

MODINE MANUFACTURING CO  
Form DEF 14A  
June 17, 2014

---

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party Other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- 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 Section 240.14a-2

Modine Manufacturing 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)(4) and 0-11

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

---

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

---

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

---

(4) Proposed maximum aggregate value of transaction:

---

(5) Total fee paid:

---

o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

---

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

---

(3) Filing Party:

---

(4) Date Filed:

June 17, 2014

---

---

1500 DeKoven Avenue  
Racine, Wisconsin 53403-2552

Notice of Annual Meeting of Shareholders

Date: Thursday, July 17, 2014  
Time: 9:00 a.m.  
The Pfister Hotel  
Place: 424 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202  
Record Date: May 30, 2014

Matters to vote on:

1. Election of the Company-nominated slate of three directors for terms expiring in 2017;
2. Amendment and Restatement of 2008 Incentive Compensation Plan;
3. Advisory vote to approve the Company's named executive officer compensation;
4. Ratification of the appointment of the Company's independent registered public accounting firm;
5. Consideration of any other matters properly brought before the shareholders at the meeting.

By order of the Board of Directors,

Margaret C. Kelsey  
Vice President, Legal and Corporate  
Communications, General Counsel and Secretary

June 17, 2014

Your vote at the annual meeting is important to us. Please vote your shares of common stock by calling a toll-free telephone number, logging onto the Internet or by completing the enclosed proxy card and returning it in the enclosed envelope. This proxy statement is solicited on behalf of the Board of Directors for use at the 2014 Annual Meeting of Shareholders. This proxy statement and accompanying proxy card are first being sent to shareholders on or about June 17, 2014.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on July 17, 2014 – the Notice and Proxy Statement and 2014 Annual Report on Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com) and [www.modine.com](http://www.modine.com).

---

TABLE OF CONTENTS

<u>ITEM 1 – ELECTION OF DIRECTORS</u>	1
<u>CORPORATE GOVERNANCE</u>	7
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	11
<u>COMPENSATION OF DIRECTORS</u>	12
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	14
<u>COMPENSATION COMMITTEE REPORT</u>	26
TABLES	
<u>2014 Summary Compensation Table</u>	27
<u>Grants of Plan-Based Awards for Fiscal 2014</u>	29
<u>Outstanding Equity Awards at Fiscal Year End</u>	30
<u>Option Exercises and Stock Vested for Fiscal 2014</u>	31
<u>Pension Benefits Table for Fiscal 2014</u>	32
<u>Nonqualified Deferred Compensation Table for Fiscal 2014</u>	33
<u>POTENTIAL POST-EMPLOYMENT PAYMENTS</u>	34
<u>POTENTIAL CHANGE IN CONTROL PAYMENT AND BENEFITS</u>	36
<u>ITEM 2 – AMENDMENT AND RESTATEMENT OF 2008 INCENTIVE COMPENSATION PLAN</u>	40
<u>ITEM 3 – ADVISORY VOTE TO APPROVE THE COMPANY’S NAMED EXECUTIVE OFFICER COMPENSATION</u>	46
<u>ITEM 4 - RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	47
<u>REPORT OF THE AUDIT COMMITTEE</u>	48
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	50
<u>ADDITIONAL MATTERS</u>	50
<u>GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING</u>	51
<u>APPENDIX A – MODINE MANUFACTURING COMPANY 2008 INCENTIVE COMPENSATION PLAN</u>	A-1
<u>APPENDIX B – RULES OF CONDUCT</u>	B-1



Table of Contents

ITEM 1 – ELECTION OF DIRECTORS

The Board of Directors (the “Board of Directors” or the “Board”) of Modine Manufacturing Company (the “Company” or “Modine”) nominated three current members of the Board, David J. Anderson, Larry O. Moore and Marsha C. Williams, to stand for election at the 2014 Annual Meeting of Shareholders. If elected, each director would serve until the 2017 Annual Meeting of Shareholders and the election of his or her successor. The persons appointed as proxies will vote “FOR” the election of these nominees, unless instructions to the contrary are given to them. The nominees have indicated that they are able and willing to serve as directors. While it is not anticipated that any of the nominees will be unable to take office, if that happens, the proxies will vote “FOR” the substitute nominee(s) designated by the Board of Directors.

The Company’s Bylaws provide that each director shall retire at the close of the term in which he or she attains the age of 70 years, except that the provision shall not apply to any director who has been exempted from it by a resolution passed by a two-third’s vote of the Board of Directors.

The Company’s Amended and Restated Articles of Incorporation provide that the Board of Directors shall be divided into three classes, as nearly equal in number as possible, serving staggered three-year terms. The Board of Directors currently consists of eight members with three classes of two, three and three directors each.

In accordance with the Company’s Bylaws, a director shall hold office until the end of such director’s term and until the director’s successor shall have been elected, there is a decrease in the number of directors, or until his or her death, resignation or removal. Vacancies may be filled by the shareholders or the remaining directors. See Selection of Nominees to the Board of Directors below.

Qualifications of Modine’s Board of Directors

Qualifications of Modine’s Board of Directors as a Governing Entity

Modine’s Board consists of proven business and technology leaders from various industries, disciplines and end markets, who know Modine, its products and its businesses well. For a number of the members of the Board, that knowledge has been gained or enhanced from years of service as members of Modine’s Board. For most individuals who joined the Board more recently, that knowledge was gained in employment with industry leaders in markets important to the Company - commercial vehicle original equipment manufacturers (“OEMs”), off-highway OEMs and developers and manufacturers of commercial HVAC products. The Board benefits from the interplay among a technologist at an internationally recognized university; the President of a division of a large public company; former Chief Financial Officers of large, complex public companies; former managers of international public companies; Modine’s Chief Executive Officer; and former executives of OEMs in the Company’s markets, as well as the experience brought by those who serve on other public company Boards. Modine’s Board consists of dedicated individuals with high integrity and discipline and who have a strong desire to use their skills to govern Modine in a responsible manner.

Individual Qualifications of the Members of Modine’s Board of Directors

The Board of Directors’ Corporate Governance and Nominating Committee (the “Nominating Committee”), a committee consisting of all of the independent directors of the Company, has determined that the Board needs certain specialized expertise as well as broad leadership experience to direct the Company to achieve its strategic goals. The Nominating Committee considers the following qualities and experiences to be necessary for the proper functioning of a Board of a responsible, global, technology-driven company:

- Business operations leadership;

- Relevant industry experience;
- Global business experience;
- Financial expertise;
- Technological expertise;
- Corporate governance expertise; and
- Financial markets experience.

-1-

---

Table of Contents

A description of the qualities provided by each Board member who will continue in service after the 2014 Annual Meeting of Shareholders is included below with the description of the individual's experience and public company directorships, all as of May 30, 2014.

Board Skills Matrix

The chart below summarizes the specific qualifications, attributes, and skills for each director. An "X" in the chart below indicates that the item is a specific reason that the director was nominated to serve on the Board. The lack of an "X" does not mean that the director does not possess that qualification or skill. Rather, an "X" indicates a specific area of focus or expertise of a director on which the Board currently relies.

Board of Directors	Required Expertise						
	Business Operations Leadership	Relevant Industry Experience	Global Business Experience	Financial Expertise	Technological Expertise	Corporate Governance Expertise	Financial Markets Experience
Mr. Burke	X	X	X		X	X	
Mr. Anderson	X	X	X			X	
Mr. Cooley			X	X		X	X
Dr. Garimella					X		
Mr. Moore	X	X	X				
Mr. Patterson	X	X	X			X	
Ms. Williams			X	X		X	X
Ms. Yan	X	X	X		X		

## 2014 Nominees for Director

The Nominating Committee nominated Messrs. David J. Anderson and Larry O. Moore and Ms. Marsha C. Williams for election as directors. Messrs. Anderson and Moore and Ms. Williams are considered independent under the New York Stock Exchange ("NYSE") corporate governance rules.

The Board of Directors recommends a vote "FOR" Messrs. David J. Anderson and Larry O. Moore and Ms. Marsha C. Williams.

## Vote Required for Approval

Directors in an uncontested election are elected by a majority of the votes cast by holders of shares of the Company's common stock entitled to vote in the election at a shareholder meeting at which a quorum is present. Because abstentions and broker non-votes are not considered votes cast, they will not have an effect on the vote.



Table of Contents

Name                      Principal Occupation, Directorships and Qualifications

Nominees to be Elected for Terms Expiring in 2017:

David J. Anderson Age 66 Director since 2010	<p>Current Position: Retired.</p> <p>Experience: Mr. Anderson retired as President and Chief Executive Officer of Sauer-Danfoss Inc., a worldwide leader in the design, manufacture and sale of engineered hydraulic, electric and electronic systems and components. Mr. Anderson served in this capacity and as a director of Sauer-Danfoss Inc. from 2002 until his retirement in 2009. Prior to that time, he served in various senior leadership positions in strategic planning, business development and sales and marketing.</p> <p>Public Company Directorships: MTS Systems Corporation (Chairman); Schnitzer Steel Industries Inc.; and Sauer-Danfoss Inc. (July 2002 - June 2009; Executive Director and Co-Vice Chairman (June 2008 – June 2009))</p>
--	--

Specific Attributes and Skills for Mr. Anderson:

<u>Expertise</u>	<u>Discussion of Skills and Attributes</u>
Business Operations Leadership	Mr. Anderson gained his business operations leadership experience as President and CEO of Sauer-Danfoss Inc. where he gained his significant understanding of successful leadership of a growing, global, high-technology, industrial company.
Relevant Industry Experience	Sauer-Danfoss Inc., a company at which Mr. Anderson spent 25 years of his career, develops, manufactures and markets advanced systems for the distribution and control of power in mobile equipment. Over the course of his career with Sauer-Danfoss Inc., Mr. Anderson became thoroughly familiar with the market for products to industrial OEMs.
Global Business Experience	Mr. Anderson has significant global experience having led the post-merger integration of Sauer-Sandstrand and Danfoss Fluid Power into its end state of 26 manufacturing sites in 11 countries.
Corporate Governance Expertise	Mr. Anderson currently serves on the board of two international public companies, and formerly served on the board of Sauer-Danfoss Inc.

Larry O. Moore Age 64 Director since 2010	<p>Current Position: Retired.</p> <p>Experience: Mr. Moore retired as Senior Vice President, Module Centers &amp; Operations of Pratt &amp; Whitney, a division of United Technologies and a manufacturer of aircraft engines. Mr. Moore served in this capacity from 2002 until his retirement in 2009. Prior to joining Pratt &amp; Whitney, Mr. Moore served in various management positions with Cummins and Ford Motor Company.</p>
---	--

Specific Attributes and Skills for Mr. Moore:

<u>Expertise</u>	<u>Discussion of Skills and Attributes</u>
------------------	--

	<p>Mr. Moore gained his business operations leadership experience, including experience in low cost country sourcing and operational excellence, at United Technologies</p>
<p>Business Operations Leadership</p>	<p>where he served as Senior Vice President, Module Centers &amp; Operations of Pratt &amp; Whitney, and at Cummins where he served in various operations management positions.</p>
<p>Relevant Industry Experience</p>	<p>Mr. Moore has a deep understanding of the diesel engine markets for off-highway and commercial truck markets gained over his 23-year career in various positions with Volkswagen of America, Inc., General Motors</p>

Corporation,  
Ford Motor  
Company as  
well as  
Cummins and  
Pratt &  
Whitney.

Global Business  
Experience

Mr. Moore has  
extensive  
experience  
working with  
global  
industrial  
companies.

-3-

---

Table of Contents

	Current Position:	Retired.
Marsha C. Williams Age 63 Director since 1999	Experience:	Ms. Williams retired as Senior Vice President and Chief Financial Officer of Orbitz Worldwide, Inc., an online travel company (July 2007 - December 2010). Prior to joining Orbitz Worldwide, Inc., Ms. Williams was Executive Vice President and Chief Financial Officer (2002 – February 2007) of Equity Office Properties Trust, a real estate investment trust. Prior to that time, Ms. Williams was Chief Administrative Officer of Crate and Barrel and served as Vice President and Treasurer of Amoco Corporation; Vice President and Treasurer of Carson Pirie Scott & Company; and Vice President of The First National Bank of Chicago.
	Public Company Directorships:	Chicago Bridge & Iron Company N.V.; Fifth Third Bancorp (Lead Director); and Davis Funds

Specific Attributes and Skills for Ms. Williams:

<u>Expertise</u>	<u>Discussion of Skills and Attributes</u>
Global Business Experience	Ms. Williams was an officer of Orbitz Worldwide, Inc. and is currently a director of several public companies with global operations. In these roles, Ms. Williams has accumulated extensive knowledge of global finance, capital management, internal controls and human resources.
Financial Expertise	As the Vice President and CFO of Orbitz Worldwide, Inc. and Executive Vice President and CFO of Equity Office Properties Trust, Ms. Williams gained significant financial acumen relating to complex, global companies.
Corporate Governance Expertise	Ms. Williams serves on the board of several public companies, and is the Lead Director of the Fifth Third Bancorp Board of Directors.
Financial Markets Experience	As the former Vice President and CFO of Orbitz Worldwide, Inc., Executive Vice President and CFO of Equity Office Properties Trust, and Lead Director of Fifth Third Bancorp, Ms. Williams has significant experience in the financial markets in which the Company competes for financing.

Directors Continuing in Service for Terms Expiring in 2016:

President and Chief Executive Officer of the Company since 2008.

Thomas A. Burke Age 57 Director since 2008	Current Position:	Mr. Burke joined Modine in May 2005 as Executive Vice President and subsequently served as Executive Vice President and Chief Operating Officer (July 2006 – March 2008). Prior to joining Modine, Mr. Burke worked for five years in various management positions with Visteon Corporation, a leading supplier of parts and systems to automotive manufacturers, including as Vice President of North American Operations (2002 – May 2005) and Vice President, European and South American Operations (2001 – 2002). Prior to working at Visteon Corporation, Mr. Burke worked in positions of increasing responsibility at Ford Motor Company.
	Public Company Directorships:	USG Corporation

Specific Attributes and Skills for Mr. Burke:

Expertise	<u>Discussion of Skills and Attributes</u>
Business Operations Leadership	Mr. Burke serves as the President and Chief Executive Officer of the Company.
Relevant Industry Experience	Mr. Burke has unique knowledge of the challenges, risks and opportunities facing a global supplier of thermal management products to global customers gained through his experience with the Company as well as at Visteon Corporation and Ford Motor Company. Mr. Burke's membership on the Board and leadership of the Company's Executive Council help to ensure that the Board is linked to the Company's management and operations.
Global Business Experience	Mr. Burke's extensive operational managerial experience at Ford Motor Company, Visteon Corporation and the Company provide him with significant insight and experience in the operations, challenges and complex issues facing global manufacturing businesses.
Technological Expertise	Mr. Burke has a strong background in and knowledge of thermal management technology.
Corporate Governance Expertise	Mr. Burke has gained significant corporate governance experience in his role as President and Chief Executive Officer of the Company.

Table of Contents

Current Position: Retired.

Charles P. Cooley Experience: Mr. Cooley retired as Senior Vice President and Chief Financial Officer of The Lubrizol Corporation, a specialty chemical company (April 2009 – September 2011). Mr. Cooley joined The Lubrizol Corporation as Vice President and Chief Financial Officer (April 1998 – July 2005) and subsequently served as its Senior Vice President, Treasurer and Chief Financial Officer (July 2005 – April 2009). Prior to joining The Lubrizol Corporation, Mr. Cooley was Assistant Treasurer of Corporate Finance, Atlantic Richfield Company (ARCO) and Vice President, Finance, ARCO Products Company.

Age 58  
Director since 2006

Public Company Directorships: KeyCorp

Specific Attributes and Skills for Mr. Cooley:

<u>Expertise</u>	<u>Discussion of Skills and Attributes</u>
Global Business Experience	Mr. Cooley served as the Chief Financial Officer of The Lubrizol Corporation, a company with extensive operations throughout the world.
Financial Expertise	Mr. Cooley has substantial experience as the Chief Financial Officer of The Lubrizol Corporation including extensive knowledge of complex accounting issues, capital management and internal controls.
Corporate Governance Expertise	In his role as Chief Financial Officer of The Lubrizol Corporation, Mr. Cooley gained significant experience implementing effective corporate governance practices. In addition, Mr. Cooley serves on the board of another public company.
Financial Markets Experience	As the Chief Financial Officer of The Lubrizol Corporation, Mr. Cooley had significant experience in the financial markets in which the Company competes for financing.

Directors Continuing in Service for Terms Expiring in 2015:

<p>Dr. Suresh V. Garimella</p> <p>Age 50</p> <p>Director since 2011</p>	<p>Current Position: Chief Global Affairs Officer, Purdue University and R. Eugene and Susie E. Goodson Distinguished Professor in the School of Mechanical Engineering and Birck Nanotechnology Center, Purdue University; Director of the Cooling Technologies Research Center, Purdue University School of Mechanical Engineering and Birck Nanotechnology Center (since 2002).</p> <p>Experience: Dr. Garimella has served as a professor of Mechanical Engineering at the University of California at Berkeley; University of Wisconsin-Milwaukee; The University of New South Wales, Sydney, Australia; Xi'an JiaoTong University, Xi'an, China; Technical University of Darmstadt, Germany and Purdue University. Dr. Garimella received his Bachelor of Technology in Mechanical Engineering from Indian Institute of Technology, Madras, India, his M.S. in Mechanical Engineering from The Ohio State University and his Ph.D. in Mechanical Engineering from the University of California at Berkley.</p>
---	--

Specific Attributes and Skills for Dr. Garimella:

Expertise

Discussion of Skills and Attributes

Technological  
Expertise

Dr. Garimella is a renowned expert in thermal management and heat transfer technology, which is central to the success of the Company.

-5-

---

Table of Contents

Retired.

Christopher W. Patterson  
Age 60  
Director since 2010

Current Position: Mr. Patterson retired as President and Chief Executive Officer of Daimler Trucks North America LLC, a leading producer of heavy-duty and medium-duty trucks and specialized commercial vehicles in North America. Mr. Patterson served in this capacity from 2005 until his retirement in 2009. Prior to this, he held senior positions, including as Senior Vice President, Service & Parts, with Freightliner LLC (predecessor to Daimler Trucks North America) and other international, commercial truck producers.

Experience:

Public Company Directorships: Finning International Inc., Vancouver, B.C. (Canada)

Specific Attributes and Skills for Mr. Patterson:

<u>Expertise</u>	<u>Discussion of Skills and Attributes</u>
Business Operations Leadership	Mr. Patterson gained his business operations leadership experience as the President and Chief Executive Officer of Daimler Trucks North America LLC and brings extensive strategic sales and marketing experience to the Company's Board.
Relevant Industry Experience	Mr. Patterson has a significant understanding of commercial truck markets and the operations of a global commercial vehicle OEM.
Global Business Experience	Mr. Patterson's extensive executive and leadership experience, as described above, gives him valuable insight into the complexities, challenges and issues facing global manufacturing businesses.
Corporate Governance Expertise	Mr. Patterson has significant corporate governance experience from his role as the President and Chief Executive Officer of Daimler Trucks North America LLC. In addition, Mr. Patterson serves on the board of another public company and has completed educational programs on corporate governance topics.

Christine Y. Yan  
Age 48  
Director since May 2014

Current Position: President of Storage and Workspace Systems of Stanley Black & Decker, Inc., a diversified global provider of power and hand tools, products and services for various applications, and electronic security and monitoring systems (since July 2013).

Experience: Prior to her current role, Ms. Yan was integration leader of Stanley Engineered Fastening Group. Since 2006, Ms. Yan held the positions of President of the Americas business of Stanley Engineered Fastening and President of the Stanley Engineered Fastening's Global Automotive business.

Specific Attributes and Skills for Ms. Yan:

<u>Expertise</u>	<u>Discussion of Skills and Attributes</u>
Business Operations Leadership	Ms. Yan gained her business operations experience as President of various divisions of Stanley Engineered Fastening and in her current position as President of Storage and Workspace Systems of Stanley Black & Decker, Inc.



Edgar Filing: MODINE MANUFACTURING CO - Form DEF 14A

Relevant Industry Experience Ms. Yan has gained a significant understanding of the vehicular industry through her experience in various positions, including as President, with the Stanley Engineered Fastening's Global Automotive business.

Global Business Experience Ms. Yan's experience as President of the Stanley Engineered Fastening's Global Automotive business and as the General Manager of China Operations for Emhart Teknologies has provided Ms. Yan with significant insight into international business, and in particular, business in China.

Technological Expertise Ms. Yan's engineering background and past and current positions at Stanley have provided her with significant exposure to and experience with technologically sophisticated business operations.

-6-

---

Table of Contents

CORPORATE GOVERNANCE

The Company's business is managed under the direction of its Board of Directors, pursuant to the laws of the State of Wisconsin, its Amended and Restated Articles of Incorporation and its Bylaws. Members of the Board of Directors are kept informed of the Company's operations through discussions with the CEO and key members of management, by reviewing materials provided to them and by participating in meetings of the Board of Directors and its committees.

The Company reviews and evaluates its corporate governance policies and practices, particularly in light of the rules of the Securities and Exchange Commission ("SEC") and the NYSE, and believes that its current policies and practices meet these requirements. The Company's corporate governance policies, including its Guidelines on Corporate Governance and charters for committees of the Board, are available on its website, [www.modine.com](http://www.modine.com), and are also available in print to any shareholder or other interested person upon request.

Code of Ethics

The Company's Code of Ethics and Business Conduct (the "Code of Ethics") summarizes the compliance and ethical standards and expectations the Company has for all of its employees, officers (including the principal executive officer, principal financial officer and principal accounting officer) and directors with respect to their conduct in furtherance of Company business. It contains procedures for reporting suspected violations of the Code of Ethics, including procedures for the reporting of questionable accounting or auditing matters or other concerns regarding accounting, internal accounting controls or auditing matters. The Company has established a Business Ethics Program that includes an Internet and phone Helpline through which employees and others may report concerns, anonymously and in confidence, regarding such matters. A copy of the Code of Ethics, as well as further information regarding the Business Ethics Program, is available on the Company's website, [www.modine.com](http://www.modine.com). These materials are also available in print to any shareholder or other interested person upon request. If we make any substantive amendment to the Code of Ethics, we will disclose the nature of such amendment on our website or in a current report on Form 8-K. In addition, if a waiver of the Code of Ethics is granted to an executive officer or director, we will disclose the nature of such waiver on our website, in a press release or in a current report on Form 8-K.

Director Independence

The Company's Guidelines on Corporate Governance require that a majority of the Board's members be independent. The Company also believes it is in its best interest to have the President and CEO of the Company serve as a director. At a minimum, to qualify as "independent," a director must meet the independence standards of the NYSE. The Nominating Committee assesses independence on a regular basis, and each director is responsible for bringing to the attention of the Nominating Committee any changes to his or her status that may affect independence. In addition, the directors complete, on an annual basis, a questionnaire prepared by the Company that is designed to elicit information that the Board uses to assess director independence. At least annually, the Board reviews the relationships that each director has with the Company. Only those directors that the Board affirmatively determines have no material relationship with the Company, and who do not have any of the relationships that prevent independence under the standards of the NYSE, are considered to be independent directors.

The Board has determined that all of the current directors and all other individuals who served as directors during any portion of fiscal 2014, other than Mr. Burke, are independent, or were independent at the time they served as a director, within the meaning of the listing standards of the NYSE. The Board concluded that none of these directors has or had any of the relationships with the Company set forth in the NYSE listing standards or any other business or other relationships with the Company that would preclude a determination of his or her independence. Mr. Burke is not independent due to his position as President and CEO of the Company.

Certain Relationships and Related Party Transactions

The Code of Ethics requires that all officers, employees and directors of the Company avoid any situation that conflicts with the proper discharge of his or her responsibility to the Company or that impairs his or her ability to exercise independence of judgment with respect to the transactions in which he or she is involved for the Company. Significant transactions with the Company's officers, employees or directors or their relatives, or enterprises in which they have material interests, are not permitted unless such transactions are fully disclosed and approved by the Board of Directors or the Audit Committee as being in the best interest of the Company.

Modine is a large global organization that engages in thousands of purchases, sales and other transactions annually. Modine may enter into purchase and sale transactions with other companies, universities and entities in which members of the Board of Directors are employed or are members of the Board. Modine enters into these arrangements in the ordinary course of business and at competitive prices and terms. The Company anticipates that similar transactions may occur in the fiscal year ending March 31, 2015.

-7-

---

### Table of Contents

At the end of each fiscal year, each director and officer must respond to a questionnaire that requires him or her to identify any transaction or relationship that occurred during the year or any proposed transaction that involves Modine (or any subsidiary or affiliate of Modine) and that individual, his or her immediate family or any entity with which he, she or such immediate family member is associated. All responses to the questionnaires are reviewed by the Company's Legal Department and shared with the President and CEO, as appropriate. Based upon such review, there were no related party transactions with respect to persons who were officers or directors during fiscal 2014.

### Lead Director

Gary L. Neale served as the Non-Executive Chairman of the Board until his retirement from the Board following the 2013 Annual Meeting of Shareholders. Following Mr. Neale's retirement, Marsha Williams assumed the position of Lead Director. As Lead Director, Ms. Williams presides over meetings of the shareholders, the Board of Directors and executive sessions of the Board of Directors and carries out such other duties as directed by the Board of Directors and as listed in the Company's Guidelines on Corporate Governance. The Company believes this leadership structure is in the best interest of the Company's shareholders at present because it allows the Company to benefit from the unique leadership ability that Ms. Williams possesses and from her business and corporate governance experience. The Board does not intend to nominate a Chairman at this time.

### Risk Oversight

The Board of Directors has overall responsibility for risk oversight for the Company. Management provides the Board with information on a regular basis to keep the members of the Board of Directors apprised of identified risks. These risks, including financial, organizational and strategic risks, are reviewed and discussed with the Board as part of the business and operating review conducted at each of the Board's regular meetings. As described below under Committees of the Board of Directors, the Board of Directors has delegated certain responsibilities to its committees. The committees have oversight of risks that fall within their areas of responsibility. The Audit Committee has primary oversight of the Company's financial reporting, internal control and compliance risks. The Officer Nomination and Compensation Committee evaluates the risks arising from the Company's compensation policies and programs. Management is responsible for managing risk and the Company's enterprise risk management program.

### Selection of Nominees to the Board of Directors

The Nominating Committee considers prospective candidates for Board membership who are recommended by its members, as well as management, shareholders and independent consultants hired by the Nominating Committee. The Nominating Committee may also decide to engage a professional search firm to assist in identifying qualified candidates. When such a search firm is engaged, the Nominating Committee sets its fees and scope of engagement.

Once the Nominating Committee identifies a prospective nominee, it initially determines whether to conduct a full evaluation of the candidate. The Nominating Committee makes its initial determination based on the information provided to it with the recommendation of the prospective candidate, as well as the Nominating Committee's own knowledge of the prospective candidate, which may be supplemented by inquiries to the person making the recommendation or others.

The Nominating Committee evaluates the prospective nominee, considering factors it deems appropriate, including the current composition of the Board and the evaluations of other prospective nominees. In assessing candidates, the Board considers the required areas of expertise set forth above in Item 1 (business operations leadership; relevant industry experience; global business expertise; financial expertise; technological expertise; corporate governance expertise and financial markets experience) as well as issues such as the individual's education, contribution to diversity of the Board and others frequently encountered by a global business.

In choosing a candidate for Board membership, every effort is made to complement and supplement skills within the existing Board and strengthen any identified areas. Further criteria include a candidate's personal and professional ethics, integrity and values, as well as his or her willingness and ability to devote sufficient time to attend meetings and participate effectively on the Board.

In connection with this evaluation, the Board determines whether to interview the prospective nominee. If an interview is warranted, one or more members of the Board of Directors, and others as appropriate, will interview prospective nominees. After completing the evaluation and interview, the Nominating Committee makes a recommendation to the Board regarding the nomination of a candidate and the Board acts on that recommendation.

-8-

---

Table of Contents

Shareholder Nominations and Recommendations of Director Candidates

The Bylaws of the Company provide that any shareholder who is entitled to vote for the election of directors at a meeting called for such purpose may nominate persons for election to the Board of Directors. Shareholders who desire to nominate a person or persons for election to the Board must comply with the notice requirements in the Bylaws, a copy of which is available from the Company's Secretary. For consideration at the 2015 Annual Meeting of Shareholders, nominations must be received by the Secretary no earlier than April 8, 2015 and no later than May 3, 2015. Shareholders who want to submit a recommendation for a director candidate for the Board may submit the recommendation to the Board using the procedure described below under Shareholder and Other Interested Persons' Communication with the Board. The Nominating Committee intends to evaluate candidates recommended by shareholders in the same manner that it evaluates other candidates. The Nominating Committee requests that it receive any such recommendations by October 1, 2014 for the 2015 Annual Meeting of Shareholders.

Shareholder and Other Interested Persons' Communication with the Board

Shareholders and other interested persons wishing to communicate with the Board of Directors or with a Board member (including the Lead Director) should address communications to the Board or to the particular Board member, c/o Secretary, Modine Manufacturing Company, 1500 DeKoven Avenue, Racine, Wisconsin 53403-2552. In accordance with a process approved by the Board of Directors, the Secretary reviews all such correspondence. The Secretary forwards to the Board a summary of all such correspondence and copies of all correspondence that, in the opinion of the Secretary, deal with the functions of the Board or committees thereof or that she otherwise determines requires their attention. Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of the Company's Business Ethics Committee and handled in accordance with procedures established by the Audit Committee with respect to such matters. From time to time, the Board may change the process by which shareholders and other interested persons may communicate with the Board of Directors or its members. Please refer to the Company's website, [www.modine.com](http://www.modine.com), for any changes to this process.

Committees of the Board of Directors

Audit Committee

The Audit Committee is a separately designated standing committee of the Board of Directors, established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The charter of the Audit Committee is available on the Company's website, [www.modine.com](http://www.modine.com).

The Audit Committee is responsible for, among other things, appointing and overseeing the work of the Company's independent registered public accounting firm for the purpose of preparing and issuing an audit report and performing related work, and for discussing with the independent registered public accounting firm appropriate staffing and compensation. The Audit Committee also oversees management's implementation of systems of internal controls; monitors the preparation of quarterly and annual financial reports by management; determines whether the independent registered public accounting firm is independent; and monitors compliance with the Company's Code of Ethics. The functions of the Audit Committee are more fully described below in the Report of the Audit Committee in this proxy statement.

The Board of Directors has determined that each member of the Audit Committee is independent as defined in the corporate governance listing standards of the NYSE relating to audit committees. The Board of Directors has determined that each Audit Committee member satisfies the financial literacy and experience requirements of the NYSE, and that Mr. Cooley (the Chair of the Committee) qualifies as an audit committee financial expert within the meaning of the SEC rules. Ms. Yan joined the Audit Committee effective upon her appointment to the Board on May 5, 2014.

#### Officer Nomination and Compensation Committee

The Officer Nomination and Compensation Committee of the Board of Directors (the “ONC Committee”) is composed exclusively of non-employee, independent directors with no business relationship with the Company, other than in their capacity as directors, and no interlocking relationships with the Company that are subject to disclosure under the rules of the SEC related to proxy statements. The charter of the ONC Committee is available on the Company’s website, [www.modine.com](http://www.modine.com).

The ONC Committee oversees and provides strategic direction to management regarding the Company’s executive compensation practices. The ONC Committee reviews the performance of the executive officers, other than the CEO, and works in conjunction with the Nominating Committee to review the performance of the CEO; reviews candidates for positions as officers; makes recommendations to the Board on certain officer candidates; makes recommendations to the Board on compensation of the CEO; determines, with the CEO’s recommendations, the compensation of non-CEO executive officers and other officers of the Company; considers recommendations made by its compensation consultant relating to director compensation and presents those recommendations to the Board; administers the incentive compensation plans in which executive officers and directors participate; and reviews the Company’s benefit programs made available to some or all salaried employees of the Company.

Mr. Burke, as President and CEO, recommends to the ONC Committee any compensation changes affecting the Company’s officers, including the other NEOs, other than himself. Mr. Burke presents to the ONC Committee the performance and leadership behavior goals and expectations of each such officer and the level of achievement of those goals as well as the Company’s performance during the fiscal year. The ONC Committee reviews Mr. Burke’s recommendations and either approves or does not approve any compensation matters affecting such officers of the Company. Mr. Burke has no role in setting his own compensation.

### Table of Contents

In fiscal 2014, the ONC Committee retained Farient Advisors LLC (“Farient”) as its independent executive compensation consultant. Farient reports directly to the ONC Committee and provides no services to the Company. The ONC Committee has determined that Farient is independent under the NYSE Listing Standards. A representative of Farient attends meetings of the ONC Committee upon invitation by the Chair of the ONC Committee, either by phone or in person, and communicates with the Chair between meetings. Farient conducted a comprehensive benchmarking analysis of the Company’s pay levels for the CEO, non-CEO executive officers and other officers of the Company, by pay component, using proxy data of the peer companies and compensation survey data. In addition, Farient benchmarked the Company’s executive pay programs and practices, including severance and change-in-control arrangements, as well as its goals and performance. The ONC Committee considered Farient’s analyses in making its decisions; however, the ONC Committee made all decisions regarding the compensation of Modine’s officers, including its named executive officers (except for the CEO, whose compensation is set by the full Board). Additionally, Farient regularly updated the ONC Committee on regulatory and market trends and assisted with the benchmarking of Board of Director compensation practices and levels.

### Compensation Committee Interlocks and Insider Participation

The Company had no Compensation Committee Interlocks, as defined by the SEC, during fiscal 2014.

### Corporate Governance and Nominating Committee

The Nominating Committee develops and implements policies and practices relating to corporate governance matters, including reviewing and monitoring implementation of the Company’s Guidelines on Corporate Governance and the Code of Ethics; develops and reviews background information on prospective nominees to the Board and makes recommendations to the Board regarding such persons; supervises the Board’s annual self-evaluation; and works with the ONC Committee, as appropriate, to review and monitor succession plans relating to the CEO and to evaluate the performance of the CEO. The Nominating Committee is composed exclusively of independent directors with no business relationship with the Company, other than in their capacity as directors, and no interlocking relationships with the Company that are subject to disclosure under the rules of the SEC related to proxy statements. The charter of the Nominating Committee is available on the Company’s website, [www.modine.com](http://www.modine.com).

### Technology Committee

The Technology Committee reviews and makes recommendations, as appropriate, to the entire Board of Directors on major strategies and other subjects related to the Company’s approach, emphasis, and direction with regard to technical innovation and opportunities; the technology acquisition process to assure ongoing business growth; and development and implementation of measurement and tracking systems important to successful innovation.

### Board Meetings and Committees

The Board of Directors held five meetings during the fiscal year ended March 31, 2014 and had the following four standing committees: Audit; Officer Nomination and Compensation; Corporate Governance and Nominating; and Technology.

In July of each year, the Board selects the members of each of the committees. All incumbent directors attended at least 75 percent of the aggregate of the Board meetings and meetings of committees on which he or she served during fiscal 2014.

The following table lists the members of each of the standing committees as of May 30, 2014 and the number of meetings held by each committee during fiscal 2014.



Edgar Filing: MODINE MANUFACTURING CO - Form DEF 14A

<u>Name</u>	Audit	ONC	Nominating	Technology
David J. Anderson	X	X	X	X
Thomas A. Burke				
Charles P. Cooley	Chair		X	X
Suresh V. Garimella		X	X	Chair
Larry O. Moore		X	X	X
Christopher W. Patterson	X	Chair	X	
Marsha C. Williams			Chair	
Christine Y. Yan	X		X	X
<u>Total Number of Meetings</u>	8	5	3	2

-10-

---

Table of Contents

Attendance at the Annual Meeting. Although the Company does not have a formal policy that its directors attend the Annual Meeting of Shareholders, it expects them to do so and the Company's directors historically have attended these meetings. All of the directors attended the 2013 Annual Meeting of Shareholders. The Board of Directors conducts a meeting immediately after the Annual Meeting of Shareholders.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of shares of the Company's common stock by persons known by the Company to beneficially own more than five percent of the outstanding shares:

<u>Name and Address of Owner (1)</u>	Common Stock Number of Shares Owned and Nature of Interest	Percent of Class
Frontier Capital Management Co. LLC(2) 99 Summer Street Boston, Massachusetts 02110	3,482,539	7.31
BlackRock, Inc. (3) 40 East 52 <sup>nd</sup> Street New York, New York 10022	2,843,268	5.97
The Vanguard Group, Inc. (4) 100 Vanguard Blvd. Malvern, Pennsylvania 19355	2,591,338	5.44
T. Rowe Price Associates, Inc. (5)	2,383,410	5.0

(1) The number of shares is as of the date the shareholder reported the holdings in filings under the Exchange Act, unless more recent information was provided. The above beneficial ownership information is based on information furnished by the specified persons and is determined in accordance with Exchange Act Rule 13d-3, and other facts known to the Company.

Based on Schedule 13G filed under the Exchange Act on February 14, 2014, Frontier Capital Management Co. (2) LLC has the sole power to vote or direct the vote of 1,841,762 shares and the sole power to dispose or direct the disposition of the reported shares.

Based on Amendment No. 1 to Schedule 13G filed under the Exchange Act on January 30, 2014, BlackRock, Inc. (3) has the sole power to vote or direct the vote of 2,696,058 shares and the sole power to dispose or direct the disposition of the reported shares.

Based on Schedule 13G filed under the Exchange Act on February 11, 2014. The Vanguard Group has the sole (4) power to vote 72,350 shares, the sole power to dispose or direct the disposition of 2,521,388 shares, and shared power to dispose or direct the disposition of 69,950 shares.

(5)

Edgar Filing: MODINE MANUFACTURING CO - Form DEF 14A

Based on Schedule 13G filed under the Exchange Act on February 13, 2014, T. Rowe Price Associates, Inc. has the sole power to vote or direct the vote of 1,131,910 shares and the sole power to dispose or direct the disposition of the reported shares.

The following table sets forth information regarding the beneficial ownership of shares of the Company's common stock as of May 30, 2014 by:

· Each director, director-nominee and "named executive officer" (as described below under Compensation Discussion and Analysis); and

· all directors and executive officers of the Company as a group.

-11-

---

Table of Contents

	Direct Ownership	Options Exercisable			Total (1)	Percent of Class
		within 60 days of May 30, 2014	Held in 401(k) Retirement Plan	Restricted Shares (Not Vested)		
David J. Anderson	18,210	0	NA	0	18,210	*
Charles P. Cooley	32,670	0	NA	0	32,670	*
Suresh V. Garimella	15,665	0	NA	0	15,665	*
Larry O. Moore	18,210	0	NA	0	18,210	*
Christopher W. Patterson	25,060	0	NA	0	25,060	*
Marsha C. Williams	37,623	0	NA	0	37,623	*
Christine Y. Yan	0	0	0	0	0	*
Thomas A. Burke	53,115	413,038	8,174	164,824	639,151	1.34 %
Michael B. Lucareli	20,749	33,094	971	39,067	93,881	*
Thomas F. Marry	37,515	79,029	937	110,703	228,184	*
Holger Schwab	0	1,893	NA	11,297	13,190	*
Scott L. Bowser	28,394	53,895	3,912	44,706	130,907	*
All directors and executive officers as a group (15 persons)	318,302	666,361	15,548	437,889	1,438,110	3.02 %

\*Represents less than one percent of the class.

(1) Includes shares of common stock that are issuable upon the exercise of stock options exercisable within 60 days of the record date. Such information is not necessarily to be construed as an admission of beneficial ownership.

## COMPENSATION OF DIRECTORS

Employees of Modine do not receive any compensation for serving on the Board. For the 2014 fiscal year, non-employee directors, including the Lead Director of the Board, were entitled to receive the following: an annual retainer of \$70,000, payable quarterly; an annual retainer of \$9,000 for acting as Chair of the ONC Committee and Nominating Committee, an annual retainer of \$7,500 for acting as Chair of the Technology Committee and an annual retainer of \$10,000 for acting as Chair of the Audit Committee; reimbursement for travel, lodging, and related expenses incurred in attending Board and/or committee meetings; and travel-accident and director and officer liability insurance. Ms. Williams declined to be compensated for her service as the Chair of the Nominating Committee.

The Amended and Restated 2008 Incentive Compensation Plan (the "Incentive Plan") gives discretion to the Board, or a committee of the Board, to grant stock options and stock awards to non-employee directors. The Board or the ONC Committee, as applicable, has broad discretionary authority to set the terms of awards under the Incentive Plan. It is the current practice of the Board of Directors to evaluate compensation and make grants of unrestricted stock awards to each non-employee director on an annual basis. Consistent with this practice, the Company granted each non-employee director of the Company (other than the Lead Director) 5,161 unrestricted shares of stock in October 2013. The Company granted Ms. Williams, the Lead Director, 10,322 shares of stock at the same time. The Company granted Ms. Williams the greater number of shares to compensate her for her service as Lead Director. As Lead Director, Ms. Williams, among other duties, generally attends all meetings of the Board's committees but does not receive any attendance fee for those meetings.

Table of Contents

2014 Director Compensation Table

The following table sets forth compensation paid to non-employee members of the Company's Board of Directors in fiscal 2014:

<u>Name</u>	Fees Paid in Cash	Stock Awards
-------------	----------------------------	-----------------