LINDSAY CORP
Form DEF 14A
December 22, 2009

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

Filed by the Registrant: þ
Filed by a Party other than the Registrant: o
Check the appropriate box:

o Preliminary Proxy Statement

o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

þ Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

Lindsay Corporation

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

o 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:

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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:

LINDSAY CORPORATION
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
January 25, 2010

The Annual Meeting of Stockholders of Lindsay Corporation (the Company) will be held at the Company s corporate offices at 2222 North 111th Street, Omaha, Nebraska, on Monday, January 25, 2010, at 8:30 a.m., Central Standard Time, for the following purposes:

(1) To elect three (3) directors for terms ending in 2013.

(2) To approve the Lindsay Corporation 2010 Long-Term Incentive Plan.

(3) To ratify the appointment of KPMG LLP as the independent auditor for the Company for the fiscal year ending August 31, 2009.

(4) To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

A Proxy Statement setting forth important information with respect to the election of the director and the ratification of the appointment of independent auditors is enclosed with this Notice of Annual Meeting.

Only stockholders holding shares of the Company s common stock of record at the close of business on December 3, 2009 are entitled to notice of, and to vote at, the Annual Meeting. Stockholders, whether or not they expect to be present at the Annual Meeting, are requested to sign and date the enclosed proxy, which is solicited on behalf of the Board of Directors, and return it promptly in the envelope enclosed for that purpose. Any person giving a proxy has the power to revoke it at any time prior to the Annual Meeting, and stockholders who are present at the Annual Meeting may withdraw their proxies and vote in person.

By Order of the Board of Directors

/s/ Eric R. Arneson
Eric R. Arneson, Secretary

Omaha, Nebraska
December 21, 2009

IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE THE COMPANY THE EXPENSE OF FURTHER SOLICITATION FOR PROXIES TO ENSURE A QUORUM AT THE ANNUAL MEETING.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on January 25, 2010. The Proxy Statement for this Annual Meeting and Annual Report are available online at http://www.lindsayannualmeeting.com.

LINDSAY CORPORATION

PROXY STATEMENT
for
2010 ANNUAL MEETING OF STOCKHOLDERS

This Proxy Statement is furnished in connection with the solicitation of proxies for use at the Annual Meeting of Stockholders of Lindsay Corporation (the Company) to be held on Monday, January 25, 2010, at the time and place and for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. Only record holders of the Company s common stock at the close of business on December 3, 2009 are entitled to vote at the Annual Meeting.

The accompanying proxy is solicited on behalf of the Board of Directors of the Company and is revocable at any time before it is exercised by written notice of revocation delivered to the Secretary of the Company or by filing a later dated proxy with him. Furthermore, stockholders who are present at the Annual Meeting may withdraw their proxies and vote in person. All shares of the Company s common stock represented by properly executed and unrevoked proxies will be voted by the Board of Directors of the Company in accordance with the directions given therein. Where no instructions are indicated, proxies will be voted FOR each of the proposals set forth in this Proxy Statement for consideration at the Annual Meeting. Shares of common stock entitled to vote and represented by properly executed, returned and unrevoked proxies will be considered present at the Annual Meeting for purposes of establishing a quorum, including shares with respect to which votes are withheld, abstentions are cast or there are broker nonvotes.

The principal executive offices of the Company are located at 2222 North 111th Street, Omaha, Nebraska 68164.

This Proxy Statement and the proxy cards are first being mailed to stockholders on or about December 23, 2009.

Voting Securities and Beneficial Ownership
Thereof by Principal Stockholders, Directors and Officers

At the record date, there were 12,410,448 shares of the Company s common stock issued and outstanding. Each share of common stock is entitled to one vote upon each matter to be voted on at the Annual Meeting. Stockholders do not have the right to cumulate votes with respect to the election of directors.

The following table sets forth, as of December 3, 2009, the beneficial ownership of the Company s common stock by each director, by each nominee to become a director, by each of the executive officers named in the Summary Compensation Table (the Named Executive Officers), and by all current executive officers and directors of the Company as a group. The shares beneficially owned by executive officers and directors of the Company represent approximately 1.4% of the total shares outstanding on the record date and entitled to vote at the Annual Meeting. The Board of Directors believes that all of these shares will be present at the Annual Meeting and will be voted FOR each proposal being considered at the Annual Meeting. In addition, executive officers, directors and nominees to become a director are deemed to beneficially own shares which they may acquire upon the exercise of vested stock options or options that will vest within 60 days of the record date. These shares are not outstanding and may not be voted at the Annual Meeting. The following table also sets forth the beneficial ownership of the Company s common stock by each other stockholder believed by the Company to beneficially own more than 5% of the outstanding shares of the Company s common stock based on a review of a report obtained from a third-party market analyst reviewing Schedule 13F reports filed with the Securities and Exchange Commission for the quarter ending September 30, 2009 with respect to the Company s common stock.

Name	Number of Shares Beneficially Owned[1]	Percent of Class
Directors and Executive Officers		
Howard G. Buffett, Director	34,721(2)	*
Michael N. Christodolou, Director and Chairman of the Board	20,487(2)	*
W. Thomas Jagodinski, Director	1,407(2)	*
J. David McIntosh, Director	16,352(2)	*
Michael C. Nahl, Director	11,316(2)	*
Michael D. Walter, Director	2,499(2)	*
William F. Welsh II, Director	27,266(2)	*
Richard W. Parod, Director, President and Chief Executive Officer	282,807(2)	2.2%
David B. Downing, Chief Financial Officer and President International	28,062(2)	*
Timothy J. Paymal, Vice President and Chief Accounting Officer	4,356(2)	*
Barry A. Ruffalo, President Irrigation	1,781(2)	*
Thomas D. Spears, President Infrastructure	653(2)	*
All current executive officers and directors as a group (12 persons)	431,707(2)	3.4%
Other Stockholders		
Neuberger Berman, LLC [3].	1,658,255	13.4%
INVESCO PowerShares Capital Management LLC [4]	1,132,255	9.1%
Barclays Global Investors NA [5].	837,932	6.8%

* Represents less than 1% of the outstanding shares of the Company s common stock.

(1) Each stockholder not shown as being a part of a group owns all outstanding shares directly and has sole voting and investment power over such shares, or shares such power with a spouse. The number of shares shown for stockholders reporting

ownership as part of a group represents the total number of shares over which any member of the group has sole or shared voting or investment power.

(2) Includes 15,186; 1,013; 0; 10,124; 7,088; 0; 3,038; 191,000; 22,500; 2,400; 0; 0 and 252,349 shares which may be acquired currently or within 60 days of December 3, 2009 pursuant to the exercise of options by Messrs. Buffett, Christodolou, Jagodinski, McIntosh, Nahl, Walter, Welsh, Parod, Downing, Paymal, Ruffalo, Spears and the current executive officers and directors as a group, respectively.

(3) The address for this stockholder is 605 Third Avenue, New York, NY 10158-3698.

(4)

The address for this stockholder is 301 West Roosevelt Road, Wheaton, IL 60187-5053.

(5) The address for this stockholder is 45 Fremont Street, San Francisco, CA 94105-2228.

Section 16(a) Beneficial Ownership Reporting Compliance

The rules of the Securities and Exchange Commission require the Company to disclose the identity of directors and executive officers and of beneficial owners of more than 10% of the Company s common stock who did not file on a timely basis reports required by Section 16 of the Securities Exchange Act of 1934, as amended. Based solely on review of copies of those reports received by the Company, or written representations from reporting persons, the Company believes that all directors, executive officers and 10% beneficial owners complied with all filing requirements applicable to them during the Company s fiscal year ended August 31, 2009.

PROPOSAL 1
ELECTION OF DIRECTORS

The Company s Bylaws require that the Board of Directors be divided into three classes that are elected to the Board on a staggered basis for three year terms. At the Annual Meeting, the terms of three directors will terminate and stockholders will be voting on nominees to fill these three positions on the Board. Accordingly, the Board of Directors, upon recommendations made by the Corporate Governance and Nominating Committee, has nominated Howard G. Buffett, Michael C. Nahl and William F. Welsh II to serve as directors for terms ending in 2013. Messrs. Buffett, Nahl and Welsh are current directors of the Company. Each of Messrs. Buffett, Nahl and Welsh has expressed an intention to serve, if elected, and the Board of Directors knows of no reason why any of them might be unavailable to continue to serve, if elected. There are no arrangements or understandings between Messrs. Buffett, Nahl and Welsh and any other person pursuant to which they were nominated to serve on the Board of Directors.

The election of a director requires the affirmative vote of a plurality of the shares present in person or represented by proxy at the meeting and entitled to vote. Consequently, votes withheld and broker nonvotes with respect to the election of directors will have no impact on the election of directors. Proxies submitted pursuant to this solicitation will be voted, unless specified otherwise, for the election of Messrs. Buffett, Nahl and Welsh. If any of Messrs. Buffett, Nahl and Welsh is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute nominee as the Corporate Governance and Nomination Committee may recommend to the Board of Directors.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE ELECTION OF MESSRS. BUFFETT, NAHL AND WELSH AS DIRECTORS OF THE COMPANY WITH TERMS ENDING IN 2013.

Board of Directors and Committees

The following table sets forth certain information regarding the directors of the Company. The Board of Directors has determined that each of Messrs. Buffett, Nahl, Welsh, Christodolou, Jagodinski, McIntosh and Walter are independent directors of the Company under the listing standards adopted by the New York Stock Exchange. All members of the Board of Directors have held the positions with the companies (or their predecessors) set forth under Principal Occupation for at least five years, unless otherwise indicated.

Name	Age	Principal Occupation	Director Since	Term To Expire
		NOMINEES		
Howard G. Buffett	54	President of Buffett Farms and President of the Howard G. Buffett Foundation [1]	1995	2010
Michael C. Nahl	67	Retired Executive Vice President and Chief Financial Officer of Albany International Corp.[2]	2003	2010
William F. Welsh II	68	Retired Chairman of Election Systems & Software, Inc. [3]	2001	2010
		DIRECTORS CONTINUING IN OFFICE		
Michael N. Christodolou	48	Founder and Manager of Inwood Capital Management, L.L.C. [4]	1999	2011
W. Thomas Jagodinski	53	Retired President and Chief Executive Officer of Delta and Pine Land Company [5]	2008	2011
J. David McIntosh	66	Retired Executive Vice President of The Toro Company [6]	2002	2011
Richard W. Parod	56	President and Chief Executive Officer of Lindsay Corporation[7]	2000	2012
Michael D. Walter	60	President of Mike Walter & Associates [8]	2009	2012

(1) Mr. Buffett also serves as a director of Berkshire Hathaway, Inc.

(2) In September 2009, Mr. Nahl retired as Executive Vice President and Chief Financial

Officer of Albany International Corp. Mr. Nahl joined Albany International Corp. in 1981 as Group Vice President, Corporate, served as Senior Vice President and Chief Financial Officer from 1983 to 2005 and was appointed as Executive Vice President in 2005. Mr. Nahl is a director of GrafTech International Ltd. and serves on the Regional Advisory Board of JP Morgan Chase & Co.

(3) From 1995 to 2002, Mr. Welsh was President and Chief Executive Officer of Election Systems & Software, Inc. From 2000 to 2003, Mr. Welsh served as Chairman of the Board of Directors of Election Systems & Software. Mr. Welsh is Chairman and a director of Ballantyne of Omaha, Inc.

(4) Mr. Christodolou founded Inwood Capital

Management, L.L.C. in May 2000. From 1988 to 1999, Mr. Christodolou was employed by Barbnet Investment Co., formerly Taylor & Co., an investment consulting firm providing services to certain entities associated with members of the Bass family of Fort Worth, Texas.

(5) Mr. Jagodinski was President, Chief Executive Officer and Director of Delta and Pine Land Company from September 2002 until June 2007 when the company was acquired by Monsanto Company. From 1991 to 2002, he served in various executive roles at Delta and Pine Land Company including Senior Vice President, Chief Financial Officer and Treasurer. Mr. Jagodinski currently serves on the Board of Directors of Solutia Inc. and Phosphate Holdings, Inc.

(6) Mr. McIntosh served as Group Vice President of Professional and International Business Divisions of The Toro Company from 1996 until August 1998 when he was appointed Executive Vice President. Mr. McIntosh had been employed by The Toro Company for 26 years prior to retiring on January 31, 2002. Mr. McIntosh currently serves on the Board of Directors for Health Tech Solutions, Inc.

(7) Prior to joining the Company in April of 2000, Mr. Parod was the Vice President and General Manager of Toro Irrigation, a division of The Toro Company, from 1997 to March 2000. From 1993 to 1997, he was an executive officer of James Hardie Irrigation, serving as President from 1994 to 1997.

(8)

Mr. Walter served in various leadership positions with ConAgra Foods, most recently as Senior Vice President, Economic & Commercial Affairs, before founding the Mike Walter & Associates consulting firm in 2006. Mr. Walter also serves as President of the Commodity Markets Council based in Washington D.C and serves on the Board of Directors of AgroTech Foods (India) and European Oat Millers (UK).

Information regarding executive officers of the Company is found in the Company s Annual Report which has been supplied with this Proxy Statement.

Corporate Governance

The Board of Directors operates pursuant to the provisions of the Company s certificate of incorporation and Bylaws as well as a set of Corporate Governance Principles which address a number of items, including the qualifications for serving as a director, the responsibilities of directors and board committees and the compensation of directors. The Company has adopted a Code of Ethical Conduct that applies to the Chief Executive Officer, Principal Financial Officer, Principal Accounting Officer and Corporate Controller, as required by Section 406 of the Sarbanes Oxley Act of 2002. Additionally, the Company maintains a Code of Business Conduct and Ethics for all persons associated with the Company, including its directors, officers and employees, that complies with the listing standards adopted by the New York Stock Exchange. Both of these codes and the Company s Corporate Governance Principles are available on the Company s website at http://www.lindsay.com and are available in print to any stockholder who submits a request in writing to the Secretary of the Company.

The Board of Directors conducts its business through meetings and actions taken by written consent in lieu of meetings. During the fiscal year ended August 31, 2009, the Board of Directors held twelve meetings. Each director attended at least 75% of the meetings of the Board of Directors and of the committees of the Board of Directors on which he served during fiscal 2009.

The Company s independent directors normally meet in executive session at each regularly scheduled Board meeting. The Chairman of the Board, currently Mr. Christodolou, an independent director, serves as the presiding director at each executive session of the independent directors.

The Board of Directors has established an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee.

Audit Committee. The primary purpose of the Audit Committee is to assist the Board of Directors in the oversight of (i) the integrity of the Company s financial statements, (ii) the Company s compliance with legal and regulatory requirements, (iii) the independent auditor s qualifications and independence, and (iv) the performance of the Company s internal audit function. The Audit Committee is responsible for selecting, compensating and evaluating the Company s independent auditor. Specific functions performed by the Audit Committee include reviewing periodically with the independent auditor the performance of the services for which they are engaged, reviewing the scope of the annual audit and its results, reviewing the Company s annual financial statements and quarterly financial statements with management and the independent auditor, reviewing the scope and results of the Company s internal auditing function, and reviewing the adequacy of the Company s internal accounting controls with management and the independent auditor. The Audit Committee operates under a written charter adopted by the Board of Directors which is available on the Company s website at http://www.lindsay.com and is available in print to any stockholder who submits a request in writing to the Secretary of the Company. The charter meets the requirements of the listing standards adopted by the New York Stock Exchange.

The Audit Committee is comprised of Directors Jagodinski (Chairman), Christodolou, Nahl, Walter and Welsh, each of whom has been determined to be independent by the Board of Directors under the rules of the Securities and Exchange Commission and under the listing standards adopted by the New York Stock Exchange. In addition, the Board of Directors has determined that each of Messrs. Christodolou, Jagodinski, Nahl, Walter and Welsh qualify as an audit committee financial expert under the rules of the Securities and Exchange Commission. The Committee held ten meetings during fiscal 2009.

Compensation Committee. The Compensation Committee reviews and approves the Company s compensation policies, benefit plans, employment agreements, salary levels, bonus payments, and awards pursuant to the Company s management incentive plans for its executive officers and other elected officers. The Compensation Committee approves all individual grants and awards under the Company s long-term equity incentive plans. It also reviews compensation for non-employee directors and recommends changes to the Board. The Compensation Committee is specifically responsible for determining the compensation of the Company s Chief Executive Officer and conducts an annual performance evaluation of the Chief Executive Officer. The Company s Chief Executive Officer makes recommendations to the Compensation Committee regarding the compensation paid to executive officers and other elected officers. However, the final authority for setting executive officer compensation rests with the Compensation Committee. The Compensation Committee has the discretion to delegate specific responsibilities to the Committee Chair, any other Committee member(s) or subcommittees as the Compensation Committee may establish from time to time.

The Compensation Committee has periodically retained an external compensation consulting firm, Mercer (US), Inc. (Mercer), to assist and advise it on particular matters. Mercer is engaged directly by the Compensation Committee, but its fees are paid by the Company. The nature and scope of Mercer s engagement with respect to the Compensation Committee s decisions regarding executive and director compensation during fiscal 2009 are described under Compensation Discussion and Analysis found later in this Proxy Statement.

The Compensation Committee operates under a written charter adopted by the Board of Directors which is available on the Company s website at http://www.lindsay.com and is available in print to any stockholder who submits a request in writing to the Secretary of the Company. The charter meets the requirements of the listing standards adopted by the New York Stock Exchange. The Compensation Committee is comprised of Directors Welsh (Chairman), Christodolou, McIntosh and Walter, each of whom has been determined to be independent by the Board of Directors under the listing standards adopted by the New York Stock Exchange. The Committee held nine meetings during fiscal 2009.

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee is responsible for making recommendations to the Board of Directors of persons to serve as directors of the Company and as chairmen and members of committees of the Board of Directors and for reviewing and recommending changes in the general Corporate Governance Principles of the Company. It also oversees the annual evaluation by the Board of Directors to determine whether the Board and its committees are functioning effectively. The Corporate Governance and Nominating Committee operates under a written charter adopted by the Board of Directors which is available on the Company s website at http://www.lindsay.com and is available in print to any stockholder who submits a request in writing to the Secretary of the Company. The charter meets the requirements of the listing standards adopted by the New York Stock Exchange.

The Corporate Governance and Nominating Committee identifies nominees to serve as a director of the Company primarily through suggestions made by directors and management. The Corporate Governance and Nominating Committee will consider director nominees for next year s Annual Meeting recommended by stockholders which are submitted in writing, complete with biographical and business experience information regarding the nominee, to the Secretary of the Company by August 31, 2010. Candidates for directors are evaluated based on their independence, character, judgment, diversity of experience, financial or business acumen, ability to represent and act on behalf of all stockholders, and the needs of the Board. The Corporate Governance and Nominating Committee uses the same criteria to evaluate its own nominees for director as it does for persons nominated by Company stockholders.

The Corporate Governance and Nominating Committee is comprised of Directors Christodolou (Chairman), Buffett, McIntosh and Welsh, each of whom has been determined to be independent by the Board of Directors under the listing standards adopted by the New York Stock Exchange. The Committee held three meetings during fiscal 2009.

Related Party Transactions. The Board of Directors has adopted a written policy regarding the review, approval or ratification of related party transactions. Under the policy, all such related party transactions must be pre-approved by the Audit Committee or ratified by the Audit Committee if pre-approval is impracticable. Under the policy, certain transactions are excluded from the definition of related party transaction, including (i) transactions available to all employees generally, (ii) director and officer compensation approved by the Compensation Committee and/or Board of Directors, as applicable, (iii) transactions in the ordinary course of the Company s business that are on substantially the same terms as those prevailing at the time for comparable products and services to unrelated third parties, and (iv) certain transactions with other companies where the related party s only relationship is as an employee (other than an executive officer), director or beneficial owner of less than 5% of that company s shares, if the aggregate amount involved during the fiscal year does not exceed the greater of $1,000,000 or 2% of that company s total annual revenues. In determining whether to approve or ratify a related party transaction, the Audit Committee will consider, among other factors, whether the terms of the transaction are fair to the Company, whether the transaction would present an improper conflict of interest for any director, officer or other related party, or whether the transaction would impair the independence of an outside director. Any Audit Committee member who has an interest in a transaction under discussion must abstain from voting on the proposed transaction.

There were no related party transactions in fiscal 2009.

Compensation Discussion and Analysis

Compensation Philosophy and Overview. The overall goal of the Company s compensation policy is to maximize stockholder value by attracting, retaining and motivating the executive officers that are critical to its long-term success. The Board s Compensation Committee (the Committee) believes that executive compensation should be designed to promote both the short-term and long-term economic goals of the Company. Accordingly, an important component of the Committee s compensation philosophy is to closely align the financial interests of the Company s executive officers with those of the Company s stockholders. To that end, the Committee has determined that the total compensation program for executive officers should consist of the following components:

Base salaries to reflect responsibility, experience, tenure and performance of key executives, as well as the scarcity of qualified executives for key positions;

Annual cash incentive awards to reward performance against short-term corporate, business unit and/or individual objectives;

Long-term incentive compensation to emphasize longer-term strategic objectives and align the interests of executives with those of stockholders; and

Other benefits as appropriate to be competitive in the market place.

It has been the intent of the Committee that executive salaries, target annual incentive opportunities and target long-term incentive values be targeted at the median of manufacturing and general industry companies of similar size to the Company (measured by annual revenues) for comparable positions, based on available survey data, with variation due to differences in executive skill levels and experience, the executive s role and internal equity with other positions and roles within the Company.

In September 2008, the Compensation Committee engaged the external consulting firm of Mercer (US), Inc. (Mercer) to conduct a compensation study to assist the Committee in establishing executive compensation for fiscal 2009. Among other things, the Mercer study provided the Committee with compensation survey information to aid it in establishing the competitive market for the Company s executive positions. The survey included compensation data from two published survey sources, the 2008 Mercer US Global Premium Executive Suite and the 2007 Watson Wyatt Survey Report on Top Management Compensation, which Mercer considered to be appropriate sources of compensation data for use by the Committee. Where possible, Mercer used survey data targeting corporate or incumbent revenue of one-half to two times that of the business unit of the Lindsay executive. In total, over 120 companies were included in the compensation survey.

In addition to reviewing the compensation of executive officers against the competitive market, the Committee also considers recommendations from the Company s President and Chief Executive Officer regarding the total compensation for executive officers. The Committee also considered the historical compensation of each executive officer, from both a total compensation and a component by component basis, in setting the fiscal year 2009 compensation for the executive officers.

The Committee is of the view that awards of annual and long-term incentive compensation awarded to executive officers should be adjusted in the event of restatements of the Company s financial results. Accordingly, the Committee has adopted a policy that allows recoupment or repayment of annual and long-term compensation payments made to executive officers during the three years preceding the restatement of Company financial statements to the extent such payments exceeded the amounts that would have been payable based on the restated financial results. Conversely, the policy allows for additional payments to the extent the amounts paid as annual and long-term incentive payments received in the three years preceding a restatement of Company financial statements were less than the amounts that would have been payable based on the restated financial results.

2009 Executive Compensation Program. The Company s fiscal year 2009 compensation program for its executive officers, including the executive officers named in the Summary Compensation Table included in this Proxy Statement, consisted of four basic components, which are (i) base salary, (ii) annual cash incentive awards,

(iii) long-term incentive compensation and (iv) other employee benefits. The purposes of each of these components of executive compensation, and the manner in which compensation for fiscal 2009 under these components was determined by the Committee for executive officers are as follows:

Base Salary. Base salaries are designed to provide executive officers with a competitive level of fixed compensation that is commensurate with the executive officer s individual responsibility, experience, tenure and general performance of duties. Base salary levels are also subject to competitive pressures faced by the Company for attracting and retaining qualified executives to fill key positions in the different geographic regions where the Company s executives reside. The Committee considers compensation survey information regarding base salary levels for executive officers with comparable positions and responsibilities in similar companies in order to maintain base salaries at competitive levels. In general, the Committee evaluates each executive officer s base salary on an annual basis to determine if an increase from the prior year s base salary is justified based on these criteria and considerations. In the case of Richard Parod, base salary was initially established by the terms of his employment agreement and is subject to annual increases as determined by the Committee.

In October 2008, the Committee established the base salaries for each of the Named Executive Officers except for Mr. Spears whose base salary was established when he joined the Company in June 2009. With respect to the base salaries of Named Executive Officers other than Mr. Parod, the Committee considered both the recommendations of Mr. Parod for salary adjustments as well as the survey data presented by Mercer. Mr. Parod primarily made his recommendations for salary adjustments based on individual performance and the Mercer report. The Committee also took note that the recommended salaries were consistent with its policy of establishing base salary levels for its executive officers at levels that approximate the median salaries paid to persons holding comparable positions by manufacturing and general industry companies with annual revenues similar to those of the Company. With respect to Mr. Parod, the Committee considered the information from the Mercer survey, the Company s performance and Mr. Parod s personal performance and concluded that an increase in his base salary of approximately 10% was appropriate.

Annual Cash Incentive Awards. The Company paid annual cash incentive awards to its executive officers under a Management Incentive Plan that was adopted by the Committee for fiscal 2009 (the 2009 MIP). The Company used annual cash payments under the 2009 MIP primarily to encourage its executive officers to achieve specific short-term financial goals of the Company generally and, in some cases, for achievement of the Company s financial results in certain market segments. In addition, a portion of the annual cash incentives is designated to reward individual performance objectives of each executive officer participating in the 2009 MIP. The Committee adopted the 2009 MIP and established the financial and individual goals for executive officers under the 2009 MIP during the first quarter of fiscal 2009.

The financial performance component accounted for 80% of each Named Executive Officer s potential annual cash incentive. This component consisted of three subcomponents: revenue, operating margin and average working capital to sales. For each of Messrs. Denman, Downing and Ruffalo, the financial performance component was split equally between consolidated Company financial performance and the financial performance (also based on revenue, operating margin and average working capital to sales) of their respective business units. For purposes of the 2009 MIP, (i) revenue was defined as the Company s fiscal 2009 operating revenues, (ii) operating margin was defined as the Company s fiscal 2009 operating income divided by fiscal 2009 operating revenues, and (iii) average working capital to sales was defined to include two key components of working capital: average month end inventories plus average month end accounts receivable divided by fiscal 2009 operating revenues. The average working capital to sales subcomponent, which was designed as a measure of the Company s utilization of its working capital, is calculated using the average of an entire 12 months worth of information in order to reduce any distortion caused by the seasonal nature of the Company s business. Each of the three subcomponents was calculated using the Company s Consolidated Statement of Operations for the year ended August 31, 2009, net of any effect of acquisitions made during fiscal 2009. The Committee chose to use revenue and operating margin as the primary financial performance measures for determining annual cash incentive awards under the 2009 MIP because it believed that the Named Executive Officers had significant influence over these measures, that operating margin and revenue align the interests of officers with the creation of stockholder value and that these measures are well understood by management and stockholders. Accordingly, each of the revenue and operating margin subcomponents was assigned a weighting of 40% by the Committee, while the average working capital to sales subcomponent was assigned a weighting of 20% by the Committee. Considering the manufacturing nature of the Company s business, the Committee felt that weighting 20% of the financial performance component based on average working capital to sales would motivate the Named Executive Officers to properly manage receivables and inventory in relationship to sales. Historically, the Committee had based 80% of the financial performance component on operating income. For fiscal 2009, the Committee changed this portion of the financial performance component to be based on the measure of two separate subcomponents: revenue and operating margin. The Committee deemed these measures to be more effective in focusing management on maintaining profitability in the event of a potential, significant decline in revenue due to the economic recession, and to better align management with stockholder interests.

In general, the Committee seeks to establish target levels for financial performance goals based on the Company s annual budget for the relevant fiscal year as approved by the Board of Directors, at least in years when the budget anticipates an increase in the financial performance measure over the previous fiscal year. The 2009 targets for revenue, operating margin and average working capital to sales were $541.1 million, 13.6% and 27.5%, respectively. Each target corresponds to the Company s operating budget for fiscal 2009. The targets established for specific business units also corresponded to the fiscal 2009 operating budget. As noted above, each target excludes the effect of any acquisitions made during fiscal 2009.

The Committee also approved the use of individual performance objectives to determine 20% of the annual cash incentives under the 2009 MIP for each Named Executive Officer. These individual performance objectives were approved by the Committee, based on recommendations by Mr. Parod, for each Named Executive Officer according to his respective area of responsibility. Unlike the financial performance measures described above, which the Committee viewed as short-term performance measures, the individual performance objectives were designed to focus on goals or initiatives that will create longer-term value for the Company. Depending on the officer, these performance objectives relate to areas such as lean efficiency, market development, strategic acquisitions, cost reduction and product development. Some of these individual performance objectives are objective and depend upon the accomplishment of specific, measurable goals such as cost reduction, increased sales or manufacturing efficiency ratios. Others are subjective in nature, such as performance objectives tied to the strengthening of operational capabilities or the creation and implementation of new sales and distribution channels.

The 2009 MIP established a target cash incentive amount for each Named Executive Officer (each a Target Cash Incentive Award). Consistent with the prior year, the Target Cash Incentive Award for Mr. Parod was set at 60% of his base salary. Also consistent with the prior year, the Target Cash Incentive Award for each of Messrs. Denman, Downing and Ruffalo was set at 45% of his respective base salary and the Target Cash Incentive Award for Mr. Paymal was set at 35% of his base salary. In each case, a Target Cash Incentive Award represents the total cash incentive a Named Executive Officer was entitled to receive if he had achieved 100% of the target levels under the financial performance component and individual performance component established for such Named Executive Officer under the 2009 MIP. Since he did not join the Company until the fourth quarter of fiscal 2009, the Committee awarded Mr. Spears a guaranteed bonus of $15,000 in lieu of participation in the 2009 MIP.

Under the 2009 MIP, a Named Executive Officer could earn a portion of his Target Cash Incentive Award if he achieved at least a threshold level of performance for any of the financial or individual performance components. Separate calculations were performed to determine the payout earned under the financial performance component and the individual performance component, and those two components are then added together to determine the final cash incentive awarded to a Named Executive Officer. The financial performance subcomponents are calculated according to a scale that provides varying percentage payouts for threshold , intermediate , target and maximum performance levels. If the Company fails to meet the threshold performance level for a specific financial performance subcomponent, then that Named Executive Officer will receive no payout under that specific subcomponent. Percentage payouts between the threshold, intermediate, target and maximum levels are linearly interpolated for each financial performance subcomponent. The following performance levels trigger the following percentage awards (calculated as a percentage of the Target Cash Incentive Award available under the overall Company financial performance component):

	Operating	Average Working Capital	Percentage of Target Cash Incentive Award Available for Financial

	Revenue (40%)	Margin (40%)	to Sales (20%)	Performance Subcomponent
Threshold	$270.5 million	6.8%	31.5%	15%
Intermediate	$405.8 million	10.2%	29.5%	75%
Target	$541.1 million	13.6%	27.5%	100%
Maximum	$811.6 million	15.7%	23.5%	200%

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Likewise, the cash incentive awarded under the individual performance component is calculated according to a scale providing the following percentage awards (calculated as a percentage of the Target Cash Incentive Award available under the individual performance component):

Performance Level	Percentage of Target Cash Incentive Award Available for Individual Component
Does not meet objectives	0%
Meets some objectives	50%
Meets most objectives	75%
Meets all objectives	100%
Exceeds objectives	150%
Significantly exceeds objectives	200%

Both the financial and individual performance component calculations offer a range of payouts for performance that exceeds or falls short of the target level. The Committee believes that this not only provides an incentive to executives to achieve performance that exceeds expectations, but it also provides constant motivation during down cycles. By rewarding a range of performance, the Committee hoped to partially counteract the cyclical nature of the Company s business. Likewise, the receipt of an award under one component or subcomponent is not contingent upon meeting a certain performance standard under the other component or subcomponents. For example, an executive who has met all of his individual performance objectives would still receive a payout under the individual component even if the Company failed to meet the threshold financial performance objectives. Similarly, an executive may receive a payout if the threshold level is met for a specific financial performance subcomponent even if the executive failed to meet his or her individual performance objectives and/or the Company failed to meet the threshold levels for the other financial performance subcomponents. If any sort of unplanned event should arise, the 2009 MIP gives the Committee the discretion to change the rules, standards or procedures affecting a Named Executive Officer s incentive payouts under the plan. The following example demonstrates how a hypothetical executive officer s annual cash incentive payment was calculated under the 2009 MIP:

An officer receiving a base salary of $260,000 (with a target incentive percentage of 45% of his base salary) would be eligible for a Target Cash Incentive Award of $117,000. $93,600 of that amount would be attributable to the Company s financial performance component (80% of the Target Cash Incentive Award), whereas $23,400 of that amount would be attributable to the officer s individual performance component (20% of the Target Cash Incentive Award). If the Company generated revenues of $405.8 million, operating margin of 6.8%, an average working capital to sales ratio of 32.5%, and the officer met all of his individual performance objectives, he would receive a total cash incentive payout of $57,096, calculated as follows:

Company Financial Performance Component: $28,080[A] + $5,616[B] + $0[C] = $33,696

[A] Revenue Subcomponent: $93,600 * 0.40 *0.75 performance multiplier

[B] Operating Margin Subcomponent: $93,600 * 0.40 *0.15 performance multiplier

[C] Average Working Capital to Sales Subcomponent: $93,600 * 0.20 *0.00 performance multiplier

Individual Performance Component: $23,400 X 100% performance multiplier = $23,400

Total Cash Incentive Awarded: $33,696 + $23,400 = $57,096

During fiscal 2009, for purposes of the 2009 MIP, the Company recorded revenue of $328.8 million, operating margin of 6.84% and average working capital to sales of 37.8%. Each of these figures were adjusted to eliminate the effect of an anticipated disposition of revenue generating assets which did not occur during fiscal 2009. The results of operations from these assets were not included in the fiscal 2009 operating budget and therefore were not considered when establishing target levels for each financial performance subcomponent. Accordingly, each subcomponent was adjusted to eliminate the effect of the results of operations from these assets. Based on these results, the overall Company Financial Performance Component payout percentage was 22.6% based on subcomponent payout percentages of 41%, 16% and 0% for each of the revenue (40%), operating margin (40%) and average working capital to sales (20%) subcomponents, respectively. The payout percentage for certain market financial performance components for Named Executive Officers ranged from 43.3% to 55.5%. At a meeting in October 2009, the Committee verified the attainment of these measures used for the Financial Performance Component of the 2009 MIP. In addition, after the conclusion of fiscal 2009, Mr. Parod recommended scores to the Committee for each Named Executive Officer under the Individual Performance Component of the 2009 MIP. The Committee then discussed and approved those scores, determining that the Named Executive Officers were entitled to performance multipliers under the Individual Performance Component of the 2009 MIP ranging from 95% to 101.5%.

Long-Term Incentive Compensation. The long-term incentive component is designed to reward the achievement of longer-term strategic objectives and align the financial interests of the Company s executive officers with those of the Company s stockholders. For fiscal 2009, the Committee decided to use a combination of Performance Stock Units (PSUs) and Restricted Stock Units (RSUs) awarded in tandem in order to provide the Company s Named Executive Officers, except Messrs. Denman and Spears, with long-term incentive compensation. Mr. Denman received a grant of RSUs only because it was likely that he would retire from the Company prior to the expiration of the three-year performance period associated with PSUs. Consistent with the Company s policy regarding PSU and RSU awards made to new hires, Mr. Spears was only awarded RSUs during fiscal 2009. The Committee plans to award both PSUs and RSUs to Mr. Spears during fiscal 2010. Both PSUs and RSUs were granted pursuant to the Company s 2006 Long-Term Incentive Plan which was approved by the stockholders at the Company s annual stockholder meeting in 2006.

PSUs represent a right to receive a certain target number of shares of the Company s common stock at a specified time in the future if certain performance objectives have been met during the specified performance period leading up to the payout of the PSU. PSUs are, therefore, designed to reward achievement of specific performance objectives over this period. Historically, the Compensation Committee has awarded PSUs with a threshold payout of 50% of the target number and a maximum payout of 200% of the target number. In addition to requiring satisfaction of the applicable threshold performance levels, PSUs are only payable if the recipient remains employed with the Company until payout occurs after the end of the performance period.

RSUs represent a right to receive a certain number of shares of the Company s common stock at a specified time in the future, but are not conditioned upon achieving any specific performance objectives, and are only payable if the recipient remains employed by the Company at the end of the vesting period leading up to the payout of the RSU. RSUs are designed primarily to encourage retention of executive officers and key employees.

Under the terms of the individual award agreements, both the PSUs and RSUs awarded to Named Executive Officers for fiscal 2009 are payable in common stock and provide the Named Executive Officers with special cash dividend equivalents which entitle them to receive any special cash dividend (i.e. other than regular quarterly dividends) paid by the Company while the PSUs and RSUs are outstanding. The Committee has adopted a policy regarding the timing of grants of PSUs and RSUs to employees which generally provides that such grants will be made on an annual basis during the first quarter or at the beginning of the second quarter of the fiscal year and at least two business days after the Company has filed its Annual Report on Form 10-K for the prior fiscal year.

Each of the PSUs and RSUs has a three-year vesting period. The PSUs awarded during fiscal 2009 will not become realizable until fiscal 2012. At that point, depending upon the Company s performance over the three-year period, the PSUs will either convert into a specified number of shares of the Company common stock or become worthless. The Committee selected a three-year performance period because measuring performance over a long period would be less affected by cyclical variations in the Company s business and one-time events. The Committee felt that a three-year period was commonly used by similar companies for this reason. The RSUs awarded during fiscal 2009 will ratably vest over the same three-year period, with one third of the RSUs converting into Company common stock on November 1 in each fiscal year following the grant date, provided that the Named Executive Officer continues his employment with the Company. The Committee has granted PSUs and RSUs in fiscal 2010 that will become fully realizable in fiscal 2013 and plans to grant additional PSUs and RSUs in fiscal 2011 that will become fully realizable in fiscal 2014. The Committee intends that this will create a layering effect that will provide constant motivation and alignment of executive and stockholder interests extending into the future and will support executive retention. The Committee approves a target long-term incentive award amount for each Named Executive Officer and then awards

70% of that award amount in the form of PSUs and the other 30% in the form of RSUs, except that each of Messrs. Denman and Spears received 100% of his respective award in the form of RSUs in fiscal 2009 for the reasons discussed above. The Committee chose this mix of PSUs and RSUs to promote sustained long-term performance, goal alignment and retention.

The Committee selected PSUs and RSUs for long-term incentive awards instead of stock options because the expense under generally accepted accounting principles associated with grants of stock options was thought to be greater than the perceived value of options to the recipients. Also, using shares as opposed to options to make awards reduces the number of shares required to deliver equivalent value to the recipients.

Although the Committee uses equity-based compensation in connection with the long-term incentive portion of the Company s executive compensation program, neither the Committee nor the Company have adopted any stock ownership guidelines or policies for its Named Executive Officers and, accordingly, the Committee does not consider any specific guidelines in connection with establishing the levels of equity-based compensation awarded to the Company s Named Executive Officers.

The specific terms of the PSU and RSU grants made to the Named Executive Officers for fiscal 2009 are as follows:

PSUs Awards. Based on the recommendation of Mercer, the Committee determined that 70% of the long-term incentive award granted to each Named Executive Officer (other than Messrs. Denman and Spears) would consist of PSUs. Each PSU awarded in fiscal 2009 has a three-year performance period running through the end of fiscal 2011 (i.e. August 31, 2011) and will vest on November 1 of fiscal 2012. Consistent with prior years and based primarily on Mercer s recommendation, the Committee chose Revenue Growth and Return on Net Assets (RONA) as the performance measures to be used to determine PSU payouts for the three-year performance period. The Committee considered several performance measures, including measures that were tied to the Company s stock price or the accomplishment of specific performance objectives. The Committee previously decided against using stock price as a performance measure because it felt that such a plan would be susceptible to distortion from the cyclical nature of the Company s business. Likewise, the Committee decided against the use of other performance objectives because of the difficulty in correlating such objectives to stockholder value.

Ultimately, the Committee chose to correlate PSU payouts to Revenue Growth and RONA because it determined that there was a reasonable relationship between these performance measures and stockholder value. Additionally, these performance measures could be easily quantified and calculated for the purposes of determining whether the Company had met the necessary performance requirements. The Committee assigned equal weighting to Revenue Growth and RONA for purposes of determining PSU payouts in order to drive profitable growth and focus on appropriate asset management. Additionally, the Committee was concerned that considering RONA alone could create an incentive for Named Executive Officers to unnecessarily dispose of assets in order to manage the denominator and inflate the Company s RONA and thereby increase their PSU payout. To prevent such an occurrence, the Committee decided to use both RONA and Revenue Growth as performance measures and to weight them equally. Although the Committee feels that Revenue Growth and RONA reasonably approximate the connection between executive performance and stockholder value, future developments could possibly prompt the Committee to make subsequent PSU awards according to different performance measures.

Revenue Growth is the average annual percentage increase in the Company s consolidated operating revenues for each year during the applicable performance period. Accordingly, if the Company had year over year growth in its consolidated operating revenues of 4%, 15% and 11% during a three-year performance period, the Revenue Growth for purposes of PSU payouts for that performance period would be the average of the individual year increases or 10%. RONA is calculated in the following manner:

$$\frac{\text{Net Income}}{(\text{Average*Total Assets} \quad \text{Average*Current Liabilities} + \text{Average*Current Portion of Long-Term Debt})}$$

* These averages will be computed using the beginning and ending amounts of Total Assets, Current Liabilities, and Current Portion of Long-Term Debt for the applicable fiscal year.

For the purposes of calculating Revenue Growth and RONA, any acquisitions made by the Company and revenues, expenses or assets associated with such acquisitions are excluded in the fiscal year of the acquisition, but will be fully included during every year thereafter.

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The Committee has established the following three-year average performance measures and conversion percentages for Revenue Growth and RONA for the PSUs awarded in fiscal 2009:

	Revenue Growth	RONA
Threshold	6%	9%
Target	10%	15%
Maximum	15%	17%

The Committee selected target performance measures that were within the range of the long-term target financial performance goals communicated from Lindsay to the stockholders by Mr. Parod in the 2008 Annual Report. The Committee attempted to establish maximum and threshold performance levels that would appropriately reward the Named Executive Officers for exceptional performance, while also providing them with continued motivation in the event that market factors or down periods make it impossible to meet target performance levels. If the Company fails to meet the threshold performance level for either Revenue Growth or RONA over the three-year performance period, then there will be no PSU payout at the end of the performance period, even if the other factor achieves the threshold or higher level.

At the threshold level for both performance measures each PSU will convert into one-half share of stock, and this ratio increases to one share of stock if the target level is achieved for both performance measures and two shares of stock if the maximum level is achieved for both performance measures. The Committee determined that the payout ratio of 2 to 1 used at the maximum level for both performance measures was appropriate because it believed the maximum levels were aggressive goals that would be difficult to achieve. Payout factors will be linearly interpolated when actual performance results fall between the threshold, target and maximum levels. As a result, the number of shares each PSU will convert into based on varying achievements of the performance levels for Revenue Growth and RONA are set forth in the following matrix:

		RONA	
REVENUE GROWTH	***Threshold***	***Target***	***Maximum***
Maximum	1.00	1.4142	2.00
Target	0.7071	1.00	1.4142
Threshold	0.50	0.7071	1.00

The Committee is also entitled to adjust the conversion calculation in order to reduce (but not increase) the amount of stock awarded to take into account any unanticipated events including, but not limited to, extraordinary or nonrecurring items, changes in tax laws, changes in generally accepted accounting principles, impacts of discontinued operations and restatements of prior period financial results.

The following is an example of how the payout of PSUs would be calculated for a hypothetical executive officer who received a total award of 1,000 PSUs in fiscal 2009.

Assume that the Company achieves Revenue Growth of 14% in 2009, 15% in 2010 and 16% in 2011. This results in a 15% average three-year Revenue Growth for the relevant performance period, which meets the maximum performance level for Revenue Growth. Assume that the Company achieved RONA of 8% in 2009, 9% in 2010 and 10% in 2011. This results in a 9% average three-year RONA for the performance period, which meets the threshold performance level for RONA. Accordingly, the executive s 1,000 PSUs will convert into 1,000 shares of common stock.

In the event of a change in control of the Company, the PSUs will convert into an amount of Company common stock that is pro-rated to account for the amount of time the Named Executive Officers held the PSUs prior to the change of control transaction and will be paid out based on the probable or expected level of Revenue Growth and RONA at the time of the change in control. If any of the Company s financial statements are restated as the result of errors, omissions or fraud, for any fiscal year during the three-year performance period, such restated results will be used to recalculate any PSU conversions made at the expiration of the performance period.

RSU Awards. The Committee determined that the remaining 30% of each Named Executive Officer s long-term incentive award should consist of RSUs, except for Messrs. Denman and Spears who received 100% of their awards in the form of RSUs. The RSUs awarded in fiscal 2009 vest according to a three-year schedule, with one-third of the RSUs vesting on November 1 of each fiscal year following the fiscal year of their award contingent upon the Named Executive Officer s continued employment with the Company. Upon vesting, each RSU converts into a share of the Company s common stock. Accordingly, if a Named Executive Officer received 600 RSUs for fiscal 2009 and remained employed with the Company, 200 of those RSUs would convert into 200 shares of common stock on November 1, 2009. Another 200 RSUs would convert into 200 shares of common stock on November 1, 2010, and then the final 200 RSUs would convert into 200 shares of common stock on November 1, 2011. Additionally, the RSUs will fully vest upon a change in control of the Company.

Award Value. In determining the number of PSUs and RSUs granted to the Named Executive Officers for fiscal 2009 (other than Mr. Spears), the Committee first established a dollar value of the total PSUs and RSUs to be awarded to each Named Executive Officer assuming they achieved target performance levels for the PSUs. The initial dollar value for Mr. Parod was set at $500,000. The Committee determined this amount by considering the value of other compensation available to Mr. Parod and then calculating the amount of PSUs and RSUs that would be necessary to provide him with a total compensation package which reflected the median of total compensation paid to individuals holding similar positions for similar companies. The dollar values of PSUs and RSUs granted to the Named Executive Officers other than Mr. Parod were based on initial recommendations made to the Committee by Mr. Parod. In making and approving these recommendations, both Mr. Parod and the Compensation Committee considered the 2008 Mercer study which compared the Company s total direct compensation, consisting of base salary, cash bonus and the expected value of long-term incentives, to the median level for individuals holding similar positions with comparable revenue responsibility at other manufacturing companies. In each case, the dollar value was divided by the closing sale price of the Company s common stock on the grant date ($43.92 as of November 3, 2008) to convert the dollar value into a total number of stock units initially awarded to each Named Executive Officer. Of these total stock units, 70% were designated as PSUs and 30% were designated as RSUs, except with respect to Mr. Denman who received 100% of his stock units in the form of RSUs. While the dollar value of PSUs was based upon a payout ratio of 1 to 1, the actual PSU payout ratio may be as low as 0 to 1 if the Company fails to meet the threshold performance level for either performance measure. Alternatively, the PSU payout ratio may be as high as 2 to 1 if the Company meets or exceeds the maximum performance level for both performance measures. Mr. Spears received $100,000 of RSUs when he joined the Company in June 2009.

Fiscal 2007-2009 Performance. The end of fiscal 2009 marked the end of the three-year performance period for the first tranche of PSUs awarded in fiscal 2007. For this performance period, the Company achieved three-year average revenue growth of 18.22% and three-year average RONA of 10.82% which equated to a cumulative payout percentage of 137.3% of target. In accordance with the terms of the PSUs earned for this performance period, Mr. Parod was issued 12,976 shares of common stock (resulting from 9,451 PSUs awarded in fiscal 2007) and Mr. Downing was issued 4,513 shares of common stock (resulting from 3,287 PSUs awarded in fiscal 2007). No payouts have yet been earned with respect to the PSUs awarded in fiscal 2008 and fiscal 2009 which have three-year performance periods ending at the end of fiscal 2010 and fiscal 2011, respectively.

Other Employee Benefits. The Company also provides certain other benefits to its Named Executive Officers in the normal course of business as appropriate to be competitive with market practice. In addition to this standard benefits package, Named Executive Officers are provided supplemental life insurance coverage. Also, a personal automobile is provided to Mr. Parod according to the terms of his employment agreement. Other benefits provided to the Named Executive Officers are generally those which are available to all employees of the Company, such as participation in Company sponsored health and dental insurance, life insurance and disability benefits. The Company and employee participants share in the cost of these programs. The Company also maintains a qualified 401(k) retirement plan to which the Company makes matching contributions corresponding to employee contributions. The Company s Named Executive Officers are eligible to participate in each of these employee benefit plans.

Termination Payments. The Company is party to arrangements with its Named Executive Officers that provide for termination payments under several possible scenarios, including payments that are triggered by a change in control of the Company. All stock options issued to the Named Executive Officers, as well as to other employees of the Company, are subject to immediate vesting in connection with a change of control tra