Corporation, a public-benefit corporation that is a joint venture among New York State, New York City and the Port Authority of New York and New Jersey, for more than the past five years until his departure from the corporation on December 31, 2007. Mr. Federbush has served as a director of Varick Realty Corp. since 1970, including as Chairman since 1976. Mr. Federbush was nominated to serve as a director of the Company because he has extensive experience guiding complex organizations, both in commercial real estate and manufacturing and distribution. The number of shares of Common Stock beneficially owned by Mr. Federbush includes (i) 4,000 shares of Common Stock owned by Mr. Federbush's spouse, (ii) 1,000 shares of Common Stock owned by a corporation in which Mr. Federbush is an officer, (iii) 10,000 shares of Common Stock which are subject to currently exercisable stock options, and (iv) 1,000 shares of non-vested restricted stock.
- (3) Mr. Flaherty has been a member of the Advisory Board of Aon Risk Services, Inc., a subsidiary of Aon Corporation (Aon), the global insurance and risk management firm, since 2001. Prior to his tenure with Aon, Mr. Flaherty was associated with Burson-Marsteller-WPP, a global public affairs and public relations firm. Mr. Flaherty was nominated to serve as a director of the Company because of his years of experience counseling boards and senior management. In addition, his experience in insurance and risk management enable him to assist the Board of Directors in performing its risk oversight function. The number of shares of Common Stock beneficially owned by Mr. Flaherty includes (i) 8,000 shares of Common Stock which are subject to currently exercisable stock options and (ii) 1,000 shares of non-vested restricted stock.
- (4) Mr. Fulvio has been a member of Fulvio & Associates, LLP, Certified Public Accountants, since 1987. Mr. Fulvio was nominated to serve as a director of the Company because of his strength in the area of accounting, his knowledge of and experience with tax matters, and his financial acumen. The number of shares of Common Stock beneficially owned by Mr. Fulvio includes (i) 10,000 shares of Common Stock which are subject to currently exercisable stock options, (ii) 11,081 shares of Common Stock which are owned by Mr. Fulvio's spouse, and (iii) 1,000 shares of non-vested restricted stock.
- (5) Mr. Gladstein previously served as a director of the Company from 1990 to 1994. Mr. Gladstein is currently an independent investor and consultant. From the beginning of 2000 to August 31, 2004, Mr. Gladstein was a Senior Consultant at Soros Fund Management. He was Chief Operating Officer at Soros Fund Management from 1985 until his retirement at the end of 1999. In the past five years, Mr. Gladstein has also served as a director of Inversiones y Representaciones Sociedad Anónima and currently serves as a director of Darien Rowayton Bank. Mr. Gladstein was nominated to serve as a director of the Company because of his financial and accounting expertise and his years of experience providing strategic advisory services to complex organizations. In addition, having been a member of the compensation, audit and other committees of public company boards, Mr. Gladstein is familiar with a full range of corporate and board functions. The number of shares of Common Stock beneficially owned by Mr. Gladstein includes (i) 10,000 shares of Common Stock which are subject to currently exercisable stock options and (ii) 1,000 shares of non-vested restricted stock.

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- (6) Mr. Goldman has served as the co-founder and Chief Executive Officer of TextPower, Inc., which creates business solutions by using a proprietary library of vertical market text messaging software, since February 17, 2009. From 1987 to February 17, 2009, Mr. Goldman served as founder and principal of the Goldman Group, a company that works with Fortune 500 companies in developing and operating wireless systems. Mr. Goldman was nominated to serve as a director of the Company because of his extensive experience with global companies and strategic planning, as well as his expertise in the technology field. The number of shares of Common Stock beneficially owned by Mr. Goldman includes (i) 4,000 shares of Common Stock which are subject to currently exercisable stock options and (ii) 1,000 shares of non-vested restricted stock.
- (7) Mr. Hermanson has been the principal and President of Mr. Christmas Incorporated, a wholesale merchandising company, for more than the last five years. Mr. Hermanson was nominated to serve as a director of the Company because he has extensive experience in management, strategic planning, as well as a thorough knowledge of wholesale merchandising and international business issues. The number of shares of Common Stock beneficially owned by Mr. Hermanson includes (i) 10,000 shares of Common Stock which are subject to currently exercisable stock options and (ii) 1,000 shares of non-vested restricted stock.
- (8) Mr. Steinberg has been a Director and President of Leucadia since 1978. He is also Chairman of the Board for HomeFed and a Director of Jefferies, Jordan Industries, Inc. and Arnhold and S. Bleichroeder Holdings, Inc. The number of shares of Common Stock beneficially owned by Mr. Steinberg consists of 10,422,859 shares beneficially owned by Leucadia National Corporation of which Mr. Steinberg is an officer.
- (9) Mr. Christopher served as (i) Chief Operating Officer from October 25, 2007 until October 30, 2008, (ii) President of the Standard Products Division from October 13, 2005 until October 25, 2007, and (iii) Vice President of Sales-Standard Products Division of the Company for more than five years prior to October 13, 2005. The number of shares of Common Stock beneficially owned by Mr. Christopher includes (i) 225,573 shares of Common Stock which are subject to currently exercisable stock options, (ii) 65,700 shares of non-vested restricted stock, (iii) 900 shares of Common Stock owned jointly between Mr. Christopher and his spouse and (iv) 3,400 shares of Common Stock which are owned by Mr. Christopher's children.
- (10) Mr. Corman served as the Company's Corporate Controller for more than five years prior to October 28, 2004. The number of shares of Common Stock beneficially owned by Mr. Corman includes (i) 41,259 shares of Common Stock which are subject to currently exercisable stock options and (ii) 3,000 shares of non-vested restricted stock.
- (11) Mr. Hansen served as (i) President-Manufacturing Operations from May 18, 2009 until January 1, 2011 (ii) Senior Vice President-Strategy and Industry Relations from February 18, 2008 to May 18, 2009, (iii) as Vice President-Administration and Operations, Standard Products Division from October 24, 2005 to February 18, 2008, (iv) as Vice President-Marketing and Product Line Strategy, Standard Products Division from

February 24, 2003 to October 24, 2005, and prior thereto as Vice President-Marketing, Standard Products Division. The number of shares of Common Stock beneficially owned by Mr. Hansen includes (i) 16,300 shares of Common Stock which are subject to currently exercisable stock options, (ii) 2,706 shares of Common Stock owned jointly between Mr. Hansen and his spouse, (iii) 14,800 shares of non-vested restricted stock and (iv) 18,127 shares of Common Stock which are held by Mr. Hansen, with other financial assets, in a brokerage account as collateral for a margin loan.

- (12) Mr. Martin served (i) as Vice President-Finance & Corporate Development from August 1, 2008 to January 11, 2011, (ii) as Vice President-Operations, Standard Products Division of the Company from November 20, 2006 to August 1, 2008, (iii) as Vice President-Finance of the Company from October 28, 2004 to November 20, 2006, (iv) as Director of Corporate Finance of the Company from January 1, 2002 to October 28, 2004, (v) as Manager of Corporate Finance of the Company from January 1, 2001 to December 31, 2001, (vi) as Manager of Corporate Accounting of the Company from January 15, 1996 to December 31, 2000 and (vii) as a Manager and other positions in audit services with PricewaterhouseCoopers LLP, a public accounting firm, from September 1989 to January 1996. The number of shares of Common Stock beneficially owned by Mr. Martin includes (i) 503 shares of Common Stock owned jointly between Mr. Martin and his wife, (ii) 24,668 shares which are subject to currently exercisable stock options, and (iii) 2,000 shares of non-vested restricted stock.
- (13) Mr. McKee served (i) as Vice President of the Company from February 11, 1999 until October 13, 2005, (ii) as Vice President-Business Development/Investor Relations of the Company from December 14, 1995 to February 11, 1999, (iii) as Treasurer of the Company from November 8, 1991 to December 14, 1995 and (iv) as Assistant Secretary of the Company from August 28, 1991 to December 14, 1995. The number of shares of Common Stock beneficially owned by Mr. McKee includes (i) 190,902 shares of Common Stock which are subject to currently exercisable stock options, and (ii) 38,300 shares of non-vested restricted stock.
- (14) Mr. Rourke served (i) as Vice President-Industrial Products Division of the Company from December 14, 1995 to December 27, 2003, (ii) as Vice President and General Manager-Industrial Products Division of the Company from November 4, 1993 to December 14, 1995 and (iii) prior thereto as Vice President and General Manager, Industrial Products, for Mueller Brass Co. in Port Huron, Michigan. The number of shares of Common Stock beneficially owned by Mr. Rourke includes 23,000 shares of non-vested restricted.
- (15) Mr. Wilkerson served (i) as Of Counsel to the Memphis law firm of Pietrangelo Cook, LLP from April 2002 to May 2005 and (ii) as Vice President and General Counsel for Louisiana-Pacific Corporation from 1997 to January 2002. The number of shares of Common Stock beneficially owned by Mr. Wilkerson includes (i) 83,000 shares of Common Stock which are subject to currently exercisable stock options and (ii) 11,500 shares of non-vested restricted stock.

- (16) Pursuant to a Standstill Agreement the Company entered into with Leucadia on September 2, 2011 (the Standstill Agreement), which provides, among other things, that Leucadia (i) will not acquire more than 27.5% of the Company's outstanding common stock, subject to certain exceptions, and (ii) will forebear from taking actions concerning, among other things, business combinations with the Company or the composition of the Company's Board, without the approval of a majority of the directors not affiliated with Leucadia, the Company increased the size of the Board of Directors by two and elected two designees selected by Leucadia to fill the new directorships. Leucadia designated Ian M. Cumming, Leucadia's Chairman, and Joseph S. Steinberg, a director of Leucadia and its President, to fill the two newly created vacancies on the Company's Board of Directors. The Board of Directors elected Messrs. Cumming and Steinberg to the Board on September 2, 2011. Leucadia will continue to have the right to appoint two directors for two years so long as Leucadia holds at least 20% of the Company's outstanding common stock. Leucadia will be entitled to appoint one director for two years so long as Leucadia holds at least 15% of the Company's outstanding common stock. The Standstill Agreement also restricts sales by Leucadia to counterparties who hold, or after giving effect to a sale would hold, in excess of 4.9% of the Company's common stock. The Company has also agreed to file one or more registration statements with the Securities and Exchange Commission regarding the shares owned by Leucadia, if requested by Leucadia and upon certain terms and conditions. The Standstill Agreement expires on September 2, 2013 (the Termination Date) subject to certain events that would cause earlier termination of these restrictions; however, certain provisions, including Leucadia's right to have its shares registered by the Company, may survive beyond the Termination Date. In addition, Leucadia has agreed to vote its shares of the Company's common stock in favor of the slate of directors nominated by the Board for a period of two years so long as Leucadia's designees are appointed to the Board in accordance with the terms of the Standstill Agreement.

Meetings and Committees of the Board of Directors

During 2011, the Board of Directors held nine meetings. The Board of Directors established a standing Audit Committee and a Compensation Committee at its organizational meeting on February 13, 1991. On May 13, 1991, the Board of Directors created two committees (the Plan Committees) to be responsible for administering the Company's 1991 Employee Stock Purchase Plan and the Company's 1991 Incentive Stock Option Plan. On November 16, 1993, the Board of Directors established a standing Nominating Committee. On May 12, 1994, the Board of Directors created two committees to be responsible for administering the Company's 1994 Stock Option Plan and the Company's 1994 Non-Employee Director Stock Option Plan, on February 12, 1998 created a committee to be responsible for administering the Company's 1998 Stock Option Plan and on February 12, 2002 created a committee to be responsible for administering the

Company's 2002 Stock Option Plan (collectively, the Option Plan Committees). On February 12, 2004, the Board of Directors changed the name of the Nominating Committee to the Nominating and Corporate Governance Committee. During 2011, no director attended fewer than 75% of the total number of meetings of the Board and all committees on which he served except for Messrs. Cumming and Steinberg, who were appointed to the Board of Directors in September 2011 and attended every Board meeting thereafter.

The Audit Committee is currently composed of three directors who are not officers or employees of the Company: Gary S. Gladstein (Chairman), Gennaro J. Fulvio and Terry Hermanson. Each member of the Audit Committee has been determined by the Board of Directors to meet the standards for independence required of audit committee members by the New York Stock Exchange (the NYSE) and applicable SEC rules. For more information on the NYSE standards for independence, see Corporate Governance-Director Independence in