

IHS Inc.
Form DEF 14A
February 24, 2016
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SCHEDULE 14A

(Rule 14a-101)

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 Pursuant to §240.14a-12

IHS INC.

(Name of Registrant as Specified in Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

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IHS INC.

15 Inverness Way East
Englewood, Colorado 80112
www.ihs.com

February 24, 2016

Dear IHS Stockholder:

We are pleased to invite you to attend our 2016 Annual Meeting of Stockholders. The Annual Meeting will be held at 10:00 a.m. Mountain Daylight Time, on Wednesday, April 6, 2016, at the IHS Corporate Headquarters, 15 Inverness Way East, Englewood, Colorado 80112.

Whether or not you attend the Annual Meeting, it is important that you participate. We value the vote of every stockholder. Please review the enclosed Proxy Card carefully to understand how you may vote by proxy. If you choose to cast your vote in writing, please sign and return your proxy promptly. For Proxy Cards delivered in hard copy, a return envelope, requiring no postage if mailed in the United States, is enclosed. For your convenience, we have also arranged to allow you to submit your proxy telephonically. If your shares are held in the name of a bank or broker, voting by mail, telephone or Internet will depend on the processes of the bank or broker, and you should follow the instructions you receive from your bank or broker.

If you want to attend the Annual Meeting in person, please let us know in advance. Each stockholder of record has the opportunity to vote in person at the Annual Meeting. If your shares are not registered in your name (for instance, if you hold shares through a broker, bank, or other institution), please advise the stockholder of record that you wish to attend; that firm will then provide you with evidence of ownership that will be required for admission to the Annual Meeting. Let us know if we can explain any of these matters or otherwise help you with voting or attending our Annual Meeting.

Remember that your shares cannot be voted unless you submit your proxy or attend the Annual Meeting in person. Your participation is important to all of us at IHS, so please review these materials carefully and cast your vote. We look forward to hearing from you or seeing you at the Annual Meeting.

Sincerely,

Stephen Green
Executive Vice President, Legal and
Corporate Secretary

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held Wednesday, April 6, 2016

To Our Stockholders:

IHS Inc. will hold its Annual Meeting of Stockholders (the "Annual Meeting") at 10:00 a.m. Mountain Daylight Time, on Wednesday, April 6, 2016, at the IHS Corporate Headquarters, 15 Inverness Way East, Englewood, Colorado 80112.

We are holding this Annual Meeting to allow our stockholders to vote on several key topics:

~~to~~ elect three directors to serve until the 2019 Annual Meeting or until their successors are duly elected and qualified;

~~to~~ ratify the appointment of Ernst & Young LLP as our independent registered public accountants;

to approve the material terms providing for performance-based compensation under the 2004 Long-Term Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended;

~~to~~ approve, on an advisory, non-binding basis, the compensation of our named executive officers; and

to transact such other business as may properly come before the Annual Meeting and any adjournments or postponements of the Annual Meeting.

Only stockholders of record at the close of business on February 12, 2016 (the "Record Date") are entitled to notice of, and to vote, at the Annual Meeting and any adjournments or postponements of the Annual Meeting. For ten days prior to the Annual Meeting, a complete list of stockholders entitled to vote at the Annual Meeting will be available for stockholders to review for purposes relevant to the meeting. To arrange to review that list contact:

IHS Inc., Attn: Corporate Secretary, 15 Inverness Way East, Englewood, Colorado 80112

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON APRIL 6, 2016: The Proxy Statement and our Annual Report on Form 10-K ("Annual Report") for the year ended November 30, 2015 are available at <http://investor.ihs.com>.

We will deliver a copy of the Proxy Statement and our Annual Report free of charge if a stockholder sends a request to the Corporate Secretary, IHS Inc., 15 Inverness Way East, Englewood, Colorado 80112 or calls (303) 790-0600.

It is important that your shares are represented at this Annual Meeting.

Even if you plan to attend the Annual Meeting in person, we hope that you will promptly vote and submit your proxy by dating, signing, and returning the enclosed Proxy Card by mail, or by voting by telephone, or, if you hold your shares in the name of a bank or broker, by following the instructions you receive from your bank or broker. If you have any questions or require assistance in voting your shares or changing your vote, please contact our proxy solicitor, D.F. King & Co., Inc., at (888) 628-1041.

Casting a vote by proxy will not limit your rights to attend or vote at the Annual Meeting.

By Order of the Board of Directors,

Stephen Green

Executive Vice President, Legal and

Corporate Secretary

February 24, 2016

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IHS INC.
PROXY STATEMENT

Information Concerning Voting and Proxy Solicitation

This Proxy Statement is being furnished to you in connection with the solicitation by the Board of Directors of IHS Inc., a Delaware corporation, of proxies for the 2016 Annual Meeting of Stockholders and any adjournments or postponements thereof. The Annual Meeting will be held at 10:00 a.m. Mountain Daylight Time, on Wednesday, April 6, 2016, at the IHS Corporate Headquarters, 15 Inverness Way East, Englewood, Colorado 80112.

This Proxy Statement, the Annual Report on Form 10-K for the year ended November 30, 2015 (the "Annual Report"), and the accompanying form of Proxy Card are being first sent to stockholders on or about February 24, 2016. While we are mailing the full set of proxy materials to all of our stockholders of record, with respect to beneficial owners whose shares are held in the name of a bank or broker, we are only providing notice and electronic access to our proxy materials. The notice to such beneficial owners will be mailed on or about February 24, 2016. The notice contains instructions regarding how to access and review our proxy materials over the Internet. The notice also provides instructions regarding how to submit a proxy over the Internet. We believe that this process allows us to provide stockholders with important information in a timely manner, while reducing the environmental impact and lowering the costs of printing and distributing our proxy materials. Beneficial owners who receive such notice may request a printed copy of our proxy materials without charge by contacting our Corporate Secretary no later than March 30, 2016, at IHS Inc., 15 Inverness Way East, Englewood, Colorado 80112 or by calling (303) 790-0600.

References in this Proxy Statement to "we," "us," "our," the "Company," and "IHS" refer to IHS Inc. and our consolidated subsidiaries.

Appointment of Proxy Holders

The Board of Directors of IHS (the "Board of Directors" or "Board") asks you to appoint the following individuals as your proxy holders to vote your shares at the 2016 Annual Meeting of Stockholders:

Jerre Stead, Chairman and Chief Executive Officer;
Todd Hyatt, Executive Vice President and Chief Financial Officer; and
Stephen Green, Executive Vice President, Legal and Corporate Secretary

You may make this appointment by using one of the methods described below. If appointed by you, the proxy holders will vote your shares as you direct on the matters described in this Proxy Statement. In the absence of your direction, they will vote your shares as recommended by the Board.

Unless you otherwise indicate on the Proxy Card, you also authorize your proxy holders to vote your shares on any matters not known by the Board at the time this Proxy Statement was printed and that, under our Bylaws, may be properly presented for action at the Annual Meeting.

Who Can Vote

Only stockholders who owned shares of our Class A common stock at the close of business on February 12, 2016—the "Record Date" for the Annual Meeting—can vote at the Annual Meeting.

Each holder of our Class A common stock is entitled to one vote for each share held as of the Record Date. As of the close of business on the Record Date, we had 67,402,207 shares of Class A common stock outstanding and entitled to

vote.

There is no cumulative voting in the election of directors.

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How You Can Vote

You may vote your shares at the Annual Meeting either in person, by mail or telephonically, as described below. If your shares are held in the name of a bank or broker, voting by mail, telephone or Internet will depend on the processes of the bank or broker, and you should follow the voting instructions on the form you receive from your bank or broker.

Voting by Telephone. Stockholders of record entitled to vote at the Annual Meeting can simplify their voting and reduce the Company's cost by voting their shares via telephone. The telephone voting procedures are designed to authenticate stockholders' identities, allow stockholders to vote their shares and to confirm that their instructions have been properly recorded. Stockholders who elect to vote over the telephone may incur telecommunication costs for which the stockholder is solely responsible. The telephonic voting facilities for stockholders of record will close at 11:59 p.m. Eastern Daylight Time the day before the Annual Meeting.

Voting by Mail. Stockholders of record may vote by signing, dating, and returning the Proxy Card in the enclosed postage-prepaid return envelope. Carefully review and follow the instructions on the enclosed Proxy Card. The shares represented will be voted in accordance with the directions in the Proxy Card. The Proxy Card must be received by us no later than the close of business on April 5, 2016.

Voting at the Annual Meeting. Voting by proxy will not limit your right to vote at the Annual Meeting if you decide to attend in person. The Board recommends that you vote by proxy, as it is not practical for most stockholders to attend the Annual Meeting. If you hold shares through a bank or broker, you must obtain a proxy, executed in your favor, from the bank or broker to be able to attend and vote in person at the Annual Meeting.

Revocation of Proxies

Stockholders can revoke their proxies at any time before they are exercised in any of three ways:

- by voting in person at the Annual Meeting;
- by submitting written notice of revocation to the Corporate Secretary prior to the Annual Meeting; or
- by submitting another proxy—properly executed and delivered—on a later date, but prior to the Annual Meeting.

Quorum

A quorum, which is a majority of the outstanding shares entitled to vote as of the Record Date, must be present to hold the Annual Meeting. A quorum is calculated based on the number of shares represented by the stockholders attending in person and by their proxy holders. If you indicate an abstention as your voting preference, your shares will be counted toward a quorum but they will not be voted on any given proposal, except in the case of Proposal 3, in which case abstentions will count as a vote against the proposal (see "Required Vote" below) . "Broker non-votes" (see "Required Vote" below) will be counted as shares of stock that are present for the purpose of determining the presence of a quorum but will have no effect with respect to any matter for which a broker does not have authority to vote.

Required Vote

With respect to Proposal 1, our directors are elected by a majority of the votes cast in favor of their election. A majority of the votes cast means that the number of votes cast "for" a director's election exceeds the number of votes cast "against" that director's election, with abstentions and "broker non-votes" not counted as a vote cast either for or against that director. However, in the event of a contested election, our directors will be elected by a plurality vote, which means that the three nominees receiving the most affirmative votes will be elected.

Each of the following proposals will be approved if it receives the affirmative vote of the majority of shares present in person or represented by proxy and entitled to vote:

Proposal 2, the ratification of our independent registered public accountants; and
Proposal 4, the advisory vote on the compensation of our named executive officers.

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The following proposal will be approved if it receives the affirmative vote of a majority of the votes cast on the issue: Proposal 3, approval of the material terms providing for performance-based compensation under the 2004 Long-Term Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

With respect to Proposals 2 and 4, abstentions will not be counted as votes cast on these proposals and will have no effect on the outcome. With respect to Proposal 3, abstentions will be counted as votes cast and will have the effect of a vote against such proposal.

Please note that under current New York Stock Exchange ("NYSE") rules, brokers may no longer vote your shares on certain "non-routine" matters without your voting instructions. Accordingly, if you do not provide your broker or other nominee with instructions on how to vote your shares, it will be considered a "broker non-vote" and your broker or nominee will not be permitted to vote those shares on the election of directors (Proposal 1), the approval of the material terms providing for performance-based compensation (Proposal 3) or the advisory vote on executive compensation (Proposal 4). Your broker or nominee will be entitled to cast broker non-votes on the ratification of independent auditors (Proposal 2).

We encourage you to provide instructions to your broker regarding the voting of your shares.

Solicitation of Proxies

We pay the cost of printing and mailing the Notice of Annual Meeting, the Annual Report, and all proxy and voting materials and we have engaged D.F. King & Co., Inc. to assist in the distribution of proxy materials and solicitation of votes for a fee of \$10,500, plus reasonable expenses. Our directors, officers, and other employees may participate in the solicitation of proxies by personal interview, telephone, or e-mail. No additional compensation will be paid to our directors, officers, or other employees for solicitation. We will reimburse brokerage firms and others for their reasonable expenses in forwarding solicitation materials to beneficial owners of our common stock.

Other Matters

Multiple IHS stockholders who share an address may receive only one copy of this Proxy Statement and the Annual Report, unless the stockholder gives instructions to the contrary. We will deliver promptly a separate copy of this Proxy Statement and the Annual Report to any IHS stockholder who resides at a shared address and to which a single copy of the documents was delivered if the stockholder makes a request by contacting:

Corporate Secretary, IHS Inc., 15 Inverness Way East, Englewood, Colorado 80112
by telephone: (303) 790-0600

Multiple stockholders who share a single address and who receive multiple copies of the Proxy Statement and the Annual Report and who wish to receive a single copy of each at that address in the future will need to contact their bank, broker, or other nominee.

Important Reminder

Please promptly vote and submit your proxy in writing or by telephone, or if you hold your shares through a bank or broker, as instructed by your bank or broker.

To submit a written vote, you may sign, date, and return the enclosed Proxy Card in the postage-prepaid return envelope. To vote telephonically, follow the instructions provided on the Proxy Card.

Voting by proxy will not limit your rights to attend or vote at the Annual Meeting.

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Directors and Nominees

Pursuant to the authority granted to the Board by the Company's Amended and Restated Bylaws, the Board has determined that it be composed of nine directors, divided into three classes. Directors are elected for three-year terms and one class is elected at each Annual Meeting.

Three directors are to be elected at the 2016 Annual Meeting. These directors will hold office until the Annual Meeting in 2019, or until their respective successors have been elected and qualified. Each director nominee set forth below has consented to being named in this Proxy Statement as a nominee for election as director and has agreed to serve as a director if elected. In the event that any of the nominees should become unavailable prior to the Annual Meeting, proxies in the enclosed form will be voted for a substitute nominee or nominees designated by the Board, or the Board may reduce the number of directors to constitute the entire Board, in its discretion.

If an incumbent director nominee fails to receive a majority of the votes cast in an election that is not a contested election, such director is required to immediately tender his or her resignation and such resignation will be effective only if and when accepted by the Board, in the Board's discretion. If the Board accepts such a resignation, the remaining members of the Board may fill the resulting vacancy or decrease the size of the Board.

2016 NOMINEES FOR DIRECTOR

For more information about each director nominee, our continuing directors, and the operation of our Board, see "Business Experience and Qualification of Board Members" below.

Name	Age	Director Since	Position with Company
Roger Holtback	71	2003	Director
Jean-Paul Montupet	68	2012	Director
Deborah Doyle McWhinney	60	2015	Director

Vote Required and Recommendation

In an uncontested election, directors are elected by a majority of the votes cast in favor of their election. A majority of the votes cast means that the number of votes cast "for" a director's election exceeds the number of votes cast "against" that director's election, with abstentions and "broker non-votes" not counted as a vote cast either for or against that director. However, in the event of a contested election, our directors would be elected by a plurality vote, which means that the three nominees receiving the most affirmative votes would be elected.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR"
THE ELECTION OF THESE NOMINEES**

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Proposed Ratification

The Audit Committee of the Board (the “Audit Committee”), which is composed entirely of independent directors, has selected Ernst & Young LLP as the independent registered public accountants to audit our books, records, and accounts and those of our subsidiaries for the fiscal year 2016. The Board has endorsed this appointment. Ratification of the selection of Ernst & Young LLP by stockholders is not required by law. However, as a matter of good corporate practice, such selection is being submitted to the stockholders for ratification at the Annual Meeting. If the stockholders do not ratify the selection, the Board and the Audit Committee will reconsider whether or not to retain Ernst & Young LLP, but may, in their discretion, retain Ernst & Young LLP. Even if the selection is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such change would be in the best interests of IHS and its stockholders.

Ernst & Young LLP previously audited our consolidated financial statements during the 15 fiscal years ended November 30, 2015. Representatives of Ernst & Young LLP will be present at the Annual Meeting. They will have an opportunity to make a statement, if they desire to do so, and will be available to respond to appropriate stockholder questions.

Audit, Audit-Related, and Tax Fees

In connection with the audit of the 2015 financial statements, IHS entered into an engagement agreement with Ernst & Young LLP that set forth the terms by which Ernst & Young LLP performed audit services for IHS. Aggregate fees for professional services rendered for us by Ernst & Young LLP for the years ended November 30, 2015 and 2014 respectively, were as follows:

	2015	2014
	(in thousands)	
Audit Fees	\$ 2,670	\$ 2,601
Audit-Related Fees	708	269
Tax Fees	19	16
All Other Fees	—	—
Total	\$ 3,397	\$ 2,886

Audit Fees. Audit fees consist of fees billed for professional services rendered for the audit of our consolidated financial statements, the statutory audit of our subsidiaries, the review of our interim consolidated financial statements, and other services provided in connection with statutory and regulatory filings.

Audit-Related Fees. Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not reported under “Audit Fees.” These services may include employee benefit plan audits, auditing work on proposed transactions, attestation services that are not required by regulation or statute, and consultations regarding financial accounting or reporting standards. For 2015, audit-related fees included approximately \$529,000 for professional services rendered related to acquisitions and divestitures. For 2014, audit-related fees included approximately \$175,000 for professional services rendered related to a private placement of senior notes and a registered equity offering.

Tax Fees. Tax fees consist of tax compliance consultations, preparation of tax reports, and other tax services.

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Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has implemented pre-approval policies and procedures related to the provision of audit and non-audit services by Ernst & Young LLP. Under these procedures, the Audit Committee pre-approves both the type of services to be provided by Ernst & Young LLP and the estimated fees related to these services.

During the approval process, the Audit Committee considers the impact of the types of services and the related fees on the independence of the registered public accountants. The services and fees must be deemed compatible with the maintenance of such accountants' independence, including compliance with rules and regulations of the U.S. Securities and Exchange Commission (the "SEC" or the "Commission") and the NYSE. The Audit Committee does not delegate its responsibilities to pre-approve services performed by Ernst & Young LLP to management or to any individual member of the Audit Committee. Throughout the year, the Audit Committee will review any revisions to the estimates of audit and non-audit fees initially approved.

Vote Required and Recommendation

Ratification of the appointment of Ernst & Young LLP requires the affirmative vote of a majority of the shares present and voting at the Annual Meeting in person or by proxy. Unless marked to the contrary, proxies received will be voted "FOR" this Proposal 2 regarding the ratification of Ernst & Young LLP as our independent registered public accountants. In the event ratification is not obtained, the Audit Committee will review its future selection of our independent registered public accountants.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR"
THE RATIFICATION OF ERNST & YOUNG LLP AS OUR
INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

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Proposal 3: Approval of the Material Terms Providing for Performance-Based Compensation Under the Amended and Restated IHS Inc. 2004 Long-Term Incentive Plan

The Company is seeking stockholder approval of the material terms providing for performance-based compensation under the Amended and Restated IHS Inc. 2004 Long-Term Incentive Plan (the "Plan") for purposes of Section 162(m) ("Section 162(m)") of the Internal Revenue Code of 1986, as amended (the "Code"). Section 162(m) requires that stockholders approve, at least every five years, the material terms of any compensation plan that provides for payment of performance-based compensation in order to maximize the tax deductibility for that compensation for federal income tax purposes. Under Section 162(m), the material terms concerning performance-based compensation are (i) eligibility for awards, (ii) individual grant limits on awards, and (iii) the business criteria that can be used as performance goals for awards. Our Board has directed that such material terms of the Plan be submitted to stockholders in 2016 for approval. If the stockholders approve this proposal, it would allow us to maximize the tax deductibility of the performance-based compensation paid by the Company pursuant to the Plan for income tax purposes under Section 162(m).

At this time, we are not asking stockholders to approve additional shares for awards under the Plan or to approve any changes to the Plan.

History and Purpose of the Plan

The Plan was originally approved by our Board on November 22, 2004 and by stockholders on November 30, 2004 to allow for the issuance of up to 7,000,000 shares. On April 26, 2005, the Human Resources Committee of the Board (the "Human Resources Committee") amended and restated the Plan in its entirety. On April 24, 2008, our stockholders approved an amendment to the Plan increasing the number of shares available for issuance under the Plan by 4,250,000 shares. On March 23, 2011, our stockholders approved amendments to the plan to increase the number of shares available for issuance under the Plan by 3,500,000 shares and to extend the expiration date of the Plan from November 30, 2014 to November 30, 2018.

The purpose of this Plan is to provide a means whereby employees, directors and service providers of the Company develop a sense of proprietorship and personal involvement in the development and financial success of the Company, and to encourage them to devote their best efforts to the business of the Company, thereby advancing the interests of the Company and its stockholders. A further purpose of this Plan is to provide a means through which the Company may attract able individuals to become employees or serve as directors or service providers of the Company and to provide a means whereby those individuals upon whom the responsibilities of the successful administration and management of the Company are of importance, can acquire and maintain stock ownership, thereby strengthening their concern for the welfare of the Company.

Summary of Section 162(m)

Section 162(m) generally provides that no federal income tax business expense deduction is permitted for annual compensation in excess of \$1 million paid by a publicly-traded corporation to its chief executive officer and up to three other of its most highly compensated officers who are included in the summary compensation table in the Company's Proxy Statement, excluding the chief financial officer or principal financial officer (the "covered employees"), as determined in accordance with the applicable rules under the Securities Exchange Act of 1934 (the

“Exchange Act”).

Under the Code, however, there is no limitation on the deductibility of “qualified performance-based compensation.” Qualified performance-based compensation by the Company must be paid solely on account of the attainment of one or more objective performance goals established in writing by the Human Resources Committee. Goals that are substantially certain to be achieved may not be used. Performance goals may be based on one or more business criteria that apply to an individual, a business unit or the Company as a whole, but need not be based on

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an increase or positive result under the business criteria selected. These goals should also be based on an objective formula, such that a third party could calculate the award with knowledge of the relevant performance results.

Under Section 162(m), stockholders must approve the types of performance goals and the maximum amount that may be paid to cover executive officers or the formula used to calculate such amount. Payment of performance-based compensation pursuant to the Plan to a covered employee is contingent upon the attainment of one or more performance goals established in writing by the Human Resources Committee for a covered employee for each performance period. Performance goals will be based on one or more of the following business criteria: (i) net earnings or net income (before or after taxes); (ii) earnings per share; (iii) net sales or revenue growth; (iv) net operating profit; (v) return measures; (vi) cash flow; (vii) earnings before or after taxes, interest, depreciation and/or amortization, and/or lease payments or other rent obligations; (viii) gross or operating margins; (ix) productivity ratios; (x) share price (including growth measures and total stockholder return); (xi) expense targets; (xii) margins; (xiii) operating efficiency; (xiv) market share; (xv) customer satisfaction; (xvi) working capital targets; and (xvii) economic value added or EVA