

SIMPSON MANUFACTURING CO INC /CA/  
Form PRER14A  
March 28, 2017

**PRELIMINARY PROXY STATEMENT — SUBJECT TO COMPLETION DATED MARCH 28, 2017**

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

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SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934  
(Amendment No. 1)

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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

Simpson Manufacturing Co., Inc.  
(Name of Registrant as Specified In Its Charter)

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

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**PRELIMINARY COPY — SUBJECT TO COMPLETION DATED MARCH 28, 2017**

SIMPSON MANUFACTURING CO., INC.

5956 W. Las Positas Blvd.  
Pleasanton, California 94588

Dear Shareholders:

I cordially invite you to attend the 2017 Annual Meeting of Shareholders (the “2017 Annual Meeting”) of Simpson Manufacturing Co., Inc. (the “Company” or “Simpson”), to be held at 10:00 a.m., Pacific Daylight Time, on Tuesday, May 16, 2017, at our home office located at 5956 W. Las Positas Blvd., Pleasanton, California, 94588.

At the 2017 Annual Meeting, the Company’s board of directors (the “Board”) is recommending three highly qualified and experienced nominees for election to the Board at the 2017 Annual Meeting: Karen Colonias, our CEO, Celeste Volz Ford, the CEO of an established aerospace company, who joined the Board in 2014, and Michael A. Bless, a new director candidate and CEO with top-executive and long-term operating experience in a related industry. The Board is soliciting you to take the following actions and vote your shares of our common stock on the following proposals submitted for the 2017 Annual Meeting in the manner as recommended below:

| <b>Proposal No.</b> | <b>Solicited Actions</b>   | <b>Board Recommendation</b>    |
|---------------------|--|--------------------------------|
| 1                   | Elect three directors, each to hold office until the next annual meeting or until his or her successor has been duly elected and qualified | For the Board’s three nominees |
| 2                   | Approve our amended Executive Officer Cash Profit Sharing Plan   | For                            |
| 3                   | Ratify the appointment of Grant Thornton LLP as the Company’s independent registered public accounting firm for the current fiscal year    | For                            |
| 4                   | Approve, on an advisory basis, the compensation of our named executive officers  | For                            |
| 5                   | Approve, on an advisory basis, the frequency of future advisory votes on the compensation of our named executive officers                  | 1 Year                         |
| 6                   | Vote on a non-binding shareholder proposal to declassify the Board, if properly presented at the 2017 Annual Meeting                       | Against                        |

The accompanying materials include the Notice of Annual Meeting of Shareholders and Proxy Statement, which provide detailed information about the matters to be considered at the 2017 Annual Meeting. It is important that your shares be represented at the 2017 Annual Meeting whether or not you are personally able to attend. Even if you plan to attend the 2017 Annual Meeting, we hope that you will read the enclosed Notice of Annual Meeting of Shareholders and Proxy Statement and the voting instructions on the enclosed **WHITE** proxy card. We urge you to vote TODAY by completing, signing and dating the **WHITE** proxy card and mailing it in the enclosed, postage pre-paid envelope, or vote by telephone or the Internet by following the instructions on the **WHITE** proxy card. If your shares are not registered in your own name and you would like to attend the 2017 Annual Meeting, please ask the broker, bank or other nominee that holds the shares to provide you with evidence of your share ownership.

As you may know, Iron Compass Partners, LP, together with certain of its affiliates (“Iron Compass”), has notified the Company of its intention to nominate one individual for election as our director at the 2017 Annual Meeting in opposition to the nominees recommended by the Board. You may receive proxy solicitation materials from Iron Compass. The Company is not responsible for the accuracy of any information provided by or relating to Iron Compass or its nominee contained in solicitation materials filed or disseminated by or on behalf of Iron Compass or any other statements that Iron Compass may make. The Board does NOT endorse the Iron Compass nominee and strongly and unanimously recommends that you NOT sign or return any proxy card sent to you by Iron Compass. If you have previously voted using a proxy card sent to you by Iron Compass, you can subsequently revoke that proxy

by following the instructions on the enclosed **WHITE** proxy card to vote over the Internet or by telephone or by completing, signing and dating the proxy card and mailing it in the postage pre-paid envelope provided. Only your latest dated proxy will count. Any proxy may be revoked at any time prior to its exercise at the 2017 Annual Meeting as described in the accompanying Proxy Statement.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE **FOR** THE ELECTION OF EACH OF THE BOARD'S NOMINEES ON PROPOSAL 1 USING THE ENCLOSED **WHITE** PROXY CARD.

THE BOARD UNANIMOUSLY RECOMMENDS VOTING **FOR** PROPOSALS 2, 3, AND 4, FOR **1 YEAR** ON PROPOSAL 5, AND **AGAINST** PROPOSAL 6, USING THE ENCLOSED **WHITE** PROXY CARD.

THE BOARD URGES YOU **NOT** TO SIGN, RETURN OR VOTE ANY PROXY CARD SENT TO YOU BY IRON COMPASS.

We appreciate your continued interest in the Company. We look forward to greeting you in person at the 2017 Annual Meeting and meeting as many of our shareholders as possible. If you have any questions or require any assistance with voting your shares, or if you need additional copies of the proxy materials, please contact:

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, NY 10005  
Please Call Toll Free: (888) 869-7406  
Email: simpson@dfking.com

Regardless of the number of shares of common stock of the Company that you own, your vote is important. Thank you for your continued support, interest and investment in Simpson.

Very truly yours,

Brian J. Magstadt  
Secretary

Pleasanton, California

[•], 2017

The enclosed Notice of Annual Meeting of Shareholders and Proxy Statement are first being made available to shareholders of record as of [•], 2017 on or about [•], 2017.

**PRELIMINARY COPY — SUBJECT TO COMPLETION DATED MARCH 28, 2017**

SIMPSON MANUFACTURING CO., INC.

5956 W. Las Positas Blvd.  
Pleasanton, California 94588

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held on May 16, 2017

To the Shareholders of Simpson Manufacturing Co., Inc.:

NOTICE IS HEREBY GIVEN that the 2017 Annual Meeting of Shareholders (the “2017 Annual Meeting”) of Simpson Manufacturing (the “Company” or “Simpson”) will be held at 10:00 a.m., Pacific Daylight Time, on Tuesday, May 16, 2017, at our home office located at 5956 W. Las Positas Blvd., Pleasanton, California, 94588 for the following purposes, as more fully described in the accompanying proxy statement:

1. To elect three directors, each to hold office until the next annual meeting or until his or her successor has been duly elected and qualified (“Proposal 1”);
2. To approve the Company’s amended Executive Officer Cash Profit Sharing Plan (“Proposal 2”);
3. To ratify the Board’s selection of Grant Thornton LLP as the Company’s independent registered public accounting firm for the current fiscal year (“Proposal 3”);
4. To approve, on an advisory, non-binding basis, the compensation of the Company’s named executive officers (“Proposal 4”);
5. To approve, on an advisory, non-binding basis, the frequency of future advisory votes on the compensation of the Company’s named executive officers (“Proposal 5”);
6. To vote on a non-binding shareholder proposal to declassify the Board (“Proposal 6”), if properly presented at the 2017 Annual Meeting; and
7. To transact such other business properly brought before the 2017 Annual Meeting in accordance with the provisions of our Certificate of Incorporation and Bylaws.

Only shareholders of record as of [•], 2017 are entitled to notice of and will be entitled to vote at the 2017 Annual Meeting or any postponement or adjournment thereof. Such shareholders are urged to submit a **WHITE** proxy card as enclosed, even if your shares were sold after such date. If your brokerage firm, bank, broker-dealer or other similar organization is the holder of record of your shares (i.e., your shares are held in “street-name”), you will receive voting instructions from the holder of record. You must follow these instructions in order for your shares to be voted. We recommend that you instruct your broker or other nominee, by following those instructions, to vote your shares for the enclosed **WHITE** proxy card.

Proposal 1 relates to the election as directors of the persons nominated by the Board and does not include any other matters relating to the election of directors. Iron Compass Partners, LP, together with certain of its affiliates (“Iron Compass”), has notified us that Iron Compass intends to nominate one individual for election as our director at the 2017 Annual Meeting in opposition to the nominees recommended by the Board.

THE BOARD DOES NOT ENDORSE THE IRON COMPASS NOMINEE AND STRONGLY RECOMMENDS THAT YOU NOT SIGN OR RETURN ANY PROXY CARD SENT TO YOU BY IRON COMPASS. If you have previously voted using a proxy card sent to you by Iron Compass, you can subsequently revoke that proxy by following the instructions on the **WHITE** proxy card to vote over the Internet or by telephone or by completing, signing and dating the enclosed **WHITE** proxy card and mailing it in the postage pre-paid envelope provided. Only your latest dated proxy will count.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE **FOR** THE ELECTION OF EACH OF THE BOARD'S NOMINEES ON PROPOSAL 1 USING THE ENCLOSED **WHITE** PROXY CARD.

THE BOARD UNANIMOUSLY RECOMMENDS VOTING **FOR** PROPOSALS 2, 3, AND 4, **FOR 1 YEAR** ON PROPOSAL 5, AND **AGAINST** PROPOSAL 6, USING THE ENCLOSED **WHITE** PROXY CARD.

THE BOARD URGES YOU **NOT** TO SIGN, RETURN OR VOTE ANY PROXY CARD SENT TO YOU BY IRON COMPASS.

All shareholders are cordially invited to attend the 2017 Annual Meeting in person. In accordance with our security procedures, all persons attending the 2017 Annual Meeting will be required to present a form of government-issued picture identification. If you hold your shares in "street-name", you must also provide proof of ownership (such as recent brokerage statement). If you are a holder of record and attend the 2017 Annual Meeting, you may vote by ballot in person even if you have previously returned your proxy card. If you hold your shares in "street-name" and wish to vote in person, you must provide a "legal proxy" from your bank or broker.

Please note that, even if you plan to attend the 2017 Annual Meeting, we recommend that you vote using the enclosed **WHITE** proxy card prior to the 2017 Annual Meeting to ensure that your shares will be represented.

BY ORDER OF THE BOARD OF DIRECTORS,

Brian J. Magstadt  
Secretary

Pleasanton, California

[•], 2017

**IMPORTANT**

TO ASSURE THAT YOUR SHARES ARE REPRESENTED AT THE 2017 ANNUAL MEETING, WE URGE YOU TO COMPLETE, DATE AND SIGN THE ENCLOSED **WHITE** PROXY CARD AND MAIL IT PROMPTLY IN THE POSTAGE-PAID ENVELOPE PROVIDED, OR VOTE BY TELEPHONE OR THE INTERNET AS INSTRUCTED ON THE **WHITE** PROXY CARD, WHETHER OR NOT YOU PLAN TO ATTEND THE 2017 ANNUAL MEETING. YOU CAN REVOKE YOUR PROXY AT ANY TIME BEFORE THE PROXIES YOU APPOINTED CAST YOUR VOTES.

If you have any questions or need any assistance in voting your shares by proxy, please contact our proxy solicitor:

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, NY 10005  
Please Call Toll Free: (888) 869-7406  
Email: simpson@dfking.com

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2017 ANNUAL MEETING: THE PROXY STATEMENT FOR THE 2017 ANNUAL MEETING AND THE ANNUAL REPORT TO SHAREHOLDERS ON FORM 10-K ARE AVAILABLE FREE OF CHARGE AT [\[HTTP://WWW.FCRVOTE.COM/SSD\]](http://www.fcrvote.com/ssd).



The Notice of Annual Meeting of Shareholders and the attached Proxy Statement are first being made available to shareholders of record as of [•], 2017 on or about [•], 2017.

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**PRELIMINARY PROXY STATEMENT — SUBJECT TO COMPLETION DATED MARCH 28, 2017**

SIMPSON MANUFACTURING CO., INC.

5956 W. Las Positas Blvd.

Pleasanton, California 94588

**PROXY STATEMENT**

For the Annual Meeting of Shareholders

To Be Held on May 16, 2017

[•], 2017

This proxy statement (the “Proxy Statement”) is being furnished in connection with the solicitation of proxies by the Board of Directors (the “Board of Directors” or the “Board”) of Simpson Manufacturing Co., Inc. (the “Company” or “Simpson”), to be held at 10:00 a.m., Pacific Daylight Time, on Tuesday, May 16, 2017, at our home office located at 5956 W. Las Positas Blvd., Pleasanton, California, 94588, and at any postponement or adjournment thereof (the “2017 Annual Meeting”). The 2017 Annual Meeting is being held for the purposes set forth in this Proxy Statement. This Proxy Statement, the enclosed **WHITE** proxy card, and the Annual Report to Shareholders on Form 10-K for the fiscal year ended December 31, 2016 are first being mailed to shareholders of record as of [•], 2017 on or about [•], 2017.

Holders of our common stock at the close of business on [•], 2017 will be entitled to vote at the 2017 Annual Meeting. Shareholders are entitled to one vote for each share of common stock held. The presence of holders of our common stock having a majority of the votes that could be cast by the holders of all outstanding shares of our common stock entitled to vote at the 2017 Annual Meeting, in person or represented by proxy, will constitute a quorum for the transaction of business at the 2017 Annual Meeting.

We have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a Notice of Annual Meeting of Shareholders, a **WHITE** proxy card and the Annual Report to Shareholders on Form 10-K for the fiscal year ended December 31, 2016, and by notifying you of the availability of our proxy materials on the Internet. The Notice of Annual Meeting of Shareholders, Proxy Statement, **WHITE** proxy card and Annual Report to Shareholders on Form 10-K for the Company’s fiscal year ended December 31, 2015 are available at [<http://www.fcrcvote.com/SSD>]. In accordance with rules of the Securities and Exchange Commission (the “SEC”), the materials on this website are searchable, readable and printable, and the website does not have “cookies” or other tracking devices which identify visitors.

**QUESTIONS AND ANSWERS ABOUT THE 2017 ANNUAL MEETING**

Why am I receiving this Proxy Statement?

At the 2017 Annual Meeting, the Company asks you to vote on six proposals:

1. to elect three directors, each to hold office until the next annual meeting or until his or her successor has been duly elected and qualified (“Proposal 1”);
2. to approve the Company’s amended Executive Officer Cash Profit Sharing Plan (“Proposal 2”);

3. to ratify the Board's selection of Grant Thornton LLP as the Company's independent registered public accounting firm for the current fiscal year ("Proposal 3");
4. to approve, on an advisory, non-binding basis, the compensation of the Company's named executive officers ("Proposal 4");
5. to approve, on an advisory, non-binding basis, the frequency of future advisory votes on the compensation of the Company's named executive officers ("Proposal 5"); and
6. to vote on a non-binding shareholder proposal to declassify the Board ("Proposal 6"), if properly presented at the 2017 Annual Meeting.

The Board may also ask you to participate in the transaction of any other business that is properly brought before the 2017 Annual Meeting in accordance with the provisions of our Certificate of Incorporation, as amended (the "Certificate of Incorporation") and Bylaws, as amended (the "Bylaws").

You are receiving this Proxy Statement as a shareholder of Simpson as of [•], 2017, the record date for purposes of determining the shareholders entitled to receive notice of and vote at the 2017 Annual Meeting. As further described below, we request that you promptly use the enclosed **WHITE** proxy card to vote, by Internet, by telephone or by mail, in the event you desire to express your support of or opposition to the proposals.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE *FOR* THE ELECTION OF EACH OF THE BOARD'S NOMINEES ON PROPOSAL 1 USING THE ENCLOSED *WHITE* PROXY CARD.

THE BOARD UNANIMOUSLY RECOMMENDS VOTING *FOR* PROPOSALS 2, 3, AND 4, *FOR 1 YEAR* ON PROPOSAL 5, AND *AGAINST* PROPOSAL 6, USING THE ENCLOSED *WHITE* PROXY CARD.

THE BOARD URGES YOU *NOT* TO SIGN, RETURN OR VOTE ANY PROXY CARD SENT TO YOU BY IRON COMPASS.

When will the 2017 Annual Meeting be held?

The 2017 Annual Meeting is scheduled to be held at 10:00 a.m., Pacific Daylight Time, on Tuesday, May 16, 2017, at our home office located at 5956 W. Las Positas Blvd., Pleasanton, California, 94588.

Who is soliciting my vote?

In this Proxy Statement, the Board is soliciting your vote.

How does the Simpson Board recommend that I vote?

The Simpson Board unanimously recommends that you vote by proxy using the **WHITE** proxy card with respect to the proposals, as follows:

- FOR the election of all three Board nominees set forth on the **WHITE** proxy card (Proposal 1);
- FOR the approval of the Company's amended Executive Officer Cash Profit Sharing Plan (Proposal 2);
- FOR the ratification the Board's selection of Grant Thornton LLP as the Company's independent registered public accountants for the current fiscal year (Proposal 3);
- FOR the approval, on an advisory, non-binding basis, of the compensation of the Company's named executive officers (Proposal 4);
- for the approval, on an advisory, non-binding basis, of 1 YEAR as the frequency of future advisory votes on the compensation of the Company's named executive officers (Proposal 5); and
- **AGAINST** the non-binding shareholder proposal to declassify the Board (Proposal 6).

Why is the Simpson Board recommending FOR the election of each of the Board's nominees on Proposal 1, FOR Proposals 2, 3, and 4, FOR 1 YEAR on Proposal 5, and AGAINST Proposal 6?

We describe all proposals and the Board's reasons for supporting Proposals 1, 2, 3, and 4, for recommending "1 Year" for Proposal 5, and for opposing Proposal 6, in detail beginning at page [•] of this Proxy Statement.

Who can vote?

Holders of our common stock at the close of business on [•], 2017 may vote at the 2017 Annual Meeting.

As of the date of this Proxy Statement, there are [47,654,058] shares of our common stock outstanding, each entitled to one vote. There are approximately [620] shareholders of record as of the date of this Proxy Statement.

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How do I vote if I am a record holder?

You can vote by attending the 2017 Annual Meeting and voting in person, or you can vote by proxy. If you are the record holder of your stock, you can vote by proxy in three ways:

- **By Internet:** You may vote by submitting a proxy over the Internet. Please refer to the **WHITE** proxy card or voting instruction form provided to you by your broker for instructions of how to vote by Internet.
- **By Telephone:** Shareholders located in the United States that receive proxy materials by mail may vote by submitting a proxy by telephone by calling the toll-free telephone number on the **WHITE** proxy card or voting instruction form and following the instructions.
- **By Mail:** If you received proxy materials by mail, you can vote by submitting a proxy by mail by marking, dating, signing and returning the **WHITE** proxy card in the postage-paid envelope.
- **In Person at the 2017 Annual Meeting:** If you attend the 2017 Annual Meeting, you may deliver your completed **WHITE** proxy card in person or you may vote by completing a ballot, which we will provide to you at the meeting. You are encouraged to complete, sign and date the **WHITE** proxy card and mail it in the enclosed postage pre-paid envelope regardless of whether or not you plan to attend the 2017 Annual Meeting.

How do I vote if my common shares are held in “street name”?

If you hold your shares of common stock in “street name,” meaning such shares are held for your account by a broker, bank or other nominee, then you will receive instructions from such institution or person on how to vote your shares. Your broker, bank or other nominee will allow you to deliver your voting instructions via the Internet and may also permit you to submit your voting instructions by telephone.

If you do not provide voting instructions to your bank, broker, trustee or other nominee holding shares of our common stock for you, your shares will not be voted with respect to any proposal, as we do not believe any of the proposals qualify for discretionary voting treatment by a broker. We therefore encourage you to provide voting instructions on a proxy card or a provided voting instruction form to the bank, broker, trustee or other nominee that holds your shares by carefully following the instructions provided in their notice to you.

How many votes do I have?

Shareholders are entitled to one vote for each share of common stock held.

At the special meeting of shareholders that was convened on March 28, 2017, shareholders approved and adopted an amendment to our Certificate of Incorporation to eliminate the ability to exercise cumulative voting in the election of directors. Following the special meeting, on the same day, we filed a certificate of amendment setting forth the amendment with the Office of the Secretary of State of the State of Delaware, which was effective immediately upon such filing, and the Board effected conforming amendments to our Bylaws. As a result, under our amended Certificate of Incorporation, shareholders will not be able to cumulate their votes in the election of directors at the 2017 Annual Meeting.

How will my shares of common stock be voted?

The shares of common stock represented by any proxy card which is properly executed and received by the Company prior to or at the 2017 Annual Meeting will be voted in accordance with the specifications you make thereon. Where a choice has been specified on the **WHITE** proxy card with respect to the proposals, the shares represented by the **WHITE** proxy will be voted in accordance with the specifications. If you return a validly executed **WHITE** proxy

card without indicating how your shares should be voted on a matter and you do not revoke your proxy, your proxy will be voted: FOR the election of all three Board nominees set forth on the **WHITE** proxy card (Proposal 1); FOR the approval of the Company's amended Executive Officer Cash Profit Sharing Plan (Proposal 2); FOR the ratification the Board's selection of Grant Thornton LLP as the Company's independent registered public accountants for the current fiscal year (Proposal 3); FOR the approval, on an advisory, non-binding basis, of the compensation of the Company's named executive officers (Proposal 4); for the approval, on an advisory, non-binding basis, of 1 YEAR

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as the frequency of future advisory votes on the compensation of the Company's named executive officers (Proposal 5); and AGAINST the non-binding shareholder proposal to declassify the Board (Proposal 6).

What vote is required with respect to the proposals?

Proposal 1, regarding the three directors to be elected, will require approval of a plurality of the votes cast, meaning that the director nominees receiving the highest numbers of "for" votes of the shares entitled to be voted for them, up to the number of directors to be elected by such shares, will be elected. As a result, the three director nominees receiving the most "for" votes at the 2017 Annual Meeting will be elected. The enclosed **WHITE** proxy card enables a shareholder to vote "FOR" or "WITHHOLD" from voting as to each person nominated by the Board.

Proposals 2, 3, 4, and 6 will be decided by the affirmative vote of a majority of the votes cast. The enclosed **WHITE** proxy card enables a shareholder to vote "FOR," "AGAINST" or "ABSTAIN" on these proposals. Each of Proposals 2, 3, 4, and 6 will pass if the total votes cast "for" a given proposal exceed the total number of votes cast "against" such given proposal.

With respect to Proposal 5 regarding the frequency of future advisory votes on the compensation of the Company's named executive officers, the enclosed **WHITE** proxy card enables a shareholder to vote "1 Year," "2 Years" "3 Years" or "ABSTAIN" on this proposal. The choice receiving the largest number of affirmative votes cast, whether or not a majority of the votes has been cast for such choice, shall be the election of the shareholders on Proposal 5.

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

Abstentions and broker non-votes, if any, will not constitute votes cast or votes withheld on any of the proposals and will accordingly have no effect on the outcome of the vote on any of the proposals.

If I have already voted by proxy against the proposals, can I still change my mind?

Yes. To change your vote by proxy, simply sign, date and return the enclosed **WHITE** proxy card or voting instruction form in the accompanying postage-paid envelope, or vote by proxy by telephone or via the Internet in accordance with the instructions in the proxy card or voting instruction form. **We strongly urge you to vote by proxy FOR the election of each of the Board's nominees on Proposal 1, FOR Proposals 2, 3, and 4, FOR 1 YEAR on Proposal 5, and AGAINST Proposal 6.** Only your latest dated proxy will count at the 2017 Annual Meeting.

Will my shares be voted if I do nothing?

If your shares of our common stock are registered in your name, you must sign and return a proxy card in order for your shares to be voted, unless you vote over the Internet or by telephone or attend the 2017 Annual Meeting and vote in person.

If your shares of common stock are held in "street name," that is, held for your account by a broker, bank or other nominee, and you do not instruct your broker or other nominee how to vote your shares, then, because all of the proposals are "non-routine matters," your broker or other nominee would not have discretionary authority to vote your shares on the proposals. If your shares of our common stock are held in "street name," your broker, bank or nominee has enclosed a proxy card or voting instruction form with this Proxy Statement. We strongly encourage you to authorize your broker or other nominee to vote your shares by following the instructions provided on the proxy card or voting instruction form.

Please return your proxy card or voting instruction form to your broker or other nominee by proxy, simply sign, date and return the enclosed proxy card or voting instruction form in the accompanying postage-paid envelope, or vote by proxy by telephone or via the Internet in accordance with the instructions in the proxy card or voting instruction form.

Please contact the person responsible for your account to ensure that a proxy card or voting instruction form is voted on your behalf.

**We strongly urge you to vote by proxy FOR the election of each of the Board's nominees on Proposal 1, FOR Proposals 2, 3, and 4, FOR 1 YEAR on Proposal 5, and AGAINST Proposal 6 by signing, dating and returning the enclosed proxy card today in the envelope provided.** You may also vote by proxy over the Internet using the Internet address on the proxy card or by telephone using the toll-free number on the proxy card. If your

shares are held in “street name,” you should follow the instructions on your proxy card or voting instruction form provided by your broker or other nominee and provide specific instructions to your broker or other nominee to vote as described above.

What constitutes a quorum?

The presence of holders of our common stock having a majority of the votes that could be cast by the holders of all outstanding shares of our common stock entitled to vote at the 2017 Annual Meeting, in person or represented by proxy, will constitute a quorum for the transaction of business at the 2017 Annual Meeting.

Votes withheld, abstentions and broker non-votes, if any, will be counted as present or represented for purposes of determining the presence or absence of a quorum for this meeting. In the absence of a quorum, the 2017 Annual Meeting may be adjourned by a majority of the votes entitled to be cast represented either in person or by proxy.

Has the Company received notice from one or more shareholders that they are intending to cumulate votes or nominate directors at the 2017 Annual Meeting?

Yes. Iron Compass Partners, LP, which, together with certain affiliates (“Iron Compass”), has indicated that it beneficially owns an aggregate of 170,042 shares of our common stock (representing approximately 0.36% of our outstanding common stock), prior to the March 28, 2017 special meeting of shareholders, delivered notice to the Company of its intention to cumulate votes and to nominate one director candidate, Brett N. Milgrim, for election to the Board at the 2017 Annual Meeting. At the March 28, 2017 special meeting of shareholders, shareholders approved and adopted an amendment to our Certificate of Incorporation to eliminate the ability to exercise cumulative voting in the election of directors. Following the special meeting, on the same day, we filed a certificate of amendment setting forth the amendment with the Office of the Secretary of State of the State of Delaware, which was effective immediately upon such filing, and the Board effected conforming amendments to our Bylaws. As a result, under our amended Certificate of Incorporation, shareholders will not be able to cumulate their votes with respect to any director nominee on Proposal 1 or Iron Compass’ nominee.

Can qualifying shareholders exercise proxy access rights for the 2017 Annual Meeting?

No. The Board amended our Bylaws on March 28, 2017 to provide proxy access to qualifying shareholders effective as of March 28, 2017. Pursuant to our amended Bylaws, the notice period for exercising proxy access rights has already passed for the 2017 Annual Meeting. Shareholders will therefore be able to exercise proxy access rights for the first time at the 2018 annual meeting of shareholders.

Whom should I call if I have questions about the 2017 Annual Meeting?

If you have any questions or require any assistance with voting your shares, or if you need additional copies of the proxy materials, please contact:

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, NY 10005  
Please Call Toll Free: (888) 869-7406  
Email: simpson@dfking.com

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2017 ANNUAL MEETING: THE PROXY STATEMENT FOR THE 2017 ANNUAL MEETING AND THE ANNUAL REPORT TO SHAREHOLDERS ON FORM 10-K ARE AVAILABLE FREE OF CHARGE AT [HTTP://WWW.FCRVOTE.COM/SSD].**



## ANNUAL MEETING PROCEDURES

### Annual Meeting Admission

Only Simpson shareholders or their duly authorized and constituted proxies may attend the 2017 Annual Meeting. Proof of ownership of our common stock must be presented in order to be admitted to the 2017 Annual Meeting. If your shares are held in the name of a bank, broker or other holder of record and you plan to attend the 2017 Annual Meeting in person, you must bring a brokerage statement, the proxy card mailed to you by your bank or broker or other proof of ownership as of the close of business on [•] 2017, the record date, to be admitted to the 2017 Annual Meeting. Otherwise, proper documentation of a duly authorized and constituted proxy must be presented. This proof can be: a brokerage statement or letter from a broker, bank or other nominee indicating ownership on the record date, a proxy card, or a valid, legal proxy provided by your broker, bank or other nominee.

After the chairman of the meeting announces the opening of the polls for the first matter upon which the shareholders will vote at the 2017 Annual Meeting, further entry will be prohibited. No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the 2017 Annual Meeting. All persons attending the meeting will be required to present a valid government-issued picture identification, such as a driver's license or passport, to gain admittance to the 2017 Annual Meeting.

### Who Can Vote, Outstanding Shares

Holders of record of our common stock at the close of business on [•], 2017 may vote at the 2017 Annual Meeting.

As of the date of this Proxy Statement, there are [47,654,058] shares of our common stock outstanding, each entitled to one vote. There are approximately [620] shareholders of record as of the date of this Proxy Statement.

### Voting Procedures

You can vote by attending the 2017 Annual Meeting and voting in person, or you can vote by proxy. If you are the record holder of your stock, you can vote by proxy in three ways:

- **By Internet:** You may vote by submitting a proxy over the Internet. Please refer to the **WHITE** proxy card or voting instruction form provided to you by your broker for instructions of how to vote by Internet.
- **By Telephone:** Shareholders located in the United States that receive proxy materials by mail may vote by submitting a proxy by telephone by calling the toll-free telephone number on your proxy card or voting instruction form and following the instructions.
- **By Mail:** If you received proxy materials by mail, you can vote by submitting a proxy by mail by marking, dating, signing and returning the **WHITE** proxy card in the postage-paid envelope.
- **In Person at the 2017 Annual Meeting:** If you attend the 2017 Annual Meeting, you may deliver your completed **WHITE** proxy card in person or you may vote by completing a ballot, which we will provide to you at the meeting. You are encouraged to complete, sign and date the **WHITE** proxy card and mail it in the enclosed postage pre-paid envelope regardless of whether or not you plan to attend the 2017 Annual Meeting.

If you hold your shares of common stock in "street name," meaning such shares are held for your account by a broker, bank or other nominee, then you will receive instructions from such institution or person on how to vote your shares. Your broker, bank or other nominee will allow you to deliver your voting instructions via the Internet and may also permit you to submit your voting instructions by telephone.

Proxy Contest of Iron Compass

Iron Compass Partners, LP, together with certain of its affiliates (“Iron Compass”), has notified the Company of its intention to nominate one individual for election as our director at the 2017 Annual Meeting in opposition to the nominees recommended by the Board. You may receive proxy solicitation materials from Iron Compass. The Company is not responsible for the accuracy of any information provided by or relating to Iron Compass or its nominees contained in solicitation materials filed or disseminated by or on behalf of Iron Compass or any other statements that Iron Compass may make. The Board does NOT endorse the Iron Compass nominee and strongly recommends that

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you NOT sign or return any proxy card sent to you by Iron Compass. If you have previously voted using a proxy card sent to you by Iron Compass, you can subsequently revoke that vote by following the instructions on the **WHITE** proxy card to vote over the Internet or by telephone or by completing, signing and dating the enclosed **WHITE** proxy card and mailing it in the postage pre-paid envelope provided. Only your latest dated proxy will count. Any proxy may be revoked at any time prior to its exercise at the 2017 Annual Meeting as described in the accompanying Proxy Statement.

#### Proxy Card

The shares represented by any proxy card which is properly executed and received by the Company prior to or at the 2017 Annual Meeting will be voted in accordance with the specifications made thereon. Where a choice has been specified on the **WHITE** proxy card with respect to the proposals, the shares represented by the **WHITE** proxy card will be voted in accordance with the specifications. If you return a validly executed **WHITE** proxy card without indicating how your shares should be voted on a matter and you do not revoke your proxy, your proxy will be voted: FOR the election of all three Board nominees set forth on the **WHITE** proxy card (Proposal 1); FOR the approval of the Company's amended Executive Officer Cash Profit Sharing Plan (Proposal 2); FOR the ratification the Board's selection of Grant Thornton LLP as the Company's independent registered public accountants for the current fiscal year (Proposal 4); FOR the approval, on an advisory, non-binding basis, of the compensation of the Company's named executive officers (Proposal 4); for the approval, on an advisory, non-binding basis, of 1 YEAR as the frequency of future advisory votes on the compensation of the Company's named executive officers (Proposal 5); and AGAINST the non-binding shareholder proposal to declassify the Board (Proposal 6).

The Board is not aware of any matters that are expected to come before the 2017 Annual Meeting other than those described in this Proxy Statement. If any other matter should be presented at the 2017 Annual Meeting upon which a vote may be properly taken, shares represented by all **WHITE** proxy cards received by the Board will be voted with respect thereto at the discretion of the persons named as proxies in the enclosed proxy card.

#### Record Date

Only holders of record of common stock at the close of business on [•], 2017 will be entitled to notice of and to vote at the 2017 Annual Meeting.

#### Quorum

The presence of holders of our common stock having a majority of the votes that could be cast by the holders of all outstanding shares of our common stock entitled to vote at the 2017 Annual Meeting, in person or represented by proxy, will constitute a quorum for the transaction of business at the 2017 Annual Meeting. Votes withheld, abstentions and broker non-votes, if any, will be counted as present or represented for purposes of determining the presence or absence of a quorum for this meeting. In the absence of a quorum, the 2017 Annual Meeting may be adjourned by a majority of the votes entitled to be cast represented either in person or by proxy.

#### Required Vote

As a holder of our common stock, you are entitled to one vote per share on any matter submitted to a vote of the shareholders.

Our Bylaws require that, in a contested election, directors are elected by a plurality of the votes cast. Since Iron Compass has nominated a person for election to the Board, this election of directors at the 2017 Annual Meeting is considered a contested election. Proposal 1, regarding the three directors to be elected, therefore will require approval of a plurality of the votes cast, meaning that the director nominees receiving the highest numbers of "for" votes of the shares entitled to be voted for them, up to the number of directors to be elected by such shares, will be elected. As a

result, the three director nominees receiving the most “for” votes at the 2017 Annual Meeting will be elected.

The enclosed **WHITE** proxy card enables a shareholder to vote “FOR” or “WITHHOLD” from voting as to each person nominated by the Board. If you vote “withhold” for any director nominee, as opposed to voting “FOR” any such director nominee, your shares voted as such will be counted for purposes of establishing a quorum, but will not be considered to have been voted FOR the director nominee and as such will have no effect the outcome of the vote on Proposal 1. Abstentions and broker non-votes, if any, will not constitute votes cast or votes withheld on Proposal 1 and will accordingly have no effect on the outcome of the vote on Proposal 1.



PLEASE SUPPORT THE BOARD'S NOMINEES BY VOTING "FOR" THE BOARD'S NOMINEES ON PROPOSAL 1 USING THE ENCLOSED **WHITE** PROXY CARD. DO NOT COMPLETE OR RETURN A PROXY CARD FROM IRON COMPASS, EVEN IF YOU VOTE "WITHHOLD" ON THEIR DIRECTOR NOMINEE. DOING SO MAY CANCEL ANY PREVIOUS VOTE YOU CAST ON THE COMPANY'S **WHITE** PROXY CARD

At the March 28, 2017 special meeting of shareholders, shareholders approved and adopted an amendment to our Certificate of Incorporation to eliminate the ability to exercise cumulative voting in the election of directors. Following the special meeting, on the same day, we filed a certificate of amendment setting forth the amendment with the Office of the Secretary of State of the State of Delaware, which was effective immediately upon such filing, and the Board effected conforming amendments to our Bylaws. As a result, under our amended Certificate of Incorporation, shareholders will not be able to cumulate their votes in the election of directors at the 2017 Annual Meeting, including with respect to any director nominee on Proposal 1.

Proposals 2, 3, 4, and 6 will be decided by the affirmative vote of a majority of the votes cast. The enclosed **WHITE** proxy card enables a shareholder to vote "FOR," "AGAINST" or "ABSTAIN" on these proposals. Any of Proposals 2, 3, 4, and 6 will pass if the total votes cast "for" such proposal exceed the total number of votes cast "against" the proposal.

With respect to Proposal 5 regarding the frequency of future advisory votes on the compensation of the Company's named executive officers, the enclosed **WHITE** proxy card enables a shareholder to vote "1 Year," "2 Years" "3 Years" or "ABSTAIN" on this proposal. The choice receiving the largest number of affirmative votes cast, whether or not a majority of the votes has been cast for such choice, shall be the election of the shareholders on Proposal 5.

Abstentions and broker non-votes, if any, will not constitute votes cast on any of Proposals 2, 3, 4, 5, and 6 or "for" or "withhold" with respect to any director nominee on Proposal 1 and will accordingly have no effect on the outcome of the vote on such proposals.

Proposals 4, 5, and 6 are advisory proposals only and are not binding on the Board or the Company.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE *FOR* THE ELECTION OF EACH OF THE BOARD'S NOMINEES ON PROPOSAL 1 USING THE ENCLOSED *WHITE* PROXY CARD.

THE BOARD UNANIMOUSLY RECOMMENDS VOTING *FOR* PROPOSALS 2, 3, AND 4, *FOR 1 YEAR* ON PROPOSAL 5, AND *AGAINST* PROPOSAL 6, USING THE ENCLOSED *WHITE* PROXY CARD.

THE BOARD URGES YOU *NOT* TO SIGN, RETURN OR VOTE ANY PROXY CARD SENT TO YOU BY IRON COMPASS.

#### Abstentions and Broker Non-Votes

If you are a beneficial owner holding your shares in "street name" and you do not provide voting instructions to your bank, broker, trustee or other nominee holding shares of our common stock for you, your shares of common stock will not be voted with respect to any proposal for which the shareholder of record does not have "discretionary" authority to vote. You are deemed to beneficially own your shares in "street name" if your shares are held in an account at a brokerage firm, bank, broker-dealer, trust or other similar organization. If this is the case, you will receive a separate voting instruction form with this Proxy Statement from such organization. As the beneficial owner, you have the right to direct your broker, bank, trustee, or nominee how to vote your shares. If you hold your shares in street name and do not provide voting instructions to your broker, bank, trustee or nominee, your shares will not be voted on any proposals on which such party does not have discretionary authority to vote (a "broker non-vote").

Rules of the New York Stock Exchange (“NYSE”) determine whether proposals presented at shareholder meetings are “discretionary” or “non-discretionary.” If a proposal is determined to be discretionary, your bank, broker, trustee or other nominee is permitted under NYSE rules to vote on the proposal without receiving voting instructions

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from you. If a proposal is determined to be non-discretionary, your bank, broker, trustee or other nominee is not permitted under NYSE rules to vote on the proposal without receiving voting instructions from you. A “broker non-vote” occurs when a bank, broker, trustee or other nominee holding shares for a beneficial owner returns a valid proxy, but does not vote on a particular proposal because it does not have discretionary authority to vote on the matter and has not received voting instructions from the shareholder for whom it is holding shares.

Because Iron Compass has initiated a proxy contest, to the extent that Iron Compass provides a proxy card or voting instruction form to shareholders in street name, none of proposals in this Proxy Statement will be discretionary. We encourage you to provide voting instructions on a **WHITE** proxy card or a provided voting instruction form to the bank, broker, trustee or other nominee that holds your shares by carefully following the instructions provided in their notice to you.

#### Revocability of Proxy

A shareholder of record who has properly executed and delivered a proxy may revoke such proxy at any time before the 2017 Annual Meeting in any of the four following ways:

- timely complete and return a new proxy card bearing a later date;
- vote on a later date by using the Internet or telephone;
- deliver a written notice to our Secretary prior to the 2017 Annual Meeting by any means, including facsimile, stating that your proxy is revoked; or
- attend the meeting and vote in person.

If you have previously submitted a proxy card sent to you by Iron Compass, you may change your vote by completing and returning the enclosed **WHITE** proxy card in the accompanying postage pre-paid envelope, or by voting by telephone or via the Internet by following the instructions on the **WHITE** proxy card. Submitting a proxy card sent to you by Iron Compass will revoke votes you have previously made via the Company’s **WHITE** proxy card.

If your shares are held of record by a bank, broker, trustee or other nominee other nominee and you desire to vote at the meeting, you may change your vote by submitting new voting instructions to your broker in accordance with such broker’s procedures.

#### Appraisal Rights

Holders of shares of common stock do not have appraisal rights under Delaware law in connection with this proxy solicitation.

#### Proxy Access

The Board amended our Bylaws on March 28, 2017 to provide proxy access to qualifying shareholders effective as of March 28, 2017. Pursuant to our amended Bylaws, the notice period for exercising proxy access rights has already passed for the 2017 Annual Meeting. Shareholders will therefore be able to exercise proxy access rights for the first time at the 2018 annual meeting of shareholders.

#### Shareholder List

A list of shareholders entitled to vote at the 2017 Annual Meeting will be available for examination by any shareholder for any purpose germane to the 2017 Annual Meeting during ordinary business hours at our corporate

headquarters located at 5956 W. Las Positas Blvd., Pleasanton, California, 94588, for the ten days prior to the 2017 Annual Meeting, and also will be available for examination by any shareholder at the 2017 Annual Meeting.

Communications with the Board

We encourage shareholders and interested parties to communicate any concerns or suggestions directly to the independent members of the Board, by writing to:

Board of Directors  
Simpson Manufacturing Co., Inc.  
P.O. Box 1394  
Alamo, CA 94507-7394

Other Matters

If you have any questions or require any assistance with voting your shares, or if you need additional copies of the proxy materials, please contact:

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, NY 10005  
Please Call Toll Free: (888) 869-7406  
Email: [simpson@dfking.com](mailto:simpson@dfking.com)

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2017 ANNUAL MEETING: THE PROXY STATEMENT FOR THE 2017 ANNUAL MEETING AND THE ANNUAL REPORT TO SHAREHOLDERS ON FORM 10-K ARE AVAILABLE FREE OF CHARGE AT [[HTTP://WWW.FCRVOTE.COM/SSD](http://www.fcrvote.com/ssd)].

## OTHER INFORMATION

### Participants in the Solicitation

Under applicable regulations of the Securities Exchange Commission (the “SEC”), each of our directors and certain of our executive officers and other employees are “participants” in this proxy solicitation. Please refer to the section entitled “Security Ownership of Certain Beneficial Owners and Management” for information about our directors and executive officers. Except as described in this Proxy Statement, there are no agreements or understandings between the Company and any such participants relating to employment with the Company or any future transactions. Other than the persons described in this Proxy Statement, no general class of employee of the Company will be employed to solicit shareholders in connection with this proxy solicitation. However, in the course of their regular duties, employees may be asked to perform clerical or ministerial tasks in furtherance of this solicitation.

Exhibit A attached hereto sets forth additional information relating to our directors and director nominees as well as certain of our officers and employees who are considered “participants” in our solicitation under the rules of the SEC by reason of their position as directors and director nominees of the Company or because they may be soliciting proxies on our behalf.

### Costs of Solicitation

We are required by law to convene an annual meeting of shareholders at which directors are elected. Because our shares are widely held, it would be impractical for our shareholders to meet physically in sufficient numbers to hold a meeting. Accordingly, the Company is soliciting proxies from our shareholders. United States federal securities laws require us to send you this Proxy Statement, and any amendments and supplements thereto, and to specify the information required to be contained in it. The Company will bear the expenses of calling and holding the 2017 Annual Meeting and the solicitation of proxies therefor. These costs will include, among other items, the expense of preparing, assembling, printing and mailing the proxy materials to shareholders of record and beneficial owners, and reimbursements paid to brokerage firms, banks and other fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy materials to shareholders and obtaining beneficial owner’s voting instructions. In addition to soliciting proxies by mail, directors, officers and employees may solicit proxies on behalf of the Board, without additional compensation, personally or by telephone. We may also solicit proxies by email from shareholders who are our employees or who previously requested to receive proxy materials electronically. As a result of the potential proxy solicitation by Iron Compass, we may incur additional costs in connection with our solicitation of proxies. The Company has retained D.F. King & Co., Inc. (“D.F. King”) to solicit proxies. Under our agreement with D.F. King, D.F. King will receive a fee of up to \$[•] plus the reimbursement of reasonable expenses. The reimbursement to D.F. King will not be submitted to a shareholder vote. D.F. King expects that approximately [•] of its employees will assist in the solicitation. D.F. King will solicit proxies by mail, telephone, facsimile or email. Our aggregate expenses, including those of D.F. King, related to our solicitation of proxies, excluding salaries and wages of our regular employees, are expected to be approximately \$[•], of which approximately \$[•] has been incurred as of the date of this Proxy Statement.

## FORWARD-LOOKING STATEMENTS

This Proxy Statement contains forward-looking statements within the meaning of the Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”) and the Private Securities Litigation Reform Act of 1995. All statements relating to events or results that may occur in the future, including, but not limited to, the Company’s future costs of solicitation, record or meeting dates, compensation arrangements, plans or amendments (including those related to profit sharing and stock-based compensation), company policies, corporate governance practices, documents or amendments (including charter or bylaw amendments, shareholder rights plans or similar arrangements) as well as capital and corporate structure (including major shareholders, board structure and board composition), are forward-looking statements.

Forward-looking statements generally can be identified by words such as “expect,” “will,” “change,” “intend,” “target,” “future,” “potential,” “estimate,” “anticipate,” “to be,” and similar expressions. These statements are based on numerous assumptions and involve known and unknown risks, uncertainties and other factors that could significantly affect the Company’s operations and may cause the Company’s actual actions, results, financial condition, performance or achievements to be substantially different from any future actions, results, financial condition, performance or achievements expressed or implied by any such forward-looking statements. Those factors include, but are not limited to, (i) general economic and construction business conditions; (ii) changes in market conditions; (iii) changes in regulations; (iv) actual or potential takeover or other change-of-control threats; (v) the effect of merger or acquisition activities; (vi) changes in the Company’s plans, strategies, targets, objectives, expectations or intentions; and (vii) other risks, uncertainties and factors indicated from time to time in the Company’s reports and filings with the SEC including, without limitation, most recently the Company’s Annual Report to Shareholders on Form 10-K for the period ended December 31, 2016, under the heading Item 1A - “Risk Factors” and the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The Company does not intend, and undertakes no obligation to update or publicly release any revision to any such forward-looking statements, whether as a result of the receipt of new information, the occurrence of subsequent events, the change of circumstance or otherwise. Each forward-looking statement contained in this Proxy Statement is specifically qualified in its entirety by the aforementioned factors. You are hereby advised to carefully read this Proxy Statement in conjunction with the important disclaimers set forth above prior to reaching any conclusions or making any investment decisions.

## BACKGROUND OF THE SOLICITATION

During 2015, members of the Board and the senior management team engaged in extensive dialogue with shareholders, which led to a comprehensive review of the Company's executive compensation program and governance practices during 2016 and informed a number of compensation program changes for 2016. During this review period, the Board continued to engage extensively with shareholders related to changes under consideration. Shareholder feedback was regularly presented to the Board during this review period and shareholder feedback was reflected in the significant compensation and governance changes that were announced in the second half of 2016 and first quarter of 2017. In addition, as part of this comprehensive review and in furtherance of the Company's long-term strategy, the Board engaged in extensive discussions regarding board composition, culminating in the engagement of Veaco Group, an independent corporate governance advisor, in May 2016 to conduct a skills assessment and "gap" analysis of the current board to assist the Board in developing appropriate criteria for selection of new members of the Board.

On November 10, 2015, Karen Colonias (our Chief Executive Officer and a member of the Board), Brian J. Magstadt (our Chief Financial Officer, Treasurer and Secretary) and Thomas J Fitzmyers (our current Vice Chairman of the Board) met with Matthew S. Kupersmith and James L. Hegyi of Iron Compass in Chicago, Illinois, while Ms. Colonias and Messrs. Magstadt and Fitzmyers were attending the Baird Industrial Conference. Based on its nomination notice dated February 7, 2017, Iron Compass has indicated that it beneficially owns an aggregate of 170,042 shares of our common stock, representing approximately 0.36% of our outstanding common stock.

On December 3, 2015, Iron Compass distributed a presentation to Ms. Colonias and Mr. Magstadt addressing the Company's operating margins and profitability and certain recommended structural changes in the management of costs and administrative expenses.

On March 11, 2016, representatives of Iron Compass and the Company discussed Iron Compass's request to meet with the Board at the time of the Company's 2016 annual meeting of shareholders, and the Company agreed to schedule a meeting for Iron Compass to meet with Peter N. Louras, Jr. (our Chairman of the Board) on the day before the annual meeting.

On April 19, 2016, representatives of Iron Compass met with Mr. Louras, Mr. Magstadt and Ms. Colonias and distributed a new presentation, which Mr. Louras circulated to the Board, reasserting Iron Compass' beliefs regarding the Company's operations and expense structure.

On April 20, 2016, representatives of Iron Compass attended the Company's 2016 annual meeting of shareholders. At its Board meeting held on the same date, the Board reviewed and discussed the materials prepared by Iron Compass.

On April 25, 2016, Iron Compass made a request to present to the Board at its meeting to be held in July. On May 4, 2016, Iron Compass reiterated its request to present to the Board and distributed a new presentation to Mr. Louras, which Mr. Louras circulated to the Board, presenting certain case studies. On June 13, 2016, following additional correspondence between the Company and Iron Compass, Mr. Louras informed Iron Compass that the Board had declined Iron Compass's request to present at the July Board meeting. On June 16, 2016, Mr. Louras spoke to representatives of Iron Compass by telephone to discuss the Board's decision.

On July 6, 2016, Iron Compass issued a letter to the Board, which, among other things, outlined certain of Iron Compass' suggestions for making structural changes relating to the Company's commercial construction and truss plate business, selling, general and administrative expenses, capital allocation, and return of capital to shareholders. The Board reviewed and discussed the letter during its scheduled July Board meetings.

On August 1, 2016, Iron Compass issued a press release making its July 6 letter public.



On August 24, 2016, the Company issued a press release and filed a Form 8-K with the SEC announcing that the Board, on August 19, 2016, increased and extended its previous share repurchase authorization as well as authorized the Company to execute accelerated share repurchase programs in support of the authorization.

On the same date, the Board sent a letter to Iron Compass in response to Iron Compass's July 6 letter. On August 31, Iron Compass responded to the Board's letter, acknowledging disagreements with management regarding the balance sheet and capital allocation.

On October 25, 2016, the Company filed a Form 8-K with the SEC disclosing that, following extensive shareholder outreach by the Board and management during 2015 and the first half of 2016 as part of a comprehensive review of the

Company's executive compensation program and governance practices, the Company was making significant changes to its executive compensation program, incentive structure, and governance practices, including the termination of its shareholder rights plan.

On November 4, 2016, Iron Compass submitted a shareholder proposal to the Company for presentation to shareholders at the 2017 Annual Meeting, requesting that the Board "take all necessary steps (other than any steps that must be taken by shareholders) to eliminate the classification of the Board and to require that all directors elected by shareholders be elected on an annual basis commencing with the first annual meeting of shareholders for the election of directors occurring after the elimination of the Board classification, notwithstanding that any director may have been elected for a term that extends beyond such annual meeting."

On January 19, 2017, Iron Compass sent a letter to the Company notifying us of its intention to nominate one or more individuals for election to the Board at the 2017 Annual Meeting and elect for cumulative voting and requesting certain materials required for making a formal notice.

On January 25, 2017, as part of the Board's ongoing succession planning and refreshment process, the Company announced that Thomas J Fitzmyers notified the Company that he decided to retire as Vice Chairman of the Board at the end of his current term at the 2017 Annual Meeting. As a result, Mr. Fitzmyers would continue to serve on the Board until the 2017 Annual Meeting but agreed not to stand for re-election to the Board at the 2017 Annual Meeting.

The Company also announced at such time that the Governance and Nominating Committee was undertaking an ongoing board evaluation and director succession planning process and was actively engaged in a search for a new independent director to fill the vacancy created by Mr. Fitzmyers' retirement, utilizing the services of Veaco Group and Korn Ferry, an independent executive and director search firm it had retained in September 2016. Between November 2016 and March 2017, the Governance and Nominating Committee evaluated a number of potential independent director candidates identified by Korn Ferry, including Michael A. Bless. The Governance and Nominating Committee and the full Board conducted multiple telephonic and in-person interviews of director candidates during this period.

On January 26, 2017, following correspondence between the Company, Iron Compass and the SEC regarding certain legal defects with respect to Iron Compass' shareholder proposal, Iron Compass submitted a revised shareholder proposal to us, which provided that the implementation of the proposal would not affect the unexpired terms of directors elected prior to such implementation, while still requesting the Board declassification and annual election of directors at the first annual meeting of shareholders occurring after the implementation of the proposal.

On January 27, 2017, Mr. Louras, along with Mr. Magstadt, Ms. Colonias and Robin G. MacGillivray (the Chair of the Governance and Nominating Committee), held a telephone conference with representatives of Iron Compass in which Iron Compass indicated that it intended to nominate Brett N. Milgrim as a director candidate at the 2017 Annual Meeting.

On January 30, 2017, after careful deliberation about the implications of declassifying the Board in conjunction with shareholders having the ability to exercise cumulative voting in the election of directors, and in line with broad shareholder feedback, the Board resolved to hold a special meeting of shareholders on or about March 28, 2017 at which shareholders would be permitted to approve amendments to our Certificate of Incorporation to (1) declassify the Board over a three-year period and elect directors who are up for re-election and new director candidates annually beginning at the 2017 Annual Meeting, and (2) eliminate the ability to exercise cumulative voting in the election of directors. On January 31, 2017, the Company issued a press release and filed a Form 8-K with the SEC, announcing the special meeting and the Board's decision.

On February 3, 2017, Iron Compass issued a press release expressing certain of its views regarding the March 28, 2017 special meeting.

On February 6, 2017, Iron Compass delivered notice to the Company of its intention to cumulate votes and to nominate Mr. Milgrim as a director candidate for election to the Board at the 2017 Annual Meeting.

On February 8, 2017, Mr. Kupersmith of Iron Compass emailed Mr. Louras requesting a meeting in Aspen, Colorado. While not available for an in-person meeting, Mr. Louras responded that the Company was open to a telephonic meeting with Iron Compass.

On February 10, 2017, the Company filed a preliminary proxy statement with the SEC for the March 28, 2017 special meeting.

On February 16, 2017, in response to Mr. Kupersmith's February 8 request, Mr. Louras and Ms. MacGillivray had a telephonic meeting with Mr. Kupersmith. Following this conversation, Mr. Louras emailed Mr. Kupersmith indicating the Board's intent to include Mr. Milgrim in its Board refreshment process by having him go through the same process used during the past year with other Board candidates but on an accelerated timetable.

On February 22, 2017, the Board committed to amend our Bylaws to provide proxy access to qualifying shareholders after the March 28, 2017 special meeting.

On February 23, 2017, the Company filed a definitive proxy statement with the SEC in connection with the March 28, 2017 special meeting and announced, in a press release and a Form 8-K filed with the SEC, that the 2017 Annual Meeting would be rescheduled to May 16, 2017. In the following weeks, each of the three leading independent proxy advisory firms, ISS, Glass Lewis, and Egan-Jones, recommended that shareholders vote in favor of both the Company's declassification and cumulative voting proposals at the March 28, 2017 special meeting.

On March 1, 2017, Korn Ferry conducted an interview of Iron Compass' proposed director nominee, Mr. Milgrim.

On March 16, 2017, Ms. MacGillivray and James S. Andrasick, both members of the Governance and Nominating Committee, conducted an interview with Mr. Milgrim in San Jose, California.

On March 17, 2017, after careful deliberation, and upon the recommendation of the Governance and Nominating Committee, the Board unanimously agreed to nominate Mr. Bless for election to the Board at the 2017 Annual Meeting.

On March 19, 2017 Mr. Bless accepted his nomination to the Board.

On March 20, 2017, the Company filed with the SEC its preliminary proxy statement for the 2017 Annual Meeting.

On March 28, 2017, the Company held a special meeting of shareholders to vote on approving and adopting amendments to our Certificate of Incorporation to (1) declassify the Board over a three-year period and provide that directors who are up for election be elected to one-year terms beginning at the 2017 Annual Meeting, and (2) eliminate the ability to exercise cumulative voting in the election of directors. At the special meeting, shareholders approved both proposals. Following the special meeting, on the same date, the Company filed a certificate of amendment setting forth the amendments with the Office of the Secretary of State of the State of Delaware to immediately give effect to the amended Certificate of Incorporation, and the Board resolved to amend our Bylaws to (1) conform the Bylaws to the amended Certificate of Incorporation, and (2) provide proxy access for qualifying shareholders effective March 28, 2017. Pursuant to our amended Bylaws, the notice period for exercising proxy access rights has already passed for the 2017 Annual Meeting. Shareholders will therefore be able to exercise proxy access rights for the first time at the 2018 annual meeting of shareholders.

On the same date, the Company filed with the SEC Amendment No. 1 to its preliminary proxy statement for the 2017 Annual Meeting.

SECURITY OWNERSHIP OF CERTAIN  
BENEFICIAL OWNERS AND MANAGEMENT

The following table provides information, as of [March 16], 2017, unless otherwise indicated, about the beneficial ownership of our common stock by -

- each shareholder known by us to be the beneficial owner of more than 5% of our common stock,
- each of our directors and each of our director nominees,
- each of our Principal Executive Officer, our Principal Financial Officer and our three other most highly compensated executive officers (collectively, the “Named Executive Officers” or “NEOs”) as named in the Summary Compensation Table (See “Executive Compensation” below), and
- all of our executive officers and directors as a group.

| Name and, for Each 5% Beneficial Owner, Address(1)                      | Beneficial<br>Ownership of<br>Shares of<br>Common<br>Stock(1) |     | Percent of<br>Class(2) |   |
|---|---|-----|------------------------|---|
| Sharon Simpson<br>21C Orinda Way<br>Orinda, CA 94563                    | 6,689,786   |     | 14.0                   | % |
| BlackRock, Inc.<br>55 East 52nd Street<br>New York, NY 10055            | 4,774,034   | (3) | 10.0                   | % |
| The Vanguard Group<br>100 Vanguard Blvd.<br>Malvern, PA 19355           | 3,437,990   | (4) | 7.2                    | % |
| Janus Capital Management, LLC<br>151 Detroit Street<br>Denver, CO 80206 | 2,794,330   | (5) | 5.9                    | % |
| Michael A. Bless  | 0   |     | *                      |   |
| Thomas J Fitzmyers  | 7,523   |     | *                      |   |
| Karen Colonias  | 44,367  |     | *                      |   |
| Roger Dankel  | 13,623  | (6) | *                      |   |
| Ricardo M. Arevalo  | 10,846  |     | *                      |   |
| Jeffrey E. Mackenzie  | 6,429   |     | *                      |   |
| Brian J. Magstadt   | 15,543  |     | *                      |   |

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|  |         |     |   |
|--|---------|-----|---|
| James S. Andrasick   | 7,669   |     | * |
| Jennifer A. Chatman  | 14,094  | (7) | * |
| Gary M. Cusumano   | 14,894  | (7) | * |
| Celeste Volz Ford  | 6,340   |     | * |
| Peter N. Louras, Jr.   | 13,777  |     | * |
| Robin G. MacGillivray  | 14,094  | (7) | * |
| All executive officers, directors and director nominees as a group<br>(14 persons) | 173,910 | (8) | * |

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\* Less than 0.5%

(1) Information in this table is based on information that our officers and directors provided to us and on statements on Schedule 13D or 13G that shareholders filed with the Securities and Exchange Commission (the “SEC”) and sent to us. Unless otherwise indicated below in the respective footnotes, the persons named in the table had sole voting and sole dispositive power with respect to all shares beneficially owned, subject to community property laws where applicable. Pursuant to the rules of the SEC, the number of shares of our common stock below includes shares issuable pursuant to options held by the respective person or group that are currently exercisable or may be exercised within 60 days of [•], 2017, and shares issuable upon settlement of restricted stock units held by the respective person or group that will vest within 60 days of [•], 2017 (but not restricted stock units that will vest more than 60 days after [•], 2017).

(2) Applicable percentage of ownership is based upon [47,654,058] shares of our common stock outstanding as of March [•], 2017.

(3) Based on the Schedule 13G/A filed by BlackRock, Inc. with the SEC on January 9, 2017, BlackRock, Inc. has sole voting power with respect to 4,679,361 shares and sole dispositive power with respect to 4,774,034 shares.

(4) Based on the Schedule 13G/A filed by The Vanguard Group with the SEC on February 13, 2017, The Vanguard Group has sole voting power with respect to 82,127 shares, shared voting power with respect to 5,500 shares, sole dispositive power with respect to 3,352,363 shares and shared dispositive power with respect to 85,627 shares.

(5) Based on the Schedule 13G/A filed by Janus Capital Management, LLC with the SEC on February 13, 2017, Janus Capital Management has sole voting power with respect to 0 shares, shared voting power with respect to 2,794,330 shares, sole dispositive power with respect to 0 shares and shared dispositive power with respect to 2,794,330 shares.

(6) Includes 4,000 shares that are subject to options that we granted under our 1994 Stock Option Plan and that are exercisable within 60 days.

(7) Includes 5,000 shares that are subject to options that we granted under our 1995 Independent Director Stock Option Plan and that are exercisable within 60 days.

(8) Includes 19,000 shares subject to options that are exercisable within 60 days, as described in notes (6) and (7) above.

PROPOSAL 1  
ELECTION OF DIRECTORS

Composition of the Board

The Board currently consists of eight members. At the 2017 Annual Meeting, Thomas J Fitzmyers, will retire as Vice Chairman of the Board and will not stand for re-election, and one new independent candidate, Michael A. Bless, has been nominated by the Board for election as a director to fill the vacancy created by Mr. Fitzmyers' retirement. Information about our current Board members and the new Board director nominee as of the 2017 Annual Meeting is set forth in the table below:

| Name   | Age | Director Since | Independent | Year Current Term Will Expire   |
|--|-----|----------------|-------------|---|
| Michael A. Bless                                   | 51  | N/A            | X           | Being nominated by the Board for election to the Board at the 2017 Annual Meeting |
| Karen Colonias (CEO)                               | 59  | 2013           |             | 2017  |
| Celeste Volz Ford                                  | 60  | 2014           | X           | 2017  |
| Thomas J Fitzmyers<br>(Vice Chairman of the Board) | 76  | 1978           |             | Retiring following the 2017 Annual Meeting  |
| Jennifer A. Chatman                                | 57  | 2004           | X           | 2018  |
| Robin G. MacGillivray                              | 62  | 2004           | X           | 2018  |
| Peter N. Louras, Jr.<br>(Chairman of the Board)    | 67  | 1999           | X           | 2019  |
| James S. Andrasick                                 | 73  | 2012           | X           | 2019  |
| Gary M. Cusumano                                   | 73  | 2007           | X           | 2019  |

The Board is comprised of directors with strong professional reputations, skills and experience in established companies and other organizations of comparable status and size to us and/or in areas or industries relevant to our business, strategy and operations. Core skills and experiences represented by continuing members of the Board and the new Board director nominee are included in the summary graphic below:





The current composition of the Board and its director nominees reflect director-selection criteria developed by the Nominating and Governance Committee to address the needs and priorities of the Company and satisfy certain regulatory requirements. See “Director Selection Criteria” below.

#### Board Nominees

The Board, on the recommendation of its Governance and Nominating Committee, which is composed only of independent members of the Board, has nominated our incumbent directors Karen Colonias and Celeste Volz Ford, whose terms are currently set to expire at the 2017 Annual Meeting, for re-election to the Board. The Board, on the recommendation of its Governance and Nominating Committee, has additionally nominated a new director candidate, Michael A. Bless, for election to the Board at the 2017 Annual Meeting. Mr. Bless was originally identified to the Governance and Nominating Committee as a potential new director through a search conducted with the assistance of Korn Ferry, a third-party executive search and recruiting firm engaged by the Governance and Nominating Committee to identify and evaluate potential director candidates. The Board recommends that shareholders vote to elect each of Ms. Colonias, Ms. Ford and Mr. Bless to hold office until the election and qualification of directors at the 2020 annual meeting of shareholders. Pursuant to the Company’s Certificate of Incorporation and Bylaws, any new director candidate and each of our incumbent directors who are up for re-election will be elected at the 2017 Annual Meeting for a 3-year term expiring upon the election and qualification of directors at the annual meeting of shareholders to be held in 2020.

Each of Ms. Colonias, Ms. Ford and Mr. Bless has consented to be named in this Proxy Statement and to serve as a director if elected. Unless otherwise instructed, the persons named as proxies in the enclosed proxy card will vote the proxies received by them for the three Board nominees. The Board knows of no reason why any of the nominees named in this Proxy Statement would be unable or for good cause will not serve, but if any nominee should for any reason be unable to serve or for good cause will not serve, the Board reserves the right to nominate substitute nominees for election prior to the 2017 Annual Meeting, in which case the Company will file an amendment to this Proxy Statement disclosing the identity of such substitute nominees and related information and the proxies received will be voted for such substitute nominees.

We have received a notice from Iron Compass expressing its intent to nominate one individual for election to the Board at the 2017 Annual Meeting in opposition to the Board nominees named in this Proxy Statement. Iron Compass has indicated that it beneficially owns an aggregate of 170,042 shares of our common stock (representing approximately 0.36% of our outstanding common stock). The Governance and Nominating Committee carefully evaluated the individual proposed by Iron Compass, along with certain other persons. We believe that the nominees proposed by the Board are the most qualified candidates up for election at the 2017 Annual Meeting because they have the key attributes that are important to an effective board, including the experience, industry knowledge, integrity and commitment necessary to oversee the execution of our strategic plan and create value for all our shareholders. See “Board of Director Information” below. As a result, the Board does not endorse the Iron Compass nominee and unanimously recommends that you vote FOR the Board nominees who have been named in this Proxy Statement and on the **WHITE** proxy card. **THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU DO NOT SIGN, OR OTHERWISE VOTE USING, ANY PROXY CARD SENT TO YOU BY IRON COMPASS. IF YOU HAVE PREVIOUSLY SIGNED, OR OTHERWISE VOTED USING, A PROXY CARD SENT TO YOU BY IRON COMPASS, YOU CAN REVOKE IT BY SIGNING, DATING AND MAILING THE ENCLOSED WHITE PROXY CARD IN THE ENVELOPE PROVIDED.**

#### Board Nominee and Director Qualifications and Biographical Information

Our directors are individuals of reputation, integrity and accomplishment. They bring to the Board a range of expertise, talents and insights. In addition, they bring practical industry experience in a variety of areas. See “Composition of the Board” above. As is required by our Governance Guidelines, a majority of our outside (non-management) directors must be independent. To be independent, a director must have no financial, family or

close personal ties to us or our executive officers and must meet the New York Stock Exchange (“NYSE”) independence standards. See “Board Independence” below. We undertake serious and deliberate consideration to evaluate periodically our current directors’ skill sets and are committed to Board refreshment and succession planning. For prospective director candidates, we seek individuals with qualifications and attributes that are complementary to our business, industry, strategy and current directors’ skills and experience. See “Director Selection Criteria” below.

Board Nominees for Election as Directors at the 2017 Annual Meeting

1. Karen Colonias

**Experience:** Ms. Colonias has been our Chief Executive Officer since January 2012, and in 2013 she was appointed to the Board. From 2009 – 2012 she was our Chief Financial Officer, Secretary and Treasurer. Prior to that, she held the position of Vice President of our global structural product solutions subsidiary, Simpson Strong-Tie Company Inc. and, in that capacity from 2004 to 2009, served as the Branch Manager of Simpson Strong-Tie’s manufacturing facility in Stockton, California. She joined Simpson Strong-Tie in 1984 as an engineer in the research and development department, where she was responsible for the design and testing of new products and code development. In 1998 she was promoted to Vice President of Engineering, responsible for Simpson Strong-Tie’s research and development efforts. Before joining Simpson Strong-Tie, she worked as a civil engineer for the Bechtel Corporation, a global engineering, construction, and project management company. Since 2016, she has served as a director of Reliance Steel and Aluminum Co.

**Contribution to and function on the Board:** Ms. Colonias brings to the Board her deep industry knowledge and her dedication to the ongoing success of the Company. She is our management’s only representative on the Board. She actively shapes the Company’s strategic objectives and brings her extensive knowledge and understanding to the Company culture, its operations, its employees, customers, suppliers, investors and other stakeholders. She has demonstrated a commitment to integrity in all aspects of the Company’s business and transparency in her leadership of the Company. She is currently a member of the Acquisition and Strategy Committee.

2. Celeste Volz Ford

**Experience:** Ms. Ford joined the Board in 2014. She has been the Chief Executive Officer of Stellar Solutions, Inc. since she founded the company in 1995. Stellar Solutions is a global provider of systems engineering expertise and a recognized leader in government and commercial aerospace programs. She is a proven leader of the Stellar companies, including Stellar Solutions, Inc., which provides engineering services, Stellar Solutions Aerospace Ltd, their UK-based affiliate, QuakeFinder, the humanitarian R&D division of Stellar Solutions, and the Stellar Solutions Foundation, a division focused on charitable giving to promote community involvement and outreach efforts. Ms. Ford sits

on the boards of Seagate Government Solutions, The University of Notre Dame Board of Trustees, the American Conservatory Theater and the business Advisory Counsel of Illuminate Ventures.

***Contribution to and function on the Board:*** Ms. Ford brings to the Board her proven record of leadership and entrepreneurial spirit as well as her deep understanding of and experience with cyber, technology and software. She also brings her deep knowledge of strategic planning, a significant focus of the Company, and risk management. Additionally, she brings her valuable insights regarding activities in the UK. She is a member of the Compensation and Leadership Development Committee and the Acquisition and Strategy Committee.

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3. Michael A. Bless

**Experience:** Mr. Bless has been President and Chief Executive Officer of Century Aluminum Company since November 2011 and was Century Aluminum's Executive Vice President and Chief Financial Officer from January 2006 to October 2011. He has been a board member of Century Aluminum, a public company, since December, 2012. He has been National Trustee of Boys and Girls Clubs of America since January 2014.

**Contribution to and function on the Board:** Having held senior management positions at a public company in a related industry, Mr. Bless brings valuable leadership, industry, risk-management, investor-relation, international operations experience and strategy-development experience to the Board. His business insights, financial acumen and expansive knowledge of the construction materials industry and global market conditions enhance the collective corporate governance, strategic growth and financial expertise of the Board. If Mr. Bless is elected to the Board at the 2017 Annual Meeting, the Board currently anticipates to appoint him to one or more committee positions as appropriate.

See "New Director Nominee" below.

Continuing Directors

1. Jennifer A. Chatman

**Experience:** Ms. Chatman joined the Board in 2004. She is the Paul J. Cortese Distinguished Professor of Management Haas School of Business, University of California, Berkeley. Before joining the Berkeley faculty in 1993, she was a professor of the Kellogg Graduate School of Management, Northwestern University. She received her Ph.D. from Berkeley in 1988. She is a Trustee of Prospect Sierra School. In addition to her research and teaching at Berkeley, she consults with a wide range of organizations and is the faculty director of the Berkeley Executive Leader Program.

**Contribution to and function on the Board:** Ms. Chatman brings to the Board a deep understanding of organizational structure, leadership and compensation that gives us an objective perspective in interpreting and leveraging our unique culture to achieve our strategic objectives. She also brings insights into the Company's strategy and process of formulating a sound, realistic strategy. She is able to focus on the organizational culture and its significance to the Company along with important considerations as the Company grows and changes. She brings her expertise in human resources along with a balanced perspective and her academic knowledge from a research perspective of business. She is the Chair of the Compensation and Leadership Development Committee and a member of the Audit Committee.

2. Robin G. MacGillivray

***Experience:*** Ms. MacGillivray joined the Board in 2004. She retired from AT&T Inc. in 2014 with nearly 15 years of executive leadership experience as a corporate officer. From 2010 until her retirement in 2014 she was Senior Vice President — One AT&T Integration where she led the implementation of hundreds of world-wide initiatives designed to integrate merged organizations for optimal customer service and financial performance. Prior to that, she was Senior Vice President — Regional and Local Markets, responsible for service and sales of AT&T's small business customers nationwide. Previously, she was President of Business Communications Services for AT&T's western region, where she served the needs of small, medium and large businesses, including government, education and health care accounts. Over the course of her 35-year career, she held leadership positions in a variety of other areas, including engineering, operations, construction, finance and human resources.

**Contribution to and function on the Board:** Ms. MacGillivray brings to the Board her significant experience with mergers and acquisitions, particularly the integration of acquired entities. As a result of her accomplishments at AT&T, she also brings her substantial experience with and understanding of corporate culture, how to build teams, leadership development and change management. She also brings her dedication to corporate governance. She is the Chair of the Governance and Nominating Committee and a member of the Audit Committee and the Acquisition and Strategy Committee.

3. Peter N. Louras, Jr.

**Experience:** Mr. Louras joined the Board in 1999. He is a retired corporate executive and was appointed Chairman of the Board in April, 2014. He joined The Clorox Company in 1980 and was Group Vice President from May, 1992 until his retirement in July 2000. In this position, he served on The Clorox Company's executive committee with overall responsibility for its international business activities and business development function, including acquisitions and divestitures. Before joining The Clorox Company, Mr. Louras, a certified public accountant, worked at Price Waterhouse in its offices in both San Francisco, California and Philadelphia, Pennsylvania. Mr. Louras actively participates in civic projects and serves on the boards of various non-for-profit organizations.

**Contribution to and function on the Board:** Mr. Louras brings to the Board and to his role as its Chair a highly effective collaborative and consensus-building and style of leadership. His business acumen stemming from his significant business background, which includes acquisition and international operating experience, brings a global perspective to the Board on the Company's U.S. and international operations. He also brings a balanced perspective on a wide range of corporate governance, management and compensation issues, and he has been active in engagement with shareholders to both address their concerns and also preserve the philosophy behind the company value, structure and culture developed by the Company's founder, Barclay Simpson. He is a member of the Audit Committee, the Compensation and Leadership Development Committee and the Acquisition and Strategy Committee.

4. James S. Andrasick

**Experience:** Mr. Andrasick joined the Board in 2012. He was the Chairman of Matson Navigation Company's board of directors, until his retirement in 2009, and was its President and Chief Executive Officer from 2002 through 2008. Prior to his positions at Matson Navigation, he was the Chief Financial Officer of Alexander & Baldwin, Inc., the parent company of Matson Navigation, and was responsible for all business development activity. He recently served as a Trustee and Chair of the finance committee of Mills College and is presently a Trustee of the U.S. Coast Guard Foundation. He also previously served as



a director and the Chairman of the board of the American Red Cross, Hawaii State Chapter, as well as served on the boards of the Aloha United Way, Arthritis Foundation and Hawaii Maritime Center. He was the Chairman and a Trustee of the University of Hawaii Foundation.

***Contribution to and function on the Board:*** Mr. Andrasick brings to the Board a balanced perspective and his consensus-building style along with his business acumen stemming from his 40 years of business experience, including international experience. He also brings his financial and capital allocation and management expertise, and a strong understanding of developing markets. His experience in developing the China market for Matson Navigation, in real estate development for Alexander & Baldwin and in mergers and acquisitions gives him a unique understanding of the Company's current opportunities, and his strong financial and operations background adds depth to the Board's understanding of our business. He is the Chair of the Audit Committee and a member of the Governance and Nominating Committee and the Acquisition and Strategy Committee.

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5. Gary M. Cusumano

**Experience:** Mr. Cusumano joined the Board in 2007. He was with the Newhall Land and Farming Company for more than 35 years, most recently as the Chairman of its board of directors, until his retirement in 2006. He is a director of Forest Lawn Memorial Park and the J.G. Boswell Company and was a director of Granite Construction, Inc., Sunkist Growers, Inc., Watkins-Johnson Company and Zero Corporation and has served on the boards of many not-for-profit and community service organizations.

**Contribution to and function on the Board:** Mr. Cusumano brings to the Board his deep understanding of real estate development, and along with his business acumen and focus, give him the ability to constructively challenge management in a positive manner. He also brings to the Board a balanced perspective from both the management and board member perspectives given his extensive leadership abilities and significant boardroom experience. He is the Chair of the Acquisition and Strategy Committee and a member of the Compensation and Leadership Development Committee and the Governance and Nominating Committee.

Retiring Director

Thomas J Fitzmyers was appointed as Vice Chairman of the Board in April 2014, after serving as Chairman of the Board since January 2012. Prior to that, he served as our President and as a director since 1978 and served as our Chief Executive Officer since 1994. Mr. Fitzmyers' prior experience as President and Chief Executive Officer of Simpson Manufacturing Co., Inc. gives him unique and invaluable insights into the challenges facing our business and our industry. Mr. Fitzmyers has informed us that he will retire following the end of his current term at the 2017 Annual Meeting.

Required Vote

Our Bylaws require that, in a contested election, directors are elected by a plurality of the votes cast, which means that the director nominees receiving the highest numbers of "for" votes of the shares entitled to be voted for them, up to the number of directors to be elected by such shares, will be elected. Since Iron Compass has nominated an individual for election to the Board, the election of directors at the 2017 Annual Meeting is considered a contested election. At the 2017 Annual Meetings, our shareholders will vote to elect three directors. As a result, among the three Board nominees and the Iron Compass nominee, the three individuals receiving the most "for" votes casted at the 2017 Annual Meeting will be elected to the Board. The enclosed **WHITE** proxy card enables a shareholder to vote "FOR" or "WITHHOLD" as to each person or all three individuals nominated by the Board. If you vote "withhold" for any Board nominee, as opposed to voting "FOR" all three Board nominees, your shares will be counted for purposes of establishing a quorum, but will not be considered to have been voted FOR such nominee. Same applies if you vote "withhold" for all Board nominees. Abstentions and broker non-votes, if any, will not constitute the votes cast either "for" or "withhold" with respect to a nominee and will accordingly have no effect on the outcome of the election of directors at the 2017 Annual Meeting.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU USE THE **WHITE** PROXY CARD TO VOTE "FOR" THE ELECTION OF ALL THREE BOARD NOMINEES, KAREN COLONIAS, CELESTE VOLZ FORD AND MICHAEL A. BLESS, TO THE BOARD AT THIS ANNUAL MEETING.



## BOARD INFORMATION AND PRACTICES

### Board Diversity

While the Company does not have a formal policy with regard to diversity in identifying director nominees, the Board believes that the backgrounds and qualifications of directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. The Board, half of whom are women, consists of directors with a variety of backgrounds. We do not discriminate against nominees on the basis of race, color, religion, gender, gender identity or expression, sexual orientation, age, national origin, disability, covered veteran status, or any other status protected by law.

### Director Tenure

The Board currently believes that a robust board evaluation process — one focused on the assessment and alignment of director skills with company strategy and priorities — is more effective than relying solely on age or tenure limits to achieve board refreshment. Therefore, we do not have a fixed retirement age for directors. Under our Governance Guidelines updated in 2016, no outside director will be nominated for re-election after 20 years of board service, and the Board generally will not nominate outside directors who come on Board after 2016 for re-election after 15 years of board service. If all three Board nominees, including Mr. Bless, are elected to the Board at the 2017 Annual Meeting, the average tenure of our directors will be 7 years. Board tenure of continuing members of the Board, including our CEO, and the new Board director nominee following the 2017 Annual Meeting (if the new nominee was elected to the Board) is broken into three groups as indicated in the summary graphic below:

### Board Self-Assessment and Third-Party Evaluation

The Board has a regular practice of assessing the diversity of skill sets of its members, the alignment of areas of expertise with the Company's strategy and priorities, and stewardship of company performance.

In recognition of the Board's commitment to regular evaluation, and in light of planned board member retirement, during 2016, the Board engaged, Veaco Group, an independent third-party corporate governance consulting firm, to conduct an assessment of the Board to help evaluate the current skills and experiences and identify key attributes for new director candidates based on the Company's current strategy and priorities. Veaco Group's evaluation process included reviewing public filings, director surveys, board and committee materials and processes, and prior board evaluations as well as engaging each Board member and members of senior management with tailored written

questions and oral interviews. The results of this evaluation were provided to the Governance and Nominating Committee for it to develop, on an informed basis, selection criteria for identifying, screening and recommending potential director candidates. In addition to the Board's annual evaluations of its own and its committees' functioning and operations, Veaco Group carried out an independent review of the Board's functioning and overall effectiveness. Based on the Veaco Group's independent review, the Board believes that it and its committees are currently functioning effectively.

## Director Selection Criteria

In selecting director candidates, the Board seeks to achieve a mix of members who collectively bring significant value to the Company through their experience and personal backgrounds relevant to the Company's strategic priorities and the scope and complexity of the Company's business and industry. In light of the Company's strategic priorities, and based on its self-assessment and a corporate governance consultant's evaluation (see "Board Self-Assessment and Third-Party Evaluation" below), the Board identified key skills and experiences for director candidates that included current public company senior executive and public company board experience in managing a diversified enterprise, industry experience or understanding, an appreciation of the impacts of rapidly changing technologies and experience in managing and expanding business outside of the United States, especially in Europe. To complement its oversight responsibilities, the Board also identified implementing or overseeing company growth, strategy development, mergers and acquisitions and operations experience as key Board skills.

Based on this guidance, the Governance and Nominating Committee, working closely with the full Board and outside advisors, has developed a list of current criteria for nominating director candidates for open positions on the Board. In developing these criteria, the Governance and Nominating Committee took into account a variety of factors, including the current composition of the Board, the current strategy and future outlook of the Company, the range of experience and skills that would best complement those already represented on the Board, and the need for specialized expertise. Below are the skills and experiences that the Governance and Nominating Committee currently identifies as most valuable to the Board:

- Current Public Company Senior Executive Leadership Experience,
- Asset Management and Capital Markets Expertise,
- Strategy Experience,
- Public Company Board Experience,
- Mergers & Acquisitions Experience,
- Financial Expertise,
- International Operations Experience,
- Industry Experience,
- Corporate Governance Experience,
- Risk Management Experience,
- Talent Management and Human Resource Experience, and
- Technology Experience.

The Governance and Nominating Committee also believes that the following attributes, qualities and skills are important for our Board members to possess:

- Good judgment,
- Ability to identify issues and ask constructive questions,

- Ability to communicate effectively and have a positive relationship with management and fellow Board members,
- Ability to think critically and be a collegial disrupter,
- Concurrence with our deep commitment to shareholders and address their concerns,
- Ability to contribute to the development of forward-looking strategies, and
- Ability to manage conflict.

Based on Veaco Group's report and in light of the Company's current priorities, the Governance and Nominating Committee recommended to the Board that the ideal prospective director candidate should have the following attributes: Current Chief Executive Officer, Chief Financial Officer or other senior executive officer of a public company in the same or a related industry (such as construction materials, manufacturing or distribution industries) with financial acumen, given the Board's financial oversight responsibilities, public company board experience and experience with strategy development, leading company growth and managing international operations.

#### Director Selection Process

The Governance and Nominating Committee has retained, Korn Ferry, a leading executive search and recruiting firm, to identify and/or review new candidates upon request of the Governance and Nominating Committee. The Governance and Nominating Committee also considers new candidates for Board membership suggested by its members, other Board members, management, and shareholders.

Once a prospective candidate has come to the Governance and Nominating Committee's attention, including candidates recommended by its advisors or suggested by shareholders, the Governance and Nominating Committee evaluates the candidate's leadership, boardroom, transaction and industry experience, financial, management and technology expertise, business acumen, strategic ability as well as interpersonal skills, teamwork, vision and integrity, against the desired director attributes, and makes an initial determination as to whether to conduct a full evaluation. In making this determination, the Governance and Nominating Committee takes into account the information provided to it with the recommendation of the candidate, as well as the Governance and Nominating Committee's own knowledge and information obtained through inquiries to third parties to the extent the Governance and Nominating Committee deems appropriate. The preliminary determination is based primarily on the current need for additional Board members and the likelihood that the prospective candidate can satisfy the criteria that the Governance and Nominating Committee has established (See "Director Selection Criteria" above). If the Governance and Nominating Committee determines, in consultation with the Chairman of the Board and other directors as appropriate, that additional consideration is warranted, it may request its executive search and recruiting advisor to gather additional information about the prospective candidate's background and experience and to report its findings to the Governance and Nominating Committee. The Governance and Nominating Committee then evaluates the prospective candidate against the Board selection criteria that it has developed, as well as the following factors:

- the extent to which the prospective candidate contributes to the range of talent, skill and expertise appropriate for the Board;
- the prospective candidate's willingness to comply with our governance policies and guidelines, including our compensation recovery policy, our anti-hedging and anti-pledging policy, and our Governance Guidelines (which include our stock ownership guidelines for outside directors) (See "Corporate Governance — Governing Documents" below).
- the prospective candidate's willingness to represent the interests of all of the Company's shareholders;
- the prospective candidate's commitment to integrity and independence of thought and judgment;
- the prospective candidate's ability to dedicate sufficient time, energy and attention to the diligent performance of his or her duties and avoid conflict of interest, including his or her current board memberships; and
- the prospective candidate's ability to resonate with the company value, structure and culture developed by the Company's founder, Barclay Simpson, and at the same time, appreciate the Company's growth potential.

If the Governance and Nominating Committee decides, on the basis of its preliminary review, to proceed with further consideration, members of the Governance and Nominating Committee, as well as other members of the Board as



appropriate, then reach out to interview the candidate. After completing its evaluation, the Governance and Nominating Committee makes a recommendation to the full Board, which makes the final determination whether to nominate or appoint the new candidate after considering the Governance and Nominating Committee Committee's recommendation.

Pursuant to our Bylaws, a shareholder who wishes to recommend a prospective candidate for the Board to us may notify the Company's Secretary in writing with materials and information required by our Bylaws and other supporting materials that the shareholder considers appropriate. In considering whether to nominate any person suggested by a shareholder, the Governance and Nominating Committee will evaluate such candidate in the same way as it evaluates director candidates identified by itself.

In making its recommendations with respect to the nomination for re-election of existing directors at our annual meetings of shareholders, the Governance and Nominating Committee assessed the current composition of the Board and considered the extent to which the Board continues to reflect the criteria set forth above. The "Composition of the Board" section sets out how each of the current Board members contributes to the mix of experience, skills and qualifications that we seeks to be represented on the Board.

#### New Director Nominee

As a part of the Board's succession plan, when Mr. Fitzmyers' announced his retirement following the 2017 Annual Meeting, we planned to nominate a new independent director candidate to be elected to the Board at the 2017 Annual Meeting. Through its ongoing board evaluation and director succession planning process, the Governance and Nominating Committee had been actively conducting searches to identify qualified candidates who would enhance the collective experience and expertise of the Board, including identifying the candidate to fill the vacancy created by Mr. Fitzmyers' retirement.

Korn Ferry, the executive search and recruiting firm engaged by the Governance and Nominating Committee, through extensive searches, identified and performed reference check and background investigation on several potential director candidates. Members of the Governance and Nominating Committee, as well as other members of the Board as appropriate, reviewed their qualifications, evaluated them against the same selection criteria discussed under "Director Selection Criteria" above, and interviewed some of the candidates, including the candidate nominated by Iron Compass.

Following a rigorous vetting and selection process, the Governance and Nominating Committee recommended Michael A. Bless, current Chief Executive Officer and board member as well as former Chief Financial Officer of Century Aluminum Company, a global producer of primary aluminum, for election to the Board at the 2017 Annual Meeting. Prior to joining Century Aluminum, Mr. Bless served as Managing Director of M. Safra & Co., Chief Financial Officer of Maxtor Corporation and Chief Financial Officer of Rockwell Automation, Inc., and was responsible for the finance, accounting, treasury, investor relations and information technology functions. Mr. Bless' experience in driving growth and leading major companies, as both Chief Executive Officer and Chief Financial Officer, brings valuable leadership, industry, risk-management, investor-relation, international operations experience and strategy-development experience to the Board. Prior to holding a number of senior management positions at public and private companies, Mr. Bless spent years in investment banking, working for Merrill Lynch and Dillon, Read & Co. in a variety of areas, including mergers and acquisitions, equities, fixed income and restructurings. His business insights, financial acumen and expansive knowledge of the construction materials industry and global market conditions enhance the collective corporate governance, strategic growth and financial expertise of the Board. Applying the NYSE independence standards, the Board has affirmatively determined that Mr. Bless is independent in that he has no material relationship with us, either directly or as a partner, shareholder, officer or employee of an organization that has a relationship with us.

During its evaluation and interview with the individual nominated by Iron Compass, the Governance and Nominating Committee identified that he has been a long-time board member of one of our significant customers, which the Governance and Nominating Committee believed could create conflicts of interest if he were to be elected to the Board. Due to this concern, the Governance and Nominating Committee determined that he is not best suited to be a member of the Board at this time.

We believe that our director nominees for the 2017 Annual Meeting, consisting of three Chief Executive Officers ((1) our own Chief Executive Officer, Ms. Colonias, (2) the Chief Executive Officer of Stellar Solutions, Inc., Ms. Ford and (3) the Chief Executive Officer of Century Aluminum Company, Mr. Bless.), represent highly experienced and qualified Directors, that collectively with our other Board members provide effective oversight and governance of the Company, and evaluate all opportunities for building sustainable value without commitments to implement a pre-determined agenda.

## Board Independence

The NYSE listing standards require that the board of directors of a listed company consist of a majority of independent directors. A majority of our current directors are independent under those rules.

The Board follows the independence standards required by the NYSE to determine our directors and Board nominees' independence. Those standards generally provide, among other tests, that a director will not be independent of a listed company if:

- the director is, or has been within the last 3 years, an employee of the listed company, or an immediate family member is, or has been within the last 3 years, an executive officer, of the listed company;
- the director has received, or has an immediate family member who has received, during any 12-month period within the last 3 years, more than \$120,000 in direct compensation from the listed company, other than director and committee fees and pension or other forms of deferred compensation for prior service, provided such compensation is not contingent in any way on continued service;
- the director is a current partner or employee of a firm that is the company's internal or external auditor;
- the director has an immediate family member who is a current partner of such a firm;
- the director has an immediate family member who is a current employee of such a firm and personally works on the listed company's audit;
- the director or an immediate family member was within the last 3 years a partner or employee of such a firm and personally worked on the listed company's audit within that time;
- the director or an immediate family member is, or has been within the last 3 years, employed as an executive officer of another company where any of the listed company's present executive officers at the same time serves or served on the other company's compensation committee; or
- the director is a current employee, or an immediate family member is a current executive officer, of another company that has made payments to, or received payments from, the listed company for property or services in an amount that, in any of the last 3 fiscal years, exceeded the greater of \$1,000,000 or 2% of consolidated gross revenues of the other company and its parent and subsidiary entities in a consolidated group.

For purposes of these standards, "immediate family member" includes a director's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone, other than any domestic employee, who shares the director's home.

Applying the NYSE independence standards, based on their completed questionnaires provided to the Board, the Board has determined that Mr. Andrasick, Ms. Chatman, Mr. Cusumano, Ms. Ford, Mr. Louras, Ms. MacGillivray and Mr. Bless are each independent in that none of them has a material relationship with us, either directly or as a partner, shareholder, officer or employee of an organization that has a relationship with us. The Board has determined that Ms. Colonias is not independent under those standards. As a result, among the three Board nominees for election at the 2017 Annual Meeting, Ms. Ford and Mr. Bless are independent, and Ms. Colonias is not independent. In making its determination, the Board considered all relevant facts and circumstances, including commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, and considered the issue not merely from the standpoint of a director, but also from that of persons or organizations with which a director has an affiliation. If all three Board nominees are elected to the Board at the 2017 Annual Meeting, the percentage of independent directors on



the Board will be 87%, and Ms. Colonias, our CEO, will be the only non-independent director sitting on the Board, as indicated in the summary graphic below.

#### Director Orientation and Education

New directors are oriented to our business and governance through meetings with our officers and directors and visits to our facilities. We also support, and pay for, participation in continuing education programs to assist directors in performing their Board responsibilities.

## BOARD COMMITTEES

### Board Committee Membership Summary

The table below sets forth continuing directors' Board committee membership as of December 31, 2016:

#### Compensation and Leadership Development Committee

The Compensation and Leadership Development Committee is responsible for the development and review of our compensation policy for all of our salaried employees, including equity-based compensation, and is responsible for reviewing and approving the compensation discussion and analysis for inclusion in our Annual Reports on Form 10-K and/or our proxy statements. The Compensation and Leadership Development Committee currently comprises 4 independent directors, as determined pursuant to the NYSE listing standards and Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition, the members of the Compensation and Leadership Development Committee are both:

- "non-employee directors" — directors who satisfy the requirements established by the Securities and Exchange Commission (the "SEC") for non-employee directors under Rule 16b-3 under the Exchange Act; and
- "outside directors" — directors who satisfy the requirements established under Internal Revenue Code section 162(m).

The Board currently appoints the members of the Compensation and Leadership Development Committee for indefinite terms and may remove any member from the Compensation and Leadership Development Committee at any time. The Compensation and Leadership Development Committee operates under a written charter that the Board adopted, which is also available on our website at <http://www.simpsonmfg.com/social-responsibility/governance/compensation.html>. We will provide a printed copy of the charter to any shareholder on request.

#### Compensation and Leadership Development Committee Interlocks and Insider Participation

The Compensation and Leadership Development Committee currently comprises Jennifer A. Chatman, as its Chair, Gary M. Cusumano, Celeste Volz Ford and Peter N. Louras, Jr., all of whom are independent directors. Ms. Chatman, Mr. Cusumano, Ms. Ford and Mr. Louras have no relationships with us or any of our subsidiaries, other than as members of the Board and its committees.

None of the members of the Board who served on the Compensation and Leadership Development Committee in 2016 was ever an officer or employee of the Company or of any of its subsidiaries or since the beginning of 2016 was a participant in a related person transaction that requires disclosure under Item 404 of Regulation S-K adopted by the SEC. During 2016, none of the Company's executive officers served on the board of directors, its compensation

committee or any similar committee of another entity (not including tax-exempt entities under the Internal Revenue Code Section 501(c)(3)) that has one or more of its executive officers serving on the Board or the Compensation and Leadership Development Committee.

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## Compensation Consultant

The Compensation and Leadership Development Committee has the authority under its charter to retain or obtain the advice of advisers, including compensation consultants, as it may deem appropriate. In accordance with this authority, since 2014, the Compensation and Leadership Development Committee has engaged Mercer LLC (“Mercer”) as its independent compensation consultant to provide it with objective and expert analyses, advice and information with respect to executive compensation. All executive compensation services provided by Mercer were conducted under the direction or authority of the Compensation and Leadership Development Committee. In addition to Mercer, members of our Human Resources and Finance Departments support the Compensation and Leadership Development Committee in its work.

During 2016, Mercer made recommendations to the Compensation and Leadership Development Committee to (1) position the total compensation of the Company’s Named Executive Officers at the median level within a group of updated peer companies when the Company has a median performance; and (2) adjust the framework of the Company’s non-equity incentive and equity incentive compensation programs to effectuate such pay positioning. See “Compensation Discussion and Analysis — Executive Summary” below. Taking into account, among other considerations, the feedback received by the Board from our shareholders, the latest guidelines from proxy advisors, and peer companies’ practices, the Compensation and Leadership Development Committee incorporated these recommendations into the equity-based compensation program for our Named Executive Officers, beginning with equity-based compensation awarded in 2017 for operating and strategic goals achieved for 2016. See “Executive Compensation Analysis — Long-Term Equity Awards” below. We paid Mercer total fees of \$494,309 for these services in 2016.

The engagement of Mercer was the result of a selection process, conducted by management and the chair of the Compensation and Leadership Development Committee, among three firms. At the conclusion of the selection process, Mercer was recommended and the Compensation and Leadership Development Committee approved Mercer’s selection. The Compensation and Leadership Development Committee considered the required independence factors outlined by the SEC and NYSE rules. Mercer was engaged in 2016 to:

- identify an updated industry peer group,
- assess the appropriateness and competitiveness of our compensation programs as compared to compensation programs maintained by the selected industry peer group,
- evaluate our executive and director compensation, and
- recommend changes to our short-term and long-term incentive programs.

Mercer was also engaged to perform additional services to evaluate long-term equity compensation and conduct compensation benchmarking analysis for all employees and we paid them \$54,685 for these services in 2016. Since 2010 we have engaged Mercer US Inc. and Mercer Health and Benefits LLC for the placement of our health care insurance and Marsh USA Inc. for the placement of our various lines of business insurance, all of the three entities are affiliates of Mercer. In 2016, we paid Mercer US Inc. and Mercer Health and Benefits LLC \$1,850. In 2016, we paid Marsh USA Inc. \$3,814,274, either directly by us or through commissions paid by our insurance carriers, including \$335,000 for brokerage fees and \$3,479,274 for insurance policy premiums. The decision to engage Mercer US Inc., Mercer Health and Benefits LLC and Marsh USA Inc. was made by management, not subject to approval by the Board or the Compensation and Leadership Development Committee.

## Report of the Compensation and Leadership Development Committee

The Compensation and Leadership Development Committee reviewed the above Compensation Discussion and Analysis, discussed it with our officers, and based on such review and discussions, recommended its inclusion in this

Proxy Statement.

Compensation and Leadership  
Development Committee  
Jennifer A. Chatman, Chair  
Gary M. Cusumano  
Celeste Volz Ford  
Peter N. Louras, Jr.

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## Audit Committee

The Audit Committee is responsible for financial and accounting oversight and risk management. Its policies and practices are described below.

## Composition

The Audit Committee comprises 4 independent directors, as determined pursuant to the NYSE listing standards and Rule 10A-3 of the Exchange Act. It operates under a written charter that the Board adopted, which is available on our website at <http://www.simpsonmfg.com/social-responsibility/governance/audit.html>. We will provide a printed copy of the charter to any shareholder on request. The current members of the Audit Committee are James S. Andrasick, as its Chair, Jennifer A. Chatman, Peter N. Louras, Jr. and Robin G. MacGillivray. The Board has determined that each of them meets the definitions and standards for independence and is financially literate, and that James S. Andrasick and Peter N. Louras, Jr., have financial management expertise as required by NYSE listing standards and meet the SEC definition of an “audit committee financial expert.”

## Responsibilities

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the accounting firm that we engage as our independent registered public accounting firm. The Audit Committee must pre-approve fees to be paid to our principal independent registered public accounting firm before it begins work. Our officers are responsible for our internal controls and financial reporting process. Subject to the Audit Committee’s oversight, our independent registered public accounting firm is responsible for performing an independent audit of our internal controls over financial reporting, for performing an independent audit of our consolidated financial statements in accordance with generally accepted auditing standards, and for reporting on those audits.

## Report of the Audit Committee

The Audit Committee met 7 times in 2016 and has held discussions with our officers and Grant Thornton LLP (“Grant Thornton”), a registered public accounting firm and our independent registered public accounting firm. Our officers represented to the Audit Committee that our consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States. The Audit Committee has reviewed and discussed the consolidated financial statements with our officers and Grant Thornton. The Audit Committee has discussed with Grant Thornton the matters that are required to be discussed under Auditing Standard No. 16, “Communications with Audit Committees,” issued by the Public Company Accounting Oversight Board.

The Audit Committee has received the written disclosures and the letter from Grant Thornton as required by applicable requirements of the Public Company Accounting Oversight Board affirming the registered public accounting firm’s independence in compliance with Rule 3526. The Audit Committee discussed with Grant Thornton that firm’s independence. On that basis, the Audit Committee believes that Grant Thornton is independent.

Based on the Audit Committee’s discussions with our officers and Grant Thornton, the Audit Committee’s review of the representations of our officers, and the report of Grant Thornton, to the Audit Committee, the Audit Committee recommended that the Board include the audited consolidated financial statements in our Annual Report to Shareholders on Form 10-K for the year ended December 31, 2016, as filed with the SEC. The Audit Committee believes that it has satisfied its responsibilities under its charter.

Audit Committee  
James S. Andrasick, Chair  
Jennifer A. Chatman  
Peter N. Louras, Jr.

Robin G. MacGillivray

## Governance and Nominating Committee

The Board has a standing Governance and Nominating Committee, which is primarily responsible for nominating candidates to the Board. It operates under a written charter that the Board adopted, which is available on our website at <http://www.simpsonmfg.com/social-responsibility/governance/governance.html>. We will provide a printed copy of the charter to any shareholder on request. The 3 current members of the Governance and Nominating Committee, Robin G. MacGillivray, Chair, James S. Andrasick and Gary M. Cusumano, are independent and meet all applicable independence requirements under the NYSE listing standards and Rule 10A-3 of the Exchange Act.

The Governance and Nominating Committee considers all candidates identified as potential directors, including those submitted by shareholders for its consideration. Any of our shareholders can recommend a director candidate to the Governance and Nominating Committee by following instructions stated below.

When evaluating a director candidate, whether or not recommended by a shareholder, the Governance and Nominating Committee uses for guidance our Governance Guidelines (available on our website at <http://www.simpsonmfg.com/social-responsibility/governance/governance-guidelines.html>), including the guidelines' "Director Qualification Standards" and "Key Director Responsibilities" sections, and considers the candidate's education, business experience, financial expertise, industry experience, business acumen, interpersonal skills, vision, teamwork, integrity, strategic ability and customer focus. The Governance and Nominating Committee will review and discuss potential candidates who come to its attention, whether from internal or external sources. From the review and discussion, the Governance and Nominating Committee may narrow the list of potential candidates and interview the remaining candidates. The Governance and Nominating Committee will recommend for consideration by the full Board any candidate that the Governance and Nominating Committee considers to be suitable.

Our Bylaws permit our shareholders directly to nominate directors for election at an annual meeting. To do so, a shareholder must notify our Secretary at least 75 days, but not more than 90 days, before the annual meeting, unless we do not publicly disclose the date of the meeting at least 85 days before the date that the meeting is scheduled to be held, in which case our Secretary must receive the shareholder's notice within 10 days after we publicly disclose the meeting date. Shareholders may make nominations to the Company by writing a letter to:

Simpson Manufacturing Co., Inc.

Board of Directors Governance and Nominating Committee

5956 W. Las Positas Blvd.

Pleasanton, CA 94588

A shareholder's nomination notice must state as to each of its candidates -

- the candidate's name, age, business address and residence address,
- the candidate's principal occupation or employment,
- the number of shares of our common stock that the candidate beneficially owns and other information, if any, required by our Bylaws,
- any other information relating to the candidate that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, pursuant to Regulation 14A under the Exchange Act (including, without limitation, the candidate's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and

- a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and shareholder associated person, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 or any other provision of Regulation S-K, if the shareholder making the nomination and any shareholder associated person on whose behalf the nomination is made, or any affiliate or associate thereof or person acting in concert therewith, were the “registrant” for purposes of such Regulation S-K and the nominee were a director or executive officer of such registrant.

The shareholder's notice must also state its name and address, as they appear on our books, and the number of shares of our common stock that the shareholder beneficially owns and other information, if any, required by our Bylaws.

In addition, each person whom a shareholder proposes to nominate for election as our director must have previously delivered to our Secretary at our principal executive offices a written questionnaire with respect to the background and qualification of such proposed nominee and a written representation and agreement, both in form provided by our Secretary upon written request, that such proposed nominee (i) genuinely intends to serve, once elected, as our director for the entire term for which he or she is standing for election, (ii) is not and will not become a party to (x) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as our director, will act or vote on any issue or question that has not been disclosed to the Company or (y) any such voting commitment that limit or interfere with such proposed nominee's ability to comply, if elected as a director of the Company, with such proposed nominee's fiduciary duties under applicable law, (iii) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than us with respect to any direct or indirect compensation, reimbursement or indemnification in connection with candidacy, service or action as a director that has not been disclosed to the Company and (iv) if elected as our director, will comply with all our applicable corporate governance, conflict of interest, confidentiality, compensation recovery, stock ownership, and hedging, pledging and trading policies and guidelines.

We will disregard a purported nomination that does not comply in all respects with our Bylaws. In addition, under our Bylaws, if the nominating shareholder, or its qualified representative, does not appear at the meeting to present the proposed nomination, such proposed nomination shall not be considered (unless otherwise required by law to be considered).

We have received a nomination notice from a shareholder with respect to one director candidate for the 2017 Annual Meeting.

#### Meeting Attendance

In 2016, the Board held 9 meetings, and its committees held a total of 33 meetings, including 7 meetings of the Audit Committee, 11 meetings of the Compensation and Leadership Development Committee, 10 meetings of the Governance and Nominating Committee and 5 meetings of the Acquisition and Strategy Committee.

In 2016, each of our directors attended at least 75% of the aggregate of the total number of meetings of the Board and the total number of meetings of the Board committee(s) on which he or she served.

Although we do not have a policy that requires our directors to attend annual meetings of our shareholders, all of our current directors attended the 2016 annual meeting of our shareholders. In 2016, outside directors of the Board held 3 meetings in executive session on days when regular meetings of the entire Board were scheduled and no meetings in executive session on days when the entire Board did not meet.

#### Executive Sessions of Outside Directors

Pursuant to the NYSE listing standards, our non-management directors meet at regularly scheduled executive sessions without members of management. In 2016, Chairman of the Board, Mr. Louras, presided over these executive sessions.

## CORPORATE GOVERNANCE

The Board believes in sound corporate governance practices that preserve and enhance our long-term value. The following chart highlights our key governance practices, which include several governance changes that have recently been approved and adopted by the Board prior to the 2017 Annual Meeting:

### Proxy Access

On February 22, 2017, the Board, based on shareholder feedback, consultation with outside advisors, and its own review, committed to amend our Bylaws to provide proxy access to qualifying shareholders after the March 28, 2017 special meeting, on terms and conditions substantially similar to the following:

- The total number of shareholder nominees for election to the Board to be included in the Company's proxy materials for an annual meeting of the shareholders shall not exceed the greater of (i) two, or (ii) 20% (rounded down) of the total number of directors of the Board then in office;
- Only shareholders who have continuously held a number of shares representing at least 3% of the outstanding shares of common stock of the Company for at least three years as of both the record date of the annual meeting for which the Company's proxy materials are being sent and the date of their nomination notice to the Company may have the ability to request the Company to include their director nominations in such proxy materials; and
- A group of no more than 20 shareholders may aggregate their shares to satisfy the above-described ownership threshold.

### Governing Documents

The Board has adopted our Governance Guidelines, which set forth the framework within which the Board, assisted by its committees, directs the affairs of the Company. The Governance Guidelines address, among other things, qualifications of directors, director independence, stock ownership by and compensation of Directors, responsibilities, operations and leadership of the Board, management succession and review as well as annual performance evaluation of the Board. The Board has adopted a Code of Business Conduct and Ethics Policy, which are applicable to all employees of the Company and its subsidiaries, including our Chief Executive Officer and our Chief Financial Officer. In addition, during 2016, the Board has adopted a Compensation Recovery Policy, which is applicable to all our current or former executive officers and other covered employees, and an Anti-Hedging and Anti-Pledging Policy, which is applicable to directors, officers, and employees of the Company and its subsidiaries, and such persons' designees. Each committee of the Board of Directors is governed by a charter adopted by the Board. The Governance Guidelines, the Code of Business Conduct and Ethics Policy, the Compensation Recovery Policy, the Anti-Hedging and Anti-Pledging Policy and each of the committee charters are available on our Investor Relations website under the



“Governance” heading at <http://www.simpsonmfg.com/social-responsibility/governance>. If we amend any aforementioned document, the amendment will be posted at the same location on our website. We will provide a printed copy of any aforementioned document, without charge, to any shareholder who requests it from our Secretary.

## Leadership Structure

Since before our initial public offering in 1994, the roles of Chairman of the Board and our Chief Executive Officer have been separated. We believe that this is appropriate under current circumstances, because it allows management to make the operating decisions necessary to manage the business, while helping to keep a measure of independence between the oversight function of the Board and operating decisions. We feel that this has provided an appropriate balance of operational focus, flexibility and oversight.

In 2014, Peter N. Louras, Jr., was appointed as Chairman of the Board. Because an independent director currently serves as Chairman of the Board, we do not separately have a Lead Independent Director. Mr. Louras, as Chairman of the Board, has assumed the duties that were previously performed by the Lead Independent Director, which include participating in setting the agenda of Board and Committee meetings, coordinating the distribution and presentation of meeting materials, facilitating communications among members of the Board and between the Board and management, leading the Board self-evaluation process, and maintaining the focus and punctuality of Board and Committee meetings. In addition, the Chairman's role also includes leading the efforts in evaluating our Chief Executive Officer and in succession planning, considering Board committee membership and leadership, and presiding at annual meetings of shareholders.

## The Board's Role in Risk Management

The Board and its committees take an active role in overseeing management of our risks. The Board regularly reviews information regarding our operational, financial, legal and strategic risks. Its Compensation and Leadership Development Committee is responsible for overseeing the management of risks relating to our compensation plans; its Audit Committee oversees management of our financial and cyber security risks; and its Governance and Nominating Committee manages risks associated with the independence of the Board and potential conflicts of interest. In 2009, the Board created the Acquisition and Strategy Committee, whose role in risk management, includes evaluating and managing our strategic risks. While each committee is responsible for evaluating certain risks and overseeing the management of these risks, our entire Board is regularly informed about such risks through committee and executive officer reports.

## Communications with the Board

We encourage shareholders and interested parties to communicate any concerns or suggestions directly to the independent members of the Board, by writing to:

Board of Directors

Simpson Manufacturing Co., Inc.

P.O. Box 1394

Alamo, CA 94507-7394

PROPOSAL 2  
APPROVAL OF OUR AMENDED EXECUTIVE  
OFFICER CASH PROFIT SHARING PLAN

At the 2017 Annual Meeting, we will ask our shareholders to consider a proposal to approve our amended Executive Officer Cash Profit Sharing Plan (the “EOCPS Plan”). The proposed changes to the EOCPS Plan will:

- (1) give the Compensation and Leadership Development Committee more flexibility in deciding when awards will be made to the covered officers with respect to a fiscal year, instead of making fixed quarterly awards; and
- (2) further limit the maximum amount of award may be paid to a covered officer with respect to a particular fiscal year.

Summary of the EOCPS Plan

The Board adopted the EOCPS Plan on January 14, 2003, and our shareholders approved it on March 31, 2003. The Board previously amended the EOCPS Plan on February 25, 2008. Our shareholders approved the amended EOCPS Plan on April 23, 2008, and re-approved it on April 23, 2013.

The EOCPS Plan applies to any employee of the Company treated as a “covered employee” pursuant to 162(m) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), and any other employee designated by the Compensation and Leadership Development Committee. The EOCPS Plan is designed to (1) parallel our Cash Profit Sharing Plan maintained for qualified employees other than our executive officers and provide cash awards for our executive officers and any other employee designated by the Compensation and Leadership Development Committee, and (2) meet, at the same time, the requirements of Internal Revenue Code section 162(m) for the cash awards to be fully deductible as “performance-based compensation” in excess of the \$1,000,000 limit for each covered employee. This \$1,000,000 limit does not, however, apply to compensation that we pay under a plan approved by our shareholders, if the compensation is “performance-based.”

The Board has delegated the administration of the EOCPS Plan to the Compensation and Leadership Development Committee. The Compensation and Leadership Development Committee determines the amount of the award that each of the covered officers is eligible to receive under the EOCPS Plan. The Compensation and Leadership Development Committee has discretion to reduce or eliminate any award under the EOCPS Plan.

A more detailed description of the EOCPS Plan and our related compensation practices is provided under the “Executive Compensation” below.

2016 Cash Awards under the EOCPS Plan

The amounts that a covered officer will receive under the EOCPS Plan in the future, if any, are in the discretion of the Compensation and Leadership Development Committee and therefore cannot be determined in advance. A “New Plan Benefits” table is not included for this reason. The following table sets forth the amounts that were received by the following individuals and groups as indicated under the EOCPS Plan with respect to the fiscal year ended December 31, 2016.

| Name and Position of Individual or Description of Group  | Year | Cash Awards<br>(\$){1} |     |
|--|------|------------------------|-----|
| Karen Colonias,<br>President, Chief Executive Officer<br>and Director                          | 2016 | \$ 1,860,346           | {2} |
| Brian J. Magstadt,<br>Chief Financial Officer,<br>Treasurer and Secretary                      | 2016 | \$ 788,374             |     |
| Roger Dankel,<br>President of North American Sales,<br>Simpson Strong-Tie Company Inc.         | 2016 | 741,785                |     |
| Ricardo M. Arevalo,<br>Chief Operating Officer,<br>Simpson Strong-Tie Company Inc.             | 2016 | \$ 741,785             |     |
| Jeffrey E. Mackenzie,<br>Vice President  | 2016 | \$ 522,160             |     |
| All current executive officers as a group{3}   | 2016 | \$ 4,858,976           |     |
| All current directors who are not executive officers as a group                                | 2016 | \$ 0                   |     |
| All employees, including all current officers<br>who are not executive officers, as a group{3} | 2016 | \$ 4,858,976           |     |

{1} The actual payout to the applicable NEO in the table above was the sum of the 2016 quarterly payouts made to his or her under our EOCPS Plan.

{2} To improve pay and performance alignment with the peer group, the Compensation and Leadership Development Committee exercised its discretion in the second and third quarters of 2016 and reduced the amount of the quarterly payout to Karen Colonias by \$300,000 and \$500,000, respectively.

{3} Includes cash awards paid to our Vice President, Sunny H. Leung.

Awards paid to each of our NEOs under the EOCPS Plan with respect to each of the three years ended December 31, 2016 are set forth in the "Summary Compensation Table" below.

#### EOCPS Plan Amendments

At its meetings on October 19, 2016 and on March 17, 2017, the Board, at the recommendation of its Compensation and Leadership Development Committee, authorized further amending the EOCPS Plan (the "EOCPS Plan Amendments"), which will only become effective if and when our shareholders approve the EOCPS Plan Amendments at the 2017 Annual Meeting.

The Board has approved and adopted EOCPS Plan Amendments and believes that approval of the EOCPS Plan Amendments is in our and our shareholders' best interests. Once the EOCPS Plan Amendments are approved by our

shareholders, we will be able to substantially deduct, for federal income tax purposes, performance-based incentive compensation that we pay to each of the covered officers in excess of the \$1,000,000 limit to the extent that the other requirements of Internal Revenue Code section 162(m) are satisfied.

Pursuant to the EOCPS Plan Amendments, instead of making quarterly awards, any award under the EOCPS Plan will be paid at such time as determined by the Compensation and Leadership Development Committee; provided that all awards thereunder with respect to periods within a fiscal year shall be paid by March of the succeeding fiscal year.

The EOCPS Plan Amendments require the Compensation and Leadership Development Committee to base performance goals on one or more of the following criteria for making awards under the EOCPS Plan: (i) earnings;

(ii) unit sales, sales volume or revenue; (iii) sales growth; (iv) stock price (including comparison with various stock market indices); (v) return on equity; (vi) return on investment; (vii) total return to shareholders; (viii) economic profit (including gross or net profit); (ix) debt rating; (x) operating income; (xi) cash flows; (xii) cost targets; (xiii) return on assets or margins; or (xiv) implementation, completion or attainment of measurable objectives with respect to (1) software development, (2) new distribution channels, (3) customer growth targets, (4) acquisition identification and integration, (5) manufacturing, production or inventory targets, (6) new product introductions, (7) product quality control, (8) accounting and reporting, (9) recruiting and maintaining personnel, or (10) compliance or regulatory program targets. Such defined group of goals is similar to the group of performance goals used under the Company's current equity incentive plan.

Under the amended EOCPS Plan, just as it did in the past for the quarterly awards under the current EOCPS Plan last amended in 2008, the Compensation and Leadership Development Committee will base the determination of periodic awards to a covered officer on his or her applicable individual percentage of the amount (each, a "Qualified Amount") by which the performance goal, as chosen by the Compensation and Leadership Development Committee, with respect to the Company or the employee's relevant branch or subsidiary for the applicable period exceeds a qualifying level determined by the Compensation and Leadership Development Committee for that period. The Compensation and Leadership Development Committee determines the qualifying level and each covered employee's individual percentage with respect to a specific period. In doing so, the Compensation and Leadership Development Committee bases the covered employees' individual percentages on their then-current job functions.

In addition to the existing limitation that no award in excess of \$2,500,000 may be paid to any covered officer under the EOCPS Plan with respect to any fiscal year, the EOCPS Plan Amendments add an additional restriction that, with respect to a particular fiscal year, no award in excess of two times any covered officer's target annual payout for that year will be paid to such officer under the EOCPS Plan. When assessing whether the \$2,500,000 cap and/or the two-times cap under the amended EOCPS Plan have been crossed, all awards made to a covered officer with respect to periods within the same fiscal year will be calculated together.

The EOCPS Plan Amendments do not affect any of the awards made under the EOCPS Plan for 2016, including the awards for the fourth quarter of 2016 (which was paid out in early 2017). If the Company's shareholders approve the EOCPS Plan Amendments, the amended EOCPS Plan will apply to awards to be made after the end of 2016. The first award under the amended EOCPS Plan is expected to be made after the first quarter of 2017 following the 2017 Annual Meeting. In the event that shareholders do not approve the EOCPS Plan Amendments at the 2017 Annual Meeting, the Company's current EOCPS Plan, last amended on February 25, 2008, will continue in effect with respect to awards to be made after the end of 2016.

In the event that our shareholders do not approve the EOCPS Plan Amendments, the EOCPS Plan, last amended on February 25, 2008, will continue in effect with respect to awards thereunder to be made for 2017 and future years, until further amendments to such EOCPS Plan our shareholders approve.

#### EOCPS Plan Implementation for 2017

To implement the amended EOCPS Plan for 2017, the Compensation and Leadership Development Committee determined previously in October 2016 that, subject to the approval of the EOCPS Plan Amendments by our shareholders at the 2017 Annual Meeting, the awards under the EOCPS Plan for 2017 will be made through five payments, with each of the first four payments to be made quarterly and the last payment to be made at the end of 2017 (or thereafter by March, 2018). For each of the four quarters in 2017, an executive Officer will receive the awards based on 50% of his or her applicable individual percentage of the respective quarterly Qualified Amount. As for the last payment, the executive officer will receive the awards based on 50% of his or her applicable individual percentage of the annual Qualified Amount for 2017. The net effect of such five payments is to reduce the amount of quarterly awards and proportionately increase the amount of awards to be made following the end of the year, with the year-end awards contingent upon achieving the Qualified Amount for the entire year.

In February, 2017, the Compensation and Leadership Development Committee also determined to use 2017 qualified operating profit of our primary operating subsidiary, Simpson Strong-Tie Company Inc., as the EOCPS Performance Goal for 2017 and base the determination of periodic awards to an executive officer in 2017 under the amended EOCPS Plan on his or her applicable individual percentage of the amount of that EOCPS Performance Goal in excess of a specified qualifying level. Such EOCPS Performance Goal uses the same methodology that was used in 2016 and prior fiscal years to measure Qualified Amounts under the current EOCPS Plan last amended in 2008.

EOCPS Plan as Amended

A copy of the EOCPS Plan, as amended by the EOCPS Plan Amendments, is attached to this Proxy Statement as Exhibit B, with additions of text indicated by underlining and deletions of text indicated by strike-outs, and is incorporated herein by this reference. The foregoing description of the EOCPS Plan and the EOCPS Plan Amendments is only a summary and is qualified in its entirety by reference to the actual text of the proposed amendment, a copy of which is provided in Exhibit B attached hereto. Shareholders are encouraged to read the full text of the proposed amendment.

Required Vote

The affirmative vote of a majority of the votes cast on Proposal 2 at the 2017 Annual Meeting is required to approve the EOCPS Plan Amendments. The enclosed WHITE proxy card enables a shareholder to vote “FOR,” “AGAINST” or “ABSTAIN” on this proposal. The proposal will pass, and the EOCPS Plan Amendments will become effective, if the total votes cast “for” Proposal 2 exceed the total number of votes cast “against” Proposal 2. Abstentions and broker non-votes, if any, will not constitute votes cast on Proposal 2 and will accordingly have no effect on the outcome of the vote on this proposal.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU USE THE WHITE PROXY CARD TO VOTE “FOR” APPROVAL OF OUR AMENDED EXECUTIVE OFFICER CASH PROFIT SHARING PLAN.**



PROPOSAL 3  
RATIFICATION OF SELECTION OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM

The Board has selected Grant Thornton LLP (“Grant Thornton”) as the principal independent registered public accounting firm to audit our internal controls over financial reporting and our financial statements for 2017. At the 2017 Annual Meeting, you will be asked to ratify that selection. Grant Thornton has audited our financial statements since 2015. A Grant Thornton representative will be present at the meeting, will be given an opportunity to make a statement at the meeting if he or she desires to do so, and will be available to respond to appropriate questions.

Dismissal of Former Independent Registered Public Accounting Firm

On June 19, 2015, the Board, on the recommendation of its Audit Committee, dismissed PricewaterhouseCoopers LLP (“PwC”) as our independent registered public accounting firm. We provided PwC with a copy of the disclosures that were made regarding its dismissal in a Current Report on Form 8-K (the “Report”) prior to the time the Report was filed with the SEC on June 24, 2015. We requested that PwC furnish a letter addressed to the SEC stating whether or not PwC agrees with the statements made therein. A copy of PwC’s letter dated June 24, 2015, was attached as Exhibit 16.1 to the Report.

The reports of PwC on our consolidated financial statements for the fiscal years ended December 31, 2014 and 2013 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended December 31, 2014 and 2013 and the subsequent interim period through June 19, 2015, there were no “disagreements” (as defined in Item 304(a)(1)(iv) of Regulation S-K and related instructions) with PwC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PwC, would have caused PwC to make reference thereto in their reports on the consolidated financial statements for such fiscal years. During the fiscal years ended December 31, 2013 and 2014 and any subsequent interim period through June 19, 2015, there were no “reportable events” (as defined in Item 304(a)(1)(v) of Regulation S-K), except that our internal control over financial reporting was not effective due to the existence of material weaknesses in our internal control over financial reporting. As disclosed in our Annual Report to Shareholders on Form 10-K for the fiscal year ended December 31, 2013, and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2014, June 30, 2014, and September 30, 2014:

- Our management did not design and maintain effective controls over the valuation of goodwill. Specifically, management did not design a review precise enough to determine the accuracy and support of certain forecasts and assumptions related to the goodwill impairment assessments. This material weakness resulted in errors in our step-one goodwill impairment models, which were not detected by our internal control review process; and
- Our management did not design and maintain effective internal controls related to the valuation of indefinite-lived in-process research and development intangible assets. Specifically, management did not design a process or controls to evaluate impairments at the individual asset level in accordance with accounting principles generally accepted in the United States.

PwC discussed each of these matters with the Audit Committee. We have authorized PwC to fully respond to the inquiries of Grant Thornton, the successor independent registered public accounting firm, concerning these matters.

The aforementioned material weaknesses have been remedied and no material weaknesses in our internal control over financial reporting have been reported for any subsequent reporting periods following September 30, 2014.

## Audit and Non-Audit Fees

The following table sets forth (1) the fees accrued or paid to our current principal independent registered public accounting firm, Grant Thornton, for the two periods indicated in footnotes 1 and 2 thereto, and (2) the fees accrued or paid to our former principal independent registered public accounting firm, PwC, for the period indicated in footnote 3 thereto:

|                       | Grant<br>Thornton<br>2016{1} | Grant<br>Thornton<br>2015{2} | PwC<br>2015{3} |
|-----------------------|------------------------------|------------------------------|----------------|
| Audit fees{4}         | \$ 1,868,000                 | \$ 1,616,000                 | \$ 654,000     |
| Audit-Related fees{5} | —                            | —                            | 28,000         |
| Tax fees{6}           | 21,000                       | 14,000                       | 970,000        |
| All other fees        | —                            | —                            | 2,000          |
| Total                 | \$ 1,889,000                 | \$ 1,630,000                 | \$ 1,645,000   |

{1} Represents fees accrued or paid to Grant Thornton as our current principal independent registered public accounting firm from January 19, 2016, through December 31, 2016.

{2} Represents fees accrued or paid to Grant Thornton as our current principal independent registered public accounting firm from June 19, 2015, through December 31, 2015.

{3} Represents fees accrued or paid to PwC as our former principal independent registered public accounting firm from January 1, 2015, through June 18, 2015.

{4} Audit fees consist of the aggregate fees billed for professional services rendered for the audit of our annual financial statements included in our Annual Reports on Form 10-K and the review of financial statements included in our Quarterly Reports on Form 10-Q, and services that are normally provided in connection with statutory and regulatory filings or engagements for those years.

{5} Audit-Related fees consist of the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under the “Audit fees.”

{6} Tax fees consist of the aggregate fees billed for professional services rendered for tax compliance, tax advice, and tax planning. We incurred tax fees in fiscal 2016 primarily for tax compliance in Australia, New Zealand, Hong Kong and Denmark. We incurred tax fees in fiscal 2015 primarily for tax compliance in Australia, New Zealand and France.

The Audit Committee must pre-approve fees to be paid to our principal independent registered public accounting firm before it begins work. The Audit Committee pre-approved all fees and services for Grant Thornton’s work in 2016 and 2015 and PwC’s work in 2015 while PwC was our principal independent registered public accounting firm. The Audit Committee has determined that the fees for services rendered were compatible with maintaining the independence of Grant Thornton and PwC.

For additional information concerning the audit committee and its activities with our principal independent registered public accounting firm, see “Report of the Audit Committee” above.

## Required Vote

The affirmative vote of a majority of the votes cast on Proposal 3 at the 2017 Annual Meeting is required to ratify the Board's selection of Grant Thornton as the Company's independent registered public accountants for 2017. The enclosed **WHITE** proxy card enables a shareholder to vote "FOR," "AGAINST" or "ABSTAIN" on this proposal. The proposal will pass, and the Board's selection of Grant Thornton as the Company's independent registered public accountants for 2017 will be ratified, if the total votes cast "for" Proposal 3 exceed the total number of votes cast "against" Proposal 3. Abstentions and broker non-votes, if any, will not constitute votes cast on Proposal 3 and will accordingly have no effect on the outcome of the vote on this proposal.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU USE THE WHITE PROXY CARD TO VOTE "FOR" RATIFICATION OF THE SELECTION OF GRANT THORNTON LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2017.**

PROPOSAL 4  
ADVISORY VOTE TO APPROVE NAMED  
EXECUTIVE OFFICER COMPENSATION

At each annual meeting, we provide our shareholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our Named Executive Officers as disclosed in this Proxy Statement in accordance with the compensation disclosure rules of the Securities and Exchange Commission (the "SEC"). This resolution is required pursuant to Section 14A of the Securities Exchange Act of 1934, as amended.

As described in detail below under "Executive Compensation Discussion and Analysis," we seek to closely align the interests of our Named Executive Officers with the interests of our shareholders. Our compensation programs are designed to reward our Named Executive Officers for the achievement of short-term and long-term strategic and operational goals and the achievement of increased total shareholder value, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking. Please read the "Executive Compensation Discussion and Analysis" and the compensation tables and narrative disclosure that follow for additional details about our executive compensation program, including information about the 2016 compensation of our Named Executive Officers. Our executive compensation program is designed to attract, motivate and retain the Named Executive Officers, who are critical to our success. Please refer to the "Executive Officers" below for qualifications and biographical information about our Named Executive Officers.

Accordingly, at the 2017 Annual Meeting, we ask that you vote "FOR" the following resolution:

"RESOLVED that the compensation paid to this corporation's named executive officers, as disclosed in this corporation's proxy statement for the 2017 annual meeting of stockholders, pursuant to Item 402 of Regulation S-K, including the "Compensation Discussion and Analysis," compensation tables and narrative discussion within such proxy statement, is hereby approved on a non-binding advisory basis."

The vote on this resolution is not intended to address any specific element of compensation, the overall compensation of the Named Executive Officers and the compensation philosophy, policies and practices described in this Proxy Statement.

This vote is advisory, which means that it is not binding on us, the Board or its Compensation and Leadership Development Committee. The Board and its Compensation and Leadership Development Committee, however, value the views of our shareholders and will take into account the outcome of the vote when making future compensation decisions for our Named Executive Officers.

Required Vote

The affirmative vote of a majority of the votes cast on Proposal 4 at the 2017 Annual Meeting will approve, on a non-binding, advisory basis, the compensation of our Named Executive Officers. The enclosed **WHITE** proxy card enables a shareholder to vote "FOR," "AGAINST" or "ABSTAIN" on this proposal. The proposal will pass, and the compensation of our Named Executive Officers will be approved, if the total votes cast "for" Proposal 4 exceed the total number of votes cast "against" Proposal 4. Abstentions and broker non-votes, if any, will not constitute votes cast on Proposal 4 and will accordingly have no effect on the outcome of the vote on this proposal.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU USE THE WHITE PROXY CARD TO VOTE "FOR" APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.**

PROPOSAL 5

ADVISORY VOTE ON THE FREQUENCY OF ADVISORY VOTES  
ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

At the 2017 Annual Meeting, we provide our shareholders with the opportunity to vote, on a non-binding, advisory basis, for their preference as to how frequently we should seek future advisory votes on the compensation of our Named Executive Officers as disclosed in accordance with the compensation disclosure rules of the SEC. This resolution is required pursuant to Section 14A of the Securities Exchange Act of 1934, as amended.

In voting on this Proposal 5, shareholders may indicate whether they would prefer that we conduct future advisory votes on the compensation of our Named Executive Officers every one, two or three years. Shareholders also may, if they wish, abstain from casting a vote on this proposal. The option receiving the most votes (not including “abstain” votes) will be the option chosen by shareholders.

The Board has determined that an annual advisory vote on the compensation of our Named Executive Officers will allow our shareholders to provide timely, direct input on our compensation philosophy, policies and practices as disclosed in our proxy statement each year. The Board believes that an annual vote is therefore consistent with our efforts to engage in an ongoing dialogue with our shareholders on the compensation of our Named Executive Officers and other corporate governance matters. The Company, however, recognizes that shareholders may have different views as to the best approach, and therefore we look forward to hearing from our shareholders as to their preferences on the frequency of advisory votes on the compensation of our Named Executive Officers.

Accordingly, at the 2017 Annual meeting, you will vote on the following resolution:

“RESOLVED that the stockholders recommend, on a non-binding advisory basis, whether a non-binding advisory vote to approve the compensation of this corporation’s named executive officers should occur every one, two or three years.”

This vote is advisory, which means that it is not binding on us, the Board or its Compensation and Leadership Development Committee. The Board may decide that it is in the best interests of our shareholders to hold an advisory vote on the compensation of our Named Executive Officers more or less frequently than the frequency receiving the most votes cast by our shareholders at the 2017 Annual Meeting. The Board and its Compensation and Leadership Development Committee, however, value the views of our shareholders and will take into account the outcome of the vote when considering the frequency of future advisory votes on the compensation of our Named Executive Officers.

Required Vote

The enclosed **WHITE** proxy card enables a shareholder to vote “1 Year,” “2 Years,” “3 Years” or “ABSTAIN” on this Proposal 5. The choice receiving the largest number of affirmative votes cast, whether or not a majority of the votes has been cast for such choice at the 2017 Annual Meeting, will be the election on Proposal 5 and the frequency of advisory votes on the compensation of our Named Executive Officers chosen by our shareholders. Abstentions and broker non-votes, if any, will not constitute votes cast on Proposal 5 and will accordingly have no effect on the outcome of the vote on this proposal.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU USE THE WHITE PROXY CARD TO VOTE “FOR” THE OPTION OF “ONE YEAR” AS THE PREFERRED FREQUENCY FOR ADVISORY VOTES ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.**

PROPOSAL 6  
VOTE TO APPROVE A NON-BINDING SHAREHOLDER  
PROPOSAL TO DECLASSIFY THE BOARD

Iron Compass Partners, LP has requested that we include the following proposal and its supporting statement in this Proxy Statement. The Board opposes the shareholder proposal for the reasons stated following the proposal and the supporting statement of Iron Compass.

The Proposal

“RESOLVED, that stockholders of Simpson Manufacturing Co., Inc. (the “Company”) request that the Board of Directors of the Company (the “Board”) take all necessary steps (other than any steps that must be taken by stockholders) to eliminate the classification of the Board and to require that directors elected by the stockholders be elected on an annual basis commencing with the first annual meeting of stockholders for the election of directors occurring after the implementation of this proposal, provided that the implementation of this proposal shall not affect the unexpired terms of directors elected prior to such implementation.”

Supporting Statement of Iron Compass

Corporate Governance

We believe the annual election of all directors encourages board accountability to its stockholders and that directors perform better when held accountable for their actions. This view is shared by most stockholders and institutional investors, who believe it to be the standard for corporate governance best practices. The vast majority of companies in the S&P 500 and Russell 1000 indexes elect all board members annually, with only approximately 10.5% and 25%, respectively, of companies retaining classified boards.

Currently, the Board is divided into three classes serving staggered three-year terms. A classified board protects the incumbents and leads to entrenchment, which can limit accountability to stockholders and make the board less responsive to stockholder concerns.

We are committed to improving the corporate governance of the Company for the benefit of all stockholders. Declassification of the Board is a positive step which will allow for more productive stockholder engagement and will help the Company optimize stockholder value.

Accountability and Performance

The Company’s performance has been disappointing over the past several years, due in part to capital allocation decisions that have resulted in deteriorated return on equity and business line extensions that have involved excessive overhead spending and that represent a drag on profitability. After a decade of underperformance, the Company’s strategy must be reevaluated. We believe the Board has failed to take proactive steps to address the Company’s poor performance and misaligned executive compensation practices.

We believe that the Company’s changes regarding capital allocation, corporate governance and executive compensation, which were announced in the latter half of 2016 only after we published a letter that we sent to the Board, represent very modest measures that do not sufficiently address the Company’s greater problems. Furthermore, these changes will be implemented over an unnecessarily long time frame. Perhaps the best example is the newly enacted 15-year outside director term limit, which specifically does not apply to any current directors. In total, we believe that the announcements aim to mute criticism while further preserving the current Board composition.

For a greater voice in the Company's corporate governance and to increase the accountability of the Board to stockholders, we urge you to vote "FOR" this proposal.

The Board's Statement in Opposition

The Board unanimously recommends that shareholders vote **AGAINST** this shareholder proposal because, as described below, the shareholder proposal has already been substantially implemented in a more thoughtful way that provides net benefits to shareholders.

The shareholder proposal requests that the Board “take all necessary steps (other than any steps that must be taken by stockholders) to eliminate the classification of the Board and to require that directors elected by the stockholders be elected on an annual basis commencing with the first annual meeting of stockholders for the election of directors occurring after the implementation of this proposal, provided that the implementation of this proposal shall not affect the unexpired terms of directors elected prior to such implementation.”

The Board has already taken all such necessary steps, including proactively calling a special meeting of shareholders for a vote by shareholders on two proposals: (1) a proposal to amend our Certificate of Incorporation to declassify the Board over a three-year period and provide that director nominees be elected for one-year terms beginning at the 2017 Annual Meeting; and (2) a proposal to amend our Certificate of Incorporation to eliminate the ability to exercise cumulative voting in director elections. The Board approved, adopted and declared advisable these amendments to the Certificate of Incorporation on the condition that these amendments will be implemented only if shareholders approve and adopt both special meeting proposals. Conditioned on the approval and adoption of the two proposals at the March 28, 2017 special meeting, the Board also approved conforming amendments to our Bylaws. If the two proposals are approved and adopted by shareholders, then beginning with the 2017 Annual Meeting, all our directors who are up for re-election, and any new director candidates, will be elected for one-year terms.

As discussed in our special meeting proxy statement, in considering shareholder feedback regarding board declassification, the Board noted that its declassification, if coupled with cumulative voting, exacerbates the potential for disproportionate influence to be exerted by minority shareholders. This is because, all else being equal with respect to an election of directors in which cumulative voting applies, it takes fewer votes to elect a director under a declassified structure than it does under a classified structure. For example, if eight directors were up for election at a shareholder meeting following the declassification of the Board, under cumulative voting, a minority shareholder group holding only approximately 11% of our common stock outstanding could unilaterally seat a director even if holders of the other 89% of our common stock oppose that director’s election. Whereas if the Board remained classified and three directors were up for election at a shareholder meeting, under cumulative voting, a shareholder group owning approximately 25% of our common stock could elect a director candidate regardless of the wishes of holders of the other 75% of our common stock. In light of these concerns, the Board determined that it would not be in shareholders’ best interests, to both declassify the Board and retain the ability to exercise cumulative voting. As a result of this consideration, the Board conditioned implementation of the declassification and elimination of the ability to exercise cumulative voting upon shareholders approving and adopting both such proposals at the special meeting.

In light of the fact that the Board has already taken the necessary steps requested by the shareholder proposal by proactively calling the special meeting to allow shareholders to amend the Certificate of Incorporation to eliminate the classification of the Board and conditionally approving conforming Bylaw amendments, the Board believes that the shareholder proposal has been substantially implemented and is therefore unnecessary.

Moreover, the special meeting proposals, if both approved and adopted, would allow us to effect the Board declassification without further shareholder action and provide for annual election of directors beginning at the 2017 Annual Meeting. In contrast, this non-binding shareholder proposal, if supported by a majority of shareholders, would still require further Board action and a binding shareholder vote to declassify the Board, which would delay annual election of directors beyond the 2017 Annual Meeting. As part of our commitment to strong corporate governance and shareholder democracy, in addition to the steps that have already been taken, the Board has committed to amend our Bylaws to provide proxy access to qualifying shareholders after the March 28, 2017 special meeting.

For the reasons set forth above, the Board unanimously recommends that shareholders vote **AGAINST** this shareholder proposal.



Required Vote

If properly presented at the 2017 Annual Meeting, Proposal 6 will be decided by the vote of a majority of the votes cast. The enclosed **WHITE** proxy card enables a shareholder to vote “FOR,” “AGAINST” or “ABSTAIN” on this proposal. The proposal will pass if the total votes cast “for” Proposal 6 exceed the total number of votes cast “against” Proposal 6. Abstentions and broker non-votes, if any, will not constitute votes cast on Proposal 6 and will accordingly have no effect on the outcome of the vote on this proposal.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU THAT YOU USE THE WHITE PROXY CARD TO  
VOTE “AGAINST” THE SHAREHOLDER PROPOSAL.

## EXECUTIVE OFFICERS

Our executive officers are, or were during 2016, the following individuals: Karen Colonias, our President and Chief Executive Officer; Brian J. Magstadt, age 49, our Chief Financial Officer, Treasurer and Secretary; Jeffrey E. Mackenzie, age 55, our Vice President; Sunny H. Leung, age 44, our Vice President; Roger Dankel, age 53, and Ricardo M. Arevalo, age 60, the President of North American Sales and the Chief Operating Officer, respectively, of Simpson Strong-Tie Company Inc., our subsidiary. We regard Mr. Dankel and Mr. Arevalo, as executive officers, because they perform management policy-making functions for us. Our executive officers from time to time may serve as directors or officers of our subsidiaries.

### Executive Officers Qualifications and Biographical Information

Please refer to the “Board Nominee and Director Qualifications and Biographical Information” above for qualifications and biographical Information with respect to our President and Chief Executive Officer, Karen Colonias.

Brian J. Magstadt has served as our Chief Financial Officer, Treasurer and Secretary since January 2012. He joined Simpson Manufacturing Co., Inc. in 2004 as Financial Reporting Specialist, and, from 2008 until 2012, served as our Financial Reporting Manager, overseeing our external reporting program and managing various other accounting and finance functions. He is a licensed CPA and holds a Bachelor of Science degree in Business Administration from California State University, Chico, and a Masters of Business Administration degree from Santa Clara University.

Roger Dankel has been the President of North American Sales of our subsidiary, Simpson Strong-Tie Company Inc. since July 2014. He has been employed with us since 1993 as a Field Sales Representative until 1997, when he was promoted to Sales Manager in McKinney, Texas, and then Branch Sales Manager in charge of all sales functions of that branch. He has successfully integrated multiple new products, both acquired and internally developed, into Simpson Strong-Tie’s product lines. Mr. Dankel holds a Bachelor of Science degree in Business Administration from Millsaps College. As a result of foreclosure proceedings related to a real estate investment, brought by Wells Fargo Bank, N.A., Mr. Dankel filed a Chapter 7 bankruptcy petition on June 27, 2013, in the United States Bankruptcy Court for the Eastern District of Texas. The court granted a discharge of debtor on October 1, 2013.

Ricardo M. Arevalo has been the Chief Operating Officer of our subsidiary, Simpson Strong-Tie Company Inc., since July 2014. Mr. Arevalo began his career with us in 1999 at the Simpson Strong-Tie branch in Brea, California, as a Field Sales Engineer for the Wood Strong-Wall. From 2002 to 2008, he served as Simpson Strong-Tie’s Branch Engineering Manager for the Southwest United States. In 2008, he was promoted to Simpson Strong-Tie’s Vice President of Engineering, and in that capacity he organized and managed the support structure for multiple engineering groups (Connectors, Lateral systems, Fasteners, Anchors, FRP, RPS, Truss and Engineering Services), standardized policies and modernized and expanded our research and test capabilities. Mr. Arevalo is a licensed California structural engineer and civil engineer, previously was a part-time lecturer in timber design at California Polytechnic University at Pomona and is the author of several publications on wood structures. He has represented Simpson Strong-Tie on national television promoting deck safety. He holds degrees from California Polytechnic University at San Luis Obispo and the University of California at Santa Barbara. Prior to joining Simpson Strong-Tie, he spent 19 years in private practice as a structural engineer.

Jeffrey E. Mackenzie has been our Vice President since December 2008. He joined Simpson Manufacturing Co., Inc. in 1994 and from 2000 to 2008, served as our Financial Reporting Manager, overseeing our external reporting program and managing various other finance functions, including our equity-based compensation programs. Prior to joining us, he worked for Deloitte & Touche, LLP as a Senior Accountant in San Francisco, California. He is a member of the board of directors of The First Tee of the Tri-Valley, a non-profit organization serving the local community. Mr. Mackenzie is a licensed CPA (currently inactive) and holds a Bachelor of Science degree in Business Administration from California State University, San Diego, and a Master of Business Administration degree from Santa Clara University. Mr. Mackenzie has notified us that he has decided to retire as Vice President of the Company

as of April 1, 2017.

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Sunny H. Leung has been our Vice President since January 2016. He joined Simpson Manufacturing Co., Inc. in 2001 and served in several tax related roles including Senior Tax Specialist, Tax Manager and Tax Director. Mr. Leung is responsible for overseeing our tax operations in provision, compliance and planning functions. Prior to joining us, he worked for PricewaterhouseCoopers, LLP as a Tax Manager in Toronto, Canada, and San Francisco, California. Mr. Leung is a licensed CPA and a licensed attorney (New York). He holds a Bachelor of Business Administration degree from the University of Wisconsin-Madison, a Juris Doctor degree from the University of Maine, a Master of Public Administration degree from Harvard University and a Certificate from the International Tax Program at Harvard Law School.

## EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

This Executive Compensation Discussion and Analysis explains our executive compensation program design and how it applies to our Named Executive Officers (“NEOs”). During 2016, our NEOs were the following individuals:

| Name                    | Title  |
|-------------------------|--|
| Karen Colonias          | President and CEO  |
| Brian J. Magstadt       | CFO, Treasurer and Secretary                                       |
| Roger Dankel            | President of North American Sales, Simpson Strong-Tie Company Inc. |
| Ricardo M. Arevalo      | Chief Operating Officer, Simpson Strong-Tie Company Inc.           |
| Jeffrey E. Mackenzie{1} | Vice President   |

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{1} Mr. Mackenzie has notified us that he has decided to retire as Vice President of the Company as of April 1, 2017.

Our NEOs are at-will employees, and we do not have a written employment agreement with any of them. We or the officer can terminate the employment relationship at any time, for any reason, with or without cause.

## EXECUTIVE COMPENSATION SUMMARY

### Board Responsiveness to Shareholders

Following our 2016 annual meeting of shareholders where our advisory vote on executive compensation received 58% shareholder support, the Board undertook a fulsome review of our compensation program with the support of an independent compensation consultant, Mercer LLC (“Mercer”), and conducted extensive shareholder outreach to ensure investor feedback was fully represented in the review.

Our shareholder engagement efforts were led by the Board and senior management. The Chairman of the Board and one or more members of the Compensation and Leadership Development Committee (the “CLDC”) participated in all such discussions with shareholders to ensure a direct line of communication between the Board and our shareholders. As part of our shareholder outreach, we invited dialogue and feedback from holders of a majority of shares of our common stock outstanding. These conversations facilitated direct feedback from shareholders on our compensation program, our governance practices and changes under consideration, all of which was promptly relayed to the full Board and incorporated into our 2016 governance and compensation program reviews.

In direct response to shareholder feedback, the Board approved significant changes to and a major overhaul of our executive compensation practices that are discussed under “Shareholder Feedback and Compensation Program Changes” below.

### 2016 Performance Highlights

The Company, through its subsidiaries, designs, engineers, and manufactures structural construction products, including connectors, truss plates, anchors, fasteners and other products, and differentiates itself from competitors by designing and marketing end-to-end wood and concrete construction product lines. The Company also provides engineering services in support of some of its products and increasingly offers design and other software that facilitates the specification, selection and use of its products. The Company believes that the Simpson Strong-Tie brand benefits from strong brand name recognition among architects and engineers who frequently request the use of the Company’s products.

The nature of our industry demands that we adhere to a focused strategy to build shareholder long-term value over time. During 2016 our management team continued to execute against the strategic goals set by the Board, which resulted in increases in net sales, income from operations and net income for our shareholders. Key 2016 performance highlights compared to 2015 are set forth below:

- Company-wide net sales increased 8.4% to \$860.7 million;
- Gross profit increased 14.9% to \$412.5 million; gross margin increased to 48% from 45%;
- Income from operations increased 27.9% to \$139.5 million;
- Operating margins increased to 16.2% from 13.7%; and
- Diluted net income per share of our common stock increased 34.8% to \$1.86.

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Our management's focused execution and continued commitment to a disciplined capital allocation strategy has delivered strong results for our shareholders in 2016, including the following achievements:

We also outperformed both the S&P 500 and Dow Jones U.S. Building Materials & Fixtures Index in terms of total shareholder returns ("TSR") delivered to our shareholders in 2016.

\* The Simpson Compensation Peer Group line represents a peer group index calculated based on 2016 weighted average TSR of our updated peer group. See "Comparative Market Information" below for the composition of our updated peer group.

#### Shareholder Feedback and Compensation Program Changes

After a comprehensive review of our executive compensation practices, directly in response to feedback received from our shareholders, in 2016 the Board approved a wholesale transformation of our executive compensation programs. The Board believes that the changes made to our executive compensation programs closely align our management's incentive programs with long-term shareholder value and the Company's strategic goals by:

- Benchmarking all elements of our executive compensation to target median pay for median performance based on our peer group;

- Extending the performance period of our NEOs' long-term equity awards;
- Revising all outstanding CEO & CFO performance-based equity awards to be fully at-risk and contingent on achievement of performance metrics;



- Reducing the proportion of compensation delivered through our short-term Executive Officer Cash Profit Sharing (“EOCPS”) program;
- Adding full-year performance measurement into the EOCPS program;
- Establishing distinct performance metrics for our NEOs’ short-term EOCPS awards and long-term equity awards; and aligning such metrics with our strategy and priorities.

In addition to the changes made to the compensation program, the Board also approved a number of policy changes in 2016 in order to enhance our compensation governance practices, including:

- Adopting a robust claw-back policy; and
- Adopting a robust anti-hedging and anti-pledging policy.

The table below summarizes the shareholder feedback received on our compensation program, the specific changes the Board has made or plans to make in response, and when each of the changes were or will be implemented.

#### Implementation of Compensation Program Changes

Due to the number of changes to both our short-term EOCPS program and long-term equity incentive plan (“LTIP”), there will be a period of transition. The following chart illustrates the evolution of our CEO’s key compensation elements and the timing of when the changes that were approved in 2016 will be implemented. As illustrated below, significant changes occurred during 2016 and all changes will be fully implemented by fiscal year 2018, if not earlier.

The CLDC has been very focused on ensuring these changes were implemented as soon as practical. To effect immediate change, the 2016 long-term equity awards granted to our CEO and CFO in the form of performance-based restricted stock units (“PSUs”) were modified in order to subject such awards to the 2017 new performance metrics (revenue growth and ROIC) and the three-year performance measure period illustrated above.

#### Metric Selection to Align Incentive Programs with Our Strategic Goals

A key element of the Board’s compensation program review focused on the selection of performance metrics that (1) reflect our long-term strategic goals set by the Board and (2) appropriately incentivize our executives to deliver sustainable performance across key areas.

| Incentive Component | Performance Metric          | Alignment with Our Strategy  |
|---------------------|-----------------------------|--|
| CPS                 | Short-term Operating Profit | <ul style="list-style-type: none"> <li>• Is a key measure of our profitability</li> <li>• Supports long-term value creation</li> <li>• Maintains our long-standing culture of promoting sense of ownership among employees to deliver shareholder value</li> </ul> |
| PSUs                | 3-year Revenue Growth       | <ul style="list-style-type: none"> <li>• Aligns with our ongoing focus on growing revenues across key business segments</li> </ul>   |
|                     | 3-year ROIC                 | <ul style="list-style-type: none"> <li>• Facilitates decisions that will drive sustainable revenue growth</li> <li>• Reinforces our ongoing focus on maximizing our investment returns</li> </ul>  |

- Prompts thoughtful capital allocation strategy

#### Targeting Peer Group Median

The overarching goal of our compensation program is to attract, motivate and retain our employees, including our management team, with a compensation structure that establishes a strong sense of ownership and closely aligns our executives' interests with those of our shareholders. Given the unique nature of our EOCPS program, this incentive historically provided the opportunity to earn levels of compensation above our peer group median. To offset the magnitude of the potential EOCPS upside, the CEO's salary was benchmarked to the lower 25th percentile of our peer group. In response to shareholder feedback, and to better align with the market standard, the CLDC in 2017 revised our pay positioning philosophy to target median pay for median performance across all compensation program elements.

This change of practice in targeting total NEO compensation to the median of our peer group requires increasing NEO salaries that used to be below the peer-group median, while reducing EOCPS payouts. See “Comparative Market Information” below for the composition of our updated peer group.

#### Setting Performance Goals

The CLDC sets performance goals for our NEOs’ EOCPS and long-term equity awards (such as PSUs) prior to granting such awards and remains engaged to monitor and certify the achievement of the goals.

The CLDC believes in the importance of setting challenging, but achievable, performance goals for our NEOs’ EOCPS and long-term equity awards and using such goals to support our median pay for median performance philosophy.

The CLDC engaged in a robust and collaborative performance goal setting process with its independent compensation consultant and our management. In establishing performance goals with respect to our NEOs’ 2017 EOCPS and long-term equity awards, the CLDC considered:

- historical and future projected financial performance for our updated peer group;
- historical and future projected financial performance more broadly in our industry;
- the Company’s historical performance and multi-year forward-looking business plans; and
- the expectations of our shareholders.

In addition, before finalizing the performance goals, the CLDC reviewed projections of realizable pay under our NEOs’ EOCPS and long-term equity awards at various levels of potential achievement of the performance goals to ensure that the actual payouts to our NEOs and our actual performance over the relevant performance periods are closely aligned.

After carefully evaluating the aforementioned factors and incorporating inputs from its independent compensation consultant and our management, the CLDC approved the performance goals for our NEOs’ 2017 EOCPS and long-term equity awards, which are discussed in more detail below under “*Executive Compensation Analysis*.”

#### 2016 CEO Compensation Summary

As in prior years, our CEO’s 2016 compensation was comprised of three core components: (1) base salary, (2) EOCPS awards, and (3) equity awards. These components are structured to complement each other and establish a balanced and performance-based pay structure. Our CEO’s 2016 compensation mix consisted of the following:

1. **Base Salary:** \$371,316, reflecting a 3% increase from 2015;
2. **EOCPS Awards:** \$1,860,346, reflecting a payout of approximately 110% of the target 2016 EOCPS award (\$1,697,000), which payout was determined based on (1) the achievement of our 2016 operating profit goals and (2) the CLDC’s application of discretion to reduce our CEO’s 2016 EOCPS awards by \$800,000 in order to improve pay and performance alignment with the peer group; and
3. **Equity Awards:** \$1,781,207 (valued as of the grant date), an increase in grant date value from 2015 to reflect the incorporation of the new performance metrics and longer performance period, with 50% of the equity awards being time-based restricted stock units (“RSUs”) and the other 50% being PSUs.

- o The performance metrics of our CEO's 2016 PSU awards were adjusted following the first year of the performance period to replace the TSR modifier with the new performance metrics (revenue growth and return on invested capital ("ROIC")) for the remaining two years (see "Changes to Our CEO's and CFO's 2016 PSU Awards" below).
- o Our CEO's adjusted 2016 PSU awards are fully at-risk and will vest only on achievement of performance metrics in 2017-2018 performance period. Such awards will be forfeited if threshold performance goals are not met. In contrast, prior to the 2017 adjustment, the target shares under her 2016 PSU awards would only be modified +/-20% before vesting.

Please refer to the “Summary Compensation Table” below for a complete disclosure of our CEO’s 2016 total compensation. Our other NEOs’ 2016 compensation was similarly comprised of the same three core components. See “Executive Compensation Analysis” below.

#### 2017 CEO Compensation Updates

As discussed in “Shareholder Feedback and Compensation Program Changes” above, to better align our NEOs’ short- and long-term incentives with our strategic objectives, the Board, based on the CLDC’s recommendation, has approved certain updates to the compensatory arrangements for our NEOs. The Board believes that, with these updates, median Company performance will result in median compensation for our NEOs and above median performance will result in above median compensation. Because our CEO’s salary has historically been targeted to well below the median of our peer group while her EOCPS awards were targeted above such median, to reflect the transition to targeting each component of her compensation to the median of our peer groups, our CEO’s 2017 compensation reflects an adjustment of these elements.

Our CEO’s 2017 target compensation mix consists of the following:

1. Base Salary: increased to \$740,000;
2. **EOCPS Awards:** target annual EOCPS awards reduced to \$740,000 and actual EOCPS awards capped at two times the target awards; and
3. Equity Awards: 50% comprised of PSUs with a three-year performance period and the other 50% comprised of RSUs.
  - o Our CEO’s 2017 PSU awards are fully at-risk and will vest only on achievement of performance metrics in the 2017-2019 performance period. Such awards will be forfeited if threshold performance goals are not met.
  - o The CLDC used a formula based on our 2016 net sales to calculate the number of target shares under her 2017 PSU awards.
  - o The CLDC exercised its discretion to reduce the number of target shares under our CEO’s 2017 PSU awards by 28% in order to improve pay and performance alignment with the peer group.

Our CEO’s 2016 compensation mix and 2017 target compensation mix (as updated) are set forth below:

Similar updates have been introduced to our other NEOs’ 2017 compensation. See “Executive Compensation Analysis” below.

***Key Compensation Practices***

We are committed to maintaining strong compensation governance practices that support our pay for performance philosophy, mitigate risk, and align interests of our executives and our shareholders. Below is a summary of our key compensation governance practices following the 2017 compensation program changes.

P Target Median Pay for Median Performance: We revised our benchmarking practices to target the 50th percentile of our peer group for median Company performance.

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- P Pay for Performance: We have created an incentive structure that places a significant portion of our NEOs' target compensation at risk based on our long-term performance.
- P Annual Review of NEO Compensation: The CLDC conducts annual evaluations of our NEOs' compensation.
- P Cap on Annual EOCPS Awards: Following shareholder approval of the proposed plan amendments at the 2017 Annual Meeting, our NEOs' annual EOCPS awards will be capped at 2 times the target awards.
- P Lengthened EOCPS Performance Period: Transitioned from a quarterly measurement period to a mix of annual (50%) and quarterly measurements (50%).
- P No overlapping metrics: Performance metrics in the EOCPS plan and LTIP are different.
- P Double Trigger change-in-control provisions: Maintain double trigger change-in-control requirements on equity awards.
- P Claw-back policy: In 2016, we adopted a robust compensation recovery policy.
- P Stock ownership guidelines: Stock ownership guidelines in place for all NEOs.
- P Robust Hedging and Pledging Policies: In 2016, we adopted robust hedging and pledging policies.
- P Limited perquisites: We do not provide NEOs with material perquisites.
- P No guaranteed bonuses: Our NEOs' EOCPS awards are 100% performance-based and do not guarantee any minimum payments.
- P Independent Compensation Consultant: Retained Mercer, an independent compensation consultant, to provide strategic guidance to the CLDC regarding executive and director compensation.



## EXECUTIVE COMPENSATION ANALYSIS

### Executive Compensation Philosophy

Our overall philosophy is to align the interests of employees and shareholders and provide employees, including our management, incentives to increase long-term shareholder value. To motivate and retain our NEOs and other officers and employees, we aim to compensate them fairly relative to our performance. To achieve these objectives, we created compensation programs that reward achievement of specific performance goals, such as operating profit, revenue growth and return on investment goals and the efficient use of assets. We believe that our compensation programs allow us to attract high-performing employees and help us retain the services of employees whose contributions are instrumental in achieving our performance goals.

Beginning with 2017, the CLDC approved a change to our pay positioning philosophy to position our NEOs' total target compensation to the median of our peers. The transition to targeting the median of our peer group reflects the feedback of our shareholders and the CLDC believes this pay positioning strategy supports our guiding principal of pay for performance alignment. We regularly review and refine our executive compensation programs to ensure that they continue to reflect practices and policies that are aligned with our pay-for-performance philosophy and the interest of our shareholders.

### Compensation-Setting Process

#### Role of Compensation Committee, Board and Management

The CLDC develops and updates our compensation policies, oversees our compensation programs, sets performance goals relevant to such programs, evaluates our performance in light of such goals, and determines and exercises discretion over executive compensation, including reviewing and approving annual compensation to our NEOs. The CLDC does not delegate its role in determining executive compensation. Our officers do, however, participate in our annual budgeting process, which forms the basis for the CLDC's determination of the pre-determined performance goals under our compensation programs. The Board reviews and approves the annual budget, and based on that, the CLDC approves both cash EOCPS payouts and equity-based awards to our NEOs.

#### Role of Compensation Consultants

The CLDC has engaged and expects to continue to engage independent advisers, including compensation consultants, from time to time to assist in carrying out its responsibilities. Since 2014, the CLDC has engaged Mercer as its compensation consultant to provide strategic guidance to the CLDC regarding executive and director compensation. Specific services provided by Mercer to us in 2016 included, but were not limited to, identification of an updated industry peer group and benchmarking analysis, assessment of the appropriateness and competitiveness of our executive compensation program as compared to those of the selected industry peer group, recommendation of changes to our executive compensation programs, especially our NEOs' compensation mix, and evaluation of our executive and director compensation.

#### Compensation Program Elements

The Board believes that, to maintain a sense of unity and fairness, the forms of compensation for our NEOs generally should match those of our other employees. Under this principle, our compensation programs for a large portion of our salaried employees, including our NEOs, comprise 3 basic elements:

- Base salaries and contributions to profit sharing trust accounts;
- Cash profit sharing awards, including cash profit sharing awards to our executive officers ("EOCPS awards"); and

- Long-term equity awards.

Each element of our compensation programs possesses characteristics intended to motivate our NEOs and other officers and employees in different ways. We believe that coordinated compensation elements work best to help us to retain their services and to motivate them to achieve results that increase shareholder value. The following is a summary of each of the basic elements of our compensation programs.

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## Salaries

A NEO's salary is a guaranteed minimum amount for his or her time invested in performing the functions of the job. Salary alone, however, does not provide performance opportunity for the NEO to earn additional compensation, and at the same time, increase shareholder value over the long term. The Board generally determines our NEOs' salaries using historical salary levels for their respective positions and adjusts for changes in cost of living and responsibilities. A study conducted by Mercer in 2016 confirmed that our NEOs' 2016 and historical salaries were below the 25th percentile within our peer group.

In 2017, the Board approved certain updates to our NEOs' compensatory arrangements. As a part of our NEOs' 2017 compensation updates and in response to a reduction in our NEOs' 2017 target and maximum EOCPS awards, the Board approved a salary increase for each of our NEO's. The table below sets forth, for each of our NEOs, his or her respective 2017 annual salary, as increased from his or her 2016 salary:

|  | 2016<br>Annual Salary | 2017<br>Annual Salary |
|--|-----------------------|-----------------------|
| Karen Colonias<br>President and Chief Executive Officer                            | \$ 371,316            | \$ 740,000            |
| Brian J. Magstadt<br>Chief Financial Officer, Treasurer and Secretary              | \$ 258,157            | \$ 500,000            |
| Ricardo Arevalo<br>Chief Operating Officer, Simpson Strong-Tie Company Inc.        | \$ 222,789            | \$ 460,000            |
| Roger Dankel<br>President of North American Sales, Simpson Strong-Tie Company Inc. | \$ 222,789            | \$ 460,000            |
| Jeffrey E. Mackenzie<br>Vice President   | \$ 192,903            | \$ 350,000            |

Salaries paid to each of our NEOs with respect to each of the three years ended December 31, 2016 are set forth in the "Summary Compensation Table" below.

The increased 2017 salary for each of the NEOs is part of a change in the mix of compensation (see "Targeting Peer Group Median" above). On the one hand, there is an increase in such fixed components (salary and, as discussed below, profit sharing trust contribution), and on the other hand, there is a reduction in the 2017 target and maximum EOCPS awards for each of our NEOs under our Executive Officer Cash Profit Sharing Plan (see "Cash Profit Sharing Awards" below). This arrangement, along with the updated 2017 equity awards in the form of restricted stock units to be issued under the Company's equity incentive plan, is intended to balance both short- and long-term incentives for our NEOs.

## Profit Sharing Trust Contributions

The Company and its U.S. subsidiaries maintain a defined contribution profit sharing trust plan for U.S.-based employees, including our NEOs. Some of our non-U.S. subsidiaries maintain similar plans for their employees. An employee is eligible for participation in a given calendar year if he or she is an employee on the first and last days of that year and completes the minimum service requirement during that year. As of December 31, 2016, the minimum service requirement was at least 1,000 hours of service. We currently make contributions to employees' profit sharing trust accounts in amounts equal to 7% of the employees' qualifying salaries. We contribute an additional 3% of their qualifying salaries or wages to their profit sharing trust accounts each quarter to comply with the safe-harbor rules that

govern the plan. The safe-harbor contribution is not forfeitable and is fully vested when the contribution is made. The plan limits trust contributions to amounts deductible for federal income tax purposes under section 404(a) of Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). Under this plan, other than the 3% safe-harbor contribution, the Board has exclusive discretion to authorize the trust contributions and change them at any time. Subject to such discretion, we expect the current profit-sharing-trust contribution rate to continue. Our CEO, CFO and Vice President of Human Resources are currently trustees of the profit sharing trust plan. In addition, all our employees, including our NEOs, are entitled to proportionate shares of forfeited contributions from employees who terminate their employment before contributions made for them fully vesting in the profit sharing trust plan. The profit sharing trust plan also includes a 401(k) feature that allows our employees, including our NEOs, to contribute their own pre-tax

earnings in addition to the amounts that we contribute to their accounts. The Board generally views compensation through contributions to employees' profit sharing trust accounts as serving a similar objective as salaries.

In 2017, the Board has approved certain updates to our NEOs' compensatory arrangements, which are not expected to materially change our contributions to our NEOs' profit sharing trust accounts with respect to 2017. The table below sets forth, for each of our NEOs, the contribution that we expect to make to his or her respective profit sharing trust account with respect to 2017, as increased from his or her 2016 profit sharing trust contribution:

|   | 2016 Profit<br>Sharing Trust<br>Contribution | Estimated 2017<br>Profit Sharing<br>Trust<br>Contribution{ 1 } |
|---|--|--|
| Karen Colonias<br>President and Chief Executive Officer                               | \$ 27,044                                    | \$ 27,000  |
| Brian J. Magstadt<br>Chief Financial Officer, Treasurer and Secretary                 | \$ 25,748                                    | \$ 27,000  |
| Ricardo Arevalo<br>Chief Operating Officer, Simpson Strong-Tie Company Inc.           | \$ 22,220                                    | \$ 27,000  |
| Roger Dankel<br>President of North American Sales, Simpson Strong-Tie Company<br>Inc. | \$ 22,220                                    | \$ 27,000  |
| Jeffrey E. Mackenzie<br>Vice President  | \$ 19,240                                    | \$ 27,000  |

{ 1 } If we employ the NEO on December 31, 2017, or if he or she retires after reaching the age of 60 during 2017, we will contribute to his or her profit sharing trust account 10% of his or her salary (including the 3% safe-harbor contribution), with a contribution limit of \$27,000 for 2017, plus a pro rata share of forfeitures by other participants in our profit sharing trust plan. The estimates in this column assume that no such forfeitures will occur. Of this 10% contribution, the 3% will be paid quarterly in the month following each calendar quarter of 2017 and the rest 7% will be paid in 2018.

Payments made to each of our NEOs' profit sharing trust account with respect to each of the three years ended December 31, 2016 are set forth in the "Summary Compensation Table" below as part of the "All Other Compensation."

#### Executive Officer Cash Profit Sharing (EOCPS) Awards

The Board believes that consistent achievement of short-term performance goals is likely to result in long-term growth and increased shareholder value. Our employees, including our NEOs, are motivated to achieve these short-term performance goals by target awards under our cash profit sharing plans, including our Executive Officer Cash Profit Sharing Plan (the "EOCPS Plan") for our executive officers and our cash profit sharing plan for other qualified employees. The Board believes that both plans have significantly contributed to the growth of our business.

The EOCPS Plan is maintained partially to help us to meet the requirements of Internal Revenue Code section 162(m) for us to fully deduct the cash awards granted to our NEOs in excess of the \$1,000,000 limit as "strategic compensation" thereunder. While the Company generally intends that awards under the EOCPS Plan comply with the requirements of Internal Revenue Code section 162(m), we do not, and cannot, make any representation or warranty that any such

award will qualify for favorable tax treatment under Internal Revenue Code or any other provision of federal, state, local or foreign law, and we explicitly reserve the right to issue EOCPS awards not in compliance with Internal Revenue Code section 162(m).

The Board has delegated the oversight of the EOCPS Plan to the CLDC. The CLDC administers such plans, measures the Company or its subsidiaries' performance against the pre-determined performance goals and approves the amount of the payout that each of our NEOs may receive. The CLDC generally bases the determination of an EOCPS award to a covered officer under the EOCPS Plan on his or her applicable individual percentage of the amount (each, a "Qualified Amount") by which the net profit, operating income or any other performance goal of the Company or the employee's relevant branch or subsidiary, including Simpson Strong-Tie Company Inc., the primary operating

subsidiary of the Company, for the applicable period exceed a qualifying level for the Company, branch or subsidiary for that same period, a threshold that must be exceeded before the award may be made to the officer.

2016 Achievements and Awards under the EOCPS Plan

Actual awards under the EOCPS Plan will be made only if the pre-determined performance goals are met. Under the EOCPS Plan, through 2016, we paid quarterly incentive compensation out of the portion of our profits that exceeded a specified qualifying level. The table below sets forth the actual 2016 full-year qualified operating profit, the actual 2016 full-year qualifying level and actual awards that each of our NEOs earned for the full year of 2016 under the EOCPS Plan, in comparison with the target annual operating profit, the target qualified operating profit, the target qualifying level and the target annual payout set by the CLDC at the beginning of 2016.

|                      | <b>Target<br/>Qualified<br/>Operating<br/>Profit</b> | <b>Qualifying<br/>Level</b> | <b>Total<br/>Payout<sup>{1}</sup></b> | <b>Actual<br/>Qualified<br/>Operating<br/>Profit</b> | <b>Qualifying<br/>Level</b> | <b>Total<br/>Payout<sup>{2}</sup></b> |
|----------------------|--|-----------------------------|---------------------------------------|--|-----------------------------|---------------------------------------|
| Karen Colonias       | \$ 152,406,000                                       | \$ 75,780,000               | \$ 1,697,000                          | \$ 208,362,000                                       | \$ 73,917,000               | \$ 1,860,346 <sup>{3}</sup>           |
| Brian J. Magstadt    | 152,406,000  | 75,780,000                  | 499,000                               | 208,362,000  | 73,917,000                  | 788,374                               |
| Roger Dankel         | 152,406,000  | 75,780,000                  | 470,000                               | 208,362,000  | 73,917,000                  | 741,785                               |
| Ricardo M. Arevalo   | 152,406,000  | 75,780,000                  | 470,000                               | 208,362,000  | 73,917,000                  | 741,785                               |
| Jeffrey E. Mackenzie | 152,406,000  | 75,780,000                  | 331,000                               | 208,362,000  | 73,917,000                  | 522,160                               |

{1} Amounts were expected to be paid for the full year of 2016 if the 2016 actual qualified operating profit is as targeted and the 2016 actual qualifying level is as projected.

{2} The actual payout to the applicable NEO in the table above was the sum of the 2016 quarterly payouts made to his or her under our EOCPS Plan.

{3} To improve pay and performance alignment with the peer group, the CLDC exercised its discretion in the second and third quarters and reduced the amount of the quarterly payout to Karen Colonias by \$300,000 and \$500,000, respectively.

The basis for calculating the actual 2016 full-year qualified operating profit and the actual 2016 full-year qualifying level used in the table above is as follows:

| Quarter | Actual<br>Operating<br>Profit | Actual<br>Qualifying<br>Level | Company<br>Qualifying<br>Income | Home Office<br>Branch Level<br>Pool |
|---------|-------------------------------|-------------------------------|---------------------------------|-------------------------------------|
| First   | \$ 41,519,000                 | \$ 16,667,000                 | \$ 24,852,000                   | \$ 43,000                           |
| Second  | 59,715,000                    | 19,208,000                    | 40,507,000                      | 58,000                              |
| Third   | 65,781,000                    | 19,108,000                    | 46,673,000                      | 65,000                              |
| Fourth  | 41,347,000                    | 18,934,000                    | 22,413,000                      | 39,000                              |

208,362,000                      73,917,000                      134,445,000                      205,000

The payouts for each of our NEOs for each of the 4 quarters of 2016 were as follows:

| CEO/Quarter    | CEO Share<br>(%) |   | Individual<br>Share of<br>Company<br>Qualifying<br>Income<br>(\$){1} |     | Rounding<br>Adjustments<br>(\$){2} |  | (\$) Payout  |
|----------------|------------------|---|--|-----|------------------------------------|--|--------------|
| Karen Colonias |                  |   |  |     |                                    |  |              |
| First          | 1.9788           | % | \$ 491,759   |     | \$ (9 )                            |  | \$ 491,750   |
| Second         | 1.9788           | % | 501,532  | {3} | 7                                  |  | 501,539      |
| Third          | 1.9788           | % | 423,562  | {3} | (5 )                               |  | 423,557      |
| Fourth         | 1.9788           | % | 443,497  |     | 3                                  |  | 443,500      |
|                |                  |   |  |     |                                    |  | \$ 1,860,346 |

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{1} The amount is calculated by multiplying the annual company qualifying income with the applicable individual share (%).



{2} The amount represents rounding differences between the amounts used in the actual calculations and the amount calculated using the rounded amounts presented in the tables above.

{3} To improve pay and performance alignment with the peer group, the CLDC exercised its discretion in the second and third quarters of 2016 and reduced the amount of the quarterly payout to Karen Colonias by \$300,000 and \$500,000, respectively.

| Other Individual<br>NEO/Quarter | Individual<br>Share<br>(%) | Non-CEO<br>NEO Pool<br>(as a whole)<br>(%) | Individual<br>Share of<br>Company<br>Qualifying<br>Income<br>(\$){1} | Individual<br>Share of<br>Home Office<br>Branch<br>Level Pool<br>(\$){2} | Rounding<br>Adjustments<br>(\$){3} | (\$) Payout |
|---------------------------------|----------------------------|--|--|--|------------------------------------|-------------|
| <b>Brian J. Magstadt</b>        |                            |  |  |  |                                    |             |
| First                           | 0.5435 %                   | 1.9264 %                                   | \$ 135,081   | \$ 12,133  | \$ (78 )                           | \$ 147,136  |
| Second                          | 0.5435 %                   | 1.9264 %                                   | 220,172  | 16,365   | (2 )                               | 236,535     |
| Third                           | 0.5435 %                   | 1.9264 %                                   | 253,692  | 18,340   | (35 )                              | 271,997     |
| Fourth                          | 0.5435 %                   | 1.9264 %                                   | 121,824  | 11,004   | (122 )                             | 132,706     |
|                                 |                            |  |  |  |                                    | \$ 788,374  |
| <b>Roger Dankel</b>             |                            |  |  |  |                                    |             |
| First                           | 0.5114 %                   | 1.9264 %                                   | \$ 127,098   | \$ 11,416  | \$ (73 )                           | \$ 138,441  |
| Second                          | 0.5114 %                   | 1.9264 %                                   | 207,161  | 15,398   | (2 )                               | 222,557     |
| Third                           | 0.5114 %                   | 1.9264 %                                   | 238,700  | 17,256   | (34 )                              | 255,922     |
| Fourth                          | 0.5114 %                   | 1.9264 %                                   | 114,625  | 10,354   | (114 )                             | 124,865     |
|                                 |                            |  |  |  |                                    | \$ 741,785  |
| <b>Ricardo M. Arevalo</b>       |                            |  |  |  |                                    |             |
| First                           | 0.5114 %                   | 1.9264 %                                   | \$ 127,098   | \$ 11,416  | \$ (73 )                           | \$ 138,441  |
| Second                          | 0.5114 %                   | 1.9264 %                                   | 207,161  | 15,398   | (2 )                               | 222,557     |
| Third                           | 0.5114 %                   | 1.9264 %                                   | 238,700  | 17,256   | (34 )                              | 255,922     |
| Fourth                          | 0.5114 %                   | 1.9264 %                                   | 114,625  | 10,354   | (114 )                             | 124,865     |
|                                 |                            |  |  |  |                                    | \$ 741,785  |
| <b>Jeffrey E. Mackenzie</b>     |                            |  |  |  |                                    |             |
| First                           | 0.3600 %                   | 1.9264 %                                   | \$ 89,467  | \$ 8,036   | \$ (51 )                           | \$ 97,452   |
| Second                          | 0.3600 %                   | 1.9264 %                                   | 145,825  | 10,839   | (1 )                               | 156,663     |
| Third                           | 0.3600 %                   | 1.9264 %                                   | 168,026  | 12,147   | (23 )                              | 180,150     |
| Fourth                          | 0.3600 %                   | 1.9264 %                                   | 80,687   | 7,288  | (80 )                              | 87,895      |
|                                 |                            |  |  |  |                                    | \$ 522,160  |

{1} The amount is calculated by multiplying the annual company qualifying income with the applicable individual share (%).

{2} The amount is calculated by multiplying the annual home office branch-level pool with the quotient of (i) the applicable individual share (%) divided by (ii) the non-CEO NEO pool as a whole (%).

{3} The amount represents rounding differences between the amounts used in the actual calculations and the amount calculated using the rounded amounts presented in the tables above.

We compute the company qualifying income, if any, as the difference between the actual operating profit and the actual qualifying level. The company qualifying income is the basis for the computation of amounts available to be distributed under both our EOCPS Plan and our Cash Profit Sharing Plan for other qualified employees. The CLDC

allocates such amounts among different profit sharing pools and decides such pools' percentages based on historical information about the profitability of each of our operating units in order to correspond to the effort put forth and the results achieved by different participants to our cash profit sharing program. The CLDC may adjust the pools and their percentages from time to time so that our cash profit sharing programs will continue to create equitable results for all participants, including our NEOs.

A portion of the company qualifying income is shared with our home office employees, including our NEOs but excluding our Chief Executive Officer, in consideration for their contributions to the success of the home office operating unit. These branch-level amounts are added to determine the total amounts paid to our NEOs under our EOCPS Plan.

We then allocated the profit sharing pool(s) among our NEOs based on their participating percentages as approved by the CLDC at the beginning of the year. Each NEO's participating percentage is decided based on the officer's level of responsibility and contribution to the success of the Company or the home office operating unit. Unless the composition or responsibilities of our NEOs change, their participating percentages generally do not change substantially from year to year, although the CLDC has discretion to make any changes that it considers appropriate.

For 2016, we divided the profit sharing pool with respect to the company-level qualifying income under our EOCPS Plan, which was 3.9052% of the company qualifying income, into (i) a pool for our Chief Executive Officer (1.9788% of the 2016 company qualifying income), and (ii) a pool for the other 4 NEOs (in total, 1.9264% of the 2016 company qualifying income). Each of our NEOs received his or her share of our 2016 company-level qualifying income.

The amounts of our home office branch-level profit sharing pool for each of the four quarters of 2016 were \$43 thousand, \$58 thousand, \$65 thousand and \$39 thousand, respectively. Therefore, each of our NEOs, other than our Chief Executive Officer, received additional home office branch-level payouts for 2016.

CPS awards paid to each of our NEOs with respect to each of the three years ended December 31, 2016 are set forth in the "Summary Compensation Table" below.

#### 2017 EOCPS Plan Amendments

As disclosed under Proposal 2 of this Proxy Statement, the Board, in October 2016, approved amendments to the EOCPS Plan and proposed such amendments to shareholders for approval at the 2017 Annual Meeting. Subject to shareholders' approval, instead of making quarterly awards, the amended EOCPS Plan allows the CLDC to decide when awards will be made to the covered employees thereunder with respect to a fiscal year; provided that all awards with respect to periods within a fiscal year will be paid by March of the succeeding fiscal year.

Under the current EOCPS Plan, no award in excess of \$2,500,000 could be paid to any covered officer with respect to any fiscal year. The proposed amendments did not change this restriction and they added a restriction that, with respect to a particular fiscal year, no award in excess of two times any covered officer's target annual payout for that year will be paid to such officer under the EOCPS Plan. When assessing whether the \$2,500,000 cap and/or the two-times cap under the amended EOCPS Plan have been crossed, all awards made to a covered employee with respect to periods within the same fiscal year will be calculated together.

If shareholders approve the proposed EOCPS Plan Amendments at the 2017 Annual Meeting, the amended EOCPS Plan will apply to awards to be made after the end of 2016. The Company expects to make the first award under the amended EOCPS Plan after the first quarter of 2017. In the event that shareholders do not approve the proposed EOCPS Plan Amendments at the 2017 Annual Meeting, the Company's current EOCPS Plan, last amended on February 25, 2008, will continue in effect with respect to awards to be made after the end of 2016.

#### 2017 EOCPS Plan Implementation

Based on the flexibility provided by the proposed EOCPS Plan Amendments, the CLDC has determined that, subject to the approval of the proposed EOCPS Plan Amendments by shareholders, the 2017 awards under the EOCPS Plan will be made through five payments, with each of the first four payments to be made quarterly and the last payment to be made at the end of 2017 (or thereafter by March, 2018). For each of the four quarters in 2017, a NEO will receive the awards based on 50% of his or her applicable individual percentage of the respective quarterly Qualified Amount.

As for the last payment, the NEO will receive the awards based on 50% of his or her applicable individual percentage of the annual Qualified Amount for 2017.

The effect of this arrangement is to change the payout and timing of our NEOs' EOCPS awards from four payments per year (all paid quarterly) to five payments per year (four paid quarterly and one paid annually) and reduce the target amount of quarterly awards (each reduced by half) and proportionately increase the target amount of awards made following the end of the year (the target annual award equaling the sum of the four target quarterly awards), with the year-end awards contingent on achieving the Qualified Amount for the entire year.

The CLDC has also determined to use 2017 qualified operating profit of Simpson Strong-Tie Company Inc., the primary operating subsidiary of the Company, as the performance goal for 2017. Such performance goal uses the same methodology that was used in 2016 and prior fiscal years to measure Qualified Amounts under the EOCPS Plan. Qualified operating profit of Simpson Strong-Tie Company Inc. is generally calculated as follows:

Income from operations

Plus: Stock compensation charges

Certain incentive compensation and commissions

Salaried pension contributions

Self-insured workers' compensation costs

Equals: Qualified operating profit

The CLDC has established the 2017 annual qualifying level at \$130,000,000 and the 2017 quarterly qualifying level at \$32,500,000 (one fourth of the annual qualifying level), respectively. Our annual company-wide target qualified operating profit, qualifying level and target cash profit sharing pool for 2017 are as follows:

|                                   | Company-Wide<br>2017 Target<br>Annual Pool |
|-----------------------------------|--|
| Target Qualified Operating Profit | \$ 228,800,000                             |
| Less: Qualifying Level            | 130,000,000                                |
| Target Cash Profit Sharing Pool   | \$ 98,800,000                              |

Assuming that the qualified operating profit exceeds the qualifying level for each quarter of 2017, and therefore annually for the entire year of 2017, each of our NEOs will receive 4 quarterly payouts and 1 annual payout. If the qualified operating profit is less than the qualifying level in one or more quarters of 2017, our NEOs will receive no quarterly payments for such quarters. In addition, if the qualified operating profit is less than the 2017 annual qualifying level, our NEOs will receive no annual payment following the end of 2017 but may still receive one or more quarterly payments during 2017.

The target annual amount and the maximum amount that may be paid out under the amended EOCPS Plan to each of our NEOs for 2017 are as follows:

|                      | 2017 Target<br>Annual Payout{1} | 2017 Maximum<br>Annual Payout |
|----------------------|---------------------------------|-------------------------------|
| Karen Colonias       | \$ 740,000                      | \$ 1,480,000                  |
| Brian J. Magstadt    | 250,000                         | 500,000                       |
| Ricardo Arevalo      | 230,000                         | 460,000                       |
| Roger Dankel         | 230,000                         | 460,000                       |
| Jeffrey E. Mackenzie | 175,000                         | 350,000                       |

{1} Amounts expected to be paid for the full year of 2017 if 2017 qualified operating profit of Simpson Strong-Tie Company Inc. is \$228,800,000.

Long-Term Equity Awards

Our NEOs' long-term compensation is entirely equity-based. We currently grant equity awards under the Company's equity incentive plan, the amended and restated 2011 Incentive Plan (the "2011 Incentive Plan"), to our employees, including our NEOs, only if our profitability goals were met for the prior year. Going forward, we plan to replace such profitability metrics with longer-term metrics in deciding equity grants to our NEOs and other key employees.

#### 2011 Incentive Plan

We awarded restricted stock units under our 2011 Incentive Plan annually, usually in the first quarter, on the day that the CLDC meets to approve the awards that employees earned by meeting our profitability goals for the preceding fiscal year. In 2016, we awarded 442,239 restricted stock units, excluding 10,800 restricted stock units awarded to our outside directors, and no stock options.

Under our 2011 Incentive Plan, the vesting of restricted stock units may accelerate in two situations. First, when an employee ceases employment with us upon his or her retirement depending on whether the employee meets certain age and/or service tenure conditions to the company, death or disability, all of the employee’s unvested restricted stock units vest. Second, all outstanding restricted stock units of an employee vest on a change in our control that involves a substantial change in his or her terms of employment or involuntary termination. In addition, the CLDC may cause awards granted pursuant to our 2011 Incentive Plan, including awards to our NEOs, to vest earlier in certain other situations.

Our NEOs’ 2016 equity awards were made in the following two forms:

1. Time-based restricted stock units (“RSUs”) that vest in equal installments over a period of years; and
2. Performance-based restricted stock units (“PSUs”) that vest based on the achievement of both revenue growth and long-term shareholder returns at the end of a multi-year performance period.

#### Our NEOs’ 2016 RSU Awards

On granting RSU awards, the CLDC established, and specified in the grant agreement, the vesting schedule for the awards. The number of shares of our common stock subject to RSU awards will generally vest periodically in increments over years.

Because we achieved our operating profit goal for 2015 (\$145,145,000), in 2016 the CLDC granted each of our NEOs RSUs as indicated below:

| Named Executive Officer | Shares Under<br>2016 RSUs |
|-------------------------|---------------------------|
| Karen Colonias          | 27,250                    |
| Brian J. Magstadt       | 11,350                    |
| Ricardo Arevalo         | 7,950                     |
| Roger Dankel            | 7,950                     |
| Jeffrey E. Mackenzie    | 1,720                     |

With respect to our NEOs’ 2016 RSU awards, one fourth of the shares of our common stock subject to the awards vested or will vest on the award date and each of the first, second and third anniversaries thereof. See “Accelerated Vesting and Payout” and “Potential Payments on Termination or Change in Control” below for a discussion on early vesting of RSU awards.

#### Our NEOs’ 2016 PSU Awards

On granting PSU awards, the CLDC established, and specified in the grant agreement, as applicable, the specific performance goals, performance period, vesting period, the maximum number of shares of our common stock granted thereunder and the target number of shares of our common stock to be used as a benchmark. The PSU awards vest only if specific performance goals (as established by the CLDC) are achieved at the end of a performance period (also set by the CLDC). The number of shares of our common stock that eventually vest, however, will depend on the extent to which the performance goals are achieved during the performance period. If threshold performance goals are not met, no shares will vest in favor of the recipient.

With respect to our NEOs’ 2016 PSU awards, depending on a linear function of our company-wide 2015 net sales growth above 2014 net sales, the initial target number of shares would be adjusted between 50% and 200% of the initial target shares. No shares under our NEOs’ PSUs would vest if our 2015 net sales growth was below 4.1%. If our 2015 net sales grew between 4.1% and 8.3%, the adjustment would be prorated. The adjustment was capped at 200% even if our 2015 net sales grew more than 8.3% over 2014.





The threshold, initial target and capped number of shares with respect to each of our NEOs' 2016 PSUs are as follows:

| Threshold<br>Shares (50%)<br>(at 4.1%<br>Net Sales Growth) | Initial Target | Capped |
|--|----------------|--------|
|--|----------------|--------|