AMERICAN WOODMARK CORP
Form DEF 14A
June 30, 2011

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

SCHEDULE 14A INFORMATION

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

Filed by the Registrant x
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Check the appropriate box:
o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

American Woodmark Corporation
(Name of Registrant as Specified In Its Charter)

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

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3102 Shawnee Drive
Winchester, Virginia 22601

Notice of Annual Meeting of Shareholders

TO THE SHAREHOLDERS OF
AMERICAN WOODMARK CORPORATION:

The Annual Meeting of Shareholders ("Annual Meeting") of American Woodmark Corporation (the "Company") will be held at the Holiday Inn, 333 Front Royal Pike, Winchester, Virginia, on Thursday, August 25, 2011, at 9:00 a.m., Eastern Daylight Time, for the following purposes:

1. To elect as directors the nine nominees listed in the attached proxy statement to serve a one-year term on the Company's Board of Directors;

2. To ratify the selection by the Audit Committee of the Board of Directors of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending April 30, 2012;

3. To consider and vote upon the Company's 2011 Non-Employee Directors Equity Ownership Plan;

4. To cast an advisory vote on executive compensation;

5. To cast an advisory vote on the frequency of future advisory votes on executive compensation; and

6. To transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

Only shareholders of record of shares of the Company's common stock at the close of business on June 20, 2011 will be entitled to vote at the Annual Meeting or any adjournments thereof.

Whether or not you plan to attend the Annual Meeting, please mark, sign and date the enclosed proxy and promptly return it in the enclosed envelope. If for any reason you desire to revoke your proxy, you may do so at any time before it is voted.

All shareholders are cordially invited to attend the Annual Meeting.

By Order of the Board of
Directors

Jonathan H. Wolk
Secretary

July 1, 2011

AMERICAN WOODMARK CORPORATION
3102 Shawnee Drive
Winchester, Virginia 22601

Proxy Statement
Voting Rights, Procedures and Solicitation

Proxy Solicitation

This Proxy Statement, mailed to shareholders of American Woodmark Corporation (the "Company") on or about July 1, 2011, is furnished in connection with the solicitation of proxies by the Company's Board of Directors in the accompanying form for use at the Annual Meeting of Shareholders (the "Annual Meeting") to be held at the Holiday Inn, 333 Front Royal Pike, Winchester, Virginia, on Thursday, August 25, 2011, at 9:00 a.m., Eastern Daylight Time, and at any adjournments thereof. A copy of the annual report of the Company for the fiscal year ended April 30, 2011, is being mailed to you with this Proxy Statement.

In addition to the solicitation of proxies by mail, the Company's officers and other employees, without additional compensation, may solicit proxies by telephone, facsimile, and personal interview. The Company will bear the cost of all solicitation efforts. The Company also will request brokerage houses and other custodians, nominees, and fiduciaries to forward soliciting material to the beneficial owners of the Company's common stock held as of the record date by those parties and will reimburse those parties for their expenses in forwarding soliciting material.

Record Date and Voting Rights

On June 20, 2011, the record date for determining the shareholders entitled to receive notice of and to vote at the Annual Meeting, there were 14,296,740 shares of common stock of the Company outstanding and entitled to vote. Each such share of common stock entitles the owner to one vote.

Revocability and Voting of Proxy

A form of proxy for use at the Annual Meeting and a return envelope for the proxy are enclosed. Any shareholder who provides a proxy may revoke such proxy at any time before it is voted. Proxies may be revoked by:

- filing with the Secretary of the Company written notice of revocation which bears a later date than the date of the proxy,
- duly executing and filing with the Secretary of the Company a later dated proxy relating to the same shares, or
- attending the Annual Meeting and voting in person.

Votes will be tabulated by one or more inspectors of election. A proxy, if properly executed and not revoked, will be voted as specified by the shareholder. If the shareholder does not specify his or her choice, the shares will be voted as follows:

- "FOR" the election of the nine nominees for director named herein;
- "FOR" the ratification of KPMG LLP as the independent registered public accounting firm of the Company for fiscal year 2012;

- "FOR" the adoption of the 2011 Non-Employee Directors Equity Ownership Plan;
- "FOR" the approval of the compensation of the Company's named executive officers, as disclosed in this Proxy Statement;

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- "FOR" an annual advisory vote on compensation of the Company's named executive officers; and

- In the proxies' discretion on any other matters coming before the Annual Meeting or any adjournment thereof.

A majority of the total outstanding shares of the Company entitled to vote on matters to be considered at the Annual Meeting, represented in person or by proxy, constitutes a quorum. If a share is represented for any purpose at the Annual Meeting, it is deemed to be present for quorum purposes and for all other matters as well. Abstentions and shares held of record by a broker or its nominee ("Broker Shares") that are voted on any matter are included in determining the number of votes present or represented at the Annual Meeting. However, Broker Shares that are not voted on any matter at the Annual Meeting will not be included in determining whether a quorum is present at the meeting.

The Company's bylaws require that, in uncontested elections, each director receive a majority of the votes cast with respect to that director (the number of shares voted "for" a director nominee must exceed the number of votes cast "against" that nominee). Shareholders may indicate their preference for how frequently the Company should hold advisory votes on executive compensation by choosing among four options, holding the vote every one, two or three years, or abstaining. Actions on all other matters to come before the meeting will be approved if the votes cast "for" that action exceed the votes cast "against" it. Abstentions and Broker Shares that are not voted on a particular matter are not considered votes cast and, therefore, will have no effect on the outcome of the election of directors or any other matter.

Participants in the American Woodmark Corporation Investment Savings Stock Ownership Plan will receive a proxy packet from the Company's transfer agent and registrar, Registrar and Transfer Company, enabling them to provide instructions for voting the shares of the Company's common stock held in their plan accounts. The Newport Group, the plan's administrator, will determine the number of shares beneficially owned by each participant and communicate that information to the transfer agent. Each participant's voting instructions must be properly executed and returned in the envelope provided in order for the participant's shares to be voted. If a participant does not return voting instructions, then the shares held in the participant's account will not be voted.

ITEM 1 – ELECTION OF DIRECTORS

The Board is currently comprised of nine members, each of whom has been nominated for election by the Company. Unless otherwise specified, the enclosed proxy will be voted for the persons named below to serve until the next Annual Meeting and until their successors are elected and duly qualified. Each of the nominees listed below is presently a director of the Company and was elected by shareholders at the last Annual Meeting for a term expiring at the upcoming Annual Meeting.

The Board believes the Company's directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of its shareholders. When searching for new directors, the Governance Committee considers a candidate's managerial experience, as well as business judgment, background, integrity, ethics and conflicts of interest. The Governance Committee does not have a formal policy with respect to diversity; however, the Board and the Governance Committee believe it is essential that the Company's Board members represent diverse viewpoints. The Governance Committee considers issues such as diversity of professional experience, skills, viewpoints, education, gender, race and national origin. In considering candidates for the Board, the Governance Committee considers the entirety of each candidate's credentials in the context of these criteria. With respect to the nomination of continuing directors for re-election, the individual's contributions to the Board are also considered.

Each nominee listed below has consented to serve as a director, and the Company anticipates all of the nominees named below will be able to serve, if elected. If at the time of the Annual Meeting any nominees are unable or unwilling to serve, then shares represented by properly executed proxies will be voted at the discretion of the persons named therein for such other person or persons as the Board of Directors may designate.

If shareholders do not elect a nominee who is serving as a director, Virginia law provides that the director would continue to serve on the Board as a "holdover director." Under the Company's bylaws, each incumbent director submits an advance, contingent, irrevocable offer of resignation that the Board may accept if shareholders do not elect the director at the Annual Meeting. In that situation, the Board's Governance Committee would make a recommendation to the Board about whether to accept or reject the offer of resignation. The Board would act on the Governance Committee's recommendation within 90 days after the date that the election results were certified and, promptly, would publicly disclose its decision and, if applicable, the rationale for rejecting the offer of resignation.

Information Regarding Nominees

The names and ages of the Company's nominees, their principal occupations or employment, and other information regarding each nominee are set forth below.

Name	Age	Principal Occupation(s) During the Last Five Years and Directorship(s) in Public Companies	Director of Company Since
William F. Brandt, Jr.	65	Retired; Company Chairman and Chief Executive Officer from 1996 to August 2004. Mr. Brandt has served continuously as director since he founded the Company in 1980. Mr. Brandt previously served as both Chairman and Chief Executive Officer of the Company and remains extremely knowledgeable about the Company and its operations. Mr. Brandt remains the Company's largest shareholder.	1980
Martha M. Dally	60	Retired; Vice President Customer Development, Sara Lee Corporation (a public company and manufacturer and marketer of consumer products) from July 2005 to June 2006; Chief Customer Officer, Sara Lee Corporation from July 2003 to July 2005. Ms. Dally's experience with marketing, business development and customer relationships during her 30-year career in the consumer products industry provides the Board with an important perspective on customer issues and opportunities.	1995
Kent B. Guichard	55	Company Chairman from August 2009 to present and Company President and Chief Executive Officer from August 2007 to present; Company President and Chief Operating Officer from August 2006 to August 2007; Company Executive Vice President and Chief Operating Officer from September 2005 to August 2006; Company Executive Vice President from May 2004 to September 2005; Company Senior Vice President	1997

		and Chief Financial Officer from 1999 to April 2004; Company Corporate Secretary from November 1997 to February 2005. Mr. Guichard's 30-year career in industry has been highlighted with leadership roles in finance and operations. Mr. Guichard's role as the Company's Chief Executive Officer provides to the Board the Company's strategic vision and intimate knowledge of its operational performance.	
Kent J. Hussey	65	Retired; Chairman, Spectrum Brands, Inc. (a publicly traded manufacturer of consumer products) from August 2009 to June 2010; President and Chief Executive Officer, Spectrum Brands, Inc. from May 2007 to April 2010; Vice Chairman, Spectrum Brands, Inc. from January 2007 to May 2007; President and Chief Operating Officer, Spectrum Brands, Inc. from August 2002 to December 2006; Director, Spectrum Brands, Inc. from October 1996 to June 2010. Spectrum Brands, Inc. emerged from bankruptcy protection in August, 2009. Mr. Hussey's 40-year career in the consumer products industry has been highlighted with leadership roles in finance and operations. Mr. Hussey's experience as Chief Executive Officer of a publicly traded manufacturing company that sells products to large retailers provides the Board with an important perspective.	1999

Name	Age	Principal Occupation(s) During the Last Five Years and Directorship(s) in Public Companies	Director of Company Since
James G. Davis, Jr.	52	President and Chief Executive Officer, James G. Davis Construction Corporation (a private commercial general contractor) from June 1979 to present; Director, Provident Bankshares Corporation (a public company and financial institution) from October 2006 to July 2009. Mr. Davis' career in the construction industry has been highlighted with leadership roles in operations. Mr. Davis' experience as Chief Executive Officer of a construction company provides the Board with an important perspective.	2002
Daniel T. Hendrix	56	President and Chief Executive Officer, Interface, Inc. (a public company and manufacturer of industrial carpet products) from July 2001 to present; Director, Interface, Inc. from October 1996 to present; Director, Global Imaging Systems, Inc. (a public technology service company) from January 2003 to May 2007. Mr. Hendrix' 30-year career in the building supplies industry has been highlighted with leadership roles in finance and operations. Mr. Hendrix' experience as a Chief Executive Officer of a publicly traded company in the building supplies industry provides the Board with an important perspective.	2005
Carol B. Moerdyk	61	Retired; Senior Vice President, International, OfficeMax Incorporated (a public company and office products retailer, formerly Boise Cascade) from August 2004 to September 2007; Director, Libbey, Inc. (a public company and manufacturer of tableware) from 1998 to present. Ms. Moerdyk's 30-year career in industry has been highlighted with leadership roles in finance and operations. Ms. Moerdyk's experience as a financial executive enables her to serve as the chair of the Company's Audit Committee and to provide the Board with a valuable perspective.	2005
Andrew B. Cogan	48	Director, Knoll, Inc. (a public company and manufacturer of furnishings, textiles and fine leathers) from February 1996 to present; Chief Executive Officer, Knoll, Inc. from April 2001 to present; Chief Operating Officer, Knoll, Inc. from 1999 to April 2001. Mr. Cogan's 25-year career in	2009

		industry has been highlighted with leadership roles in design and marketing. Mr. Cogan's experience as a Chief Executive Officer of a publicly traded company provides the Board with a valuable perspective.	
Vance W. Tang	44	President and Chief Executive Officer of the U.S. subsidiary of KONE Corporation (a Finnish public company and a leading global provider of elevators and escalators) and Executive Director of KONE Corporation from 2007 to present; Vice President and General Manager, Honeywell Building Control Systems from 2004 to 2007. Mr. Tang's 20-year career in industry has been highlighted with leadership roles in operations. Mr. Tang's experience as a Chief Executive Officer in the construction industry provides the Board with a valuable perspective.	2009

CORPORATE GOVERNANCE

Codes of Business Conduct and Ethics

Code of Business Conduct and Ethics

The Board of Directors has adopted a Code of Business Conduct and Ethics applicable to all directors, officers, and employees of the Company. This code sets forth important Company policies and procedures in conducting the Company's business in a legal, ethical, and responsible manner. The Code of Business Conduct and Ethics encompasses policies addressing employee conduct, conflicts of interest, insider trading and the protection of confidential information, and requires all employees to respect and obey all applicable laws and regulations when conducting the Company's business.

Code of Business Conduct and Ethics for the Chief Executive Officer and Senior Financial Officers

The Board has also adopted an additional Code of Business Conduct and Ethics for the Chief Executive Officer and all Senior Financial Officers, including the Chief Financial Officer, Treasurer, and Controller of the Company. This code sets forth Company policies and procedures for ensuring that disclosures in the Company's financial reports and documents that the Company files or furnishes to the Securities and Exchange Commission ("SEC") and in other public communications are full, fair, accurate, timely, and understandable. Additionally, the Chief Executive Officer and Senior Financial Officers are required to report to the Audit Committee any material information that affects financial disclosures, significant deficiencies concerning internal controls, fraud, violations of the Company's Codes of Business Conduct and Ethics, and violations of securities or other laws or rules and regulations applicable to the operation of the business.

Both of these codes can be found on the Corporate Governance page of the Company's web site at http://investor.shareholder.com/amwd/governance.cfm. Any amendments to, or waivers from any code provisions that apply to the Company's directors or executive officers, including the Company's Chief Executive Officer, Chief Financial Officer, Controller, and Treasurer, will be promptly posted on the Corporate Governance page of the Company's web site. No amendments or waivers were requested or granted during the fiscal year ended April 30, 2011.

Board Structure

The Company's Board consists of nine directors, all of whom are subject to annual shareholder elections to one-year terms of service. The Company's independent directors sit on at least one of the three Board committees, which include the Audit Committee, the Compensation Committee and the Governance Committee.

Mr. Guichard serves as both the Company's Chairman and its Chief Executive Officer. The Board believes that currently there are a number of important advantages for the Company having the positions of Chairman and Chief Executive Officer held by the same person. The Chief Executive Officer is the director most familiar with the Company's business and industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Independent directors and management have different perspectives and roles in strategy development. The Company's independent directors bring experience, oversight and expertise from outside the Company and its industry, while the Chief Executive Officer brings Company-specific experience and expertise. The Board believes that the combined role of Chairman and Chief Executive Officer promotes strategy development and execution, and facilitates information flow between management and the Board, which are essential to effective governance.

The Company's independent directors meet in regularly scheduled executive sessions at each of the Company's Board meetings, without management present. During fiscal year 2011, the independent directors met four times to discuss certain Board policies, processes and practices, the performance and compensation of the Company's Chief Executive Officer, management succession and other matters relating to the Company and the functioning of the Board.

Risk Management Oversight

The Board, both directly and through its committees, has an active role in overseeing management of the Company's risks. The Board regularly reviews information concerning the Company's operations, liquidity and competitive position and personnel, as well as the risks associated with each. The Company's Compensation Committee is responsible for overseeing the Company's management of its risks relating to the Company's executive and long-term compensation plans and risks related to employee compensation in general. The Audit Committee oversees the Company's management of its risks pertaining to internal controls, adherence to generally accepted accounting principles and financial reporting. The Governance Committee oversees the Company's management of its risks pertaining to potential conflicts of interest and independence of board members. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risks.

Director Independence

The Board of Directors of the Company is composed of a majority of directors who are independent directors as defined under the NASDAQ Marketplace Rules. The Board's Audit Committee members also meet additional independence requirements pursuant to the NASDAQ Marketplace Rules and SEC rules.

To be independent under the NASDAQ Marketplace Rules, the Board must determine that a director has no relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The NASDAQ Marketplace Rules specify certain persons who cannot be considered independent. The Board reviews the independence of all directors at least annually.

Based upon this review, the Board affirmatively determined that seven of its nine directors are independent as defined by the NASDAQ Marketplace Rules. The independent directors are: Mr. Cogan, Ms. Dally, Mr. Davis, Mr. Hendrix, Mr. Hussey, Ms. Moerdyk, and Mr. Tang, each of whom is standing for re-election at the Annual Meeting. In addition, all of the members presiding on the Audit Committee, the Compensation Committee, and the Governance Committee are independent. The members of the Audit Committee also meet the additional independence requirements applicable to them under the NASDAQ Marketplace Rules and SEC rules.

Communicating Concerns to the Board of Directors

The Audit Committee and the independent non-management directors have established procedures to enable any shareholder or employee who has a concern about the Company's conduct or policies, or any employee who has a concern about the Company's accounting, internal accounting controls or auditing matters, to communicate that concern directly to the Board, to the independent directors, or to the Audit Committee. Such communications may be confidential or anonymous. Such communications may be submitted in writing by sending a letter, along with a self-addressed, stamped envelope to:

Audit Committee
c/o Corporate Secretary
American Woodmark Corporation
3102 Shawnee Drive
Winchester, Virginia 22601

The Company's Corporate Secretary will review all such written correspondence and forward to the Audit Committee a summary of all correspondence received. The Audit Committee will review this information and determine a course of action as appropriate based on the information received.

The Audit Committee reviews and regularly provides the Board of Directors with a summary of all communications received from shareholders and employees and the actions taken or recommended to be taken if an action requires approval of the full Board as a result of such communications. Directors may, at any time, review a log of all correspondence received by the Company which is addressed to the Board, members of the Board or the Audit Committee and may request copies of any such correspondence.

Board of Directors and Committees

The Company's Board of Directors presently consists of nine directors. The Board held four meetings during the fiscal year ended April 30, 2011. All of the directors attended at least 75% of the total number of Board meetings and meetings of all committees of the Board held during periods when they were members of the Board or such committees, with the exception of Mr. Hendrix (Chair of the Compensation Committee), who attended 50% of the

Board meetings and 100% of the Compensation Committee meetings. The Board of Directors believes that attendance at the Company's Annual Meeting demonstrates a commitment to the Company, responsibility and accountability to the shareholders, and support of management and employees. Therefore, it is a policy of the Board that all members attend the Annual Meeting of Shareholders. All members of the Board attended last year's Annual Meeting.

The Company's bylaws specifically allow for the Board to create one or more committees and to appoint members of the Board to serve on them. Under such authority, the Board created the Audit Committee, the Compensation Committee, and the Governance Committee and, appointed individuals from among its independent members to serve on these three committees. Each committee operates under a written charter adopted by the Board, as amended from time to time. On an annual basis, each committee reviews and reassesses the adequacy of its committee charter. Committees are scheduled to meet quarterly and may hold special meetings as necessary. These committees report regularly to the Board of Directors with respect to their fulfillment of the responsibilities and duties outlined in their respective charters. These charters can be found on the Corporate Governance page of the Company's web site at http://investor.shareholder.com/amwd/governance.cfm.

Audit Committee

The Audit Committee consists of Ms. Moerdyk, who chairs the Committee, Mr. Davis, Mr. Hussey and Mr. Cogan. All members have been determined by the Board of Directors to be "independent" as defined under the NASDAQ Marketplace Rules and SEC rules. The Board of Directors has determined that all of the current members of the Audit Committee are "audit committee financial experts" as defined under SEC rules.

Purpose and Duties. The Audit Committee provides oversight for the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the independence and qualifications of the Company's independent registered public accounting firm, the performance of the internal audit function and independent registered public accounting firm, and the adequacy and competency of the Company's finance and accounting staff.

The Audit Committee's duties include but are not limited to: (1) selecting and overseeing the performance of the Company's independent registered public accounting firm, (2) reviewing the scope of the audits to be conducted by them, as well as the results of their audits, (3) overseeing the Company's financial reporting activities, including the Company's financial statements included in the Company's Annual Report on Form 10-K, and the accounting standards and principles that are followed; (4) approving audit and non-audit services provided to the Company by the Company's independent registered public accounting firm, (5) reviewing the organization and scope of the Company's internal audit function and internal controls, (6) reviewing and approving or ratifying transactions with related persons required to be disclosed under SEC rules, and (7) conducting other reviews relating to compliance by employees with Company policies and applicable laws.

The Audit Committee met six times during fiscal year 2011. The Audit Committee is governed by a written charter approved by the Board of Directors, which can be viewed on the Corporate Governance page of the Company's web site at http://investor.shareholder.com/amwd/governance/cfm. The Report of the Audit Committee is contained on page 31.

Compensation Committee

The Compensation Committee is composed of Mr. Hendrix, who chairs the Committee, Ms. Dally and Mr. Tang. All members have been determined by the Board of Directors to be "independent" as defined under the NASDAQ Marketplace Rules.

Purpose and Duties. The Compensation Committee is primarily concerned with designing and managing competitive compensation programs to facilitate the attraction and retention of talented senior executives and directors. The activities of the Compensation Committee include reviewing, evaluating, and approving senior executive compensation plans and evaluating and recommending director compensation plans for approval by the Board. The Compensation Committee also provides oversight for all of the Company's employee benefit plans. The Compensation

Committee delegates certain aspects of implementation and day-to-day management of compensation administration to officers of the Company.

The Compensation Committee's duties include but are not limited to: (1) reviewing, evaluating, and approving corporate goals and objectives relevant to the Chief Executive Officer and other senior executive officer compensation, (2) evaluating the Chief Executive Officer's and other senior executive officers' performance in light of those goals and objectives, (3) determining and approving the Chief Executive Officer's and other senior executive officers' compensation levels based on this evaluation, and (4) overseeing the compensation and benefit plans, policies, and programs of the Company.

The Compensation Committee determines the Chief Executive Officer's compensation after reviewing his performance with the independent directors of the Board and without members of management or the non-independent directors being present, and shares this information with the full Board. The Compensation Committee determines the compensation of the other senior executives after considering the recommendation from the Chief Executive Officer. The Compensation Committee does not delegate its authority with regard to executive compensation decisions.

The Compensation Committee administers and approves awards under the Amended and Restated 2004 Stock Incentive Plan for Employees, and will be responsible for administering and approving awards under the Company's 2011 Non-Employee Director Equity Ownership Plan, if the plan is approved by shareholders as proposed herein.

The Compensation Committee met three times during fiscal year 2011. The Compensation Committee's charter can be viewed on the Corporate Governance page of the Company's web site at http://investor.shareholder.com/amwd/governance.cfm. Additional information on the Company's philosophy and policies pertaining to executive compensation are addressed in the Compensation Discussion and Analysis beginning on page 9. The Report of the Compensation Committee is contained on page 26.

Governance Committee

The Governance Committee is composed of Ms. Dally, who chairs the Committee, Mr. Hussey and Ms. Moerdyk. All members have been determined by the Board of Directors to be "independent" as defined under the NASDAQ Marketplace Rules.

Purpose and Duties. The Governance Committee is responsible for identifying and recommending to the Board new director nominees for the Board, recommending directors for appointment to committees and chairs, and ensuring that the size, composition, and practices of the Board best serve the Company and its shareholders. From time to time, the Committee may engage an independent firm to assist in identifying potential candidates.

In evaluating candidates for election to the Board, the Governance Committee will assess the candidate's character and professional ethics, judgment, business experience, independence, understanding of the Company's or other related industries, and other factors deemed pertinent in light of the current needs of the Board. Specific qualities and skills established by the Committee for directors, which are included in the Governance Committee charter, include:

- each candidate will be recommended without regard to gender, race, age, religion or national origin;
- each candidate must be an individual that has consistently demonstrated the highest character and integrity;
- each candidate must have demonstrated professional and managerial proficiency, an openness to new and unfamiliar experiences and the ability to work in a team environment;
- each candidate must be free of any conflicts of interest which would violate applicable law or regulation or interfere with the proper performance of the responsibilities of a director;
- each candidate should possess substantial and significant experience which would be of particular relevance to the Company and its shareholders in the performance of the duties of a director; and

- each candidate must demonstrate commitment to the responsibilities of being a director, including the investment of the time, energy and focus required to carry out the duties of a director.

The Governance Committee's responsibilities also include, but are not limited to: (1) regularly assessing the effectiveness of the Board; (2) annually reviewing the performance of each director; (3) determining whether any director conflicts of interest exist; (4) reviewing any director related party transactions; and (5) periodically reviewing the Company's corporate governance policies. The Governance Committee met three times during fiscal year 2011. The Governance Committee's charter can be viewed on the Corporate Governance page of the Company's web site at http://investor.shareholder.com/amwd/governance.cfm.

Procedures for Shareholder Nominations of Directors

The Governance Committee will consider a director nominated by a shareholder of record for the fiscal year 2012 Annual Meeting if the nomination is submitted in writing to the Secretary of the Company in accordance with the Company's bylaws and is received in the Company's principal executive offices on or before April 28, 2012. The nomination must include the name and address of the director nominee and a description of the director nominee's qualifications for serving as a director and the following information:

- the name and address of the shareholder making the nomination;
- a representation that the shareholder is a record holder of the Company's common stock entitled to vote at the meeting and, if necessary, would appear in person or by proxy at the meeting to nominate the person or persons specified in the nomination;
- a description of all arrangements or understandings between the shareholder and the nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder;
- such other information regarding the director nominee as would be required to be included in a proxy statement filed under the proxy rules of the SEC, if the director nominee were to be nominated by the Board of Directors;
- information regarding the director nominee's independence as defined by applicable NASDAQ listing standards; and
- the consent of the director nominee to serve as a director of the Company if nominated and elected.

The Governance Committee may subsequently request additional information regarding the director nominee or the shareholder making the nomination. Nominations by shareholders made in accordance with these procedures will receive due consideration by the Governance Committee. However, the Chair of the Governance Committee may refuse to acknowledge the nomination of any person not made in compliance with these procedures. The Governance Committee also considers director nominees recommended by current members of the Board of Directors and members of management. From time to time, the Governance Committee may engage an independent firm to assist in identifying potential director nominees. The Governance Committee evaluates all director nominees in the same manner regardless of the source of the recommendation.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company's Compensation Program Goal

The goal of the Company’s compensation program, as administered by the Compensation Committee, is to facilitate the creation of long-term value for its shareholders by attracting, motivating, and retaining qualified senior management. To this end, the Company has designed and administered the Company’s compensation program to appropriately reward its executives for sustained financial and operating performance, to align their interests with those of the Company’s shareholders, and to encourage them to remain with the Company for long and productive careers. To achieve alignment with shareholder interests, the Company's compensation program provides significant, but appropriate, rewards for outstanding performance, as well as clear financial consequences for underperformance. The majority of the Company's senior executives' compensation is "at risk" in the form of annual and long-term incentive awards that are paid, if at all, based upon Company and individual performance. While a significant portion of compensation may fluctuate with annual results, the total program is structured to emphasize long-term performance and sustained growth in shareholder value.

Key Considerations in Setting Pay

The following is a summary of the key considerations affecting the determination of compensation by the Compensation Committee for the Company's named executive officers. The Company's named executive officers for fiscal year 2011 were Mr. Guichard, Chairman and Chief Executive Officer, S. Cary Dunston, Senior Vice President of Manufacturing and Logistics, Jonathan H. Wolk, Senior Vice President and Chief Financial Officer, and Bradley S. Boyer, Senior Vice President of Remodeling Sales and Marketing.

Performance-based Compensation. Every employee in the Company has an opportunity to earn an annual bonus, most of which is based upon the Company's attainment of its net income and free cash flow goals, and other operational performance goals. Free cash flow was added as a Company-wide goal during fiscal year 2010, given the importance of this metric during the difficult economic environment that has adversely impacted the Company's industry since 2006. The Company defines "free cash flow" as the Company's net cash provided (used) by operating activities less net cash used in investing activities. Bonuses are only payable to employees if the Company earns net income or free cash flow in excess of specified threshold levels during its fiscal year. The majority of the targeted total compensation for the Company's named executive officers is performance-based, to achieve alignment with shareholder interests. The Company strives to establish challenging Company-wide targets that are appropriate given the expected level of performance, as well as current and anticipated market conditions.

Balance of Future Pay Opportunity versus Current Pay Opportunity. The Compensation Committee strives to provide an optimal balance between current and long-term compensation, and cash versus equity compensation for the Company's executive officers. Current compensation is paid in cash in the form of a base salary and an annual bonus, primarily as a reward for recent performance, while long-term compensation is primarily equity-based, to encourage the Company's executive officers to deliver excellent results over a longer period of time and to serve as a retention tool. The Compensation Committee has targeted the mix of performance-based compensation for the Company's senior executive officers to be an equal amount of current year bonus and long-term compensation.

Providing shareholders with a high level of return on their investment is an important objective of the Company, the Board, and the Compensation Committee. As a result, performance that rewards the Company's shareholders factors prominently in the Compensation Committee's decisions about the type and amount of long-term compensation paid to the Company's executive officers.

Discretionary Nature of Compensation Programs. The Compensation Committee does not use formulas in determining the amount and mix of compensation to be paid to the Company's executives. The Compensation Committee believes that using only quantitative performance measures would not create the appropriate balance of incentives to build long-term shareholder value. The Compensation Committee uses a broad range of quantitative and qualitative factors to determine compensation. Quantitative factors are determined annually based upon the Company's overall goals and objectives. In general, qualitative factors include the executives' ability to lead the Company's attainment of its CITE principles of customer satisfaction, integrity, teamwork and excellence. Additional qualitative factors considered by the Compensation Committee include the executives' contribution to achieving the Company's overall vision, the evaluation of the executives' performance against their stated objectives, their experience, skill sets and the breadth, and scope of their responsibilities.

Significance of Company Results. The Compensation Committee believes that the named executive officers' contributions to the Company's overall performance are more important than their individual performance. Accordingly, all of the annual bonus opportunity for Messrs. Guichard, Dunston, and Wolk, and 50% of the annual bonus opportunity for Mr. Boyer is dependent upon the Company's performance in relation to its net income and free cash flow goals. The remainder of the annual cash bonus opportunity for Mr. Boyer is based upon the achievement of organizational sales and cost performance goals.

Consideration of Compensation Risk. The Company's compensation programs are discretionary, balanced and focused on the long-term. Under this structure, the highest amount of compensation can be achieved through consistent superior performance over sustained periods of time. This provides strong incentives to manage the Company for the long term, while avoiding excessive risk in the short term. The elements of the Company's variable compensation program are balanced among current cash payments and equity awards. The Company uses a balanced mix of quantitative and qualitative performance measures to assess achievement for its performance-based restricted stock unit awards to avoid placing excessive weight on a single performance measure. The Company has also adopted stock ownership guidelines under which its named executive officers are expected to hold a significant amount of Company stock on an ongoing basis, which the Compensation Committee believes helps mitigate compensation-related risk by focusing the officers' attention and efforts on the long-term stock performance of the Company.

Use of Compensation Consultants and Peer Group Data. The Company, at the direction of the Compensation Committee, retains an independent compensation consultant every three to four years to assist the Compensation Committee by collecting compensation data regarding peer group companies, which is used by the Compensation Committee in reviewing and establishing executive compensation guidelines. The Compensation Committee considers this data, among other factors, when it determines the components and amounts of total compensation that are appropriate for the Company's named executive officers. In its most recent compensation review in 2008, the Company retained Mercer to develop and update the Company's Competitive Peer Group for use in the evaluation of the Company's compensation practices, to establish competitive compensation levels, and to assess the Company's executive compensation program. Mercer performs no other services for the Company other than those described in this section.

The Company's Competitive Peer Group was selected by Mercer and consists primarily of similar-sized companies in the furniture and building products industries that may compete with the Company for executive talent and which investors may consider as investment alternatives to the Company. For purposes of Mercer's 2008 analysis, the Company's Competitive Peer Group included: American Biltrite, Inc., Ameron International Corporation, Associated Materials, LLC, Dayton Superior Corporation, Ethan Allen Interiors Inc., Flexsteel Industries, Inc., Hooker Furniture Corporation, Kimball International, Inc., Knoll, Inc., Patrick Industries, Inc., School Specialty, Inc., Select Comfort Corporation, Simpson Manufacturing Co., Inc., and Tempur-Pedic International Inc.

In its 2008 update, Mercer analyzed competitive compensation packages using proxy information from the companies included as part of the Company's Competitive Peer Group, and also considered data compiled from published surveys of executive compensation for comparably-sized companies within the durable goods manufacturing sector. Mercer's findings were that both the Company's targeted annual cash compensation and long-term compensation levels fell within a range between the 50th percentile to the 75th percentile of median market compensation for the companies included as part of the Company's Competitive Peer Group and for comparably-sized companies in comparable industries. These findings were consistent with the Compensation Committee's compensation objective.

Elements of Compensation

The compensation program for executive officers for fiscal year 2011 consisted of the following elements:

Elements available to substantially all salaried employees:

- base salary;

- annual performance-based cash bonus;
- annual employee profit sharing; and
- retirement and health and welfare benefits.

Elements available to the Company's key managers and selected employees:

- long-term incentive awards (restricted stock units only, or restricted stock units plus stock options).

Elements available only to some named executive officers:

- supplementary employee retirement plan; and
- other benefits.

These compensation elements are described below:

Base Salary. Base salary is intended to compensate the Company's executives for:

- the scope of their responsibilities;
- the complexity of the tasks associated with their position within the Company;
- their skill set; and
- their performance.

Base salaries for all executives have been competitively established based on salaries paid for like positions in comparably-sized companies. The companies used for comparison of base salaries may include additional companies from those used in the Company's Competitive Peer Group where other competitive factors or local market conditions warrant. These salaries are obtained by management periodically and reviewed by the Compensation Committee to assure continued competitiveness and are adjusted when necessary. Based upon national surveys available to the Compensation Committee and information provided by Mercer, the Compensation Committee believes executive management, both individually and as a group, have base salaries of approximately the average market rate for comparably-sized companies.

Annual Cash Bonus. Annual cash bonus incentive awards are provided as an incentive to executives to achieve the Company's annual financial goals, and reflect the Compensation Committee's belief that a significant portion of the annual compensation of senior executives and other key employees should be contingent upon the financial performance of the Company. Annual bonus levels are established as a percentage of base salary. Jobs with greater spans of control and impact upon the Company's results have higher bonus percentages. For fiscal year 2011, Mr. Guichard was eligible for a maximum potential bonus opportunity equal to 150% of his base salary; Messrs. Dunston and Wolk were eligible for maximum potential bonus opportunities equal to 100% of their respective base salaries; and Mr. Boyer was eligible for a maximum potential bonus opportunity equal to 70% of his base salary.

Most key managers and senior executives have two components to their annual bonus: one component that is tied to the Company's performance for the fiscal year, and one component that is tied to individual performance. For fiscal year 2011, net income and free cash flow were utilized to measure Company performance for the purpose of measuring the Company performance bonus component for nearly every employee in the Company, due to their ease of understanding as simple, consistent and important indicators of the Company's annual performance. Because both performance measures were deemed to be of equal importance, each performance measure carried a weighting of 50% in evaluating Company-wide performance for fiscal year 2011. Individual performance is assessed by each employee's manager based on agreed-upon goals established at the onset of the fiscal year. No portion of an employee's individual goal bonus is paid unless the Company generates positive net income.

All of the annual cash bonus opportunity for Messrs. Guichard, Dunston and Wolk was dependent upon the Company's performance with respect to the net income and free cash flow performance measures. The annual bonus opportunity for Mr. Boyer represented 70% of his base salary, of which 50% was dependent on the Company's performance with respect to its net income and free cash flow performance measures, and 50% was dependent upon achievement of organizational sales performance and cost management goals.

Company Goals. On an annual basis, the Compensation Committee establishes bonus goals for Company performance based upon a variety of factors including progress achieved towards critical elements of the Company's long term strategy, prior year performance, and the external economic environment. As a result, Company-wide performance targets vary from fiscal year to fiscal year. The annual performance goals for each of the fiscal years listed below represented the expected range of Company net income and free cash flow across the following three levels of performance:

- "Threshold" representing the minimum level of achievement in order to qualify for payment;
- "Target" representing performance consistent with demanding expectations to qualify for a payout of 60% of the maximum; and
- "Superior" representing outstanding performance against demanding expectations to achieve 100% of the maximum.

Company performance falling between each performance level results in an interpolated percentage payout based upon a predetermined scale. No annual bonuses are paid if the Company's performance is below the predetermined threshold level for both performance measures.

Company performance targets are set sufficiently high to require excellent performance. In the last ten years, the Company has achieved superior performance one time, and achieved target performance four times. Annual performance goals for Company performance at the threshold, target and superior performance levels for fiscal year 2011, as well as the actual net income and free cash flow achieved, are presented in the table below (dollar amounts in millions). For comparison purposes, annual net income and free cash flow goals at the threshold, target and superior performance levels are presented for fiscal year 2010 and net income for fiscal year 2009, as well (free cash flow was not a Company performance measure until fiscal year 2010). The actual net income listed below for fiscal years 2009 and 2010 excludes restructuring charges net of income tax benefit of $6.0 million and $1.8 million, respectively.

	Net Income				Free Cash Flow			
Fiscal	Net Income Goals			Actual	Free Cash Flow Goals			Actual
Year	Threshold	Target	Superior		Threshold	Target	Superior	
2009	$0.0	$10.0	$20.0	$2.8				
2010	$0.0	$10.0	$20.0	$(20.6)	$(20.9)	$(12.0)	$(6.8)	$(10.2)
2011	$0.0	$10.0	$20.0	$(20.0)	$6.0	$12.0	$16.0	$7.7

Actual performance for fiscal year 2011 resulted in a combined Company performance percentage based on the weightings of the performance measures and the predetermined bonus scale of approximately 6.4%. Accordingly, Mr. Guichard earned an annual bonus during fiscal year 2011 of approximately 9.6% (6.4% of 150%) of his base salary at year-end. Bonuses for Messrs. Dunston and Wolk represented approximately 6.4% (6.4% of 100%) of their respective base salaries at year-end. The bonus for Mr. Boyer pertaining to Company performance represented approximately 2.2% (6.4% of 35%) of his base salary at year-end.

Organizational Sales Goals. Half of Mr. Boyer's annual cash bonus for fiscal year 2011 was determined based upon the achievement of organizational sales and cost performance goals. Management develops a budget which is presented to the Board. The Board reviews and approves the budget. The organizational sales and cost performance goals that Mr. Boyer is expected to achieve are developed based on the budget. Mr. Boyer's organizational sales goals were related to both attainment of remodeling sales levels and cost of sales.

Mr. Boyer achieved his organizational sales and cost performance goals according to the Company's expectations, and therefore earned the portion of his bonus attributable to these goals at "target". The bonus for Mr. Boyer pertaining to his organization sales performance represented approximately 21% (60% of 35%) of his base salary at year-end.

Long-Term Incentive Awards. The Compensation Committee has established long-term incentive awards for the Company's executives and key managers with the objective of advancing the longer-term interests of the Company and its shareholders by directly aligning executive compensation with increases in the Company's stock price. These awards compliment cash incentives tied to annual performance by providing incentives for executives to increase shareholder value over time. The Company's long-term incentive compensation program utilizes two types of awards: restricted stock units ("RSUs") and stock options. Both stock options and RSUs are intended to focus the attention of executives on the achievement of the Company's long-term performance objectives, to align executive management's interests with those of shareholders, and to facilitate executives' accumulation of sustained ownership of Company stock.

Consistent with previous years, the Company awarded its long-term incentive awards to its executives following its annual earnings release in June, and all stock options issued included a strike price equal to the closing price of the Company's stock on the third business day following this earnings release. All long-term incentive awards were approved by the Compensation Committee.

In line with recommendations from Mercer, the Company's named executive officers are targeted to receive long-term incentive awards valued at approximately 150% of base salary for Mr. Guichard and 100% for Messrs. Dunston and Wolk. The long-term incentive award for Mr. Boyer during fiscal year 2011 was valued at approximately 65% of base salary due to his becoming a named executive officer mid-year. The Compensation Committee expects to increase Mr. Boyer's award for fiscal year 2012 to 100% of his base salary. The relative value of stock option awards compared with RSU awards made to the named executive officers was approximately even.

Stock Options. Non-statutory stock options were granted to certain senior executives of the Company (including Messrs. Guichard, Dunston, Wolk and Boyer) on the third business day after the Company's announcement of its annual results in June 2010. All stock options have exercise prices equal to the closing price of the Company's stock upon the date of grant, have ten-year lives and vest ratably over the initial three years of the grant. Stock options only result in value realized by the Company's employees to the extent that the price of Company stock on the date of exercise exceeds the strike price, and thus are an effective compensation element only if the stock price grows over the term of the award. The Compensation Committee believes that stock options are a motivational tool for the Company's senior executives, and also serve as a retention incentive. The Company has never backdated or repriced its stock option grants.

Restricted Stock Units. The RSUs granted during fiscal year 2011 to Messrs. Guichard, Dunston, Wolk and Boyer include RSUs that vest upon the satisfaction of both service and performance criteria. The performance-based RSUs comprised 75% of the total RSUs awarded, while RSUs vesting upon meeting a three-year service criterion comprised 25% of the RSUs awarded. Subject to satisfying the associated vesting conditions, each RSU represents the right to receive one share of the Company's common stock. The Compensation Committee believes this change will provide greater balance and stability to the Company's long-term incentives for its key managers and named executive officers. Additionally, it will provide a form of long-term compensation that aids retention, encourages long-term value creation and aligns financial interests with the Company's shareholders, while entailing a lower number of Company shares to be issued to employees than stock options and therefore entailing less dilution.

In order to receive the shares of Company stock corresponding to the RSU award, the award recipients must remain in the Company's continuous employ on the three-year anniversary date of the RSU grant. Employees who leave the Company's employ for any reason other than death, disability or retirement completely forfeit their awards. If the executive terminates employment due to his or her death, disability or retirement, a pro-rata portion of the earned RSUs will vest based upon the executive's service from the grant date to the termination date. If the executive terminates employment for any reason, including death, disability or retirement, prior to the end of the applicable performance period with respect to performance-based RSUs, the performance-based RSUs are forfeited in their entirety. The vesting of the RSU awards is accelerated and the earned RSUs are paid in full if a change in control occurs during the executive's employment prior to the end of the three-year service period. If the change in control occurs prior to the end of the applicable performance period with respect to performance-based RSUs, all of the performance-based RSUs are treated as earned.

The Company-wide performance criteria upon which the performance-based RSU awards are based are established annually by the Compensation Committee. For the performance-based RSU grants awarded in June 2010, the Compensation Committee determined the Company-wide performance period as the fiscal year in which the grant was awarded. The Compensation Committee determined three groups of Company-wide performance goals for fiscal year 2011, including income statement achievement (40% weighting), balance sheet management

(40% weighting) and organizational development (20% weighting). Specific criteria and the Company's performance against these criteria were as follows:

Income Statement Achievement (dollar amounts in millions)	Threshold	Goals Target	Maximum	Actual Performance
Net Sales	$388	$423	$447	$ 452.6
Gross Margin	$36	$49	$59	$ 52.8
Operating Expenses	$77	$82	$85	$ 83.7
Operating Income (Loss)	$(40)	$(32)	$(26)	$ (30.0)
Net Income (Loss)	$(24)	$(19)	$(16)	$ (20.0)
Balance Sheet and Cash Flow Achievement				
Operating Cash Flow	$7	$19	$24	$ 13.2
Free Cash Flow	$(4)	$8	$11	$ 7.7
Debt to Capital Ratio	13.7%	13.3%	12.9%	13.2%
Accounts Receivable Turnover	15.8	16.4	16.6	16.4
Inventory Turnover	14.0	14.6	15.3	16.5

The Compensation Committee assessed the Company's overall achievement of its Income Statement and Balance Sheet and Cash Flow goals to be approximately 50%. In addition to the Income Statement and Balance Sheet and Cash Flow goals, Company-wide performance was also assessed based upon a total of five organizational development goals (weighted 20% in total), including (i) employee turnover, (ii) employee retention, (iii) compliance with training goals, (iv) succession planning, and (v) cultural development. The Compensation Committee assessed the Company's achievements of these organizational goals at maximum attainment of 100%.

The Compensation Committee assessed the Company's achievement against overall performance goals in May 2011 to be 60%. Based upon the Compensation Committee's performance assessment, if the Company's named executive officers remain continuously employed by the Company through June 2013, they will vest in and receive 70% of their total RSU award, as calculated below:

	Performance Attainment		Weighting Factor		Weighted Performance
Income Statement Goals	50%	X	40%	=	20%
Balance Sheet and Cash Flow Goals	50%	X	40%	=	20%
Organizational Goals	100%	X	20%	=	20%
Total Performance					60%
Potential Earned and Vested Performance-Based RSUs	60%	X	75%	=	45%
Potential Vested Service-Based RSUs	N/A				25%
Total Potential Vested Portion of 2011 RSU Award					70%

During fiscal year 2011, Mr. Guichard was awarded 27,000 RSUs, Mr. Dunston was awarded 10,000 RSUs, Mr. Wolk was awarded 8,000 RSUs and Mr. Boyer was awarded 4,000 RSUs. If each named executive officer remains in the Company's continuous employ through the three-year anniversary of the RSU grant in June 2013, the number of shares of the Company's stock that each can expect to receive is as follows: Mr. Guichard, 18,900 shares (27,000 multiplied by 70%); Mr. Dunston, 7,000 shares (10,000 multiplied by 70%); Mr. Wolk, 5,600 shares (8,000 multiplied by 70%); and Mr. Boyer 2,800 shares (4,000 multiplied by 70%).

Shareholder Value Units. Prior to fiscal year 2010, the Company granted Shareholder Value Units ("SVUs") to its named executive officers and key managers. Each of these units entitled the recipient to receive a cash payment if the Company's total shareholder return ("TSR") over a three-year performance period equaled or exceeded the return of the Russell 2000 Index. The last SVUs, which were granted in fiscal year 2009 and matured

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at the end of fiscal year 2011, resulted in no payout because the Company's TSR did not equal or exceed the Russell 2000 Index return for the 2009 through 2011 performance period. No SVUs were granted in fiscal 2010 or 2011, no SVUs are currently outstanding and no further SVUs are expected to be granted in the future.

Pension and Savings Plans

An important retention tool is the Company’s pension and retirement plans. The Company maintains a non-contributory, funded and tax-qualified defined benefit pension plan (the “Salaried Pension Plan”). The Salaried Pension Plan covers substantially all employees, including the named executive officers, who are compensated on the basis of a salary and/or a commission, and who meet certain age and service requirements. Funding is determined on an actuarial basis. Benefits are based on 1.25% of a participant’s average cash compensation, including bonuses, for the five calendar years in the ten calendar years prior to the participant’s retirement that produce the highest average compensation, multiplied by the participant’s years of credited service. The annual earnings taken into account in this formula may not exceed an IRS-prescribed limit applicable to tax-qualified plans. These limits are indexed each year, so the ultimate amount of benefit actually paid will depend on the year of retirement. For calendar year 2011, the maximum annual compensation that may be taken into account is $245,000, and the maximum annual benefit that may be paid in the form of single life annuity is $195,000. The Salaried Pension Plan is a continuation of a pension plan that was in effect for employees of the Company who were employed by the Company when it was owned by Boise Cascade Corporation prior to 1980.

Because the Internal Revenue Code of 1986, as amended (the “Code”), limits the maximum annual benefit that may be accrued under and paid from a tax-qualified plan such as the Company’s Salaried Pension Plan, the Company has established a non-tax qualified, non-contributory defined contribution supplemental pension plan (the “Pension Restoration Plan”, or “PRP”) to provide benefits that would restore the level of Company benefits provided to approximately the levels they would have attained had the Code limit not been established. For fiscal year 2011, the PRP participants consist of the named executive officers, with the exception of Mr. Boyer. Each participant has an account under the PRP to which the Compensation Committee may, in its discretion, approve Company contributions. The obligation of the Company to make payments under the PRP is an unsecured promise and any property of the Company set aside for the payment of benefits remains subject to the claims of creditors in the unlikely event of the Company’s inso