

GARDNER DENVER INC  
Form DEF 14A  
March 15, 2012  
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## SCHEDULE 14A

(Rule 14a-101)

### INFORMATION REQUIRED IN PROXY STATEMENT

#### SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

Filed by 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 Under Rule 14a-12

**GARDNER DENVER, INC.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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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):

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1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

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March 15, 2012

TO OUR SHAREHOLDERS:

You are cordially invited to attend the 2012 Annual Meeting of Shareholders on May 1, 2012 at 1:30 p.m. Eastern Daylight Time, at the Embassy Suites Philadelphia-Valley Forge, 888 Chesterbrook Boulevard, Wayne, PA 19087.

After the transaction of formal business, a question and answer period will follow.

The Notice of Annual Meeting and Proxy Statement for the annual meeting are being made available to our shareholders on or about March 15, 2012 on the Internet, electronically by email for shareholders who have previously consented to delivery or who have requested to receive the proxy materials by email or, upon request, in printed form by mail.

We look forward to a significant vote of our common stock, either in person or by proxy. We are offering three convenient ways to vote your shares: over the Internet, by toll-free telephone or by mailing a proxy card. Voting via the Internet, by telephone or by written proxy will ensure your representation at the annual meeting if you do not attend in person. Please review the instructions you received regarding these three voting options.

Voting over the Internet or by telephone is fast and convenient and your vote is immediately tabulated. By using the Internet or telephone, you help Gardner Denver reduce the cost of postage and proxy tabulations. Regardless of your method of voting, you may revoke your proxy as provided in the Proxy Statement.

Your support is appreciated, and we hope that you will be able to join us at the May 1<sup>st</sup> meeting.

Cordially,

Diane K. Schumacher,

Chairperson of the Board

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# GARDNER DENVER, INC.

1500 Liberty Ridge Drive, Suite 3000

Wayne, Pennsylvania 19087

## NOTICE OF 2012 ANNUAL MEETING OF SHAREHOLDERS

The 2012 Annual Meeting of Shareholders of Gardner Denver, Inc. (the Company) will be held at the Embassy Suites Philadelphia-Valley Forge, 888 Chesterbrook Boulevard, Wayne, PA 19087 on May 1, 2012 at 1:30 p.m. Eastern Daylight Time for the following purposes:

1. To elect Michael C. Arnold, Barry L. Pennypacker, and Richard L. Thompson, each of whom has been nominated by the Board of Directors, to serve a three-year term expiring at the Company's annual meeting of shareholders to be held in 2015;
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2012;
3. To approve the amendment and restatement of the Gardner Denver, Inc. Long-Term Incentive Plan;
4. To cast an advisory vote to approve executive compensation; and
5. To transact such other business as may properly come before the annual meeting or any adjournments or postponements thereof.

The Notice of Annual Meeting and Proxy Statement for the annual meeting are being made available to our shareholders on or about March 15, 2012 on the Internet, electronically by email for shareholders who have previously consented to electronic delivery or who have requested to receive the proxy materials by email or, upon request, in printed form by mail.

Shareholders of record at the close of business on March 2, 2012 are entitled to notice of, and to vote at, the annual meeting and any adjournments or postponements thereof. If you are the beneficial owner of shares of our common stock held in street name, you will receive voting instructions from your broker, bank or other nominee (the shareholder of record). The voting instructions will provide details regarding how to vote these shares. Additionally, you may vote these shares in person at the annual meeting if you have requested and received a legal proxy from your broker, bank or other nominee giving you the right to vote the shares at the annual meeting, and you complete the legal proxy and present it to us at the annual meeting. Shareholders of record may vote over the Internet, by telephone, by mail if you received a printed set of proxy materials or in person at the annual meeting.

Pursuant to the New York Stock Exchange rules, if you hold your shares in street name, nominees will not have discretion to vote these shares on the election of directors, the amendment and restatement of the equity incentive plan, or the advisory vote to approve executive compensation. Accordingly, if your shares are held in street name and you do not submit voting instructions to your broker, bank or other nominee, these shares will not be counted in determining the outcome on Proposals 1, 3 and 4 set forth in this proxy statement at the annual meeting. We encourage you to provide voting instructions to your broker, bank or other nominee if you hold your shares in street name so that your voice is heard on these proposals.

FOR THE BOARD OF DIRECTORS

Brent A. Walters

Vice President, General Counsel,

Chief Compliance Officer and Secretary

Wayne, Pennsylvania

March 15, 2012

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# GARDNER DENVER, INC.

1500 Liberty Ridge Drive, Suite 3000

Wayne, Pennsylvania 19087

## PROXY STATEMENT

This proxy statement and related proxy materials are being made available to our shareholders on or about March 15, 2012 on the Internet, electronically by email for shareholders who have previously consented to electronic delivery or who have requested to receive our proxy materials by email or, upon request, in printed form by mail.

### QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

**Q: When and where is the annual meeting?**

**A:** The 2012 Annual Meeting of Shareholders of Gardner Denver, Inc. ( Gardner Denver or the Company ) will be held at the Embassy Suites Philadelphia-Valley Forge, 888 Chesterbrook Boulevard, Wayne, PA 19087 on May 1, 2012 at 1:30 p.m. Eastern Daylight Time.

**Q: What is the Notice of Internet Availability of Proxy Materials that I received in the mail this year instead of a full set of proxy materials?**

**A:** In accordance with rules adopted by the Securities and Exchange Commission ( SEC ), we may furnish proxy materials, including this proxy statement and the Company's 2011 Annual Report to Shareholders, by providing access to these documents on the Internet instead of mailing a printed copy of our proxy materials to our shareholders. Based on this practice, most of our shareholders have already received a Notice of Internet Availability of Proxy Materials (the Notice ), which provides instructions for accessing our proxy materials on a website referred to in the Notice or requesting to receive printed copies of the proxy materials by mail or electronically by email.

If you would like to receive a paper or email copy of our proxy materials for our 2012 annual meeting or for all future meetings, please follow the instructions for requesting such materials included in the Notice. Please note that if you previously requested or consented to delivery of our proxy materials by mail or electronically via email, you did not receive the separate Notice of Internet Availability of Proxy Materials. Instead, we sent you a full set of our proxy materials, which includes instructions for voting. We believe the delivery options that we have chosen will allow us to provide our shareholders with the proxy materials they need, while lowering the cost of the delivery of the materials and reducing the environmental impact of printing and mailing printed copies.

**Q: Why am I being provided with access to or receiving these proxy materials?**

**A:** The Board of Directors of Gardner Denver (the Board ) is soliciting your proxy for voting on the proposals to be presented at our annual meeting. Your proxy will be voted in accordance with the instructions given, unless the proxy is subsequently revoked. This proxy statement describes in detail the proposals on which we would like you, our shareholder, to vote. It also gives you information on these proposals so that you can make an informed decision.

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

**A:** Our shareholders are being asked to vote on the following proposals at the annual meeting:

To elect Michael C. Arnold, Barry L. Pennypacker, and Richard L. Thompson, each of whom has been nominated by the Board, to serve a three-year term expiring at the Company's annual meeting of shareholders to be held in 2015;



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To ratify the appointment of Ernst & Young LLP ( E&Y ) as our independent registered public accounting firm for 2012;

To approve the amendment and restatement of the Gardner Denver, Inc. Long-Term Incentive Plan (the Incentive Plan ); and

To cast an advisory vote to approve executive compensation.

The Company is not aware of any other matter that will be presented at the annual meeting for action on the part of the shareholders. However, if any other matters are properly brought before the annual meeting, your proxy or voting instructions gives authority to the proxy holders, Michael M. Larsen and Brent A. Walters, to vote on those other matters in accordance with the Board's recommendation.

**Q: What vote is required to approve each proposal?**

**A:** The vote of the holders of a majority of our common stock that are present in person or by proxy at the annual meeting, and that have voted thereon is required to (1) elect each of Michael C. Arnold, Barry L. Pennypacker, and Richard L. Thompson as a director of the Company, (2) ratify the appointment of E&Y as our independent registered public accounting firm for 2012, (3) approve the amendment and restatement of the Incentive Plan and (4) approve, on an advisory basis, the Company's executive compensation. Except as described below, abstentions and broker non-votes (as described below) will not be counted as votes cast for or against these proposals, and therefore, will have no effect on the outcome of these proposals.

In addition, pursuant to the rules of the New York Stock Exchange ( NYSE ), the vote of a majority of the votes cast is also required to approve the amendment and restatement of the Incentive Plan, provided that the total vote cast on this proposal represents over 50% of all shares entitled to vote on this proposal. For this purpose, abstentions will be counted as votes cast against this proposal. Broker non-votes will not be counted as votes cast, but will be counted as shares entitled to vote for purposes of determining whether the 50% threshold is met.

Votes will be tabulated by Broadridge Financial Services, our inspector of election for the annual meeting. The inspector of election will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

**Q: How does the Board recommend I vote on these proposals?**

**A:** The Board recommends that you vote (1) **FOR** the election of each of Michael C. Arnold, Barry L. Pennypacker, and Richard L. Thompson as a director of the Company, (2) **FOR** the ratification of the appointment of E&Y as our independent registered public accounting firm for 2012, (3) **FOR** the approval of the amendment and restatement of the Incentive Plan, and (4) **FOR** the approval, on an advisory basis, of the Company's executive compensation.

We anticipate that our executive officers and directors will vote their shares of our common stock in accordance with the Board's recommendations on the above proposals.

**Q: What is the difference between holding shares of our common stock as a shareholder of record and as a beneficial owner ?**

**A:** Most of our shareholders hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between holding shares as a shareholder of record and holding shares as a beneficial owner in street

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name:

*Shareholder of Record* If your shares are registered directly in your name with our transfer agent, Wells Fargo Bank, N.A., you are the shareholder of record of the shares.

*Beneficial Owner* If your shares are held in a brokerage account, bank or by another nominee, you are the beneficial owner of shares held in street name.

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**Q: If I am a shareholder of record of shares, how do I vote?**

**A:** You may vote these shares (1) over the Internet by following the instructions provided either in the Notice or on a separate proxy card if you have received a printed set of proxy materials, (2) over the telephone by following the instructions provided in either the Notice or in the separate proxy card if you have received a printed set of proxy materials, (3) by mail if you received a printed set of proxy materials by completing and returning the separate proxy card in the prepaid and addressed envelope, or (4) in person at the annual meeting. Written ballots will be passed out to anyone who wants to vote in person at the annual meeting.

Shareholders of record may vote their shares by telephone or through the Internet 24 hours a day, 7 days a week. Telephone and Internet votes must be received by 11:59 p.m. Eastern Daylight Time on April 30, 2012 and votes by mail must be received on or before May 1, 2012 at 12:30 p.m. Eastern Daylight Time.

**Q: If I am a beneficial owner of shares, how do I vote?**

**A:** You may instruct your broker, bank or other nominee on how to vote these shares. Your nominee has provided voting instructions for you to use in directing your nominee on how to vote these shares. The instructions from your nominee will indicate if Internet or telephone voting is available and, if so, will provide details regarding how to use those systems. Additionally, you may vote these shares in person at the annual meeting if you have requested and received a legal proxy from your broker, bank or other nominee (the shareholder of record), giving you the right to vote these shares in person at the annual meeting, and you complete the legal proxy and present it to us at the annual meeting.

**Q: If my shares are held in Gardner Denver's retirement savings plan, how do I vote?**

**A:** Shares of our common stock held in the Gardner Denver, Inc. Retirement Savings Plan (the Retirement Savings Plan) will be voted by JPMorgan Chase Bank, N.A. (JPMorgan), as trustee of this plan. Voting instructions regarding your shares in the Retirement Savings Plan must be received by 11:59 p.m. Eastern Daylight Time on April 26, 2012. After April 26, 2012, all shares of our common stock held in the Retirement Savings Plan for which voting instructions have not been received, and all shares not yet allocated to participants' accounts, will be voted by JPMorgan, as trustee, in the same proportion (FOR or AGAINST) as the shares for which instructions are received from participants in this plan.

**Q: Can I revoke my proxy later?**

**A:** If you are a shareholder of record of shares, you may revoke your proxy at any time before it is voted by: (1) the timely delivery of a valid, later-dated proxy, a later-dated vote by telephone, or a later-dated vote via the Internet, (2) providing timely written notice of revocation to our Corporate Secretary at our principal executive offices at 1500 Liberty Ridge Drive, Suite 3000, Wayne, Pennsylvania 19087, or (3) attending the annual meeting and giving oral notice of your intention to vote in person.

If you are a beneficial owner of shares, you may revoke your proxy at any time before it is voted by: (1) submitting new voting instructions to your broker, bank or other nominee in accordance with its voting instructions, or (2) obtaining a legal proxy from your bank, broker or other nominee giving you the right to vote these shares in person at the annual meeting, completing the legal proxy and presenting it to the Company at the annual meeting.

Attendance at the annual meeting will not in and of itself revoke a proxy.

**Q: Who is entitled to vote?**

**A:** The record date for determining the shareholders entitled to notice of, and to vote at, the annual meeting was the close of business on March 2, 2012 (the Record Date ).

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**Q: How many shares can vote?**

**A:** On the Record Date, the outstanding voting securities of the Company were 50,699,268 shares of common stock, par value \$0.01, referred to herein as common stock. Each share of common stock is entitled to one vote on each proposal presented at the annual meeting.

**Q: How is a quorum determined?**

**A:** The presence, either in person or by proxy, of at least a majority of the issued and outstanding shares of common stock is required to establish a quorum. Abstentions and broker non-votes (as described below) will be considered present at the annual meeting for purposes of determining a quorum at the annual meeting.

**Q: How will my shares be voted if I do not give specific voting instructions?**

**A:** *Beneficial Owner:*

If you are the beneficial owner of shares held in street name and properly submit your proxy, but do not provide voting instructions therein to your broker, bank or other nominee, the nominee that holds your shares may use their discretion in voting such shares with respect to routine items, but not with respect to non-routine items, under the rules of the NYSE. On non-routine items for which you properly submit your proxy, but do not provide voting instructions to your broker, bank or other nominee, these shares will not be voted and will be treated as broker non-votes. The proposal to ratify the appointment of E&Y as our independent registered public accounting firm for 2012 (Proposal 2) is considered a routine item and therefore may be voted upon by your broker, bank or other nominee if you do not provide voting instructions on this proposal. However, the election of directors (Proposal 1), the amendment and restatement of the Incentive Plan (Proposal 3) and the advisory vote to approve executive compensation (Proposal 4) are considered non-routine items and therefore may not be voted upon by your broker, bank or other nominee if you do not provide voting instructions on these specific proposals.

*Shareholder of Record:*

If you are a shareholder of record and do not specify a choice on a matter when returning an executed proxy, these shares will be voted (1) **FOR** the election of each of Michael C. Arnold, Barry L. Pennypacker, and Richard L. Thompson, the director nominees named in this proxy statement, (2) **FOR** the ratification of the appointment of E&Y as our independent registered public accounting firm for 2012, (3) **FOR** the approval of the amendment and restatement of the Incentive Plan, and (4) **FOR** the approval, on an advisory basis, of the Company's executive compensation.

*Retirement Savings Plan:*

If your shares of common stock are held in the Retirement Savings Plan and you do not submit voting instructions, your shares and all shares that have not yet been allocated to your account will be voted by JPMorgan, the trustee of this plan, in the same proportion ( **FOR** or **AGAINST** ) as the shares of common stock for which instructions are received from participants in such plan.

**Q: Who is paying for the cost of soliciting proxies for the annual meeting and how will the solicitation be done?**

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**A:** The costs of soliciting proxies pursuant to this proxy statement will be paid by the Company. Solicitation may be made in person or by telephone, electronic mail, mail or facsimile. The Company will bear the expense of preparing and distributing this proxy statement and accompanying materials to our shareholders. Upon request, the Company will reimburse brokers, banks or other nominees for reasonable expenses incurred in forwarding copies of the proxy materials relating to the annual meeting to the beneficial owners of common stock.

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The Company has retained Georgeson Inc., an independent proxy solicitation firm ( Georgeson ), to assist in soliciting proxies from shareholders. Georgeson will receive a fee of approximately \$10,000 as compensation for its services and will be reimbursed for its reasonable out-of-pocket expenses. The Company has agreed to indemnify Georgeson against certain liabilities arising under the federal securities laws.

### **Q: Who can help answer my questions?**

**A:** If you have questions concerning a proposal or the annual meeting, or if you need directions to or special assistance at the annual meeting, please call our Investor Relations office at (610) 249-2009 or email [investor.request@gardnerdenver.com](mailto:investor.request@gardnerdenver.com). In addition, information regarding the annual meeting is available via the Internet at our website [www.gardnerdenver.com](http://www.gardnerdenver.com).

### **PART ONE: CORPORATE GOVERNANCE**

Our Corporate Governance Policy, Board committee charters, Director Independence Standards, Related Party Transactions Policy, Code of Ethics and Business Conduct and Environmental and Safety Policy provide the framework for our corporate governance and are designed to ensure that the Company is managed for the long-term benefit of our shareholders. We routinely evaluate our corporate governance policies, standards and practices to ensure that they comply with SEC rules and regulations and the corporate governance listing standards of the NYSE, the exchange on which our common stock is currently listed.

Our Corporate Governance Policy, Audit and Finance Committee Charter, Management Development and Compensation Committee Charter and Nominating and Corporate Governance Committee Charter, Director Independence Standards, Related Party Transactions Policy, Code of Ethics and Business Conduct and Environmental and Safety Policy are available on our website at [www.gardnerdenver.com](http://www.gardnerdenver.com). Information on our website does not constitute a part of this proxy statement.

### **Corporate Governance Policy**

Our Board has adopted a policy regarding corporate governance. The objective of this policy is to help ensure that our Board maintains its independence, objectivity and effectiveness in fulfilling its responsibilities to our shareholders. The policy establishes the criteria and requirements for:

Selection and retention of directors;

Procedures and practices governing the operation and compensation of our Board; and

Principles under which management shall direct and operate the business of the Company and its subsidiaries.

The policy provides that a substantial majority of our Board should be independent based on the independence standards of the NYSE with varied and complementary backgrounds. Directors may serve on the boards of directors of no more than four for-profit organizations, including the Company, and members of our Audit and Finance Committee (the Audit Committee ) may serve on the audit committees of no more than three for-profit organizations, including the Company. The policy specifies that a director who has a material change in his or her primary employment or professional responsibilities must submit a letter of resignation, which the Board may accept or reject.

Directors who are employees of the Company must retire as a director at the next regular Board meeting following termination of employment. In addition, the policy also specifies that at the regularly scheduled Board meeting prior to a nonemployee director's 70th birthday and each year thereafter, nonemployee directors will submit their resignation to our Nominating and Corporate Governance Committee (the Governance

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Committee ). The Governance Committee will make an evaluation and recommendation for a decision by the full Board as to whether to accept or reject the director's resignation based on the director's contributions and the Board's needs at the time. A nonemployee director must retire as a director at the next regularly scheduled meeting of the Board following the date he or she attains 75 years of age. A nonemployee director is also eligible to retire at the end of any elected term or at the discretion of the Board following review by the Governance Committee. The policy also requires that at any one time, at least 50% of the number of nonemployee directors must be actively engaged in business as an employee, consultant, director (other than for the Company) or in a similar capacity for a minimum of 250 hours per year.

For 2011, all of our directors, including the director nominees seeking re-election, have complied with our Corporate Governance Policy. In accordance with the policy, Mr. Thompson tendered his resignation to the Board on October 24, 2011. Among other factors, the Board considered Mr. Thompson's key expertise in compensation committee matters and his significant contribution to our Management Development and Compensation Committee (the Compensation Committee), of which he has served as Chairperson since 2000. As such, the Board determined that accepting Mr. Thompson's resignation would not be in the best interests of the Company or its shareholders and declined such resignation on November 16, 2011.

### **Composition of the Board of Directors**

Our Board currently consists of nine directors and is divided into three classes. One class is elected at each annual meeting to serve for a three-year term. With the exception of our Chief Executive Officer (CEO), all of our Board members, including our Chairperson of the Board, are independent as determined in accordance with the NYSE listing standards as described under the Director Independence section of this proxy statement set forth below. There are no family relationships among any of the Company's executive officers, directors or director nominees. The current composition of our Board is as follows:

#### **NOMINEES FOR ELECTION AT THE ANNUAL MEETING**

##### **Terms Expiring at the 2012 Annual Meeting of Shareholders**

**Michael C. Arnold**, age 55, has been a director of Gardner Denver since his appointment by the Board of Directors in June 2009. Mr. Arnold was appointed to the role of President and Chief Executive Officer of Ryerson Inc. in January 2011, a leading distributor and processor of metals in North America. Previously, Mr. Arnold served as Executive Vice President and President of the Bearings and Power Transmission Group at The Timken Company, a publicly held manufacturer of innovative friction management and power transmission products and services (Timken) from 2007 until December 2010. Mr. Arnold served as President of Timken's former Industrial Group from 1999 through 2007. Mr. Arnold earned both a B.S. in mechanical engineering and a Masters in sales and marketing from The University of Akron. He also completed the Advanced Management Program at Harvard University. Mr. Arnold served as Chairman of Endorsia.com International AB. He is a member of The University of Akron's Engineering Advisory Council. He has also served as a director of Cincinnati Incorporated since May 2008.

With his years of managerial experience at Timken, Mr. Arnold brings to our Board demonstrated managerial expertise in international manufacturing. In his short tenure as one of our directors, Mr. Arnold's understanding of the complexity of operating a global manufacturing organization and the impact of the economic conditions currently facing the Company has established him as a respected addition to our Board.



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**Barry L. Pennypacker**, age 51, was appointed President and Chief Executive Officer of Gardner Denver in January 2008 and as a director in February 2008. He joined the Company from Westinghouse Air Brake Technologies Corporation, a worldwide provider of technology-based equipment and services for the rail industry, where he held a series of Vice President positions with increasing responsibility from 1999 to 2008, with his last position being Vice President, Group Executive. Prior to that, he was Director, Worldwide Operations for the Stanley Fastening Systems, an operating unit of Stanley Works, from 1997 to 1999. Mr. Pennypacker also served in a number of senior management positions of increasing responsibility with Danaher Corporation from 1992 to 1997. He holds a B.S. in operations management from the Pennsylvania State University and an M.B.A. in operations research from St. Joseph's University.

Mr. Pennypacker's extensive managerial and operational expertise has proven invaluable to the Company and the Board during the recent worldwide economic downturn. His foresight to make crucial operational improvements and his continued vision in implementing the Gardner Denver Way has been a significant factor in the Company's success. His leadership in addressing the issues facing the Company has provided our Board with the insight necessary to strategically plan for the Company's future successes.

**Richard L. Thompson**, age 72, has been a director of Gardner Denver since November 1998. Mr. Thompson served as a Group President and Executive Office Member of Caterpillar Inc. (Caterpillar), a publicly held manufacturer of construction machinery and equipment, from 1995 until his retirement in June 2004. He earned both a B.S. in electrical engineering and an M.B.A. from Stanford University and also completed the Caterpillar Advanced Management Program. Mr. Thompson serves as Chairman of the Board of Directors of Lennox International, Inc., a publicly held manufacturer of HVAC and refrigeration equipment, and as a director of NiSource Inc., a publicly held electric and gas utility.

Mr. Thompson is a recognized operational leader within the industrial manufacturing sector. His service as Chairman of the Board of Lennox and as a director of NiSource in addition to his 21 years of service as a senior executive at Caterpillar have provided him with managerial and international operational expertise which translates into a valuable asset to our Board. Mr. Thompson's positions have also provided him with a wealth of knowledge in executive compensation and human resources matters. This expertise has made Mr. Thompson an important member of the Compensation Committee, which he has led since his appointment as Chairperson in 2000.

**DIRECTORS WHOSE TERMS OF OFFICE WILL CONTINUE AFTER THE ANNUAL MEETING**

**Terms Expiring at the 2013 Annual Meeting of Shareholders**

**John D. Craig**, age 60, has been a director of Gardner Denver since his appointment by the Board of Directors in November 2011. Mr. Craig has served as Chairman of the Board of Directors, President and Chief Executive Officer of EnerSys, a publicly traded company and the world's largest manufacturing and marketer of industrial batteries and related equipment, since November 2000. Prior to joining EnerSys in 2000, Mr. Craig served six years with Yuasa, Inc., holding a series of positions with increasing responsibility, with his last position being President and Chief Operating Officer. Mr. Craig holds a B.S. from Western Michigan University and an M.S. from Arizona State University. He currently serves on the boards of Kutztown University Foundation, American Red Cross (Berks County) and Reading Hospital, and is President and a board member of Battery Council International.

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**Diane K. Schumacher**, age 58, was appointed Chairperson of the Board of Directors in November 2011 and has been a director of Gardner Denver since August 2000. Mrs. Schumacher served as Senior Vice President, General Counsel and Secretary of Cooper Industries, Ltd., a company engaging in the manufacture and sale of electrical products and tools and the Company's former parent company ( Cooper ), from 1995 to 2003, and was Senior Vice President, General Counsel and Chief Compliance Officer until August 2006. She served as Special Counsel to the CEO of Cooper from September 2006 until her retirement from Cooper in September 2008. Mrs. Schumacher is currently providing legal services to a number of non-public companies as an independent consultant. She is a member of the Advisory Board, College of Business, Southern Illinois University. Mrs. Schumacher holds a B.A. in economics from Southern Illinois University and a J.D. from DePaul University College of Law. She also completed the Harvard Advanced Management Program.

Mrs. Schumacher is an experienced legal leader with the skills necessary to guide our Board and its Governance Committee. Her legal expertise in the manufacturing industry and long-standing, intimate knowledge of Gardner Denver gained during her service at Cooper, the Company's former parent company, have been valuable to our Board and in her position as the Chairperson of our Governance Committee.

**Charles L. Szews**, age 55, has been a director of Gardner Denver since November 2006. In January 2011, Mr. Szews was appointed as the President and Chief Executive Officer of Oshkosh Corporation ( Oshkosh ), a specialty vehicle manufacturer. He has been a director of Oshkosh since May 2007. Previously, he served as President and Chief Operating Officer of Oshkosh from October 2007 until January 2011, as Executive Vice President and Chief Financial Officer of Oshkosh from 1997 until 2007 and Vice President and Chief Financial Officer from 1996 to 1997. Prior to joining Oshkosh in 1996, Mr. Szews spent eight years with Fort Howard Corporation, a paper manufacturing company, holding a series of positions with increasing responsibility, with his last position being Vice President and Controller. Mr. Szews also has ten years of audit experience at E&Y. Mr. Szews holds a B.B.A. in comprehensive public accounting from the University of Wisconsin-Eau Claire and was previously a Certified Public Accountant for 28 years.

Mr. Szews is an experienced financial and operational leader within the manufacturing industry. His prior senior financial positions at Oshkosh, Fort Howard and E&Y have provided him with a wealth of knowledge in dealing with complex financial and accounting matters. In his current position as President and Chief Executive Officer of Oshkosh, Mr. Szews has critical insight into the operational and financial requirements of a large, publicly traded manufacturing company, which has proven invaluable to our Board and Audit Committee. Mr. Szews qualifies as an audit committee financial expert.

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**Terms Expiring at the 2014 Annual Meeting of Shareholders**

**Donald G. Barger, Jr.**, age 69, has been a director of Gardner Denver since its spin-off from Cooper in April 1994. Mr. Barger retired in February 2008 from YRC Worldwide, Inc. ( YRCW ), formally Yellow Corporation, a publicly held company specializing in the transportation of goods and materials. He served as special advisor to the Chief Executive Officer of YRCW from September 2007 to February 2008 and as Executive Vice President and Chief Financial Officer of YRCW and Senior Vice President and Chief Financial Officer of Yellow Corporation from December 2000 to September 2007. Prior to joining Yellow, he served as Vice President and Chief Financial Officer of Hillenbrand Industries Inc. ( Hillenbrand ), a publicly held company serving the healthcare and funeral services industries, from March 1998 until December 2000. Mr. Barger was also Vice President, Chief Financial Officer of Worthington Industries, Inc. ( Worthington ), a publicly held manufacturer of metal and plastic products and processed steel products, from September 1993 until joining Hillenbrand. Mr. Barger has a B.S. from the United States Naval Academy and an M.B.A. from the University of Pennsylvania, Wharton School of Business. Mr. Barger is a director of Globe Specialty Metals, Inc., a publicly held producer of silicon metal and silicon-based specialty alloys, and Precision Aerospace Components, Inc., a publicly held provider of quality aerospace components. Mr. Barger retired as a director in February 2012 from Quanex Building Products Corporation, a publicly held manufacturer of engineered materials and components for the U.S. building products markets.

Mr. Barger is an experienced financial leader with the skills required to lead our Audit Committee. His service as Chief Financial Officer for YRCW, Hillenbrand, and Worthington, as well as his service on two other public companies' audit committees, qualify him as an audit committee financial expert and his industry experience has been a valuable asset, both on our Board and as the Chairperson of our Audit Committee.

**Raymond R. Hipp**, age 69, has been a director of Gardner Denver since November 1998. Since July 2002, Mr. Hipp has served as a strategic alternative and mergers and acquisitions consultant. Mr. Hipp served as Chairman, President and CEO and a Director of Alternative Resources Corporation, a provider of information technology staffing and component outsourcing, a position he held from July 1998 until his retirement in June 2002. From August 1996 until May 1998, Mr. Hipp was the Chief Executive Officer of ITI Marketing Services, a provider of telemarketing services. Mr. Hipp has a B.S. from Southeast Missouri State University. In February 2011, Mr. Hipp was appointed a Director and Chairman of the Audit Committee for Neogenomics, Inc., a biotechnology company operating a network of cancer-focused testing laboratories.

With his years of senior managerial experience in information technology and mergers and acquisitions, Mr. Hipp has been a trusted member of our Board and Audit Committee in assessing technological risks facing the Company and evaluating potential strategic acquisitions and business combinations.

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**David D. Petratis**, age 54, has been a director of Gardner Denver since July 2004. In July 2008, Mr. Petratis was appointed Director, President and Chief Executive Officer of Quanex Building Products Corporation ( Quanex ), a publicly held manufacturer of engineered materials and components for the U.S. building products markets. In addition to his current role at Quanex, in December 2008, he was elected to the position of Chairman. Mr. Petratis previously served as President and Chief Executive Officer of the North American Operating Division of Schneider Electric, a market-leading brand of electrical distribution and industrial control products, systems and services, from January 2004 until May 2008 and President and Chief Operating Officer from December 2002 until his promotion in January 2004. He was President of MGE Americas, a privately held manufacturer of power supplies, from 1996 through 2002. Mr. Petratis earned a B.A. in industrial management from the University of Northern Iowa and an M.B.A. from Pepperdine University. He has held positions on the Board of Directors of the University of California, Irvine Graduate School of Management, the California State (Fullerton) Quality Advisory Board and Project Independence, a community agency in Costa Mesa, California for the developmentally disabled. Mr. Petratis also served on the Board of Governors of National Electrical Manufacturers Association (NEMA) and the International Electrical Safety Foundation.

Mr. Petratis is an experienced manufacturing and operational leader. Through his leadership role as Chief Executive Officer for a similarly sized company, Mr. Petratis has critical insights into the operational and financial requirements of a publicly traded manufacturing company which have proven beneficial to the Board and our Audit Committee.

### **Meetings of the Board of Directors**

Our Board held five meetings during 2011. Our nonemployee directors met in executive session without any management directors or employees four times during 2011. Mr. Hansen, our former independent Chairperson, presided over all of these meetings before his retirement in November 2011. In addition to our full Board meetings, directors attended meetings of the committees on which they serve. Pursuant to our Corporate Governance Policy, each director is expected to attend our annual shareholder meeting. Each director attended at least 75% of the aggregate of the Board meetings and the meetings of committees of which he or she was a member.

### **Committees of the Board of Directors**

Our Board has three standing committees composed exclusively of independent, nonemployee directors: the Audit Committee, the Compensation Committee and the Governance Committee. Each of the standing committees operates under a written charter adopted by the Board. All of the committee charters are available on our website at [www.gardnerdenver.com](http://www.gardnerdenver.com). Our committees have the authority to retain outside advisors to assist each committee in meeting its obligations, as necessary and appropriate, and to ensure that we provide appropriate funding to pay the fees and expenses of such advisors.

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**Committee Membership**

**During 2011**

<b>Directors</b>	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Governance Committee</b>
Michael C. Arnold		ü	
Donald G. Barger, Jr.	ü *		
John D. Craig(1)	ü		
Frank J. Hansen(2)		ü	ü
Raymond R. Hipp	ü		
Barry L. Pennypacker			
David D. Petratis		ü	
Diane K. Schumacher		ü	