KEY TECHNOLOGY INC
Form 3
June 13, 2007

FORM 3

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Â TASBIHGOU SAEED
(Last) (First) (Middle)

C/O KEY TECHNOLOGY, INC.,Â 150 AVERY STREET
(Street)

WALLA WALLA,Â WAÂ 99362
(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
06/12/2007

3. Issuer Name **and** Ticker or Trading Symbol
KEY TECHNOLOGY INC [KTEC]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
_____ Officer (give title below) __X__ Other (specify below)
Mngng Dir Key Technology BV

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

(Instr. 5)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TASBIHGOU SAEED C/O KEY TECHNOLOGY, INC. 150 AVERY STREET WALLA WALLA, WA 99362	Â	Â	Â	Mngng Dir Key Technology BV

Signatures

Saeed Tasbihgou	06/13/2007
**Signature of Reporting Person	Date

Explanation of Responses:

No securities are beneficially owned

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Â

Remarks:

NoÂ securitiesÂ areÂ beneficiallyÂ owned.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.
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Michele Volpi

$50,000 $75,000 $125,000

Edwin J. Snyder

$50,000 $168,750 $218,750

Stephen J. Large

$112,500 $262,500 $375,000

(5) Amounts include matching contributions under the terms of H.B. Fuller s Thrift Plan (a 401(k) plan), matching contributions under the Thrift Plan restoration provisions of the Key Employee Deferred Compensation Plan and premiums paid on term life and personal excess liability insurance.

Amounts include the matching contributions for fiscal year 2006 under the terms of H.B. Fuller s Thrift Plan (a 401(k) plan) as follows:

Albert P.L. Stroucken	$ 8,800
John A. Feenan	$ 6,599
Michele Volpi	$ 7,656
Edwin J. Snyder	$ 230

Stephen J. Large	$ 8,800

The account balances for all named executive officers listed in the Summary Compensation Table are fully vested. Distribution of a participant s vested account balance is made only upon the termination of employment.

For fiscal year 2006, the amounts also include certain matching contributions under the H.B. Fuller Company Thrift Plan restoration provisions of the Key Employee Deferred Compensation Plan as follows:

Albert P.L. Stroucken	$ 95,133
John A. Feenan	$ 26,290
Michele Volpi	$ 15,565
Stephen J. Large	$ 15,082

Amounts also include premiums paid for fiscal year 2006, on a tax-protected basis, on term life and personal excess liability insurance covering each executive as follows:

Albert P.L. Stroucken	$ 31,025
John A. Feenan	$ 1,436
Michele Volpi	$ 1,436
Edwin J. Snyder	$ 1,436
Stephen J. Large	$ 1,436

The amount for Mr. Stroucken also includes $27,600 of life insurance premiums paid, on a tax-protected basis, by us for fiscal year 2006. The death benefit to be paid under this policy is the amount required to provide the full amount of coverage required by Mr. Stroucken s employment agreement. The amount of any death benefit in excess of this required amount is payable to the Company.

(6) Mr. Stroucken resigned as an executive officer of the Company effective December 1, 2006.

(7) The amount reported represents the amount of interest accrued during the applicable fiscal year on the officer s account in the Key Employee Deferred Compensation Plan that exceeded 120% of the applicable federal long-term rate.

(8) Amount includes approximately $6,118,667 in SERP benefits payable to Mr. Stroucken on June 1, 2007, $802,431 in salary continuation payable in three equal installments on each of December 1, 2007, 2008 and 2009, and $1,768,886 as incentive compensation continuation, payable in three equal installments on each of December 1, 2007, 2008 and 2009. Amount excludes approximately $4,791,886 previously deferred by Mr. Stroucken under the Company s Key Employee Deferred Compensation Plan and also excludes approximately $300,000 to $500,000 payable to Mr. Stroucken under the Company s relocation policy. See discussion of Mr. Stroucken s Separation Agreement under the heading Executive Compensation Employment Agreements in this Proxy Statement.

(9) Mr. Feenan resigned as an executive officer of the Company effective February 15, 2007.

(10) The amount reported includes an incentive payment of $36,458 made to Mr. Feenan in fiscal year 2005.

(11) The amount reported for Mr. Feenan includes a one-time sign-on bonus paid over a two-year period (2003-2004).

(12) The amount reported represents the dollar value of our 10% matching contribution relating to Common Stock units credited to the executive s account under the Key Employee Deferred Compensation Plan.

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(13) Mr. Volpi was first elected as an executive officer of the Company in December 2004. Mr. Volpi was elected as President and Chief Executive Officer of the Company on December 3, 2006.

(14) The amounts reported include incentive payments to Mr. Volpi of $6,333 in 2004 and $12,667 in 2005.

(15) Mr. Snyder resigned as an executive officer of the Company effective February 28, 2007.

(16) The amount reported includes an incentive payment of $11,806 made to Mr. Snyder in fiscal year 2005.

(17) Mr. Large resigned as an executive officer of the Company effective February 28, 2007.

Option Grants in Last Fiscal Year

As described in the Compensation Committee Report on Executive Compensation, we provide stock-based incentive compensation to our executives in the form of stock options. There were no stock options granted during fiscal year 2006 to the executives listed in the Summary Compensation Table. Stock-based incentive awards for fiscal year 2006 were granted on December 1, 2005. Due to the later fiscal year end of December 3, 2005, the awards were granted in fiscal year 2005 and, therefore, do not appear in this Proxy Statement.

Aggregated Option Exercises in Fiscal Year 2006 and Fiscal Year End Option Values

The following table summarizes information with respect to stock option exercises by the executives listed in the Summary Compensation Table during fiscal year 2006 and the value of stock options held by such executives at the end of fiscal year 2006.

	Shares Acquired	Value Realized	Number of Securities Underlying Unexercised Options at Fiscal Year End		Value of Unexercised In-the-Money Options at Fiscal Year End(1)	
Name	**on Exercise**	**($)**	**Exercisable**	**Unexercisable**	**Exercisable**	**Unexercisable**
Albert P.L. Stroucken	390,862	5,138,142	813,754	0	$ 11,756,508	$ 0
John A. Feenan	0	0	86,847	81,655	$ 1,152,994	$ 1,002,308
Michele Volpi	0	0	39,358	49,362	$ 472,836	$ 567,385
Edwin J. Snyder	0	0	37,020	43,994	$ 459,858	$ 525,346
Stephen J. Large	92,976	1,191,859	20,733	74,421	$ 239,915	$ 887,860

(1) The value was determined by subtracting the exercise price per share from $26.79, the closing market price per share of H.B. Fuller Common Stock on December 4, 2006.

Retirement Plans

H.B. Fuller s Retirement Plan is a defined benefit, tax qualified plan that provides benefits for U.S. employees and is sometimes referred to as a pension plan. Employees do not make contributions to this plan. The plan provides an annual benefit equal to a percentage of the employee s average annual compensation (including short term incentive compensation up to the annual IRS limit) during the highest five years of compensation in the final ten years of an employee s service, based on the employee s length of service with the Company.

We have established a Supplemental Executive Retirement Plan (SERP) to provide additional benefits to executives who may be affected by limits that are imposed by the Internal Revenue Code and the Employee Retirement Income Security Act of 1974 on the amount of benefits that may be paid from tax qualified pension plans. This supplemental plan provides an annual benefit equal to a percentage of the executive s average annual compensation (including short term incentive compensation) during the highest five years of compensation in the final ten years of an executive s service, based on the executive s length of service with the Company. This supplemental amount is

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offset by retirement income from certain other sources. The supplemental plan is an unfunded plan. However, we have placed funds in a trust that is intended to provide plan benefits. The funds are subject to the claims of our creditors.

The following table shows the estimated annual benefits on a straight-line annuity basis payable to the executives listed in the Summary Compensation Table who have 15 or more years of credited service upon normal retirement (age 65 or later) under the pension plan and the SERP. In accordance with the plans, the annual compensation considered in determining the benefits payable to any executive is the salary and short-term incentive compensation disclosed in the Summary Compensation Table.

Final Five-Year Average Annual Compensation ($)	Annual Benefit ($)	Final Five-Year Average Annual Compensation ($)	Annual Benefit ($)
225,000	87,864	1,425,000	687,864
300,000	125,364	1,500,000	725,364
375,000	162,864	1,575,000	762,864
450,000	200,364	1,650,000	800,364
525,000	237,864	1,725,000	837,864
600,000	275,364	1,800,000	875,364
675,000	312,864	1,875,000	912,864
750,000	350,364	1,950,000	950,364
825,000	387,864	2,025,000	987,864
900,000	425,364	2,100,000	1,025,364
975,000	462,864	2,175,000	1,062,864
1,050,000	500,364	2,250,000	1,100,364
1,125,000	537,864	2,325,000	1,137,864
1,200,000	575,364	2,400,000	1,175,364
1,275,000	612,864	2,475,000	1,212,864
1,350,000	650,364	2,550,000	1,250,364

Each of the executive officers listed in the Summary Compensation Table participate in the pension plan and the SERP. For purposes of computing total, combined retirement benefits, as of December 2, 2006, Mr. Volpi had four years of credited service and his average annual compensation was $330,000; Mr. Feenan, three years with average annual compensation of $510,000; Mr. Synder, four years with average annual compensation of $310,000; Mr. Large, fourteen years with average annual compensation of $390,000. At the time of his hiring, Mr. Stroucken was credited with years of service under the SERP for the number of years served with his prior employer and had 37 years of service as of his resignation on December 1, 2006. See the discussion of the SERP benefits to be received by Mr. Stroucken in connection with his resignation under the heading Executive Compensation Employment Agreements in this Proxy Statement.

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Key Employee Deferred Compensation Plan

H.B. Fuller s Key Employee Deferred Compensation Plan permits eligible employees to defer annually a portion of their base salary and any annual incentive payment or payments made under outstanding performance units. Deferred compensation is payable on the earlier of the participant s termination of employment, reaching age 65, disability, death or the date(s) for payment selected by the participant or as required by law. Amounts deferred under the plan are credited with interest based on the prime rate, or gains and losses based on the performance of certain mutual funds or H.B. Fuller Common Stock, all as elected by the participant. If a participant elects to defer amounts to the H.B. Fuller Common Stock account, we make a matching contribution equal to 10% of the value of such amount. During fiscal 2006, we also made matching contributions to a participant s stock account to restore certain matching contributions under the H.B. Fuller Thrift Plan (a 401(k) plan) that are limited by tax regulations. The value of these matching contributions is disclosed in the Summary Compensation Table in this Proxy Statement. In addition, the Compensation Committee may make discretionary contributions to a participant s Common Stock account under this plan. For fiscal year 2006, no discretionary grants were made to any executives listed in the Summary Compensation Table.

Employment Agreements

Albert P.L. Stroucken. Mr. Stroucken s employment as President and Chief Executive Officer of the Company was governed by the terms of an employment agreement dated March 30, 2004. This agreement was negotiated during the 2004 fiscal year and replaced Mr. Stroucken s prior employment agreement with us dated April 16, 1998. The new employment agreement addressed Mr. Stroucken s base salary, annual and long-term incentive compensation, specified perquisites and participation in our employee benefit plans. The term of the employment agreement was for a period of three years terminating on March 31, 2007. The agreement provided for a base salary of $779,000 per annum and the right to participate in the Company s annual incentive compensation plan under which Mr. Stroucken had the opportunity to earn up to 150% of his base salary during each applicable year. Pursuant to the agreement, Mr. Stroucken was also granted 8,334 shares of restricted common stock of the Company. The agreement also provided that Mr. Stroucken was entitled to participate in our retirement and welfare benefit plans and to receive other benefits and perquisites as were available generally to executives and employee directors of the Company. Mr. Stroucken s new employment agreement was filed with the SEC.

Pursuant to Mr. Stroucken s employment agreement, in the event of Mr. Stroucken s death or disability during the term of the agreement, we agreed to pay his spouse or estate for the following three years an annual amount equal to the sum of his average base salary during the two years preceding his death or disability plus his average annual bonus during the preceding two years. We agreed to pay a similar amount for three years following his termination of employment if we terminated his employment without cause, Mr. Stroucken terminated his employment for good reason (as defined in the agreement), or his employment terminated on March 31, 2007. In addition, unvested restricted stock awarded under the employment agreement or any stock options outstanding on death, disability or termination immediately vested in full. Also, in the event of Mr. Stroucken s death, disability or termination of employment without cause or for good reason, we agreed to provide him and/or his spouse with (a) certain retirement and welfare benefits and certain perquisites during the following three-year period, (b) health insurance coverage for the lifetime of Mr. Stroucken and/or his spouse, and (c) credit to Mr. Stroucken of an additional five years of age and service for purposes of his participation in, and calculation of his benefits under, our Supplemental Executive Retirement Plan (SERP). Pursuant to the terms of his agreement, Mr. Stroucken is prohibited from disclosing confidential information and engaging in certain activities competitive with us for a period following his employment with the Company.

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Mr. Stroucken s employment agreement contained provisions that might trigger a lump-sum payment in the event of a change in control of the Company. This payment would be triggered if, within three years after a change in control, Mr. Stroucken was disabled, we terminated Mr. Stroucken s employment without cause, or Mr. Stroucken terminated his employment for good reason (as defined in the agreement). The payment was equal to three times the sum of Mr. Stroucken s base salary plus his target annual incentive compensation in effect immediately prior to the change in control. In addition, unvested restricted stock awarded under the employment agreement or any stock options outstanding immediately prior to the change in control would vest in full and we would provide Mr. Stroucken with certain retirement and welfare benefits and certain perquisites for a three-year period following the termination of employment. We would adjust these payments and benefits in the event that they were subject to an excise tax imposed by the Internal Revenue Code and did not exceed 330% of Mr. Stroucken s base amount. Under these circumstances, the payments and benefits would be adjusted so that the amount of the payments equals 299% of the base amount, which is the maximum amount that can be paid without imposition of an excise tax. In the event that the payments and benefits were subject to an excise tax and exceed 330% of Mr. Stroucken s base amount, we agreed to reimburse Mr. Stroucken for the amount of the excise tax and for any taxes imposed upon the reimbursement. These change in control provisions terminated upon Mr. Stroucken s resignation effective December 1, 2006.

As previously disclosed in this Proxy Statement, Mr. Stroucken resigned from the Company effective December 1, 2006. In connection with his resignation, the Company entered into a separation agreement with Mr. Stroucken (the Separation Agreement), which superceded his Employment Agreement. As discussed above, under the Employment Agreement Mr. Stroucken would have been entitled to receive certain severance payments and benefits if his employment with the Company had continued until March 31, 2007 (the Employment Agreement Termination Date). The Separation Agreement adjusted and reduced such severance payments and benefits to take into account Mr. Stroucken s termination of employment prior to the Employment Agreement Termination Date.

Pursuant to the terms of the Separation Agreement, the payments and other benefits Mr. Stroucken would have received if his employment had continued through the Employment Agreement Termination Date were reduced by $4,000,000. Under the Separation Agreement, Mr. Stroucken is entitled to receive the following payments: (a) $802,431 as salary continuation, payable in three equal installments on each of December 1, 2007, 2008 and 2009; (b) $1,768,886 as incentive compensation continuation, payable in three equal installments on each of December 1, 2007, 2008 and 2009; and (c) approximately $6,118,667 in SERP benefits (plus accrued interest as provided under the SERP), payable on June 1, 2007.

Mr. Stroucken will also receive approximately $4,791,866 representing amounts previously deferred by him under the Company s Key Employee Deferred Compensation Plan. In addition, Mr. Stroucken will be paid the value of the performance unit awards and annual short-term incentive awards he would have been entitled to receive under the terms of the Company s annual and long-term incentive plan for the fiscal year ending December 2, 2006. These payments are indicated in the Summary Compensation Table set forth in this Proxy Statement.

Under the Separation Agreement, 122,058 shares of unvested restricted stock held by Mr. Stroucken vested in full on the date of his resignation. In addition, unvested stock options to acquire 349,152 shares of common stock of the Company held by Mr. Stroucken vested in full on such date. The exercise prices of these options range from $13.95 per share to $16.02 per share. Under the Separation Agreement, the expiration date of these stock options was extended from his resignation date until February 1, 2007.

Under the Separation Agreement, Mr. Stroucken is eligible to receive assistance and benefits under the Company s relocation policy so that he can relocate to any city in the United States. The

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Company currently expects that the cost of providing the relocation benefits to Mr. Stroucken will be approximately $300,000 to $500,000. However, Mr. Stroucken will no longer be eligible to participate in the Company s pension, SERP and 401(k) retirement savings plans (although he will retain the value of his vested accounts in accordance with the terms of the pension and 401(k) retirement savings plans). Also, Mr. Stroucken s participation in the Company s life insurance, personal accident, medical, health and disability plans has ceased. In addition, Mr. Stroucken will no longer receive any automobile, financial and tax planning and executive physical examination allowances.

Under the terms of the Separation Agreement, Mr. Stroucken will continue to be obligated to comply with the confidentiality, non-competition and employee non-solicitation covenants contained in the Employment Agreement for the period beginning on his resignation date and ending March 31, 2010. The Separation Agreement was filed with the SEC.

Other Executive Officers. We have agreements with Mr. Feenan, Mr. Volpi, Mr. Snyder and Mr. Large that prohibit disclosure of confidential information after termination of employment. Mr. Feenan, Mr. Volpi and Mr. Large also have agreements that prohibit each of them from competing with us for a period of time after termination of employment.

Change in Control Arrangements

We have a change in control arrangement with each of Mr. Feenan, Mr. Volpi, Mr. Snyder, and Mr. Large. (Mr. Stroucken s arrangement is described above). The initial three-year term of these agreements automatically extends for an additional year on each subsequent anniversary of the agreement, unless our Board of Directors gives notice of non-renewal prior to an anniversary date. A protected period of 24 months follows each and every change in control of the Company under the terms of these agreements. If during this protected period, we terminate the executive s employment for any reason other than cause or disability, or the executive terminates his or her employment for good reason (as defined in the agreement), the executive is entitled to receive a lump sum payment from us. The payment is equal to three times the sum of the executive s highest base salary, on an annualized basis, established by us during the period commencing three months prior to the occurrence of the change in control and ending on the date of the executive s termination of employment plus the executive s target annual incentive compensation established by us and in effect immediately prior to the change in control. In addition, the executive is entitled to medical and dental benefits and certain perquisites for a three-year period following the termination of employment. We will adjust the payments and benefits in the event that they are subject to an excise tax imposed by the Internal Revenue Code and do not exceed 330% of the executive s base amount. Under these circumstances, the payments and benefits will be adjusted so that the amount of the payments equals 299% of the base amount, which is the maximum amount that can be paid without imposition of an excise tax. In the event that the payments and benefits are subject to an excise tax and exceed 330% of the executive s base amount, we have agreed to reimburse the executive for the amount of the excise tax and for any taxes imposed upon the reimbursement.

We have other compensatory arrangements with our executives that will result from a change in control. Our Supplemental Executive Retirement Plan provides that if within two years after a change in control, we terminate a participant s employment without cause or the participant terminates his or her employment for good reason (as defined in this plan), then zero to three years (depending on the participant s position and pay grade) shall be added to both the participant s age and years of credited service for purposes of determining benefits under the plan.

In addition, in the event of a change in control, all shares of restricted stock, all restricted stock units and any unvested stock options outstanding under our stock incentive plans immediately vest in full.

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Executive Stock Purchase Loan Program

In July 2000, the Board of Directors adopted the Executive Stock Purchase Loan Program. Under the program, we arranged for U.S. Bank to provide full-recourse, personal loans to eligible management employees to purchase shares of H.B. Fuller Common Stock in the open market. Each eligible employee was allowed to obtain a loan equal to the dollar amount of the participant s stock ownership goal plus capitalization of interest for the term of the loan. An executive s stock ownership goal ranged in dollar amount from one to five times his or her annual salary, depending on the executive s position with us. The loans bore interest at the Applicable Federal Rate and matured in five years, with principal and interest due at that time. The loans were guaranteed by H.B. Fuller only in the event of the participant s default. We paid the premiums on a term life insurance policy for each participant in an amount necessary to repay the outstanding loan in the event of the participant s death. We also paid the administrative fees and expenses of the program. On December 3, 2005, one active management employee participated in the program and the aggregate amount of loans outstanding under the program for that employee on December 3, 2005 was $37,176. That employee, who is not one of the executives listed on the Summary Compensation Table, paid off the outstanding loan prior to the end of fiscal 2006. As of the end of fiscal 2006, no other loans are outstanding under the Executive Stock Purchase Program.

This program ended during fiscal year 2001. In accordance with applicable law, the Company will not extend, directly or indirectly, any similar loans in the future.

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TOTAL SHAREHOLDER RETURN GRAPH

Shown below is the Shareholder return graph required by SEC rules. The graph assumes the investment of $100 in H.B. Fuller Common Stock and each of the respective indexes on December 1, 2001 and reinvestment of all dividends. The cumulative total returns are as of the last day of the applicable fiscal year of the Company. The graph compares the yearly cumulative total Shareholder return on H.B. Fuller Common Stock over the prior five years with the cumulative total return of Standard & Poor s 500 Composite Stock Index, Standard & Poor s Small Cap 600 Index and an index of 19 selected peer companies. The peer index is included because these are the companies the Company uses most to benchmark its performance, including for determination of performance under the Company s performance units.

The following publicly traded companies are included in the peer group: 3M Company, A. Schulman, Inc., Air Products and Chemicals, Inc., Albemarle Corporation, Arch Chemicals, Inc., Avery Dennison Corporation, Bemis Company, Inc., Cabot Corporation, Cambrex Corporation, Ecolab Inc., Ferro Corporation, Hercules Incorporated, Lubrizol Corporation, PolyOne Corporation, Praxair, Inc., Rohm & Haas Company, RPM International, Inc., Stepan Company and Valspar Corporation.

From time to time, the peer group changes due to merger and acquisition activity, bankruptcy filings, delisting of a company, or other similar occurrences. During fiscal year 2006, the peer group was changed to delete Engelhard Corporation and Solutia Inc. and replace those two companies with Hercules Incorporated and Stepan Company.

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Annual Meeting of Shareholders

Thursday, April 5, 2007

2:00 p.m.

Science Museum of Minnesota

120 West Kellogg Boulevard

Saint Paul, Minnesota

H.B. Fuller

P.O. Box 64683

St. Paul, MN 55164-0683

proxy

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY

The undersigned, revoking all prior proxies, appoints Michele Volpi, James C. McCreary, Jr. and Timothy J. Keenan, or any one or more of them, as proxies, with full power of substitution, to represent the undersigned and to vote, as indicated on the reverse side and otherwise in their discretion upon such other matters as may properly come before the meeting, all shares of the common stock of H.B. Fuller Company which the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Company to be held at the Science Museum of Minnesota, 120 West Kellogg Boulevard, Saint Paul, Minnesota on Thursday, April 5, 2007 at 2:00 p.m. and at any adjournment thereof. The undersigned hereby acknowledges receipt of the Proxy Statement for the Annual Meeting.

See reverse for voting instructions.

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COMPANY #

There are three ways to vote your Proxy

Your telephone or Internet vote authorizes the Named Proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

VOTE BY PHONE TOLL FREE 1-800-560-1965 QUICK ««« EASY ««« IMMEDIATE

Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week, until 12:00 p.m. (CT) on Wednesday, April 4, 2007. Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions the voice provides you.

VOTE BY INTERNET www.eproxy.com/ful/ QUICK ««« EASY ««« IMMEDIATE

Use the internet to vote your proxy 24 hours a day, 7 days a week, until 12:00 p.m. (CT) on Wednesday, April 4, 2007. Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions to obtain your records and create an electronic ballot.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we ve provided or return it to **H.B. Fuller Company, c/o Shareowner Services[SM]**, P.O. Box 64873, St. Paul, MN 55164-0873.

IF YOU VOTE BY PHONE OR INTERNET, PLEASE DO NOT MAIL YOUR PROXY CARD

ò *Please detach here* ò

The Board of Directors Recommends a Vote FOR Items 1 and 2

1. Election of directors:	01 Knut Kleedehn 02 John C. van Roden, Jr.	03 Michele Volpi	¨ Vote FOR all nominees (except as specified below)	¨ Vote WITHHELD from all nominees

(Instructions: To withhold authority to vote for any indicated nominee, write the number of the nominee in the box provided to the right.)

2. To ratify the appointment of KPMG LLP as the Company s independent auditors for the fiscal year ending December 1, 2007. ¨ For ¨ Against ¨ Abstain

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED <u>FOR</u> ITEMS 1 AND 2.

Address Change? Mark Box ¨ Indicate changes below: Date ______________________________

Signature(s) in Box

Please sign exactly as your name(s) appear on this Proxy. If held in joint tenancy, all persons must sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy.

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H.B. Fuller

Annual Meeting of Shareholders

Thursday, April 5, 2007

2:00 p.m.

Science Museum of Minnesota

120 West Kellogg Boulevard

Saint Paul, Minnesota

H.B. Fuller

P.O. Box 64683

St. Paul, MN 55164-0683

Voting Instructions to Trustee

H.B. Fuller Company Thrift Plan

and EFTEC Savings Plan

I hereby direct Wells Fargo Bank, N.A., as Trustee of the H.B. Fuller Company Thrift Plan Trust and the EFTEC Savings Plan Trust to vote at the Annual Meeting of Shareholders of H.B. Fuller Company (the Company) to be held at the Science Museum of Minnesota, 120 West Kellogg Boulevard, Saint Paul, Minnesota on Thursday, April 5, 2007 at 2:00 p.m. and at any adjournment thereof, the shares of common stock of the Company allocated to my accounts.

This voting instruction card is furnished in connection with the solicitation of proxies by the Board of Directors of the Company. I understand this card must be returned to the Trustee if my voting instructions are to be honored. If it is not received by the Trustee, or if it is received but the voting instructions are invalid, the shares of stock with respect to which I could have directed the Trustee shall be voted by the Trustee in accordance with the terms of the plans. The Trustee is hereby directed to vote as indicated on the following proposals which are more fully described in the Company s Notice of Annual Meeting of Shareholders and Proxy Statement. The undersigned hereby acknowledges receipt of the Proxy Statement for the Annual Meeting.

See reverse for voting instructions.

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COMPANY #

There are three ways to vote your Voting Instruction Card

Your telephone or Internet vote authorizes the Named Proxies to vote your shares in the same manner as if you marked, signed and returned your voting instruction card.

VOTE BY PHONE TOLL FREE 1-800-560-1965 QUICK ««« EASY ««« IMMEDIATE

Use any touch-tone telephone to vote your voting instruction 24 hours a day, 7 days a week, until 12:00 p.m. (CT) on Monday, April 2, 2007.
Please have your voting instruction card and the last four digits of your Social Security Number or Tax Identification Number available.
Follow the simple instructions the voice provides you.

VOTE BY INTERNET www.eproxy.com/ful/ QUICK ««« EASY ««« IMMEDIATE

Use the Internet to vote your voting instruction 24 hours a day, 7 days a week, until 12:00 p.m. (CT) on Monday, April 2, 2007.
Please have your voting instruction card and the last four digits of your Social Security Number or Tax Identification Number available.
Follow the simple instructions to obtain your records and create an electronic ballot.

VOTE BY MAIL

Mark, sign and date your voting instruction card and return it in the postage-paid envelope we ve provided or return it to **H.B. Fuller Company, c/o Shareowner Services**SM**,** P.O. Box 64873, St. Paul, MN 55164-0873.

IF YOU VOTE BY PHONE OR INTERNET, PLEASE DO NOT MAIL YOUR VOTING INSTRUCTION CARD

ò *Please detach here* ò

The Board of Directors Recommends a Vote FOR Items 1 and 2

1. Election of directors:	01 Knut Kleedehn 02 John C. van Roden, Jr.	03 Michele Volpi	¨ Vote FOR all nominees (except as specified below)	¨ Vote WITHHELD from all nominees

(Instructions: To withhold authority to vote for any indicated nominee, write the number of the nominee in the box provided to the right.)

2. To ratify the appointment of KPMG LLP as the Company s independent auditors for the fiscal year ending December 1, 2007. ¨ For ¨ Against ¨ Abstain

THIS VOTING INSTRUCTION CARD WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR ITEMS 1 AND 2.

Address Change? Mark Box ¨ Indicate changes below: Date ______________________________

Signature(s) in Box

Please sign exactly as your name(s) appear on this voting instruction card. If held in joint tenancy, all persons must sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the voting instruction card.