

CSS INDUSTRIES INC
Form DEFA14A
July 20, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

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

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

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

CSS INDUSTRIES, INC.

(Name of Registrant as Specified In Its Charter)

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

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No fee required.

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(4) Date Filed: _____

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SUPPLEMENT TO THE PROXY STATEMENT FOR
THE ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JULY 28, 2015
July 20, 2015

These Definitive Additional Materials amend and supplement the definitive proxy statement dated June 18, 2015 (the “2015 Proxy Statement”) of CSS Industries, Inc., a Delaware corporation (“CSS” or the “Company”), for its 2015 Annual Meeting of Stockholders (the “2015 Annual Meeting”) to be held at The Westin Philadelphia, 99 South 17th Street, Philadelphia, Pennsylvania, on Tuesday, July 28, 2015, at 9:30 a.m. local time.

SUPPLEMENTAL DISCLOSURES TO DEFINITIVE PROXY STATEMENT

This supplemental information should be read in conjunction with the 2015 Proxy Statement, which should be read in its entirety.

You recently received our proxy materials for our upcoming 2015 Annual Meeting of Stockholders (the “Meeting”), which will be held at The Westin Philadelphia, 99 South 17th Street, Philadelphia, Pennsylvania, on Tuesday, July 28, 2015, at 9:30 a.m. local time. In addition, we previously filed supplemental disclosures with the Securities and Exchange Commission (the “SEC”) on July 13, 2015.

At the Meeting, one of the proposals on which you will be asked to vote, in person or by proxy, is the election of five members of our Board of Directors, who, if elected, will constitute our entire Board of Directors following the Meeting. All of the nominees are presently members of our Board of Directors.

As we have previously disclosed, Institutional Shareholder Services Inc. (“ISS”), a proxy advisory company that makes voting recommendations regarding the proxy proposals of numerous companies, has recommended that you withhold votes from three of our candidates for director: Rebecca Matthias, Scott Beaumont and Lee Hitchner. ISS’ recommendation is not based on a qualitative assessment of the service provided to our Board by these candidates. Rather, because ISS considers Mr. Hitchner not to be an “independent” director in accordance with its own definition, and because Mr. Hitchner serves on our Board’s Audit and Human Resources (i.e., compensation) Committees, ISS determined to recommend against his election, as it did in 2014 for the same reason. ISS has also recommended withhold votes on the election of Ms. Matthias and Mr. Beaumont, because they serve on our Board’s Nominating and Governance Committee, which nominated Mr. Hitchner for re-election. ISS indicated that the withhold votes were warranted because the committee did not fully resolve the issue that led to the 2014 majority withhold vote for Mr. Hitchner at the 2014 annual meeting.

While we have determined that Mr. Hitchner is independent, and do not agree with ISS’ policies or its recommendations, our Board has nevertheless taken action to reconstitute our Audit and Human Resources Committees so that Mr. Hitchner is no longer a member of these committees. Effective July 20, 2015, he has been replaced on the Audit Committee by Ms. Matthias and on the Human Resources Committee by Robert E. Chappell, each of whom ISS considers an independent director. Thus, all members of our Audit and Human Resources Committees are considered independent by

ISS, as has already been the case with our Nominating and Governance Committee. Further, when our Board reconstitutes its committees following the 2015 Annual Meeting, Mr. Hitchner will not be appointed to serve on the Audit, Human Resources or Nominating and Governance Committee.

Our Board thanks Mr. Hitchner for his service on the Audit and Human Resources committees and looks forward to his continued service as a valuable member of our Board. In addition, the Board reaffirms its carefully considered determination, made in accordance with applicable rules and standards of the SEC and The New York Stock Exchange, that Mr. Hitchner has been, and remains, independent.

In light of the fact that the recomposition of the committees resolves the fundamental basis for ISS' concern, we intend to contact ISS to seek a reconsideration of their recommendations on the election of Ms. Matthias and Messrs. Beaumont and Hitchner. In the meantime, our Board continues to recommend that you vote "for" the election of all of the nominees for election, including Ms. Matthias and Messrs. Beaumont and Hitchner.

Additional Information and Where to Find It

CSS, its directors and certain of its executive officers and employees may be deemed to be participants in the solicitation of proxies from CSS's stockholders in connection with the 2015 Annual Meeting. CSS filed the 2015 Proxy Statement with the SEC on June 18, 2015 in connection with the solicitation of proxies for the 2015 Annual Meeting.

STOCKHOLDERS ARE URGED TO READ THE 2015 PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT CSS WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Additional information regarding the identity of these potential participants and their direct or indirect interests, by security holdings or otherwise, is or will be set forth in the 2015 Proxy Statement and other materials to be filed with the SEC in connection with the 2015 Annual Meeting. Such information can also be found in the following filings with the SEC:

- CSS's Annual Report on Form 10-K for the fiscal year ended March 31, 2015;
- CSS's Current Reports on Form 8-K filed with the SEC on April 30, 2015 and May 22, 2015;
- CSS's definitive proxy statement for the 2015 Annual Meeting of Stockholders, filed with the SEC on June 18, 2015; and
- CSS's additional proxy materials for the 2015 Annual Meeting of Stockholders, filed with the SEC on July 13, 2015.

Stockholders can obtain, free of charge, copies of the 2015 Proxy Statement and any other documents filed by CSS with the SEC in connection with the 2015 Annual Meeting at the SEC's website (www.sec.gov), at CSS's website (www.cssindustries.com) or by writing to CSS Industries, Inc., Attn: Corporate Secretary, 1845 Walnut Street, Suite 800, Philadelphia, PA 19103.

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. We may from time to time make written or oral statements in this letter, the proxy statements filed with the Securities and Exchange Commission (the "Commission") communications to stockholders and press releases which constitute "forward-looking statements" within

the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based upon management's current expectations, estimates, assumptions and beliefs concerning future events and conditions and may discuss, among other things, anticipated future performance, share repurchases, expected growth, future business plans and costs. Any statement that is not historical in nature is a forward-looking statement and may be identified by the use of words and phrases such as "expects," "anticipates," "believes," "will," "will likely result," "will continue," "plans to" and similar expressions.

Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the company, which could cause actual results to differ materially from such statements and from the company's historical results and experience. These factors include, but are not limited to, the risks detailed in CSS's filings with the Commission, including its Annual Report on Form 10-K for the fiscal year ended March 31, 2015, and any subsequent Quarterly Reports on Form 10-Q.

Readers are cautioned that it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results and that the risks described herein should not be considered to be a complete list.

Any forward-looking statement speaks only as of the date on which such statement is made, and the company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.