

SNAP-ON Inc  
Form DEF 14A  
March 09, 2011  
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**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

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 under §240.14a-12

**SNAP-ON INCORPORATED**

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(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

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

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

(3) Per unit price or other underlying value of the 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 the transaction:

(5) Total fee paid:



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NOTICE OF 2011 ANNUAL MEETING OF SHAREHOLDERS

AND PROXY STATEMENT

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**HELP US REDUCE COSTS**

If you receive more than one set of proxy materials, it means your shares are held in more than one account. You should vote the shares on all of your Proxy Cards. You may help us reduce costs by consolidating your accounts so that you receive only one set of proxy materials in the future. To consolidate your accounts, please contact our transfer agent, Computershare Trust Company, N.A., toll-free at 1-800-446-2617.

**ADMISSION TO THE ANNUAL MEETING**

All shareholders of record as of the close of business on February 28, 2011, can attend the meeting. Seating, however, is limited and will be on a first arrival basis.

To attend the Annual Meeting, please follow these instructions:

To enter the Annual Meeting, bring proof of ownership of Snap-on stock and a form of identification; or

If a broker or other nominee holds your shares, bring proof of ownership of Snap-on stock through such broker or nominee and a form of identification.

**HOW TO VOTE**

We offer four methods for you to vote your shares at the Annual Meeting. **While we offer four methods, we encourage you to vote through the Internet as it is the most cost-effective method.** We also recommend that you vote as soon as possible, even if you are planning to attend the Annual Meeting, so that the vote count will not be delayed. Both the Internet and the telephone provide convenient, cost-effective alternatives to returning your Proxy Card by mail. If you vote your shares through the Internet, you may incur costs associated with electronic access, such as usage charges from Internet access providers. If you choose to vote your shares through the Internet or by telephone, there is no need for you to mail back your Proxy Card.

You may (i) vote in person at the Annual Meeting or (ii) authorize the persons named as proxies on the enclosed Proxy Card to vote your shares by returning the enclosed Proxy Card by mail, through the Internet or by telephone.

*To Vote Over the Internet:*

Log on to the Internet and go to the Website [www.investorvote.com/sna](http://www.investorvote.com/sna). Have your Proxy Card available when you access the Website. You will need the control number from your Proxy Card to vote.

*To Vote By Telephone:*

On a touch-tone telephone, call **1-800-652-VOTE** (1-800-652-8683) 24 hours a day, 7 days a week. Have your Proxy Card available when you make the call. You will need the control number from your Proxy Card to vote.

*To Vote By Proxy Card:*

Complete, sign and return the Proxy Card to the address indicated on the Proxy Card.

If your shares are not registered in your name, then you vote by giving instructions to the firm that holds your shares rather than using any of these four methods. Please check the voting form of the firm that holds your shares to see if it offers Internet or telephone voting procedures.

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**2801 80th Street**

**Kenosha, WI 53143**

**Notice of the 2011 Annual Meeting of Shareholders**

March 9, 2011

Dear Shareholder:

Snap-on Incorporated will hold its 2011 Annual Meeting of Shareholders on Thursday, April 28, 2011, at 10:00 a.m. (Central Time), at the Radisson Hotel & Conference Center Kenosha, 11800 108th Street, Pleasant Prairie, Wisconsin 53158. This year's meeting is being held for the following purposes:

1. to elect three directors to serve for the next three years;
  2. to ratify the Audit Committee's selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2011;
  3. to consider and approve the Snap-on Incorporated 2011 Incentive Stock and Awards Plan;
  4. to amend and restate the Snap-on Incorporated Employee Stock Ownership Plan;
  5. to hold an advisory vote on the compensation of the Company's named executive officers as disclosed in Compensation Discussion and Analysis and Executive Compensation Information herein;
  6. to hold an advisory vote on the frequency of future advisory votes on executive compensation; and
  7. to transact any other business that may properly come before the Annual Meeting or any adjournment or postponement thereof.
- In addition to the formal business, there will be a short presentation on Snap-on's performance.

Only shareholders who had shares registered in their names at the close of business on February 28, 2011, will be able to vote at the Annual Meeting. If you are a shareholder and plan to attend the Annual Meeting in person, then please refer to the section of this Proxy Statement titled Commonly Asked Questions and Answers about the Annual Meeting.

If you have any questions or comments, please direct them to Snap-on Incorporated, Investor Relations, 2801 80th Street, Kenosha, Wisconsin 53143. Please also contact Investor Relations if you would like directions to the Annual Meeting. If you prefer, you may e-mail questions or comments to [shareholders@snapon.com](mailto:shareholders@snapon.com). We always appreciate your interest in Snap-on and thank you for your continued support.

Your vote is important. Thank you for voting.

Sincerely,

Irwin M. Shur

*Vice President, General Counsel and Secretary*

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**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 28, 2011. The proxy statement and annual report to security holders are available at [www.snapon.com/SNA](http://www.snapon.com/SNA).**

The Board of Directors recommends the following votes:

FOR each of the Board's nominees for election;

FOR the ratification of the Audit Committee's selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2011;

FOR approval of the Snap-on Incorporated 2011 Incentive Stock and Awards Plan;

FOR approval of the amendment to, and restatement of, the Snap-on Incorporated Employee Stock Ownership Plan;

FOR approval of the compensation of the Company's named executive officers; and

For the holding of future advisory votes on executive compensation EVERY YEAR.

To vote in person at the Annual Meeting, you will need to request a ballot to vote your shares. If you vote by proxy, either by Internet, telephone, or mail, and later find that you will be present at the Annual Meeting or for any other reason desire to revoke your proxy, you may do so at any time before it is voted.

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**COMMONLY ASKED QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING**

**Q:** WHEN WILL THIS PROXY STATEMENT FIRST BE MAILED TO SHAREHOLDERS?

**A:** We expect to begin mailing this Proxy Statement to shareholders on or about March 9, 2011. The proxy material is also being made available to shareholders by Internet posting on or about March 9, 2011.

**Q:** WHAT AM I VOTING ON?

**A:** At the 2011 Annual Meeting you will be voting on six proposals:

1. The election of three directors to serve terms of three years each. This year's Board nominees are:

Roxanne J. Decyk

Gregg M. Sherrill

Nicholas T. Pinchuk

2. A proposal to ratify the Audit Committee's selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2011.
3. A proposal to adopt the Snap-on Incorporated 2011 Incentive Stock and Awards Plan (the 2011 Stock and Incentive Plan).
4. A proposal to amend and restate the Snap-on Incorporated Employee Stock Ownership Plan (the Ownership Plan).
5. An advisory proposal to approve the compensation of the Company's named executive officers, as disclosed in Compensation Discussion and Analysis and Executive Compensation Information herein.
6. An advisory proposal to approve the frequency of future advisory votes on executive compensation.

**Q:** WHAT ARE THE BOARD'S VOTING RECOMMENDATIONS?

**A:** The Board of Directors is soliciting this proxy and recommends the following votes:

FOR each of the Board's nominees for election;

FOR the ratification of the Audit Committee's selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2011;

FOR approval of the 2011 Stock and Incentive Plan;

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FOR approval of the amendment to, and restatement of, the Ownership Plan;

FOR approval of the compensation of the Company's named executive officers; and

For the holding of future advisory votes on executive compensation EVERY YEAR.

**Q:** WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL?

**A:** To conduct the Annual Meeting, more than 50% of the shares entitled to vote must be present in person or by proxy. This is referred to as a quorum. Assuming a quorum is present, directors are

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electd by a majority of the votes cast in person or by proxy at the meeting, and entitled to vote on the election of directors. Assuming a quorum is present, an affirmative vote of a majority of the shares represented at the meeting is required for the ratification of the Audit Committee's selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2011.

Approval of both the 2011 Stock and Incentive Plan, as well as the amendment to, and restatement of, the Ownership Plan, require the affirmative vote of a majority of the votes cast on these proposals, provided that shareholders holding a majority of the Company's outstanding shares cast votes on these proposals. Abstentions and broker non-votes will have no impact on these votes, so long as shareholders holding over 50% in interest of the Company's outstanding shares cast votes on these proposals.

The plurality of votes cast will be used to determine the results of the advisory votes to approve the compensation of the Company's named executive officers and the future frequency of such votes. Abstentions and broker non-votes will also not affect these votes, except insofar as they reduce the number of shares that are voted.

### **Q:** WHAT IF I DO NOT VOTE?

**A:** The effect of not voting will depend on how your share ownership is registered. If you own shares as a registered holder and you do not vote, then your unvoted shares will not be represented at the meeting and will not count toward the quorum requirement. If a quorum is obtained, then your unvoted shares will not affect whether a proposal is approved or rejected.

If you are a shareholder whose shares are not registered in your name and you do not vote, then your bank, broker or other holder of record may still represent your shares at the meeting for purposes of obtaining a quorum. In the absence of your voting instructions, your bank, broker or other holder of record may not be able to vote your shares in its discretion depending on the proposal before the meeting. As a result of rules applicable to director elections after January 1, 2010, your broker may no longer vote your shares in its discretion in the election of directors; therefore, you must vote your shares if you want them to be counted in the election of directors. In addition, your broker is also not permitted to vote your shares in its discretion regarding matters related to executive compensation, including the advisory votes on executive compensation and the future frequency of such advisory votes. However, your broker may vote your shares in its discretion on routine matters such as the ratification of the Company's independent registered public accounting firm.

### **Q:** WHO MAY VOTE?

**A:** You may vote at the Annual Meeting if you were a shareholder of record as of the close of business on February 28, 2011, which is the Record Date. Each outstanding share of common stock is entitled to one vote. As of the Record Date, Snap-on had 58,446,516 shares of common stock outstanding.

### **Q:** HOW DO I VOTE?

**A:** We offer four methods for you to vote your shares at the Annual Meeting. **While we offer four methods, we encourage you to vote through the Internet as it is the most cost-effective method.** We also recommend that you vote as soon as possible, even if you are planning to attend the Annual Meeting, so that the vote count will not be delayed. Both the Internet and the telephone provide convenient, cost-effective alternatives to returning your Proxy Card by mail. If you vote your shares through the Internet, you may incur costs associated with electronic access, such as usage charges from Internet access providers. If you choose to vote your shares through the Internet or by telephone, there is no need for you to mail back your Proxy Card.

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You may (i) vote in person at the Annual Meeting or (ii) authorize the persons named as proxies on the enclosed Proxy Card, Mr. Pinchuk and Mr. Shur, to vote your shares by returning the enclosed Proxy Card by mail, through the Internet or by telephone.

### *To Vote Over the Internet:*

Log on to the Internet and go to the Website [www.investorvote.com/sna](http://www.investorvote.com/sna). Have your Proxy Card available when you access the Website. You will need the control number from your Proxy Card to vote.

### *To Vote By Telephone:*

On a touch-tone telephone, call **1-800-652-VOTE** (1-800-652-8683) 24 hours a day, 7 days a week. Have your Proxy Card available when you make the call. You will need the control number from your Proxy Card to vote.

### *To Vote By Proxy Card:*

Complete, sign and return the Proxy Card to the address indicated on the Proxy Card.

If your shares are not registered in your name, then you vote by giving instructions to the firm that holds your shares rather than using any of these four methods. Please check the voting form of the firm that holds your shares to see if it offers Internet or telephone voting procedures.

### **Q: WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE PROXY CARD?**

**A:** It means your shares are held in more than one account. You should vote the shares on all of your Proxy Cards. You may help us reduce costs by consolidating your accounts so that you receive only one set of proxy materials in the future. To consolidate your accounts, please contact our transfer agent, Computershare Trust Company, N.A. ( Computershare ), toll-free at 1-800-446-2617, or as otherwise provided in our annual report.

### **Q: WHO WILL COUNT THE VOTE?**

**A:** Computershare, our transfer agent, will use an automated system to tabulate the votes. Its representatives will also serve as the election inspectors.

### **Q: WHO CAN ATTEND THE ANNUAL MEETING?**

**A:** All shareholders of record as of the close of business on February 28, 2011, can attend the Annual Meeting. Seating, however, is limited and will be on a first arrival basis.

To attend the Annual Meeting, please follow these instructions:

To enter the Annual Meeting, bring proof of ownership of Snap-on stock and a form of identification; or

If a broker or other nominee holds your shares, bring proof of ownership of Snap-on stock through such broker or nominee and a form of identification.

### **Q: CAN I CHANGE MY VOTE AFTER I RETURN MY PROXY CARD?**

**A:** Yes. Even after you have submitted your proxy, you can revoke your proxy or change your vote at any time before the proxy is exercised by appointing a new proxy or by providing written notice to the Corporate Secretary and voting in person at the Annual Meeting. Presence at the Annual Meeting of a shareholder who has appointed a proxy does not in itself revoke a proxy.



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**Q: MAY I VOTE AT THE ANNUAL MEETING?**

**A:** If you complete a Proxy Card, or vote through the Internet or by telephone, then you may still vote in person at the Annual Meeting. To vote at the meeting, please give written notice that you would like to revoke your original proxy to one of the following:

the Corporate Secretary, in advance of the Annual Meeting; or

the authorized representatives at the Annual Meeting.

Street name holders who wish to vote in person at the meeting will not be permitted to vote in person at the meeting unless they first obtain a proxy issued in their name from the bank, broker or other holder of record.

**Q: WHAT IF I OWN SHARES AS PART OF SNAP-ON S 401(k) SAVINGS PLAN?**

**A:** Shares held by the Snap-on Incorporated 401(k) Savings Plan for which participant designations are received will be voted in accordance with those designations. Those shares for which designations are not received will be voted proportionally, based on the votes for which voting directions have been received from participants as of April 25, 2011.

**Q: WHO IS MAKING THIS SOLICITATION AND HOW MUCH DOES IT COST?**

**A:** This solicitation is being made on behalf of Snap-on Incorporated by its Board of Directors. Our officers and employees may make solicitations by mail, telephone, facsimile or in person. We have retained Georgeson Inc., for \$10,500 plus expenses, to assist us in the solicitation of proxies. This assistance will include requesting that brokerage houses, depositories, custodians, nominees and fiduciaries forward proxy soliciting material to the beneficial owners of the stock they hold; such assistance will also include the preparation of an institutional shareholder contact list that contains these shareholders' voting guidelines. We will bear the cost of this solicitation and reimburse Georgeson Inc. for these expenses.

**Q: WHEN ARE SHAREHOLDER PROPOSALS DUE FOR THE 2012 ANNUAL MEETING?**

**A:** The Corporate Secretary must receive a shareholder proposal no later than November 10, 2011, for the proposal to be considered for inclusion in our proxy materials for the 2012 Annual Meeting. To otherwise bring a proposal or nomination before the 2012 Annual Meeting, you must comply with our Bylaws. Currently, our Bylaws require written notice to the Corporate Secretary between January 29, 2012, and February 28, 2012. If we receive your notice after February 28, 2012, then your proposal or nomination will be untimely. In addition, your proposal or nomination must comply with the procedural provisions of our Bylaws. If you do not comply with these procedural provisions, your proposal or nomination can be excluded. Should the Board nevertheless choose to present your proposal, the named Proxies will be able to vote on the proposal using their best judgment.

**Q: WHAT IS THE ADDRESS OF THE CORPORATE SECRETARY?**

**A:** The address of the Corporate Secretary is:

Corporate Secretary

Snap-on Incorporated

2801 80th Street

Kenosha, WI 53143

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**Q:** WILL THERE BE OTHER MATTERS TO VOTE ON AT THIS ANNUAL MEETING?

**A:** We are not aware of any other matters that you will be asked to vote on at the Annual Meeting. Other matters may be voted on if they are properly brought before the Annual Meeting in accordance with our Bylaws. If other matters are properly brought before the Annual Meeting, then the named Proxies will vote the proxies they hold in their discretion on such matters.

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**ITEM 1: ELECTION OF DIRECTORS**

**Nominees for Election**

The Board of Directors currently has 12 directors, although it will have 11 directors after the 2011 Annual Meeting. The directors are divided into three classes. This year's Board nominees for election for terms expiring at the 2014 Annual Meeting are Roxanne J. Decyk, Nicholas T. Pinchuk and Gregg M. Sherrill.

Richard F. Teerlink, a director since 1997, is not standing for re-election at the 2011 Annual Meeting pursuant to the Company's Corporate Governance Guidelines, which provide that individuals age 72 or older are not eligible to be re-nominated for Board service. The Board of Directors would like to thank Mr. Teerlink for his many valuable contributions and years of dedicated service as a member of Snap-on's Board.

It is our policy that the Board of Directors should reflect a broad variety of experience and talents. When the Corporate Governance and Nominating Committee of the Board determines which directors to nominate for election at any meeting of shareholders, or appoints a new director between meetings, it reviews our director selection criteria and seeks to choose individuals who bring a variety of expertise to the Board within these criteria. For further information about the criteria used to evaluate Board membership, see Corporate Governance Practices and Board Information Nomination of Directors below.

The following is information about the experience and attributes of the nominees and Snap-on's other directors. Together, the experience and attributes included below provide the reasons that these individuals were selected for Board membership and/or nominated for re-election, as well as why they continue to serve on the Board. Pursuant to the Company's Restated Certificate of Incorporation and Bylaws, the Board must be comprised of three approximately equal classes. At the Annual Meeting each year, one class is nominated for election to a three-year term. Mr. Sherrill was elected to the Board effective December 1, 2010, between meetings of shareholders. While Mr. Sherrill was not placed into a class at that time, in accordance with our Bylaws, it was determined thereafter that he would stand for election with the class whose terms would, upon re-election at the 2011 Annual Meeting, then expire in 2014.

***Nominees for Election for Terms Expiring at the 2014 Annual Meeting***

**Roxanne J. Decyk**

*Director since 1993*

Ms. Decyk, age 58, retired as Executive Vice President of Global Government Relations for Royal Dutch Shell plc, an oil, gas, chemical and refined petroleum products company, in December 2010, after serving in that position since June 2009. From 2008 until June 2009, Ms. Decyk served as Corporate Affairs and Sustainable Development Director of Royal Dutch Shell plc and from 2005 to 2008, she served as Corporate Affairs Director. Prior thereto, Ms. Decyk was Director International of Shell International B.V., Senior Vice President Corporate Affairs and Human Resources of Shell Oil Company and Vice President of Corporate Strategy of Shell International Limited. Ms. Decyk also serves as a Director of Alliant Techsystems Inc. and became a Director of Petrofac on March 1, 2011. Ms. Decyk was last re-nominated as a Director because, among her other qualifications, she possesses experience and/or expertise in the following areas: Snap-on business knowledge, knowledge of Snap-on's industry/market, international business, sales, marketing, mergers and acquisitions, strategy development, executive compensation and leadership development. Ms. Decyk earned a Bachelor of Arts degree from the University of Illinois at Urbana-Champaign in English literature and a Juris Doctorate from Marquette University Law School.

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**Nicholas T. Pinchuk**

*Director since 2007*

Mr. Pinchuk, age 64, has been Snap-on's President and Chief Executive Officer since December 2007 and Chairman of the Board since April 2009. Prior to his appointment as President and CEO, Mr. Pinchuk served as Snap-on's President and Chief Operating Officer since April 2007, and as Snap-on's Senior Vice President and President Worldwide Commercial & Industrial Group from 2002 to 2007. Before joining Snap-on, Mr. Pinchuk served in several executive operational and financial management positions at United Technologies Corporation and held various financial and engineering positions at Ford Motor Company. Mr. Pinchuk also serves as a Director of Columbus McKinnon Corporation. In addition to his other experience and expertise, Mr. Pinchuk was last re-nominated as a Director because it is the Company's traditional practice to have its Chief Executive Officer serve as a member of the Board. Mr. Pinchuk earned Master and Bachelor of Science degrees in engineering from Rensselaer Polytechnic Institute and a Master of Business Administration degree from Harvard Business School.

**Gregg M. Sherrill**

*Director since 2010*

Mr. Sherrill, age 58, has served as Chairman and Chief Executive Officer of Tenneco Inc., a producer of automotive emission control and ride control products and systems, since January 2007. Previously, Mr. Sherrill was Corporate Vice President and President, Power Solutions of Johnson Controls Inc., a global diversified technology and industrial company, from 2004 to 2007. Prior to joining Johnson Controls in 1998, Mr. Sherrill held various engineering and manufacturing positions during his 22 years at Ford Motor Company. Mr. Sherrill is being nominated as a director because, among his other qualifications, he possesses experience and/or expertise in the following areas: international business, manufacturing, product innovation/development, operations, mergers and acquisitions, strategy development, executive compensation and leadership development. Mr. Sherrill earned a Bachelor of Science degree in mechanical engineering from Texas A&M University and a Master of Business Administration degree from Indiana University's Graduate School of Business.

**THE BOARD RECOMMENDS THAT YOU VOTE FOR EACH OF THE THREE NOMINEES.**

Shares represented by proxies will be voted according to instructions on the Proxy Card. Only cards clearly indicating a vote against will be considered as a vote against the nominee. If the Board learns prior to the Annual Meeting that a nominee is unable to serve, then the Board may name a replacement, in which case the shares represented by proxies will be voted for the substitute nominee.

**Directors Not Standing for Election at this Meeting**

*Directors Continuing to Serve Until the 2012 Annual Meeting*

**Bruce S. Chelberg**

*Director since 1993*

Mr. Chelberg, age 76, retired as Chairman of the Board and Chief Executive Officer of Whitman Corporation, a consumer goods company, in 2000. He served as its Chairman and Chief Executive Officer since 1992 and served on Whitman's Board since 1988. Mr. Chelberg serves as a Director of First Midwest Bancorp, Inc. and was a Director of Northfield Laboratories, Inc. prior to 2009 and Actuant Corporation prior to 2005. Mr. Chelberg was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, manufacturing, operations, accounting/finance, mergers and acquisitions, strategy development, executive compensation, leadership development and franchising. He was re-nominated in 2009 when the mandatory Board retirement age policy was suspended due to global economic conditions and the Board's re-evaluation of that policy. Mr. Chelberg earned a Bachelor of Science degree in commerce from the University of Illinois at Urbana-Champaign and a Bachelor of Laws degree from the University of Illinois College of Law.

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**Karen L. Daniel**

*Director since 2005*

Ms. Daniel, age 53, has served as Division President and the Chief Financial Officer for Black & Veatch Corporation, a leading global engineering, construction and consulting company specializing in infrastructure development in the areas of energy, water and information, since 2000. Ms. Daniel was last re-nominated as a Director because, among her other qualifications, she possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, accounting/finance (including as a chief financial officer), mergers and acquisitions and strategy development; in addition, Ms. Daniel is a Certified Public Accountant. Ms. Daniel earned a Bachelor of Science degree in accounting from Northwest Missouri State University and a Master of Science degree in accounting from the University of Missouri-Kansas City.

**Nathan J. Jones**

*Director since 2008*

Mr. Jones, age 54, retired in 2007 from Deere & Company, a manufacturer of agricultural, commercial and consumer equipment, where he most recently served as President, Worldwide Commercial & Consumer Equipment Division since 2006. Prior thereto, he was Deere & Company's Senior Vice President and Chief Financial Officer from 1997 through 2006, and previously served as its Vice President and Treasurer. Mr. Jones was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, information technology, operations, accounting/finance (including as a chief financial officer), mergers and acquisitions, strategy development, executive compensation and leadership development. Mr. Jones earned a Bachelor of Business Administration degree in accounting from the University of Wisconsin-Eau Claire and a Master of Business Administration degree from the University of Chicago.

**Arthur L. Kelly**

*Director since 1978*

Mr. Kelly, age 73, has been the Managing Partner of KEL Enterprises L.P., a holding and investment company, since 1982. He served as a Director of Northern Trust Corporation until April 2010, Deere & Company prior to 2009, BASF Aktiengesellschaft prior to 2008, and Bayerische Motoren Werke (BMW) A.G. prior to 2008. Mr. Kelly was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, manufacturing, operations, accounting/finance, mergers and acquisitions, strategy development and executive compensation. Mr. Kelly earned a Bachelor of Science degree in engineering from Yale University and a Master of Business Administration degree from the University of Chicago.

***Directors Continuing to Serve Until the 2013 Annual Meeting***

**John F. Fiedler**

*Director since 2004*

Mr. Fiedler, age 72, was the Chairman of the Board of BorgWarner Inc., a supplier of engineered systems and components primarily for automotive powertrain applications, from 1996 until 2003. He was also the Chief Executive Officer of BorgWarner from 1995 until 2003. Mr. Fiedler serves as a Director of AirTran Holdings, Inc., Mohawk Industries, Inc. and WABCO Holdings Inc., and was a Director of YRC Worldwide Inc. prior to 2007. Mr. Fiedler was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, manufacturing, marketing, product innovation/development, operations, accounting/finance, mergers and acquisitions, strategy development, executive compensation, leadership development and franchising. Mr. Fiedler earned a Bachelor of Science degree in chemistry from Kent State University and a Master of Business Administration degree from the Massachusetts Institute of Technology.

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**James P. Holden**

*Director since 2007*

Mr. Holden, age 59, has been our Lead Director since February 2009. He served 27 years in the automotive industry, including 19 years with DaimlerChrysler and its predecessor, Chrysler Corporation. Most recently, he was President and Chief Executive Officer of DaimlerChrysler Corporation, a U.S. subsidiary of DaimlerChrysler AG, until 2000. From March 2007 until June 2009, he served as non-executive Chairman of Meridian Automotive Systems. Mr. Holden also serves as a Director of Speedway Motorsports, Inc., SIRIUS XM Radio Inc. and Motors Liquidation Company, and was a Director of SMobile Systems until July 2010. Mr. Holden was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, manufacturing, sales, marketing, product innovation/development, information technology, operations, accounting/finance, strategy development, executive compensation, leadership development and franchising. Mr. Holden earned a Bachelor of Science degree in political science from Western Michigan University and a Master of Business Administration degree from Michigan State University.

**W. Dudley Lehman**

*Director since 2003*

Mr. Lehman, age 59, retired in 2006 as Group President for Kimberly-Clark Corporation, a manufacturer and marketer of a wide range of consumer and business-to-business products from natural fibers, which position he held since 2005. From 2004 to 2005 he served as Group President Business to Business for Kimberly-Clark and from 1995 to 2004 he served as Group President Infant and Child Care Sectors for Kimberly-Clark. Mr. Lehman was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, manufacturing, sales, marketing, product innovation/development, operations, strategy development, executive compensation and leadership development. Mr. Lehman earned a Bachelor of Arts degree in political science from the University of North Carolina at Chapel Hill and a Master of Business Administration degree from Wake Forest University.

**Edward H. Rensi**

*Director since 1992*

Mr. Rensi, age 66, is a founder of America's Better Burger, LLC, d/b/a Tom & Eddie's, and has served as its President and Chief Executive Officer since 2009. He has been an owner and Chief Executive Officer of Team Rensi Motorsports, which competes in the NASCAR Nationwide Series, since 1998. Mr. Rensi was President and Chief Executive Officer of McDonald's U.S.A., a food service organization, from 1991 to 1997. Mr. Rensi also serves as a Director of Great Wolf Resorts, Inc., International Speedway Corporation and Freedom Group, Inc., and was a Director of American Consolidated Management Group, Inc. prior to 2006. Mr. Rensi was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, sales, marketing, product innovation/development, operations, accounting/finance, executive compensation, leadership development and franchising. Mr. Rensi earned a Bachelor of Science degree in business education from The Ohio State University.

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**CORPORATE GOVERNANCE PRACTICES AND BOARD INFORMATION**

**Nomination of Directors**

The Corporate Governance and Nominating Committee fulfills the role of a nominating committee. The material terms of the Committee's role are included in its charter. You may find the Committee's charter on the Company's Website at [www.snapon.com](http://www.snapon.com). This charter requires that all members of the Committee meet the independence requirements of applicable laws and regulations, including, without limitation, the requirements imposed by the listing standards of the New York Stock Exchange.

The Committee uses a variety of means to identify prospective Board members, including the Committee's contacts and recommendations from other sources. In addition, it may also retain a professional search firm to identify candidates. Pursuant to its charter, the Committee has the sole authority to retain and terminate any search firm to be used to identify director candidates and has the sole authority to approve the search firm's fees and other retention items.

The Committee will consider director candidates recommended by shareholders provided that the shareholders submitting recommendations follow the procedures set forth below. The Committee does not intend to alter the manner in which it evaluates candidates based on whether the candidate was recommended by a shareholder or not. If a shareholder wishes to suggest an individual for consideration as a nominee for election to the Board at the 2012 Annual Meeting, and possible inclusion in the Proxy Statement, we recommend that you submit your suggestion in writing to the Corporate Secretary before October 1, 2011, for forwarding to the Committee.

To bring a nomination before the 2012 Annual Meeting from the floor during the meeting, you must comply with our Bylaws. Our Bylaws require written notice to the Corporate Secretary between January 29, 2012, and February 28, 2012. If we receive your notice after February 28, 2012, then your proposal or nomination will be untimely. The notice must also meet the requirements set forth in our Bylaws. If you do not comply with these requirements, your nomination can be excluded.

The Committee has a procedure under which all director candidates are evaluated. As noted above, the Company's Corporate Governance Guidelines provide that the Board will not nominate individuals for election or re-election as directors after they have attained age 72, although directors may continue to serve out any then current term after reaching that age. When evaluating a candidate's capabilities to serve as a member of the Board, the Committee uses the following criteria: independence, the relationships that the candidate has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company), conflicts of interest, ability to contribute to the oversight and governance of the Company, the candidate's skill sets and positions held at other companies, existing time commitments and diversity. Further, the Committee reviews the qualifications of any candidate with those of its current directors to augment and complement the skill sets of its current Board members. The Company believes that it is important for its Board to be comprised of individuals with diverse backgrounds, skills and experiences. The composition of the Board and the experience, as well as the qualities, brought to the Board by our directors are reviewed annually. While the Committee does not have a formal diversity policy and identifies qualified potential candidates without regard to any candidate's race, color, disability, gender, national origin, religion or creed, it does seek to ensure the fair representation of all shareholder interests on the Board. The Board believes that the use of these general criteria, along with a non-discriminatory policy, will best result in a Board that evidences that diversity in many respects. The Board believes that it currently maintains that diversity.

Mr. Sherrill, who was elected to the Board of Directors effective December 1, 2010, is an independent director. Mr. Sherrill was initially identified as a director candidate to the Board of Directors by Mr. Pinchuk, our Chief Executive Officer.

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### **Communications with the Board**

Shareholders and other interested parties who wish to communicate with the Board of Directors, individually or as a group, should send their communications to the Corporate Secretary at the address listed below. The Corporate Secretary is responsible for forwarding communications to the appropriate Board members and screens these communications for security purposes.

Name of Director

c/o Corporate Secretary

Snap-on Incorporated

2801 80th Street

Kenosha, WI 53143

### **Annual Meeting Attendance**

All directors may attend the Annual Meeting of Shareholders either in person or by telephone. If a director attends by phone, he or she is also able to answer questions asked at the Annual Meeting. However, incumbent directors that are not standing for re-election at the Annual Meeting are not required to attend. All directors attended the 2010 Annual Meeting of Shareholders in person with the exception of Mr. Sherrill, who was not a director at the time.

### **Board Information**

The primary responsibility of the Board is to oversee the business and affairs of the Company. The Board met eight times in 2010. All directors attended at least 75% of the total meetings of the Board and committees of which they were members in 2010; for Mr. Sherrill, this refers to the period he served as a director. The Board conducts executive sessions of non-management directors at every regular Board meeting. At these executive sessions, our Lead Director presides. Interested persons may communicate about appropriate subject matter with our Lead Director, as described above under the section titled "Communications with the Board."

The Board has reviewed the independence of its members, considering the independence tests promulgated by the New York Stock Exchange and has adopted categorical standards to assist it in making its determination of director independence. These categorical standards are attached to this Proxy Statement as Appendix C. The Board has affirmatively determined that each of Messrs. Chelberg, Fiedler, Holden, Jones, Kelly, Lehman, Rensi, Sherrill, Teerlink and Ms. Daniel and Ms. Decyk are independent on the basis that they had no relationships with the Company that would be prohibited under the independence standards of the New York Stock Exchange or in the categorical standards. Mr. Pinchuk, our Chairman, President and Chief Executive Officer, is not considered independent. Team Rensi Motorsports ( "Team Rensi" ) competes in the NASCAR Nationwide Series. One of our directors, Mr. Rensi, is an owner of Team Rensi. In 2010, the Company had an agreement with Team Rensi to provide approximately \$50,000 worth of tools valued at list prices; the actual cost to the Company was less than this amount. The Board has determined that this relationship did not affect Mr. Rensi's independence as it was a relationship permitted by the categorical standards and was customary for Snap-on to enter into agreements of this type. In addition, Mr. Kelly was a director of Northern Trust Corporation until April 2010, and Ms. Decyk was an officer of Royal Dutch Shell plc until her retirement in December 2010. An affiliate of Northern Trust Corporation performs administrative functions for several Snap-on benefit plans; Snap-on occasionally purchases petroleum products produced by affiliates of Royal Dutch Shell. However, the amounts of those transactions are extremely modest as compared to Snap-on's, Northern Trust's and Shell's total revenues. An immediate family member of Mr. Holden's is an employee of the Company, but is not an executive officer nor is that individual compensated in an amount requiring disclosure under SEC rules. These relationships are permitted by the categorical standards, and it was determined that they did not affect Mr. Holden's, Mr. Kelly's and Ms. Decyk's independence. See "Other Information" Transactions with the Company for information about Snap-on's policies and practices regarding transactions with members of the Board.

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The Board is organized so that its committees focus on issues that may require more in-depth scrutiny. The present committee structure consists of the (i) Audit, (ii) Corporate Governance and Nominating, and (iii) Organization and Executive Compensation Committees. Committee reports are presented to the full Board for discussion and review.

The Board has adopted Corporate Governance Guidelines. These Guidelines are located on the Company's Website at [www.snapon.com](http://www.snapon.com).

### **Board's Role in Oversight of Risk**

The Audit Committee is primarily responsible for evaluating the Company's policies with respect to risk assessment and risk management. The Audit Committee reviews and discusses the Company's major financial risk exposures and the steps management has taken to monitor and control such risks. The Organization and Executive Compensation Committee oversees risks related to our compensation policies and practices. The Organization and Executive Compensation Committee receives reports and discusses whether the Company's compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company. The Corporate Governance and Nominating Committee is responsible for the oversight of risks associated with corporate governance and compliance. Periodically, the full Board itself conducts a review of risk management at the Company.

### **Board Leadership Structure**

The Board has established the position of Lead Director to assist in overseeing the affairs of both the Company and the Board. The Lead Director is appointed by the Board and must be an independent director. The Lead Director's responsibilities include: (i) presiding at Board meetings when the Chairman is not present; (ii) providing input to the Chairman regarding the agendas for Board and Committee meetings; (iii) presiding at all meetings of the independent directors; (iv) acting as the principal liaison between the independent directors and the Chairman on sensitive issues; and (v) being available for meetings with shareholders upon the request of the Chairman. Mr. Holden, an independent director, was appointed as our Lead Director in February 2009.

Our Chairman is also our Chief Executive Officer and thus is not an independent director. The Company believes that having one person serve as chairman and chief executive officer allows that individual to leverage the substantial amount of information gained from both roles to lead the Company most effectively and to act as a unified spokesperson on behalf of the Company. Further, the Company believes that the designation of an independent Lead Director provides essentially the same benefits as having an independent chairman in terms of access and an independent voice with significant input into corporate governance, while maintaining Snap-on's historical practice of generally having its chief executive officer also serve as chairman (other than at times when providing for an orderly transition of chief executive officers).

### **Audit Committee**

The Audit Committee is composed entirely of non-employee directors who meet the independence and accounting or financial management expertise standards and requirements of the New York Stock Exchange and the Securities and Exchange Commission (the "SEC"). The Audit Committee assists the Board's oversight of the integrity of the Company's financial statements, the Company's independent public accounting firm's qualifications and independence, the performance of the Company's independent registered public accounting firm, the Company's internal audit function, and the Company's compliance with legal and regulatory requirements. During fiscal 2010 the Committee met eight times. The Board has adopted a written charter for the Audit Committee, which is located on the Company's Website at [www.snapon.com](http://www.snapon.com). The Committee's duties and responsibilities are discussed in greater detail in the charter. Currently, Ms. Daniel (Chair) and Messrs. Holden and Jones serve on the Audit Committee. The Board has determined that each of the Audit Committee members qualifies as an audit committee financial expert within the meaning of regulations promulgated by the SEC pursuant to the Sarbanes-Oxley Act of 2002.

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### **Corporate Governance and Nominating Committee**

The Corporate Governance and Nominating Committee is composed entirely of non-employee directors who meet the independence requirements of the New York Stock Exchange. This Committee makes recommendations to the Board regarding Board policies and structure including size and composition of the Board, corporate governance, number and responsibilities of committees, tenure policy, qualifications of potential Board nominees, including nominees recommended by shareholders, and director compensation. Currently, Messrs. Lehman (Chair), Chelberg, Fiedler and Sherrill serve on the Corporate Governance and Nominating Committee. During fiscal 2010 the Committee met four times. The Board has adopted a written charter for the Corporate Governance and Nominating Committee, which is located on the Company's Website at [www.snapon.com](http://www.snapon.com). The Committee's duties and responsibilities are discussed in greater detail in the charter. See the section titled "Nomination of Directors" for more information regarding recommending and nominating directors.

### **Organization and Executive Compensation Committee**

The Organization and Executive Compensation Committee is composed entirely of non-employee directors who meet the independence requirements of the New York Stock Exchange and the SEC. This Committee oversees our corporate organization, executive succession and executive compensation programs. It recommends to the Board the appropriate level of compensation for our Chief Executive Officer and, after consulting with the Chief Executive Officer, approves the compensation of other officers. This Committee also administers our incentive stock and compensation plans and the employee stock ownership and franchised dealer stock ownership plans. This Committee has also been designated by the Board to consider and conduct succession planning for the chief executive officer position with the oversight of the Board. Currently Ms. Decyk (Chair) and Messrs. Kelly, Rensi and Teerlink serve on the Organization and Executive Compensation Committee. As noted above, Mr. Teerlink is not standing for re-election to the Board at the 2011 Annual Meeting and will, therefore, n