

REGAL BELOIT CORP  
Form DEF 14A  
March 16, 2016  
Table of Contents

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

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

Filed by the Registrant  X

Filed by a Party other than the Registrant  O

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 under §240.14a-12

**Regal Beloit Corporation**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- Fee paid previously with preliminary materials.
-

## Edgar Filing: REGAL BELOIT CORP - Form DEF 14A

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

- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:
-

Table of Contents

**REGAL BELOIT CORPORATION**

**200 State Street  
Beloit, Wisconsin 53511**

**Notice of 2016 Annual Meeting of Shareholders  
To Be Held April 25, 2016**

To the Shareholders of Regal Beloit Corporation:

You are hereby notified that the 2016 Annual Meeting of Shareholders of Regal Beloit Corporation will be held at the James L. Packard Learning Center located at our corporate headquarters, 200 State Street, Beloit, Wisconsin 53511, on Monday, April 25, 2016 at 9:00 a.m., Central Daylight Time, for the following purposes:

1. To elect three directors for terms expiring at the 2017 Annual Meeting of Shareholders.
  
2. To consider a shareholder advisory vote on the compensation of our named executive officers as disclosed in the accompanying proxy statement.
  
3. To approve the Regal Beloit Corporation 2016 Incentive Compensation Plan.
  
4. To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2016.
  
5. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on March 2, 2016 as the record date for the determination of the shareholders entitled to notice of and to vote at the annual meeting.

## Edgar Filing: REGAL BELOIT CORP - Form DEF 14A

We are furnishing our proxy materials to our shareholders over the Internet. This process expedites the delivery of proxy materials, maintains convenient access to the proxy materials by our shareholders and provides clear instructions for receiving proxy materials and voting your shares. It is also friendly to the environment.

On March 16, 2016, we mailed to our shareholders the Notice of Internet Availability of Proxy Materials. That Notice contains instructions on how to access our 2016 Proxy Statement and 2015 Annual Report and how to vote online. In addition, the Notice of Internet Availability of Proxy Materials contains instructions on how our shareholders can (i) receive a paper copy of the Proxy Statement and Annual Report, if they received only a Notice of Internet Availability of Proxy Materials this year, or (ii) elect to receive their Proxy Statement and Annual Report only over the Internet, if they received them by mail this year.

We hope that you will be able to attend the meeting in person, but if you are unable to do so, it is important that your shares are represented at the Annual Meeting. You may vote your shares over the Internet at the website identified in the Notice of Internet Availability of Proxy Materials or via the toll-free telephone number identified in that Notice. If you received a paper copy of the proxy card by mail, then you may sign and date the proxy card and return it by mail in the envelope provided. The Notice of Internet Availability of Proxy Materials contains instructions for use of all three methods of voting. If, for any reason, you should subsequently change your plans, you may, of course, revoke your proxy at any time before it is actually voted.

---

Table of Contents

By Order of the Board of Directors  
REGAL BELOIT CORPORATION

Peter C. Underwood  
*Vice President, General Counsel and Secretary*

Beloit, Wisconsin  
March 16, 2016

---

Table of Contents

**TABLE OF CONTENTS**

	<b>Page</b>
<u>COMMONLY ASKED QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING</u>	1
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	5
<u>BOARD OF DIRECTORS</u>	13
<u>STOCK OWNERSHIP</u>	20
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	22
<u>EXECUTIVE COMPENSATION</u>	41
<u>DIRECTOR COMPENSATION</u>	66
<u>REPORT OF THE COMPENSATION AND HUMAN RESOURCES COMMITTEE</u>	68
<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	68
<u>REPORT OF THE AUDIT COMMITTEE</u>	69
<u>PROPOSAL 2: ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>	70
<u>PROPOSAL 3: APPROVAL OF THE REGAL BELOIT CORPORATION 2016 INCENTIVE COMPENSATION PLAN</u>	71
<u>PROPOSAL 4: RATIFICATION OF DELOITTE &amp; TOUCHE LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2016</u>	76
<u>OTHER MATTERS</u>	78
<u>SHAREHOLDER PROPOSALS</u>	79
<u>APPENDIX A: REGAL BELOIT CORPORATION 2016 INCENTIVE COMPENSATION PLAN</u>	A-1

---

Table of Contents

**PROXY STATEMENT**

This Proxy Statement relates to the solicitation by Regal Beloit Corporation ( we or the Company ), on behalf of its Board of Directors (the Board ), of your proxy to vote your shares of the Company s common stock at the 2016 annual meeting of shareholders and all adjournments or postponements thereof (the Annual Meeting ). We mailed our Notice of Internet Availability of Proxy Materials and we are making available this proxy statement on March 16, 2016. We solicit proxies to give all shareholders of record an opportunity to vote on matters that will be presented at the Annual Meeting. In this proxy statement, you will find information on these matters, which is provided to assist you in voting your shares.

**COMMONLY ASKED QUESTIONS AND ANSWERS  
ABOUT THE ANNUAL MEETING**

**Q:** *What am I being asked to vote on?*

- A:**
- The election of directors;
  
  - An advisory vote on the compensation of our named executive officers as disclosed in this proxy statement;
  
  - Approval of the Regal Beloit Corporation 2016 Incentive Compensation Plan; and
  
  - Ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2016.

**Q:** *Who can vote?*

**A:** Holders of our common stock as of the close of business on the record date, March 2, 2016, may vote at the Annual Meeting, either in person or by proxy. Each share of common stock is entitled to one vote.

**Q:** *How do I vote?*

A: On March 16, 2016, we mailed our Notice of Internet Availability of Proxy Materials, which includes instructions for accessing this proxy statement and our 2015 Annual Report, as well as instructions for our shareholders to vote over the Internet, via a toll-free telephone number or by mail by signing, dating and returning a paper proxy card. You can vote in the following ways:

*By Proxy* Before the Annual Meeting, you can give a proxy to vote your shares of common stock in one of the following ways:

- by telephone;
  
- by using the Internet; or
  
- by completing and signing a proxy card and mailing it in time to be received prior to the Annual Meeting if you request to receive a paper copy of a proxy card.

The telephone and Internet voting procedures are designed to confirm your identity, to allow you to give your voting instructions and to verify that your instructions have been properly recorded. If you wish to vote by telephone or Internet, please follow the instructions that are printed on the



Table of Contents

Notice of Internet Availability of Proxy Materials.

If you mail your properly completed and signed proxy card to us, or vote by telephone or the Internet, then your shares of common stock will be voted according to the choices that you specify. If you sign and mail your proxy card to us without making any choices, your proxy will be voted:

- FOR the election of all persons nominated by the Board for election as directors;
- FOR the approval of the compensation of our named executive officers;
- FOR the approval of the Regal Beloit Corporation 2016 Incentive Compensation Plan; and
- FOR the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2016.

Other than the election of directors, approval of the compensation of our named executive officers, approval of the Regal Beloit Corporation 2016 Incentive Compensation Plan and the ratification of the selection of our independent registered public accounting firm, we are not currently aware of any other matters that will be brought before the Annual Meeting. However, by giving your proxy, you appoint the persons named as proxies as your representatives at the Annual Meeting. If a matter comes up for a vote at the Annual Meeting that is not included in the proxy materials, then the proxy holders will vote your shares in accordance with their best judgment.

*In Person* You may come to the Annual Meeting and cast your vote there. If your shares are held in the name of your broker, bank or other nominee and you wish to vote at the Annual Meeting, then your broker, bank or other nominee will provide you with instructions for voting your shares.

**Q:** *May I change or revoke my vote?*

**A:** You may change your vote or revoke your proxy at any time prior to your shares being voted by:

- notifying our Secretary in writing that you are revoking your proxy;
- giving another signed proxy that is dated after the date of the proxy that you wish to revoke;
- using the telephone or Internet voting procedures; or
- attending the Annual Meeting and voting in person (attendance at the Annual Meeting alone will not revoke your proxy).

*Q: Will my shares be voted if I do not provide my proxy?*

A: It depends on whether you hold your shares in your own name or in the name of a brokerage firm. If you hold your shares directly in your name, then they will not be voted unless you provide a proxy or vote in person at the Annual Meeting. Brokerage firms or other nominees generally have the authority to vote customers uninstructed shares on certain routine matters. If your shares are held in the name of a brokerage firm, the brokerage firm has the discretionary authority to vote your shares in connection with the ratification of our independent

Table of Contents

registered public accounting firm if you do not timely provide your proxy because this matter is considered routine under the New York Stock Exchange ( NYSE ) listing standards.

However, if you have not provided directions to your broker, your broker will not be able to vote your shares with respect to the election of directors, the approval of the compensation of our named executive officers or the approval of the Regal Beloit Corporation 2016 Incentive Compensation Plan. **We strongly encourage you to submit your proxy card and exercise your right to vote as a shareholder.**

*Q: What constitutes a quorum?*

A: As of the record date, March 2, 2016, 44,669,195 shares of our common stock were issued and outstanding and entitled to vote at the Annual Meeting. To conduct the Annual Meeting, a majority of the shares entitled to vote must be present in person or by proxy. This is referred to as a quorum. If you submit a properly executed proxy card or vote by telephone or the Internet, then you will be considered present at the Annual Meeting for purposes of determining the presence of a quorum. Abstentions and broker non-votes will be counted as present and entitled to vote for purposes of determining the presence of a quorum. A broker non-vote occurs when a broker or other nominee who holds shares for another person has not received voting instructions from the owner of the shares and, under NYSE rules, does not have discretionary authority to vote on a proposal.

*Q: What vote is needed for these proposals to be adopted?*

A: *Proposal 1* The affirmative vote of the holders of a majority of the shares of our common stock represented in person or by proxy at the Annual Meeting is required to elect each director (assuming a quorum is present). Abstentions and broker non-votes will have the effect of votes against the election of director nominees.

*Proposal 2* The affirmative vote of the holders of a majority of the shares of our common stock represented in person or by proxy at the Annual Meeting is required to approve the compensation of our named executive officers (assuming a quorum is present). Because this vote is advisory, the results of the vote are not binding on our Board of Directors or our Compensation and Human Resources Committee. However, if there is a significant vote against the compensation of our named executive officers, then our Board of Directors and our Compensation and Human Resources Committee will carefully evaluate whether any actions are necessary to address those concerns. Abstentions and broker non-votes will have the effect of votes against this proposal.

*Proposal 3* The affirmative vote of the holders of a majority of the shares of our common stock represented in person or by proxy at the Annual Meeting (assuming a quorum is present) is required to approve the Regal Beloit Corporation 2016 Incentive Compensation Plan. Abstentions and broker non-votes will have the effect of votes against the Regal Beloit Corporation 2016 Incentive Compensation Plan.

Table of Contents

*Proposal 4* The affirmative vote of the holders of a majority of the shares of our common stock represented and voted at the Annual Meeting (assuming a quorum is present) is required to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2016. Abstentions will have the effect of votes against this proposal.

***Q: Who conducts the proxy solicitation and how much will it cost?***

**A:** We are requesting your proxy for the Annual Meeting and will pay all costs of soliciting shareholder proxies. In addition to soliciting proxies by mail and through the Internet, we may request proxies personally and by telephone, fax or other means. We can use our directors, officers and regular employees to request proxies. These people do not receive additional compensation for these services. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket and clerical expenses for forwarding solicitation materials to beneficial owners of our common stock.

***Q: Are the Company's proxy materials available on the Internet?***

**A:** Yes. The Company's proxy statement for the 2016 Annual Meeting of Shareholders and 2015 Annual Report to Shareholders are available at [www.proxyvote.com](http://www.proxyvote.com).

Table of Contents

**PROPOSAL 1: ELECTION OF DIRECTORS**

The Board is currently comprised of ten directors, divided into two classes of three members each and one class of four members, with the terms of one class of directors expiring each year. The Board has nominated Christopher L. Doerr, Mark J. Gliebe, and Curtis W. Stoelting, each of whom is currently serving as a director, for election at the Annual Meeting to serve until the 2017 annual meeting of shareholders and until their successors are duly elected and qualified. All of our other directors are expected to serve on the Board until their respective terms expire as indicated below.

At our 2015 Annual Meeting of Shareholders, our shareholders approved an amendment and restatement of our Articles of Incorporation that resulted in our Board's classified nature being phased-out over the next three years. Beginning with this Annual Meeting, directors will be elected and will hold office for terms as follows: (i) at this Annual Meeting, directors for whom this Annual Meeting is the annual meeting held in the third year following the year of their election (or such directors' successors) will be elected to hold office for a term expiring at the 2017 Annual Meeting of Shareholders and until their successors have been elected and qualified, and the remaining directors will hold office for the term for which they were elected and until their successors have been elected and qualified, (ii) at the 2017 Annual Meeting of Shareholders, directors for whom such annual meeting is the Annual Meeting of Shareholders held in the third year following the year of their election and directors elected at this Annual Meeting (or such directors' successors) will be elected to hold office for a term expiring at the 2018 Annual Meeting of Shareholders and until their successors have been elected and qualified, and the remaining directors will hold office for the term for which they were elected and until their successors have been elected and qualified, and (iii) at the 2018 Annual Meeting of Shareholders and each annual meeting thereafter, all directors will be elected to hold office for a term expiring at the next annual meeting and until their successors have been elected and qualified.

Unless shareholders otherwise specify, the shares represented by the proxies received will be voted in favor of the Board's nominees for election as directors. The Board has no reason to believe that any of the listed nominees will be unable or unwilling to serve as a director if elected. However, in the event that any nominee should be unable or unwilling to serve, the shares represented by proxies received will be voted for another nominee selected by the Board.

Our Corporate Governance and Director Affairs Committee periodically reviews and recommends to the Board the qualities, skills and attributes desired in our directors to reflect the unique challenges facing, and business strategies of, our company. The Corporate Governance and Director Affairs Committee reviews the qualities, skills and attributes of proposed nominees when it makes director nominee recommendations to the Board and compares them against the desired qualities, skills and attributes. The Board reviews this information when considering proposed nominees. Some of the challenges and strategies we face in our business, and the corresponding desired qualities, skills and attributes, are described in the following table.

Table of Contents

**Challenges/Strategies**

We are a global company with operations and customers around the world

We have grown substantially through acquisition and future acquisitions are a core component of our capital deployment strategy

Our presence and sales in multiple global jurisdictions and across several business platforms results in a wide variety of transactions in many different currencies

We believe that good corporate governance will improve our operating performance and aligns with the interests of our shareholders

Our industry has numerous unique challenges associated with manufacturing our products as well as conducting our business

**Desired Qualities, Skills, Attributes**

- Diversity of gender, race, nationality, cultural and/or professional experience
- Experience in global markets
- Experience as a current or former chief executive or chief operating officer, or significant operations experience
- Business development/M&A experience
- Knowledge of investment banking and/or capital markets
- Experience as a current or former chief financial officer
- Expertise in matters of public accounting
- Public company board experience
- Knowledgeable in corporate governance
- Knowledge and experience in our industry
- Current or past experience with manufacturing

The following sets forth certain information, as of March 2, 2016, about each of the Board's nominees for election at the Annual Meeting and each director whose term will continue after the Annual Meeting. Except as otherwise noted, each nominee has engaged in the principal occupation or employment and has held the offices shown for more than the past five years.

Table of Contents

*Nominees for Election at the Annual Meeting:*

Name	Age	Director Since	Principal Occupation; Office, if any, Held in the Company; Other Directorships
Christopher L. Doerr	66	2003	<p>Co-CEO of Passage Partners, LLC (a private investment company) since 2001; former Co-CEO of Sterling Aviation Holdings, Inc. (aircraft management and charter company) 2004-2014; Former Executive Chairman and Chief Executive Officer of Karl's Rental, Inc. (global manufacturer and supplier of portable event structures and related equipment) from 2009 to December 2011; former President and Co-CEO, Leeson Electric Corporation from 1986-2001. Mr. Doerr is currently a director of Roadrunner Transportation Systems, Inc., and has served as director of several privately-held and publicly-traded companies and as a chief executive officer of a number of privately-held companies. Among the qualities, skills and attributes desired by our Board, Mr. Doerr has</p> <ul style="list-style-type: none"> <li>• Experience in manufacturing;</li> <li>• Global experience;</li> <li>• CEO experience;</li> <li>• Extensive M&amp;A experience;</li> <li>• Public company board experience; and</li> <li>• Experience in our industry.</li> </ul>



Table of Contents

Name	Age	Director Since	Principal Occupation; Office, if any, Held in the Company; Other Directorships
Mark J. Gliebe	55	2007	<p>Chairman of the Board and Chief Executive Officer of the Company; was appointed Chairman of the Board in January 2012 and became Chief Executive Officer in May 2011; served as President and Chief Operating Officer of the Company from December 2006 to May 2011; Vice President and President-Electric Motors Group of the Company from January 2005 to December 2005; prior thereto employed by General Electric Company (a diversified industrial and commercial manufacturing corporation) as the General Manager of GE Motors &amp; Controls in the GE Consumer &amp; Industrial business unit from 2000-2004. Mr. Gliebe is currently a director of Joy Global Inc. Among the qualities, skills and attributes desired by our Board, Mr. Gliebe has</p> <ul style="list-style-type: none"> <li>• Experience in our industry;</li> <li>• Global experience;</li> <li>• CEO experience;</li> <li>• Extensive M&amp;A experience;</li> <li>• Investment banking and capital markets expertise; and</li> <li>• Public company board experience.</li> </ul>
Curtis W. Stoelting	56	2006	<p>President and Chief Operating Officer of Roadrunner Transportation Systems, Inc. (a transportation and logistics service provider) since January 2016. Former Chief Executive Officer of TOMY International (formerly RC2 Corporation, a designer, producer and marketer of high-quality toys, collectibles and infant and toddler products), from January 2003 to March 2013; prior thereto served as Chief Operating Officer of RC2 Corporation from 2000-2003 and Executive Vice President from 1998-2003; director, TOMY Company, Ltd. Mr. Stoelting is currently a director of Roadrunner Transportation Systems, Inc. Among the qualities, skills and attributes desired by our Board, Mr. Stoelting has</p> <ul style="list-style-type: none"> <li>• Global experience;</li> <li>• CEO experience;</li> <li>• Extensive M&amp;A experience;</li> <li>• Investment banking and capital markets expertise;</li> <li>• Public company board experience;</li> <li>• Corporate governance knowledge; and</li> <li>• Expertise in matters of public accounting.</li> </ul>

**THE BOARD RECOMMENDS THE FOREGOING NOMINEES FOR ELECTION AS DIRECTORS AND URGES EACH SHAREHOLDER TO VOTE FOR ALL NOMINEES.**

Table of Contents

*Directors Continuing in Office:*

*Terms Expiring at the 2017 Annual Meeting of Shareholders*