

ARMSTRONG WORLD INDUSTRIES INC
Form DEF 14A
April 24, 2013
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SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

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

ARMSTRONG WORLD INDUSTRIES, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (check the appropriate box):

- No fee required.

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(1) Title of each class of securities to which transaction applies:

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(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:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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ARMSTRONG WORLD INDUSTRIES, INC.
2500 COLUMBIA AVE., LANCASTER, PA 17603
P.O. BOX 3001, LANCASTER, PA 17604

www.armstrong.com

Thomas M. Armstrong

Founder

1860

April 24, 2013

2013 ANNUAL MEETING OF SHAREHOLDERS

Dear Fellow Shareholders:

We look forward to your attendance virtually via the Internet, in person, or by proxy at the 2013 Armstrong World Industries, Inc. Annual Shareholders Meeting. We will hold the meeting at 8:00 a.m. Eastern Time on Friday, June 21, 2013.

Please refer to the proxy statement for detailed information on each of the matters to be acted on at the meeting. Your vote is important, and we strongly urge you to cast your vote. For most items, including the election of directors, your shares will not be voted if you do not provide voting instructions via the Internet, by telephone, or by returning a proxy or voting instruction card. We encourage you to vote promptly, even if you plan to attend the meeting.

On behalf of your Board of Directors, thank you for your continued support of Armstrong.

Very truly yours,

James J. O Connor

Chairman of the Board

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ARMSTRONG WORLD INDUSTRIES, INC.

NOTICE OF 2013 ANNUAL MEETING OF SHAREHOLDERS

TIME AND DATE 8:00 a.m. Eastern Time on Friday, June 21, 2013

ATTENDANCE Online at www.virtualshareholdermeeting.com/awi, or in person at 2500 Columbia Avenue, Lancaster, Pennsylvania 17603

RECORD DATE April 8, 2013

AGENDA

ITEMS

1. Election of the 12 directors named in this proxy statement
2. Ratification of selection of KPMG LLP as our independent registered public accounting firm for 2013

**BOARD RECOMMENDATION
FOR EACH DIRECTOR NOMINEE
FOR**

HOW TO VOTE

Please act as soon as possible to vote your shares, even if you plan to attend the annual meeting via the Internet or in person.

Your broker will not be able to vote your shares with respect to the election of directors and the ratification of our auditors unless you have given your broker specific instructions to do so. We strongly encourage you to vote.

You may vote via the Internet, by telephone, or, if you have received a printed version of these proxy materials, by mail.

*See **ADDITIONAL MEETING INFORMATION** on page 57 of this proxy statement for further information.*

ATTENDING THE MEETING

via the Internet:

Instructions on how to attend and participate via the Internet, including how to demonstrate proof of stock ownership, are posted at: www.virtualshareholdermeeting.com/awi.

in person:

Proof of Armstrong World Industries, Inc. stock ownership and photo identification will be required to attend the annual meeting.

Shareholders may vote and submit questions while attending the meeting on the Internet.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON JUNE 21, 2013: The Notice of Annual Meeting, this Proxy Statement and the Company's 2012 Annual Report are available at

www.proxyvote.com.

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2013 PROXY STATEMENT SUMMARY INFORMATION

The following is only a summary of information contained elsewhere in this proxy statement. You should read the entire proxy statement carefully before voting.

OUR BUSINESS

Armstrong World Industries, Inc. (we, our, us, Armstrong, and the Company) is a global leader in the design and manufacture of floors and ceilings. As of December 31, 2012, we operated 32 plants in eight countries and had approximately 8,500 employees worldwide. For more information about our business, please see the Business and Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on February 27, 2013.

2012 BUSINESS HIGHLIGHTS

Financial Performance

The financial metrics that the Management Development and Compensation Committee (the Compensation Committee) of our Board of Directors (the Board) used to measure and compensate annual performance in 2012 were: earnings before interest, taxes, depreciation, and amortization (EBITDA); and free cash flow (FCF). On a continuing operations basis, we earned \$400.1 million in adjusted EBITDA on sales of \$2.6 billion, an increase of \$26 million, or 7%, over 2011, despite global volume declines of 3.5%. This 15.3% EBITDA margin represented a record for us since our emergence from Chapter 11 in 2006 (Emergence). We achieved \$89 million of FCF, which was lower than 2011, primarily due to higher capital expenditures and changes in working capital. The Compensation Committee measures and compensates long-term performance based on improvements in return on invested capital (ROIC). In 2012, our unadjusted ROIC, on a continuing operations basis, was 9.8%, an increase of 220 basis points over 2011 and a record since Emergence. Please refer to Annex A for a reconciliation of the Adjusted EBITDA and FCF amounts to U.S. generally accepted accounting principles (GAAP).

Operations

We made significant progress with respect to several strategic operational initiatives. During 2012 we:

received approval to build, and began construction of, our first mineral fiber ceilings plant in Russia;

continued construction of three plants in China: a homogeneous flooring plant (*completed March 2013*), a heterogeneous flooring plant, and a ceilings plant (*completed March 2013*);

completed construction of our mineral wool ceilings plant in Millwood, West Virginia; and

opened a ceiling distribution center in Russia, allowing customers to buy directly from us.

Corporate Transactions

We took several actions within our control to drive profitable growth and create shareholder value. During 2012, we:

refinanced our credit facility, extended maturities, and raised \$250 million of additional debt;

paid a special cash dividend of \$500 million (\$8.55 per share) to our shareholders;

exited non-core businesses through the divestitures of our cabinets and wood floor distribution businesses; and

delivered the remaining \$50 million of our \$200 million cost reduction program.

Table of Contents**2012 CORPORATE GOVERNANCE HIGHLIGHTS**

Our Board oversees and counsels management consistent with the best interests of the Company and our shareholders. In 2012, our Board was actively engaged in business strategy development, risk oversight and succession planning. In addition, during 2012:

all but one of our directors, our Chief Executive Officer (CEO), were considered independent under New York Stock Exchange (NYSE) listing standards and our Corporate Governance Principles;

only directors who met the heightened standards of independence imposed by us under our Amended and Restated Articles of Incorporation (Articles) and Bylaws served on the Board's three standing committees: the Audit Committee; the Compensation Committee; and the Nominating and Governance Committee (the Governance Committee); and each member of our Audit Committee and Compensation Committee also meet the applicable heightened independence requirements under the NYSE listing standards; and

all of our directors attended at least 75% of the meetings of the Board and the standing committees on which they served during 2012; and average attendance of all directors during 2012 was 96%.

2012 EXECUTIVE COMPENSATION HIGHLIGHTS

With continued stability at the named executive officer (NEO or Named Executive Officer) level, as well as other direct reports to the CEO, the Compensation Committee did not make any significant changes to executive compensation design or increase the base salaries of the NEOs in 2012. The Compensation Committee again determined that EBITDA and FCF were the most suitable metrics for measuring and compensating annual performance. The Compensation Committee also determined that a mix of non-qualified stock options and performance-based restricted stock units (weighted 60% and 40%, respectively) continued to be appropriate for long-term incentive compensation awards to the NEOs, and maintained ROIC as the performance metric to determine achievement for the latter. Notwithstanding the achievements described above, our 2012 results were below the applicable Management Achievement Plan (MAP) target levels and resulted in payouts of 64% of target for Messrs. Espe, Mangas, Grizzle and Maier, and 69% of target for Mr. Ready. The table below summarizes total direct compensation awarded to our NEOs during 2012.

Named Executive Officer	2012 Base Salary	2012 Annual Incentive Award	2012 Long-Term Incentive Award Value ¹	Total Direct Compensation
Matthew J. Espe	\$ 980,000	\$ 627,200	\$ 3,000,020	\$ 4,607,220
Thomas B. Mangas	\$ 500,000	\$ 240,000	\$ 2,000,027 ²	\$ 2,740,027
Frank J. Ready	\$ 500,000	\$ 258,800	\$ 2,000,027 ²	\$ 2,758,827
Victor D. Grizzle	\$ 450,000	\$ 216,000	\$ 810,062	\$ 1,476,062
Donald R. Maier	\$ 400,000	\$ 128,000	\$ 600,006	\$ 1,128,006

¹ Amounts represent the aggregate grant date fair value for long-term incentive equity awards granted in 2012, as calculated under the Financial Accounting Standards Board's Accounting Standards Codification Topic 718. Under ASC Topic 718, the grant date fair value is calculated using the closing market price of our common stock on the date of the grant.

² Amount includes non-qualified stock options granted in May 2012 for retention purposes, with a grant date fair value of \$1,000,000.

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PROPOSED SHAREHOLDER ACTIONS

Election of Directors (Item 1)

You will find information about the qualifications and experience of each of the director nominees who you are being asked to elect. The Governance Committee performs an annual assessment to see that your directors have the skills and experience to effectively oversee the Company.

Ratification of the Appointment of Independent Registered Public Accounting Firm (Item 2)

The Audit Committee has appointed KPMG LLP as the Company's independent registered public accounting firm (independent auditor) for 2013. We are not required to have shareholders ratify the selection of KPMG LLP as our independent auditor. We nonetheless are doing so because we believe it is a matter of good corporate practice. If shareholders do not ratify the selection, the Audit Committee will reconsider whether to retain KPMG LLP, but may retain such independent auditor.

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Armstrong World Industries, Inc.

PROXY STATEMENT

This proxy statement was prepared under the direction of our Board to solicit your proxy for use at the annual meeting. This proxy statement and the related materials are first being distributed to shareholders on or about April 29, 2013.

ITEM 1 ELECTION OF DIRECTORS

On the recommendation of the Governance Committee, our Board has nominated the 12 persons listed below to serve as directors. Our nominees include 11 independent directors, as determined in accordance with the NYSE listing standards and our Corporate Governance Principles. The twelfth nominee is our CEO, Matthew J. Espe. Each director nominee's term would, if elected, run from the date of his election until our next annual shareholders' meeting, or until his successor, if any, is elected or appointed. We have no reason to believe that any of the nominees will be unwilling or unable to serve if elected.

Director Criteria, Qualifications and Experience

The Governance Committee performs an assessment of the qualifications and experience needed to properly oversee the interests of the Company. In doing so, the Governance Committee considers alignment of qualifications and skill sets with our business and strategy to be critical to creating a Board that adds value for the shareholders. While the Board does not have a formal diversity policy with respect to director nominations, it believes that a Board composed of individuals with diverse attributes and backgrounds enhances the quality of the Board's deliberations and decisions. The Board has an expansive view of diversity, going beyond the traditional concepts of race, gender and national origin. The Board believes that the diversity of viewpoints, educational backgrounds, and differences in professional experiences and expertise represented on the Board evidences diversity in many respects. The Board believes that this diversity, coupled with the personal and professional ethics, integrity and values of all of the directors, results in a Board that can guide the Company with thoughtful and sound business judgment.

The Governance Committee expects each of the Company's directors to have proven leadership, sound judgment, integrity and a commitment to the success of the Company. In evaluating director candidates and considering incumbent directors for nomination to the Board, the Governance Committee considers a variety of factors. These include each nominee's independence, financial literacy, personal and professional accomplishments, and experience in light of the needs of the Company. For incumbent directors, the factors also include past performance on the Board and contributions to their respective committees. With respect to the Board's slate of director nominees, the Board has also considered whether the slate, taken as a whole, has representatives with the requisite skills and qualifications. The biographies included in the Director Nominees' section on page 5 highlight our Board members' skills and experience.

Other Criteria/Factors

Under the terms of a Shareholders' Agreement ("Shareholders Agreement") between the Armstrong World Industries, Inc. Asbestos Personal Injury Settlement Trust ("Trust") and Armor TPG Holdings, L.P., a Delaware limited partnership ("Armor TPG"), dated as of August 28, 2009, the Trust and Armor TPG agreed to take all necessary action to cause the Board to include two persons nominated by the Trust and, subject to certain conditions, two persons nominated by Armor TPG. The directors selected by Armor TPG who are currently serving on the Board under the Shareholders Agreement are Kevin R. Burns and Jeffrey Liaw. The directors selected by the Trust who are currently serving on the Board under this provision are Michael F. Johnston and Richard E. Wenz.

Table of Contents**Director Nominees**

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR ALL OF THE NOMINEES IDENTIFIED BELOW.

Name	Age	Director Since	Committee(s)	Independent*
Stan A. Askren	52	2008	MDCC [^]	ü
Kevin R. Burns	49	2009		ü
Matthew J. Espe	54	2010		
James J. Gaffney	72	2006	NGC [^] , MDCC	ü
Tao Huang	50	2010	AC	ü
Michael F. Johnston	65	2010		ü
Jeffrey Liaw	36	2012		ü
Larry S. McWilliams	57	2010	AC, MDCC	ü
James C. Melville	61	2012	MDCC	ü
James J. O Connor (<i>Chair</i>)	76	2007	NGC	ü
John J. Roberts	68	2006	AC [^] , NGC	ü
Richard E. Wenz	63	2010		ü

Committees: AC (Audit); MDCC (Management Development & Compensation); NGC (Nominating & Governance)

* As defined in NYSE listing standards and our Corporate Governance Principles

[^] Denotes Chair of the Committee

All nominees currently serve as directors. Information concerning the nominees is provided below:

Stan A. Askren

Age 52

Director since October 2008

Mr. Askren has been Chairman and CEO of HNI Corporation since 2004, and President since 2003. Previously, he was Executive Vice President of HNI Corporation from 2001 to 2003. HNI Corporation is the second largest office furniture manufacturer in the world and the nation's leading manufacturer and marketer of hearth products. Mr. Askren has also worked in several industries and previously held multiple executive management and general management positions with Emerson Electric, Thomson S.A. and HNI Corporation. In November, 2012, Mr. Askren was appointed to the board of directors of Arctic Cat Inc., a publicly held designer, engineer and manufacturer of all-terrain vehicles and snowmobiles. Mr. Askren also serves on the board of directors of the Business and Institutional Furniture Manufacturers Association International, and is currently President of the Iowa Business Council. Mr. Askren is also active in numerous local and civic organizations and their boards. Mr. Askren received a bachelor's degree in Business from University of Northern Iowa, an MBA from Washington University, and completed the Advanced Management Program at Harvard University. Mr. Askren brings public company senior management, manufacturing, sales and distribution expertise to our Board.

Kevin R. Burns

Age 49

Director since September 2009

Mr. Burns has been a Partner in the Operations Group of TPG Capital (TPG), a leading global investment firm, since 2003. In March 2008, Mr. Burns became the Partner in Charge of TPG's Manufacturing/Industry Sector. Prior to joining TPG, Mr. Burns served as Executive Vice President and Chief Materials Officer of Solectron Corporation from 1998 to 2003. Mr. Burns previously served as a member of the board of directors of Graphic Packaging Holding Company, a publicly held provider of packaging solutions for consumer products companies (2009 to 2011). Mr. Burns also serves on the boards of directors of the following privately held companies:

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American Tire Distributors, Inc. (since 2010); Freescale Semiconductor Holdings I, Ltd. (since 2008); Isola Group Ltd. (since 2011); and Nexeo Solutions Holdings, LLC (since 2011). Mr. Burns received a B.S. degree in Mechanical and Metallurgical Engineering (cum laude) from The University of Connecticut and an MBA from the Wharton School of Business. Mr. Burns brings private investment firm experience and manufacturing operations and financial expertise to our Board.

Matthew J. Espe

Age 54

Director since August 2010

Mr. Espe has been our CEO and President since he joined the Company in July 2010. Previously, Mr. Espe was Chairman and CEO of Ricoh Americas Corporation, a subsidiary of Ricoh Company, Ltd., a leading provider of document management solutions and services. Prior to that role, Mr. Espe was Chairman of the board of directors and CEO (2002 to 2008) of IKON Office Solutions, Inc. (IKON), an office equipment distributor and services provider, which was acquired by Ricoh in 2008. Mr. Espe joined IKON in 2002. Prior to joining IKON, he was employed by General Electric for 22 years. Mr. Espe also serves on the board of directors of Unisys Corporation, a publicly held worldwide information technology company (since 2004), as chairman of the finance committee and a member of the audit committee. Mr. Espe previously served as a director of Graphic Packaging Holding Company, a publicly held provider of packaging solutions for consumer products companies (2009 to 2010). Mr. Espe received a bachelor's degree from the University of Idaho and an MBA from Whittier College. Mr. Espe's intimate knowledge of our Company, gained through his service as our CEO and President, enables him to provide our Board with important insights regarding our operations, strategic planning and senior management personnel matters. As a result of his long tenure as chairman and CEO at Ricoh Americas and IKON, and his senior executive experience at General Electric, Mr. Espe offers management experience, leadership capabilities and business acumen to our Board.

James J. Gaffney

Age 72

Director since October 2006

From 1997 to 2003, Mr. Gaffney was a consultant to GS Capital Partners, II, LP, a private investment fund affiliated with Water Street Corporate Recovery Fund I, LP and Goldman, Sachs & Co., and other affiliated investment funds. From 1995 to 1997, Mr. Gaffney served as Chairman of the board of directors and CEO of General Aquatics, Inc., composed of companies involved in the manufacturing of swimming pool equipment and pool construction. Mr. Gaffney was President and CEO of KDI Corporation, a conglomerate with companies involved in swimming pool construction and manufactured products (1993 to 1995). Mr. Gaffney serves on the boards of directors of the following publicly held companies: Pool Corporation, a distributor of swimming pool supplies, equipment and related leisure products and a distributor of irrigation and landscape products (since 1998), and Beacon Roofing Inc., a distributor of residential and non-residential roofing materials (since 2004). Mr. Gaffney also serves on the board of directors of C&D Technologies, Inc. (since December 2010), which went private in 2012. Mr. Gaffney previously served on the boards of directors of World Color Press Inc. (f/k/a Quebecor World Inc.) (2009 to 2010) and Imperial Sugar Company (2001 to 2012; Chairman 2003 to 2012). Mr. Gaffney received a bachelor's degree from St. John's University and an MBA from the New York University Stern School of Business. Mr. Gaffney offers our Board broad business experience, ranging from investment fund consulting to manufacturing to corporate reorganizations.

Tao Huang

Age 50

Director since 2010

Mr. Huang was previously the Chief Operating Officer of Morningstar, Inc., a leading independent provider of investment research, until his retirement in December 2010. Mr. Huang spent almost 20 years with Morningstar, taking on increasing levels of responsibility from his start as an entry level technical programmer. He was named

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Director of Technology in 1992 and Chief Technology Officer in 1996; he started Morningstar's International Operation in 1998, held the position of President of International Division until 2000; he was promoted as the Company's Chief Operating Officer in October 2000 and served in this position until his retirement. Mr. Huang led Morningstar initiatives enabling significant growth, both organically and through acquisition, and oversaw continuous improvements in the operations of the firm's core businesses. Mr. Huang earned a bachelor's degree from Hunan University, China. He received an MS degree from Marquette University and an MBA from the University of Chicago. Mr. Huang brings to our Board expertise developed from his experience in a data-intense and technology-driven organization managing growth and integration of acquisitions, as well as experience in international operations.

Michael F. Johnston

Age 65

Director since 2010

Mr. Johnston was previously with Visteon Corporation, an automotive components supplier, until 2008. At Visteon, he served as Chairman of the board of directors, CEO, President, and Chief Operating Officer at various times from 2000 to 2008. Before joining Visteon, Mr. Johnston held various positions in the automotive and building services industry, including serving as President, North America/Asia Pacific for Johnson Controls' Automotive Systems Group. Mr. Johnston also serves as a member of the boards of directors of the following publicly held companies: Whirlpool Corporation, a leading manufacturer and marketer of major home appliances (since 2003), serving as Presiding Director, Chairman of its corporate governance and nominating committee and a member of its audit committee; Flowserve Corporation, a leading provider of flow control products and services for the global infrastructure markets (since 2007, until May 2013), serving also as the Chairman of the corporate governance and nominating committee and a member of the finance committee; and Dover Corporation, a diversified global manufacturer (since February 2013). Mr. Johnston received a bachelor's degree from the University of Massachusetts and an MBA from Michigan State University. Mr. Johnston offers our Board particular knowledge and experience in manufacturing and design, innovation, and engineering.

Jeffrey Liaw

Age 36

Director since 2012

Mr. Liaw is the Chief Financial Officer of FleetPride, Inc., a nationwide supplier of heavy-duty truck and trailer parts. Prior to joining FleetPride in December 2012, Mr. Liaw was a principal of TPG for seven years and was active in TPG's energy and industrial investing practice areas. Before joining TPG in 2005, Mr. Liaw was an associate at Bain Capital, a private equity investment firm, in its Industrials practice. Mr. Liaw previously served as a member of the board of directors of Graphic Packaging Holding Company, a publicly held provider of packaging solutions for consumer products companies (2008 to January 2013), and served as a member of its nominating and corporate governance committee. Mr. Liaw is also a member of the board of directors of Oncor Electric Delivery Company, LLC, a privately held company. Mr. Liaw served as an observer to our Board on TPG's behalf from 2009 until June 2012, at which time he was elected as a member of our Board. Mr. Liaw received a bachelor's degree from The University of Texas at Austin and an MBA from Harvard Business School, where he was a Baker Scholar and a Siebel Scholar. In addition to his financial expertise and experience working with a broad range of manufacturing companies, Mr. Liaw possesses intimate knowledge of the Company that he gained through his role as a Board observer for Armor TPG.

Larry S. McWilliams

Age 57

Director since 2010

Mr. McWilliams was previously the President and CEO of Keystone Foods, a producer of proteins, from May 2011 to May 2012. From April 2011 to June 2011, Mr. McWilliams served as Chief Operating Officer of Keystone Foods, and from May 2005 to October 2010, he served as a Senior Vice President at Campbell Soup.

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Company and subsequently became the President of Campbell International, responsible for all of Campbell Soup's business in Europe, Latin America and Asia Pacific. Mr. McWilliams joined Campbell Soup in March 2001 as Senior Vice President Sales and Chief Customer Officer, overseeing the company's relationships with its global retail partners. In April 2003, he assumed the position of President North America Soup. Mr. McWilliams was named Senior Vice President and President Campbell USA in March 2004. Prior to Campbell Soup, Mr. McWilliams held positions at Coca-Cola from 1995 to 2001 and the Pillsbury Company from 1993 to 1995. Mr. McWilliams also serves on the board of directors of Godiva Chocolatiers International, a privately held company (since 2012). Mr. McWilliams formerly served on the Board of Governors of St. Josephs University Food Marketing Council and the Grocery Manufacturers Association's Industry Affairs Council. Mr. McWilliams received a bachelor's degree from Texas A&M University. Mr. McWilliams offers our Board leadership capabilities and experience, as well as extensive knowledge of sales, marketing, customer service relationships, international markets and distribution channels.

James C. Melville

Age 61

Director since 2012

Mr. Melville is a member of the Minneapolis-based law firm of Kaplan, Strangis and Kaplan, P.A., where he has practiced in the corporate, governance, mergers and acquisitions, securities and financial areas since 1994. Prior to joining Kaplan, Strangis and Kaplan, P.A., Mr. Melville practiced with Dorsey and Whitney in their Minneapolis and London, England offices. Mr. Melville previously served as a member of our Board from September 2009 until July 2010. Mr. Melville presently serves as a member of the board of directors of the Minnesota Orchestral Association and is also active in numerous local and civic organizations and their boards. Mr. Melville served as an observer of our Board on the Trust's behalf from August 2010 until February 2012. Mr. Melville received a bachelor's degree and an MBA from the University of Minnesota and received a J.D. from the William Mitchell College of Law. Mr. Melville brings extensive knowledge of the law and corporate governance matters, international experience and financial acumen to our Board. He has also gained intimate knowledge of the Company through his prior service on the Board and his prior role as a Board observer for the Trust.

James J. O Connor

Age 76

Director since February 2007

Mr. O Connor is a Retired Chairman of the Board and CEO of Unicom Corporation. Mr. O Connor joined Commonwealth Edison Company in 1963, became President in 1977, a director in 1978 and Chairman and Chief Executive in 1980. In 1994, Mr. O Connor was also named Chairman and CEO of Unicom Corporation, which then became the parent company of Commonwealth Edison Company, from which he retired in 1998. Mr. O Connor previously served on the boards of directors of: Trizec Properties, Inc. (2003 to 2006); Corning, Inc. (1984 to 2011); Smurfit Stone Container Corporation (2000 to 2011); and United Continental Holdings, Inc. (1984 to 2012). Mr. O Connor received his bachelor's degree from the College of Holy Cross, an MBA from Harvard University and a J.D. from Georgetown Law School. Mr. O Connor has a broad business background, having served in senior executive positions with large companies and on the boards of companies as diverse as a utility company, an industrial manufacturing company and an airline. Mr. O Connor also offers our Board extensive knowledge and expertise in leadership, management and in board practices of other major corporations.

John J. Roberts

Age 68

240

\$0.0987

7/6/10

10	
\$0.0983	7/6/10
240	
\$0.0984	7/6/10
960	
\$0.0961	7/6/10
4,100	
\$0.0960	7/6/10
180	
\$0.0955	7/6/10
100	
\$0.0956	7/6/10
500	
\$0.0951	7/6/10
18,610	
\$0.0950	7/7/10
8,000	
\$0.0605	7/7/10
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1,000

\$0.0650

7/7/10

500

\$0.0603

7/7/10

40,500

\$0.0600

7/8/10 20,000 \$0.082 7/8/10 3,000 \$0.08 7/8/10 2,000 \$0.084 7/9/10 1,000 \$0.09 7/9/10 500
\$0.0875 7/9/10 23,500 \$0.085
