

MUELLER INDUSTRIES INC  
Form DEF 14A  
March 21, 2012

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

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:

- |                                     |   |                          |                                       |
|-------------------------------------|---|--------------------------|---------------------------------------|
| <input type="checkbox"/>            | Preliminary Proxy Statement   | <input type="checkbox"/> | Soliciting Material Under Rule 14a-12 |
| <input type="checkbox"/>            | Confidential, For Use of the<br>Commission Only (as permitted<br>by Rule 14a-6(e)(2)) |                          |                                       |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement  |                          |                                       |
| <input type="checkbox"/>            | Definitive Additional Materials   |                          |                                       |

Mueller Industries, Inc.  
(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):

- |                                     |   |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | No fee required.  |
| <input type="checkbox"/>            | Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.  |
|                                     | 1) Title of each class of securities to which transaction applies:  |
|                                     | 2) Aggregate number of securities to which transaction applies:   |
|                                     | 3) Per unit price or other underlying value of transaction computed pursuant to<br>Exchange Act Rule 0-11 (set forth the amount on which the filing fee is<br>calculated and state how it was determined):  |
|                                     | 4) Proposed maximum aggregate value of transaction:   |
|                                     | 5) Total fee paid:  |
| <input type="checkbox"/>            | Fee paid previously with preliminary materials:   |
| <input type="checkbox"/>            | 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<br>the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or<br>schedule and the date of its filing. |
|                                     | 1) Amount previously paid:  |
|                                     | 2) Form, Schedule or Registration Statement No.:  |

- 3) Filing Party:
  - 4) Date Filed:
-

**MUELLER INDUSTRIES, INC.**  
**8285 Tournament Drive, Suite 150**  
**Memphis, Tennessee 38125**  
**Telephone (901) 753-3200**

---

**Notice of Annual Meeting of  
Stockholders to be Held  
May 3, 2012**

---

To the Stockholders of  
Mueller Industries, Inc.

The Annual Meeting of Stockholders of Mueller Industries, Inc. (the Company or Mueller ), will be held at the Company s headquarters at 8285 Tournament Drive, Suite 150, Memphis, Tennessee 38125 on Thursday, May 3, 2012, at 10:00 A.M. local time, for the following purposes:

1. To elect nine directors, each to serve until the next annual meeting of stockholders (tentatively scheduled for May 2, 2013) or until his successor is elected and qualified;
2. To consider and act upon a proposal to approve the appointment of Ernst & Young LLP, independent registered public accountants, as auditors of the Company for the fiscal year ending December 29, 2012;
3. To conduct an advisory vote on the compensation of the Company s named executive officers; and
4. To consider and transact such other business as may properly be brought before the Annual Meeting and any adjournment(s) thereof.

Only stockholders of record at the close of business on March 8, 2012, will be entitled to notice of and vote at the Annual Meeting or any adjournment(s) thereof. A complete list of stockholders entitled to vote at the Annual Meeting will be prepared and maintained at the Company s corporate headquarters at 8285 Tournament Drive, Suite 150, Memphis, Tennessee 38125. This list will be available for inspection by stockholders of record during normal business hours for a period of at least 10 days prior to the Annual Meeting.

**IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE ANNUAL MEETING REGARDLESS OF THE SIZE OF YOUR HOLDINGS. WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE MEETING IN PERSON, WE URGE YOU TO MARK, DATE AND SIGN THE ENCLOSED PROXY CARD AND RETURN IT IN THE ENCLOSED SELF-ADDRESSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.**

Gary C. Wilkerson  
*Corporate Secretary*

March 21, 2012

---

## TABLE OF CONTENTS

SOLICITATION OF PROXIES	1
VOTING SECURITIES	2
PRINCIPAL STOCKHOLDERS	3
ELECTION OF DIRECTORS	5
OWNERSHIP OF COMMON STOCK BY DIRECTORS AND EXECUTIVE OFFICERS AND INFORMATION ABOUT DIRECTOR NOMINEES	5
Meetings and Committees of the Board of Directors	11
CORPORATE GOVERNANCE	14
Director Independence	14
Independent Directors	16
Audit Committee	16
Compensation Committee	17
Nominating and Corporate Governance Committee	17
Compensation Committee Interlocks and Insider Participation	20
Corporate Governance Guidelines	20
Code of Business Conduct and Ethics	20
Policies and Procedures for Approval of Related Party Transactions	21
Directors Attendance at Annual Meetings of Stockholders	21
Communication With the Board of Directors	22
COMPENSATION DISCUSSION AND ANALYSIS	22
SUMMARY COMPENSATION TABLE FOR 2011	33
2011 GRANTS OF PLAN BASED AWARDS TABLE	34
OUTSTANDING EQUITY AWARDS AT FISCAL 2011 YEAR-END	39
2011 OPTION EXERCISES AND STOCK VESTED	41
NONQUALIFIED DEFERRED COMPENSATION	41
POTENTIAL PAYMENTS UPON TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL AS OF THE END OF 2011	41
2011 DIRECTOR COMPENSATION	43
REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS	45
REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS ON EXECUTIVE COMPENSATION	46
EQUITY COMPENSATION PLAN INFORMATION	47
APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	47
APPROVAL OF THE COMPENSATION OF THE COMPANY S NAMED EXECUTIVE OFFICERS	49
STOCKHOLDER NOMINATIONS FOR BOARD MEMBERSHIP AND OTHER PROPOSALS FOR 2013 ANNUAL MEETING	50
OTHER MATTERS TO COME BEFORE THE ANNUAL MEETING	51
SECTION 16(a) BENEFICIAL OWNERSHIP COMPLIANCE REPORTING	51
OTHER INFORMATION	51
NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS	52
HOUSEHOLDING OF ANNUAL MEETING MATERIALS	52

---

**MUELLER INDUSTRIES, INC.**  
**8285 Tournament Drive, Suite 150**  
**Memphis, Tennessee 38125**  
**Telephone (901) 753-3200**

---

**PROXY STATEMENT**

**Annual Meeting of Stockholders**  
**May 3, 2012**

---

**SOLICITATION OF PROXIES**

The accompanying proxy is solicited by the Board of Directors of Mueller Industries, Inc., a Delaware corporation (the Company), for use at the annual meeting of stockholders (the Annual Meeting) to be held at the Company's headquarters at 8285 Tournament Drive, Suite 150, Memphis, Tennessee 38125, on Thursday, May 3, 2012, at 10:00 A.M. local time, or at any adjournment(s) thereof.

This Proxy Statement, together with the Company's Annual Report for the fiscal year ended December 31, 2011, is first being mailed to stockholders on or about March 21, 2012. Pursuant to rules adopted by the Securities and Exchange Commission, the Company is providing access to its proxy materials over the Internet at <http://www.proxyvote.com>.

When a proxy card is returned properly signed, the shares represented thereby will be voted in accordance with the stockholder's directions appearing on the card. If the proxy card is signed and returned without directions, the shares will be voted for the nominees named herein and in accordance with the recommendations of the Company's Board of Directors as set forth herein. The discretion granted in the accompanying proxy card includes the authority to vote on all additional matters properly coming before the Annual Meeting as the persons named in the proxy deem appropriate. A stockholder giving a proxy may revoke it at any time before it is voted at the Annual Meeting by giving written notice to the secretary of the Annual Meeting or by casting a ballot at the Annual Meeting. Votes cast by proxy or in person at the Annual Meeting will be tabulated by election inspectors appointed for the Annual Meeting. The election inspectors will also determine whether a quorum is present. The holders of a majority of the shares of common stock, \$.01 par value

per share ( Common Stock ), outstanding and entitled to vote who are present either in person or represented by proxy will constitute a quorum for the Annual Meeting. The election inspectors will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum and for purposes of determining the approval of any matter submitted. If a broker indicates on a proxy that it does not have discretionary authority as to certain shares to vote on a particular matter (i.e., a broker non-vote ), those shares will not be considered as present and entitled to vote with respect to that matter, but will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum. A broker is entitled to vote shares held for a beneficial owner on routine matters, such as the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm, without instructions from the beneficial owner of those shares; on the other hand, a broker may not be entitled to vote shares held for a beneficial owner on certain non-routine items, such as the election of directors and the advisory vote on the compensation of the Company's named executive officers.

The cost of soliciting proxies will be borne by the Company. In addition to solicitation by mail, directors, officers and employees of the Company may solicit proxies by telephone or otherwise. The Company will reimburse brokers or other persons holding stock in their names or in the names of their nominees for their charges and expenses in forwarding proxies and proxy material to the beneficial owners of such stock.

#### **VOTING SECURITIES**

The Company had 38,247,828 shares of Common Stock outstanding at the close of business on March 8, 2012, which are the only securities of the Company entitled to be voted at the Annual Meeting. The record holder of each share of Common Stock is entitled to one vote on each matter that may properly be brought before the Annual Meeting. Only stockholders of record at the close of business on March 8, 2012 will be entitled to notice of, and to vote at, the Annual Meeting. The Company's Restated Certificate of Incorporation and Amended and Restated By-laws ( Bylaws ) do not provide for cumulative voting for the election of directors.

**PRINCIPAL STOCKHOLDERS**

As of March 8, 2012, the following parties were known by the Company to be the beneficial owner of more than five percent of the Common Stock:

Name and Address of Beneficial Owner	Shares Beneficially	
	Owned	Percent of Class
Leucadia National Corporation 315 Park Avenue South New York, NY 10010	10,422,859(1)	27.30%(2)
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	2,842,704(3)	7.44%(2)
Franklin Resources, Inc. One Franklin Parkway San Mateo, CA 94403-1906	2,036,400(4)	5.30%(2)
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	1,960,366(5)	5.12%(2)

- (1) This information is based on a Schedule 13D/A filing filed by Leucadia National Corporation ( Leucadia ), Phlcorp Holding LLC ( Phlcorp ), Baldwin Enterprises, Inc. ( Baldwin ), BEI Arch Holdings, LLC ( BEI Arch ), and BEI-Longhorn, LLC ( BEI Longhorn ) with the Securities and Exchange Commission on September 6, 2011, and the Form 4s filed by the same parties on September 8, 2011. According to the Schedule 13G/A, all shares of the Company's Common Stock shown above are held by BEI Longhorn. By virtue of its ownership of all of the outstanding membership interests in BEI Longhorn, BEI Arch may be deemed to be the beneficial owner of all of the shares of the Company's Common Stock owned by BEI Longhorn shown in the table above. By virtue of its ownership of all of the outstanding membership interests in BEI Arch, Baldwin may be deemed to be the beneficial owner of all of the shares of the Company's Common Stock owned by BEI Longhorn shown in the table above. By virtue of its ownership of all of the outstanding shares of Baldwin, Phlcorp may be deemed to be the beneficial owner of all of the shares of the Company's Common Stock owned by BEI Longhorn shown in the table above. By virtue of its ownership of all of the outstanding membership interests in Phlcorp, Leucadia may be deemed to be the beneficial owner of all of the shares of the Company's Common Stock owned by BEI Longhorn shown in the table above. By virtue of their ownership of Leucadia common shares and their positions as Chairman of the Board, and President and a director, respectively, of Leucadia, for purposes of this Messrs. Cumming and Steinberg may be deemed to be the beneficial owners of all of the shares of Company's Common Stock owned by BEI Longhorn shown in the table above.

## Edgar Filing: MUELLER INDUSTRIES INC - Form DEF 14A

- (2) The percent of class shown was based on the shares of Common Stock reported on the Schedule 13G/A and the total number of shares outstanding as of December 31, 2011. The difference in the total number of shares outstanding on December 31, 2011 and March 8, 2012 does not materially affect the percentage of ownership of the class.
- (3) This information is based on a Schedule 13G/A filed by BlackRock, Inc. with the Securities and Exchange Commission on February 10, 2012. BlackRock Inc. filed this Schedule 13G/A on its own behalf and on behalf of its subsidiaries, BlackRock Japan Co. Ltd; BlackRock Institutional Trust Company, N.A; BlackRock Fund Advisors; BlackRock Asset Management Canada Limited; BlackRock Asset Management Australia Limited; BlackRock Advisors, LLC; BlackRock Investment Management, LLC; BlackRock Asset Management Ireland Limited; and BlackRock International Limited.
- (4) This information is based on a Schedule 13G/A filed by Franklin Resources, Inc. ( FRI ) with the Securities and Exchange Commission on February 8, 2012. In the Schedule 13G/A, FRI reported that, with respect to the Company's Common Stock, the shares shown in the table above were beneficially owned by one or more open or closed-end investment companies or other managed accounts that are investment management clients of investment managers that are direct and indirect subsidiaries of FRI. The Schedule 13G/A reported that the investment management subsidiaries of FRI have investment and/or voting power over the securities owned by their investment management clients. Accordingly, such subsidiaries may be deemed to be the beneficial owner of the shares shown in the table. The Schedule 13G/A reported that Charles B. Johnson and Rupert H. Johnson, Jr. (the FRI Principal Stockholders ) (each of whom has the same business address as FRI) each own in excess of 10% of the outstanding common stock of FRI and are the principal stockholders of FRI and may be deemed to be the beneficial owners of securities held by persons and entities for whom or for which the investment management subsidiaries of FRI provide investment management services. The Schedule 13G/A reported that one of the investment management subsidiaries, Franklin Advisory Services, LLC (whose address is One Parker Plaza, 9th Floor, Fort Lee, New Jersey 07024), has sole voting and dispositive power with respect to 1,961,100 and 2,026,400, respectively, of the shares shown. FRI, the FRI Principal Stockholders and the investment management subsidiaries of FRI disclaim any pecuniary interest or beneficial ownership in the shares shown in the table above and indicate that they are of the view that they are not acting as a group for purposes of the Securities Exchange Act of 1934, as amended (the Exchange Act ).
- (5) This information is based on a Schedule 13G filed by The Vanguard Group, Inc. with the Securities and Exchange Commission on February 7, 2012. According to the Schedule 13G, The Vanguard Group, Inc. has sole voting and dispositive power with respect to 57,502 and 1,902,864, respectively, of the shares shown. In addition, the Schedule 13G reported that Vanguard Fiduciary Trust Company ( VFTC ), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 57,502 shares of the shares shown as a result of its serving as investment manager of collective trust accounts. VFTC directs the voting of these shares.



## ELECTION OF DIRECTORS

The size of the Company's Board of Directors is currently nine directors. The Board of Directors proposes to elect the following nine persons, each as nominated by the Board of Directors, at the Annual Meeting to serve (subject to the Company's Bylaws) as directors of the Company until the next Annual Meeting (tentatively scheduled for May 2, 2013), or until the election and qualification of their successors: Ian M. Cumming, Alexander P. Federbush, Paul J. Flaherty, Gennaro J. Fulvio, Gary S. Gladstein, Scott J. Goldman, Terry Hermanson, Joseph S. Steinberg and Gregory L. Christopher (collectively, the Nominees). If any such person should be unwilling or unable to serve as a director of the Company, which is not anticipated, the persons named in the proxy will vote the proxy for substitute nominees selected by them unless the number of directors has been reduced to the number of nominees willing and able to serve.

Directors are elected by a plurality of the votes cast. Plurality means that the individuals who receive the greatest number of votes cast For are elected as directors up to the maximum number of directors to be chosen at the Annual Meeting. Consequently, any shares not voted For a particular director (whether as a result of a direction to withhold or a broker non-vote) will not be counted in such director's favor.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE THEIR SHARES FOR EACH OF THE NOMINEES.**

## OWNERSHIP OF COMMON STOCK BY DIRECTORS AND EXECUTIVE OFFICERS AND INFORMATION ABOUT DIRECTOR NOMINEES

The following table sets forth, as of March 8, 2012, information about the 11,746,151 shares of Common Stock (calculated based on 38,247,828 shares outstanding) beneficially owned by each of the Company's current directors, nominees for director, executive officers and named executive officers. The named executive officers are those individuals set forth in the Summary Compensation Table for 2011 included herein. Unless otherwise indicated, all directors, nominees for director, executive officers and named executive officers have sole voting and investment power with respect to the shares of Common Stock reported. The table and the accompanying footnotes set forth the foregoing persons' current positions with the Company, principal occupations and employment over the preceding five years, age and directorships held in certain other publicly-owned companies, as well as, with

respect to directors, the experiences, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee and the Board of Directors to determine that the person should serve as a director of the Company in 2012.

<b>Principal Occupation, Employment, etc.</b>	<b>Common Stock Beneficially Owned as of March 8, 2012</b>	<b>Percent of Class</b>
Ian M. Cumming Director of the Company since September 2, 2011; Chairman of Leucadia National Corporation; age 71 (1)(16)	10,422,859	27.3%
Alexander P. Federbush Chairman of the Board of Directors since January 1, 2012 Director of the Company since February 17, 2005; age 69 (2)	16,000	*
Paul J. Flaherty Director of the Company since August 2, 2007; age 72 (3)	11,000	*
Gennaro J. Fulvio Director of the Company since May 9, 2002; age 55 (4)	22,081	*
Gary S. Gladstein Director of the Company since July 1, 2000; age 67 (5)	39,736	*
Scott J. Goldman Director of the Company since January 1, 2008; age 59 (6)	5,871	*
Terry Hermanson Director of the Company since February 13, 2003; age 69 (7)	12,081	*
Joseph S. Steinberg Director of the Company since September 2, 2011; Director and President of Leucadia National Corporation; age 68 (8)(16)	10,422,859	27.3%
Harvey L. Karp Chairman Emeritus since January 1, 2012; Former Chairman of the Board of Directors (from October 8, 1991 – December 31, 2011); former Director of the Company (from August 1991 December 31, 2011); age 84	241,886	*
Gregory L. Christopher Chief Executive Officer of the Company since October 30, 2008; Director of the Company since October 28, 2010; age 50 (9)	364,875	*
Richard W. Corman Vice President-Controller of the Company since October 28, 2004; age 55 (10)	60,715	*

Principal Occupation, Employment, etc.	Common Stock Beneficially Owned as of March 8, 2012	Percent of Class
John B. Hansen President, Plumbing Business of the Company since January 1, 2011; age 65 (11)	51,933	*
Jeffrey A. Martin Vice President - Corporate Development since January 11, 2011; age 45 (12)	27,171	*
Kent A. McKee Executive Vice President of the Company since October 13, 2005; Chief Financial Officer of the Company since April 1, 1999; age 51 (13)	326,002	*
James H. Rourke President, Industrial Business of the Company since December 27, 2003; age 63 (14)	49,441	*
Gary C. Wilkerson Vice President, General Counsel and Secretary of the Company since May 2, 2005; age 65 (15)	94,500	*
<b>Executive Officers and Directors as a Group</b>	<b>11,746,151</b>	<b>30.2%**</b>

\* Less than 1%

\*\* Includes 633,702 shares of Common Stock which are subject to currently exercisable stock options and 164,300 shares of non-vested restricted stock held by executive officers and directors of the Company.

(1) Mr. Cumming has served as a director and Chairman of Leucadia, a New York-based diversified company with interests in beef processing, manufacturing, land based contract oil and gas drilling, real estate activities, gaming entertainment, medical product development and winery operations, since 1978. Mr. Cumming is also a director Jefferies Group, Inc. ( Jefferies ), where he has served in such capacity since 2008; HomeFed Corporation ( HomeFed ) where he has served in such capacity since 1999; and SkyWest, Inc. ( SkyWest ), where he has served in such capacity since 1986. Mr. Cumming is also a member of the Board of Managers of Premier Entertainment Biloxi, LLC, the owner of the Hard Rock Hotel and Casino in Biloxi, Mississippi. Mr. Cumming also served as a director of AmeriCredit Corp. and The FINOVA Group, Inc., when those companies were publicly traded. The number of shares of Common Stock beneficially owned by Mr. Cumming consists of 10,422,859 shares beneficially owned by Leucadia National Corporation of which Mr. Cumming is an officer.

- (2) Mr. Federbush served as the President of the Queens West Development Corp., a subsidiary of the Empire State Development Corporation, a public-benefit corporation that is a joint venture among New York State, New York City and the Port Authority of New York and New Jersey, for more than the past five years until his departure from the corporation on December 31, 2007. Mr. Federbush has served as a director of Varick Realty Corp. since 1970, including as Chairman since 1976. Mr. Federbush was nominated to serve as a director of the Company because he has extensive experience guiding complex organizations, both in commercial real estate and manufacturing and distribution. The number of shares of Common Stock beneficially owned by Mr. Federbush includes (i) 4,000 shares of Common Stock owned by Mr. Federbush's spouse, (ii) 1,000 shares of Common Stock owned by a corporation in which Mr. Federbush is an officer, (iii) 10,000 shares of Common Stock which are subject to currently exercisable stock options, and (iv) 1,000 shares of non-vested restricted stock.
- (3) Mr. Flaherty has been a member of the Advisory Board of Aon Risk Services, Inc., a subsidiary of Aon Corporation (Aon), the global insurance and risk management firm, since 2001. Prior to his tenure with Aon, Mr. Flaherty was associated with Burson-Marsteller-WPP, a global public affairs and public relations firm. Mr. Flaherty was nominated to serve as a director of the Company because of his years of experience counseling boards and senior management. In addition, his experience in insurance and risk management enable him to assist the Board of Directors in performing its risk oversight function. The number of shares of Common Stock beneficially owned by Mr. Flaherty includes (i) 8,000 shares of Common Stock which are subject to currently exercisable stock options and (ii) 1,000 shares of non-vested restricted stock.
- (4) Mr. Fulvio has been a member of Fulvio & Associates, LLP, Certified Public Accountants, since 1987. Mr. Fulvio was nominated to serve as a director of the Company because of his strength in the area of accounting, his knowledge of and experience with tax matters, and his financial acumen. The number of shares of Common Stock beneficially owned by Mr. Fulvio includes (i) 10,000 shares of Common Stock which are subject to currently exercisable stock options, (ii) 11,081 shares of Common Stock which are owned by Mr. Fulvio's spouse, and (iii) 1,000 shares of non-vested restricted stock.
- (5) Mr. Gladstein previously served as a director of the Company from 1990 to 1994. Mr. Gladstein is currently an independent investor and consultant. From the beginning of 2000 to August 31, 2004, Mr. Gladstein was a Senior Consultant at Soros Fund Management. He was Chief Operating Officer at Soros Fund Management from 1985 until his retirement at the end of 1999. In the past five years, Mr. Gladstein has also served as a director of Inversiones y Representaciones Sociedad Anónima and currently serves as a director of Darien Rowayton Bank. Mr. Gladstein was nominated to serve as a director of the Company because of his financial and accounting expertise and his years of experience providing strategic advisory services to complex organizations. In addition, having been a member of the compensation, audit and other committees of public company boards, Mr. Gladstein is familiar with a full range of corporate and board functions. The number of shares of Common Stock beneficially owned by Mr. Gladstein includes (i) 10,000 shares of Common Stock which are subject to currently exercisable stock options and (ii) 1,000 shares of non-vested restricted stock.

- (6) Mr. Goldman has served as the co-founder and Chief Executive Officer of TextPower, Inc., which creates business solutions by using a proprietary library of vertical market text messaging software, since February 17, 2009. From 1987 to February 17, 2009, Mr. Goldman served as founder and principal of the Goldman Group, a company that works with Fortune 500 companies in developing and operating wireless systems. Mr. Goldman was nominated to serve as a director of the Company because of his extensive experience with global companies and strategic planning, as well as his expertise in the technology field. The number of shares of Common Stock beneficially owned by Mr. Goldman includes (i) 4,000 shares of Common Stock which are subject to currently exercisable stock options and (ii) 1,000 shares of non-vested restricted stock.
- (7) Mr. Hermanson has been the principal and President of Mr. Christmas Incorporated, a wholesale merchandising company, for more than the last five years. Mr. Hermanson was nominated to serve as a director of the Company because he has extensive experience in management, strategic planning, as well as a thorough knowledge of wholesale merchandising and international business issues. The number of shares of Common Stock beneficially owned by Mr. Hermanson includes (i) 10,000 shares of Common Stock which are subject to currently exercisable stock options and (ii) 1,000 shares of non-vested restricted stock.
- (8) Mr. Steinberg has been a Director and President of Leucadia since 1978. He is also Chairman of the Board for HomeFed and a Director of Jefferies, Jordan Industries, Inc. and Arnhold and S. Bleichroeder Holdings, Inc. The number of shares of Common Stock beneficially owned by Mr. Steinberg consists of 10,422,859 shares beneficially owned by Leucadia National Corporation of which Mr. Steinberg is an officer.
- (9) Mr. Christopher served as (i) Chief Operating Officer from October 25, 2007 until October 30, 2008, (ii) President of the Standard Products Division from October 13, 2005 until October 25, 2007, and (iii) Vice President of Sales-Standard Products Division of the Company for more than five years prior to October 13, 2005. The number of shares of Common Stock beneficially owned by Mr. Christopher includes (i) 225,573 shares of Common Stock which are subject to currently exercisable stock options, (ii) 65,700 shares of non-vested restricted stock, (iii) 900 shares of Common Stock owned jointly between Mr. Christopher and his spouse and (iv) 3,400 shares of Common Stock which are owned by Mr. Christopher's children.
- (10) Mr. Corman served as the Company's Corporate Controller for more than five years prior to October 28, 2004. The number of shares of Common Stock beneficially owned by Mr. Corman includes (i) 41,259 shares of Common Stock which are subject to currently exercisable stock options and (ii) 3,000 shares of non-vested restricted stock.
- (11) Mr. Hansen served as (i) President-Manufacturing Operations from May 18, 2009 until January 1, 2011 (ii) Senior Vice President-Strategy and Industry Relations from February 18, 2008 to May 18, 2009, (iii) as Vice President-Administration and Operations, Standard Products Division from October 24, 2005 to February 18, 2008, (iv) as Vice President-Marketing and Product Line Strategy, Standard Products Division from

February 24, 2003 to October 24, 2005, and prior thereto as Vice President-Marketing, Standard Products Division. The number of shares of Common Stock beneficially owned by Mr. Hansen includes (i) 16,300 shares of Common Stock which are subject to currently exercisable stock options, (ii) 2,706 shares of Common Stock owned jointly between Mr. Hansen and his spouse, (iii) 14,800 shares of non-vested restricted stock and (iv) 18,127 shares of Common Stock which are held by Mr. Hansen, with other financial assets, in a brokerage account as collateral for a margin loan.

- (12) Mr. Martin served (i) as Vice President-Finance & Corporate Development from August 1, 2008 to January 11, 2011, (ii) as Vice President-Operations, Standard Products Division of the Company from November 20, 2006 to August 1, 2008, (iii) as Vice President-Finance of the Company from October 28, 2004 to November 20, 2006, (iv) as Director of Corporate Finance of the Company from January 1, 2002 to October 28, 2004, (v) as Manager of Corporate Finance of the Company from January 1, 2001 to December 31, 2001, (vi) as Manager of Corporate Accounting of the Company from January 15, 1996 to December 31, 2000 and (vii) as a Manager and other positions in audit services with PricewaterhouseCoopers LLP, a public accounting firm, from September 1989 to January 1996. The number of shares of Common Stock beneficially owned by Mr. Martin includes (i) 503 shares of Common Stock owned jointly between Mr. Martin and his wife, (ii) 24,668 shares which are subject to currently exercisable stock options, and (iii) 2,000 shares of non-vested restricted stock.
- (13) Mr. McKee served (i) as Vice President of the Company from February 11, 1999 until October 13, 2005, (ii) as Vice President-Business Development/Investor Relations of the Company from December 14, 1995 to February 11, 1999, (iii) as Treasurer of the Company from November 8, 1991 to December 14, 1995 and (iv) as Assistant Secretary of the Company from August 28, 1991 to December 14, 1995. The number of shares of Common Stock beneficially owned by Mr. McKee includes (i) 190,902 shares of Common Stock which are subject to currently exercisable stock options, and (ii) 38,300 shares of non-vested restricted stock.
- (14) Mr. Rourke served (i) as Vice President-Industrial Products Division of the Company from December 14, 1995 to December 27, 2003, (ii) as Vice President and General Manager-Industrial Products Division of the Company from November 4, 1993 to December 14, 1995 and (iii) prior thereto as Vice President and General Manager, Industrial Products, for Mueller Brass Co. in Port Huron, Michigan. The number of shares of Common Stock beneficially owned by Mr. Rourke includes 23,000 shares of non-vested restricted.
- (15) Mr. Wilkerson served (i) as Of Counsel to the Memphis law firm of Pietrangelo Cook, LLP from April 2002 to May 2005 and (ii) as Vice President and General Counsel for Louisiana-Pacific Corporation from 1997 to January 2002. The number of shares of Common Stock beneficially owned by Mr. Wilkerson includes (i) 83,000 shares of Common Stock which are subject to currently exercisable stock options and (ii) 11,500 shares of non-vested restricted stock.

- (16) Pursuant to a Standstill Agreement the Company entered into with Leucadia on September 2, 2011 (the Standstill Agreement ), which provides, among other things, that Leucadia (i) will not acquire more than 27.5% of the Company's outstanding common stock, subject to certain exceptions, and (ii) will forebear from taking actions concerning, among other things, business combinations with the Company or the composition of the Company's Board, without the approval of a majority of the directors not affiliated with Leucadia, the Company increased the size of the Board of Directors by two and elected two designees selected by Leucadia to fill the new directorships. Leucadia designated Ian M. Cumming, Leucadia's Chairman, and Joseph S. Steinberg, a director of Leucadia and its President, to fill the two newly created vacancies on the Company's Board of Directors. The Board of Directors elected Messrs. Cumming and Steinberg to the Board on September 2, 2011. Leucadia will continue to have the right to appoint two directors for two years so long as Leucadia holds at least 20% of the Company's outstanding common stock. Leucadia will be entitled to appoint one director for two years so long as Leucadia holds at least 15% of the Company's outstanding common stock. The Standstill Agreement also restricts sales by Leucadia to counterparties who hold, or after giving effect to a sale would hold, in excess of 4.9% of the Company's common stock. The Company has also agreed to file one or more registration statements with the Securities and Exchange Commission regarding the shares owned by Leucadia, if requested by Leucadia and upon certain terms and conditions. The Standstill Agreement expires on September 2, 2013 (the Termination Date ) subject to certain events that would cause earlier termination of these restrictions; however, certain provisions, including Leucadia's right to have its shares registered by the Company, may survive beyond the Termination Date. In addition, Leucadia has agreed to vote its shares of the Company's common stock in favor of the slate of directors nominated by the Board for a period of two years so long as Leucadia's designees are appointed to the Board in accordance with the terms of the Standstill Agreement.

### **Meetings and Committees of the Board of Directors**

During 2011, the Board of Directors held nine meetings. The Board of Directors established a standing Audit Committee and a Compensation Committee at its organizational meeting on February 13, 1991. On May 13, 1991, the Board of Directors created two committees (the Plan Committees ) to be responsible for administering the Company's 1991 Employee Stock Purchase Plan and the Company's 1991 Incentive Stock Option Plan. On November 16, 1993, the Board of Directors established a standing Nominating Committee. On May 12, 1994, the Board of Directors created two committees to be responsible for administering the Company's 1994 Stock Option Plan and the Company's 1994 Non-Employee Director Stock Option Plan, on February 12, 1998 created a committee to be responsible for administering the Company's 1998 Stock Option Plan and on February 12, 2002 created a committee to be responsible for administering the

Company's 2002 Stock Option Plan (collectively, the Option Plan Committees ). On February 12, 2004, the Board of Directors changed the name of the Nominating Committee to the Nominating and Corporate Governance Committee. During 2011, no director attended fewer than 75% of the total number of meetings of the Board and all committees on which he served except for Messrs. Cumming and Steinberg, who were appointed to the Board of Directors in September 2011 and attended every Board meeting thereafter.

The Audit Committee is currently composed of three directors who are not officers or employees of the Company: Gary S. Gladstein (Chairman), Gennaro J. Fulvio and Terry Hermanson. Each member of the Audit Committee has been determined by the Board of Directors to meet the standards for independence required of audit committee members by the New York Stock Exchange (the NYSE ) and applicable SEC rules. For more information on the NYSE standards for independence, see Corporate Governance-Director Independence in this Proxy Statement. The Board of Directors has further determined that (i) all members of the Audit Committee are financially literate and (ii) Gary S. Gladstein and Gennaro J. Fulvio each possess accounting and related financial management expertise within the meaning of the listing standards of the NYSE, and are each audit committee financial experts within the meaning of applicable SEC rules. The Audit Committee (i) appoints the Company's independent accountants, (ii) reviews and approves any major change in the Company's accounting policies, (iii) reviews the scope and results of the independent audit, (iv) reviews and considers the independence of the accountants, (v) reviews the effectiveness of the Company's internal audit procedures and personnel, (vi) reviews the Company's policies and procedures for compliance with disclosure requirements concerning conflicts of interest and the prevention of unethical, questionable or illegal payments and (vii) makes such reports and recommendations to the Board of Directors as it may deem appropriate. The Audit Committee held nine formal meetings during the last fiscal year, all of which were attended by the Company's independent auditors. At such meetings, the Audit Committee discussed the scope and results of the annual audit and issues of accounting policy and internal controls.

The Compensation Committee is currently composed of four directors who are not officers or employees of the Company: Terry Hermanson (Chairman), Ian M. Cumming, Paul J. Flaherty and Gennaro J. Fulvio. Each member of the Compensation Committee has been determined by the Board of Directors to meet



the NYSE's standards for independence. These same directors also serve as members of the Plan Committee and the Option Plan Committees. The Compensation Committee (i) provides assistance to the Board of Directors in discharging the Board of Directors' responsibilities relating to management organization, performance, compensation and succession and (ii) makes such recommendations to the Board of Directors as it deems appropriate. During fiscal year 2011, the Compensation Committee and the Option Plan Committee held seven formal meetings.

The Nominating and Corporate Governance Committee is currently composed of four directors who are not officers or employees of the Company: Scott J. Goldman (Chairman), Paul J. Flaherty, Gary S. Gladstein and Joseph S. Steinberg. Each member of the Nominating and Corporate Governance Committee has been determined by the Board of Directors to meet the NYSE's standards for independence. The Nominating and Corporate Governance Committee is responsible for the recommendation to the Board of Directors of director nominees for election to the Board of Directors. In addition, the Nominating and Corporate Governance Committee is responsible for recommending committee assignments and responsibilities to the Board of Directors, overseeing the evaluation of Board of Directors and management effectiveness, developing and recommending to the Board of Directors corporate governance guidelines, and generally advising the Board of Directors on corporate governance and related matters. The Nominating and Corporate Governance Committee held five formal meeting during fiscal year 2011.

The Board of Directors has currently implemented a leadership structure that separates the role of the Chief Executive Officer and the Chairman of the Board. The Board has determined that having an independent director serve as non-Executive Chairman of the Board is in the best interest of shareholders at this time. The Company believes that this structure currently assists the independent directors in the oversight of the Company and facilitates participation of the independent directors in setting agendas and establishing priorities and procedures for the work of the Board.

The Board of Directors is actively involved in oversight of risks that could affect the Company. The full Board of Directors has retained the responsibility for general oversight of risks, but the Audit Committee primarily oversees those risks that may directly or indirectly impact the Company's financial statements. The Board of Directors receives reports directly from officers responsible for

oversight of particular risks within the Company, as well as full reports by the chair of the Audit Committee regarding the Audit Committee's considerations and actions. The Board believes that through such open communication and access to information, it can sufficiently manage the risks facing the Company. The Board of Director's administration of its risk oversight function has not affected the Board's leadership structure.

## **CORPORATE GOVERNANCE**

The Company operates within a comprehensive plan of corporate governance for the purpose of defining independence, assigning responsibilities, setting high standards of professional and personal conduct and assuring compliance with such responsibilities and standards. The Company regularly monitors developments in the area of corporate governance. In July 2002, Congress passed the Sarbanes-Oxley Act of 2002 ( Sarbanes-Oxley ) which, among other things, established, or provided the basis for, a number of new corporate governance standards and disclosure requirements. In addition, following the passage of Sarbanes-Oxley, the NYSE adopted changes to its corporate governance and listing requirements.

### **Director Independence**

The standards relied upon by the Board of Directors in affirmatively determining whether a director is independent, in compliance with the rules of the NYSE, are comprised, in part, of those objective standards set forth in the NYSE rules, which generally provide that (a) a director who is an employee, or whose immediate family member (defined as a spouse, parent, child, sibling, father- and mother-in-law, son- and daughter-in-law and anyone, other than a domestic employee, sharing the director's home) is an executive officer of the Company, would not be independent for a period of three years after termination of such relationship; (b) a director who has received, or whose immediate family member has received, during any twelve-month period within the last three years, more than \$120,000 per year in direct compensation from the Company, except for certain permitted payments, would not be independent; (c) a director or an immediate family member who is a current partner of a firm that is the Company's internal or external auditor, a director who is a current employee of such a firm, a director who has an immediate family member who is a current employee of such a firm and who personally works on the Company's audit, or a director or an immediate family

member who was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company's audit within that time would not be independent; (d) a director or an immediate family member who is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on the other company's compensation committee would not be independent; and (e) a director who is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues, would not be independent. In addition to these objective standards and in compliance with NYSE rules, no director will be considered independent who has any other material relationship with the Company that could interfere with the director's ability to exercise independent judgment. The Board of Directors exercises appropriate discretion in identifying and evaluating the materiality of any relationships directors may have with the Company.

The Board of Directors, in applying the above-referenced standards and after considering all of the relevant facts and circumstances, has affirmatively determined that the Company's current independent directors are: Ian M. Cumming, Alexander P. Federbush, Paul J. Flaherty, Gennaro J. Fulvio, Gary S. Gladstein, Scott J. Goldman and Terry Hermanson and Joseph S. Steinberg. In the course of the Board of Director's determination regarding the independence of each non-management director, the Board considered for:

- Mr. Flaherty, the fact that the Company has utilized certain services of Aon and its affiliates, but recognizing the arms-length nature of such transactions, the absence of any managerial role or specific pecuniary interest of Mr. Flaherty in such matters, and the de minimis percentage such transactions represented in respect of the annual revenues and assets of each of those companies; and
- Mr. Goldman, the fact that Mr. Goldman is married to the niece of Harvey L. Karp, the former Chairman of the Board, but recognizing the distance of this relationship.
- Messrs. Cumming and Steinberg, the fact that Messrs. Cumming and Steinberg serve in various capacities at Leucadia and its affiliates, a 27.3% stockholder of the Company, but recognizing that such service alone does not compromise their independence from the Company's management.

### **Independent Directors**

- A majority of the members of the Company's Board of Directors have been determined to meet the NYSE's standards for independence. See "Director Independence" above.
- The Company's Corporate Governance Guidelines provide that the Company's non-management directors shall hold annually at least two formal meetings independent from management. The non-management directors will choose a non-management director, as appropriate, to preside at these executive sessions of the Board of Directors.

### **Audit Committee**

- All members of the Audit Committee have been determined to meet the standards of independence required of audit committee members by the NYSE and applicable SEC rules. See "Director Independence" above.
- In accordance with the rules and regulations of the SEC, the above paragraph regarding the independence of the members of the Audit Committee shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C of the Exchange Act or to the liabilities of Section 18 of the Exchange Act and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, notwithstanding any general incorporation by reference of this Proxy Statement into any other filed document.
- The Board of Directors has determined that all members of the Audit Committee are financially literate. Further, the Board of Directors has determined that Gary S. Gladstein and Gennaro J. Fulvio each possess accounting or related financial management expertise, within the meaning of the listing standards of the NYSE, and are each audit committee financial experts within the meaning of applicable SEC rules.
- Ernst & Young LLP, the Company's independent auditors, reports directly to the Audit Committee.
- The Audit Committee, consistent with the Sarbanes-Oxley Act of 2002 and the rules adopted thereunder, meets with management and the Company's independent auditors prior to the filing of officers' certifications

with the SEC to receive information concerning, among other things, significant deficiencies in the design or operation of internal control over financial reporting.

- The Audit Committee has adopted procedures for the receipt, retention and treatment of complaints by Company employees regarding the Company's accounting, internal accounting controls or auditing matters.
- The Audit Committee operates under a formal charter adopted by the Board of Directors that governs its duties and standards of performance. Copies of the charter can be obtained free of charge from the Company's website at [www.muellerindustries.com](http://www.muellerindustries.com) or may be requested in print by any shareholder.

### **Compensation Committee**

- All members of the Compensation Committee have been determined to meet the NYSE standards for independence. See [Director Independence](#) above.
- The Compensation Committee operates under a formal charter adopted by the Board of Directors that governs its duties and standards of performance. Copies of the charter can be obtained free of charge from the Company's website at [www.muellerindustries.com](http://www.muellerindustries.com) or may be requested in print by any shareholder.

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

- All members of the Nominating and Corporate Governance Committee have been determined to meet the NYSE standards for independence. See [Director Independence](#) above.
- The Nominating and Corporate Governance Committee recommends to the Board of Directors as director nominees individuals of established personal and professional integrity, ability and judgment, and who are chosen with the primary goal of ensuring that the entire Board of Directors collectively serves the interests of the Company's stockholders. Due consideration is given to assessing the qualifications of potential nominees and any potential conflicts with the Company's interests. The Nominating and Corporate Governance Committee also assesses the contributions

of the Company's incumbent directors in connection with their potential re-nomination. In identifying and recommending director nominees, the Committee members take into account such factors as they determine appropriate, including recommendations made by the Board of Directors.

- Under its charter the Nominating and Corporate Governance Committee considers whether the viewpoint, professional experience, education, skill and other individual qualities and attributes of any potential nominee would contribute to the diversity of the Board as a whole. In addition, when considering Board diversity, the Committee will not exclude any potential Board nominee from consideration based on age, gender, race, color of skin, ethnic origin, political affiliation, religious preference, sexual orientation, country of origin, physical handicaps or any other category.

The Nominating and Corporate Governance Committee considers and assesses the implementation and effectiveness of its diversity policy in connection with Board nominations annually to assure that the Board contains an effective mix of individuals to best advance the Company's long-term business interests.

- Once the Nominating and Corporate Governance Committee has identified prospective nominees, background information is elicited about the candidates, following which they are investigated, interviewed and evaluated by the Committee which then reports to the Board of Directors.
- The Nominating and Corporate Governance Committee operates under a formal charter adopted by the Board of Directors that governs its duties and standards of performance. Copies of the charter can be obtained free of charge from the Company's website at [www.muellerindustries.com](http://www.muellerindustries.com) or may be requested in print by any shareholder.

The Nominating and Corporate Governance Committee does not consider individuals nominated by stockholders for election to the Board. The Board believes that this is an appropriate policy because the Company's Bylaws allow a qualifying stockholder to nominate an individual to the Board. In order for a qualifying stockholder to nominate an individual to the Board, written notice of such stockholder's intent to make such nomination must be received by the Secretary of the Company at the Company's principal place of business (8285 Tournament Drive, Suite 150, Memphis, Tennessee 38125) not less than 60 days and not more

than (i) with respect to an election to be held at an annual meeting of stockholders, 90 days prior to the anniversary date of the immediately preceding annual meeting (unless the annual meeting date is advanced by more than thirty days or delayed by more than sixty days, in which case different deadlines apply) and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, not earlier than 90 days prior to the special meeting and not later than the later of (a) 60 days prior to such special meeting or (b) the tenth day following the day on which public announcement is first made of the date of the special meeting, provided that in the event that the number of directors to be elected to the Board is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board made by the Company at least 70 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is delivered to the Secretary of the Company not later than the tenth day following the day on which such public announcement is first made by the Company. To be a qualifying stockholder, the stockholder must be a stockholder of record at the time the notice was delivered to the Secretary of the Company. Each such notice shall set forth: (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A (or successor provisions) under the Exchange Act, including such person's written consent to be named in the proxy statement as a nominee and to serve as a director if elected; (b) as to any other business that the stockholder desires to be brought before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Company's books, and of such beneficial owner and (ii) the class and number of shares of Common Stock which are owned beneficially and of record by such stockholder and such beneficial owner. The presiding officer of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure. See [Stockholder Nominations for Board Membership and Other Proposals for 2013 Annual Meeting](#).

### **Compensation Committee Interlocks and Insider Participation**

During fiscal year 2011, Terry Hermanson, Ian M. Cumming (appointed November 3, 2011), Paul J. Flaherty and Gennaro J. Fulvio served on the Compensation Committee. No member of the Compensation Committee was, during fiscal year 2011, an officer or employee of the Company or was formerly an officer of the Company. In addition, no member of the Compensation Committee, during fiscal year 2011, had any relationship requiring disclosure by the Company as a related party transaction under Item 404 of Regulation S-K, except for Mr. Cumming, who is the Chairman and Chief Executive Officer of Leucadia, which is a party to that certain Standstill Agreement with the Company as more fully described in Note 16 to the table under the heading "Ownership of Common Stock By Directors and Executive Officers and Information About Director Nominees". No executive officer of the Company served on any board of directors or compensation committee of any other company for which any of the Company's directors served as an executive officer at any time during fiscal year 2011.

### **Corporate Governance Guidelines**

- The Company has adopted a set of Corporate Governance Guidelines, including specifications for director qualification and responsibility, director access to officers and employees, director compensation, director orientation and continuing education and the annual performance evaluation of the Board of Directors.
- Copies of the guidelines can be obtained free of charge from the Company's website at [www.muellerindustries.com](http://www.muellerindustries.com) or may be requested in print by any shareholder.

### **Code of Business Conduct and Ethics**

- The Company has adopted a Code of Business Conduct and Ethics, which is designed to help officers, directors and employees resolve ethical issues in an increasingly complex business environment. The Code of Business Conduct and Ethics is applicable to all of the Company's officers, directors and employees, including the Company's principal executive officer, principal financial officer, principal accounting officer or controller and other persons performing similar functions. The Code of Business



Conduct and Ethics covers topics, including but not limited to, conflicts of interest, confidentiality of information and compliance with laws and regulations.

- Waivers from the Code of Business Conduct and Ethics are discouraged. Any waivers from the Code of Business Conduct and Ethics that relate to the Company's directors and executive officers must be approved by the Board of Directors and will be posted on the Company's website at [www.muellerindustries.com](http://www.muellerindustries.com).
- Copies of the Code of Business Conduct and Ethics can be obtained free of charge from the Company's website at [www.muellerindustries.com](http://www.muellerindustries.com) or may be requested in print by any shareholder.

### **Policies and Procedures for Approval of Related Party Transactions**

Related party transactions may present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interests of the Company and its shareholders. Management carefully reviews all proposed related party transactions (if any), other than routine banking transactions, to determine if the transaction is on terms comparable to terms that could be obtained in an arms-length transaction with an unrelated third party. Management reports to the Audit Committee and then to the Board of Directors on all proposed material related party transactions. Upon the presentation of a proposed related party transaction to the Audit Committee or the Board, the related party is excused from participation in discussion and voting on the matter.

### **Directors Attendance at Annual Meetings of Stockholders**

It is the policy of the Company's Board of Directors to expect that all directors attend annual meetings of stockholders except where the failure to attend is due to unavoidable circumstances or conflicts discussed in advance with the Chairman of the Board. All members of the Board of Directors attended the Company's 2011 Annual Meeting of Stockholders, with the exception of Messrs. Cumming and Steinberg, who were appointed to the Board in September 2011.

## **Communication With the Board of Directors**

Any stockholder or interested party who wishes to communicate with the Board of Directors, or specific individual directors, including the non-management directors as a group, may do so by directing a written request addressed to such directors or director in care of the Chairman of the Nominating and Corporate Governance Committee, Mueller Industries, Inc., 8285 Tournament Drive, Suite 150, Memphis, Tennessee 38125. Communication(s) directed to members of the Board who are not non-management directors will be relayed to the intended Board member(s) except to the extent that it is deemed unnecessary or inappropriate to do so pursuant to the procedures established by a majority of the independent directors. Communications directed to non-management directors will be relayed to the intended Board member(s) except to the extent that doing so would be contrary to the instructions of the non-management directors. Any communication so withheld will nevertheless be made available to any non-management director who wishes to review it.

## **COMPENSATION DISCUSSION AND ANALYSIS**

### **Executive Summary**

This Compensation Discussion and Analysis provides an overview of how our named executive officers were compensated in 2011, as well as how this compensation furthers our established compensation philosophy and objectives.

As discussed more fully below, we believe in a pay for performance philosophy, such that a material portion of a named executive officer's compensation is dependent upon the achievement of both short-term and long-term strategic and financial performance. For 2011, we continued to reward named executive officers in a manner consistent with this philosophy by setting annual incentive targets for the achievement of EBITDA and operating income. For the long-term component of compensation, we continued to grant equity awards, such that any long-term compensation opportunity will be directly tied to our stock performance.

During 2011, the Company's performance improved substantially compared with the prior year. For 2011, the Company's operating income, excluding certain one-time items, increased \$15.9 million, or 14%, to \$129.3 million. Although overall industry shipments in our core product lines remain at approximately half

of peak levels, we continued to be solidly profitable throughout the recession and our profitability targets for 2011 were exceeded. While our improvement in consolidated earnings resulted in an increase in annual incentive payouts to many of our employees, including certain named executive officers, Mr. Rourke's incentive compensation decreased from the prior year since the Industrial Products Division exceeded its operating income target by a lesser amount in 2011 than in the prior year.

### **Compensation Policies and Objectives**

We believe in a pay for performance philosophy, such that the compensation of our executive officers is materially tied to both the short-term and long-term performance of the Company, considered in light of general economic and specific Company, industry, and competitive conditions. In light of this, we have designed our compensation programs for our executive officers to (i) motivate our executive officers to achieve certain strategic and financial goals and reward them for achieving such goals, (ii) align the long-term financial interests of our executive officers with those of our stockholders, (iii) encourage our executive officers to continue their service with the Company, and (iv) provide a means to attract additional talented executive officers when necessary.

### **Determination of Compensation**

The following individuals served as our named executive officers in 2011: (i) Harvey L. Karp, our former Chairman of the Board, who resigned from this position effective as of the close of business on December 31, 2011, (ii) Gregory L. Christopher, our Chief Executive Officer, (iii) Kent A. McKee, our Executive Vice President and Chief Financial Officer, (iv) James H. Rourke, the President of our Industrial Business, and (v) Gary C. Wilkerson, our Vice President, General Counsel and Secretary.

For 2011, compensation for our Chairman of the Board and Chief Executive Officer was determined by our Compensation Committee. For 2011, compensation decisions for our other named executive officers were made by our Compensation Committee after consideration of the joint recommendations of our Chairman of the Board and Chief Executive Officer. Our Compensation Committee meets at least annually to determine all elements of our named executive officers' compensation, including base salary, annual incentive compensation, and long-term equity awards.

Each element of compensation plays an important role in our compensation program, and we make compensation decisions regarding each element in the context of total compensation with a view to the aggregate value and effect of all other elements.

In determining the levels of compensation, including the amount of base salary increases from year to year, if any, the target levels of the annual cash incentives and the amounts payable thereby at the end of each year, and the number and type of equity awards to be awarded, we generally do not rely on formulaic guidelines but rather maintain a flexible compensation program that allows us to adapt components and levels of compensation to motivate and reward individual executives within the context of our desire to attain certain strategic and financial goals and control cost. This requires that we consider subjective factors including (i) an executive officer's performance against corporate objectives in recent years, (ii) the value of the executive officer's skills and capabilities in supporting the long-term performance of the Company, (iii) performance of each executive officer's specific management responsibilities, (iv) each executive officer's contribution as a member of the executive management team, and (v) whether each executive officer's total compensation potential and structure is sufficient to ensure the retention of the executive officer when considering the compensation potential that may be available elsewhere. As such, we make reasoned subjective determinations about compensation levels.

In 2011, Mr. Karp's compensation was determined based on his individual performance in (i) setting the strategic direction of the Company; (ii) providing advice and counsel to management including the Chief Executive Officer, Chief Financial Officer, and General Counsel; (iii) participating in management meetings; (iv) meeting with management and principals of businesses regarding possible business combinations; and (v) monitoring financial, legal and regulatory matters. His incentive compensation was determined by the Company meeting specific, adjusted EBITDA targets, as discussed below under the heading under the heading Annual Incentive Compensation.

In 2011, Mr. Christopher's compensation was determined based on his successful management of the day-to-day activities of the Company and its subsidiaries, including but not limited to cost containment, manufacturing, purchasing, sales, marketing, distribution, finance, legal, and trade association activities. His incentive compensation was determined by the Company meeting specific adjusted operating income goals for the Company, as discussed below under the heading under the heading Annual Incentive Compensation.

In 2011, Mr. McKee's compensation was determined based on his strategic leadership of financial operations, which resulted in the strong financial position of the Company. His duties include, but are not limited to, day-to-day management of corporate accounting, finance, credit, tax, business development, shared services and investor relations. His incentive compensation was determined by the Company meeting specific consolidated operating income targets, as discussed below under the heading Annual Incentive Compensation.

In 2011, Mr. Rourke's compensation was determined based on his successful management of the Industrial Businesses, including but not limited to cost containment, manufacturing, purchasing, sales, marketing and trade association activities. His incentive compensation was determined by the Industrial Businesses meeting specific adjusted income targets, as discussed below under the heading Annual Incentive Compensation.

In 2011, Mr. Wilkerson's compensation was determined based on his management of the day-to-day activities of the Legal, Human Resources and Risk Management Departments and his successful resolution of, among other things, certain litigation, environmental and antidumping matters. His incentive compensation was determined by the Company meeting specific consolidated operating income targets, as discussed below under the heading Annual Incentive Compensation.

In making compensation decisions, our Compensation Committee does not undertake any formal benchmarking or review any formal surveys of compensation for our competitors but rather relies on the members' general knowledge of our industry, supplemented by advice from our Chairman and Chief Executive Officer based on their knowledge of our industry in markets in which we participate.

At our 2011 Annual Meeting, we held our first non-binding stockholder advisory vote on executive compensation. As reported in the Company's Form 8-K, filed on May 6, 2011, a substantial number of shares voted were in favor of the compensation of our named executive officers as disclosed in the proxy statement for the 2011 Annual Meeting. The Compensation Committee believes that the vote confirms its view that the Company's compensation programs are centered on a pay for performance philosophy and are appropriate and effective in creating value. Accordingly, the Compensation Committee made no direct changes to the Company's executive compensation program as a result of the vote. Our Compensation Committee will consider the outcome of this year's stockholder advisory vote on executive compensation as it makes future compensation decisions.

In addition, a substantial number of our shares voted were in favor of holding the non-binding stockholder advisory vote on executive compensation on an annual basis. Although the Board of Directors had recommended holding this vote every three years, the Board of Directors subsequently determined that it would follow the stockholders recommendation and hold the non-binding stockholder advisory vote on executive compensation on an annual basis.

### **Elements of Compensation**

Our compensation program is composed of six elements: (i) base salary, (ii) traditional benefits, (iii) annual incentive compensation, (iv) long-term equity incentive compensation, (v) perquisites, and (vi) post-employment and change-incontrol compensation. Each element of compensation plays an important part in our overall compensation policies and objectives. Additionally, we entered into a special agreement with Mr. Karp in 2011 that provided him with a one-time special bonus if he remained employed through December 15, 2011 (as described in more detail below).

#### *Base Salary and Traditional Benefits*

We provide base salary and traditional benefits such as group health, disability, and life insurance benefits, as well as matching contributions to our 401(k) plan (except for Mr. Karp), as a means of providing a base level of compensation for services performed, to encourage the continued service of our executive officers and to attract additional talented executive officers when necessary. Salaries paid to our named executive officers are set forth in the Summary Compensation Table for 2011. Base salary adjustments are determined by making reasoned subjective determinations about current economic conditions such as general wage inflation as well as the executive's qualifications, experience, responsibilities, and past performance. For 2011, base salary increases ranged from 4.8% to 8.1% for our named executive officers, excluding Mr. Karp, whose salary has remained unchanged since 2006. These adjustments were effective as of March 14, 2011.

#### *Annual Incentive Compensation*

Each of our named executive officers received annual incentive compensation in 2011, based upon the Company's actual performance for the period relative to the pre-established targets (as described below). Consistent with past practices, Mr. Karp's annual incentive compensation was based upon adjusted EBITDA (earnings before

interest, taxes, depreciation and amortization), and the other named executive officers' annual incentive compensation was based upon adjusted operating income targets. The Compensation Committee's intent was that the incentive compensation payable to Messrs. Karp, Christopher and McKee will qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code, with awards being made under the Company's 2011 Annual Bonus Plan.

For 2011, the Compensation Committee established performance targets for the year in January, 2011. For Mr. Karp, the Compensation Committee established graduated EBITDA targets that ranged from \$92 million (earning zero incentive) to \$157 million (earning a 200% incentive) with a maximum incentive of \$2,500,000; the actual earned percentages applied to base salary for determination of the award were linear for actual EBITDA results between the graduated scale. Actual performance resulted in the maximum payment under the plan for 2011 to Mr. Karp.

For all other employees, including our named executive officers, we calculated the awards by multiplying the employee's actual base salary paid during the year, by the employee's incentive grade level factor, which in turn, is multiplied by a consolidated Company and/or operating unit performance factor each of which was set by our Compensation Committee at the beginning of the fiscal year. The incentive grade level factor for the named executive officers was established at 100% for Messrs. Christopher, McKee, and Rourke, and at 75% for Mr. Wilkerson. Based upon the recommendation of Mr. Christopher, the Compensation Committee established operating income of \$93 million subject to certain adjustments, as the consolidated Company performance factor, which applied to Messrs. Christopher, McKee, and Wilkerson, and established \$48 million subject to certain adjustments, as the Industrial Products Division performance factor, which applied to Mr. Rourke. The Company and operating unit performance factors are subject to increase by 2 percentage points for each 1 percentage point that actual performance exceeds the target (capped at 200% for Messrs. Christopher, McKee, and Rourke and capped at 150% for Mr. Wilkerson), and decreased by 3 percentage points for each 1 percentage point that actual performance is less than the target. As a result of 2011 performance, the payments to Messrs. Christopher and McKee were 193% (100% grade level factor times 193% performance factor), for Mr. Rourke was 164% (100% grade level factor times 164% performance factor), and for Mr. Wilkerson was 113% (75% grade level factor times 150% performance factor).

*Special One-Time Bonus Award*

In 2011, in addition to receiving annual incentive compensation, the Company entered into a letter agreement with Mr. Karp pursuant to which Mr. Karp became entitled to a special bonus in an amount equal to \$2,000,000 based on his continued employment with the Company through December 15, 2011. The special bonus is payable on the earlier of (i) the calendar year following Mr. Karp's separation from service (subject to a six-month delay) and (ii) the occurrence of a change in control. Mr. Karp's special bonus was paid to retain Mr. Karp's services through December 15, 2011 and to make Mr. Karp whole for bonuses he voluntarily elected to forego in prior years. The Compensation Committee felt it appropriate to reward Mr. Karp for his exceptional service and unwavering commitment to the well-being of the Company, even to his personal detriment.

*Long-Term Equity Incentive Program*

Our long-term equity incentive compensation rewards our named executive officers for achievement of our long-term financial success as measured by our stock price. As such, it aligns the financial interests of our named executive officers with our stockholders and rewards our named executive officers for increased stockholder value. Historically, we have granted stock options to our named executive officers, although in 2009 we adopted, and our shareholders approved, the 2009 Stock Incentive Plan which provides for the grant of a variety of stock-based awards and cash incentive awards. Generally, our equity incentive awards have been granted subject to three- or five-year vesting schedules, which we believe rewards outstanding service by our named executive officers and provides us with an effective mechanism to incentivize our named executive officers to achieve long-term financial success for the Company, to provide a strong retention incentive, and to align the interests of our named executive officers with the long-term interest of our shareholders.

Long-term equity incentive awards to our named executive officers, other than our Chairman of the Board and our Chief Executive Officer, are typically granted annually by our Compensation Committee based on the recommendations of our Chief Executive Officer and Chairman of the Board. Long-term equity incentive awards to our Chief Executive Officer are granted annually based on the recommendations of our Chairman of the Board. Our Chairman of the Board does not receive long-term equity incentive compensation. In recent years, it has been the



Company's practice to issue long-term equity incentive awards to certain executives and other employees in late July following release of the Company's second quarter and six-month operating results. In view of our stock's performance during the economic recession, the Compensation Committee concluded that restricted stock provided a better method to retain and reward our executives. In determining which named executive officers should receive restricted stock awards during 2011, and the size of these awards, our Compensation Committee made reasoned subjective determinations based upon the performance of the named executive officers, the importance of retaining their services, and their role in helping us attain our long-term goals. There was no set formula for the granting of awards to individual named executive officers. In 2011, we granted shares of restricted stock to our named executive officers covering an aggregate of 66,000 shares, which vest 20% per year on each of the first five anniversaries of the date of grant, subject to earlier vesting in connection with a change in control or a termination of employment due to death, disability, or, in the case of Messrs. Christopher and McKee only, by us without cause or by the executive officer for good reason. We also amended the vesting schedule applicable to shares of restricted stock that were granted to Messrs. Christopher and McKee in 2009 and 2010 to provide for earlier vesting in connection with a change in control or a termination of employment due to death, disability, by us without cause or by the executive officer for good reason. Given the importance of long-term equity incentive awards in our compensation program, the Compensation Committee believed that it was appropriate to provide for accelerated vesting to compensate our executive officers for their contributions to the Company and to provide them with assurance that they will not be disadvantaged with respect to their equity awards in the event of a change in control or an involuntary termination of employment. Our named executive officers did not receive option awards in 2011.

*Perquisites*

We offer certain perquisites to our named executive officers, which we view as an added element of our executive compensation program designed to attract, retain and reward our named executive officers. The perquisites we provided in fiscal 2011 were as follows: estate and tax planning, certain club memberships, personal use of our Company airplane, car allowances, spousal travel reimbursements, executive physicals and income tax gross-ups. In addition, Mr. Karp received an award consisting of a watch valued at \$25,092 in recognition of his service of 20-years as Chairman of the Board.

Estate and tax planning is provided to certain named executive officers to complement our various compensation elements for the purpose of ensuring the named executive officers understand the complexity of the long-term equity incentives and are thereby able to maximize the value of such benefits. We provide certain club memberships in part to facilitate networking with and entertainment of our business clients. Because of the nature of such memberships, our named executive officers gain some personal benefits. We maintain a Company-owned airplane primarily to provide efficient transportation to certain employees and customers for business travel. From time to time, when our plane is not being used for business purposes, we allow certain named executive officers to use the plane for personal travel. In addition, the Company provides gross-up payments as reimbursement of the income tax for certain perquisites, such as Mr. Karp's service award or the taxable value to the executive of spousal travel to Company functions.

*Post-Employment and Change-in-Control Compensation*

We are party to employment agreements with each of Messrs. Karp, Christopher and McKee. When entered into, these agreements were thought to be in line with market practice and enabled us to be competitive and retain our top executives. In addition, we are party to a consulting agreement with Mr. Karp, which became effective upon the termination of his employment agreement on December 31, 2011. We entered into Mr. Karp's agreement to provide us with protection against competition from Mr. Karp and a transition period following his termination of employment during which he will continue to provide limited services and be available for consultation with respect to his unique industry and Company specific knowledge as needed to allow a smooth transition with his successor and minimize, to the extent possible, any succession difficulties.

As discussed below under the heading Narrative Disclosure to Summary Compensation Table and Grant of Plan Based Awards Table - Employment and Consulting Agreements, the agreements provide that our named executive officers will be entitled to receive certain severance payments and benefits upon a resignation for good reason, a termination without cause (as each is defined in the employment/consulting agreements), or, solely with respect to the employment agreements, upon a resignation in connection with a change in control (as defined in the employment agreements). We provide this ability to resign following a change in control as an added incentive and reward for the executives to remain employed

through the consummation of the change in control and to ensure the completion of such event which should ultimately deliver value to our stockholders. Our employment agreement with Mr. Christopher also provides us with a certain level of protection against competition and solicitation of customers and employees if his employment is terminated. These restrictive covenants exist to protect our business, as Mr. Christopher has longstanding relationships with a number of our customers.

### **Tax Considerations**

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation in excess of \$1,000,000 paid to each of our Chief Executive Officer and our next four most highly paid executive officers. Qualifying performance-based compensation is not subject to this deduction limitation if certain requirements are met. In May 2011, our stockholders at our Annual Meeting approved the Mueller Industries, Inc. 2011 Annual Bonus Plan, and in May 2009, our stockholders at our Annual Meeting approved the 2009 Stock Incentive Plan. Compensation paid under these plans will qualify as performance-based compensation and thus will be fully deductible by us. Additionally, payment of Mr. Karp's special bonus was intentionally delayed until such time as Mr. Karp would no longer be an executive officer of the Company to enable the Company to deduct this amount. Although the base salary compensation paid to Mr. Karp exceeds \$1,000,000 and the amount in excess thereof is not deductible by us for tax purposes, we believe that the impact of this is immaterial and necessary to adequately compensate Mr. Karp in light of past and continuing contributions to the Company's performance. We periodically review the potential consequences of Section 162(m) with respect to compensatory elements. In the future we may authorize other compensation payments to our named executive officers that do not comply with the exemptions in Section 162(m) if we judge that such payments are appropriate and in the best interests of the stockholders, after taking into consideration changing business conditions and/or any specific executive's particular circumstances. This is consistent with our general compensation policy to remain flexible in order to address business and/or financial challenges as they present themselves.

## **Compensation Risk Management**

In establishing compensation programs for the Company's executive officers and non-executive employees, the Compensation Committee and senior management of the Company, respectively, consider the potential effect(s) of such programs on the Company, as well as whether such programs create appropriate incentives. The only component of employee compensation that might pose a risk of having an adverse effect is annual cash incentive compensation, which is intended to incentivize our employees to achieve short-term financial performance objectives, and ties a portion of an employee's compensation to the achievement of such objectives. While annual cash incentive compensation encourages risk taking on the part of the Company's employees in their efforts to achieve these objectives, the Company believes that the risk is well managed and the level of risk is acceptable. Moreover, certain senior management members have a substantial portion of their compensation in the form of equity awards that are long-term in nature. We believe this counter balances any motivation to unduly favor excessive short-term risk taking. We also believe that the applicable performance objectives create appropriate incentives for our employees from year-to-year. Risk is further reduced by the fact that annual cash incentives are awarded on a discretionary basis; any known excessive risk taking could result in a reduction or elimination of the annual payment. Furthermore, our Chief Executive Officer and Chief Financial Officer are subject to clawback provisions under the Sarbanes-Oxley Act of 2002.

For these reasons we believe that our compensation policies and practices are not likely to have a material adverse effect on the Company.

## SUMMARY COMPENSATION TABLE FOR 2011

Name and Principal Position (a)	Year (b)	Salary (\$)(c)	Bonus (\$)(d)	Stock Awards (\$)(e)(1)	Option Awards (\$)(f)(1)	Non-Equity	All Other Compensation (\$)(i)	Total (\$)(j)
						Incentive Plan Compensation (\$)(g)		
Harvey L. Karp Chairman of the Board	2011	\$ 1,500,000				\$ 2,500,000	\$ 2,086,565(2)	\$ 6,086,565
	2010	\$ 1,500,000				\$ 2,500,000	\$ 15,021	\$ 4,015,021
	2009	\$ 1,500,000				\$ 598,600	\$ 21,538	\$ 2,120,138
Gregory L. Christopher Chief Executive Officer and Director	2011	\$ 704,862		\$ 1,175,210		\$ 1,360,383	\$ 91,836 (3)	\$ 3,332,291
	2010	\$ 651,923		\$ 570,720	\$ 238,650	\$ 1,245,173	\$ 50,380	\$ 2,756,846
	2009	\$ 600,000		\$ 606,250	\$ 191,400		\$ 60,826	\$ 1,458,476
Kent A. McKee Executive Vice President and Chief Financial Officer	2011	\$ 399,000		\$ 663,425		\$ 770,070	\$ 24,663(4)	\$ 1,857,158
	2010	\$ 377,308	\$ 34,000	\$ 344,400	\$ 159,100	\$ 720,658	\$ 19,420	\$ 1,654,886
	2009	\$ 360,000		\$ 363,750	\$ 153,120		\$ 19,277	\$ 896,147
James H. Rourke President, Industrial Business	2011	\$ 285,548		\$ 379,100		\$ 468,299	\$ 19,880 (5)	\$ 1,152,827
	2010	\$ 269,587		\$ 246,000		\$ 490,648	\$ 18,622	\$ 1,024,857
	2009	\$ 265,000		\$ 242,500	\$ 114,840	\$ 76,850	\$ 11,906	\$ 711,096
Gary C. Wilkerson Vice President, General Counsel and Secretary	2011	\$ 255,769		\$ 284,325		\$ 287,740	\$ 17,095(6)	\$ 844,929
	2010	\$ 244,143	\$ 15,000	\$ 98,400	\$ 159,100	\$ 274,661	\$ 10,092	\$ 801,396

- (1) These columns represent the aggregate grant date fair value of awards granted to our named executive officers in 2011, determined under Financial Accounting Standards Board Accounting Standards Codification 718. For information on the valuation assumptions with respect to awards made, refer to Note 12 - Stock-Based Compensation to the Company's Consolidated Financial Statements filed with its Annual Report on Form 10-K for the fiscal year ended December 31, 2011. The amounts above reflect the Company's aggregate accounting expense for these awards and do not necessarily correspond to the actual value that will be recognized by the named executive officers.
- (2) Represents (i) Mr. Karp's \$2,000,000 special bonus amount, which was earned in 2011 and will be payable on the earlier of (a) the calendar year following Mr. Karp's separation from service and (b) the occurrence of a change in control (the special bonus is also included below in the Nonqualified Deferred Compensation Table) and (ii) an income tax gross-up and other perquisites consisting of club memberships valued at \$25,439, 20-year service award valued at \$25,092, a car allowance and personal use of the Company's aircraft.
- (3) Includes personal use of the Company's aircraft (valued at \$44,499, representing the incremental cost incurred by the Company to operate the aircraft), an income tax gross-up and other perquisites consisting of a matching contribution to the Company's 401(k) Plan, club membership, reimbursement for Mr. Christopher's spouse's travel to Company functions, restricted stock dividends, personal tax and estate planning and an executive physical.
- (4) Includes other perquisites consisting of a matching contribution to the Company's 401(k) Plan, club membership, personal tax and estate planning, and restricted stock dividends.

- (5) Includes an income tax gross-up and other prerequisites consisting of a matching contribution to the Company's 401(k) Plan, restricted stock dividends, personal tax and estate planning, club membership and reimbursement for Mr. Rourke's spouse's travel to Company functions.
- (6) Includes an income tax gross-up and other prerequisites consisting of a matching contribution to the Company's 401(k) Plan, an executive physical and reimbursement for Mr. Wilkerson's spouse's travel to Company functions.

**2011 GRANTS OF PLAN BASED AWARDS TABLE**

Name (a)	Grant Date (b)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			All Other Stock Awards: Number of Shares of Stock or Units (i)(3)	All Other Option Awards: Number of Securities Underlying Options (j)(4)	Exercise or Base Price of Option Awards (\$/Sh) (k)	Closing Price of Stock on Grant Date (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)(c)	Target (\$)(d)	Maximum (\$)(e)					
Harvey L. Karp		N/A(2)	N/A(2)	\$ 2,500,000					
Gregory L. Christopher	7/28/2011	N/A(2)	\$ 704,862	\$ 1,409,724	31,000		\$ 37.91	\$ 1,175,210	
Kent A. McKee	7/28/2011	N/A(2)	\$ 399,000	\$ 798,000	17,500		\$ 37.91	\$ 663,425	
James H. Rourke	7/28/2011	N/A(2)	\$ 285,548	\$ 571,096	10,000		\$ 37.91	\$ 379,100	
Gary C. Wilkerson	7/28/2011	N/A(2)	\$ 191,827	\$ 287,741	7,500		\$ 37.91	\$ 284,325	

- (1) Mr. Karp received a cash incentive award based on achieving EBITDA, subject to certain adjustments, within the targeted range of \$92 million to \$157 million. Mr. Christopher, Mr. McKee, and Mr. Wilkerson received cash incentive awards based upon exceeding the consolidated operating income target of \$93 million. Mr. Rourke received a cash incentive award based upon the Industrial Products Division exceeding its operating income target of \$48 million. See our discussion under the heading "Compensation Discussion and Analysis- Annual Incentive Compensation" above for a more thorough discussion.
- (2) Because of the nature of the formulas used for determining annual incentive compensation, there are no threshold amounts. There is also no target amount for Mr. Karp's annual incentive compensation.
- (3) Shares of restricted stock will vest 20% per year on each of the first five anniversaries of the date of grant, subject to earlier vesting in connection with a change in control or a termination of employment due to death, disability, or, in the case of Messrs. Christopher and McKee only, by us without cause or by the executive officer for good reason.

**Narrative Disclosure to Summary Compensation Table and Grant of Plan Based Awards Table**

*Employment and Consulting Agreements*

Harvey L. Karp

We were party to an amended and restated employment agreement with Mr. Karp, dated September 17, 1997, as amended on June 21, 2004, February 17, 2005, October 25, 2007, and December 2, 2008. The term of the agreement ended on December 31, 2011. Pursuant to the agreement, Mr. Karp served as Chairman of the Board of Directors of the Company. Under the terms of the agreement, Mr. Karp received an annual base salary of at least \$606,373 (to be adjusted upward annually at a rate at least commensurate with increases granted to other key executives) and a performance-based cash incentive payment. Mr. Karp was also entitled to receive reimbursement for reasonable business and travel expenses incurred in the performance of his duties and is also entitled to participate in all bonus, incentive, stock option, pension, disability and health plans and programs and all fringe benefit plans maintained by the Company in which senior executives participate.

We are also party to an amended and restated consulting agreement with Mr. Karp, dated October 25, 2007, as amended on December 2, 2008, which became effective upon the termination of his employment agreement on December 31, 2011. The agreement provides that Mr. Karp will serve as an independent consultant and advisor to the Company for a period of six years on matters within his areas of expertise and for which he had responsibility during his employment with the Company, provided that he will not have to devote more than twenty hours per month to consulting services during the first four years of his consulting period nor more than ten hours per month during the last two years of his consulting period. In addition, during his consulting period, Mr. Karp agrees not to engage in competitive activity (as defined in the consulting agreement).

As compensation, Mr. Karp is entitled to receive an annual consulting fee equal to (i) two-thirds of his final base compensation for the first four years of the consulting period and one-third of his final base compensation for the last two years of such period. The final base compensation for Mr. Karp is \$2,000,000. In addition, during the consulting period, Mr. Karp is entitled to continue to participate in our health and medical benefit plans provided he bears the full cost of such participation, and the Company will pay to him an amount equal to his monthly cost of continuation coverage under COBRA for each month during the consulting period.

In the event that during the consulting period Mr. Karp's consulting relationship is terminated by the Company without cause or Mr. Karp terminates his consulting relationship for good reason, Mr. Karp will continue to receive the amounts that would have been payable under the consulting agreement for the remainder of the consulting period. In addition, in such event, the Company will continue to provide the other benefits that would have been provided under the consulting agreement for the remainder of the consulting period. In the event that any payment would be subject to the excise tax imposed by the golden parachute regulations under the Internal Revenue Code, Mr. Karp will be entitled to a gross-up payment from the Company to cover such taxes.

Gregory L. Christopher

We are party to an amended and restated employment agreement with Gregory L. Christopher, our Chief Executive Officer, dated October 30, 2008. The agreement contains a rolling three-year term, which is automatically extended so that the unexpired term on any date is always three years, unless either party gives written notice of his or its intention not to extend the term. The agreement entitles Mr. Christopher to an annual base salary of \$600,000 (to be adjusted upward annually at a rate commensurate with increases granted to other key executives) and discretionary cash incentive compensation in an amount consistent with the executive incentive compensation program which the Company establishes for other key executives. In addition, Mr. Christopher is entitled to receive reimbursement for reasonable business and travel expenses incurred in the performance of his duties and will participate in all bonus, incentive, stock option, pension, disability and health plans and programs and all fringe benefit plans maintained by the Company in which senior executives participate.

Mr. Christopher's employment may be terminated by the Company without cause or by Mr. Christopher for good reason upon appropriate written notice. In either such event, Mr. Christopher will continue to receive his then-current base salary as if his employment had continued for the remainder of the then-current term and annual incentive compensation for the remainder of the then-current term equal to the average incentive compensation for the three calendar years immediately preceding the written notice of termination. In addition, all outstanding unvested Company stock options then held by Mr. Christopher will immediately vest and become exercisable and Mr. Christopher will continue to participate in our health



plans and programs at his expense until he reaches age 65. In addition, we will pay Mr. Christopher an amount equal to the monthly cost of continuation coverage under COBRA until he reaches age 65.

Mr. Christopher may resign voluntarily without good reason upon appropriate written notice. In such event, Mr. Christopher will be entitled to receive any accrued but unpaid base salary and, at the Company's discretion, a bonus or incentive compensation for the calendar year in which his resignation without good reason occurs. The Company may terminate Mr. Christopher's employment for cause upon appropriate written notice. In addition, if Mr. Christopher's employment is terminated for cause or if Mr. Christopher voluntarily resigns for any reason other than good reason, his right to receive his base salary, incentive compensation and any other compensation and benefits to which he would otherwise be entitled under the agreement shall be forfeited as of the date of termination. Mr. Christopher may resign his employment for any reason following a change in control. In such event, the Company will pay to Mr. Christopher a lump sum amount equal to (i) his then-current base salary multiplied by the number of full and partial years remaining in the term of employment and (ii) his average annual incentive compensation for the three calendar years immediately preceding the date of termination multiplied by the number of full and partial years remaining in the term of employment. In addition, we will pay Mr. Christopher an amount equal to the monthly cost of continuation coverage under COBRA until he reaches age 65, and all outstanding unvested stock options then held by Mr. Christopher shall become immediately exercisable. In the event that any payment becomes subject to the excise tax imposed by the golden parachute regulations under the Internal Revenue Code, Mr. Christopher is entitled to a gross-up payment from the Company to cover such taxes.

Mr. Christopher's employment agreement also subjects him to non-competition and non-solicitation covenants during the term of employment and ending on the 12-month anniversary following any termination of employment. Generally, the non-competition covenant prevents Mr. Christopher from engaging in activities that are competitive with the business of the Company in any geographic area in which the Company does business and the non-solicitation covenant prevents Mr. Christopher from soliciting or hiring any person who was a full-time employee of the Company during the 24-month period preceding the termination of his employment. Mr. Christopher's employment agreement also contains standard confidentiality provisions.

Kent A. McKee

The Company is party to an employment agreement with Kent A. McKee, the Company's Executive Vice President and Chief Financial Officer, dated October 17, 2002, as amended on December 10, 2008. The agreement provides that Mr. McKee will serve as Vice President and Chief Financial Officer of the Company (Mr. McKee was subsequently appointed Executive Vice President on October 13, 2005) for a rolling three-year term. The agreement entitles Mr. McKee to receive an annual base salary of \$240,000 (to be adjusted upward annually at a rate commensurate with increases granted to other key executives) and discretionary cash incentive compensation consistent with the executive incentive compensation program which the Company establishes for other key executives. In addition, Mr. McKee is to receive reimbursement for reasonable business and travel expenses incurred in the performance of his duties and will participate in all bonus, incentive, stock option, pension, disability and health plans and programs and all fringe benefit plans maintained by the Company in which senior executives participate. The terms of Mr. McKee's employment agreement relating to the compensation and benefits to which he is entitled upon various terminations of employment (including gross-up payments) are identical to those contained in Mr. Christopher's employment agreement, described above.

The Company does not have any other employment agreements with named executive officers. Except as set forth above, the Company has no compensatory plan or arrangement with respect to any named executive officer which would result in severance or change in control payments in excess of \$100,000.

*2011 Annual Bonus Plan*

We maintain the 2011 Annual Bonus Plan, which was approved by our stockholders at our Annual Meeting in May 2011. The 2011 Annual Bonus Plan is designed to comply with the performance-based compensation exemption from Section 162(m) of the Code by providing certain employees of the Company with incentive compensation based upon achievement of pre-established performance goals. Our Compensation Committee administers the 2011 Annual Bonus Plan and is empowered to set performance goals and select participants that will be eligible to earn a bonus of incentive compensation based on the attainment of these pre-established performance goals.

*2009 Stock Incentive Plan*

We maintain the 2009 Stock Incentive Plan, which was approved by our stockholders at our Annual Meeting in May 2009. Our Compensation Committee administers the 2009 Stock Incentive Plan and is authorized to, among other things, designate participants, grant awards, determine the number of shares of Common Stock to be covered by awards and determine the terms and conditions of any awards, and construe and interpret the 2009 Stock Incentive Plan and related award agreements. The 2009 Stock Incentive Plan reserves 750,000 shares of our Common Stock for issuance, subject to adjustment in the event of any change in the outstanding Common Stock or the capital structure of the Company or any other similar corporate transaction or event.

**OUTSTANDING EQUITY AWARDS AT FISCAL 2011 YEAR-END**

Name (a)	Grant Date	Option Awards (1)			Stock Awards (2)		
		Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Option Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (h)
Harvey L. Karp							
Gregory L. Christopher	02/10/2003	19,451		\$ 16.62	02/10/2013		
	02/10/2004	31,122		\$ 20.72	02/10/2014		
	02/23/2005	20,000		\$ 31.22	02/23/2015		
	12/28/2005	45,000		\$ 28.04	12/28/2015		
	07/28/2006	30,000		\$ 35.05	07/28/2016		
	07/27/2007	28,000	7,000	\$ 36.91	07/27/2017		
	07/25/2008	36,000	24,000	\$ 26.49	07/25/2018		
	07/30/2009	10,000	15,000	\$ 23.83	07/30/2019	13,500	\$ 523,530
	07/23/2010	6,000	24,000	\$ 24.48	07/23/2020	21,200	\$ 822,136
	07/28/2011					31,000	\$ 1,202,180

Name (a)	Grant Date	Option Awards (1)			Stock Awards (2)		
		Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Option Exercise Price (\$)(e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(h)
Kent A. McKee	02/10/2004	38,902		\$ 20.72	02/10/2014		
	02/23/2005	25,000		\$ 31.22	02/23/2015		
	12/28/2005	45,000		\$ 28.04	12/28/2015		
	07/28/2006	25,000		\$ 35.05	07/28/2016		
	07/27/2007	24,000	6,000	\$ 36.91	07/27/2017		
	07/25/2008	21,000	14,000	\$ 26.49	07/25/2018		
	07/30/2009	8,000	12,000	\$ 23.83	07/30/2019	8,000	\$ 310,240
	07/23/2010	4,000	16,000	\$ 24.48	07/23/2020	12,800	\$ 496,384
	07/28/2011					17,500	\$ 678,650
James H. Rourke	07/27/2007		6,000	\$ 36.91	07/27/2017		
	07/25/2008		12,000	\$ 26.49	07/25/2018		
	07/30/2009		9,000	\$ 23.83	07/30/2019	5,000	\$ 193,900
	07/23/2010					8,000	\$ 310,240
	07/28/2011					10,000	\$ 387,800
Gary L. Wilkerson	05/05/2005	15,000		\$ 26.52	05/05/2015		
	07/28/2006	25,000		\$ 35.05	07/28/2016		
	07/27/2007	16,000	4,000	\$ 36.91	07/27/2017		
	07/25/2008	15,000	10,000	\$ 26.49	07/25/2018		
	07/30/2009	8,000	12,000	\$ 23.83	07/30/2019		
	07/23/2010	4,000	16,000	\$ 24.48	07/23/2020	4,000	\$ 155,120
	07/28/2011					7,500	\$ 290,850

- (1) The options reflected will vest and become exercisable at the rate of 20% of the underlying Common Stock per year on each of the first five anniversaries of the grant date and will expire on the tenth anniversary of the grant date, subject to earlier vesting in connection with a change in control.
- (2) Shares of restricted stock granted to Messrs. Christopher and McKee will vest either (i) 20% per year on each of the first five anniversaries of the date of grant or (ii) 50% on each of the second and third anniversaries of the date of grant, subject to earlier vesting in connection with a change in control or a termination of employment due to death, disability, by us without cause or by the executive officer for good reason. Shares of restricted stock granted to Messrs. Rourke and Wilkerson will vest either (i) 20% per year on each of the first five anniversaries of the date of grant or (ii) 50% on each of the second and third anniversaries of the date of grant, and shares of restricted stock granted in 2011 will be subject to earlier vesting in connection with a change in control or a termination of employment due to death or disability.

**2011 OPTION EXERCISES AND STOCK VESTED**

<b>Name (a)</b>	<b>Option Awards Number of Shares Acquired on Exercise (#)(b)</b>	<b>Value Realized on Exercise \$(c)</b>	<b>Stock Awards Number of Shares Acquired on Vesting (#)(d)</b>	<b>Value Realized on Vesting \$(e)</b>
Harvey L. Karp				
Gregory L. Christopher	21,380	\$ 550,968	11,500	\$442,943
Kent A. McKee	62,328	\$1,661,213	7,200	\$276,870
James H. Rourke	98,000	\$ 867,940	7,000	\$276,375
Gary L. Wilkerson				

**NONQUALIFIED DEFERRED COMPENSATION**

Pursuant to the terms of Mr. Karp's letter agreement, as described above under Compensation Discussion and Analysis Elements of Compensation Special One-Time Bonus Award, Mr. Karp became entitled to a special bonus in an amount equal to \$2,000,000 based on his continued employment with the Company through December 15, 2011. The payment of Mr. Karp's special bonus will be delayed until the six-month anniversary of his December 31, 2011 separation from service. Our other executive officers do not have nonqualified deferred compensation.

<b>Name (a)</b>	<b>Executive Contributions in Last FY \$ (b)</b>	<b>Registrant Contributions in Last FY \$ (c)</b>	<b>Aggregate Earnings in Last FY \$ (d)</b>	<b>Aggregate Withdrawals/ Distributions \$(e)</b>	<b>Aggregate Balance at Last FYE \$(f)</b>
Harvey L. Karp		\$2,000,000(1)			\$2,000,000

(1) This amount is included in Mr. Karp's All Other Compensation in the Summary Compensation Table.

**POTENTIAL PAYMENTS UPON TERMINATION OF EMPLOYMENT OR  
CHANGE OF CONTROL AS OF THE END OF 2011**

Pursuant to the employment, consulting, and equity grant agreements with certain of our named executive officers, upon certain terminations of employment, our named executive officers are entitled to payments of compensation and benefits as described above under Narrative Disclosure to Summary Compensation Table and Grant of Plan-Based Awards Table Employment and Consulting Agreements. The table below reflects the amount of compensation and benefits payable to each

named executive officer in the event of (i) an involuntary termination without cause or a resignation for good reason or (ii) a change in control. The amounts shown assume the applicable triggering event occurred on December 31, 2011, and therefore are estimates of the amounts that would be paid to the named executive officers upon the occurrence of such triggering event.

Name (a)	Termination Without Cause or for Good Reason				Change in Control				Gross Up (\$)(7)	Total (\$) (l)	
	Salary & Bonus (\$) (b)	Benefits (\$) (c)	Accelerated Vesting of Equity Awards (\$)(5) (d)	Consulting Agreement (\$)(6) (e)	Salary & Bonus (\$) (g)	Benefits (\$) (h)	Accelerated Vesting of Equity Awards (\$)(5) (i)	Consulting Agreement (\$)(6) (j)			
Harvey L. Karp	\$2,000,000(1)	\$ 30,394(3)		\$ 6,666,667	\$ 8,697,061	\$ 2,000,000(1)	\$ 30,394(3)		\$ 6,666,667		\$ 8,697,061
Gregory L. Christopher	\$ 4,733,516(2)	\$ 268,758(4)	\$ 3,424,241		\$ 8,426,515	\$ 4,733,516(2)	\$ 268,758(4)	\$ 3,424,241		\$ 1,248,065	\$ 9,674,580
Kent A. McKee	\$ 2,729,828(2)	\$ 250,841(4)	\$ 2,077,364		\$ 5,058,033	\$ 2,729,828(2)	\$ 250,841(4)	\$ 2,077,364			\$ 5,058,033
James H. Rourke								\$ 1,185,565			\$ 1,185,565
Gary C. Wilkerson								\$ 985,080			\$ 985,080

- (1) Represents Mr. Karp's special bonus amount, which is payable on the earlier of (i) the calendar year following Mr. Karp's separation from service and (ii) the occurrence of a change in control. Because Mr. Karp's special bonus amount was earned on December 15, 2011, it is also reflected in the Bonus column of the 2011 Summary Compensation Table. Mr. Karp will not be entitled to receive the special bonus if his employment or service is terminated by the Company for cause prior to the applicable payment date.
- (2) Includes the value of base salary continuation and annual incentive compensation equal to the average annual incentive compensation actually paid in the immediately preceding three years for the remainder of the term of the agreement as of December 31, 2011, which is payable on an involuntary termination without cause or a resignation for good reason or a resignation for any reason following a change in control. If an executive resigns following a change in control, the amounts will be paid in a lump sum within 30 days following termination.
- (3) Includes the value of health insurance continuation coverage under COBRA for the term of Mr. Karp's consulting agreement, which is payable if the consulting period is terminated by the Company without cause or by Mr. Karp for good reason.

- (4) Includes the value of continued participation in the Company's benefit plans following termination of employment until age 65, which is payable on an involuntary termination without cause or a resignation for good reason or a resignation for any reason following a change in control.
- (5) Includes the value of accelerated vesting of unvested shares of restricted stock and unvested stock options as of December 31, 2011, based on a per share value of \$38.79. Unvested stock options, unvested shares of restricted stock granted in 2011, and unvested shares of restricted stock granted to Messrs. Christopher and McKee will vest automatically in connection with a change in control. In addition, pursuant to their employment agreements, all outstanding stock options held by Messrs. Christopher and McKee will vest in connection with a termination by us without Cause or a resignation by the executive officer for good reason or for any reason following a change in control.
- (6) Includes the value of Mr. Karp's consulting fee for the term of Mr. Karp's consulting agreement, which went into effect as of December 31, 2011. Payment of Mr. Karp's consulting fee is contingent upon the continued provision of consulting services in accordance with the terms of the consulting agreement, provided, however, that if the consulting period is terminated by the Company without cause or by Mr. Karp for good reason, Mr. Karp will continue to receive the amounts that would have been payable under the consulting agreement for the remainder of the consulting period.
- (7) Gross-up payment to cover the excise tax imposed by the golden parachute regulations under the Internal Revenue Code.

**2011 DIRECTOR COMPENSATION**

<b>Name (a)</b>	<b>Fees Earned or Paid in Cash (\$) (b)</b>	<b>Stock Awards (\$) (c)</b>	<b>Option Awards \$(1) (d)</b>	<b>Total (\$) (h)</b>
Ian M. Cumming	\$ 13,750			\$ 13,750
Alexander P. Federbush	\$ 215,500	\$36,940	\$24,528	\$276,968
Paul J. Flaherty	\$ 65,500	\$36,940	\$24,528	\$126,968
Gennaro J. Fulvio	\$ 70,500	\$36,940	\$24,528	\$131,968
Gary S. Gladstein	\$ 70,250	\$36,940	\$24,528	\$131,718
Scott J. Goldman	\$ 64,750	\$36,940	\$24,528	\$126,218
Terry Hermanson	\$ 70,000	\$36,940	\$24,528	\$131,468
Joseph S. Steinberg	\$ 13,750			\$ 13,750

- (1) Represents the aggregate grant date fair value of awards granted to our directors in 2011, determined under Financial Accounting Standards Board Accounting Codification 718. For information on the valuation assumptions with respect to awards made, refer to Note 12 - Stock-Based Compensation to the Company's Consolidated Financial Statements filed with its Annual Report on Form 10-K for the fiscal year ended December 31, 2011. The

amounts above reflect the Company's aggregate accounting expense for these awards and do not necessarily correspond to the actual value that will be recognized by the directors. As of December 31, 2011, the aggregate number of shares of our Common Stock subject to outstanding options held by our non-employee directors was as follows: Mr. Federbush, 10,000 shares, Mr. Flaherty, 8,000 shares, Mr. Fulvio, 10,000 shares, Mr. Gladstein, 10,000 shares, Mr. Goldman, 8,000 shares, and Mr. Hermanson, 10,000 shares. Each of these directors also held 1,000 shares of non-vested restricted stock. As of December 31, 2011, neither Mr. Cumming nor Mr. Steinberg held outstanding stock-based awards.

During the 2011 fiscal year, the vice chairman received an annual fee for serving on the Company's Board of Directors of \$200,000 and the remaining non-employee directors received an annual fee of \$50,000. Messrs. Cumming and Steinberg, after being appointed to the Board of Directors on September 2, 2011, each received \$13,750. In addition, each director received a fee of \$1,000 per Board meeting during the first half of the year and \$2,000 per Board meeting for the second half of the year. Also, each director received \$750 per Audit, Compensation and Nominating and Corporate Governance Committee meeting attended by such director, plus reimbursement for such director's expenses incurred in connection with any such Board or Committee meeting, and each Committee fee was paid whether or not such committee meeting was held in conjunction with a Board of Directors meeting. In addition, the Chairman of the Audit Committee received an annual fee of \$5,000 while the Chairman of each of the Compensation and Nominating and Corporate Governance Committees received an annual fee of \$3,000.

In 2011, each non-employee director, except for Messrs. Cumming and Steinberg, received a grant of options to purchase 2,000 shares of our Common Stock and were granted 1,000 shares of restricted stock pursuant to our 2009 Stock Incentive Plan. The options were fully vested as of their date of grant and the restricted stock will vest on the first anniversary of the date of grant.



**REPORT OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS<sup>(1)</sup>**

The Audit Committee of the Board of Directors oversees the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in the Annual Report on Form 10-K with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with the independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee under Statement on Auditing Standards No. 61, *Communications with Audit Committees*, as amended and as adopted by the Public Company Accounting Oversight Board in Rule 3200T. In addition, the Audit Committee discussed with the independent auditors the auditors' independence from management and the Company, including the matters in the written disclosures required by Public Company Accounting Oversight Board's Rule 3526, and considered the compatibility of non-audit services provided by the independent auditors with the auditors' independence.

The Audit Committee discussed with the Company's internal and independent auditors the overall scope and plans for their respective audits. The Audit Committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board of Directors has approved) that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for filing with the SEC. The Audit Committee and the Board has re-appointed, subject to shareholder approval, Ernst & Young LLP, independent auditors, to audit the consolidated financial statements of the Company for the fiscal year ending December 29, 2012.

The Audit Committee is governed by a formal charter which can be accessed from the Company's website at [www.muellerindustries.com](http://www.muellerindustries.com) or may be requested in print by any shareholder. The members of the Audit Committee are considered independent because they satisfy the independence requirements for Board members prescribed by the NYSE listing standards and Rule 10A-3 of the Exchange Act.

Gary S. Gladstein, Chairman  
Gennaro J. Fulvio  
Terry Hermanson

- 
- (1) This Section is not soliciting material, is not deemed filed with the SEC and is not to be incorporated by reference in any filing of the Company under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

**REPORT OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS  
ON EXECUTIVE COMPENSATION**

The Compensation Committee has reviewed and discussed with the Company's management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Terry Hermanson, Chairman  
Ian M. Cumming  
Paul J. Flaherty  
Gennaro J. Fulvio

### EQUITY COMPENSATION PLAN INFORMATION

The following table discloses information regarding the securities to be issued and the securities remaining available for issuance under the Registrant's stock-based incentive plans as of December 31, 2011 (shares in thousands):

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants, and rights	(b) Weighted average price of outstanding options, warrants, and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans - approved by security holders	1,231	\$ 28.07	746(1)
Equity compensation plans - not approved by security holders			
<b>Total</b>	<b>1,231</b>	<b>\$ 28.07</b>	<b>746</b>

- (1) Of the 746 thousand securities remaining available for issuance under the equity compensation plans, 457 thousand are available under the Company's 2009 Stock Incentive Plan for issuance of restricted stock, stock appreciation rights, or stock options. The remaining securities are available for issuance of stock options only.

#### APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP (E&Y) has been reappointed by the Audit Committee to audit and certify the Company's financial statements for the fiscal year ending December 29, 2012, subject to ratification by the Company's stockholders. Ratification of the appointment of the Company's independent registered public accounting firm requires the affirmative vote of a majority of the outstanding shares of the Company present in person or by proxy at the Annual Meeting and entitled to vote thereon. If the appointment of E&Y is not ratified by the stockholders at the Annual Meeting, the Audit Committee will reconsider its action and will appoint auditors for the 2012 fiscal year without further stockholder action. Further, even if the appointment is ratified by stockholder action, the Audit Committee may at any

time in the future in its discretion reconsider the appointment without submitting the matter to a vote of stockholders. It is expected that representatives of E&Y will be in attendance at the Annual Meeting and will be available to answer questions and to make a statement if they desire to do so.

The following table sets forth fees for professional services rendered by E&Y for the audit of the Company's annual financial statements for each of the two fiscal years ended December 31, 2011 and December 25, 2010 and fees for other services rendered by E&Y during those periods:

	<b>2011</b>	<b>2010</b>
Audit Fees	\$ 2,121,420	\$ 2,045,861
Audit-Related Fees	59,440	94,197
Tax Fees	421,296	423,076
All Other Fees	1,995	1,945
	\$ 2,604,151	\$ 2,565,079

Audit Fees consist of fees for professional services rendered for the audit of the Company's consolidated annual financial statements and review of the interim consolidated financial statements included in quarterly reports and services that are normally provided by E&Y in connection with statutory filings. Audit Fees also includes fees for professional services rendered for the audits of internal control over financial reporting in 2011 and 2010.

Audit-Related Fees include fees billed for consultation on certain accounting matters.

Tax Fees include fees billed for tax compliance, tax advice and tax planning matters.

The Audit Committee's policy is to pre-approve all audit and non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services. The Audit Committee has delegated pre-approval authority to its Chairman when expedition of services is necessary. The independent auditors and management are required periodically to report to the full Audit Committee regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to

date. All of the services provided by the independent auditors during fiscal years 2011 and 2010, respectively, under the categories Audit Fees, Audit-Related Fees, Tax Fees and All Other Fees described above were pre-approved.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE THEIR SHARES FOR THE APPROVAL OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

**APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS**

In accordance with Section 14A of the Exchange Act, stockholders are being asked to vote on an advisory, non-binding basis, on the compensation of the Company's named executive officers. This advisory vote gives stockholders another mechanism to convey their views about the Company's compensation programs and policies.

The Company's Compensation Committee is composed of knowledgeable and experienced independent directors, who are committed to regular review and effective oversight of our compensation programs. The Company's executive compensation program has been designed to motivate the Company's key employees to achieve the Company's strategic and financial goals and to support the creation of long-term value for stockholders. The Company's compensation policies and practices are centered on a pay for performance philosophy and reflect the belief that the Company's success continues to depend in substantial part upon its ability to attract and retain qualified executive officers. We encourage stockholders to read the Executive Compensation section of this proxy statement, including the Compensation Discussion and Analysis and compensation tables, for a more detailed discussion of the Company's compensation programs and policies and how they are appropriate and effective in creating value.

The following resolution will be submitted for a stockholder vote at the Annual Meeting. Although the stockholder vote on executive compensation is not binding on the Board of Directors or the Company, the Company values the views of its stockholders. The Board of Directors and Compensation Committee will review the results of the vote and take them into consideration in addressing future compensation policies and decisions.

RESOLVED, that the stockholders of the Company approve, on an advisory basis, the compensation of the Company's named executive officers listed in the 2011 Summary Compensation Table included in the proxy statement for the 2012 Annual Meeting, as such compensation is disclosed pursuant to Item 402 of Regulation S-K in this proxy statement under the section titled "Compensation Discussion and Analysis," as well as the compensation tables and other narrative executive compensation disclosures thereafter.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE THEIR SHARES FOR THE APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS.**

**STOCKHOLDER NOMINATIONS FOR BOARD MEMBERSHIP  
AND OTHER PROPOSALS FOR 2013 ANNUAL MEETING**

It is anticipated that the next Annual Meeting after the one scheduled for May 3, 2012 will be held on or about May 2, 2013. The Company's Bylaws require that, for nominations of directors or other business to be properly brought before an Annual Meeting, written notice of such nomination or proposal for other business must be furnished to the Company. Such notice must contain certain information concerning the nominating or proposing stockholder and information concerning the nominee and must be furnished by the stockholder (who must be entitled to vote at the meeting) to the Secretary of the Company, in the case of the Annual Meeting to be held in 2013, no earlier than February 2, 2013 and no later than March 4, 2013. A copy of the applicable provisions of the Bylaws may be obtained by any stockholder, without charge, upon written request to the Secretary of the Company at the address set forth below.

In addition to the foregoing, and in accordance with the rules of the SEC, in order for a stockholder proposal, relating to a proper subject, to be considered for inclusion in the Company's proxy statement and form of proxy relating to the Annual Meeting to be held in 2013, such proposal must be received by the Secretary of the Company by November 21, 2012 in the form required under and subject to the other requirements of the applicable rules of the SEC. If the date of the Annual Meeting to be held in 2013 is changed to a date more than 30 days earlier or later than May 2, 2013, the Company will inform the stockholders in a

timely fashion of such change and the date by which proposals of stockholders must be received for inclusion in the proxy materials. Any such proposal should be submitted by certified mail, return receipt requested, or other means, including electronic means, that allow the stockholder to prove the date of delivery.

#### **OTHER MATTERS TO COME BEFORE THE ANNUAL MEETING**

If any matter not described herein should properly come before the Annual Meeting, the persons named in the proxy will vote the shares represented by them as they deem appropriate. At the date of this Proxy Statement, the Company knew of no other matters which might be presented for stockholder action at the Annual Meeting.

#### **SECTION 16(a) BENEFICIAL OWNERSHIP COMPLIANCE REPORTING**

Based solely upon its review of Forms 3 and 4 received by it and written representations from certain reporting persons that no Forms 5 were required for those persons, the Company believes that during 2011 all filing requirements applicable to its officers, directors and ten percent stockholders were complied with.

#### **OTHER INFORMATION**

Consolidated financial statements for the Company are included in the Annual Report to Stockholders for the year ended December 31, 2011 that accompanies this Proxy Statement. These financial statements are also on file with the SEC, 100 F Street, N.E., Washington, D.C. 20549 and with the NYSE. The Company's SEC filings are also available at the Company's website at [www.muellerindustries.com](http://www.muellerindustries.com) or the SEC's website at [www.sec.gov](http://www.sec.gov).

**A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K AS FILED FOR THE YEAR ENDED DECEMBER 31, 2011 (EXCLUDING EXHIBITS) OR, AS NOTED HEREIN, ANY OF THE COMPANY'S BOARD COMMITTEE CHARTERS, CORPORATE GOVERNANCE GUIDELINES, OR CODE OF ETHICS WILL BE FURNISHED, WITHOUT CHARGE, BY WRITING TO GARY C. WILKERSON, SECRETARY, MUELLER INDUSTRIES, INC., AT THE COMPANY'S PRINCIPAL PLACE OF BUSINESS (8285 TOURNAMENT DRIVE, SUITE 150, MEMPHIS, TENNESSEE 38125). UPON RECEIPT BY WRITING TO**

**THE FOREGOING ADDRESS, THE COMPANY WILL ALSO FURNISH ANY OTHER EXHIBIT OF THE ANNUAL REPORT ON FORM 10-K UPON ADVANCE PAYMENT OF THE REASONABLE OUT-OF-POCKET EXPENSES OF THE COMPANY RELATED TO THE COMPANY S FURNISHING OF SUCH EXHIBIT.**

### **NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS**

**Important Notice Regarding the Availability of Proxy Materials for the 2012 Annual General Meeting to be held on May 3, 2012.**

**The Proxy Statement and Annual Report are available at  
[HTTP://WWW.PROXYVOTE.COM](http://www.proxyvote.com)**

You will need the Control Number included on your proxy card. For the date, time, and location of the Annual General Meeting, please refer to Solicitation of Proxies. For information on how to attend and vote in person at the Annual General Meeting, an identification of the matters to be voted upon at the Annual General Meeting and the Board s recommendations regarding those matters, please refer to Solicitation of Proxies, Election of Directors, Appointment of Independent Registered Accounting Firm and Approval of the Compensation of the Company s Named Executive Officers.

### **HOUSEHOLDING OF ANNUAL MEETING MATERIALS**

The SEC has enacted a rule that allows multiple investors residing at the same address the convenience of receiving a single copy of annual reports, proxy statements, prospectuses and other disclosure documents if they consent to do so. This is known as Householding. Please note, if you do not respond, Householding will start 60 days after the mailing of this notice. We will allow Householding only upon certain conditions. Some of those conditions are:

- ◆ You agree to or do not object to the Householding of your materials,
  
- ◆ You have the same last name and exact address as another investor(s).

If these conditions are met, and SEC regulations allow, your household will receive a single copy of annual reports, proxy statements, prospectuses and other disclosure documents.



You may revoke a prior Householding consent at any time by contacting Broadridge, either by calling toll-free at (800) 542-1061, or by writing to Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York, 11717. We will remove you from the Householding program within 30 days of receipt of your response, following which you will receive an individual copy of our disclosure document.

By order of the Board of Directors

Gary C. Wilkerson

*Corporate Secretary*

- 53 -

---

*MUELLER INDUSTRIES, INC.  
ATTN: GARY WILKERSON  
8285 TOURNAMENT DRIVE-STE. 150  
MEMPHIS, TN 38125*

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**Electronic Delivery of Future PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

KEEP THIS PORTION  
DETACH AND RETURN

**The Board of Directors recommends you vote FOR the following:**

<b>For All</b>	<b>Withhold All</b>	<b>For All Except</b>
o	o	o

1. Election of Directors  
**Nominees**

To withhold authority to vote for any individual nominee(s), mark **For All Except** and write the number(s) of the nominee(s) on the line below.

- |                     |                           |                        |                           |       |
|---------------------|---------------------------|------------------------|---------------------------|-------|
| 01 Ian M. Cumming   | 02 Alexander P. Federbush | 03 Paul J. Flaherty    | 04 Gennaro J. Fulvio      | 05 Ga |
| 06 Scott J. Goldman | 07 Terry Hermanson        | 08 Joseph S. Steinberg | 09 Gregory L. Christopher |       |

**The Board of Directors recommends you vote FOR proposals 2 and 3.**

2. Approve the appointment of Ernst & Young LLP as independent auditors of the Company.
3. To approve, on an advisory basis by non-binding vote, executive compensation.

**NOTE:** Such other business as may properly come before the meeting or any adjournment thereof. THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE SIGNED STOCKHOLDER. IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED "FOR" ALL NOMINEES LISTED, "FOR" PROPOSAL 2, and "FOR" PROPOSAL 3.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature  
[PLEASE  
SIGN  
WITHIN  
BOX]  
Date

Signature  
(Joint  
Owners)  
Date

---

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:** The Annual Report, Notice & Proxy Statement is/are available at [www.proxyvote.com](http://www.proxyvote.com).

**MUELLER INDUSTRIES, INC.**

**PROXY FOR ANNUAL MEETING OF STOCKHOLDERS - MAY 3, 2012**  
**This Proxy is Solicited on Behalf of the Board of Directors.**

The undersigned hereby appoints Gary C. Wilkerson and Kent A. McKee, and each of them, Proxies, with full power of substitution in each, to represent and to vote, as designated, all shares of Common Stock of Mueller Industries, Inc. that the undersigned is entitled to vote at the Annual Meeting of Stockholders to be held on May 3, 2012, and at all adjournments thereof, upon and in respect of the matters set forth on the reverse side hereof, and in their discretion, upon any other matter that may properly come before said meeting.

**PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.**

**Continued and to be signed on reverse side**

---