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METHODE ELECTRONICS INC
Form DEF 14A
August 13, 2002

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 the Registrant: X

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))

X Definitive Proxy Statement

_____ Definitive Additional Materials

_____ Soliciting Material Pursuant to Rule 14a-12

METHODE ELECTRONICS, 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):

X No fee required

_____ Fee computed on table below per Exchange Act Rules 14a-6(i)(4)
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:

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- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement Number:
- (3) Filing Party:
- (4) Date Filed:

METHODE ELECTRONICS, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
September 10, 2002

To the Stockholders of
METHODE ELECTRONICS, INC.

Notice is hereby given that the annual meeting of stockholders of Methode Electronics, Inc. will be held on Tuesday, September 10, 2002 at 3:30 p.m. Chicago time, at the Fountain Blue Conference Center, 2300 South Mannheim Road, Des Plaines, Illinois for the following purposes:

- 1. To elect a board of directors; and
- 2. To transact such other business as may properly come before the meeting.

Stockholders of record as of the close of business on July 24, 2002 will be entitled to vote at the annual meeting. Shares should be represented as fully as possible, since a majority is required to constitute a quorum.

You are requested to mark, sign, date and mail the accompanying proxy card in the enclosed self-addressed, stamped envelope, whether or not you plan to attend the meeting. You may revoke your proxy for any reason at any time prior to the voting thereof, either by written revocation prior to the meeting or by appearing at the meeting and voting in person. Your cooperation is respectfully solicited.

By order of the Board of Directors.

William T. Jensen
Chairman

Chicago, Illinois
August 10, 2002

METHODE ELECTRONICS, INC.
7401 West Wilson Avenue
Chicago, Illinois 60706
(708) 867-6777

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PROXY STATEMENT

Annual Meeting of Stockholders
September 10, 2002

INTRODUCTION

The enclosed proxy is solicited on behalf of the Board of Directors of Methode Electronics, Inc. ("Methode"), in connection with the annual meeting of stockholders to be held on Tuesday, September 10, 2002 at 3:30 p.m. Chicago time, at the Fountain Blue Conference Center, 2300 South Mannheim Road, Des Plaines, Illinois.

The cost of proxy solicitation will be borne by Methode. Certain officers and other regular employees of Methode may devote part of their time to solicitation by mail, telephone, telecopier or in person, but will not be specifically compensated therefor. Proxies may be revoked at any time prior to the voting thereof. Revocation may be done prior to the annual meeting by written revocation sent to the Secretary of Methode, 7401 West Wilson Avenue, Chicago, Illinois 60706; or it may be done personally upon oral or written request at the annual meeting; or it may be done by appearing at the annual meeting and voting in person.

This proxy statement was first mailed to stockholders on or about August 10, 2002.

RECORD DATE; VOTING SECURITIES OUTSTANDING

The close of business on July 24, 2002 is the record date for determining the holders of Methode securities entitled to notice of and to vote at the annual meeting.

As of July 24, 2002, Methode had outstanding voting securities consisting of 35,076,819 shares of Class A common stock, par value \$0.50 per share, and 1,087,317 shares of Class B common stock, par value \$0.50 per share. The presence at the annual meeting, in person or by proxy, of the holders of a majority of the issued and outstanding shares of both Class A and Class B common stock is necessary to constitute a quorum. The affirmative vote of the holders of a majority of the Class A common stock present in person or by proxy at the annual meeting will elect two directors, each Class A share having one vote; and the affirmative vote of the holders of a majority of the Class B common stock present in person or by proxy at the annual meeting will elect six directors, each Class B share having one vote. Unless otherwise required by law or Methode's Restated Certificate of Incorporation, the holders of Class A common stock are entitled to one-tenth of a vote per share and the holders of Class B common stock are entitled to one vote per share on all other matters. A broker non-vote is not counted in determining voting results. If a stockholder, present in person or by proxy, abstains on any matter, the stockholder's shares will not be voted on such matter. Thus, an abstention from voting on a matter has the same legal effect as a vote "AGAINST" the matter.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Five Percent Stockholders

The following table sets forth information regarding all persons known to be the beneficial owners of more than 5% of Methode's voting securities as of

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June 28, 2002 (except as set forth in the relevant footnotes).

| Name and Address of Beneficial Owner ----- | Title of Class ----- | Number of Shares and Nature of Beneficial Ownership (1) ----- |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------------------------|
| American Century Investment Management, Inc. (2) 4500 Main Street P.O. Box 418210 Kansas City, Missouri 64141-9210 | Common Stock Class A | 1,771,000 |
| Barclays Global Investors, N.A. (3) 45 Fremont Street San Francisco, California 94105 | Common Stock Class A | 2,054,978 |
| T. Rowe Price Associates, Inc. (4) 100 East Pratt Street Baltimore, Maryland 21202 | Common Stock Class A | 3,280,100 |
| The William J. McGinley Marital Trust No. 1 (5) c/o Louis S. Harrison Lord Bissell & Brook 115 South LaSalle Street Chicago, Illinois 60603 | Common Stock Class B | 87,277 |
| The William J. McGinley Marital Trust No. 2 (5) c/o Louis S. Harrison Lord Bissell & Brook 115 South LaSalle Street Chicago, Illinois 60603 | Common Stock Class B | 793,624 |
| James W. McGinley c/o Louis S. Harrison Lord Bissell & Brook 115 South LaSalle Street Chicago, Illinois 60603 | Common Stock Class B | 881,169 (6) (7) |
| Jane R. McGinley c/o Louis S. Harrison Lord Bissell & Brook 115 South LaSalle Street Chicago, Illinois 60603 | Common Stock Class B | 890,902 (6) |

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| Name and Address of Beneficial Owner ----- | Title of Class ----- | Number of Shares and Nature of Beneficial Ownership (1) ----- | Percent of Class ----- |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------------------------|------------------------------|
| Margaret J. McGinley c/o Louis S. Harrison Lord Bissell & Brook 115 South LaSalle Street Chicago, Illinois 60603 | Common Stock Class B | 898,182 (6) | 82.6 |

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| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------|-------------|
| <p>Robert J. McGinley c/o Louis S. Harrison Lord Bissell & Brook 115 South LaSalle Street Chicago, Illinois 60603</p> | <p>Common Stock Class B</p> | <p>904,209 (6)</p> | <p>83.2</p> |
| <p>Raymond J. Roberts c/o Louis S. Harrison Lord Bissell & Brook 115 South LaSalle Street Chicago, Illinois 60603</p> | <p>Common Stock Class B</p> | <p>887,101 (6)</p> | <p>81.6</p> |

-
- (1) Beneficial ownership arises from sole voting and investment power unless otherwise indicated by footnote.

 - (2) Based solely on a Schedule 13G filed by American Century Investment Management, Inc. ("American Century") with the Securities and Exchange Commission ("SEC") on February 8, 2002. Based on the Schedule 13G, American Century is a registered investment advisor that manages, pursuant to management agreements, the investments of fourteen registered investment companies. The shares are owned by and held for such investment companies and separate institutional investor accounts. Any dividends received from the shares, or the proceeds of any sale of the shares, are for the benefit of, and are held for such investment companies and separate institutional investor accounts.

 - (3) Based solely on a Schedule 13G filed by Barclays Global Investors, N.A. ("Barclays") with the SEC on February 13, 2002. According to the Schedule 13G, the shares reported are held by Barclays and Barclays Global Fund Advisors in trust accounts for the economic benefit of the beneficiaries of those accounts.

 - (4) Based solely on an Amendment to Schedule 13G filed by T. Rowe Price Associates, Inc. ("Price Associates") with the SEC on February 11, 2002. According to the Schedule 13G, Price Associates is deemed the beneficial owner of 3,280,100 shares, having sole voting power over 797,600 shares and sole investment power over all 3,280,100 shares. Price Associates does not serve as custodian of the assets of any of its clients. Accordingly, the ultimate power to direct the receipt of dividends paid with respect to, and the proceeds from the sale of such securities, is vested in the clients for which Price Associates serves as investment adviser. Certain registered investment companies sponsored by Price Associates also serve as its investment advisers ("T. Rowe Price Funds"). With respect to securities owned by any one of the T. Rowe Price Funds, only two have the right to receive dividends with respect to, and proceeds from the sale of, such securities.

 - (5) Voting and investment power are shared by the special fiduciaries of this trust. See note (6) below.

 - (6) Includes 87,277 shares of Class B common stock held by the William J. McGinley Marital Trust No. 1 and 793,624 shares of Class B common stock held by the William J. McGinley Marital Trust No. 2, as to which Mrs. J. McGinley, Ms. M. McGinley and Messrs. J. McGinley, R. McGinley and Roberts are special fiduciaries and share voting and investment power. Each of the special fiduciaries specifically disclaims beneficial ownership of all shares owned by the other special fiduciaries other than in their respective capacity as special fiduciary under the William J. McGinley Marital Trust No. 1 and No. 2.

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(7) Includes 268 shares of Class B Common Stock held by his wife.

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Executive Officers, Directors and Director Nominees

The following table sets forth information regarding Methode's Class A and Class B common stock beneficially owned as of June 28, 2002 by (i) each director and director nominee, (ii) each of the Named Executives identified in the Summary Compensation Table under "Executive Compensation" and (iii) all current directors and executive officers as a group.

| Name of Beneficial Owner ----- | Title of Class ----- | Number of Shares and Nature of Beneficial Ownership (1) ----- | Percent of Class ----- |
|-----------------------------------|-------------------------|------------------------------------------------------------------------|------------------------------|
| James W. Ashley, Jr. | Common Stock | | |
| | Class A | 23,707 | * |
| | Class B | 0 | 0 |
| Warren L. Batts | Common Stock | | |
| | Class A | 14,000 | * |
| | Class B | 0 | 0 |
| William C. Croft | Common Stock | | |
| | Class A | 106,907 | * |
| | Class B | 2,020 | * |
| Donald W. Duda | Common Stock | | |
| | Class A | 79,413 | * |
| | Class B | 0 | 0 |
| William T. Jensen | Common Stock | | |
| | Class A | 170,133 | * |
| | Class B | 0 | 0 |
| James W. McGinley | Common Stock | | |
| | Class A | 218,105 | * |
| | Class B | 881,169 | 81.0 |
| Robert R. McGinley | Common Stock | | |
| | Class A | 321,800 | * |
| | Class B | 904,209 | 83.2 |
| Roy M. Van Cleave | Common Stock | | |
| | Class A | 500 | * |
| | Class B | 500 | * |
| George C. Wright | Common Stock | | |
| | Class A | 103,176 | * |
| | Class B | 6,540 | * |
| Douglas A. Koman | Common Stock | | |
| | Class A | 21,324 | * |
| | Class B | 0 | 0 |

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| Name of Beneficial Owner ----- | Title of Class ----- | Number of Shares Nature of Beneficial Ownership (1) ----- |
|-----------------------------------------------------------------------------|------------------------------------|--------------------------------------------------------------------|
| Robert J. Kuehnau | Common Stock Class A Class B | 91,241 0 |
| James F. McQuillen | Common Stock Class A Class B | 21,833 0 |
| All current directors and executive officers as a group (12 individuals) | Common Stock Class A Class B | 1,066,270 913,563 |

* Percentage represents less than 1% of the total shares of the respective class of common stock outstanding as of June 28, 2002.

(1) Beneficial ownership arises from sole voting and investment power unless otherwise indicated in the table entitled "Nature of Indirect Beneficial Ownership as of June 28, 2002" below.

NATURE OF INDIRECT BENEFICIAL OWNERSHIP AS OF JUNE 28, 2002

| Beneficial Owner ----- | Class A Shares Subject to Options Exercisable within 60 Days ----- | As Special Fiduciary of the William J. McGinley Trusts (1) ----- | | By Family Members ----- | | As Co-Trustee ----- | |
|----------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------|---------|-------------------------------|---------|------------------------|---------|
| | | Class A | Class B | Class A | Class B | Class A | Class B |
| James W. Ashley, Jr. | 19,707 | -- | -- | -- | -- | -- | -- |
| Warren L. Batts | -- | -- | -- | -- | -- | -- | -- |
| William C. Croft | 19,707 | -- | -- | -- | -- | -- | -- |
| Donald W. Duda | 79,413 | -- | -- | -- | -- | -- | -- |
| William T. Jensen | 50,000 | -- | -- | -- | -- | -- | -- |
| James W. McGinley | 5,000 | 200,000 | 880,901 | 536 | 268 | -- | -- |
| Robert R. McGinley | 2,500 | 200,000 | 880,901 | -- | -- | -- | -- |
| Roy M. Van Cleave | -- | -- | -- | -- | -- | -- | -- |
| George C. Wright | 19,707 | -- | -- | -- | -- | 83,469 | 6,540 |
| Douglas A. Koman | 21,324 | -- | -- | -- | -- | -- | -- |
| Robert J. Kuehnau | 58,576 | -- | -- | -- | -- | -- | -- |
| James F. McQuillen | 14,089 | -- | -- | -- | -- | -- | -- |
| All current directors and executive officers | 308,348 | 200,000 | 880,901 | 2,398 | 487 | 83,469 | 6,540 |

(1) Shares of Class A common stock are held by the William J. McGinley Marital

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Trust No. 2 and the William J. McGinley Irrevocable Trust, of which James W. McGinley and Robert R. McGinley, among others, are special fiduciaries sharing voting and investment power with respect to such shares. Shares of Class B common stock are held by the William J. McGinley Marital Trust No. 1 and No. 2, of which James W. McGinley and Robert R. McGinley, among others, are special fiduciaries sharing voting and investment power with respect to such shares.

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THE BOARD OF DIRECTORS

A board of eight directors will be elected at the annual meeting. Each director will hold office until the next annual meeting of stockholders and until his successor is elected and qualified. The shares represented by the proxies given pursuant to this solicitation will be voted for the following nominees unless votes are withheld in accordance with the instructions contained in the proxy. Directors to be elected by the holders of Class A common stock are Warren L. Batts and George C. Wright. Directors to be elected by the holders of Class B common stock are William C. Croft, Donald W. Duda, William T. Jensen, James W. McGinley, Robert R. McGinley and Roy M. Van Cleave. If any of these nominees is not a candidate for election at the annual meeting, an event which the Board of Directors does not anticipate, the proxies will be voted for a substitute nominee appointed by the Board of Directors. Any such action will be consistent with the right of the Class A stockholders to elect a minimum of 25% of the directors.

Information Concerning Nominees

| Name ---- | Age --- | Director Since ----- | Principal Occupation for Last 5 Years and Other Di ----- |
|-------------------------------------------------|------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Directors to be elected by Class A Stockholders | | | |
| Warren L. Batts | 69 | 2001 | Retired Chairman and Chief Executive Officer of Tupperware Corporation, a diversified consumer product company. Mr. Batts is also the Retired Chairman of International, Inc., a diversified consumer product company. He is also a director of Cooper Industries, Inc. Prior to retirement in 1997, Mr. Batts had been Chairman and Chief Executive Officer of Tupperware Corporation since 1996 and off from Premark International, Inc. in 1996. |
| George C. Wright | 79 | 1968 | Retired since December 2001. Prior thereto, President of Piedmont Co. Inc., a distributor of marine products. |
| Directors to be elected by Class B Stockholders | | | |
| William C. Croft | 84 | 1975 | Chairman of the Board, Clements National Company, a manufacturer of electrical equipment. |
| Donald W. Duda | 47 | 2001 | President of Methode since February 2001. Prior thereto, Duda was Vice President-Interconnect Products Group of Amphenol Corporation through November 1998 as General Manager of its Fiber Optic Products Division since 1988. |

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| | | | |
|-------------------|----|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| William T. Jensen | 75 | 2001; 1959 - 1997 | Chairman of the Board since February 2001; President of Methode from December 1994 through February 1997; and prior thereto, Senior Executive Vice President of Methode from 1952 through 1994. |
|-------------------|----|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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| Name | Age | Director Since | Principal Occupation for Last 5 Years and Other Directorships |
|--------------------|-----|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ---- | --- | ----- | ----- |
| James W. McGinley | 47 | 1993 | Director, President and Chief Executive Officer of Stratus Lightwave, Inc. since April 12, 2000. Prior thereto, Mr. McGinley was President of Methode since August 1998. Prior thereto, Mr. J. McGinley was President from 1994 through 1998 of Methode's Optical Interconnect Product division. James W. McGinley is the brother of Robert R. McGinley. |
| Robert R. McGinley | 50 | 2001 | President of Traction, Inc., a producer of feature film corporate videos. Robert R. McGinley is the brother of James W. McGinley. |
| Roy M. Van Cleave | 54 | -- | President of Roy M. Van Cleave, P.C., a provider of legal services, since 2000. Prior thereto, Mr. Van Cleave was partner of the law firm of Chapman & Cutler from September 1997 to September 2000. Prior thereto, he was the sole shareholder and President of Roy M. Van Cleave P.C., a corporate partner of the law firm Keck, Mahin & Cate, which firm retained as counsel to Methode Electronics, Inc., in September 1997. In December 1997, Keck, Mahin & Cate filed a voluntary petition in bankruptcy under Chapter 11 of the United States Bankruptcy Code. |

The Board of Directors has standing Audit, Compensation and Nominating Committees.

The Audit Committee held two meetings during the last fiscal year. In addition, Director George C. Wright, as Chairman of the Audit Committee, held seven meetings with management and Methode's independent auditors in connection with Methode's quarterly earnings releases and Forms 10-Q filed with the SEC during fiscal 2002. The functions performed by the committee are to meet with and review the results of the audit performed by Methode's independent auditors and to recommend the selection of Methode's independent auditors. Directors Warren L. Batts, William C. Croft and George C. Wright are members of the Audit Committee. See "Report of the Audit Committee" below for more information regarding the Audit Committee.

The Compensation Committee held one meeting during the last fiscal year. The functions performed by the committee are to review salaries and bonuses of all officers and key management personnel and the overall administration of Methode's compensation program. Directors Warren L. Batts and William C. Croft are members of the Compensation Committee.

The Nominating Committee was formed in March 2002 and held no meetings during the last fiscal year. The functions performed by the committee are to

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make recommendations to the Board regarding nominees, matters of corporate governance and Board procedures and practices, including those of the committees of the Board, and to evaluate the performance, qualifications and attendance of current Board members. The Nominating Committee will not consider nominees recommended by shareholders of Methode. Directors Warren L. Batts and Robert R. McGinley are members of the Nominating Committee.

The Board of Directors held six meetings during the last fiscal year. During their respective tenures, no incumbent director attended less than 75% of the aggregate of the total number of meetings of the Board and the total number of meetings held by the respective committees on which he served.

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REPORT OF THE AUDIT COMMITTEE

Pursuant to Methode's Audit Committee Charter, the Audit Committee oversees Methode's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed with management the audited financial statements in the Annual Report on Form 10-K, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with the independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of Methode's accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards. In addition, the Audit Committee discussed with the independent auditors the auditors' independence from management and Methode, including the matters in the written disclosures required by Independence Standards Board Standard No. 1, and considered the compatibility of nonaudit services provided by the auditors to Methode with their independence.

The Audit Committee discussed with Methode's independent auditors the overall scope and plans for their audit of Methode's consolidated financial statements. The Audit Committee meets with the independent auditors, with and, as deemed advisable, without management present, to discuss the results of their examination, their evaluation of Methode's internal controls, and the overall quality of Methode's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board of Directors has accepted that recommendation) that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended April 30, 2002 for filing with the Securities and Exchange Commission.

AUDIT COMMITTEE
George C. Wright, Chairman
Warren L. Batts
William C. Croft

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EXECUTIVE COMPENSATION

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The Summary Compensation Table below includes, for each of the fiscal years ended April 30, 2002, 2001 and 2000, individual compensation paid for services to Methode and its subsidiaries to Methode's chief executive officer and the four other most highly compensated individuals serving as executive officers of Methode at the end of fiscal 2002 (the "Named Executives"). Mr. Koman's compensation information for fiscal 2000 is not provided because he was hired in December 2000. Mr. Jensen's compensation information for fiscal 2000 is not provided because he was retained as Chairman in February 2001.

SUMMARY COMPENSATION TABLE

| Name and Principal Position | Year | Annual Compensation | | Long Term Compensation | |
|------------------------------------------------------------------|------|---------------------|------------|--------------------------------------------|--------------------------|
| | | Salary (\$)(1) | Bonus (\$) | Awards | Payout |
| | | | | Securities Underlying Options (#) | LTI Payout (\$)(2) |
| William T. Jensen Chairman | 2002 | 260,664 | 114,498 | 50,000 | |
| | 2001 | 59,615 | 237,549(2) | 100,000 | |
| Donald W. Duda President | 2002 | 268,914 | 114,498 | 200,000 | |
| | 2001 | 206,647 | 136,983 | 100,000 | |
| | 2000 | 21,496 | 15,454 | 29,413 | |
| Douglas A. Koman Vice President, Corporate Finance | 2002 | 152,719 | 54,065 | 75,000 | |
| | 2001 | 51,913 | 20,006 | 42,648 | |
| Robert J. Kuehnau Vice President, Treasurer and Controller | 2002 | 170,053 | 54,065 | 30,000 | 74,7 |
| | 2001 | 161,972 | 70,135 | 20,000 | 73,4 |
| | 2000 | 155,884 | 83,836 | 48,576 | 78,8 |
| James F. McQuillen Executive Vice President | 2002 | 160,691 | 7,500 | 20,000 | 42,2 |
| | 2001 | 142,592 | 53,029 | 15,000 | 18,9 |
| | 2000 | 129,016 | 32,521 | 6,589 | 11,0 |

(1) Includes the following cash car allowances for the following Named Executives in 2002, 2001, and 2000 respectively: Mr. Duda, \$8,250, \$6,000 and \$1,300; Mr. Koman, \$4,400; Mr. Kuehnau, \$4,725, \$3,900 and \$3,900; and Mr. McQuillen, \$6,000, \$6,000 and \$6,000.

(2) Includes a \$200,000 payment pursuant to the Supplemental Executive Benefit Plan ("SEBP"). The SEBP terminated in fiscal year 2001.

(3) Long-Term Incentive Plan ("LTIP") payouts represent amounts paid pursuant to Methode's Longevity Contingent Bonus Program. See "Long-Term Incentive Plans-Awards in Last Fiscal Year" and "Board Compensation Committee Report on Executive Compensation-Long-Term Incentive" below for a description of the Longevity Contingent Bonus Program.

(4) Includes a company contribution under Methode's 401(k) Plan of \$5,100 for Messrs. McQuillen and Kuehnau in fiscal 2002 and 2001, for Mr. Duda in fiscal 2002 and a contribution of \$1,414 for Mr. Koman in fiscal 2002.

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Includes \$3,074 allocated under the Methode Employee Stock Ownership Plan in fiscal 2000 to Messrs. Kuehnau and McQuillen. Includes the following above-market interest accruals under Methode's Capital Accumulation Program in fiscal 2002, 2001 and 2000, respectively, for Mr. Kuehnau, \$1,418, \$1,232 and \$1,115, and in fiscal 2002 and 2001, respectively, for Mr. Jensen, \$2,529 and \$2,641.

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OPTION GRANTS IN LAST FISCAL YEAR

Set forth below is information on non-qualified stock options to purchase shares of Methode Class A common stock granted to the Named Executives for the fiscal year ended April 30, 2002, which are reflected in the Summary Compensation Table.

| Name | Number of Securities Underlying Options Granted (1) | % of Total Options Granted to Employees (2) | Exercise Price (3) | Expiration Date | Potential Realization at Assumed Stock Price for 5% |
|--------------------|-----------------------------------------------------|---------------------------------------------|--------------------|-----------------|-----------------------------------------------------|
| William T. Jensen | 50,000 | 7.0% | \$10.50 | 6/10/2012 | 330,000 |
| Donald W. Duda | 200,000 | 28.0% | \$10.50 | 6/10/2012 | 1,320,000 |
| Douglas A. Koman | 75,000 | 10.5% | \$10.50 | 6/10/2012 | 495,000 |
| Robert J. Kuehnau | 30,000 | 4.2% | \$10.50 | 6/10/2012 | 198,000 |
| James F. McQuillen | 20,000 | 2.8% | \$10.50 | 6/10/2012 | 132,000 |

(1) These non-qualified stock options to purchase shares of the Company's Class A common stock were issued pursuant to Methode's 2000 Stock Plan and may not be exercised until they vest. Mr. Jensen's options vest after one year; options granted to Messrs. Duda, Koman and Kuehnau vest 25% after one year, 50% after two years, 75% after three years and 100% after four years; options granted to Mr. McQuillen vest 33% after one year, 66% after two years and 100% after three years.

(2) Based on a total of 713,900 options granted to all employees.

(3) Fair market value on the date of grant.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

| Name | Shares Acquired on Exercise (#) | Value Realized (\$) | Number of Securities Underlying Unexercised Options at 4/30/02 Exercisable / Unexercisable | Value of Unexercised In-the-Money Options at FY-End Exercisable / Unexercisable |
|-------------------|---------------------------------|---------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| William T. Jensen | -- | -- | 50,000 / 50,000 | \$230,500 / \$230,500 |

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| | | | | |
|--------------------|----|----|-----------------|-----------------|
| Donald W. Duda | -- | -- | 79,413 / 50,000 | \$230,500 / \$2 |
| Douglas A. Koman | -- | -- | 21,324 / 21,324 | \$46,840 / \$4 |
| Robert J. Kuehnau | -- | -- | 58,576 / 10,000 | \$35,100 / \$3 |
| James F. McQuillen | -- | -- | 14,089 / 7,500 | \$26,325 / \$2 |

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LONG-TERM INCENTIVE PLANS--AWARDS IN LAST FISCAL YEAR

Methode has a Longevity Contingent Bonus Program that covers certain officers and key management personnel. The longevity compensation amount is equal to the current bonus received by an eligible employee for a given quarter, and is earned and payable three years after the current quarter only if the eligible employee is still an employee of Methode and his employment performance is satisfactory. If for any reason other than death, disability or retirement the officer or key employee terminates his employment with Methode during the three-year period or his employment performance is not satisfactory, no longevity compensation is payable under this program. The following table includes information regarding amounts payable under the Longevity Bonus Program to the Named Executives based on the bonuses earned in fiscal 2002.

| Name | Performance or Other Period Until Maturation or Payout | Estimated Future | | |
|--------------------|--------------------------------------------------------------|------------------|-------------|--------------|
| | | Threshold (\$) | Target (\$) | Maximum (\$) |
| William T. Jensen | 3 years | 114,498 | 114,498 | 114,498 |
| Donald W. Duda | 3 years | 114,498 | 114,498 | 114,498 |
| Douglas A. Koman | 3 years | 54,065 | 54,065 | 54,065 |
| Robert J. Kuehnau | 3 years | 54,065 | 54,065 | 54,065 |
| James F. McQuillen | 3 years | 7,500 | 7,500 | 7,500 |

Employment Agreements

William T. Jensen Agreement. Methode and William T. Jensen entered into an Agreement in connection with his election to Chairman of the Board of Directors in February 2001. Under the agreement, as amended, Mr. Jensen is entitled to an annual salary of \$278,356 and a quarterly bonus calculated based on Methode's adjusted pretax profits. In addition, Mr. Jensen was granted an option to purchase 100,000 shares of Methode Class A common stock in fiscal 2001. In June 2002, the Compensation Committee elected to extend the term of the agreement to June 30, 2003.

Employment Security Agreements. On December 21, 2001, Messrs. Duda, Koman, Kuehnau and McQuillen each entered into an Employment Security Agreement with Methode. Each agreement provides that if within three years of a Change in Control (as defined in the agreement) or during a Period Pending a Change in Control (as defined in the agreement), Methode terminates the executive's employment without good cause or the executive voluntarily terminates his employment for good reason, the executive is entitled to (1) a lump sum cash payment equal to three times the executive's annual salary (two times annual salary in the case of Mr. McQuillen); (2) a lump sum cash bonus payment; (3) continued participation in Methode's welfare benefit plans for three years or until the executive becomes covered under other welfare benefit plans providing substantially similar benefits; (4) unpaid salary or other compensation earned with respect to periods prior to the executive's termination, including accumulated but unused vacation; and (5) a lump sum of any amount payable to

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the executive pursuant to a tax gross-up payment.

Director Compensation

Directors who are not also Methode employees are compensated at the rate of \$25,000 annually, plus an attendance fee of \$500 for any special board meeting in addition to the regularly scheduled quarterly meetings. Directors who are members of the Compensation, Nominating or Audit Committees receive an additional \$500 for each committee meeting attended. In addition, each non-employee director is eligible to participate in the 2000 Stock Plan. Each non-employee director was granted an option to purchase 5,000 shares of Methode Class A common stock for the fiscal year ended April 30, 2002. These options vest six months after the grant date. Directors who are also Methode employees are not paid for their services as directors or for attendance at meetings. In fiscal 2002, Messrs. Croft and Wright accrued above-market interest under Methode's Capital Accumulation Program of \$2,024 and \$2,010, respectively.

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BOARD COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

Methode's compensation philosophy is comprised of several elements designed to retain key management personnel, reward performance, dedication and historical service to Methode, and to relate executive pay to long-term performance. These elements consist of a base salary, bonus compensation, incentive awards directly relating pay to performance, and long-term incentive awards designed to align executive interests with stockholder interests.

Base Salary

The base salaries of Methode's executive officers have remained relatively flat, with small increases to reflect inflation. The Compensation Committee reviews base salaries annually. Although base salaries have not been high relative to other companies of comparable size, the bonus has been a key tool for rewarding performance. Pursuant to Mr. Jensen's employment agreement, as amended, Mr. Jensen was paid an annual salary of \$260,664.

Bonus Compensation

Quarterly cash bonuses for all officers and managerial personnel, other than Mr. Jensen, are determined pursuant to a bonus plan reviewed from time to time by the Compensation Committee. Mr. Jensen's quarterly cash bonuses are determined pursuant to his employment agreement. Pursuant to the bonus plan and Mr. Jensen's employment agreement, bonus amounts are calculated according to a formula which assigns certain percentages to different levels of adjusted pretax profits. Mr. Jensen earned quarterly cash bonuses totaling \$114,498 during fiscal 2002.

Long-Term Incentive

Methode has instituted several plans that are designed to provide long-term incentives for executives by relating executive compensation to Methode's performance over time as well as by rewarding continued service. The Longevity Contingent Bonus Program (the "Bonus Program") awards officers and key management personnel a matching bonus (equal to the amount of the current quarterly bonus), which will be considered as earned and payable in three years provided that the participant is still employed and performance has been satisfactory. If, for any reason, other than death, disability, or retirement, the officer or key employee terminates his employment with Methode during the three year period, or his employment performance is not satisfactory, no

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longevity compensation is payable under this program. Mr. Jensen's total quarterly bonus awards in 2002 were \$114,498. He is therefore eligible to receive payments totaling \$114,498 in fiscal 2005.

The Methode Electronics, Inc. 1997 Stock Plan and 2000 Stock Plan (the "Stock Plans") also provide long-term incentive to employees. The Stock Plans provide for the granting of awards of restricted stock, incentive stock options, nonqualified stock options and stock appreciation rights with respect to the Class A common stock. The Compensation Committee administers the Stock Plans and from time to time grants awards under the Stock Plans to selected eligible directors and employees. Mr. Jensen received a grant of an option to purchase 50,000 shares of Methode Class A common stock for fiscal 2002.

COMPENSATION COMMITTEE

Warren L. Batts
William C. Croft

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PERFORMANCE GRAPH

The following graph sets forth a five year comparison of the cumulative total stockholder returns for the following: (1) Methode's Class A common stock; (2) Methode's Class B common stock; (3) the CRSP Total Return Index for The Nasdaq Stock Market (US Companies); and (4) a custom peer group of publicly traded companies. All returns were calculated assuming dividend reinvestment on a quarterly basis.

The Peer Group includes companies that manufacture, or have business units that manufacture, electrical and electronic connectors, interconnect devices, or controls and components for the automotive, computer, communications systems and other markets. The Peer Group consists of the following companies: Amphenol Corporation, CTS Corporation, Delphi Automotive Systems Corporation, Littelfuse, Inc., Molex Incorporated (Class A Common Stock), Thomas & Betts Corporation and TRW, Inc.

[THE FOLLOWING INFORMATION WAS REPRESENTED AS A LINE CHART IN THE PRINTED MATERIAL]

| Date ---- | Class A ----- | Class B ----- | Nasdaq Stock Market (US Companies) ----- | Pe --- |
|--------------|------------------|------------------|------------------------------------------------|-----------|
| 4/30/1997 | 100 | 100 | 100 | |
| 4/30/1998 | 114.507 | 117.334 | 149.486 | 1 |
| 4/30/1999 | 108.085 | 110.339 | 204.870 | 1 |
| 4/28/2000 | 305.092 | 368.042 | 310.302 | 1 |
| 4/30/2001 | 110.208 | 144.640 | 169.581 | |
| 4/30/2002 | 225.892 | 180.794 | 136.348 | 1 |

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RELATED PARTY TRANSACTION

James W. McGinley, and Robert R. McGinley, each directors of Methode, together with Jane R. McGinley, Margaret J. McGinley and Raymond J. Roberts,

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are special fiduciaries of the William J. McGinley Marital Trust No. 1 ("Trust No. 1") and the William J. McGinley Marital Trust No. 2 ("Trust No. 2", and together with Trust No. 1, the "Marital Trusts"). Jane R. McGinley is also co-trustee of the Marital Trusts. The Marital Trusts hold approximately 81% of Methode's outstanding Class B Common Stock. Trust No. 2 also owns Horizon Farms, Inc., an Illinois corporation ("Horizon"), of which Messrs. J. McGinley and R. McGinley are officers and directors. In April 2001, Methode loaned \$6,000,000 to Horizon. The note receivable, which is included in other assets on Methode's balance sheet, is payable on June 30, 2003 and bears interest at a rate of 5.25% per annum. The note receivable is secured by a mortgage lien on certain real property owned by Horizon pursuant to a Mortgage and Security Agreement. Other non-operating income for Methode for fiscal 2001 included \$6.6 million from insurance proceeds related to the death on January 22, 2001 of William J. McGinley, Methode's founder. Methode is a party to a Split-Dollar Insurance Agreement dated August 9, 1996, with the William J. McGinley and Jane R. McGinley Irrevocable Trust (the "Irrevocable Trust"). James W. McGinley, and Robert R. McGinley, each directors of Methode, together with Jane R. McGinley, Margaret J. McGinley, and other McGinley family members, are beneficiaries of the Irrevocable Trust. Pursuant to the Split-Dollar Insurance Agreement, Methode agreed to pay premiums on last survivor life insurance policies owned by the Irrevocable Trust on the lives of William J. and Jane R. McGinley. Methode has collateral assignments on the policies that entitle it to receive reimbursement at the greater of the cumulative premiums paid or the cash surrender value of the policies. At April 30, 2002, cumulative premiums paid were \$1,765,000 and the cash surrender value was \$1,675,000.

OTHER MATTERS

Independent Public Accountants

Upon the recommendation of the Audit Committee, Methode's Board of Directors has selected Ernst & Young LLP to examine Methode's consolidated financial statements for the fiscal year ending April 30, 2003. Ernst & Young LLP has served Methode in this capacity since 1966.

Fees paid to Ernst & Young LLP for services performed in fiscal year 2002 were as follows:

| | |
|-----------------------------------------------------------------------|-----------|
| Audit Fees | \$258,865 |
| Financial Information Systems Design and Implementation Fees | \$ 0 |
| All Other Fees | \$119,048 |

All other fees relate to benefit plan audits, accounting and tax consultations and forensic auditing and litigation support.

Representatives of Ernst & Young LLP will be present at the annual meeting, will have the opportunity to make a statement and will be available to respond to appropriate questions.

Section 16(a) Beneficial Ownership Reporting Compliance

Under the securities laws of the United States, Methode's directors, its executive officers, and any persons holding more than 10% of the Methode Class A or Class B common stock are required to report their initial ownership of the Class A or Class B common stock and any subsequent changes in that ownership to the Securities and Exchange Commission. Specific due dates for these reports have been established and Methode is required to disclose in this proxy statement any failure to file by the required dates during its fiscal year

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ended April 30, 2002. All of these filing requirements were satisfied, except that Messrs. Ashley, Croft, Duda, Jensen, Koman,

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Kuehnau, J. McGinley, R. McGinley, and Wright each filed his Form 5 late and Mr. McQuillen filed his Form 3 late. In making these disclosures, Methode has relied solely on written representations of its directors and executive officers and copies of the reports filed with the Commission.

Stockholder Proposals

All stockholder proposals to be presented at Methode's annual meeting to be held in 2003 must be received by Methode by April 14, 2003 in order to be considered for inclusion in Methode's proxy statement relating to the 2003 annual meeting. If a stockholder intends to present a proposal at the 2003 annual meeting but does not intend to have such proposal included in Methode's proxy statement, Methode must receive notice of such proposal prior to June 27, 2003 in order to be considered "timely." If notice of such proposal is not received prior to June 27, 2003, the proposal shall be deemed "untimely" and Methode will have the right to exercise discretionary voting authority with respect to such proposal. These notices should be directed to the Secretary of Methode Electronics, Inc. at 7401 West Wilson Avenue, Chicago, Illinois 60706.

SEC Form 10-K

A copy of Methode's Annual Report on Form 10-K filed with the Securities and Exchange Commission will be provided to stockholders without charge upon written request directed to the Secretary of Methode Electronics, Inc. at 7401 West Wilson Avenue, Chicago, Illinois 60706.

Other Business

The Board of Directors knows of no other business that will be presented at the annual meeting. Should any other business come before the annual meeting, it is the intention of the persons named in the enclosed proxy to vote in accordance with their best judgment.

By order of the Board of Directors

William T. Jensen
Chairman

Chicago, Illinois
August 10, 2002

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