MILLER INDUSTRIES INC /TN/
Form DEF 14A
April 20, 2016

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 þ

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
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(Name of Registrant as Specified In Its Charter)

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(3) Filing Party:

(4) Date Filed:

8503 Hilltop Drive

Ooltewah, Tennessee 37363

(423) 238-4171

NOTICE OF ANNUAL MEETING OF

SHAREHOLDERS

TO BE HELD MAY 27, 2016

The annual meeting of shareholders of Miller Industries, Inc. (the “Company”) will be held at 9:00 a.m. (Eastern Time), on Friday, May 27, 2016, at 879 College Drive, Dalton, Georgia 30720, for the following purposes:

1. to elect five directors to hold office for a term of one year or until their successors are duly elected and qualified;

2. to approve a non-binding resolution to approve the compensation of the Company’s named executive officers; and

3. to transact such other business as may properly come before the meeting or any adjournment thereof.

Only shareholders of record at the close of business on April 5, 2016 are entitled to notice of and to vote at the annual meeting. Your attention is directed to the proxy statement accompanying this notice for a complete statement regarding matters to be acted upon at the annual meeting.

By order of the Board of Directors,

/s/ Frank Madonia

Frank Madonia
Secretary

Ooltewah, Tennessee

April 20, 2016

We urge you to attend the annual meeting. Whether or not you plan to attend, please complete, date and sign the enclosed proxy card and return it in the enclosed postage-paid envelope, or submit your proxy by Internet or telephone as described on the enclosed proxy card. You may revoke your proxy at any time before it is voted.

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MILLER INDUSTRIES, INC.

8503 Hilltop Drive

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PROXY STATEMENT FOR

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 27, 2016

GENERAL

This proxy statement is being furnished in connection with the solicitation of proxies by the Board of Directors of Miller Industries, Inc. (the "Company" or "Miller Industries") for use at the Company's 2016 annual meeting of shareholders (the "Annual Meeting") to be held at 879 College Drive, Dalton, Georgia 30720, on Friday, May 27, 2016, at 9:00 a.m. (Eastern Time), and any adjournments or postponements thereof. It is anticipated that this proxy statement and the accompanying proxy card will first be mailed to shareholders on or about April 22, 2016.

Only holders of the Company's common stock, $0.01 par value per share (the "Common Stock"), at the close of business on April 5, 2016 are entitled to notice of and to vote at the Annual Meeting. On such date, the Company had issued and outstanding 11,345,560 shares of Common Stock. A list of all shareholders entitled to vote will be available for inspection at the Annual Meeting.

VOTING PROCEDURES

A majority of shares entitled to vote and represented in person or by proxy at the Annual Meeting will constitute a quorum. Abstentions and broker non-votes will be counted for the purpose of determining a quorum. Each outstanding share of Common Stock is entitled to one vote.

The election of a nominee to the Board of Directors requires a plurality of the votes cast by holders of shares of Common Stock present in person or represented by proxy at the Annual Meeting. Therefore, those nominees receiving the greatest number of votes at the Annual Meeting shall be elected, even though such nominees may not receive a majority of the votes cast. The proposal to approve the non-binding resolution to approve the compensation of the Company's named executive officers will be approved if the number of votes cast in favor of approving the non-binding resolution exceeds those cast against it.

Abstentions and broker non-votes will be included in determining whether a quorum is present at the Annual Meeting, but will otherwise have no effect on any other matter. A broker non-vote occurs when a proxy received from a broker or other nominee holding shares on behalf of a client does not contain voting instructions on a "non-routine" matter because the broker or nominee has not received specific voting instructions from the client with respect to such non-routine matter. The proposals in this proxy statement are non-routine matters and accordingly the brokerage firm cannot vote your shares on those proposals without your instructions.

If you hold shares of Common Stock in your own name as holder of record, you may give a proxy to be voted at the Annual Meeting in any of the following ways: (i) over the telephone by calling a toll-free number; (ii) electronically, using the Internet; or (iii) by completing, signing and mailing the enclosed printed proxy card. If you are a shareholder of record and would like to submit your proxy vote by telephone or Internet, you should refer to the specific instructions provided on the enclosed proxy card. If you are a shareholder of record and wish to submit your proxy by mail, you should sign and return the proxy card in accordance with the instructions thereon prior to the Annual Meeting. Additionally, a holder of record may vote in person by completing a ballot at the Annual Meeting. Even if you currently plan to attend the Annual Meeting, the Company recommends that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

If you hold shares of Common Stock through a broker or other nominee (i.e., in "street name"), the broker or nominee should provide instructions on how you may instruct the broker or other nominee to vote those shares on your behalf.

A shareholder of record who votes over the Internet or by telephone may revoke the proxy by: (i) attending the Annual Meeting, notifying the Secretary of the Company (or his delegate), and voting in person; or (ii) voting again over the Internet or by telephone by no later than 1:00 a.m. (Central time) on May 27, 2016. A shareholder of record who signs and returns a proxy may revoke such shareholder's proxy at any time before it has been exercised by: (i) attending the Annual Meeting, notifying the Secretary of the Company (or his delegate), and voting in person; (ii) filing with the Secretary of the Company a written revocation; or (iii) executing and delivering a timely and valid proxy bearing a later date. Unless revoked, where a choice is specified on the proxy, the shares represented thereby will be voted in accordance with such choice. If no choice is specified, such shares will be voted **FOR** the election of each of the five director nominees, and in the discretion of the proxy holders on any other matter that may properly come before the meeting. If you hold shares of Common Stock in street name you must follow the instructions given by your broker or nominee to change your voting instructions.

The Board of Directors has designated William G. Miller, William G. Miller, II and Frank Madonia, and each or any of them, to vote on its behalf the proxies being solicited hereby. The Board of Directors knows of no matters which are to be brought to a vote at the Annual Meeting other than those set forth in the accompanying Notice of Annual Meeting. However, if any other matter properly does come before the Annual Meeting, the persons appointed in the proxy, or their substitutes, will vote in accordance with their best judgment on such matters.

NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

The Company posted materials related to the Annual Meeting on the Internet. The following materials are available on the Internet at *www.shareholdermaterial.com/MillerIndustries*:

this proxy statement for the Annual Meeting; and

the Company's 2015 Annual Report to Shareholders (which includes the Company's Annual Report on Form 10-K for the year ended December 31, 2015, other than the exhibits thereto).

PROPOSAL 1

ELECTION OF DIRECTORS

Introduction

Pursuant to the Company's Charter and Bylaws, the Board of Directors has fixed the number of directors at five. The members of the Board of Directors comprise a single class, and at each annual meeting of shareholders all directors are elected. The directors elected at the Annual Meeting will serve until the annual meeting of shareholders in 2017, or until their successors are duly elected and qualified. The Board of Directors may fill directorships resulting from vacancies, and may increase or decrease the number of directors to as many as fifteen or as few as three. Executive officers are appointed annually and serve at the discretion of the Board of Directors.

Upon the recommendation of the Nominating Committee, the Board of Directors has nominated Theodore H. Ashford, III, A. Russell Chandler, III, William G. Miller, William G. Miller, II and Richard H. Roberts, all five of the current members of the Board of Directors, for re-election as directors at the Annual Meeting. "See "Corporate Governance – Director Nominations" below for a discussion of factors considered by the Nominating Committee in arriving at its recommendations. Each such nominee has consented to be named herein and to serve as a director, if elected.

Unless contrary instructions are received, shares of Common Stock represented by duly executed proxies will be voted in favor of the election of each of the five nominees named above to constitute the entire Board of Directors. The Board of Directors has no reason to expect that any nominee will be unable to serve and, therefore, at this time it does not have any substitute nominees under consideration.

Directors are elected by a plurality of the votes cast by holders of the shares of Common Stock entitled to vote at the Annual Meeting. Shareholders have no right to vote cumulatively for directors. Each shareholder shall have one vote for each director for each share of Common Stock held by such shareholder.

Information concerning the nominees for election, based on data furnished by them, is set forth below. The Board of Directors has determined that Messrs. Ashford, Chandler and Roberts are independent directors under the listing standards of the New York Stock Exchange ("NYSE").

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" THE ELECTION OF EACH OF THE FIVE DIRECTOR NOMINEES.

Information Regarding Director Nominees

Name of Director Nominee	Background Information
Theodore H. Ashford, III	Mr. Ashford, 52, has served as a director of the Company since April 2010. Mr. Ashford has served as Chief Executive Officer of Ashford Capital Management, Inc. ("ACM") since October 2011. He has also served as Chief Investment Officer since 2007 and President since 2001 for ACM. From 1994 to 2001, Mr. Ashford served as an investment analyst for Ashford Capital Management, Inc. Prior to 1994, Mr. Ashford worked for International Management Group. Mr. Ashford's management experience brings valuable operations and leadership expertise to the Board of Directors. Additionally, Mr. Ashford has experience analyzing companies for investment purposes, including extensive international travel evaluating companies and markets around the world. Such investment advisory experience and financial analysis skills bring beneficial financial experience and a broad global perspective to the Board of Directors.
A. Russell Chandler, III	Mr. Chandler, 71, has served as a director of the Company since April 1994. He is founder and Chairman of Whitehall Group Ltd., a private investment firm based in Atlanta, Georgia. In 2010, Mr. Chandler formed an investor group to acquire a controlling interest in an Israeli company, Precyse Technologies Inc., which was relocated to Atlanta, Georgia. Mr. Chandler served as Chairman of Precyse Technologies Inc. from 2010 until April 2015 and as its Chief Executive Officer from May 2013 until April 2015. Mr. Chandler served as Chairman of Datapath, Inc., a company that built mobile communications trailers for military application, from October 2004 until June 2006 and he served as the Mayor of the Olympic Village for the Atlanta Committee for the Olympic Games from 1990 through August 1996. From 1987 to 1993, he served as Chairman of United Plastic Films, Inc., a manufacturer and distributor of plastic bags. He founded Qualicare, Inc., a hospital management company, in 1972 and served as its President and Chief Executive Officer until its sale in 1983. Mr. Chandler has founded and successfully managed several companies. He also has extensive experience in analyzing businesses for the purpose of making investments. Mr. Chandler's more than forty years of experience as a Chairman and/or Chief Executive Officer at various companies, including, among others, a private investment firm which he founded, brings key leadership, financial and

operational experience to the Board of Directors.

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Name of Director Nominee	Background Information
William G. Miller	Mr. Miller, 69, has served as Chairman of the Board since founding the company in April 1994. Mr. Miller served as Co-Chief Executive Officer of the Company from October 2003 to March 2011, and Chief Executive Officer of the Company from April 1994 until June 1997. In June 1997, he was named Co-Chief Executive Officer, a title he shared with Jeffrey I. Badgley until November 1997. Mr. Miller also served as President of the Company from April 1994 to June 1996. He served as Chairman of Miller Group, Inc. from August 1990 through May 1994, as its President from August 1990 to March 1993, and as its Chief Executive Officer from March 1993 until May 1994. Prior to 1987, Mr. Miller served in various management positions for Bendix Corporation, Neptune International Corporation, Wheelabrator-Frye Inc. and The Signal Companies, Inc. As Chairman and founder of the Company and with over twenty-five years of experience with the Company, Mr. Miller has a deep knowledge and understanding of the Company, its operating companies and its line of business and brings that knowledge and understanding to the Board of Directors. Additionally, Mr. Miller's experience in leadership positions at various companies prior to founding the Company brings valuable leadership expertise to the Board of Directors.
William G. Miller, II	Mr. Miller II, 37, has served as a director of the Company since May 2014, our Co-Chief Executive Officer since December 2013 and President since March 2011, after serving as the Southeast Regional Vice President of Sales of Miller Industries Towing Equipment Inc. from November 2009 to February 2011. Prior to that time, Mr. Miller II served as Vice President of Strategic Planning of the Company from October 2007 until November 2009. He was instrumental in the development and construction of the Company's Light Duty wrecker facility and then served as the General Manager of the Light Duty Product Line and facility from 2004 to 2007, and led the project to manufacture Datapath satellite trailers for military applications from 2003 to 2005. Prior to that, he served as a district sales manager for Miller Industries Towing Equipment Inc. from 2002. As Co-Chief Executive Officer and President of the Company and with over thirteen years of experience in a variety of positions with the Company, Mr. Miller II will be able to contribute valuable insight into Company strategy and special projects and provide essential guidance to the Board of Directors from an inside perspective of the day-to-day operations of the Company.

Name of Director Nominee	Background Information
Richard H. Roberts	Mr. Roberts, 61, has served as a director of the Company since April 1994. Mr. Roberts was appointed as the Commissioner of the Department of Revenue of the State of Tennessee in January 2011, a position he currently holds. From August 2007 until February 2008, Mr. Roberts served as the Chief Financial Officer of Friends of Fred Thompson, Inc. Mr. Roberts served as Senior Vice President and Secretary of Landair Transport, Inc. from July 1994 to April 2003, and from July 1994 until April 2003, Mr. Roberts served as Senior Vice President, General Counsel and Secretary of Forward Air Corporation. From May 1995 until May 2002, Mr. Roberts served as a director of Forward Air Corporation. Mr. Roberts also was a director of Landair Corporation from September 1998 until February 2003. Mr. Roberts was a partner in the law firm of Baker, Worthington, Crossley & Stansberry from January 1991 to August 1994, and prior thereto was an associate of the firm. Mr. Roberts' experience as a corporate attorney and an executive officer and general counsel of two public companies brings extensive legal, operational and public company finance experience to the Board of Directors. Through his position as Commissioner of the Department of Revenue of the State of Tennessee, Mr. Roberts brings leadership experience and a thorough and insightful perspective to a wide range of financial, regulatory and risk management issues. Additionally Mr. Roberts' experience on the Board of Directors of companies in other industries further demonstrates his leadership capability and broad knowledge of financial and operational issues that companies face.

CORPORATE GOVERNANCE

Director Nominations

The Nominating Committee considers qualifications and characteristics that it, from time to time, deems appropriate when it selects individuals to be nominated for election to the Board of Directors. These qualifications and characteristics may include, without limitation, independence, integrity, business experience, education, accounting and financial expertise, age, diversity (including diversity of skills, background and experience), reputation, civic and community relationships and industry knowledge and experience. In addition, prior to nominating an existing director for re-election to the Board of Directors, the Nominating Committee will consider and review the existing director's Board and committee attendance, performance and length of Board service. The composition of the current Board of Directors reflects diversity in business and professional experience and skills.

Independence, Board Meetings and Related Information

Independence

The Board of Directors has determined that a majority of the members of the Board of Directors are “independent,” as “independent” is defined under applicable federal securities laws and the listing standards of the NYSE. The independent directors are Messrs. Ashford, Chandler and Roberts.

Meetings

The Board of Directors held five meetings during 2015. All directors attended all of the meetings of the Board of Directors and the respective committees of which they are members. The non-management directors meet in executive session as a part of the meetings of the Audit Committee. The presiding director at those sessions is selected by the non-management directors on a meeting-by-meeting basis. The Company does not require its directors to attend its annual meeting of shareholders. In 2015, four of the Company's directors participated in the annual meeting by telephone and one director attended in person.

Communication with Directors

Interested parties may communicate with any non-management director by mailing a communication to the attention of that director at 8503 Hilltop Drive, Ooltewah, Tennessee 37363.

Committees of the Board of Directors

The Board of Directors has standing Audit, Compensation and Nominating Committees. Generally, members of these committees are elected annually by the Board of Directors, but changes to the committees may be made at the Board of Directors' discretion at any time. These committees operate pursuant to separate written charters adopted by the Board of Directors. These charters, along with the Company's Corporate Governance Guidelines, are available on the Company's website at *www.millerind.com* through the "Investor Relations" link. In addition, copies of these charters and guidelines can be obtained upon request from the Company's Corporate Secretary.

Audit Committee

The Audit Committee is comprised of Messrs. Ashford, Chandler and Roberts, with Mr. Roberts serving as Chairman. The Board of Directors has determined that each of the members of the audit committee is "financially literate" within the meaning of the listing standards of the NYSE, and qualifies as an "audit committee financial expert" as defined by applicable Securities and Exchange Commission ("SEC") rules.

The Audit Committee, among other things, recommends the appointment of the Company's independent public accountants, reviews the scope of audits proposed by the Company's independent public accountants, reviews audit reports on various aspects of corporate operations, and periodically consults with the Company's independent public accountants on matters relating to internal financial controls and procedures. The Audit Committee held six meetings during 2015. The report of the Audit Committee is included in this proxy statement beginning on page 22.

Compensation Committee

The Compensation Committee is comprised of Messrs. Ashford, Chandler and Roberts, with Mr. Chandler serving as Chairman. The Compensation Committee establishes, among other things, salaries, bonuses and other compensation for the Company's officers, and administers the Company's stock option and other employee benefit plans. The Compensation Committee held one meeting during 2015. The report of the Compensation Committee is included in this proxy statement beginning on page 13.

Nominating Committee

The Nominating Committee is comprised of Messrs. Ashford, Chandler and Roberts, with Mr. Ashford serving as Chairman. The Nominating Committee was established to evaluate candidates for service as directors of the Company and to conduct the Board's annual self-assessment process. The Nominating Committee will consider candidates recommended by shareholders. Shareholder recommendations must comply with the procedures for director nominations set forth in Article I, Section 1.2, of the Company's Bylaws and applicable law. The Nominating Committee held one meeting during 2015.

Board Leadership Structure

The Board of Directors is responsible for overseeing and directing the management of the Company. Previously, our Board of Directors had chosen to have Co-Chief Executive Officers one of whom also served as Chairman of the Board. In March 2011, the Board of Directors chose to separate the positions of Chairman of the Board and Chief Executive Officer. Effective March 2011, Mr. William G. Miller began serving as the executive Chairman of the Board and Mr. Jeffrey I. Badgley began serving as the sole Chief Executive Officer of the Company and Vice Chairman of the Board. In December 2013, the Board of Directors chose to appoint a Co-Chief Executive Officer of the Company. Effective December 2013, Mr. Jeffrey I. Badgley and Mr. William G. Miller, II began serving as Co-Chief Executive Officers of the Company. Each of the standing committees of the Board of Directors, the Audit, Compensation and Nominating Committees, is chaired by an independent director and is comprised entirely of independent directors.

The Board of Directors believes that separating the positions of Chairman of the Board and the Co-Chief Executive Officers allows our Co-Chief Executive Officers to focus on our day-to-day business, while allowing the Chairman of the Board to lead our Board of Directors in its fundamental role of providing advice to and oversight of management. Our Board of Directors recognizes the time, effort and energy that the Co-Chief Executive Officers are required to devote to their respective positions in the current business environment, as well as the commitment required to serve as our Chairman, particularly as our Board of Director’s oversight responsibilities continue to grow. Although we do not have a policy mandating the separation of the roles of Chairman and the Co-Chief Executive Officers, our Board of Directors believes that having separate positions is the appropriate leadership structure for the Company at this time.

Additionally, the Board has not appointed a lead independent director. Currently, the Board consists of five directors, three of whom are independent. Due to the small size of the Board and the fact that all independent directors serve on all committees of the Board, all of the independent directors are able to closely monitor the activities of the Company and meet regularly in executive sessions without management to discuss the development and strategy of the Company. These executive sessions allow the independent directors to review key decisions and discuss matters in a manner that is independent of our Chairman and our Co-Chief Executive Officers. Therefore, the Board has determined that a lead independent director is not necessary at this time. As the composition of the Board changes and/or grows in the future, the Board of Directors intends to reevaluate the need for a lead independent director.

Risk Management

Management is responsible for the day-to-day management of risks the Company faces, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management. The Board believes that full and open communication between management and the Board of Directors is essential for effective risk management and oversight. The Board receives regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory, strategic, competitive and reputational risks. Additionally, senior management is available to address any questions or concerns raised by the Board on risk management-related and any other matters.

While the Board is ultimately responsible for risk oversight at the Company, our three Board committees assist the Board in fulfilling its oversight responsibilities in certain areas of risk. The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls and compliance with legal and regulatory requirements, and, in accordance with the NYSE rules, discusses policies with respect to risk assessment and risk management. The Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs. The Nominating Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with board organization, membership and structure, succession planning for our directors and executive officers, and corporate governance.

Related Transactions and Business Relationships

Policy on Related Party Transactions

The Company recognizes that transactions between the Company or its subsidiaries and any of its directors or executive officers can present potential or actual conflicts of interest. Accordingly, as a general matter it is the Company’s preference to avoid such transactions. Nevertheless, the Company recognizes that there are circumstances where such transactions may be in, or not inconsistent with, the best interests of the Company. Therefore, the Company has adopted a formal policy that requires the Company’s Audit Committee to review and, if appropriate, approve or ratify any such transactions. Pursuant to the policy, the Committee will review any transaction in which the Company is or will be a participant and the amount involved exceeds $120,000, and in which any of the Company’s directors, executive officers or 5% shareholders had, has or will have a direct or indirect material interest. After its review, the Committee will only approve or ratify those transactions that are in, or are not inconsistent with, the best interests of the Company and its shareholders.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of April 5, 2016, certain information with respect to the Common Stock beneficially owned by (i) each director or nominee for director, (ii) the executive officers named in the Summary Compensation Table, (iii) all executive officers and directors of the Company as a group, and (iv) all shareholders known to be beneficial owners (as that term is defined under SEC rules) of more than 5% of the Common Stock. Except as otherwise indicated, the shareholders listed in the table have sole voting and investment powers with respect to the Common Stock owned by them.

Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership** [1]		**Percent of Class** [2]	
Directors and Executive Officers				
Theodore H. Ashford, III	11,139		*	
A. Russell Chandler, III	84,916	(3)	*	
Richard H. Roberts	29,468		*	
William G. Miller	295,666		2.61	%
Jeffrey I. Badgley	21,428		*	
William G. Miller, II	24,500	(4)	*	
Frank Madonia	1		*	
J. Vincent Mish	14,000		*	
Deborah Whitmire	-		-	
All Directors and Executive Officers as a Group (9 persons)	481,118	(4)	4.24	%
Beneficial Owners of More than 5% of the Common Stock				
Royce & Associates, LLC 745 Fifth Avenue New York, NY 10151	1,587,373	(5)	13.99	%
Hotchkis and Wiley Capital Management, LLC 725 S. Figueroa Street, 39th Floor Los Angeles, CA 90017	1,579,929	(6)	13.93	%
Dimensional Fund Advisors LP Building One 6300 Bee Cave Road Austin, TX 78746	962,410	(7)	8.48	%
BlackRock Inc. 55 East 52nd Street New York, NY 10022	729,058	(8)	6.43	%

* Less than one percent.

(1)

Includes shares of Common Stock of which the named person or entity has the right to acquire beneficial ownership within 60 days of April 5, 2016 through the exercise of any stock option or other right.

(2) The percentage of beneficial ownership is based on 11,345,560 shares of Common Stock outstanding on April 5, 2016, and represents the percentage that the named person or entity would beneficially own if such person or entity, and only such person or entity, exercised all options and rights to acquire shares of Common Stock that are held by such person or entity and that are exercisable within 60 days of April 5, 2016.

(3) Includes 15,847 held by a limited partnership of which Mr. Chandler's children are limited partners. Mr. Chandler disclaims beneficial ownership with respect to these shares.

(4) Includes 20,000 shares issuable pursuant to presently exercisable stock options.

(5) As reported in an amendment to Schedule 13G filed with the SEC on January 19, 2016 by Royce & Associates, LLC.

(6) As reported in an amendment to Schedule 13G filed with the SEC on February 12, 2016 by Hotchkiss & Wiley Capital Management, LLC, a registered investment adviser.

(7) As reported in an amendment to Schedule 13G filed with the SEC on February 9, 2016 by Dimensional Fund Advisors LP, a registered investment adviser.

(8) As reported in an amendment to Schedule 13G filed with the SEC on January 26, 2016 by BlackRock Inc.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation Discussion and Analysis

In 2015, the Company held a shareholder advisory vote on the compensation of its named executive officers, commonly referred to as a say-on-pay vote. The Company's shareholders overwhelmingly approved the compensation of the named executive officers with 94.69% of shareholder votes cast in favor of the say-on-pay resolution. As the Compensation Committee evaluated its compensation policies and overall objectives for 2015, it took into consideration this strong support of the shareholders. As a result, the Compensation Committee decided to retain the general approach and structure of the Company's executive compensation program, with an emphasis on the objectives described below. In the future, the Compensation Committee intends to continue to take the results of the annual say-on-pay vote into account.

Overview

This discussion and analysis addresses the material elements of the Company's compensation program for named executive officers, including the Company's compensation objectives and overall compensation philosophy, the compensation process and the administration of the compensation program. It is intended to complement and enhance an understanding of the compensation information presented in the "Summary Compensation Table" and other accompanying tables in this proxy statement.

As used in this proxy statement, the term "named executive officers" means, the Company's Chairman; President and Co-Chief Executive Officers; Executive Vice President, Chief Financial Officer and Treasurer; Vice President and Corporate Controller; and Executive Vice President, Secretary and General Counsel as of December 31, 2015. In this "Compensation Discussion and Analysis" section, the terms "we," "our," "us" and the "Committee" refer to the Compensation Committee of the Company's Board of Directors.

Compensation Objectives and Overall Compensation Philosophy

The Company's executive compensation program is designed to enhance Company profitability, and thus shareholder value, by aligning executive compensation with the Company's expectations and performance, and by establishing a system that can retain and reward executive officers who contribute to the long-term success of the Company. More specifically, the overall goals of the executive compensation program include:

offering competitive total compensation opportunities to retain talented executives;

providing strong links between Company performance and total compensation earned – i.e., paying for performance; and

emphasizing the long-term performance of the Company, thus enhancing shareholder value.

We believe that it is in the best interests of the Company's shareholders and its named executive officers that the Company's executive compensation program, and each of its elements, remains simple and straightforward. This approach should reduce the time and cost involved in setting the Company's executive compensation policies and calculating the payments under such policies, and should enhance the transparency of, and the ability to comprehend, these policies.

The Board of Directors has reviewed our compensation policies and practices as generally applicable to our employees and determined that they do not encourage excessive risk or unnecessary risk taking and do not otherwise create risks that are reasonably likely to have a material adverse effect on the Company.

Administration

The Committee has overall responsibility with respect to approving and monitoring the Company's executive compensation program, and operates under a written Charter, which was amended and restated by the Company's Board of Directors in March 2014. None of the members of the Committee has been an officer or employee of the Company, and the Board of Directors has considered and determined that all of the members are "independent," as that term is defined under NYSE and SEC rules, and otherwise meet the criteria set forth in the Committee's Charter.

In fulfilling its responsibilities, the Committee, among other things, establishes and approves the compensation level of each of the named executive officers, reviews and approves corporate goals and objectives relevant to the compensation of the named executive officers, evaluates the performance of the named executive officers in light of these goals and objectives, determines and approves compensation based on these objectives and its evaluations, establishes criteria for granting stock options to the named executive officers and the Company's other employees, considering the recommendations of senior management, and approves such stock option grants.

We regularly review and discuss the compensation of the named executive officers with William G. Miller, the Company's Chairman, Jeffrey I. Badgley, the Company's Co-Chief Executive Officer, and William G. Miller, II, the Company's President and Co-Chief Executive Officer, and consult with Messrs. Miller, Badgley and Miller II in evaluating the performance of the named executive officers. In addition, Mr. Miller may make recommendations to us regarding compensation for all of the named executive officers, other than for himself and Mr. Miller II, and each of Mr. Badgley and Mr. Miller II may make recommendations to us regarding compensation for all of the named executive officers, other than for Mr. Miller, Mr. Badgley or Mr. Miller II.

As discussed in greater detail below, the levels of each element of compensation for the named executive officers are determined based on several factors, which may include the Company's historical performance and relative shareholder return, our informal assessment of compensation paid to executives in comparable industries, the amount and the elements of compensation provided in previous years, the terms of each named executive officer's employment agreement with the Company, our expectations for the Company's future financial performance and other matters that we deem relevant. In setting the compensation for our Co-Chief Executive Officers, we also reviewed and considered 2011 compensation information for chief executive officers of public companies in (i) the industrial, machinery and metal products sector as defined by Standard & Poor's with annual sales between $200 million and $600 million, and (ii) the transportation sector as defined by Salary.com with annual sales between $200 million and $1.5 billion. In addition, we consider the level of experience and the responsibilities of each named executive officer, his performance and the personal contributions he makes to the success of the Company. Leadership skills, analytical skills, organization development, public affairs and civic involvement have been and will continue to be deemed to be important qualitative factors to take into account in considering elements and levels of compensation. We have not adopted any formal or informal policy for allocating compensation between long-term and short-term elements, between cash and non-cash or among the different possible forms of non-cash compensation.

In 2015, the Company's executive compensation program consisted primarily of base salary and annual cash performance bonuses. While the Company has not granted any stock option awards since 2008 and currently has no plans to grant any stock option awards, stock options were at one time elements of the Company's executive compensation program and may again become part of the Company's executive compensation program in the future. In addition to base salary and cash bonuses, the Company has provided, and will continue to provide, its named executive officers with certain benefits, such as healthcare plans, that are available to all employees.

Elements of Compensation

Base Salary. We determine the base salary for each of the named executive officers annually based on, among other things, the executive's experience and the scope of the executive's responsibilities, the executive's performance and the performance of the Company, our expectations for the Company's future financial performance and our informal assessment of salaries paid to executives in comparable industries. The minimum levels of some of these base salaries are mandated by employment agreements with certain of the named executive officers (which are described in more detail below under the heading "Additional Discussion of Material Items in Summary Compensation Table Employment Agreements with Named Executive Officers"). We believe that base salaries are an important part of the Company's executive compensation program because they provide the named executive officers with a steady income stream that is not contingent upon the Company's overall performance.

Under William G. Miller's employment agreement with the Company, Mr. Miller is entitled to receive a base salary that is substantially the same as the Company's Chief Executive Officer; however, from 1999 through 2006 he declined increases to which he was entitled under his agreement. Effective July 2007, the Compensation Committee increased Mr. Miller's salary to match the salary of Mr. Badgley in accordance with his employment agreement. For 2010, Mr. Miller's base salary was adjusted accordingly to match Mr. Badgley's 2010 base salary; however, Mr. Miller has in each year since 2010 declined to increase his salary to that of Mr. Badgley.