

FRANKLIN ELECTRIC CO INC
Form DEFA14A
March 18, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF

THE SECURITIES EXCHANGE ACT OF 1934 (Amendment No.)

EXPLANATORY NOTE

The sole purpose of this Amendment No. 1 to Franklin Electric Co., Inc.'s Schedule 14A, as filed with the Securities and Exchange Commission on March 18, 2014, is to file the corrected meeting information on the Notice and Access cards. There are no other changes to this filing.

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

Franklin Electric Co., Inc.

(Name of Registrant as Specified In Its Charter)

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

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.

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

- (1) Amount previously paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

=>padding:0in 0in 0in 0in;width:1.5%;<

Position	Comp.	Total
	Year	
	(\$)	
	(\$)	
	(\$)	
	(\$)	
	(\$)	
	(\$)	
	(\$)	
	(\$)	

(a)

(b)

(c)

(d)(1)

(e)

(f)

(g)

(h)(2)

(i)(3)

(j)

Ronald C. Martin

2010

\$

254,960

\$

0

\$ 77,026

\$ 54,283

\$ 386,269

Chief Executive Officer

2011

\$ 254,960

\$ 26,500

\$

85,762

\$

41,051

\$

408,273

2010

\$

192,750

\$

46,261

\$

40,708

\$

33,984

\$

313,703

President

2011

\$

192,750

\$

54,068

\$

43,227

\$

34,873

\$

324,918

Richard A. McCarty

2010

\$

163,825

\$

39,317

\$

31,508

\$

15,946

Edgar Filing: FRANKLIN ELECTRIC CO INC - Form DEFA14A

\$

250,596

Executive Vice President, Chief Financial Officer, Chief Administrative Officer and Secretary

2011

\$

163,825

\$

45,951

\$

33,457

\$

18,468

\$

261,701

David S. Harvey

2010

\$

144,200

\$

25,956

\$ 37,676

\$ 34,547

\$ 242,378

Executive Vice President/Commercial Lending

2011

\$ 147,805

\$ 31,094

\$

41,967

\$

36,090

\$

256,956

2010

\$

133,250

\$

23,985

\$

8,570

\$

32,815

\$

199,269

Executive Vice President/Chief Credit Officer

2011

\$

145,000

\$

30,505

\$

9,545

\$

33,934

\$

218,984

(1) The amount shown in column (d) for Mr. Martin for 2011 represents payment of bonus accrued after August 2011.

(2) The Company did not adopt or award any new pension or retirement benefits to the named executive officers in 2011. The amounts shown in column (h) for 2011 represent the executive salary continuation plan accrual from December 31, 2010 to December 31, 2011. The amounts in column (h) were determined using interest rate and mortality rate assumptions consistent with those used in the Company's consolidated financial statements and include amounts which the named executive officer may not currently be entitled to receive because such amounts are not vested. Assumptions used in the calculation of these amounts are included in Note 21 to the Company's consolidated financial statements for the fiscal year ended December 31, 2011 included in the Company Annual Report on Form 10-K filed with the SEC on March 30, 2012.

(3) The amounts shown in column (i) in 2011 include the following for each named executive:

	Common Stock Dividends Paid on Unvested Restricted Stock	Economic Value of Death Benefit of Life Insurance for Beneficiaries	401(k) Plan Company Matching Contributions	Other Insurance Benefit	Employee Stock Ownership Plan Company Contributions	Vacation	Severance	Auto Compensation
Ronald C. Martin		\$ 7,804	\$ 13,950	\$		\$ 10,297	\$	\$ 9,000
Christopher M. Courtney		\$ 625	\$ 11,250	\$		\$ 15,198	\$	\$ 7,800
Richard A. McCarty		\$ 270	\$	\$		\$ 10,398	\$	\$ 7,800
David S. Harvey		\$ 1,415	\$ 16,500	\$		\$ 13,075	\$	\$ 5,100
Michael J. Rodrigues		\$ 563	\$ 12,375	\$		\$ 15,896	\$	\$ 5,100

The economic value of the death benefit amounts shown above reflects the annual income imputed to each executive in connection with Company-owned split-dollar life insurance policies for which the Company has fully paid the applicable premiums. These policies are discussed under Salary Continuation Agreements .

Emergency Economic Stabilization Act of 2008 (EESA) and American Recovery and Reinvestment Act of 2009 (ARRA). All of the executive officers entered into EESA compliance agreements as of September 14, 2009 pursuant to which the payment of any amounts or any benefit to each such named executive officer is subject to the requirements of EESA and ARRA and any regulations promulgated thereunder by the U.S. Treasury while the U.S. Treasury owned shares of the Company's Series A Preferred Stock, through August 2011, pursuant to the Company's participation in the Treasury's Capital Purchase Program.

Plan Based Awards

Stock Based Plans. The Company currently has two equity based incentive plans, the Oak Valley Community Bank 1998 Restated Stock Plan and the Oak Valley Bancorp 2008 Stock Option Plan. The 2008 Stock Plan provides for awards in the form of incentive stocks, non-statutory stock options, Stock appreciation rights, and restrictive stocks. Except as otherwise disclosed in this Proxy Statement, no stock options or other stock awards were granted to the named executive officers in 2011.

Outstanding Equity Awards

The following table shows the number of Company shares of common stock covered by exercisable and unexercisable stock options and the number of Company unvested shares of restricted common stock held by the Company's named executive officers as of December 31, 2011.

Outstanding Equity Awards at Year End

Name (a)	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) (d)	Options Exercise Price (\$) (e)	Options Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) (j)
Ronald C. Martin	33,750(1)			\$ 7.56	3/17/2014	13,305	\$ 76,198		
Christopher M. Courtney	33,750(2)			\$ 7.56	3/17/2014				
Richard A. McCarty	22,500(3)			\$ 7.56	3/17/2014				

Edgar Filing: FRANKLIN ELECTRIC CO INC - Form DEFA14A

David S. Harvey	10,562(4)	\$	4.00	6/3/2012
	6,750(5)	\$	4.08	7/1/2012
	11,250(1)	\$	7.56	3/17/2014

Michael J. Rodrigues	6,750(6)	\$	4.08	7/1/2012
	11,250(7)	\$	7.56	3/17/2014

(1) The options vested 20% annually over five years beginning on 3/17/2004 and have a term of 10 years.

(2) The options vested 20% annually over five years beginning on 3/17/2004 and have a term of 10 years.

(3) The options vested 20% annually over five years beginning on 3/17/2004 and have a term of 10 years.

(4) The options vested 20% annually over five years beginning on 6/3/2002 and have a term of 10 years.

(5) The options vested 20% annually over five years beginning on 7/1/2002 and have a term of 10 years.

(6) The options vested 20% annually over five years beginning on 7/1/2002 and have a term of 10 years.

(7) The options vested 20% annually over five years beginning on 3/17/2004 and have a term of 10 years.

Option Exercises and Vested Stock Awards

The following table sets forth information with regard to the exercise and vesting of stock options and vesting of shares of restricted stock for the year ended December 31, 2011, for each of the named executive officers.

Option Exercises and Stock Vested

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized upon Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
	(#) (a)	(\$) (c) (1) (2)	(#) (d)	(\$) (e)
Ronald C. Martin		\$		\$
Christopher M. Courtney		\$		\$
Richard A. McCarty		\$		\$
David S. Harvey		\$		\$
Michael J. Rodrigues	1,687	\$ 4,508		\$

(1) The value realized of shares acquired on exercise was determined by subtracting the exercise price from the fair market value of the common stock on the exercise date multiplied by the number of shares acquired on exercise

(2) Options granted under our Stock Plans. Exercisable refers to those options which were both exercisable and vested while Unexercisable refers to those options which were unvested.

Salary Continuation Agreements

Edgar Filing: FRANKLIN ELECTRIC CO INC - Form DEFA14A

Company-owned split-dollar life insurance policies support the Company's obligations under each Salary Continuation Agreement. The premiums on the policies are paid by the Company. The cash value accrued on the policies supports the payment of the supplemental benefits for each participant. In the case of death of the participant, the participant's designated beneficiaries may receive up to 100% of the net-at-risk insurance (which means amount of the death benefit in excess of the cash value of the policy).

The following table shows the present value of the accumulated benefit payable to each of the named executive officers, including the number of service years credited to each named executive officer under the salary continuation agreements:

Accumulated Benefits

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit(1)(2) (\$) (d)	Payments During Last Fiscal Year (\$) (e)
Ronald C. Martin		19	\$ 308,525	\$ 0
Christopher M. Courtney		10	\$ 384,076	\$ 0
Richard A. McCarty		10	\$ 288,041	\$ 0
David S. Harvey		3	\$ 143,501	\$ 0
Michael J. Rodrigues		3	\$ 32,639	\$ 0

(1) The amounts in column (d) were determined using interest rate and mortality rate assumptions consistent with those used in the Company's consolidated financial statements and include amounts which the named executive officer may not currently be entitled to receive because such amounts are not vested. Assumptions used in the calculation of these amounts are included in Note 21 to the Company's consolidated financial statements for the fiscal year ended December 31, 2011, included in the Company's Annual Report on Form 10-K filed with the SEC on March 30, 2012.

(2) The following vesting percentages apply to the named executive officers:

End of the year prior to termination	Ronald C. Martin	Christopher M. Courtney	Richard A. McCarty	David S. Harvey	Michael J. Rodrigues
12/31/2012	100%	100%	100%	0%	0%
12/31/2013	100%	100%	100%	20%	20%
12/31/2014	100%	100%	100%	40%	40%
12/31/2015	100%	100%	100%	60%	60%

Director Compensation

This section provides information regarding the compensation policies for non-employee directors and amounts paid to these directors in 2011.

Overview

Our director compensation is designed to attract and retain qualified, independent directors to represent our shareholders on the Board and act in their best interests. The Compensation Committee, which consists solely of independent directors, has primary responsibility for reviewing and recommending any changes our director compensation program. All recommended compensation changes required approval or ratification by the full Board of Directors. Compensation for the members of our Board is reviewed periodically by the Compensation Committee.

Our Board of Directors includes two Company officers: Mr. Ronald A. Martin, who serves as Chief Executive Officer; and Mr. Christopher M. Courtney, who serves as the President of the Company. As senior executive officers, information regarding the compensation of Mr. Martin and Mr. Courtney can be found in the Compensation Discussion and Analysis and the executive compensation disclosure tables provided within this Proxy.

Director Fees

Non-employee Directors receive a cash retainer in the amount of \$2,000 per month. Directors who are employees do not receive any compensation for service as director.

The following table provides compensation information for the year ended December 31, 2011 for each non-employee Director of the Company at that time.

Director Compensation Table

Name (a)	Fees Earned or Paid in Cash (\$) (b)	Stock Awards (\$) (c)	Options Awards (\$) (d)	Non-Equity Incentive Plan Compensation (\$) (e)	Change in Nonqualified Deferred Compensation Earnings (\$) (f)(1)	All Other Compensation (\$) (g)	Total (\$) (h)
Donald L. Barton	\$ 24,000		\$		\$ 1,812	\$	\$ 25,812
James L. Gilbert	\$ 24,000		\$		\$ 7,242	\$	\$ 31,242
Thomas A. Haidlen	\$ 24,000		\$		\$ 5,471	\$	\$ 29,471
Michael Q. Jones	\$ 24,000		\$		\$ 8,108	\$	\$ 31,108

Edgar Filing: FRANKLIN ELECTRIC CO INC - Form DEFA14A

Roger M. Schrimp	\$	24,000	\$		\$	11,716	\$		\$	35,716
Danny L. Titus	\$	24,000	\$		\$	7,062	\$		\$	31,062
Richard J. Vaughan	\$	24,000	\$		\$	12	\$		\$	24,012

(1) The Company did not adopt or award any new pension or retirement benefits to the directors in 2011. The amounts shown in column (f) for 2011 represent the director retirement agreements accrual from December 31, 2010 to December 31, 2011. The amounts in column (f) were determined using interest rate and mortality rate assumptions consistent with those used in the Company's consolidated financial statements and include amounts which the named executive officer may not currently be entitled to receive because such amounts are not vested. Assumptions used in the calculation of these amounts are included in Note 21 to the Company's consolidated financial statements for the fiscal year ended December 31, 2011 included in the Company's Annual Report on Form 10-K filed with the SEC on March 30, 2012.

Stock Options

Except for 1,000 stock options granted to Donald L. Barton, none of the independent directors was granted any stock options during 2011. As of December 31, 2010, the independent directors held outstanding, fully exercisable stock options to purchase the following amounts of our common stock, all with exercise prices ranging from \$7.51 to \$ 13.25 per share, and all with expiration dates no later than 2016.

Non-Employee Directors	Options
Donald L. Barton	5,000
James L. Gilbert	0
Thomas A. Haidlen	0
Michael Q. Jones	4,500
Roger M. Schrimp	0
Danny L. Titus	0
Richard J. Vaughan	0

Director Retirement Agreements; Bank-Owned Life Insurance Policies

On August 21, 2001, the Board of Directors of the Bank authorized Director Retirement Agreements with each director. The Company assumed the Director Retirement Agreements upon its reorganization with the Bank in May 2008, as the same individuals who served as directors of the bank became directors of the Company.

The Director Retirement Agreements are intended to encourage existing directors to remain directors, assuring us that we will have the benefit of the directors' experience and guidance in the years ahead.

For retirement after the later of age 72 or five years of service (the Normal Retirement Age), the Director Retirement Agreements provide an annual benefit during the director's lifetime of \$12,000 for 10 years. If a director retires or becomes disabled before the Normal Retirement Age, he will receive a lump-sum payment in an amount equal to the retirement liability balance accrued by the Bank at the time of early retirement or disability.

If a change in control occurs (as defined in the Director Retirement Agreements) and a director's service terminates within 24 months after the change in control, the director will receive the retirement liability balance accrued and payable to the director for retirement at the Normal Retirement Age.

In December of 2001, the Bank purchased insurance policies on the lives of its directors, paying the premiums for these insurance policies with one lump-sum premium payment of approximately \$1,045,000. Although the Bank expects the policies on the directors' lives to serve as a source of funds for benefits payable under the Director Retirement Agreements, the contractual entitlements arising under the Director Retirement Agreements are not funded and remain contractual liabilities of the Bank, payable upon each director's termination of service.

Edgar Filing: FRANKLIN ELECTRIC CO INC - Form DEFA14A

The policy interests are divided between us and each director. Under Bank's Split Dollar Agreements and Split Dollar Policy endorsements with the directors, we are entitled to any insurance policy death benefits remaining after payment to the director's beneficiary. We expect to recover the premium in full from its portion of the policies' death benefits.

If a director is terminated for cause, we will not pay any benefits under his Director Retirement Agreement. For this purpose, the term "cause" means a director's gross negligence or gross neglect of duties, fraud, disloyalty, dishonesty or willful violation of law or significant Company policies in connection with the director's service that results in an adverse effect on us.

The following table shows the present value of the accumulated benefit payable to each director who has a director compensation benefit agreement, including the number of service years credited to each director under the supplemental executive retirement plan.

Accumulated Benefits

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit(1)(2) (\$) (d)	Payments During Last Fiscal Year (\$) (e)
Donald L. Barton		4	\$ 6,197	\$
James L. Gilbert		20	\$ 44,050	\$
Thomas A. Haidlen		20	\$ 33,265	\$
Michael Q. Jones		7	\$ 27,725	\$
Roger M. Schrimp		20	\$ 71,976	\$
Danny L. Titus		19	\$ 43,057	\$
Richard J. Vaughan		20	\$ 90,536	\$

(1) The amounts in column (d) were determined using interest rate and mortality rate assumptions consistent with those used in the Company's consolidated financial statements and include amounts which the named executive officer may not currently be entitled to receive because such amounts are not vested. Assumptions used in the calculation of these amounts are included in Note 21 to the Company's consolidated financial statements for the fiscal year ended December 31, 2011, included in the Company's Annual Report on Form 10-K filed with the SEC on March 30, 2012.

(2) The following vesting percentages apply to the directors:

End of the year prior to termination	Donald L. Barton	James L. Gilbert	Thomas A. Haidlen	Michael Q. Jones	Roger M. Schrimp	Danny L. Titus	Richard J. Vaughan
12/31/2012	20%	100%	100%	80%	100%	100%	100%
12/31/2013	40%	100%	100%	100%	100%	100%	100%
12/31/2014	60%	100%	100%	100%	100%	100%	100%
12/31/2015	80%	100%	100%	100%	100%	100%	100%

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

PROPOSAL NO. 1

ELECTION OF DIRECTORS OF THE COMPANY

The Bylaws of the Company provide that the Board will consist of not less than seven (7) and not more than thirteen (13) directors. The number of directors is set by the Board and is currently set at ten (10).

The Board of Directors proposes that the following four (4) nominees to be elected until their successors are duly elected and qualified. Each of the nominees has consented to serve if elected. If any of them becomes unavailable to serve as a Director before the Annual Meeting, the Board may designate a substitute nominee. In that case, the persons named as proxies will vote for the substitute nominee designated by the Board. Unless you indicate on the Proxy Card that your vote should be withheld from any or all of the nominees, your proxies will be voted for the election of each of these nominees.

The following is a brief account of the business experience, including experience during the past five years, of each nominee.

Donald L. Barton, 54, has been a director of the Bank since 2006 and of Oak Valley Bancorp since 2008. Mr. Barton is the managing partner at GoldRiver Orchards, a local walnut processing operation which his family started since 1912. Previously, he was Vice President Marketing at The Wornick Company, and President at Heidi's Gourmet Desserts. Before that he had number of managerial and executive positions in the food and agribusiness industries, including positions with Cargill and HJ Heinz. Mr. Barton is a Stanford graduate and earned his MBA from Santa Clara University. Mr. Barton is an Oakdale resident. Mr. Barton adds knowledge of the local economy to the Board.

Thomas A. Haidlen, 64, has been a director of the Bank since 1991 and of Oak Valley Bancorp since 2008. Mr. Haidlen was born in Oakdale and has resided in Oakdale for over 50 years. He owns and operates the Haidlen Ford Dealership in Oakdale that was established in Oakdale in 1955. Mr. Haidlen helps connect our banking operations with the local commercial community.

Daniel J. Leonard, 65, was appointed to fill a vacancy on the boards of the Bank and Oak Valley Bancorp in January 2012. Mr. Leonard currently serves as the Vice President, Chief Financial Officer of Bronco Wine Company, where he has been employed for 25 years. He has served on the Board of Directors for the Wine Institute, a voice for the California wine industry, for the past 20 years. He is also currently serving as Chairman of the Board for both the College of Business Administration at California State University at Stanislaus and the Parent Resource Center, a Modesto nonprofit organization, which he has been involved with for 15 years. Leonard holds a Bachelor's degree of Business Administration from the University of Wisconsin-Whitewater. He has lived in the San Joaquin Valley for 25 years, calling either Modesto or Hughson home during that time.

Ronald C. Martin, 65, has served as a director and Chief Executive Officer of the Bank since 1992. He was also the Bank's President until August 2004. He has been Oak Valley Bancorp Chief Executive Officer and a Director since May 2008. Mr. Martin began his banking career in 1977 with River City Bank in Sacramento. Between 1977 and 1987 he was employed in the Sacramento area and from December 1987 to January 1992 he served as President and Chief Executive Officer of Butte Savings in Chico, California. Mr. Martin has a B.S. in Finance from

Edgar Filing: FRANKLIN ELECTRIC CO INC - Form DEFA14A

the University of Arizona. Mr. Martin is a veteran banker with a deep understanding of our local community banking needs.

The Board of Directors of the Company is divided into three classes, designated Class I, Class II and Class III. Each class consists of one-third of the directors or as close an approximation as possible. Each director in each class is elected for a term running until the third annual meeting next succeeding his election, until his successor shall have been duly elected and qualified. Accordingly, each nominee director, if elected, will hold office as follows until his successor is duly elected and qualified for the following terms:

Nominees		Expiration of Term
Ronald C.	Martin	2015(1)
Thomas A.	Haidlen	2015(1)
Donald L.	Barton	2015(1)
Daniel J.	Leonard	2015

**Directors Continuing in
Office**

Roger M.	Schrimp	2013
James L.	Gilbert	2013
Danny L.	Titus	2013
Richard J.	Vaughan	2014
Christopher M.	Courtney	2014
Michael Q.	Jones	2014

(1) Assuming re-election on June 5, 2012.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF THESE NOMINEES AS DIRECTORS. ONLY THOSE VOTES CAST FOR ARE INCLUDED, WHILE VOTES AGAINST , ABSTENTIONS AND BROKER NON-VOTES ARE NOT INCLUDED.

PROPOSAL NO. 2**RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The firm of Moss Adams, LLP in Stockton, California which served the Company as independent registered public accounting firm for 2011, has been selected by the Audit Committee of the Board of Directors of the Company to be the Company's independent registered public accounting firm for 2012. All Proxies will be voted FOR ratification of such selection unless authority to vote for the ratification of such selection is withheld or an abstention is noted. If the nominee should unexpectedly for any reason decline or be unable to act as independent public accountants, the Proxies will be voted for a substitute nominee to be designated by the Audit Committee.

Representatives from the accounting firm of Moss Adams, LLP will be present at the meeting, will be afforded the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

Audit Fees

The following presents fees billed for the years ended December 31, 2010 and 2011 for professional services rendered by the Company's independent registered public accounting firm in connection with the audit of the Company's consolidated financial statements and fees billed by the Company's independent registered public accounting firm for other services rendered to the Company:

Fees	2010	2011
Audit Fees	\$ 118,500	\$ 138,375
Audit-related Fees		
Tax Fees	\$ 54,102	\$ 48,636
All other Fees	\$ 1,324	\$
Total	\$ 173,926	\$ 187,011

Audit Fees. Annual audit fees relate to services rendered in connection with the audit of the annual financial statements included in our annual report.

Audit-Related Fees. Audit-related services include fees for consultations concerning financial accounting and reporting matters.

Tax Fees. Tax services include fees for tax compliance, tax advice and tax planning.

All Other Fees. The increase in all other fees is primarily attributable to tax advising work in the areas of enterprise zone and costs aggregation work.

Edgar Filing: FRANKLIN ELECTRIC CO INC - Form DEFA14A

The Audit Committee has determined that the provision of services, in addition to audit services, rendered by Moss Adams and the fees paid therefore in fiscal years 2010 and 2011 were compatible with maintaining Moss Adams independence.

The Audit Committee pre-approves all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent registered public accounting firm, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit.

Audit Committee Report

The Audit Committee reports as follows with respect to the audit of our fiscal 2011 audited financial statements. Management is responsible for the Company's internal controls and the financial reporting process.

The Audit Committee is comprised of five independent directors and responsible for providing independent, objective oversight of the Company's accounting, financial reporting and internal controls. Members of the Audit Committee are independent as defined by SEC and NASDAQ standards. A financial expert, as defined by SEC rules, chairs the Audit Committee. The Audit Committee is responsible for the appointment, compensation, retention and oversight of the independent registered public accountants.

The Audit Committee meets and holds discussion with management and its independent registered public accountants, Moss Adams, LLP. The Audit Committee has read and discussed the audited financial statements for fiscal year 2011 with management and Moss Adams. The Chief Executive Officer and the Chief Financial Officer have certified that, based on their knowledge, the financial statements and other financial information included in the annual SEC Form 10-K report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company. Also, the Audit Committee has discussed with management and Moss Adams, management's assertion of the effectiveness of the Company's internal controls as they related to financial reporting.

Discussion were also held with Moss Adams concerning matters required by the Statement on Auditing Standards No. 61 (Communication with Audit Committees). The Company's independent auditors also provided to the Audit Committee the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit Committee discussed with Moss Adams that firm's independence and considered the compatibility of non-audit services with Moss Adams' independence.

Based on the reviews and discussions referred to above, we recommend to the Board of Directors the inclusion of the audited financial statements in the Company's Annual Report for the year ended December 31, 2011 on SEC Form 10-K.

The Audit Committee has discussed with management and Moss Adams, independence issues regarding the fees that were billed by Moss Adams during the fiscal year 2011. The Audit Committee approved audit, audit-related and tax services.

Submitted by the Audit Committee of the Board on March 30, 2012:

Roger M. Schrimp (Chairman)

Thomas A. Haidlen

Donald L. Barton

Danny L. Titus

Richard J. Vaughan

The Audit Committee report shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933 or the Securities Act of 1934, and shall not otherwise be deemed filed under these acts.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE SELECTION OF MOSS ADAMS, LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

PROPOSAL NO. 3

NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Company seeks a non-binding advisory vote from shareholders to approve the compensation of the Named Executive Officers, as described in detail under the Executive Compensation section of this proxy statement. The proposal will be presented at the annual meeting in the form of the following resolution:

RESOLVED, that the shareholders approve the compensation of Oak Valley Bancorp's named executive officers, as disclosed in the Compensation Discussion and Analysis, the compensation tables and related material in Oak Valley Bancorp's Proxy Statement for the 2012 annual meeting of shareholders.

This vote will not be binding on our Board of Directors or Compensation Committee and may not be construed as overruling a decision by the Board or create or imply any additional fiduciary duty on the Board. It will also not affect any compensation paid or awarded to any executive. The Compensation Committee and the Board may, however, take into account the outcome of the vote when considering future executive compensation arrangements.

The Board of Directors believes that the Company's compensation policies and procedures are centered on a pay-for-performance culture and are strongly aligned with the long-term interests of shareholders, and, accordingly, recommends a vote in favor of this proposal.

In the event this non-binding proposal is not approved by our shareholders, such a vote shall not be construed as overruling a decision by the Board of Directors or Compensation Committee, nor create or imply any additional fiduciary duty by the Board of Directors or Compensation Committee, nor shall such a vote be construed to restrict or limit the ability of our shareholders to make proposals for inclusion in proxy materials related to executive compensation. Notwithstanding the foregoing, the Board of Directors and Compensation Committee will consider the non-binding vote of our shareholders on this proposal when reviewing compensation policies and practices in the future.

Compensation Committee Report

Compensation Discussion and Analysis. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 401(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Risk Assessment of Incentive Compensation Arrangements. In connection with the Company's participation in the U.S. Treasury Capital Purchase Program, which participation ended in August 2011, the Compensation Committee, in 2011 met at least every six months with the Company's senior risk officers to discuss and review the relationship between the Company's risk management policies and practices and its senior executive officers (SEOs) incentive compensation arrangements, identifying and making reasonable efforts to limit any features in such compensation arrangements that might lead to the SEOs taking unnecessary or excessive risks that could threaten the value of the Company. The Compensation Committee, on behalf of the Company, must certify that it has completed the review and taken any necessary actions.

The Compensation Committee meets with the senior risk managers of the Company (including its Chief Executive Officer, President, Chief Financial Officer, Chief Credit Officer and Executive Vice President/Commercial Lending). The Compensation Committee discusses the overall risk structure and the significant risks identified within the Company, and discusses the process by which those present at the meeting analyze the risks associated with the executive compensation program. This process includes, among other things, a review of the Company's programs and discussions with the Compensation Committee's independent compensation consultant about the structure of the Company's overall executive compensation program. This review includes the compensation potential under the Company's incentive plans, the long-term view encouraged by the design and vesting features of the Company's long-term incentive arrangements, and the extent to which the Compensation Committee and the Company's management monitor the program. The Compensation Committee also identifies areas of enterprise risk of the Company and evaluates the degree to which participants in a plan perform functions that have the potential to significantly affect overall enterprise risk. The Compensation Committee then analyzes the extent to which design features have the potential to encourage behaviors that could significantly contribute to enterprise risk.

Our SEOs participate in the 2008 Stock Plan.

Based on its review, the Compensation Committee has determined that in 2011 the Company's executive compensation program did not encourage the SEOs to take unnecessary and excessive risks that threaten the value of the Company, and that no changes to these plans were required for this purpose.

Among the factors the Compensation Committee considered were the following:

- Vesting of stock options has historically been tied to tenure of employment and not tied to Company or individual performance. Stock options are subject to clawback provisions.
- The Compensation Committee generally targets the median of peer practice to generally limit total direct compensation.

In addition to the incentive plans in which our SEOs participate, the Company has incentive programs for other officers and branch employees which reward performance. The Compensation Committee reviewed all non-SEO programs, and concluded that none of them, considered individually or as a group, presented any material threat to our capital or earnings, encouraged taking undue or excessive risks, or encouraged manipulation or financial data in order to increase the size of an award. The rewards offered are typically based on subjective criteria and are not tied directly to Company performance. Several other plans reward loan production. Internal controls with different levels of review and approvals are designed to prevent manipulation to increase an award.

Certification. As required by the U.S. Treasury Capital Purchase Program, the Compensation Committee certifies that it has (i) reviewed with senior risk officers the SEO compensation plans and has made all reasonable efforts to ensure that these plans do not encourage SEOs to take unnecessary and excessive risks that threaten the value of the Company; (ii) reviewed with senior risk officers the Company's employee compensation plans and has made all reasonable efforts to limit any unnecessary risks these plans pose to the Company; and (iii) reviewed the Company's employee compensation plans to eliminate any features of these plans that would encourage the manipulation of reported earnings of the Company to enhance the compensation of any employee.

Compensation Committee of the Board

Roger M. Schrimp (Chairman)

Donald L. Barton

James J. Gilbert

Thomas A. Haidlen

Michael Q. Jones

Danny L. Titus

Richard J. Vaughan

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THIS PROPOSAL ON APPROVAL OF A NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION.

PROPOSAL NO. 4

SHAREHOLDER PROPOSAL

Robert P. Laukat of 23340 Lakewood Drive, Twain Harte, California 95383, telephone number (209) 586-7734, owning 3,346 shares of our common stock, has given notice that he intends to present the following proposal at the annual meeting. The proposal will be voted on only if properly presented at the annual meeting. In accordance with rules of the SEC, the text of Mr. Laukat's resolution and supporting statement is printed verbatim from his submission and we take no responsibility for them. To ensure that readers can easily distinguish between the materials provided by the proponent and the materials provided by the Company, we have placed a box around materials provided by the proponent.

Shareholder Proposal

RESOLVED: That the shareholders of Oak Valley Bancorp. assembled in Annual Meeting in person and by proxy, hereby request the Board of Directors to take the necessary steps to provide for cumulative voting in the election of directors, which means each shareholder shall be entitled to as many votes as shall equal the number of shares he or she owns multiplied by the number of directors to be elected, and he or she may cast all of such votes for a single candidate or any two or more candidates as he or she may see fit.

REASONS: Many states have mandatory cumulative voting, so do National Banks.

In addition, many corporations have adopted cumulative voting.

If the Board enacted this proposal it would make it much easier for a concerned stockholder to obtain a seat on the Board of Directors.

At the last shareholder meeting on June 9, 2011, I submitted this same proposal. It received a 10.8% affirmative vote. I received this information by asking Mr. Richard McCarty, the bank secretary, after the meeting was adjourned. It was not announced during the meeting. Further, I was fully prepared to properly present this proposal, but was never given the opportunity to present it at that meeting.

A yes vote will not only call to the attention of management the advantages of cumulative voting. It will also remind the management of Oak Valley Bank to respect shareholders' rights. Please vote yes.

Board of Directors Statement in Opposition

The Board of Directors is committed to strong corporate governance and monitors current issues and trends on an ongoing basis. Cumulative voting in director elections continues to receive attention and has been the subject of public debate. Although a number of companies have

Edgar Filing: FRANKLIN ELECTRIC CO INC - Form DEFA14A

adopted this standard in uncontested director elections, the Board believes it is not in the best interests of Oak Valley Bancorp or its shareholders at this time to amend Oak Valley Bancorp's Articles of Incorporation and Bylaws to provide for the election of directors in uncontested director elections by cumulative voting. The issues raised by cumulative voting are significant and would introduce risks into Oak Valley Bancorp's effective corporate governance structure while not necessarily improving the Board's performance or its accountability to shareholders, as suggested by the proponent. In the Board's view, before this standard can be further considered these issues need to be more fully addressed and clarified.

Oak Valley Bancorp uses the plurality vote standard to elect directors, like many other companies. Under this standard, which is the default method of voting under California law, nominees who receive the most affirmative votes are elected to the Board. Plurality voting ensures that all open positions are filled at each election. Oak Valley Bancorp's current plurality vote standard and corporate governance structure, accomplish the primary objective of this proposal, allowing shareholders to express dissatisfaction with the Board by withholding votes for certain directors or by proposing nominees to the Board. Importantly, the current plurality vote standard allows Oak Valley Bancorp to maintain a stable Board of experienced and knowledgeable directors while evaluating an appropriate response to shareholder dissatisfaction.

Given Oak Valley Bancorp's strong corporate governance practices, the Board of Directors believes this proposal is unnecessary. The Board maintains a Board Governance and Nominating Committee that is comprised entirely of independent directors. As described under "Corporate Governance and Board Matters" above, the Committee maintains and applies a robust set of criteria in selecting candidates for election to the Board and considers candidates recommended by shareholders in the same manner as other candidates. This process has resulted in a Board that is comprised of highly qualified directors from diverse backgrounds, a majority of whom are independent under NASDAQ rules. Shareholders have demonstrated their support for the Board of Directors and its nominees, electing each director nominee by a significant majority of the shares voted in elections during the past twenty years.

Finally, the Board rejects the Proponent's allegations and subjective views about Company management, and finds them without merit.

Oak Valley Bancorp is a strong company and during these challenging economic times has had stronger capital, better earnings and lower nonperforming assets than many of our peers. We attribute our success to the leadership of our strong Board and management.

In the Board's view, however, this proposal would not necessarily enhance the ability of shareholders to impact the outcome of director elections, nor would it influence director accountability. The Board therefore does not believe that this proposal is in the best interests of Oak Valley Bancorp or its shareholders at this time. The Board will continue to follow the debate and monitor developments, and, if appropriate and in the best interests of Oak Valley Bancorp's shareholders, will take further action to maintain its commitment to high standards of corporate governance. At the present time, however, the Board does not believe it would be wise to alter its plurality-based director election process, which we believe has served all shareholders, including the proponent, well to date.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE AGAINST THE SHAREHOLDER PROPOSAL.

OTHER INFORMATION

Other Business Matters

We have received no notice any other items submitted for consideration at the Annual Meeting and except for reports of operation and activities by management, which are for information purpose only and require no action of approval or disapproval, management neither knows of, nor contemplates any other business that will be presented for action by the shareholders at the Meeting. If any further business is properly presented at the Annual Meeting, the persons named as proxies will act in their discretion on behalf of the shareholders they represent.

Shareholders Proposals for 2013 Meeting

Any shareholder who intends to present a proposal at the 2013 Annual Meeting, other than a director nomination, must deliver the written proposal to the Chief Financial Officer at 125 North Third Avenue, Oakdale, California 95361 no later than December 31, 2012, if the proposal is to be submitted for inclusion in our proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934. A shareholder must include proof of ownership of Oak Valley's common stock in accordance with Rule 14a(8)(b)(2). We encourage any stockholder interested in submitting a proposal to contact the Chief Financial Officer in advance of this deadline to discuss the proposal. Shareholders may also want to consult knowledgeable counsel with regard to the detailed requirements of applicable securities rules.

Additional Proxy Material

A copy of our 2011 Annual Report (Form 10-K) is accessible at: www.edocumentview.com/OVLY. If you would like to receive a hard copy of the 2011 Annual Report, you may obtain one without charge by sending a request to by contacting:

Methods:	If you are a shareholder of record:	If you are beneficial owner of shares held in street name:
By Telephone:	Toll Free Telephone Number: 1-866-641-4276	Toll Free Telephone Number: 1-800-579-1639
From the Internet:	Go to www.investorvote.com/OVLY , click Request Materials	Go to www.proxyvote.com by following the instructions on the screen.
By Email	Write to investorvote@computershare.com with subject line: Proxy Materials Oak Valley Bancorp.	Send a blank email to sendmaterial@proxyvote.com with your 12-Digital Control Number in the subject line.

No Incorporation by Reference of Certain Portions of this Proxy Statement

Edgar Filing: FRANKLIN ELECTRIC CO INC - Form DEFA14A

Notwithstanding anything to the contrary set forth in any of previous filings made under the Securities Act of 1933, as amended, or the Exchange Act that might incorporate future filings made by us under those statutes. Neither the Audit Committee Report nor the Compensation Committee Report is to be incorporated by reference into any such prior filings, nor is such report to be incorporated by reference into any future filings made by us under those statutes.

**ANNUAL MEETING OF SHAREHOLDERS OF
OAK VALLEY BANCORP**

JUNE 5, 2012

COMMON

PROXY VOTING INSTRUCTIONS

Internet Access www.investorvote.com and follow the on-screen instructions to obtain your identification number which will allow you to cast your vote.

Telephone Call toll free 1-800-652-8683 from any touch-tone telephone and follow the instructions to obtain your identification number which will allow you to cast your vote.

Vote online/phone until 11:00 PM PDT, June 4, 2012, the day before the meeting

Mail If you have requested a printed Proxy Material as provided on page 2 of the Proxy Statement, sign, date and mail your proxy card in the envelope provided as soon as possible.

In Person You may vote your shares in person by attending the Annual Meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIAL FOR THE SHAREHOLDERS MEETING TO BE HELD ON JUNE 5, 2012. The Proxy Statement, Form 10-K for the year ended December 31, 2011 and the 2011 Annual Report to shareholders are available at www.edocumentview.com/OVLY

Please detach along perforated line and mail in the envelope provided IF you are not voting via telephone or the Internet.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK.

A. Voting Items

Proposals The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposals 2 and 3. The Board of Directors recommends a vote AGAINST Proposal 4.

1. Election of Directors:		For	Withhold
01 Ronald C. Martin		<input type="radio"/>	<input type="radio"/>
02 Thomas A. Haidlen		<input type="radio"/>	<input type="radio"/>
03 Donald L. Barton		<input type="radio"/>	<input type="radio"/>
04 Daniel J. Leonard		<input type="radio"/>	<input type="radio"/>

	For	Against	Abstain
2. To approve the proposal to ratify the appointment of Moss Adams, LLP as the independent registered public accounting firm for the Company's 2012 Fiscal year.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. To adopt a non-binding advisory vote approving executive compensation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. To adopt cumulative voting for the election of directors.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. In their discretion, the proxy holders are authorized to vote upon such other business as may properly come before the meeting.			

B. Non-Voting Items

Change of Address Please print new address below. Meeting Attendance Mark box to the right if you plan to attend the Annual Meeting.

C. Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

Please date and sign exactly as your name(s) appears. When signing as attorney, executor, administrator, trustee, or guardian, please give full title as such. If more than one trustee, all should sign. All joint owners should sign.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

/ /

**ANNUAL MEETING OF SHAREHOLDERS OF
OAK VALLEY BANCORP**

JUNE 5, 2012

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned holder of Common Stock acknowledges receipt of a copy of the Notice of Annual Meeting of Shareholders of Oak Valley Bancorp, and the accompanying Proxy Statement dated April 24, 2012, and revoking any Proxy heretofore given, hereby constitutes and appoints Ronald Martin and Roger Schrimp each of them, with full power of substitution, as attorneys and Proxies to appear and vote all of the shares of Common Stock of Oak Valley Bancorp, a California corporation, standing in the name of the undersigned which the undersigned could vote if personally present and acting at the Annual Meeting of Shareholders of Oak Valley Bancorp, to be held at Oak Valley Bancorp Headquarter at 338 E F Street, Oakdale, California 95361 on June 5, 2012 at 4 p.m. or at any adjournments thereof, upon the following items as set forth in the Notice of Meeting and Proxy Statement and to vote according to their discretion on all other matters which may be properly presented for action at the meeting or any adjournments thereof. The above-named proxy holders are hereby granted discretionary authority to cumulate votes represented by the shares covered by this Proxy in the election of directors.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF DIRECTORS NOMINATED BY THE BOARD OF DIRECTORS AND FOR PROPOSALS NO. 2, AND 3, AND AGAINST PROPOSAL NO. 4. THE PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS MADE, IT WILL BE VOTED FOR THE ELECTION OF DIRECTORS NOMINATED BY THE BOARD OF DIRECTORS AND FOR PROPOSALS NO. 2 AND 3, AND AGAINST PROPOSAL NO. 4.

THIS PROXY IS SOLICITED BY, AND ON BEHALF OF, THE BOARD OF DIRECTORS AND MAY BE REVOKED PRIOR TO ITS EXERCISE.

Appendix A

CHARTER
OF
THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE
OF
OAK VALLEY BANCORP AND OAK VALLEY COMMUNITY BANK

(As adopted by the Board of Directors in October 2010)

I. PURPOSE

The Corporate Governance and Nominating Committee (the **Committee**) of Oak Valley Bancorp and its subsidiary Oak Valley Community Bank (collectively, the **Company**), is a committee of the Board of Directors of Oak Valley Bancorp and its subsidiary Oak Valley Community Bank (collectively, the **Board**).

The purpose of the Committee is to review and make recommendations to the Board on matters concerning corporate governance; Board composition; identification, evaluation and nomination of director candidates; Board committees; and conflicts of interest.

In furtherance of these purposes, the Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

II. MEMBERSHIP

The Committee members shall be appointed by, and shall serve at the discretion of, the Board. The Committee shall consist of no fewer than two members of the Board. The Board may designate one member of the Committee as its chair. Members of the Committee shall not have a relationship with the Company or its affiliates that may interfere with the exercise of their independence, and shall otherwise be deemed

Independent Directors as defined by (i) the listing standards of the Nasdaq Stock Market, Inc. Listing Rules (the **Nasdaq Rules**) and (ii) the rules of the SEC (including Rule 10A-3).

The members of the Committee, including the Chair of the Committee, shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not

the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

III. RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the Committee shall include:

Corporate Governance Generally

- Reviewing annually the principles of corporate governance approved by the Board to ensure that they remain relevant and are being complied with, recommending changes to the Board as necessary;

- Reviewing proposed changes to the Company's Articles of Incorporation and Bylaws and making recommendations to the Board;

- Determining the manner in which shareholders may send communications to the Board (as a whole or individually), as well as the process by which shareholder communications will be relayed to the Board and what the Board's response, if any, should be and, until replaced by other procedures, the following shall be the process:

Written recommendations from shareholders for director nominees should be delivered to the Chair of the Committee.

In order for the Committee to adequately consider any shareholder recommendation, the recommendation should include an analysis of the proposed nominee under the criteria discussed above. In addition, the recommendation must include all information relating to the proposed director nominee that would be required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended. The Committee will evaluate director nominees recommended by shareholders in the same manner as it evaluates other nominees. Recommendations received prior to any Committee meeting where director nominees are to be considered will be considered at such meeting.

Notwithstanding the foregoing with respect to shareholder recommendations, shareholder nominations for director must be submitted in accordance with the provisions of the Company's bylaws.

- Reviewing periodically the succession planning for the Chief Executive Officer and other executive officers, reporting its findings and recommendations to the Board, and working with the Board in evaluating potential successors to these executive management positions;

- Reviewing governance-related stockholder proposals, if any, and recommending Board responses;

- Overseeing compliance by the Board and its committees with applicable laws and regulations, including those promulgated by the Securities and Exchange Commission and, as appropriate, the Nasdaq Rules;

- Reviewing its own charter and processes on an annual basis;

Board Composition, Evaluation and Nominating Activities

- Overseeing the Board evaluation process including conducting periodic evaluations of the performance of the Board as a whole and each Board committee and evaluating the performance of Board members eligible for re-election;
- Reviewing and making recommendations to the Board regarding the composition and size of the Board and determine the relevant criteria (including any minimum qualifications) for Board membership including issues of character, integrity, judgment, diversity, age, independence, skills, education, expertise, business acumen, business experience, length of service, understanding of the Company's business, other commitments and the like;
- Reviewing annually the relationships that each director has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and shall identify for the Board those directors who have no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company);
- In appropriate circumstances, the Committee, in its discretion, shall consider and may recommend the removal of a director for cause, in accordance with the applicable provisions of the Company's articles of incorporation and bylaws;
- Establishing procedures for the submission of candidates for election to the Board (including recommendations by stockholders of the Company);
- Establishing procedures for identifying and evaluating nominees for Director;
- Reviewing and recommending candidates for election to the Board at the annual meeting of shareholders in compliance with the Company's policies and procedures for consideration of Board candidates;
- Identifying, considering and recommending candidates to fill new positions or vacancies on the Board; in performing these duties, the Committee shall have the authority, at the Company's expense, to retain and terminate any search firm to be used to identify Board candidates and shall have authority to approve the search firm's fees and other retention terms;

Edgar Filing: FRANKLIN ELECTRIC CO INC - Form DEFA14A

- Reviewing the required disclosure, if applicable, included in the Company's annual public filings regarding the Company's nomination process;

- Making recommendations for continuing education of Board members;

Board Committees

- Periodically reviewing the charter and composition of each Board committee and making recommendations to the Board for the creation of additional Board committees or the change in mandate or dissolution of Board committees;
- Recommending to the Board persons to be members of the various Board committees;

Conflicts of Interest

- Periodically evaluating the Company's corporate governance guidelines and code of ethics and recommending changes to the Board as necessary;
- Considering questions of possible conflicts of interest of Board members and of corporate officers; and
- Reviewing actual and potential conflicts of interest of Board members and corporate officers, other than related party transactions reviewed by the Audit Committee, and approving or prohibiting any involvement of such persons in matters that may involve a conflict of interest or taking of a corporate opportunity.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company's bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

In performing its duties, the Committee shall have the authority, at the Company's expense, to retain, hire, and obtain advice, reports or opinions from internal or external legal counsel and expert advisors.

IV. MEETINGS

The Committee will meet at least once annually and, otherwise, as often as may be deemed necessary or appropriate, in its judgment, in order to fulfill its responsibilities. The Committee may meet either in person or telephonically, and at such times and places as the Committee determines. The Committee may establish its own meeting schedule, which it will provide to the Board.

The Committee will maintain written minutes of its meetings, which will be filed with the minutes of the meetings of the Board.

VI. REPORTS

The Chair of the Committee shall make regular reports to the full Board on the actions and recommendations of the Committee.