

GREIF INC
Form DEF 14A
January 14, 2011

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**SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

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-11(c) or §240.14a-12

GREIF, INC.

(Name of Registrant as Specified in Its Charter)

NOT APPLICABLE

(Name of Person(s) Filing Proxy Statement)

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- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
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GREIF, INC.
425 Winter Road
Delaware, Ohio 43015

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Greif, Inc.:

Notice is hereby given that the Annual Meeting of Stockholders of Greif, Inc. (the Company) will be held at its principal executive offices, 425 Winter Road, Delaware, Ohio 43015, on February 28, 2011, at 10:00 A.M., Eastern Time, for the following purposes:

1. To elect nine directors to serve for a one-year term;
2. To consider and vote upon a proposal to amend a material term of the Company's Performance-Based Incentive Compensation Plan;
3. To consider and vote upon a proposal to reaffirm the approval of the Company's Amended and Restated Long-Term Incentive Compensation Plan;
4. To consider and vote upon a proposal to amend a material term of the Company's 2001 Management Equity Incentive and Compensation Plan;
5. To conduct an advisory vote on a resolution to approve the compensation, as disclosed in the Compensation Discussion and Analysis section and compensation tables, as well as the other narrative executive compensation disclosures, contained in the Proxy Statement accompanying this Notice, of the Company's named executive officers identified in such Proxy Statement;
6. To conduct an advisory vote on whether a resolution to approve the compensation of the Company's named executive officers should be presented for an advisory vote of stockholders every 1, 2 or 3 years; and
7. To transact such other business as may properly come before the meeting or any and all adjournments.

Only stockholders of record of the Class B Common Stock at the close of business on December 20, 2010, will be entitled to vote.

Whether or not you plan to attend this meeting, we hope that Class B stockholders will sign the enclosed proxy(s) and return them promptly in the enclosed envelope or vote by internet at www.proxyvote.com or by phone at +1 800 690 6903. If you are able to attend the meeting and wish to vote in person, at your request we will cancel your proxy.

Gary R. Martz
Secretary

January 14, 2011

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**GREIF, INC.
425 Winter Road
Delaware, Ohio 43015**

PROXY STATEMENT

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD FEBRUARY 28, 2011**

To the Stockholders of Greif, Inc.:

This Proxy Statement is being furnished to all stockholders of Greif, Inc., a Delaware corporation (the Company), in connection with the Company's Annual Meeting of Stockholders scheduled to be held on February 28, 2011, at 10:00 A.M., Eastern Time, at the Company's principal executive offices, 425 Winter Road, Delaware, Ohio 43015. It is anticipated that this Proxy Statement and form of proxy will first be sent to the stockholders on or about January 14, 2011.

PROXIES AND VOTING

This Proxy Statement is being furnished to Class B stockholders of the Company, the only class of stockholders entitled to vote at the Annual Meeting of Stockholders, in connection with the solicitation by the Company's Board of Directors (the Board) of proxies that will be used at the Annual Meeting of Stockholders. Class A stockholders are not entitled to vote at the Annual Meeting of Stockholders. Therefore, this Proxy Statement is being furnished to Class A stockholders for informational purposes only and no proxy is being solicited from them.

At the Annual Meeting of Stockholders, the Class B stockholders will vote upon the election of nine directors to serve for a one-year term, a proposal to amend a material term of the Company's Performance-Based Incentive Compensation Plan (the Short Term Incentive Plan), a proposal to reaffirm the material provisions of the Company's Amended and Restated Long-Term Incentive Compensation Plan (the Long Term Incentive Plan) and a proposal to amend a material term of the Company's 2001 Management Equity Incentive and Compensation (the 2001 Plan). The Company will also conduct advisory votes on a resolution concerning the approval of the compensation of the Company's named executive officers identified in this Proxy Statement and whether such a resolution should be presented every 1, 2 or 3 years. The Class B stockholders will also vote upon such other business as may properly come before the meeting or any and all adjournments.

The nine nominees receiving the highest number of votes will be elected as directors. Class B stockholders do not have the right to cumulate their votes in the election of directors.

The vote required to amend the Short Term Incentive Plan and the 2001 Plan and to reaffirm approval of the Long Term Incentive Plan is the favorable vote of a majority of the outstanding shares of the Class B Common Stock voting on this proposal; provided that the total vote cast on the proposal represents over 50 percent in interest of all shares of Class B Common Stock entitled to vote on the proposal.

The vote on the resolution concerning the approval of the compensation of the Company's named executive officers is advisory only and therefore is not binding upon the Board. However, the

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Compensation Committee may take into account the outcome of the vote when considering future executive compensation arrangements.

The vote on the resolution concerning the frequency of conducting future advisory votes regarding the compensation of the Company's named executive officers is also advisory only and therefore is not binding upon the Board. However, the Board intends to select the frequency term (1, 2 or 3 years) receiving the highest number of votes as the frequency with which future resolutions will be presented to Class B stockholders concerning the approval of the compensation of the Company's named executive officers.

Shares of Class B Common Stock represented by properly executed proxies will be voted at the Annual Meeting of Stockholders in accordance with the choices indicated on the proxy. Any proxy may be revoked at any time prior to its exercise by delivering to the Company a subsequently dated proxy or by giving notice of revocation to the Company in writing or in open meeting. A Class B stockholder's presence at the Annual Meeting of Stockholders does not by itself revoke the proxy.

Abstentions will be considered as shares of Class B Common Stock present at the Annual Meeting of Stockholders for purposes of determining the presence of a quorum. Abstentions will not be counted in the votes cast for the election of directors and will not have a positive or negative effect on the outcome of that election. Abstentions will be counted as votes cast regarding the proposals to amend the Short Term Incentive Plan and the 2001 Plan and reaffirm approval of the Long Term Incentive Plan and will have the same effect as a vote against such proposals. Abstentions with respect to those proposals subject to advisory votes will not have a positive or negative effect on the outcome of those proposals.

If your Class B Common Stock is held in street name, you will need to instruct your broker regarding how to vote your Class B Common Stock. Pursuant to the rules of the New York Stock Exchange, your broker does not have discretion to vote your Class B Common Stock without your instructions with respect to certain matters. If you do not provide your broker with voting instructions regarding the election of directors, the proposals to amend the Short Term Incentive Plan and the 2001 Plan and reaffirm approval of the Long Term Incentive Plan and the proposals regarding executive compensation, your shares of Class B Common stock **will not be considered present** at the Annual Meeting of Stockholders for purposes of determining the presence of a quorum or for voting on such matters.

This Proxy Statement, the form of proxy and the Company's Annual Report are available at www.proxyvote.com.

The close of business on December 20, 2010, has been fixed as the record date for the determination of Class B stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders and any adjournment thereof. On the record date, there were outstanding and entitled to vote 22,412,266 shares of Class B Common Stock. Each share of the Class B Common Stock is entitled to one vote in respect of the proposal or proposals to which such shares are entitled to vote.

PROPOSAL NO. 1 ELECTION OF DIRECTORS

At the Annual Meeting of Stockholders, shares of the Class B Common Stock represented by the proxies, unless otherwise specified, will be voted to elect as directors for one-year terms Michael J. Gasser, Vicki L. Avril, Bruce A. Edwards, Mark A. Emkes, John F. Finn, Daniel J. Gunsett, Judith D. Hook, John W. McNamara and Patrick J. Norton, the nine persons recommended by the Nominating and Corporate Governance Committee of the Board of Directors (the Nominating Committee), all of whom are currently directors of the Company. All nine members were identified and proposed as candidates for service on the Company's Board based on their record of service and individual contributions to the overall mission and responsibilities of the Board. Each of the nominees has consented to being

named in this Proxy Statement and to serve if elected. In the event that any nominee named above is unable to serve (which is not anticipated), the persons named in the proxy may vote it for another nominee of their choice.

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Proxies cannot be voted at the Annual Meeting of Stockholders for a number of persons greater than the number of nominees named in this Proxy Statement.

Biographies of Director Nominees

Set forth below is the following information regarding each person nominated for election as a director: his or her name; age as of February 28, 2010 (the date for the 2011 Annual Meeting of Stockholders); the year in which he or she first became a director; his or her principal occupation and business experience during at least the past five years; all positions he or she holds with the Company, if any; the names of other publicly held corporations for which he or she serves, or has served within the past five years, as a director; and the experience, qualifications, attributes or skills that led to the Nominating Committee's conclusion that he or she should be nominated to serve as a director.

Michael J. Gasser, 59, has been a director since 1991. He has been Chairman of the Board of Directors and Chief Executive Officer of the Company since 1994. From November of 2006 until October of 2007, he also served as the President of the Company. Mr. Gasser has been an executive officer of the Company since 1988. He is also the lead director and a member of the finance committee for Bob Evans Farms, Inc., a restaurant and food products company. He is a member of the Executive and Stock Repurchase Committees. In nominating Mr. Gasser, the Nominating Committee considered a number of factors including, but not limited to, his background, experience and judgment from working for the Company for over 30 years, and his unique knowledge and understanding of the Company's operations as Chief Executive Officer of the Company for more than 16 years and his experience as a director of a publicly traded restaurant and food products company.

Vicki L. Avril, 56, has been a director since 2004. Since June 2008, Ms. Avril has been the Chief Executive Officer and President of TMK IPSCO, a manufacturer of steel and tubular products. She has been an executive officer of TMK IPSCO since 2004, including serving as its Chief Financial Officer. From 2001 until its sale in 2003, Ms. Avril was Senior Vice President and Chief Financial Officer of Wallace Computer Services, Inc., a print management company. She is a member of the Audit Committee. In nominating Ms. Avril, the Nominating Committee considered a number of factors including, but not limited to, her background, experience and judgment as a chief financial officer and chief executive officer of a major manufacturing company.

Bruce A. Edwards, 55, has been a director since 2006. Since March 2008, Mr. Edwards has been on the Executive Management Board of Deutsche Post DHL, a global provider of mail and logistic services, with responsibility for running the supply chain operating unit of Deutsche Post DHL. From March 2007 until the appointment to his current position, Mr. Edwards was the Global Chief Executive Officer for DHL Supply Chain, a supply chain services division of a subsidiary of Deutsche Post DHL. Prior to that time, and for more than five years, he was Chief Executive Officer of Exel Americas, a supply chain services subsidiary of Deutsche Post DHL. Mr. Edwards also serves as a director and member of the nominations committee of Ashtead PLC, a UK listed global equipment rental company. He is a member of the Audit Committee. In nominating Mr. Edwards, the Nominating Committee considered a number of factors including, but not limited to, his background, experience and judgment as an executive officer of a global supply chain services company and as a director of a publicly traded company listed on the UK stock exchange.

Mark A. Emkes, 58, has been a director since 2008. For more than five years and until his retirement effective February 28, 2010, he was the Chairman and Chief Executive Officer of Bridgestone Americas, Inc. and Bridgestone Americas Holdings, Inc., a tire and rubber manufacturing company. He was also the President of these companies from January 2009 until his retirement. Mr. Emkes was appointed in December 2010 to serve as the Commissioner of Finance and Administration for the State of Tennessee. Mr. Emkes also serves as director and a member of the audit and compensation committees of First Horizon National Corporation, which is the parent of First Tennessee Bank National Association and since June 25, 2010 as director of Clarcor, Inc. a

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diversified marketer and manufacturer of mobile, industrial and environmental filtration products and consumer packaging products. He is a member of the Compensation Committee. In nominating Mr. Emkes, the Nominating Committee considered a number of factors including, but not limited to, his background, experience and judgment as the chairman, chief executive officer and president of a major manufacturing company and as a director of two publicly traded companies listed on the NYSE.

John F. Finn, 63, has been a director since 2007. For more than five years, he has been the President and Chief Executive Officer of Gardner, Inc., a wholesale distributor to the outdoor power equipment industry. Mr. Finn also serves as the lead director and a member of the audit committee of Cardinal Health, Inc., a health-care services company, and as a trustee and member of the audit committee of the J.P. Morgan Funds, a registered investment company. He is a member of the Audit Committee. In nominating Mr. Finn, the Nominating Committee considered a number of factors including, but not limited to, his background, experience and judgment as chief executive officer of a major manufacturing company and as the lead director of a Fortune 500 healthcare services company.

Daniel J. Gunsett, 62, has been a director since 1996. For more than five years, he has been a partner with the law firm of Baker & Hostetler LLP and the managing partner of the firm's Columbus, Ohio office. He is a member of the Compensation, Executive, Nominating and Corporate Governance, and Stock Repurchase Committees. In nominating Mr. Gunsett, the Nominating Committee considered a number of factors including, but not limited to, his background, experience and judgment as the managing partner of an office of a major national law firm.

Judith D. Hook, 57, has been a director since 2003. Ms. Hook has been an investor for more than five years. She is a member of the Compensation, Stock Repurchase, and Nominating and Corporate Governance Committees. Ms. Hook is the aunt of John W. McNamara. In nominating Ms. Hook, the Nominating Committee considered a number of factors including, but not limited to, her unique knowledge and understanding of the Company's business based on her life long affiliation with the Company.

John W. McNamara, 46, has been a director since 2009. For more than five years, Mr. McNamara has been president and owner of Corporate Visions Limited, LLC, a provider of aviation training and management programs. He is a member of the Audit Committee. Mr. McNamara is the nephew of Judith D. Hook. In nominating Mr. McNamara, the Nominating Committee considered a number of factors including, but not limited to, his background, experience and judgment as owner and president of an aviation services company.

Patrick J. Norton, 60, has been a director since 2003. Mr. Norton served as Executive Vice President and Chief Financial Officer of The Scotts Company, a consumer lawn and garden products company, from May 2000 until his retirement in January 2003. He is a member of the Compensation and Executive Committees. Until January 2010 and for more than five years, Mr. Norton served as a director of The Scotts Miracle-Gro Company. In nominating Mr. Norton, the Nominating Committee considered a number of factors including, but not limited to, his background, experience and judgment as an executive officer and director of a major publicly traded manufacturing company.

Directors Attendance at Annual Meeting of Stockholders

Under the Company's Corporate Governance Guidelines, directors are expected to attend the Company's Annual Meeting of Stockholders. All of the director nominees attended the 2010 annual meeting of stockholders.

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PROPOSAL NO. 2 MODIFICATION OF A MATERIAL TERM OF THE PERFORMANCE-BASED INCENTIVE COMPENSATION PLAN

At the Annual Meeting of Stockholders, the Class B stockholders will be requested to consider and act upon a proposal to modify a material term of the Company's Performance-Based Incentive Compensation Plan, hereinafter referred to as the Short Term Incentive Plan. The modification that is being proposed is to increase the maximum award that may be paid to any participant for any performance period from \$1.5 million times the number of twelve-month periods contained within the performance period to \$2.0 million times the number of twelve-month periods contained within the performance period.

The Short Term Incentive Plan has been designed to take into account certain limits on the ability of a public corporation to claim tax deductions for compensation paid to certain highly compensated executives. Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), generally denies a corporate tax deduction for annual compensation exceeding \$1.0 million paid to the chief executive officer and the four other most highly compensated officers of a public corporation. However, qualified performance-based compensation is exempt from this limitation. Qualified performance-based compensation is compensation paid based solely upon the achievement of objective performance goals, the material terms of which are approved by the stockholders of the paying corporation. The terms of an objective formula must preclude discretion to increase the amount of compensation payable to the specified employees that would otherwise be due upon attainment of the goal. When the amount of compensation to be paid upon attainment of the performance goal is based upon a percentage of base salary, the objective formula will not be considered discretionary under Section 162(m) of the Code if the maximum dollar amount to be paid is fixed at the time the performance goal is established.

At the 2002 annual meeting of stockholders, the Class B stockholders first approved the material terms of the Short Term Incentive Plan in accordance with Section 162(m) of the Code. Section 162(m) of the Code requires that these material terms be reaffirmed every five years in order to permit the continued treatment of compensation paid under the Short Term Incentive Plan as qualified performance-based compensation. At the 2007 annual meeting of stockholders, the Class B stockholders reaffirmed their approval of the material terms of the Short Term Incentive Plan. Prior to the modification being presented at the Annual Meeting of Stockholders, no previous amendments have been made to the Short Term Incentive Plan.

The purposes of the Short Term Incentive Plan are to give the Company a competitive advantage in attracting, retaining and motivating executive employees at the Office of the Chair level and to provide the Company with the ability to provide incentive compensation that is linked to the profitability of the Company's businesses, and which is not subject to the deduction limitation rules described above. In order to maintain the level of competitive advantage that existed at the time the Short Term Incentive Plan was approved, the Compensation Committee of the Company's Board of Directors (the Compensation Committee) believes that the amount of the potential maximum award should be raised.

Summary of the Short Term Incentive Plan

The following discussion describes important aspects of the Short Term Incentive Plan. This discussion is intended to be a summary of the material provisions of the Short Term Incentive Plan. Because it is a summary, some details that may be important to you are not included. For this reason, the entire Short Term Incentive Plan is attached as Exhibit A to this Proxy Statement. You are encouraged to read the Short Term Incentive Plan in its entirety.

Administration

The Short Term Incentive Plan is administered by the Special Subcommittee (see Compensation Committee for information on the Special Subcommittee). Among other things, the Special

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Subcommittee has the authority to select participants in the Short Term Incentive Plan from among the Company's executive level employees and to determine the performance goals, target amounts and other terms and conditions of awards under the Short Term Incentive Plan (subject to the terms of the Short Term Incentive Plan). The Special Subcommittee also has the authority to establish and amend rules and regulations relating to the Short Term Incentive Plan and to make all other determinations necessary and advisable for the administration of the Short Term Incentive Plan. All decisions made by the Subcommittee pursuant to the Short Term Incentive Plan are made in the Special Subcommittee's sole discretion and are final and binding.

Eligibility

Executive level employees of the Company who are designated by the Special Subcommittee are eligible to be granted awards under the Short Term Incentive Plan.

Terms of Awards

Awards under the Short Term Incentive Plan consist of cash amounts payable upon the achievement, during a specified performance period, of specified objective performance goals. At the beginning of a performance period for a given award, the Special Subcommittee establishes the performance goal(s) and the target amount of the award, which would be earned if the performance goal(s) are achieved in full, together with any lesser amount that would be earned if the performance goal(s) are only partially achieved. After the end of the performance period, the Special Subcommittee certifies the extent to which the performance goals are achieved and determines the amount of the award that is payable; provided, that the Special Subcommittee has the discretion to determine that the actual amount paid with respect to an award may be less than (but not greater than) the amount earned.

Performance Goals; Maximum Award

The performance goals for awards are based upon the achievement of targeted measures of return on assets (and/or such other objective business criteria as the stockholders may approve from time to time) by the Company and/or one or more operating groups of the Company. Prior to the modification being voted on in connection with this Proposal, the maximum award that could be paid to any participant for any performance period was \$1.5 million times the number of twelve-month periods contained within the performance period. For example, if the performance period for an award was two years, the maximum award would be \$3.0 million, and if the performance period was six months, the maximum award would be \$750,000. If the modification is approved, and if the performance period for an award is two years, the maximum award would be \$4.0 million, and if the performance period is six months, the maximum award would be \$1.0 million.

Termination of Employment

A participant whose employment terminates because of death or disability during the performance period for an award will receive a pro rata portion of the award, based upon the extent to which the performance goals had been achieved before such termination, unless the Special Subcommittee determines otherwise. A participant whose employment terminates for any other reason before the end of the performance period for an award will not be entitled to any payment with respect to the award.

Amendment and Termination

The Short Term Incentive Plan may be amended, modified or terminated by the Special Subcommittee at any time, but no such amendment, modification or termination will affect the payment of any award for a performance period that has already ended or increase the amount of any award.

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Other Matters

Awards paid after the death or disability of any participant may not be exempt from the limitations imposed by Section 162(m) of the Code.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE TO APPROVE THE PROPOSED MODIFICATION OF THE SHORT TERM INCENTIVE PLAN.

PROPOSAL NO. 3 REAFFIRM APPROVAL OF THE MATERIAL TERMS OF THE AMENDED AND RESTATED LONG-TERM INCENTIVE COMPENSATION PLAN

At the Annual Meeting of Stockholders, the Class B stockholders will be requested to consider and act upon a proposal to reaffirm the material terms of the Company's Amended and Restated Long-Term Incentive Plan, hereinafter referred to as the Long Term Incentive Plan.

The Long Term Incentive Plan has been designed to take into account certain limits on the ability of a public corporation to claim tax deductions for compensation paid to certain highly compensated executives. Section 162(m) of the Code, generally denies a corporate tax deduction for annual compensation exceeding \$1.0 million paid to the chief executive officer and the four other most highly compensated officers of a public corporation. However, qualified performance based compensation is exempt from this limitation. Qualified performance-based compensation is compensation paid based solely upon the achievement of objective performance goals, the material terms of which are approved by the stockholders of the paying corporation. The terms of an objective formula must preclude discretion to increase the amount of compensation payable to the specified employees that would otherwise be due upon attainment of the goal. When the amount of compensation to be paid upon attainment of the performance goal is based upon a percentage of base salary, the objective formula will not be considered discretionary under Section 162(m) of the Code if the maximum dollar amount to be paid is fixed at the time the performance goal is established.

At the 2002 annual meeting of stockholders, the Class B stockholders first approved the material terms of a long term incentive plan in accordance with Section 162(m) of the Code (the Initial Long Term Incentive Plan). At the 2006 annual meeting of stockholders, the Initial Long Term Incentive Plan was amended and restated to the present form of the Long Term Incentive Plan. Section 162(m) of the Code requires that the material terms of the Long Term Incentive Plan be reaffirmed every five years in order to permit the continued treatment of compensation paid under the Long Term Incentive Plan as qualified performance based compensation. Thus, Class B stockholders are being asked to reaffirm their approval of the material terms of the Long Term Incentive Plan to avoid the deduction limitation set forth in Section 162(m) of the Code. No amendments to the Long Term Incentive Plan are being proposed.

The primary purposes of the Long Term Incentive Plan are to retain, motivate and attract top caliber executives, focus management on the key measures that drive superior performance, provide compensation opportunities that are externally competitive and internally consistent with the Company's total compensation strategies, and provide award opportunities that are comparable in both character and magnitude to those provided through stock-based plans.

Summary of the Long Term Incentive Plan

The following discussion describes important aspects of the Long Term Incentive Plan. This discussion is intended to be a summary of the material provisions of the Long Term Incentive Plan. Because it is a summary, some details that may be important to you are not included. For this reason, the entire proposed Long Term Incentive Plan is attached as Exhibit B to this Proxy Statement. You are encouraged to read the Long Term Incentive Plan in its entirety.

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Administration

The Long Term Incentive Plan is administered by the Special Subcommittee (see Compensation Committee for information on the Special Subcommittee). Among other things, the Special Subcommittee has the authority to select employees to participate in the Long Term Incentive Plan, to determine the size and types of award opportunities and final awards, and to determine the other terms and conditions of award opportunities under the Long Term Incentive Plan (subject to the terms of the Long Term Incentive Plan). The Special Subcommittee also has the authority to establish and amend rules and regulations relating to the Long Term Incentive Plan and to make all other determinations necessary or advisable for the administration of the Long Term Incentive Plan. All decisions made by the Special Subcommittee pursuant to the Long Term Incentive Plan are made at the Special Subcommittee's sole discretion and are final and binding.

Eligibility

Employees of the Company who are designated by the Special Subcommittee as key employees are eligible to participate and receive awards under the Long Term Incentive Plan. In general, an employee may be designated as a key employee if he or she is responsible for, or contributes to, the management, growth and/or profitability of the business of the Company in a material way. Key employees who are chosen to participate in the Long Term Incentive Plan for any given performance period are so notified in writing and are apprised of the performance criteria and related award opportunities determined for them for the relevant performance period. Performance periods are consecutive and overlapping three-year cycles.

Establishment of Performance Goals/Criteria

Prior to the beginning of each performance period, the Special Subcommittee selects and establishes performance goals for that performance period which, if met, will entitle participants to the payment of the incentive compensation award. The performance goals are based on targeted levels of increases in (a) earnings per share, and (b) free cash flow or (c) such other measures of performance success as the Special Subcommittee may determine. Free cash flow is defined as the Company's net cash provided by operating activities for the performance period, subject to such adjustments that the Subcommittee determines are necessary or proper to reflect accurately the free cash flow of the Company. The Special Subcommittee may establish a range of performance goals which correspond to, and will entitle participants to receive, various levels of award opportunities based on percentage multiples of the target incentive award, which is the incentive compensation amount to be paid to participants when the performance criteria designated as the 100% award level is met. The target incentive award for a participant is based on a percentage of that Participant's average base salary (exclusive of any bonus and other benefits) during the performance period; provided, however, that in the event that the average base salary of a covered employee during the performance period exceeds by more than 130% the base salary of that covered employee on the first day of the performance period, such covered employee's average base salary for purposes of calculating the participant's final award is capped at 130% of such covered employee's base salary on the first day of the performance period. In addition, in no event may a final award paid to any participant under this Plan for any performance period exceed \$6.0 million. In addition, each range of performance goals may include levels of performance above and below the 100% performance level, ranging from a minimum of 0% to a maximum of 200% of the target incentive award. The Special Subcommittee may also establish minimum levels of performance goal achievement below which no awards are paid to any participant.

Notwithstanding any other provision in the Long Term Incentive Plan to the contrary, the performance criteria applicable to any participant who is, or who is determined by the Special Subcommittee to be likely to become, a covered employee will be limited to growth, improvement or attainment of certain levels of return on capital, equity, or operating costs, economic value added, margins, total stockholder return on market value, operating profit or net income, cash flow, earnings before interest and taxes, earnings before interest, taxes and

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depreciation, or earnings before interest, taxes, depreciation and amortization, sales, throughput, or product volumes, or costs or expenses. These performance criteria may be expressed either on an absolute basis or relative to other companies selected by the Special Subcommittee.

Establishment of Awards; Final Awards

After the performance goals are established, the Special Subcommittee then aligns the achievement of the performance goals with the award opportunities, such that the level of achievement of the pre-established performance goals at the end of the performance period determines the final awards (i.e., the actual incentive compensation earned during the performance period by the participant). After establishing the performance criteria, the Special Subcommittee establishes the award opportunities for the participants which correspond to various levels of achievement of the pre-established performance criteria. The established award opportunities will vary in relation to the job classification of each participant. Once established, the performance criteria normally will not be changed during the performance period. However, if the Special Subcommittee determines that external or internal changes or other unanticipated business conditions materially affected the fairness of the goals or render the performance criteria unsuitable, then the Special Subcommittee may approve appropriate adjustments to the performance criteria (either up or down) during the performance period to participants other than covered employees. In addition, at the time the award subject to performance criteria is made and performance criteria are established, the Special Subcommittee is authorized to determine the manner in which the performance criteria will be calculated or measured to take into account certain factors over which participants have no or limited control. At the end of each performance period, the Special Subcommittee certifies the extent to which the performance criteria were met during the performance period and determine the final awards for the participants.

Payment of Final Awards

A participant's final award will be paid in the form of cash, in one lump sum, and restricted shares, as determined by the Special Subcommittee no later than the time the relevant performance criteria and award opportunities are established. The Special Subcommittee determines whether an award of restricted shares will be Class A, Class B, or a combination of Class A and Class B shares. A participant's ability to transfer his or her restricted shares is subject to such restrictions as may be imposed by the Special Subcommittee. The number of restricted shares awarded to a participant will be based on the average closing prices of such shares during the 90-day period preceding the last trading day that precedes the day that the performance criteria for the applicable performance period are established.

Termination of Employment

A participant whose employment terminates because of death, disability or retirement during the performance period for an award will receive a pro rata portion of the award, based upon the extent to which the performance goals had been achieved before such termination. A participant whose employment terminates for any other reason before the end of the performance period for an award will not be entitled to any payment with respect to the award.

Amendment; Last Grant Date for Award Opportunities

The Long Term Incentive Plan may be amended, modified or terminated by the Special Subcommittee at any time, but no such amendment, modification or termination may materially reduce the right of a participant to a payment or distribution under the Long Term Incentive Plan to which such participant has already become entitled, without the consent of such participant. In addition, any amendment which will make a change which may require stockholder approval under the rules of any exchange on which the Company's Common Stock is listed, or in order for awards granted under the Long Term Incentive Plan to qualify for an exemption from Section 162(m) of the

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Code, will require stockholder approval. No award opportunities may be granted for any performance period ending after October 31, 2015.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE TO REAFFIRM THE APPROVAL OF THE MATERIAL PROVISIONS OF THE LONG TERM INCENTIVE PLAN.

PROPOSAL NO. 4 MODIFICATION OF A MATERIAL TERM OF THE 2001 MANAGEMENT EQUITY INCENTIVE AND COMPENSATION PLAN

At the Annual Meeting of Stockholders, the Class B stockholders will be requested to consider and act upon a proposal to modify a material term of the Company's 2001 Management Equity Incentive and Compensation Plan, hereinafter referred to as the 2001 Plan. The modification that is being proposed is to extend the time period under which awards may be granted under the 2001 Plan from the tenth anniversary of the effective date of the 2001 Plan, or December 4, 2010, to the fifteenth anniversary of the effective date of the 2001 Plan, or December 4, 2015.

At the 2002 annual meeting of stockholders, the Class B stockholders first approved the 2001 Plan. Prior to the modification being presented at the Annual Meeting of Stockholders, no previous amendments have been made to the 2001 Plan.

The purpose of the 2001 Plan is to advance the interests of the Company and its stockholders by providing a means of attracting and retaining key employees for the Company and its subsidiary corporations. The 2001 Plan does so by awarding stock options and shares of common stock to these key employees. While the Company has not made any awards under the 2001 Plan since 2005, and while it is the current intention of the Compensation Committee not to make annual awards under the 2001 Plan, the Compensation Committee desires to maintain flexibility in making stock-based awards available in certain circumstances, such as a component of compensation packages offered to attract new key employees.

As of December 20, 2010, stock options to purchase a total of 486,296 shares of Class A Common Stock were issued and outstanding under the 2001 Plan. The shares underlying these stock option had a market value of \$26,619,843 on such date. In addition, if the proposed modification to the 2001 Plan is approved by Class B stockholders, a total of 30,000 Restricted Shares (as defined below) will be issued under the 2001 Plan over time to the Company's new Senior Vice President and Chief Financial Officer, Robert M. McNutt, as a component of his compensation package. No other awards under the 2001 Plan are contemplated for fiscal year 2011, and no awards were made under the 2001 Plan during fiscal year 2010.

Summary of the 2001 Plan

The following discussion describes important aspects of the 2001 Plan. This discussion is intended to be a summary of the material provisions of the 2001 Plan. Because it is a summary, some details that may be important to you are not included. For this reason, the entire 2001 Plan is attached as Exhibit C to this Proxy Statement. You are encouraged to read the 2001 Plan in its entirety.

Any reference in the following discussion to share or shares refers to a share or shares of the Company's Class A Common Stock, the only class of shares which may be issued under the terms of the 2001 Plan.

Administration

The 2001 Plan is administered by the Compensation Committee. Among other things, the Compensation Committee has the authority to select officers and other key employees to participate in the 2001 Plan, to grant awards, to

determine the number and types of awards, and to determine the other terms and conditions of any award (subject to the terms of the 2001 Plan). The

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Compensation Committee also has the authority to establish and amend rules and regulations relating to the 2001 Plan and to make all other determinations necessary or advisable for the administration of the 2001 Plan. All decisions made by the Compensation Committee pursuant to the 2001 Plan are made at the Compensation Committee's sole discretion and will be final and binding.

Eligibility

Officers and other key employees of the Company or one or more of its subsidiaries who have responsibilities affecting the management, development, or financial success of the Company or one or more of its subsidiaries are eligible to receive awards under the 2001 Plan (*Eligible Participants*). The Compensation Committee is responsible for determining which officers and employees of the Company satisfy these criteria. As of the date of this proxy statement, the approximate number of individuals who qualify as *Eligible Participants* is sixty-five.

Types of Award; Terms and Conditions

The types of awards that may be received under the 2001 Plan fall within two categories: stock options and shares of stock. Specifically, the 2001 Plan provides for the following type of awards:

Incentive Stock Options

Nonqualified Options

Shares of the Company's Class A Common Stock (*Restricted Shares*)

Shares of the Company's Common Stock (*Performance Shares*).

The awards listed above may be granted alone or in combination with each other. Each award must be authorized by the Committee and evidenced by a written agreement. Among other things, the agreement must describe the award and state that the award is subject to all the terms and provisions of the 2001 Plan and any other terms and provisions, not inconsistent with the 2001 Plan, as the Committee may approve. The date on which the Committee approves the granting of an award is the date on which the award is granted for all purposes, unless the Committee otherwise specifies in its approval. The granting of an award under the 2001 Plan, however, is effective only if and when a written agreement is duly executed and delivered by or on behalf of the Company and the *Eligible Participant*.

Awards of Stock Options

The 2001 Plan allows the Committee to award two types of stock options to *Eligible Participants*: Incentive Stock Options and Nonqualified Options (together, *Stock Options*). The difference between the two relates to their tax treatment under the Internal Revenue Code of 1986 (the *Code*). Incentive Stock Options qualify for special tax treatment under Section 422 of the Code; Non-qualified Options do not qualify for such special tax treatment.

The following is a summary of the material terms and provisions of the 2001 Plan governing *Stock Options*:

Exercise Price

The exercise price per share issuable upon exercise of a *Stock Option* may not be less than the fair market value per share as fair market value is defined in the 2001 Plan on the date the *Stock Option* is granted. However, if the *Eligible Participant* at the time an Incentive *Stock Option* is granted owns stock with more than 10% of the total combined voting power of all classes of stock of the Company or of any subsidiary, then the exercise price per share

must be at least 110% of the fair market value of the shares subject to the Incentive Stock Option on the date of grant.

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Vesting and Exercise

The Committee has authority to determine when and under what conditions the shares underlying a Stock Option will vest. Stock Options are exercisable only with respect to shares that have become vested. The Committee also has authority to accelerate the time at which a Stock Option will be exercisable if it determines that accelerating the time is appropriate as a result of changes in the law or other circumstances.

Term

Stock Options are not exercisable after the expiration of 10 years from the date on which the Stock Option was granted. With respect to Incentive Stock Options, if the Eligible Participant at the time the Incentive Stock Option is granted owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any subsidiary, then the Incentive Stock Option will not be exercisable after the expiration of five years from the date on which the Incentive Stock Option was granted.

Restrictions on Shares Subject to Stock Options

The Committee has authority to make Shares issued upon the exercise of a Stock Option subject to restrictions or conditions, including those related to disposition and transferability of the Shares.

Transferability

In general, Stock Options are not transferable and are exercisable during an Eligible Participant's lifetime only by the Eligible Participant or his or her legal representative. There are, however, exceptions to this general rule. Incentive Stock Options may be transferred upon an Eligible Participant's death by will or the laws of descent and distribution. Nonqualified Options may be transferred by will or the laws of descent and distribution. The Committee may also provide for the irrevocable transfer of any Nonqualified Option to an Eligible Participant's parents, spouse, domestic or life partner, children, grandchildren, nieces, nephews or to the trustee of a trust for the principal benefit of one or more such persons or to a partnership whose only partners are one or more such persons. In regard to all of the foregoing transfers, the Stock Option will be exercisable only by the transferee or his or her legal representative.

Termination of Stock Options

The 2001 Plan provides for the termination of a Stock Option under some circumstances following an Eligible Participant's termination of employment. Whether a Stock Option will terminate or continue to be exercisable depends upon the reason for the Eligible Participant's termination of employment. The possibilities under the 2001 Plan are summarized below.

If an Eligible Participant's employment with the Company terminates as a result of his or her death or disability, then, unless otherwise determined by the Committee within 60 days of the death or disability, to the extent a Stock Option held by the Eligible Participant is not vested as of the date of death or disability, the Stock Option will automatically terminate. To the extent the Stock Option is vested as of the date of death or disability, the Stock Option may be exercised by the Eligible Participant, the legal representative of his or her estate, his or her legatee under his or her will, or the distributee of his or her estate for a period of one year (or, with respect to Nonqualified Options, the period specified by the Committee) from the date of death or disability or until the expiration of the stated term of the Stock Option, whichever period is shorter.

If an Eligible Participant's employment with the Company terminates as a result of his or her retirement, then to the extent a Stock Option held by the Eligible Participant is not vested it will be forfeited unless the Stock Option

agreement provides otherwise. Each vested Stock Option may be

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exercised by the Eligible Participant according to its terms, including, without limitation, for whatever period after the termination of employment as is set forth in the Stock Option agreement.

If an Eligible Participant's employment with the Company or its subsidiaries is terminated for cause, all unexercised Stock Options held by the Eligible Participant will immediately lapse. The Committee is responsible for determining whether termination of an Eligible Participant's employment is for cause.

If an Eligible Participant's employment with the Company and its subsidiaries terminates for any reason other than death, disability, or retirement, then to the extent any Stock Option held by him or her is not vested as of the date of termination, the Stock Option will automatically terminate. To the extent any Stock Option is vested as of the date of termination, the Stock Option may be exercised for a period of 90 days (or, with respect to Nonqualified Options, the period specified by the Committee) from the date of termination or until the expiration of the stated term of the Stock Option, whichever period is shorter.

Tax Consequences

The tax treatment of a Stock Option depends upon whether it is an Incentive Stock Option or a Nonqualified Option. The differences are summarized below.

Incentive Stock Options

In general, for federal income tax purposes under present law:

(a) Neither the grant nor the exercise of an Incentive Stock Option, by itself, will result in income to the optionee; however, the excess of the fair market value of the Company's shares at the time of exercise over the exercise price is (unless there is a disposition of shares acquired upon exercise of an Incentive Stock Option in the taxable year of exercise) includable in alternative minimum taxable income which may, under certain circumstances, result in an alternative minimum tax liability to the optionee.

(b) If shares acquired upon exercise of an Incentive Stock Option are disposed of in a taxable transaction after the later of two years from the date on which the Incentive Stock Option is granted or one year from the date on which such shares are transferred to the optionee, long-term capital gain or loss will be realized by the optionee in an amount equal to the difference between the amount realized by the optionee and the optionee's basis which, except as provided in (e) below, is the exercise price.

(c) Except as provided in (e) below, if the shares acquired upon the exercise of an Incentive Stock Option are disposed of within the two-year period from the date of grant or the one-year period after the transfer of the shares to the optionee upon exercise of the Incentive Stock Option (a disqualifying disposition):

(i) Ordinary income will be realized by the optionee at the time of the disqualifying disposition in the amount of the excess, if any, of the fair market value of the shares at the time of such exercise over the exercise price, but not in an amount exceeding the excess, if any, of the amount realized by the optionee over the exercise price.

(ii) Short-term or long-term capital gain will be realized by the optionee at the time of the disqualifying disposition in an amount equal to the excess, if any, of the amount realized over the fair market value of the shares at the time of such exercise.

(iii) Short-term or long-term capital loss will be realized by the optionee at the time of the disqualifying disposition in an amount equal to the excess, if any, of the exercise price over the amount realized.

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(d) No deduction will be allowed to the employer corporation with respect to Incentive Stock Options granted or shares transferred upon exercise thereof, except that if a disposition is made by the optionee within the two-year period referred to above, the employer corporation will be entitled to a deduction in the taxable year in which the disposition occurred in an amount equal to the amount of ordinary income realized by the optionee making the disposition.

(e) With respect to the exercise of an Incentive Stock Option and the payment of the option price by the delivery of shares to the extent that the number of shares received does not exceed the number of shares surrendered, no taxable income will be realized by the optionee at that time, the tax basis of the shares received will be the same as the tax basis of the shares surrendered, and the holding period (except for purposes of the one-year period referred to in (c) above) of the optionee in the shares received will include his or her holding period in the shares surrendered. To the extent that the number of shares received exceeds the number of shares surrendered, no taxable income will be realized by the optionee at that time, such excess shares will be considered Incentive Stock Option stock with a zero basis, and the holding period of the optionee in such shares will begin on the date such shares are transferred to the optionee. If the shares surrendered were acquired as the result of the exercise of an Incentive Stock Option and the surrender takes place within two years from the date the option relating to the surrendered shares was granted or within one year from the date of such exercise, the surrender will result in a disqualifying disposition and the optionee will realize ordinary income at the time of exercise of the shares surrendered over the basis of such shares. If any of the shares received are disposed of within one year after the shares are transferred to the optionee, the optionee will be treated as first disposing of the shares with a zero basis.

Nonqualified Options

In general, for federal income tax purposes under present law:

(a) The grant of a Nonqualified Option, by itself, will not result in income to the optionee.

(b) Except as provided in (e) below, the exercise of a Nonqualified Option (in whole or in part, according to its terms) will result in ordinary income to the optionee at that time in an amount equal to the excess (if any) of the fair market value of the Company's shares on the date of exercise over the exercise price.

(c) Except as provided in (e) below, the optionee's tax basis of shares acquired upon the exercise of a Nonqualified Option, which will be used to determine the amount of any capital gain or loss on a future taxable disposition of such shares, will be the fair market value of the shares on the date of exercise.

(d) No deduction will be allowable to the employer corporation upon the grant of a Nonqualified Option, but upon the exercise of a Nonqualified Option, a deduction will be allowable to the employer corporation at that time in an amount equal to the amount of ordinary income realized by the optionee exercising such Nonqualified Option if the employer corporation deducts and withholds appropriate federal withholding tax.

(e) With respect to the exercise of a Nonqualified Option and the payment of the exercise price by the delivery of shares, to the extent that the number of shares received does not exceed the number of shares surrendered, no taxable income will be realized by the optionee at that time, the tax basis of shares received will be the same as the tax basis of shares surrendered, and the holding period of the optionee in shares received will include his or her holding period in shares surrendered. To the extent that the number of shares received exceeds the number of shares surrendered, ordinary income will be realized by the optionee at that time in the amount of the fair market value of such excess shares, the tax basis of such shares will be equal to the fair market value of such shares at the time of exercise, and the holding period of the optionee in such shares will begin on the date such shares are transferred to the optionee.

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Awards of Restricted Shares

The 2001 Plan allows the Committee to award Restricted Shares to Eligible Participants. As noted, Restricted Shares are shares of the Company's Class A Common Stock. The following is a summary of the material terms and provisions of the 2001 Plan governing awards of Restricted Shares.

Price

The Committee is responsible for determining the purchase price for Restricted Shares. The purchase price may be zero.

Acceptance of Restricted Shares

At the time of an award of Restricted Shares, the Committee may determine that the Restricted Shares will, after vesting, be further restricted as to transferability or be subject to repurchase by the Company or forfeiture upon the occurrence of certain events. Awards of Restricted Shares must be accepted by the Eligible Participant within 30 days (or the period specified by the Committee) after the grant date by executing a restricted share agreement. Eligible Participants will not have any rights with respect to the grant of Restricted Shares until they have executed and delivered a restricted share agreement to the Company and otherwise complied with the applicable terms and conditions of the award.

Share Restrictions

During whatever period has been established by the Committee (the Restriction Period), Eligible Participants will not be permitted to sell, transfer, pledge, assign, or otherwise encumber the Restricted Shares. The Committee has the authority, however, to accelerate the time at which any or all of the restrictions shall lapse with respect to any Restricted Shares. Unless otherwise determined by the Committee, if an Eligible Participant's employment terminates during the Restriction Period, all Restricted Shares held by the Eligible Participant and still subject to restriction will be forfeited. Upon the expiration of the Restriction Period, and assuming no forfeiture, unrestricted shares will be issued and delivered to the Eligible Participant.

Stock Issuances and Restrictive Legends

Restricted Shares may be issued in the form of a certificate, by book entry, or otherwise, as determined by the Committee, and will bear an appropriate restrictive legend. The Committee may, however, require that Restricted Shares be issued to and held by the Company or a trustee of a trust set up by the Committee to hold the Restricted Shares until the restrictions on them have lapsed. The Committee may also require the Eligible Participant to deliver to the Company or such trustee, as appropriate, a stock power, endorsed in blank, relating to the Restricted Shares covered by the award.

Termination of Employment

If an Eligible Participant's employment by the Company and its subsidiaries terminates before the end of any Restriction Period, with the consent of the Committee, or upon the Eligible Participant's death, retirement, or disability, the Committee may authorize the issuance of all or a portion of the Restricted Shares which would have been issued to the Eligible Participant had his or her employment continued to the end of the Restriction Period. If an Eligible Participant's employment by the Company and its subsidiaries terminates before the end of any Restriction Period for any other reason, all Restricted Shares shall be forfeited.

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Awards of Performance Shares

The 2001 Plan allows the Committee to award Performance Shares to Eligible Participants. As noted, Performance Shares are shares of the Company's Common Stock. Many of the provisions of the 2001 Plan that govern Performance Shares are the same in all material respects as those that govern Restricted Shares. For example, the provisions that govern the purchase price of Performance Shares, the acceptance of awards of Performance Shares, the restrictions on the transfer or sale of Performance Shares, the issuance of Performance Shares, and the effect of an Eligible Participant's termination of employment are the same in all material respects as those that govern Restricted Shares. The provisions of the 2001 Plan are different, however, with respect to the award of Performance Shares. Awards of Performance Shares are based upon the achievement of performance goals during a specified performance period. The Committee establishes the performance period for each award of Performance Shares at the time of the award. At the time of each award, the Committee also establishes a range of performance goals to be achieved during the performance period. The performance goals are determined by the Committee using whatever measures of performance are appropriate in the opinion of the Committee. Such measures may include, for example, earnings or return on capital. Performance Shares will be earned as determined by the Committee with respect to the attainment of the performance goals set for the performance period. Attainment of the highest performance goal will earn 100% of the Performance Shares awarded for the performance period; failure to attain the lowest performance goal for the performance period will earn none of the Performance Shares. The Committee is responsible for determining whether a performance goal has been attained.

Administration of the 2001 Plan

The Committee is responsible for administering the 2001 Plan. The Committee is composed of outside directors within the meaning of Section 162(m) of the Code. Among other things, the Committee is responsible for the following:

- Selecting Eligible Participants to receive awards under the 2001 Plan;

- Granting awards of Incentive Stock Options, Nonqualified Options, Restricted Shares, and Performance Shares

- determining the number and type of awards to be granted;

- Determining the terms and conditions of awards; and

- Interpreting the terms and provisions of the 2001 Plan, awards granted under the 2001 Plan, and agreements relating to such awards.

The Committee has sole discretion with respect to the administration of the 2001 Plan, and its decisions are final and binding on all persons.

Number of Shares Subject to the 2001 Plan

The maximum number of shares that may be issued each year under the 2001 Plan is determined by a formula that takes into consideration the total number of shares outstanding. The 2001 Plan also contains antidilution provisions to account for potential changes in the Company's capital structure. The maximum number of shares that may be issued each year is equal to (a) 5.0% of the total outstanding shares as of the last day of the Company's immediately preceding fiscal year plus (b) any shares related to awards that, in whole or in part, expire or are unexercised, forfeited, terminated, surrendered, canceled, settled in such a manner that all or some of the shares covered by an

award are not issued to an Eligible Participant or returned to the Company in payment of the exercise price or tax withholding obligations in connection with outstanding awards, plus (c) any unused portion of shares available under section (a) above for the immediately preceding two fiscal years as a result of not being made subject to a grant or award in such preceding two fiscal years.

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The maximum number of shares that may be issued each year under the 2001 Plan is also subject to certain limits. Specifically, in no event will more than 20% of all available shares be granted in the form of awards other than Incentive Stock Options and Nonqualified Options. In addition, the maximum number of Incentive Stock Options that will be issued under the 2001 Plan during its term is 5,000,000 shares (1,072,311 shares remain available for future issuance under this limitation). The maximum number of shares with respect to which Incentive Stock Options, Nonqualified Options, Restricted Shares, and Performance Shares may be granted to any single Eligible Participant under the 2001 Plan during any single fiscal year of the Company is 200,000.

Change in Control

If a change in control or potential change in control of the Company occurs (as each is defined in the 2001 Plan), the following will occur with respect to awards under the 2001 Plan:

Stock Options that have not vested will vest and become exercisable immediately; and

All restrictions on Restricted Shares and Performance Shares will lapse.

The Company may also terminate any or all unexercised Stock Options not more than 30 days after a change in control or potential change in control so long as the Company pays the Eligible Participant cash in an amount equal to the difference between the fair market value of the shares subject to the Stock Option and the exercise price of the Stock Option. If the fair market value is less than the exercise price, then the Committee may terminate the Stock Option without any payment.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE TO APPROVE THE PROPOSED MODIFICATION OF THE 2001 PLAN.

PROPOSAL NO. 5 ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

At the Annual Meeting, the Class B stockholders will be requested to consider and vote upon the following resolution concerning the compensation of the Company's named executive officers:

Resolved, that the Class B Common Stockholders hereby approve the compensation, as disclosed in the Compensation Discussion and Analysis section and compensation tables, as well as the other narrative executive compensation disclosures, contained in the Company's definitive Proxy Statement for its 2011 Annual Meeting of Stockholders (the Proxy Statement), of the Company's named executive officers identified in the Proxy Statement.

This vote is advisory and therefore will not be binding upon the Board. However, the Compensation Committee may take into account the outcome of the vote when considering future executive compensation arrangements.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE TO APPROVE THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS.

PROPOSAL NO. 6 ADVISORY VOTE ON FREQUENCY OF CONDUCTING FUTURE ADVISORY VOTES ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

At the Annual Meeting, the Class B stockholders will be requested to consider and vote on the frequency of conducting future advisory votes concerning the approval of the compensation of the Company's named executive officers. Class B stockholders may vote to have a resolution concerning approval of the compensation of the

Company's named executive officers presented (a) every year, (b) every two years or (c) every three years, or to abstain from such vote if they desire.

This vote is advisory and therefore will not be binding upon the Board. However, the Board intends to select the frequency term (1, 2 or 3 years) receiving the highest number of votes as the frequency with which future resolutions will be presented concerning the approval of the compensation

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of the Company's named executive officers, until another such vote by the stockholders takes place and another frequency term is selected by the stockholders.

THE BOARD OF DIRECTORS DOES NOT HAVE A RECOMMENDATION ON THE FREQUENCY OF CONDUCTING FUTURE ADVISORY VOTES ON COMPENSATION OF NAMED EXECUTIVE OFFICERS.

BOARD OF DIRECTORS AND COMMITTEES

Board Meetings

The Board held six meetings during the 2010 fiscal year. Each of the directors attended at least 75% of the meetings held by the Board and committees on which he or she served during the 2010 fiscal year. The Board has affirmatively determined that a majority of the Company's directors meet the categorical standards of independence adopted by the Board and are independent directors as defined in the listing standards of the New York Stock Exchange (NYSE). See Corporate Governance Director Independence.

Board Leadership Structure

Our current Board leadership structure is comprised of a Chairman of the Board and eight non-management directors. The Board is the ultimate decision-making body of the Company, except for those matters reserved to or shared with the stockholders, with the Company's day-to-day business conducted and managed by the management of the Company under the direction of the Chief Executive Officer. Since 1994, the positions of Chairman and Chief Executive Officer have been combined and held by Michael J. Gasser. The Board believes that those positions may be held by the same person and, in particular, that it is in the best interest of the stockholders to combine these positions in Mr. Gasser's case because it places the Company's senior most executive in a position to guide the Board's agenda in setting priorities for the Company and addressing the risks and challenges the Company faces. The combined role also fosters efficiency and effectiveness in leadership and has proved vital for the Company to execute its strategy and to implement the Greif Business System.

Notwithstanding the foregoing, the Board believes there is no single organizational model that is the best and most effective in all circumstances. Therefore, although the Board has determined that this model works best for the Company at this time, the Board reserves the right to separate the positions of Chairman and Chief Executive Officer if it deems appropriate in the future.

Notwithstanding the foregoing, the Company has adopted various policies to provide for a strong and independent Board.

The majority of the Board must be independent of management and have no material relationship with the Company, either directly or indirectly as a partner, shareholder or officer of an organization that has such a relationship with the Company and must meet the standards of independence under the applicable rules of the SEC and the listing standards of the NYSE.

Only independent directors are members of the Compensation, Audit and Nominating and Corporate Governance Committees.

Independent/non-management directors meet at least four times each year, and during at least one of those meetings, the non-management directors schedule an executive session that includes only independent directors.

In addition, the Board and the Nominating Committee have assembled a Board comprised of capable and experienced directors, many of whom are currently or have recently been leaders of companies, who are independent thinkers and have a wide range of expertise and skills. The Board

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currently does not have a lead director. However, because of its capable and experienced independent directors, and for the reasons described above, along with the above described policies which promote an open discussion among the independent directors and the Chairman and Chief Executive Officer, the Board has determined that a lead director is not necessary at this time.

Board Committees and Committee Meetings

The Board has established an Executive Committee, the Compensation Committee, an Audit Committee, a Stock Repurchase Committee and the Nominating Committee. The Board has affirmatively determined that each of the members of the Compensation, Audit and Nominating Committees meet the categorical standards of independence adopted by the Board and are independent directors as defined in the NYSE listing standards. See Corporate Governance Director Independence.

The Board has adopted written charters for the Audit Committee, the Compensation Committee and the Nominating Committee. Copies of these charters are available on the Company's website (<http://www.greif.com>). See Corporate Governance Availability of Corporate Governance Documents.

The Executive Committee, whose current members are Messrs. Gasser, Gunsett and Norton, has the same authority, subject to certain limitations, as the Board during intervals between meetings of the Board. The Executive Committee held seven meetings during the 2010 fiscal year.

The Compensation Committee, whose current members are Messrs. Gunsett, Emkes and Norton and Ms. Hook, is responsible, among other matters, for discharging the Board's responsibility relating to the compensation of executive officers and directors. This is accomplished by evaluating the compensation, fringe benefits and perquisites provided to the Company's executive officers and adopting compensation policies applicable to the Company's executive officers, including the specific relationship of corporate performance to executive compensation and the factors and criteria upon which the compensation of the Company's Chief Executive Officer and other Named Executive Officers should be based. The Compensation Committee held five meetings during the 2010 fiscal year.

The Audit Committee, whose current members are Ms. Avril and Messrs. Edwards, Finn and McNamara, is responsible, among other matters, for engaging and, when appropriate, replacing the Company's independent auditors, reviewing with such auditors the scope and results of their audit, reviewing the Company's accounting functions, operations and management, considering the adequacy and effectiveness of the internal accounting controls and internal auditing methods, policies and procedures of the Company and overseeing the Company's enterprise risk management program. The Company's Board of Directors has determined that Ms. Avril is an audit committee financial expert, as that term is defined by applicable SEC regulations. No member of the Audit Committee may simultaneously serve on the audit committee of more than two other publicly traded companies. The Audit Committee held five meetings during the 2010 fiscal year.

The Stock Repurchase Committee, whose current members are Ms. Hook and Messrs. Gasser and Gunsett, is responsible for administering the Company's stock repurchase program. The Stock Repurchase Committee held one meeting during the 2010 fiscal year.

The Company's Nominating Committee, whose current members are Mr. Gunsett and Ms. Hook, is responsible, among other matters, for recommending to the Board a slate of director nominees for election at each annual meeting of the Company's stockholders and director nominees for election at any other stockholder meeting held for the election of one or more directors. The Board then acts on the Nominating Committee's recommendations and is responsible for (1) recommending to stockholders a slate of director nominees for election at each annual meeting of the Company's stockholders and director nominees for election at any other stockholder meeting held for the election

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of one or more directors and (2) nominating at such meetings those persons it has recommended as director nominees. The Nominating Committee held two meetings during the 2010 fiscal year.

Board's Role in Risk Management Oversight

Although risk management has always been an integral part of the Company's business strategy, the Company established a formal enterprise risk management program in 2006. The program was implemented by the Enterprise Risk Committee, a committee established and appointed by, and comprised of, Company management. The enterprise risk management program is a Company-wide effort involving both the Board and management. Management's role is to identify, mitigate, guide and review the efforts of the Company's business units, consider whether the risks are acceptable, and approve plans to deal with serious risks. The Board has designated the Audit Committee to oversee the process and improve or guide management's decisions. Specifically, the Audit Committee:

Annually reviews the documented risk management process and makes such changes as are deemed necessary to provide assurance that the Company has implemented an enterprise risk management process;

Evaluates significant risks identified by the Company;

Reviews risk philosophy, strategy, policies and processes; and consider reports on risk implementation and communication to help ensure enterprise risk management is a part of the Company's culture; and

Reviews the Company's risk assessment, both annual and periodic updates, considers the appropriateness thereof, and decides whether or not any risks should be added, deleted or modified, paying particular attention to the Company's perceived appetite for risk.

The Company provides its feedback on business unit risks during periodic business reviews and strategic planning discussions. Every quarter, the business units identify key risks. That review process includes identifying risks that could prevent achievement of business goals or plans. Additionally, the Company's internal audit department uses this information to determine whether its audit plans need to be adjusted. In addition to quarterly reviews of business risks in connection with the Company's periodic disclosures, the Audit Committee reviews on an annual basis detailed reports that assess the strategic, operational, infrastructure and external risks facing the Company to be certain that the Company develops and maintains comprehensive risk management policies and procedures to assess, mitigate and monitor risks.

Although the Audit Committee oversees the Company's risk management function and processes, particularly with respect to the overall business, the Audit Committee and other Board committees, consistent with their respective charters, assist the Board in fulfilling its responsibility by coordinating the review of certain other risks within its purview. For example, the Audit Committee also considers risks associated with overall financial reporting, legal compliance and disclosure processes. Audit Committee responsibilities include monitoring the integrity of our internal control processes and assessing management's steps to manage and report such risk exposures. The Audit Committee considers risk in quarterly and annual reviews of financial statements.

In its role of overseeing the Company's compensation and benefit practices, the Compensation Committee assesses potential material risks that could result from the design and structure of the Company's compensation programs. See Compensation Committee .

The Nominating Committee is responsible for developing and proposing to the Board corporate governance guidelines and for recommending changes to enhance the Board's performance and development. The Nominating Committee annually reviews and reassesses risk associated with corporate governance and Board performance and recommends

to the Board any changes it deems necessary to the corporate governance guidelines or the Board composition and committee structure to address these risks.

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CORPORATE GOVERNANCE

Communications with the Board

The Board believes it is important for stockholders to have a process to send communications to the Board. Accordingly, any stockholder or other interested party who desires to make his or her concerns known to the non-management directors or to the entire Board may do so by communicating with the chairperson of the Audit Committee by e-mail to audit.committee@greif.com or in writing to Audit Committee Chairperson, Greif, Inc., 425 Winter Road, Delaware, Ohio 43015. All such communications will be forwarded to the non-management directors or the entire Board as requested in the communication.

Executive Sessions of Non-Management Directors

The non-management directors of the Company meet without the Company's management at least four times each year, and during at least one of those meetings, the non-management directors schedule an executive session that includes only independent directors. These meetings are typically held in conjunction with a regularly scheduled Board meeting and at such other times as necessary or appropriate. The chairpersons of the Company's Audit Committee, Compensation Committee and Nominating Committee rotate as chairperson of meetings of the non-management directors.

Director Independence

The Board has adopted categorical standards to assist it in making its determination of director independence. Under these standards, a director of the Company will be considered independent unless:

- (a) within the preceding three years, (i) the director was employed by the Company, or (ii) an immediate family member of the director was employed by the Company as an executive officer;
- (b) within the preceding three years, the director or an immediate family member of the director received more than \$100,000, during any twelve-month period, in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- (c) the director or an immediate family member of the director is a current partner of a firm that is the Company's present internal or external auditor; the director is a current employee of a firm that is the Company's present internal or external auditor; an immediate family member of the director is a current employee of the Company's present internal or external auditor and participates in that firm's audit, assurance or tax compliance practice (excluding tax planning); or the director or an immediate family member of the director was within the preceding three years, but is no longer, a partner or employee of a firm that is the Company's present internal or external auditor and personally worked on the Company's audit within that time;
- (d) the director or an immediate family member of the director is, or has been within the preceding three years, employed as an executive officer of another company for which any of the Company's present executive officers at the same time serves or served on that company's compensation committee;
- (e) the director is an employee, executive officer, partner (other than a limited partner) or significant equity holder 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 \$1.0 million or 2% of such other company's consolidated gross revenues, or an immediate family member of the director is a current executive officer of another company that has made payments to, or received payments from, the Company for property or services in

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an amount which, in any of the last three fiscal years, exceeds the greater of \$1.0 million or 2% of such other company's consolidated gross revenues;

(f) the director is an executive officer, partner or significant equity holder of another organization that is indebted to the Company, or to which the Company is indebted, and the total amount of indebtedness exceeds 2% of the total consolidated assets of such organization; or

(g) within the preceding three years, the director was an executive officer, trustee or director of a foundation, university or other non-profit or charitable organization receiving grants, endowments or other contributions from the Company, in any single fiscal year, which exceeded the greater of \$1.0 million or 2% of such charitable organization's consolidated gross revenues.

For purposes of the above standards: (i) compensation received by an immediate family member of a director for service as a non-executive employee of the Company shall not be considered in determining independence under (b) above; (ii) in applying the test under (e) above, both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year and the look-back provisions shall apply solely to the financial relationship between the Company and the director or immediate family member's current employer and not to former employment of the director or immediate family member; (iii) an immediate family member includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home, but in applying any lookback provisions, the Company will not consider individuals who are no longer immediate family members as a result of legal separation or divorce or those who have died or become incapacitated; and (iv) a significant equity holder of an organization will normally be considered a stockholder, limited partner or member owning 10% or more of the voting or equity interests in that organization. These categorical standards are also set forth on the Company's website. See Availability of Corporate Governance Documents.

The Board has determined that Ms. Avril, Mr. Edwards, Mr. Emkes, Mr. Finn, Mr. Gunsett, Ms. Hook, Mr. McNamara and Mr. Norton, a majority of the Company's directors, are independent under the above categorical standards. These directors are also independent directors under the NYSE listing standards. Mr. Gasser, who is an employee of the Company, is not an independent director under the above categorical standards or the NYSE listing standards. The Board has determined that Mr. Gunsett is independent because legal fees paid to Baker & Hostetler LLP, where Mr. Gunsett is a partner, are not material to the Company or to that firm and that the nature of the relationship has been properly disclosed to the Board. The Company does not anticipate that legal fees paid to Baker & Hostetler LLP will be material in the 2011 fiscal year.

Nomination of Directors

The Nominating Committee will consider individuals recommended by stockholders for membership on the Board. If a stockholder desires to recommend an individual for membership on the Board, then that stockholder must provide a written notice to the Secretary of the Company at 425 Winter Road, Delaware, Ohio 43015 (the Recommendation Notice). In order for a recommendation to be considered by the Nominating Committee, the Recommendation Notice must contain, at a minimum, the following: the name and address, as they appear on the Company's books, and telephone number of the stockholder making the recommendation, including information on the number of shares and class of stock owned, and if such person is not a stockholder of record or if such shares are owned by an entity, reasonable evidence of such person's ownership of such shares or such person's authority to act on behalf of such entity; the full legal name, address and telephone number of the individual being recommended, together with a reasonably detailed description of the background, experience and qualifications of that individual; a written acknowledgement by the individual being recommended that he or she has consented to that recommendation and consents to the Company's undertaking of an investigation into that individual's background, experience and

qualifications in the event that the Nominating Committee desires to do so; the disclosure of any

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relationship of the individual being recommended with the Company or any of its subsidiaries or affiliates, whether direct or indirect; and, if known to the stockholder, any material interest of such stockholder or individual being recommended in any proposals or other business to be presented at the Company's next Annual Meeting of Stockholders (or a statement to the effect that no material interest is known to such stockholder).

Except for the director nominees recommended by the Nominating Committee to the Board, no person may be nominated for election as a director of the Company during any stockholder meeting unless such person was first recommended by a stockholder for Board membership in accordance with the procedures set forth in the preceding paragraph and the Recommendation Notice was received by the Company not less than 60 days nor more than 90 days prior to the date of such meeting; provided, however, if less than 75 days notice or prior public disclosure of the date of a stockholders' meeting is given or made to stockholders, then, in order to be timely received, the Recommendation Notice must be received by the Company no later than the close of business on the 10th day following the day on which such notice of the date of the stockholders' meeting was mailed or such public disclosure was made.

The Nominating Committee's Charter sets forth certain specific, minimum qualifications that must be met by a Nominating Committee-recommended nominee for a position on the Board, as well as qualities and skills that Board members must possess. The Nominating Committee determines, and reviews with the Board on an annual basis, the desired skills and characteristics for directors as well as the composition of the Board as a whole. This assessment considers director's qualification as independent, as well as diversity, age, skill and experience in the context of the needs of the Board. The Nominating Committee seeks to achieve diversity of occupational and personal backgrounds and considers diversity as a factor in director nominations. The Nominating Committee views diversity in a broad context to include race, gender, geography, industry experience and personal expertise. At a minimum, directors should share the values of the Company and should possess the following characteristics: high personal and professional integrity; the ability to exercise sound business judgment; an inquiring mind; and the time available to devote to Board activities and the willingness to do so. Ultimately, the Nominating Committee will select prospective Board members who the Nominating Committee believes will be effective, in conjunction with the other members of the Board, in collectively serving the long-term interests of the stockholders.

In the event that the Nominating Committee, the Board or the Chairman/Chief Executive Officer identifies the need to fill a vacancy or to add a new member to fill a newly created position on the Board with specific criteria, the Nominating Committee initiates a search process and keeps the Board apprised of progress. The Nominating Committee may seek input from members of the Board, the Chairman/Chief Executive Officer and other management or hire a search firm when appropriate. In addition, as a matter of policy, the Nominating Committee will consider candidates for Board membership recommended by stockholders. The initial candidate or candidates, including anyone recommended by a stockholder, who satisfy the specific criteria for Board membership and otherwise qualify for membership on the Board, are then reviewed and evaluated by the Nominating Committee; the evaluation process for candidates recommended by stockholders is not to be different. The Nominating Committee is to maintain and update a list of candidates recommended from all sources. The Nominating Committee will then determine the Nominating Committee member or Board member or other person involved in the process (such as a search firm) who will make the initial contact with the prospective candidate or candidates. The Chairman/Chief Executive Officer and at least one member of the Nominating Committee will interview the identified candidate or candidates. Based on the interviews and all other information available to the Nominating Committee, the Nominating Committee will meet to consider and approve a final candidate or candidates, as the case may be. The Nominating Committee then will make its recommendation to the Board.

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Availability of Corporate Governance Documents

The Board has adopted the following corporate governance documents with respect to the Company (the Corporate Governance Documents):

Corporate Governance Guidelines of the Board;

Code of Business Conduct and Ethics for directors, officers and employees (which is available in several different languages);

Code of Ethics for Senior Financial Officers;

Stock Ownership Guidelines applicable to directors, officers and other key employees;

Charter for the Audit Committee;

Charter for the Nominating and Corporate Governance Committee;

Charter for the Compensation Committee; and

Independence Standards for Directors.

Each of the Corporate Governance Documents is posted on the Company's website at www.greif.com under Investor Center Corporate Governance. Copies of each of the Corporate Governance Documents are also available in print to any stockholder of the Company, without charge, by making a written request to the Company. Requests should be directed to Greif, Inc., Attention: Secretary, 425 Winter Road, Delaware, Ohio 43015.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information, as of December 20, 2010, with respect to the only persons known by the Company to be the beneficial owners of more than 5% of the Class B Common Stock, the Company's only class of voting securities:

Name and Address	Class of Stock	Type of Ownership	Number of Shares	Percent of Class
Virginia D. Ragan 65 East State Street Suite 2100 Columbus, Ohio 43215	Class B	See (1) below	5,551,643	24.8%
Judith D. Hook 65 East State Street Suite 2100 Columbus, Ohio 43215	Class B	See (2) below	5,267,118	23.5%
Mary T. McAlpin 65 East State Street Suite 2100 Columbus, Ohio 43215	Class B	See (3) below	3,323,322	14.8%
Shannon J. Dempsey 65 East State Street Suite 2100 Columbus, Ohio 43215	Class B	See (4) below	3,166,514	14.1%
Patricia M. Dempsey 12781 NE 72nd Boulevard Lady Lake, Florida 32162	Class B	See (5) below	3,008,130	13.4%
Nob Hill Trust c/o Virginia D. Ragan, Judith D. Hook and Shannon J. Dempsey, Co-Trustees 782 West Orange Road Delaware, Ohio 43015	Class B	Record and Beneficially ⁽⁶⁾	2,127,026	9.5%
Robert C. Macauley ⁽⁷⁾ 88 Hamilton Avenue Stamford, Connecticut 06902	Class B	Record and Beneficially	1,238,555	5.5%

(1) Includes shares held by Ms. Ragan (A) as trustee under her revocable and grantor retained annuity trusts (3,401,283 shares), and (B) as trustee of various Dempsey family trusts, including the trust identified in this table as the Nob Hill Trust (2,150,360 shares). Does not include shares held by John W. McNamara, a director of the Company, who is Ms. Ragan's son. Ms. Ragan disclaims beneficial ownership of the shares held by Mr. McNamara. See also Footnote (6).

- (2) Includes shares held by Ms. Hook (A) as trustee under her revocable and grantor retained annuity trusts (2,904,898 shares), and (B) as trustee of a charitable lead annuity trust and as trustee of various Dempsey family trusts, including the trust identified in this table as the Nob Hill Trust (2,362,220 shares). See also Footnote (6).
- (3) All shares held by Ms. McAlpin as trustee under her revocable trust and a Dempsey family trust.
- (4) All shares held by Ms. Dempsey as trustee of various Dempsey family trusts, including the trust identified in this table as the Nob Hill Trust. See also Footnote (6).
- (5) All shares held by Ms. Dempsey as trustee under her revocable trust and a Dempsey family trust.
- (6) Includes 1,500,000 shares that have been pledged as security for a loan.
- (7) Mr. Macauley passed away on December 26, 2010.

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The following table sets forth certain information, as of December 20, 2010, with respect to the Class A Common Stock and Class B Common Stock (the only equity securities of the Company) beneficially owned, directly or indirectly, by each director, nominee for director and each Named Executive Officer:

Name	Title and Percent of Class ⁽¹⁾⁽²⁾⁽³⁾	
	Class A	%
Vicki L. Avril	11,349	*
Ronald L. Brown	8,035	*
Bruce A. Edwards	8,349	*
Mark A. Emkes	5,839	*
John F. Finn	4,839	*
David B. Fischer	25,649	*
Michael J. Gasser	336,762	1.4%
Daniel J. Gunsett	17,643	*
Judith D. Hook	28,529 ⁽⁴⁾	*
Donald S. Huml	10,992	*
Gary R. Martz	58,724	*
John W. McNamara	1,810 ⁽⁵⁾	*
Patrick J. Norton	19,349 ⁽⁶⁾	*

Name	Title and Percent of Class ⁽¹⁾	
	Class B	%
Vicki L. Avril		*
Ronald L. Brown	1,400	*
Bruce A. Edwards		*
Mark A. Emkes		*
John F. Finn		*
David B. Fischer		*
Michael J. Gasser	23,796	*
Daniel J. Gunsett	3,000	*
Judith D. Hook	5,267,118 ⁽⁷⁾	23.5%
Donald S. Huml		*
Gary R. Martz	600	*
John W. McNamara	4,207 ⁽⁵⁾⁽⁸⁾	*
Patrick J. Norton		*

* Less than one percent.

(1) Except as otherwise indicated below, the persons named in the table (and their spouses, if applicable) have sole voting and investment power with respect to all shares of Class A Common Stock or Class B Common Stock, as the case may be, owned by them.

- (2) This table includes shares of Class A Common Stock subject to current exercisable options, or options exercisable within 60 days of December 20, 2010, granted by the Company under certain stock option plans, for the following directors and Named Executive Officers: Ms. Avril 4,000; Mr. Gasser 225,000; Mr. Gunsett 12,000; Ms. Hook 8,000 and Mr. Martz 33,136.
- (3) This table includes restricted shares of Class A Common Stock that have been awarded to directors under the Company's 2005 Outside Directors Equity Award Plan, including shares the

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receipt of which has been deferred at the director's election under the terms of the Directors Deferred Compensation Plan. If deferral is elected, shares are issued to the trustee of a rabbi trust established in connection with the Directors Deferred Compensation Plan. The total number of shares of Class A Common Stock held in the rabbi trust for the benefit of each director as of December 20, 2010, was as follows: Ms. Avril 7,349 shares; Mr. Edwards 5,643 shares; Mr. Emkes 5,839 shares; Mr. Finn 4,839 shares; Mr. Gunsett 4,839 shares; Ms. Hook 4,839 shares; and Mr. Norton 19,349 shares. See also Compensation Discussion and Analysis Director Compensation Arrangements.

- (4) Includes shares of Class A Common Stock held by Ms. Hook (A) as trustee under her revocable trust and a Dempsey family trust (14,886 shares), (B) which may be acquired upon Ms. Hook's exercise of the stock options as set forth in footnote (2) of this table; and (C) which have been awarded to Ms. Hook under the Company's 2005 Outside Directors Equity Award Plan and receipt has been deferred as set forth in footnote (3) of this table.
- (5) Includes shares of Class A Common Stock which have been awarded to Mr. McNamara under the Company's 2005 Outside Directors Equity Award Plan and receipt has been deferred as set forth in footnote (3) of this table. Does not include shares held by Virginia D. Ragan, who is Mr. McNamara's mother. See prior table for beneficial ownership information regarding Ms. Ragan's beneficial ownership of shares of Class B Common Stock. Mr. McNamara disclaims beneficial ownership of all shares of Class A Common Stock or Class B Common Stock held by Ms. Ragan.
- (6) Includes 4,000 shares of Class A Common Stock that have been pledged as security for a loan.
- (7) Includes shares held by Ms. Hook (A) as trustee under her revocable and grantor retained annuity trusts (2,904,898 shares), and (B) as trustee of a charitable lead annuity trust and as trustee of various Dempsey family trusts, including the trust identified in the prior table as the Nob Hill Trust (2,362,220 shares). For the Nob Hill Trust, 1,500,000 shares have been pledged as security for a loan.
- (8) Shares are held in voting trust in which Mr. McNamara is the trustee.

The Class A Common Stock has no voting power, except when four quarterly cumulative dividends upon the Class A Common Stock are in arrears and in certain other limited circumstances.

The following table sets forth the equity securities beneficially owned by all directors and executive officers as a group (19 persons) as of December 20, 2010:

Title of Class of Stock	Amount Beneficially Owned	Percent of Class
Class A Common Stock ⁽¹⁾⁽²⁾	611,882	2.47%
Class B Common Stock	5,300,721	23.65%