

TORO CO
Form DEF 14A
February 02, 2010

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

The Toro Company

(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:

Edgar Filing: TORO CO - Form DEF 14A

(5) Total fee paid:

o 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:

Table of Contents

NOTICE OF 2010
ANNUAL MEETING AND
PROXY STATEMENT
FOR MARCH 16, 2010

Table of Contents

The Toro Company
8111 Lyndale Avenue South, Bloomington, Minnesota 55420-1196
Telephone 952-888-8801

Michael J. Hoffman
Chairman and CEO

February 2, 2010

Dear Fellow Shareholders:

I am pleased to invite you to join us for The Toro Company 2010 Annual Meeting of Shareholders to be held on Tuesday, March 16, 2010, at 1:30 p.m., Central Daylight Time, at our corporate offices. Details about the annual meeting, nominees for election to the Board of Directors and other matters to be acted on at the annual meeting are presented in the Notice of Annual Meeting and proxy statement that follow.

It is important that your shares be represented at the 2010 Annual Meeting, regardless of the number of shares you hold and whether or not you plan to attend the meeting in person. Accordingly, please exercise your right to vote by following the instructions for voting on the Notice Regarding the Availability of Proxy Materials you received for the meeting or, if you received an electronic or paper copy of our proxy materials, by completing, signing, dating and returning your proxy card or by Internet or telephone voting as described in the proxy statement.

On behalf of your Toro Board of Directors and Management, it is my pleasure to express our appreciation for your continued support.

Sincerely,

Michael J. Hoffman

Your vote is important. Please exercise your right to vote as soon as possible by following the instructions for voting on the Notice Regarding the Availability of Proxy Materials you received for the meeting or, if you received an electronic or paper copy of our proxy materials, by completing, signing, dating and returning your proxy card or by Internet or telephone voting as described in the proxy statement. By doing so, you may save us the expense of additional solicitation.

You also can help us make a difference by eliminating paper proxy mailings. With your consent, we will provide all future proxy materials electronically. Instructions for consenting to electronic delivery can be found on your proxy card or Notice Regarding the Availability of Proxy Materials. Your consent to receive shareholder materials electronically will remain in effect until canceled.

Table of Contents

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Toro Company 2010 Annual Meeting of Shareholders will be held on Tuesday, March 16, 2010, at 1:30 p.m., Central Daylight Time, at our corporate offices located at 8111 Lyndale Avenue South, Bloomington, Minnesota, 55420-1196, for the following purposes:

1. To elect as directors the three (3) nominees named in the attached proxy statement, each to serve for a term of three years ending at the 2013 Annual Meeting of Shareholders;
2. To approve The Toro Company 2010 Equity and Incentive Plan;
3. To ratify the selection of KPMG LLP as our independent registered public accounting firm for our fiscal year ending October 31, 2010; and
4. To transact any other business properly brought before the 2010 Annual Meeting or any adjournment or postponement of the 2010 Annual Meeting.

We currently are not aware of any other business to be brought before the annual meeting. Shareholders of record at the close of business on January 20, 2010, the record date, will be entitled to vote at the annual meeting or at any adjournment or postponement of the annual meeting.

A shareholder list will be available at our corporate offices beginning March 5, 2010, during normal business hours for examination by any shareholder registered on our stock ledger as of the record date for any purpose germane to the annual meeting.

Since a majority of the outstanding shares of our common stock must be represented either in person or by proxy to constitute a quorum for the conduct of business, **please promptly vote your shares by following the instructions for voting on the Notice Regarding the Availability of Proxy Materials you received for the meeting or, if you received an electronic or paper copy of our proxy materials, by completing, signing, dating and returning your proxy card or by Internet or telephone voting as described in the proxy statement.**

February 2, 2010

BY ORDER OF THE BOARD OF DIRECTORS

TIMOTHY P. DORDELL
*Vice President, Secretary and
General Counsel*

Table of Contents

TABLE OF CONTENTS

<u>GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING</u>	<u>1</u>
<u>Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on Tuesday, March 16, 2010</u>	<u>1</u>
<u>Date, Time and Place of the Meeting</u>	<u>2</u>
<u>Purposes of the Meeting</u>	<u>2</u>
<u>Who Can Vote</u>	<u>2</u>
<u>How You Can Vote</u>	<u>2</u>
<u>How Does the Board Recommend that You Vote</u>	<u>3</u>
<u>How You May Revoke or Change Your Vote</u>	<u>4</u>
<u>Quorum Requirement</u>	<u>4</u>
<u>Vote Required</u>	<u>4</u>
<u>Discretionary Voting and Adjournments</u>	<u>5</u>
<u>Procedures at the 2010 Annual Meeting</u>	<u>5</u>
<u>STOCK OWNERSHIP</u>	<u>7</u>
<u>Certain Beneficial Owners</u>	<u>7</u>
<u>Directors and Executive Officers</u>	<u>9</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>11</u>
<u>PROPOSAL ONE ELECTION OF DIRECTORS</u>	<u>12</u>
<u>Number of Directors; Board Structure</u>	<u>12</u>
<u>Nominees for Director</u>	<u>12</u>
<u>Board Recommendation</u>	<u>12</u>
<u>Information About Board Nominees and Continuing Directors</u>	<u>13</u>
<u>CORPORATE GOVERNANCE</u>	<u>15</u>
<u>Corporate Governance Guidelines</u>	<u>15</u>
<u>Director Independence</u>	<u>16</u>
<u>Presiding Non-Management Director; Executive Sessions</u>	<u>16</u>
<u>Director Attendance</u>	<u>17</u>
<u>Board Committees</u>	<u>17</u>
<u>Director Compensation</u>	<u>23</u>
<u>Policies and Procedures Regarding Related Person Transactions</u>	<u>30</u>
<u>Board of Directors Business Ethics Policy Statement</u>	<u>30</u>
<u>Code of Conduct and Code of Ethics for our CEO and Senior Financial Officers</u>	<u>30</u>
<u>Complaint Procedure; Communications with Directors</u>	<u>31</u>
<u>EXECUTIVE COMPENSATION</u>	<u>32</u>
<u>Compensation & Human Resources Committee Report</u>	<u>32</u>
<u>Compensation Discussion and Analysis</u>	<u>32</u>
<u>Summary Compensation Table</u>	<u>50</u>
<u>Grants of Plan-Based Awards for Fiscal 2009</u>	<u>53</u>
<u>Outstanding Equity Awards at Fiscal Year-End for 2009</u>	<u>54</u>
<u>Option Exercises and Stock Vested for Fiscal 2009</u>	<u>56</u>
<u>Nonqualified Deferred Compensation for Fiscal 2009</u>	<u>57</u>
<u>Potential Payments Upon Termination or Change of Control</u>	<u>58</u>

Table of Contents

<u>PROPOSAL TWO APPROVAL OF THE TORO COMPANY 2010 EQUITY AND INCENTIVE PLAN</u>	<u>69</u>
<u>Proposed New 2010 Equity and Incentive Plan</u>	<u>69</u>
<u>Board Recommendation</u>	<u>70</u>
<u>Reasons Why You Should Vote in Favor of the Approval of the 2010 Plan</u>	<u>70</u>
<u>Summary of Sound Governance Features of the 2010 Plan</u>	<u>71</u>
<u>Comparison of the 2010 Plan to Prior Plans</u>	<u>73</u>
<u>Equity Compensation Plan Information as of January 20, 2010 and Burn Rate Information</u>	<u>74</u>
<u>Summary of the 2010 Plan Features</u>	<u>75</u>
<u>Federal Income Tax Information</u>	<u>87</u>
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	<u>90</u>
<u>PROPOSAL THREE RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	
<u>Selection of Independent Registered Public Accounting Firm</u>	<u>91</u>
<u>Audit, Audit-Related, Tax and Other Fees</u>	<u>91</u>
<u>Pre-Approval Policies and Procedures</u>	<u>92</u>
<u>Board Recommendation</u>	<u>92</u>
<u>Audit Committee Report</u>	<u>93</u>
<u>OTHER INFORMATION</u>	<u>94</u>
<u>Shareholder Proposals and Director Nominations for the 2011 Annual Meeting</u>	<u>94</u>
<u>Householding of Annual Meeting Materials</u>	<u>94</u>
<u>Annual Report</u>	<u>95</u>
<u>Cost and Method of Solicitation</u>	<u>95</u>

Table of Contents

THE TORO COMPANY

8111 Lyndale Avenue South
Bloomington, Minnesota 55420-1196

PROXY STATEMENT
2010 ANNUAL MEETING OF SHAREHOLDERS
TUESDAY, MARCH 16, 2010
1:30 p.m. Central Daylight Time

The Toro Company Board of Directors is using this proxy statement to solicit your proxy for use at The Toro Company 2010 Annual Meeting of Shareholders to be held at 1:30 p.m., Central Daylight Time, on Tuesday, March 16, 2010. We intend to mail Notices Regarding the Availability of Proxy Materials for the annual meeting and make proxy materials available to shareholders (or for certain shareholders and for those who request it, a paper copy of this proxy statement and the form of proxy) on or about February 2, 2010. Please note that references in this proxy statement to "Toro," the "Company," "we," "us," "our" and similar terms refer to The Toro Company.

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on Tuesday, March 16, 2010.

This proxy statement and our 2009 Annual Report, which includes our Annual Report on Form 10-K for the fiscal year ended October 31, 2009, are available at www.thetorocompany.com/proxy.

Pursuant to rules adopted by the Securities and Exchange Commission, or SEC, we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice Regarding the Availability of Proxy Materials to certain of our shareholders of record and beneficial owners (excluding those beneficial owners who hold shares of our common stock in The Toro Company Investment, Savings and Employee Stock Ownership Plan, or IS&ESOP, The Toro Company Profit Sharing Plan for Plymouth Union Employees, The Toro Company Deferred Compensation Plan for Officers, The Toro Company Deferred Compensation Plan for Non-Employee Directors and those record and beneficial owners who previously have requested that they receive electronic or paper copies of our proxy materials). All shareholders have the ability to access our proxy materials on the website referred to in the Notice Regarding the Availability of Proxy Materials or request to receive a printed set of our proxy materials. Instructions on how to access our proxy materials over the Internet or to request a printed copy of our proxy materials may be found in the Notice Regarding the Availability of Proxy Materials. In addition, shareholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. We believe this process should expedite your receipt of our proxy materials and reduce the environmental impact of our annual meeting.

Table of Contents

Date, Time and Place of the Meeting

The annual meeting will be held on Tuesday, March 16, 2010, at 1:30 p.m., Central Daylight Time, at our corporate offices located at 8111 Lyndale Avenue South, Bloomington, Minnesota, 55420-1196.

Purposes of the Meeting

The purposes of the annual meeting are to vote on the following:

1. To elect as directors the three (3) nominees named in this proxy statement, each to serve for a term of three years ending at the 2013 Annual Meeting of Shareholders;
2. To approve The Toro Company 2010 Equity and Incentive Plan;
3. To ratify the selection of KPMG LLP as our independent registered public accounting firm for our fiscal year ending October 31, 2010; and
4. To transact any other business properly brought before the 2010 Annual Meeting or any adjournment or postponement of the 2010 Annual Meeting.

Who Can Vote

Shareholders of record at the close of business on January 20, 2010, the record date, will be entitled to notice of and to vote at the annual meeting or any adjournment or postponement of the annual meeting. As of January 20, 2010, there were 34,051,637 shares of our common stock outstanding. Each share of our common stock is entitled to one vote on each matter to be voted on at the annual meeting. Shares of our common stock that are held by us in our treasury are not counted as shares outstanding and will not be voted.

Dividend Reinvestment Plan Shares. If you are a participant in our Dividend Reinvestment Plan, the number of shares shown on your proxy card includes shares you hold in that plan.

Employee Benefit Plan Shares. If you are a participant in a Toro employee benefit plan that allows participant-directed voting of our common stock held in that plan, the number of shares shown on your proxy card includes shares you hold in that plan, as well as shares you own of record, if any. The trustee for each plan will cause votes to be cast confidentially in accordance with your instructions. Plan shares not voted by participants will be voted by the trustee in the same proportion as the votes actually cast by participants, in accordance with the terms of the respective plans.

How You Can Vote

Your vote is important. If you are a shareholder whose shares are registered in your name, you may vote your shares in person at the meeting or by one of the three following methods:

Vote by Internet, by going to the web address www.proxyvote.com and following the instructions for Internet voting shown on your proxy card, voting instruction form or Notice Regarding the Availability of Proxy Materials.

Table of Contents

Vote by Telephone, by dialing 800-690-6903 and following the instructions for telephone voting shown on your proxy card.

Vote by Proxy Card, by completing, signing, dating and mailing your proxy card in the envelope provided if you received a paper copy of these proxy materials. If you vote by Internet or telephone, please do not mail your proxy card.

If your shares are held in "street name" (through a broker, bank or other nominee), you may receive a separate voting instruction form with this proxy statement or you may need to contact your broker, bank or other nominee to determine whether you will be able to vote electronically using the Internet or by telephone.

If you return your signed proxy card or use Internet or telephone voting before the annual meeting, the named proxies will vote your shares as you direct. You have three choices on each matter to be voted on. For the election of directors, you may:

Vote **FOR** all of the nominees;

WITHHOLD your vote from all nominees; or

WITHHOLD your vote from one or more nominees you designate.

For each of the other proposals, you may:

Vote **FOR** the proposal;

Vote **AGAINST** the proposal; or

ABSTAIN from voting on the proposal.

If you send in your proxy card or use Internet or telephone voting, but do not specify how you want to vote your shares, the proxies will vote your shares **FOR** all of the nominees for election to the Board of Directors in Proposal One Election of Directors **FOR** Proposal Two Approval of The Toro Company 2010 Equity and Incentive Plan and **FOR** Proposal Three Ratification of Selection of Independent Registered Public Accounting Firm.

How Does the Board Recommend that You Vote

The Board of Directors unanimously recommends that you vote:

FOR all of the nominees for election to the Board of Directors in Proposal One Election of Directors;

FOR Proposal Two Approval of The Toro Company 2010 Equity and Incentive Plan; and

FOR Proposal Three Ratification of Selection of Independent Registered Public Accounting Firm.

Table of Contents

How You May Revoke or Change Your Vote

If you are a shareholder whose shares are registered in your name, you may revoke your proxy at any time before it is voted by one of the following methods:

Submitting another proper proxy with a more recent date than that of the proxy first given by following the Internet or telephone voting instructions or completing, signing, dating and returning a proxy card;

Sending written notice of revocation to our Vice President, Secretary and General Counsel; or

Attending the annual meeting and voting by ballot.

If you hold your shares through a broker, bank or other nominee, you may revoke your proxy by following instructions the broker, bank or other nominee provides.

Quorum Requirement

The presence at the annual meeting, in person or represented by proxy, of a majority of the outstanding shares of our common stock as of the record date will constitute a quorum for the transaction of business at the annual meeting. Shares represented by proxies marked "Abstain" or "Withheld" and "broker non-votes" are counted in determining whether a quorum is present for the transaction of business at the annual meeting. A "broker non-vote" is a proxy submitted by a broker that does not indicate a vote for some or all of the proposals because the broker does not have discretionary voting authority on certain types of proposals and has not received instructions from its client as to how to vote on a particular proposal.

Vote Required

Proposal One Election of Directors will be decided by the affirmative vote of a plurality of shares of our common stock as of the record date present in person or represented by proxy at the annual meeting. "Plurality" means the individuals who receive the greatest number of votes cast "For" are elected as directors. However, under our Amended and Restated Bylaws, if a majority of the votes of the shares present in person or represented by proxy at the annual meeting are designated to be "Withheld" from or are voted "Against" a nominee for director in an uncontested election, that director must tender his or her resignation for consideration by the Nominating & Governance Committee. The Nominating & Governance Committee then must evaluate the best interests of the Company and its shareholders and recommend action to be taken by the Board with respect to such tendered resignation.

Proposal Two Approval of The Toro Company 2010 Equity and Incentive Plan and Proposal Three Ratification of Selection of Independent Registered Public Accounting Firm will be decided by the affirmative vote of a majority of the shares, present in person or represented by proxy, and entitled to vote at the annual meeting; provided, however, that for Proposal Two Approval of The Toro Company 2010 Equity and Incentive Plan, under New York Stock Exchange, or NYSE, rules, the proposal also must be approved by a majority of votes cast on the proposal and the total votes cast on the proposal must represent over 50% of the outstanding shares of our common stock.

Table of Contents

Under NYSE rules, if your shares are held in "street name" and you do not indicate how you wish to vote, your broker only is permitted to exercise its discretion to vote your shares on certain "routine" matters. Proposal One Election of Directors and Proposal Two Approval of The Toro Company 2010 Equity and Incentive Plan are not "routine" matters, whereas Proposal Three Ratification of Selection of Independent Registered Public Accounting Firm is a "routine" matter. Accordingly, if you do not direct your broker how to vote for a director in Proposal One or how to vote for Proposal Two, your broker may not exercise discretion and may not vote your shares. This is called a "broker non-vote." For vote requirement purposes for Proposal One and Proposal Two, broker non-votes are considered to be shares represented by proxy at the annual meeting but are not considered to be shares "entitled to vote" or "votes cast" at the annual meeting. As such, a broker non-vote will not be counted as a vote "For" or "Withheld" with respect to a director in Proposal One and, therefore, will have no effect on the outcome of the vote on Proposal One. Similarly, a broker non-vote will not be counted as a vote "For" or "Against" Proposal Two and, therefore, will have no effect on the outcome of the vote on Proposal Two if the total votes cast on Proposal Two represent over 50% of the outstanding shares of our common stock. A broker non-vote will have the effect of a vote "Against" Proposal Two if the total votes cast on Proposal Two do not represent over 50% of the outstanding shares of our common stock. Proxies marked "Withheld" or "Abstain" will be counted in determining the total number of shares "entitled to vote" and "votes cast" on each of the proposals and will have the effect of a vote "Against" a director or a proposal.

Discretionary Voting and Adjournments

We currently are not aware of any business to be acted upon at the 2010 Annual Meeting other than that described in this proxy statement. If, however, other matters properly are brought before the annual meeting, or any adjournment or postponement of the annual meeting, your proxy includes discretionary authority on the part of the individuals appointed to vote your common stock or act on those matters according to their best judgment, including to adjourn the annual meeting.

Adjournment of the 2010 Annual Meeting may be made for the purpose of, among other things, soliciting additional proxies. Any adjournment may be made from time to time by approval of the holders of common stock representing a majority of the votes present in person or by proxy at the annual meeting, whether or not a quorum exists, without further notice other than by an announcement made at the annual meeting. We currently do not intend to seek an adjournment of the annual meeting.

Procedures at the 2010 Annual Meeting

The presiding officer at the annual meeting will determine how business at the annual meeting will be conducted. Only nominations and other proposals brought before the annual meeting in accordance with the advance notice and information requirements of our Amended and Restated Bylaws will be considered. In order for a shareholder proposal to be included in our proxy statement for the 2010 Annual Meeting, our Vice President, Secretary and General Counsel must have received such proposal not later than October 6, 2009. Under our Amended and Restated Bylaws, complete and timely written notice of a proposed nominee for election to our Board at the 2010 Annual Meeting or a proposal for any other business to be brought before the 2010 Annual Meeting of Shareholders must

Table of Contents

have been given to our Vice President, Secretary and General Counsel not later than December 18, 2009, nor earlier than November 18, 2009. Additionally, such notice for any nomination or proposal must have contained the specific information required by our Amended and Restated Bylaws, including, among other things, information about any proposed nominee and his or her relationships with the shareholder submitting the nomination; information about any agreements, arrangements or understandings the shareholder may have with any proposed nominee or other parties relating to the nomination or other proposal; and information about the interests that the shareholder has related to the Company and our shares, including as a result of, among other things, derivative securities, voting arrangements, short positions or other interests. Such information was required to be updated as of January 20, 2010, the record date for the 2010 Annual Meeting, and is required to be updated as of March 2, 2010, the date that is ten business days prior to the date of the 2010 Annual Meeting. This summary information regarding our Amended and Restated Bylaws is qualified in its entirety by reference to the full text of the Amended and Restated Bylaws, which can be found on our website at www.thetorocompany.com (select the "Investor Information" link and then the "Corporate Governance" link).

Table of Contents**STOCK OWNERSHIP****Certain Beneficial Owners**

The following table sets forth information as to entities that have reported to the SEC or have otherwise advised us that they are a beneficial owner, as defined by the SEC's rules and regulations, of more than five percent of our outstanding common stock.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class⁽¹⁾
Common Stock	EARNEST Partners, LLC 1180 Peachtree Street NE, Suite 2300 Atlanta, GA 30309	3,028,961 ⁽²⁾	8.90%
Common Stock	Mairs and Power, Inc. 332 Minnesota Street W-1520 First National Bank Building St. Paul, MN 55101	2,444,391 ⁽³⁾	7.18%
Common Stock	Neuberger Berman Group LLC Neuberger Berman LLC Neuberger Berman Management LLC Neuberger Berman Equity Funds 605 Third Avenue New York, NY 10158	2,284,873 ⁽⁴⁾	6.71%
Common Stock	FMR LLC Edward C. Johnson, 3 rd 82 Devonshire Street Boston, MA 02109	1,960,450 ⁽⁵⁾	5.76%

(1) Percent of class is based on 34,051,637 shares outstanding as of January 20, 2010.

(2) EARNEST Partners, LLC, an investment advisor, filed a Schedule 13G with the SEC on February 17, 2009, reflecting beneficial ownership as of December 31, 2008 of 3,028,961 shares of our common stock, with sole voting power with respect to 1,108,902 shares, shared voting power with respect to 792,459 shares, and sole dispositive power with respect to 3,028,961 shares.

(3) Mairs and Power, Inc., an investment adviser, filed a Schedule 13G/A with the SEC on February 13, 2009, reflecting beneficial ownership as of December 31, 2008, of 2,444,391 shares of our common stock, with sole voting power with respect to 2,057,500 shares and sole dispositive power with respect to 2,444,391 shares.

(4) Neuberger Berman Group LLC, an investment advisor, on behalf of itself and its direct and indirect affiliates Neuberger Berman LLC, Neuberger Berman Management LLC, and Neuberger Berman Equity Funds, filed a Schedule 13G with the SEC on June 11, 2009, reflecting beneficial ownership as of May 31, 2009, of 2,284,873 shares of our common stock as follows: (a) for each of Neuberger Berman Group LLC and Neuberger Berman LLC, sole voting power with respect to 46,380 shares, shared voting power with respect to 1,897,115 shares, and shared dispositive power with respect to 2,284,873 shares, (b) for Neuberger Berman Management LLC, shared

Table of Contents

voting power with respect to 1,897,115 shares and shared dispositive power with respect to 1,897,115 shares, and (c) for Neuberger Berman Equity Funds, shared voting power with respect to 1,890,604 shares and shared dispositive power with respect to 1,890,604 shares.

(5)

FMR LLC, an investment advisor, on behalf of itself and its controlling shareholder Edward C. Johnson, 3rd, filed a Schedule 13G/A with the SEC on January 11, 2010, reflecting beneficial ownership as of December 31, 2009, of 1,960,450 shares of our common stock, as follows: (a) for FMR LLC, sole voting power with respect to 750 shares and sole dispositive power with respect to 1,960,450 shares, and (b) for Edward C. Johnson, 3rd, sole dispositive power with respect to 1,960,450 shares.

Table of Contents**Directors and Executive Officers**

The following table sets forth information known to us regarding the beneficial ownership of our common stock as of January 20, 2010 by (a) each of our directors and nominees for director, (b) our "principal executive officer," "principal financial officer" and the next three most highly compensated executive officers named in the "Summary Compensation Table" on page 50 (we collectively refer to these persons as our "named executive officers"), and (c) all directors and executive officers as a group, including our named executive officers.

Name	Amount and Nature of Beneficial Ownership of Common Stock ⁽¹⁾⁽²⁾⁽³⁾	Common Stock Beneficially Owned as a Percent of Common Stock Outstanding ⁽⁴⁾
Non-Employee Directors:		
Robert C. Buhmaster	42,361	*
Winslow H. Buxton	64,208	*
Janet K. Cooper	31,233	*
Gary L. Ellis	13,044	*
Katherine J. Harless	25,199	*
Robert H. Nassau	28,420	*
Gregg W. Steinhafel	41,524	*
Inge G. Thulin	6,347	*
Christopher A. Twomey	41,070	*
Named Executive Officers:		
Michael J. Hoffman	656,809	1.91%
Stephen P. Wolfe	460,228	1.35%
Peter M. Ramstad	29,956	*
Timothy P. Dordell	30,781	*
William E. Brown, Jr.	105,759	*
All Directors and Executive Officers as a group (23)	1,966,865	5.61%

*

Less than one percent of the outstanding shares of our common stock

(1)

Shares are deemed to be "beneficially owned" by a person if such person, directly or indirectly, has or shares: (a) the power to vote or direct the voting of such shares, or (b) the power to dispose or direct the disposition of such shares. Except as otherwise indicated, the persons in this table have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them, subject to community property laws where applicable and subject to the information contained in the footnotes to this table.

Table of Contents

(2)

"Beneficial ownership" also includes shares that a person has the right to acquire within 60 days of January 20, 2010 and, as such, includes the following shares that may be acquired upon exercise of stock options within 60 days of January 20, 2010, shares allocated to executive officers under the IS&ESOP, and common stock units, matching units and performance share units, collectively referred to as units, credits