

GENTEX CORP
Form PRE 14A
March 23, 2012

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

GENTEX CORPORATION

(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.
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

600 North Centennial Street

Zeeland, Michigan 49464

NOTICE OF 2012 ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder:

The Annual Meeting of the Shareholders of Gentex Corporation (the Company), a Michigan corporation, will be held at The Pinnacle Center, 3330 Highland Drive, Hudsonville, Michigan, on Thursday, May 17, 2012, at 4:30 p.m. EDT, for the following purposes:

1. To elect three directors as set forth in the Proxy Statement.
2. To consider a proposal to amend the Restated Articles of Incorporation to declassify the Board of Directors.
3. To consider a shareholder proposal requesting that the Board of Directors issue a sustainability report.
4. To ratify the appointment of Ernst & Young LLP as the Company's auditors for the fiscal year ended December 31, 2012.
5. To approve, on an advisory basis, the compensation of the Company's named executive officers.
6. To consider a proposal to approve the 2012 Amended and Restated Nonemployee Director Stock Option Plan.
7. To transact any other business that may properly come before the meeting, or any adjournment thereof.

The Board of Directors recommends that shareholders vote:

- A. *FOR* Item 1
- B. *NEUTRAL* Item 2
- C. *AGAINST* Item 3
- D. *FOR* Item 4
- E. *FOR* Item 5, and

F. *FOR* Item 6

Shareholders of record as of the close of business on March 23, 2012, are entitled to notice of, to attend, and to vote at the meeting and are being sent this Proxy Statement on or about April 2, 2012. We are pleased to offer multiple options for voting your shares. As detailed in the Solicitation of Proxies section of the Proxy Statement, you can vote your shares via the Internet, by telephone, by mail or by written ballot at the Annual Meeting. *We encourage you to use the Internet to vote your shares as it is the most cost-effective method.* If your shares are held in street name, (that is held for your account by a broker or other nominee), you will receive instructions from the holder of record that you must follow for your shares to be voted.

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**Important Notice Regarding the Availability of Proxy Materials for
the Annual Meeting of Shareholders to be held on May 17, 2012**

You are receiving this notice that the proxy materials for our 2012 Annual Meeting of Shareholders are available on the Internet. The following proxy materials can be found <https://www.proxyvote.com>:

Company's 2012 Proxy Statement;

Company's Annual Report to Shareholders for the year ended December 31, 2011; and

Proxy Card or Voting Instruction Form.

Whether or not you expect to be present at the meeting, you are urged to promptly vote your shares using one of the methods discussed above. If you do attend the meeting and wish to vote in person, you must withdraw your earlier-dated Proxy as set forth in the Proxy Statement, and provide proof of ownership of Company shares as of the record date of March 23, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

Connie Hamblin

Secretary

April 2, 2012

GENTEX CORPORATION

600 North Centennial Street

Zeeland, Michigan 49464

**PROXY STATEMENT FOR ANNUAL MEETING
OF SHAREHOLDERS TO BE HELD MAY 17, 2012**

QUESTIONS & ANSWERS

PROXY STATEMENT

Why am I receiving this Proxy Statement?

The Company's Board of Directors is soliciting proxies for the 2012 Annual Meeting of Shareholders. You are receiving a Proxy Statement because you owned shares of the Company's common stock on March 23, 2012, which entitles you to notice of, to attend, and to vote at the meeting. By use of a Proxy, you may vote whether or not you plan to attend the meeting. This Proxy Statement describes the matters on which the Board would like you to vote, and provides information on those matters, so that you can make an informed decision.

The Notice of the Annual Meeting of Shareholders (including Notice Regarding the Availability of Proxy Materials), Proxy Statement, Annual Report for the year ended December 31, 2011, and Proxy Card or Voting Instruction Form are being mailed to shareholders on or about April 2, 2012. These materials are available at <https://www.proxyvote.com> or

<https://materials.proxyvote.com/371901>.

What will I be voting on?

Election of three directors (see pages 6-10).

Approval of an amendment to the Restated Articles of Incorporation to declassify the Board of Directors (see pages 12-13).

A shareholder proposal requesting the Board of Directors issue a sustainability report (see pages 13-16).

Ratification of the appointment of Ernst & Young LLP as the Company's auditors for the fiscal year ending December 31, 2012 (see pages 35-36).

Approval on an advisory basis, of the compensation of the Company's named executive officers (see pages 36-37).

Approval of the 2012 Amended and Restated Nonemployee Director Stock Option Plan (see pages 37-39).

The Board of Directors recommends a vote: *FOR* each of the nominees to the Board of Directors; *NEUTRAL* with respect to the amendment to the Restated Articles of Incorporation to declassify the Board of Directors; *AGAINST* the shareholder proposal requesting the Board of Directors issue a sustainability report; *FOR* ratification of the appointment of Ernst & Young LLP as the Company's auditors for the fiscal year ending December 31, 2012; *FOR* approval, on an advisory basis, of the compensation of the Company's named executive officers; and *FOR* the 2012 Amended and Restated Nonemployee Director Stock Option Plan.

How do I vote?

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You can vote either in person at the Annual Meeting or by Proxy without attending the Annual Meeting. *We urge you to vote by Proxy even if you plan to attend the Annual Meeting so that we will know as soon as possible that enough votes will be present for us to hold the meeting.* If you attend the meeting and wish to vote in person, you must withdraw your earlier-dated Proxy in accordance with this Proxy Statement, and provide proof of ownership of Company shares as of the record date of March 23, 2012.

Please note that there are separate telephone and Internet arrangements, depending upon whether you are a holder of record [that is, if your shares are registered in your own name with the Company's transfer agent and you have possession of your stock certificate(s)] or whether you hold your shares in street name (that is, if your shares are held for you by a broker or other nominee).

Shareholders of record voting by Proxy may use one of the following three options:

Voting by *Internet* (log on to <https://www.proxyvote.com> and follow the directions there). We recommend you vote this way as it is the most cost-effective method; or

Voting by *toll-free telephone* (instructions are on the Proxy Card or Voting Instruction Form); or

Filling out the enclosed *Proxy Card or Voting Instruction Form*, signing it, and mailing it in the enclosed postage-paid envelope. If you hold your shares in street name, please refer to the information forwarded by your broker or other nominee to see which options are available to you.

A beneficial owner who wants to cast a vote directly, rather than have a broker or other nominee do so, can either: become a registered owner; or ask the broker or nominee to execute a proxy on your behalf. You can become a registered owner by having your broker or other nominee certificate your position, in which case you will receive an actual certificate for your stock, or your share ownership can be moved into a direct registration system. Alternatively, you can check a box on the Voting Instruction Form indicating your plan to attend the meeting and to vote your shares directly, in which case your broker or other nominee should then send you your proxy. Please contact your broker or other nominee for more details.

The telephone and Internet voting facilities for shareholders of record will close at 11:59 p.m. EDT on May 16, 2012. If you vote over the Internet, you may incur costs, such as telephone and Internet access charges, for which you will be responsible. The telephone and Internet voting procedures are designed to authenticate shareholders by the use of control numbers and to allow you to confirm that instructions have been properly recorded.

Can I change my vote?

Yes. At any time before your Proxy is voted at the meeting, you may change your vote by:

Revoking it by written notice to the Secretary of the Company at the address on the cover of the Proxy Statement;

Delivering a later-dated Proxy (including a telephone or Internet vote); or

Voting in person at the meeting.

If you hold your shares in street name, please refer to the information forwarded by your broker or other nominee for procedures on revoking or changing your Proxy.

How many votes do I have?

You will have one vote for every share of common stock that you owned on March 23, 2012.

How many shares are entitled to vote?

There were 144,129,782 shares of the Company common stock outstanding as of March 23, 2012, and entitled to vote at the meeting. Each share is entitled to one vote.

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How many votes must be present to hold the meeting?

Under the Company's Bylaws, a majority of all of the voting shares of the capital stock issued and outstanding as of March 23, 2012, must be present in person or by Proxy to hold the Annual Meeting.

What if I do not vote for some or all the matters listed on my Proxy Card or Voting Instruction Form?

If you return a Proxy Card or Voting Instruction Form without indicating your vote for some or all of the matters, if permissible, your shares will be voted as follows for any matter you did not vote on:

For the approval of the director nominees to the Board of Directors listed on the card.

Abstain with respect to the proposal to amend the Restated Articles of Incorporation to declassify the Board of Directors.

Against the shareholder proposal requesting that the Board of Directors issue a sustainability report.

For ratification of Ernst & Young LLP as the Company's auditors for the fiscal year ended December 31, 2012.

For the approval, on an advisory basis, of the compensation of the Company's named executive officers.

For the approval of the 2012 Amended and Restated Nonemployee Director Stock Option Plan.

How many votes are needed for the approval of items upon which the shareholders are being asked to vote?

Under Michigan law, the three nominees for director will be elected by a plurality of the votes cast. Notwithstanding the foregoing, the Company's Bylaws provide that if a director is elected by less than a majority of the votes cast, then such director shall promptly tender his or her resignation by written notice to the Board of Directors.

The proposal to amend the Restated Articles of Incorporation to declassify the Board of Directors must be approved by at least two-thirds (2/3) of the issued and outstanding common stock.

Approval of the shareholder proposal requesting the Board of Directors issue a sustainability report is by a majority of votes cast.

Ratification of Ernst & Young LLP as the Company's auditors for the fiscal year ended December 31, 2012, is by a majority votes cast.

The proposal to approve the compensation of the Company's named executive officers is advisory and the Board of Directors will take such votes into account when considering future actions.

The proposal to approve the 2012 Amended and Restated Nonemployee Director Stock Option Plan must be approved by a majority of votes cast.

What if I vote abstain?

A vote to abstain on the election of the directors, on the shareholder proposal requesting the Board of Directors issue a sustainability report, or the 2012 Amended and Restated Nonemployee Director Stock Option Plan will have no effect on the outcome. A vote to abstain will affect the outcome of the proposal to amend the Restated Articles of Incorporation as the amendment to declassify the Board of Directors must be approved by two-thirds of all of the issued and outstanding common stock. A vote to abstain with respect to approval of named executive officer compensation will be taken into account by the Board of Directors in determining future action.

What if I do not return my Proxy Card or Voting Instruction Form and do not attend the Annual Meeting?

If you are a holder of record and you do not vote your shares, your shares will not be voted.

If you hold your shares in street name, and you do not give your broker or other nominee specific voting instructions for your shares, your broker or other nominee may not be permitted to exercise voting discretion with respect to certain matters to be acted upon.

If you do not give your record holder specific voting instructions and your record holder does not vote on the matters to be voted upon, the votes will be broker non-votes. Broker non-votes will have no effect on the vote for the election of directors, but may affect the other matters to be voted upon as set forth in this Proxy Statement.

Is my vote confidential?

Proxy instructions, ballots, and voting tabulations that identify individual shareholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within the Company or to third parties, except:

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as necessary to meet applicable legal requirements;

to allow for the tabulation of votes and certification of the vote; or

to facilitate successful Proxy solicitation by our Board of Directors.

Occasionally, shareholders provide written comments on their Proxy Cards or Voting Instruction Forms which are then forwarded to the Company's management.

ANNUAL REPORT

Will I receive a copy of the Company's Annual Report?

Unless you have previously elected to view the Company's Annual Report over the Internet, we have mailed the Annual Report for the year ended December 31, 2011, with this Proxy Statement. The Annual Report includes the Company's audited financial statements, along with other information. You are urged to read it carefully.

How can I receive a copy of the Company's Form 10-K?

You can obtain, free of charge, a copy of our Form 10-K for the year ended December 31, 2011, which we recently filed with the Securities and Exchange Commission, by writing to:

Corporate Secretary

Gentex Corporation

600 North Centennial Street

Zeeland, Michigan 49464

You can also obtain a copy of the Company's Form 10-K and other periodic filings with the Securities and Exchange Commission (SEC) on the Company's Internet web site under the heading "SEC Filings" at:

<http://ir.gentex.com>

The Company's Form 10-K and other SEC filings mentioned above are also available from the SEC's EDGAR database at <http://www.sec.gov>.

ELECTRONIC DELIVERY AND AVAILABILITY OF PROXY STATEMENT AND ANNUAL REPORT

Can I access the Company's proxy materials and Annual Report electronically?

This Proxy Statement and the 2011 Annual Report are available at:

<https://materials.proxyvote.com/371901>.

They are also available on the Company's Internet web site under the heading "Electronic Literature" at:

<http://ir.gentex.com>

Most shareholders can elect to view future Proxy Statements and Annual Reports over the Internet instead of receiving paper copies in the mail, and the Company urges you to do so.

If you are a holder of record, you can choose this option and *save the Company the cost of producing and mailing these documents* by:

Following the instructions provided when you vote over the Internet, or

Going to <https://www.icsdelivery.com/gntx> and following the instructions provided.

If you are a holder of record and you choose to view future Proxy Statements and Annual Reports over the Internet, you will receive an e-mail message next year containing the Internet address to access the Company's Proxy Statement and Annual Report. The e-mail also will include instructions for voting over the Internet. Your choice will remain in effect until you tell us otherwise. You do not have to elect Internet access each year.

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If you hold your shares in street name, and choose to view future Proxy Statements and Annual Reports over the Internet and your broker or other nominee participates in this service, you will receive an e-mail message from your broker/nominee next year containing the Internet address to use to access the Company's Proxy Statement and Annual Report.

HOUSEHOLDING INFORMATION

What is householding?

The Company has adopted a procedure called householding, which has been approved by the Securities and Exchange Commission.

Householding is intended to reduce printing costs, mailing costs and fees by eliminating the mailing of duplicate copies of the Annual Report and Proxy Statement to any household at which two or more shareholders reside if they appear to be members of the same family. Under this procedure, a single copy of the Annual Report and Proxy Statement will be sent to such households if the shareholders at such household consent, unless one of the shareholders at the address notifies us that they wish to receive additional copies. Consent given will remain effective until revoked by a shareholder.

Shareholders who participate in householding will continue to receive separate Proxy Cards or Voting Instruction Forms. If a single copy of the Annual Report and Proxy Statement was delivered to an address that you share with another shareholder, at your request to the Corporate Secretary (at 600 North Centennial Street, Zeeland, Michigan 49464, 1-616-772-1800), we will promptly deliver a separate copy.

How do I withhold my consent to the householding program?

If you are a holder of record and share an address and last name with one or more holders of record, and you wish to continue to receive separate Annual Reports, Proxy Statements and other disclosure documents, you should withhold your consent by checking the appropriate box on the enclosed Proxy Card or Voting Instruction Form and returning it by mail in the enclosed envelope. *Even if you vote by telephone or Internet, the enclosed Proxy Card or Voting Instruction Form should be returned and marked appropriately to withhold your consent to householding.*

If you do not return the Proxy Card or Voting Instruction Form to withhold your consent to the householding program, you may revoke your consent at any future date. Please contact Broadridge, either by calling toll-free at 1-800-542-1061, or by writing to Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717. You will be removed from the householding program within 30 days of the receipt of the revocation of your consent, following which you will receive an individual copy of our disclosure documents.

If you are receiving multiple copies of the Annual Report and Proxy Statement at an address shared with another shareholder, you may also contact Broadridge as set forth above to participate in the householding program.

A number of brokerage firms have instituted householding. If you hold shares in street name, please contact your broker or other nominee to request information about householding.

SOLICITATION OF PROXIES

This Proxy Statement is being furnished on or about April 2, 2012, to the shareholders of Gentex Corporation as of the record date, in connection with the solicitation by the Board of Directors of the Company of Proxies to be used at the Annual Meeting of Shareholders to be held on Thursday, May 17, 2012, at 4:30 p.m. EDT, at The Pinnacle Center, 3330 Highland Drive, Hudsonville, Michigan.

Each shareholder as of the record date, as an owner of the Company, is entitled to vote on matters to come before the Annual Meeting. The use of Proxies allows a shareholder of the Company to be represented at the Annual Meeting if he or she is unable to attend in person.

There are four ways to vote your shares:

- 1) By Internet at <https://www.proxyvote.com>. *We encourage you to vote this way.*
- 2) By toll-free telephone (refer to your Proxy Card or Voting Instruction Form for the correct number).
- 3) By completing and mailing your Proxy Card or Voting Instruction Form.
- 4) By written ballot at the Annual Meeting.

If the form of Proxy accompanying this Proxy Statement is properly executed using any of the methods described above, the shares represented by the Proxy will be voted at the Annual Meeting of Shareholders and at any adjournment of the meeting. Where shareholders specify a choice, the Proxy will be voted as specified. If no choice is specified, the shares represented by Proxy will be voted *FOR* the election of all nominees named in the Proxy; *ABSTAIN* with respect to the proposal to amend the Restated Articles of Incorporation to declassify the Board of Directors; *AGAINST* the shareholder proposal requesting that the Board of Directors issue a sustainability report; *FOR* ratification of Ernst & Young LLP as the Company's auditors for the fiscal year ending December 31, 2012; *FOR* approval, on an advisory basis, of the compensation of the Company's named executive officers; and *FOR* approval of the 2012 Amended and Restated Nonemployee Director Stock Option Plan. These proposals are described in this Proxy Statement. A Proxy may be revoked prior to its exercise by (1) delivering a written notice of revocation to the Secretary of the Company, (2) delivery of a later-dated Proxy, including a telephone or Internet vote, or (3) attending the meeting and voting in person, as discussed above.

VOTING SECURITIES AND RECORD DATE

March 23, 2012, has been fixed by the Board of Directors as the record date for determining shareholders entitled to vote at the Annual Meeting. On that date, 144,129,782 shares of the Company's common stock, par value \$.06 per share, were issued and outstanding. Shareholders are entitled to one vote for each share of the Company's common stock registered in their names at the close of business on the record date. Abstentions and broker non-votes are counted for the purposes of determining the presence or absence of a quorum for the transaction of business. Abstentions and broker non-votes are not, however, counted in tabulations of votes cast on matters presented to shareholders, though the Board of Directors will consider abstentions in determining future actions.

ELECTION OF DIRECTORS

The Company's Restated Articles of Incorporation specify that the Board of Directors shall consist of at least six, but not more than nine members, with the exact number to be determined by the Board. The Board has currently set the number of directors at nine. At the present time, the Restated Articles of Incorporation specify that the Board be divided into three classes, with the classes to hold office for staggered terms of three years each. A proposal to declassify the Board of Directors will not impact the election of directors at the 2012 Annual Meeting, but could impact future director elections.

The majority of the members of the Company's Board of Directors qualify as independent directors as determined in accordance with the current listing standards of The NASDAQ Global Select Market (NASDAQ). Based on the current NASDAQ listing standards, the Company's Board has identified and affirmatively determined the following individuals have no material relationships with the Company other than as a director and are independent: Gary Goode, Arlyn Lanting, John Mulder, Richard Schaum, Wallace Tsuha, and James Wallace. In making its independence determinations, the Board considered the former employment and a former consulting arrangement of Mr. Mulder, and the former employment of Mr. Lanting. The Board determined that these circumstances do not interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Each of the current Board of Directors members (including the nominees for election as directors at the Annual Meeting) meet the required experience and qualifications set forth in the Company's Position Profile: Member of the Board of Directors, including, but not limited to, knowledge and experience working with an entrepreneurial company, high levels of personal and professional integrity, distinguished management careers, and the demonstrated or perceived ability to work efficiently as Board members. Combined with the other desirable characteristics and experience of such individuals, these individuals have the experience, qualifications, attributes, and/or skills which led the Nominating Committee to recommend such individuals to the Board for nomination for election to the Board and led the Board to conclude such individuals should be nominated for election to the Board.

The terms of current Board of Directors members, Fred Bauer, Gary Goode, and James Wallace expire upon the election of the directors to be elected at the 2012 Annual Meeting. The Board has (upon the recommendation of the Company's Nominating Committee) nominated Fred Bauer, Gary Goode, and James Wallace for election as directors at the Annual Meeting, each to serve a three-year term expiring in 2015. The Restated Articles of Incorporation currently require three-year terms.

Mr. Bauer has served as a director since 1981 and was most recently elected as a director by the Company's shareholders in 2009. Mr. Bauer, as a founder of the Company, offers a vast wealth of knowledge and experience with respect to the Company and the industries in which it operates that only comes with 35 years of dedicated service. Mr. Bauer thoroughly understands the Company's industries and has practical experience with the operational, engineering, administrative, and financial aspects of the Company, due to the many roles in which he has served the Company over the years. Mr. Bauer has overseen the Company's increase in market capitalization from approximately \$17 million at its initial public offering in 1981 to approximately \$3.5 billion as of March 23, 2012. Over the last five years alone, Mr. Bauer has presided over an increase in sales of over 75%. In addition, he is also the named inventor on a number of the Company's patents.

Mr. Goode has served as a director of the Company since 2003 and was most recently elected as a director by the Company's shareholders in 2009. As an audit committee financial expert, Mr. Goode provides the Board with financial reporting and accounting expertise. His many years of public accounting experience provided Mr. Goode the opportunity to work with a great variety of small and large companies, including public companies, in a broad array of industries (including automotive and technology companies). Such experience also allowed Mr. Goode to provide excellent perspective to the Board of Directors.

Mr. Wallace has served as a director since 2007 and was last elected by the shareholders of the Company in 2009. His experience in the information technology services industry offers the Board of Directors an understanding of evolving technologies, in addition to manufacturing expertise, especially while operating in an entrepreneurial environment.

Unless otherwise specifically directed by a shareholder's marking on the Proxy Card or Voting Instruction Form, or in directions given either via the Internet or telephone, the persons named as Proxy voters in the accompanying Proxy will vote for the nominees described above and below. If any of these nominees becomes unavailable, which is not now anticipated, the Board may designate a substitute nominee, under the recommendation of the Nominating Committee, in which case the accompanying Proxy will be voted for the substituted nominee. Proxies cannot be voted for a greater number of persons than the number of nominees named.

A plurality of votes cast by shareholders at the meeting is required to elect directors of the Company under Michigan law. Accordingly, the three nominees who receive the largest number of affirmative votes will be elected, regardless of the number of votes received. Notwithstanding the foregoing, the Company's Bylaws provide that if a director is elected by less than a majority of the votes cast, then such director shall promptly tender his or her resignation by written notice to the Board of Directors. Broker non-votes and votes withheld will not have a bearing on the outcome of the election (though the Nominating Committee and Board of Directors will consider abstentions in making future nominations). Votes will be counted by Inspectors of Election appointed by the presiding officer at the Annual Meeting.

The Board of Directors recommends a vote *FOR* the election of all persons nominated by the Board.

The content of the following table relating to age and business experience is based upon information furnished to the Company by the nominees and directors, as of March 1, 2012.

Name (Age) and

Position

**Business Experience Past Five Years
Nominees For Terms To Expire in 2015**

Fred Bauer (69)

Director since 1981

Mr. Bauer is the Chairman and Chief Executive Officer of Gentex Corporation, and he has held that position for more than five years. See above for more information on his experience, qualifications, attributes, and skills.

Gary Goode (67)

Director since 2003

Mr. Goode is the Chairman of Titan Distribution LLC, an Elkhart, Indiana, company that offers consulting and distribution services related to structural adhesives, and has held that position since 2004. He was previously employed at Arthur Andersen LLP (Andersen) for 29 years, including 11 years as the managing partner of its West Michigan practice, until his retirement in 2001. Mr. Goode is the Audit Committee Chairman at, and a director of, Universal Forest Products, Inc. He is the Chairman of the Company's Audit and Compensation Committees, and serves on the Company's Nominating Committee. Mr. Goode has affirmatively been identified as an independent director by the Board of Directors and as an audit committee financial expert. See above for more information on his experience, qualifications, attributes, and skills.

James Wallace (69)

Director since 2007

Mr. Wallace is Chairman of the Board of Cranel, Inc., a Columbus, Ohio, company that provides storage, imaging, and information technology services; data storage solutions; document imaging, storage, publishing, and duplication services; and support, to the storage and imaging industry. Previously, he served as President and Chief Executive Officer of Cranel, Inc. for more than five years. Mr. Wallace is the Chairman of the Company's Nominating Committee and serves on the Company's Compensation Committee. Mr. Wallace has affirmatively been identified as an independent director by the Board of Directors. See above for more information on his experience, qualifications, attributes, and skills.

Name (Age) and

Position

**Business Experience Past Five Years
Directors Whose Terms Expire in 2014**

Arlyn Lanting (71)
Director since 1981

Until its dissolution in 2007, Mr. Lanting served as the Vice President-Finance of Aspen Enterprises, Ltd., a Grand Rapids, Michigan, investment company. He held that position for more than five years. Mr. Lanting serves on the Company's Audit Committee. Mr. Lanting has affirmatively been identified as an independent director by the Board of Directors. Mr. Lanting's long-time service has demonstrated his ability to apply his breadth of business experience (ranging from startups to publicly-held companies) to the Company's particular circumstances, opportunities, and challenges. Mr. Lanting's past involvement with the public offering process and publicly-held companies provides insight to the issues (such as disclosure and market perception) that are part of being a publicly-held company. Mr. Lanting also offers experience and knowledge in investing issues.

Mark Newton (52)
Director since 2010

Mr. Newton is Senior Vice President of the Company. He joined the Company in 2004 as Advanced Lighting Developer and has held increasingly challenging management positions since then. He was promoted to: Photonics Engineering Manager in 2005; Vice President of Purchasing and Photonics in 2006; Vice President of Purchasing and Advanced Technology in 2007; Vice President of Electrical Engineering and Purchasing in 2008; and became an executive officer of the Company that year. He was further promoted to Senior Vice President of Electronics, Purchasing, and North American Sales in 2009 and to Senior Vice President in 2010. Mr. Newton knows and understands the global automotive industry and electronics technology, in addition to the entrepreneurial culture of the Company and its importance to the past and future success of the Company. Mr. Newton also has significant experience in optoelectronics and LED/lighting.

Richard Schaum (65)
Director since 2010

Mr. Schaum has been General Manager of 3rd Horizon Associates LLC, a technology assessment and development company, since May 2003. From October 2003 until June 2005, he was Vice President and General Manager of Vehicle Systems for WaveCrest Laboratories, Inc., a startup company involved in the commercialization of proprietary electric propulsion systems. Prior to that, for more than thirty years, he was with DaimlerChrysler Corporation, and its predecessor, Chrysler Corporation, most recently, from January 2000 until his retirement in March 2003, as Executive Vice President, Product Development, and General Manager of Powertrain Operations. His responsibilities over those years included product development, manufacturing, program management and quality. Mr. Schaum is a fellow of the Society of Automotive Engineers and served as its President from 2007 to 2008. Mr. Schaum has been affirmatively identified as an independent director by the Board of Directors. He is currently a director and a member of the Corporate Governance Committee of BorgWarner, Inc., a publicly-traded company that manufactures and sells technologies for engines and drive trains. He is also on the Board of Directors and is a member of the Audit and Compensation Committees of Sterling Construction, Inc., a heavy civil construction company with operations in Texas, Utah, Arizona, and California.

Mr. Schaum has extensive executive and management experience at all levels in a Fortune 100 company, and more recent experience with an entrepreneurial start-up company, as well as knowledge of, and interest in, corporate governance matters, gained on the board of a Fortune 500 company. In addition, his technical background and operating experience at all levels of management contribute to the breadth and depth of the Board's interactions and deliberations.

Name (Age) and

Position

**Business Experience Past Five Years
Directors Whose Terms Expire in 2013**

<p>John Mulder (75) Director since 1992</p>	<p>Mr. Mulder was the Vice President-Customer Relations of the Company from February 2000 to June 2002. Previously, he was Senior Vice President-Automotive Marketing of the Company from September 1998 to February 2000. Prior to September 1998, he was Vice President- Automotive Marketing of the Company for more than five years. Mr. Mulder has affirmatively been identified as an independent director by the Board of Directors. Mr. Mulder's overall understanding of the Company's primary industry and intimate knowledge of selling to automotive original equipment manufacturers provides valuable insight for the Board of Directors. His familiarity with the Company's core business principles and close relationships developed over the years with relevant decision makers at the Company's customers provide the Board with a unique perspective.</p>
<p>Frederick Sotok (77) Director since 2000</p>	<p>Mr. Sotok was Executive Vice President and Chief Operating Officer of Prince Corporation (manufacturer of automotive interior parts that was acquired by Johnson Controls in 1996) from October 1977 to October 1996. By virtue of Mr. Sotok's former executive position at a large automotive interior parts supplier, Mr. Sotok has a thorough understanding of the global automotive industry and the unique challenges faced by automotive suppliers, including both organizational and administrative issues. Mr. Sotok's 17 years of experience in manufacturing management at General Electric also provide the Board with manufacturing experience to draw upon.</p>
<p>Wallace Tsuha (68) Director since 2003</p>	<p>Mr. Tsuha is Chairman and Chief Executive Officer of Saturn Electronics & Engineering, Inc. in Rochester Hills, Michigan, which is a global supplier of automotive electronics, electrical wiring, and electro-mechanical products to OEMs and their first tier suppliers. Mr. Tsuha has held this position for more than five years. Mr. Tsuha serves on the Company's Audit and Compensation Committees. Mr. Tsuha has affirmatively been identified as an independent director by the Board of Directors. As the founder and CEO of a global supplier of automotive electronics, electrical wiring, and electromechanical products to automotive original equipment manufacturers, Mr. Tsuha understands the Company's primary industry and, especially the application of electronics technology to the automotive industry. Mr. Tsuha also offers race diversity.</p>

COMMON STOCK OWNERSHIP OF MANAGEMENT

The following table contains information with respect to ownership of the Company's common stock by all directors, nominees for election as directors, executive officers named in the tables under the caption EXECUTIVE COMPENSATION, and all directors and such executive officers as a group. The content of this table is based upon information supplied by the Company's named executive officers, directors and nominees for election as directors, and represents the Company's understanding of circumstances in existence as of March 1, 2012.

Name of Beneficial Owner	September 30, Amount and Nature of Ownership		September 30,
	Shares Beneficially Owned (1)	Exercisable Options (2)	Percent of Class
John Arnold	13,258	3,076	*
Fred Bauer	4,748,236	412,740	3.3%
Steve Dykman	35,520	18,534	*
Gary Goode	62,000	54,000	*
Enoch Jen	127,751	47,547	*
Arlyn Lanting	267,000	42,000	*
John Mulder	94,308(3)	12,000	*
Mark Newton	34,880	11,680	*
Richard Schaum	8,000	6,000	*
Frederick Sotok	37,348(4)	24,000	*
Wallace Tsuha	29,000	24,000	*
James Wallace	38,700	30,000	*
All directors and executive officers as a group (12 persons)	5,496,001	685,577	3.8%

* Less than one percent.

- (1) Except as otherwise indicated by footnote, each named person claims sole voting and investment power with respect to the shares indicated.
- (2) This column reflects shares subject to options exercisable within 60 days, and these shares are included in the column captioned Shares Beneficially Owned.
- (3) Includes 30,000 shares held in a trust established by Mr. Mulder's spouse, and Mr. Mulder disclaims beneficial ownership of these shares.
- (4) Includes 174 shares owned by Mr. Sotok's spouse through a partnership, and Mr. Sotok disclaims beneficial ownership of these shares.

COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table contains information with respect to ownership of the Company's common stock by persons or entities that are beneficial owners of more than five percent of the Company's voting securities as of December 31, 2011. The information contained in this table is based on information contained in Schedule 13G furnished to the Company.

Name and Address Of Beneficial Owner	September 30, Amount and Nature of Beneficial Ownership	September 30, Percent of Class
	Fidelity Management & Research Company (