

MODINE MANUFACTURING CO
Form PRE 14A
May 13, 2005

SCHEDULE 14A INFORMATION

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

Filed by the Registrant /ii/

Filed by a Party Other than the Registrant /
/

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted
by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-2.

Modine Manufacturing Company

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11

(1) Title of each class of securities to which transaction applies:

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(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:

(4) Date Filed:

[Corporate Logo]

1500 DeKoven Avenue
Racine, Wisconsin 53403-2552

Notice of Annual Meeting of Shareholders

Date:	Wednesday, July 20, 2005
Time:	9:30 a.m.
Place:	1500 DeKoven Avenue Racine, WI 53403-2552
Record Date:	May 31, 2005

The annual meeting is for the following purposes:

1. To elect three directors;
2. To approve the amendment and restatement of the Company's 2000 Stock Incentive Plan for Non-Employee Directors;
3. To approve the amendment and restatement of the Company's Restated Articles of Incorporation;
4. To ratify the appointment of the Company's independent auditors; and
5. To consider any other matters properly brought before the shareholders at the meeting.

By order of the Board of Directors,

D. R. ZAKOS, Secretary

June 10, 2005

PROXY STATEMENT

Your vote at the annual meeting is important to us. Please vote your shares of common stock by calling a toll-free telephone number, logging onto the Internet or by completing the enclosed proxy card and returning it to us in the enclosed envelope.

Table of Contents

	Page
Solicitation of Proxies	
General Information About the Annual Meeting and Voting	
Item 1 - Election of Directors	
Stock Ownership	
Certain Beneficial Owners of Common Stock	
Directors' and Officers' Ownership of Common Stock	
Corporate Governance	
Lead Director	
Code of Ethics	
Board Meetings and Committees	
Audit Committee	
Officer Nomination and Compensation Committee	
Pension Committee	
Corporate Governance and Nominating Committee	
Roles of the Board's Committees	
Selection of Nominees for the Board	
Board Independence	
Shareholder Communication with the Board	
Compensation of Directors	
Attendance at Annual Meeting	
Report of the Audit Committee	
Executive Compensation	
Report of the Officer Nomination & Compensation	
Committee	
Compensation Committee Interlocks and Insider	
Participation	
Summary Compensation Table	
Stock Options	
Option Grants in Last Fiscal Year	
Aggregated Option Exercises in Last Fiscal Year and	
Fiscal	
Year-End Option Values	
Pension Plan Table	
Employment Agreements, Termination and	
Change-in-Control	
Arrangements	
Performance Graph	
Certain Transactions	
Equity Compensation Plan Information	
Item 2 - Approval of the Amended and Restated 2000 Stock	
Incentive Plan for Non-Employee Directors	
Item 3 - Approval of the Company's Amended and Restated	
Articles of Incorporation	
Item 4 - Ratification of Appointment of Independent	
Auditors	

Fees to Independent Auditors for Fiscal 2005 and 2004
Section 16(a) Beneficial Ownership Reporting Compliance
Additional Matters
Shareholder Proposals for 2006
Annual Report

PROXY STATEMENT

Annual Meeting of Shareholders of Modine Manufacturing Company - 2005

SOLICITATION OF PROXIES

This proxy statement is solicited on behalf of the board of directors for use at the 2005 Annual Meeting of Shareholders. The meeting will be held at 9:30 on Wednesday, July 20, 2005, at Modine's headquarters, 1500 DeKoven Avenue, Racine, Wisconsin. This proxy statement and accompanying card are being mailed to shareholders on or about June 10, 2005.

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Who may vote?

You may vote your shares of common stock if our records show that you owned the shares at the close of business on May 31, 2005. A total of _____ shares of common stock were outstanding as of the record date and entitled to vote at the annual meeting. You get one vote for each share of common stock you own. The holders of common stock do not have cumulative voting rights. The enclosed proxy card shows the number of shares you may vote.

How do I vote?

You may vote in person or by properly appointed proxy. Shareholders of record may give a proxy to be voted at the meeting by calling a toll-free telephone number, logging onto the Internet or, if you prefer, mailing the enclosed proxy card. Shareholders who hold their shares in "street name" which means that the shares are held in the name of a broker, or other nominee, will give instructions to vote their shares in the manner required by the broker or other nominee.

The telephone and Internet voting procedures are for your convenience and are designed to authenticate your identity, to allow you to give voting instructions, and to confirm that those instructions have been recorded properly.

The enclosed proxy card contains instructions for telephone and Internet voting and voting by mail. Whichever method you use, the proxies identified on the back of the proxy card will vote your shares in accordance with your instructions. If you submit a proxy card without giving specific voting instructions, the proxies will vote those shares as recommended by the Board of Directors.

What are the Board's recommendations?

Unless you give other instructions on your proxy card, the persons named as proxies on the proxy card will vote in accordance with the recommendations of the Board of Directors. The Board's recommendation is included with the

description of each item in this proxy statement. In summary, the Board recommends a vote:

FOR election of the nominated slate of directors (see Item 1);

FOR approval of the amendment and restatement of the 2000 Stock Incentive Plan for Non-Employee Directors (see Item 2);

FOR approval of the amendment and restatement of the Company's Restated Articles of Incorporation (see Item 3); and

FOR ratification of the Company's independent auditors (see Item 4).

What if other matters come up at the annual meeting?

The matters described in this proxy statement are the only matters to our knowledge that will be subject to a vote at the annual meeting. If other matters are properly presented at the meeting, the persons appointed as proxies will vote your shares on those other matters in accordance with their best judgment.

May I change my vote after I appoint a proxy?

You may revoke your proxy by:

- submitting a new proxy;
- giving written notice before the meeting to the Secretary of the Company, stating that you are revoking your previous proxy; or
- attending the meeting and voting your shares in person.

If you decide to vote your shares in person, we prefer that you first revoke your your prior proxy in the same way you initially submitted it -- that is, by telephone, the Internet or mail.

May I vote in person at the annual meeting?

Although we encourage you to complete and return the proxy card or vote by phone or the Internet to ensure that your vote is counted, you may attend the annual meeting and vote your shares in person.

If you plan on attending the annual meeting, please so indicate on the phone or on the Internet when you appoint you proxy or check the box on the enclosed proxy card so that we may have an accurate count of the number of shareholders attending the meeting.

How are votes counted?

A majority of the shares entitled to vote, represented in person or by proxy, will constitute a quorum at the annual meeting. Abstentions and broker "non-votes" are counted as present for purposes of determining a quorum. A broker "non-vote" occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power for that particular item and has not received voting instructions from the beneficial owner.

Voting on Election of Directors (Item 1)

Directors are elected by a plurality of the votes cast by the shares entitled to vote in the election, as long as a quorum is present. This means that the individuals who receive the largest number of votes are elected as directors. Therefore, shares not voted have no effect in the election of directors. Votes attempted to be cast against a candidate are not given legal effect and are not counted as votes cast in an election of directors.

Voting on Amending and Restating the 2000 Stock Incentive Plan for Non-Employee Directors (Item 2)

Approval of this proposal requires the affirmative vote of the holders of a majority of the shares represented at the meeting, in person or by proxy, and entitled to vote thereon, provided that the total vote cast on the proposal represents over 50% in interest of all shares entitled to vote on the proposal. Abstentions will have the same effect as a vote against this proposal; broker non-votes will have no effect on the outcome of the voting on this proposal so long as enough votes are cast to satisfy the 50% requirement.

Voting on Amending and Restating the Restated Articles of Incorporation (Item 3)

Approval of this proposal requires the affirmative vote of at least two-thirds (66 2/3%) of the shares of the Company's common stock outstanding as of the Record Date and entitled to vote on the proposal. Abstentions and broker non-votes will have the same effect as a vote against this proposal.

Voting on Ratification of Auditors (Item 4)

Approval of this proposal requires the affirmative vote of the holders of a majority of the shares represented at the meeting, in person or by proxy, and entitled to vote thereon, provided a quorum is present. Abstentions will have the same effect as a vote against this proposal.

Who will count the votes?

Wells Fargo Minnesota, N.A., Shareowner Services, an independent tabulator, will count the votes. The Board appointed Wells Fargo as the Inspectors of Election.

Who pays for this proxy solicitation?

We do. Directors, officers and employees of Modine, who will receive no compensation for their services, may solicit proxies in person or by mail, telephone, facsimile transmission and other means. Modine also has retained Morrow & Co., Inc., 445 Park Avenue, New York, NY 10022, to assist in such solicitation for a fee of \$11,500 plus expenses for its services. Brokers, banks, nominees, fiduciaries and other custodians will be requested to solicit beneficial owners of shares and will be reimbursed for their expenses.

How may I help reduce mailing costs?

Eligible shareholders who have more than one account in their name or the same address as other shareholders may authorize us to discontinue mailings of multiple annual reports and proxy statements. Most shareholders can also view future annual reports and proxy statements on the Internet rather than receiving paper copies in the mail. See the next two questions and answers below and your proxy card for more information.

Are proxy materials and the annual report available electronically?

Yes. This proxy statement and the fiscal 2005 annual report are available on our website at www.modine.com. In addition, most shareholders may elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail. If you are a shareholder of record, you may choose this option and save us the cost of producing and mailing these documents by following the instructions provided on the proxy card to vote over the Internet. On the referenced website, you will be given instructions for choosing the option of receiving future proxy statements and annual reports electronically.

If you choose to view future proxy statements and annual reports over the Internet, you will receive a proxy card in the mail next year with instructions containing the Internet address of those materials. Your choice will remain in effect until you call our transfer agent, Wells Fargo, at 1-877-602-7615 or give written notice to the Secretary of the Company, 1500 DeKoven Avenue, Racine, Wisconsin 53403-2552 and tell us otherwise. You do not have to elect Internet access each year.

If you hold your stock in "street name," please refer to the information provided by the party in whose name the shares are held for instructions on how to elect to view future proxy statements and annual reports over the Internet.

What happens if multiple shareholders share the same address?

We adopted a procedure called "householding." As a result, we are sending only one annual report and proxy statement to those with the same last name at a single address, unless we received instructions to do otherwise. This practice, known as "householding," is designed to reduce our printing and postage costs. If a shareholder of record wishes to receive a separate copy of a proxy statement or annual report in the future, he or she may contact our transfer agent, Wells Fargo, at 1-877-602-7615 or provide written notice to the Secretary of the Company, 1500 DeKoven Avenue, Racine, WI 53403-2552 and tell us otherwise. Shareholders of record sharing the same address and receiving multiple copies of our annual report and proxy statement, may request householding by contacting us in the same manner. If you own your shares in street name, you may request householding by contacting the entity in whose name the shares are held.

ITEM 1 - ELECTION OF DIRECTORS

The Board of Directors currently consists of nine members.

The terms of Frank P. Incropera, Vincent L. Martin, and Marsha C. Williams expire at the 2005 Annual Meeting. Dr. Incropera, Mr. Martin, and Ms. Williams have each been nominated by the Board of Directors for a new three-year term expiring at the 2008 Annual Meeting.

While it is not anticipated that any of the nominees will be unable to take office, if that happens, proxies will be voted in favor of such other person or persons as the Board of Directors may propose to fill the open directorship(s). In accordance with our Restated By-Laws, a director shall hold office until the annual meeting in the year in which his or her term expires and until his or her successor shall be elected and qualify, subject, however, to prior death, resignation, retirement, disqualification, or removal from office. Vacancies may be filled by the remaining directors. See *Selection of Nominees for the Board* below.

The Company's Restated By-Laws provide that each Director shall retire at the close of the term in which he or she attains the age of 70 years, except that the provision shall not apply to any director who has been exempted from the provision by a resolution passed by a two-third's vote of the Board of Directors.

The nominees for the Board of Directors, the directors whose terms will continue, their ages, principal occupation (which they have been in for at least five years unless otherwise indicated), other directorships, and their tenure and expiration dates of their terms are as follows:

Name	Principal Occupation and Directorships	Age	Director of Company Since
<i>Nominees to be Elected for Terms Expiring in 2008:</i>			
Frank P. Incropera	McCloskey Dean of the University of Notre Dame's College of Engineering, Notre Dame, Indiana. Dr. Incropera was with Purdue University from 1966 to 1998 with the exceptions of research leaves spent at NASA-Ames (1969), U.C. Berkeley (1973-1974) and the Technical University of	65	1999

Munich (1988).

Vincent L. Martin	Retired since October 2004. Mr. Martin was Chairman of the Board of Jason Incorporated, a diversified manufacturing company based in Milwaukee, Wisconsin from January 1986 to October 2004. He was Chief Executive Officer of Jason from 1986 to 1999. Mr. Martin's business career includes experience with AMCA International, FMC Corporation and Westinghouse Air Brake. He continues to serve on the Jason Board.	65	1992
Marsha C. Williams	Executive Vice President and Chief Financial Officer of Equity Office Properties Trust, a real estate investment trust located in Chicago, Illinois. Previously, Ms. Williams was Vice President and Chief Administrative Officer of Crate and Barrel; Vice President and Treasurer of Amoco Corporation; Vice President and Treasurer of Carson Pirie Scott & Company; and Vice President of The First National Bank of Chicago. Ms. Williams is also a director of Chicago Bridge & Iron Company N.V., Davis Funds and Selected Funds.	54	1999
<i>Directors Continuing in Service for Terms Expiring in 2006:</i>			
Frank W. Jones	Independent management consultant in Tucson, Arizona. Mr. Jones's forty-five year career in business includes over twenty-five years of service, the last five as President and Chief Executive Officer of Giddings & Lewis, Inc., a manufacturer of machine tools and, at that time, a New York Stock Exchange listed company. Mr. Jones is also a director of Star Cutter Co., Gardner Publications, Inc., and GTC Incorporated.	65	1982
Dennis J. Kuester	Chairman of the Board (since January 2005) and Chief Executive Officer (since January 2002) of Marshall & Ilsley Corporation, Chairman and Chief Executive Officer (since October 2001) of M&I Marshall & Ilsley Bank, and Chairman of Metavante Corporation, a Milwaukee, Wisconsin-based bank holding company, bank, and banking services company, respectively. From 1987 to April 2005, Mr. Kuester was also President of Marshall & Ilsley Corporation. Mr. Kuester is also a director of Marshall & Ilsley Corporation and Wausau-Mosinee Paper Corporation.	63	1993

Michael T. Yonker	Retired. Prior to June 1998, Mr. Yonker was President and Chief Executive Officer of Portec, Inc., Lake Forest, Illinois, a manufacturer of material handling equipment. Mr. Yonker is also a director of Woodward Governor Company and EMCOR Group, Inc.	62	1993
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Directors Continuing in Service for Terms Expiring in 2007:

Richard J. Doyle	Retired. Prior to April 1998, Mr. Doyle was Chief Executive Officer and a director of three private electrical contracting corporations. Prior to January 1989, Mr. Doyle was a Vice President of BorgWarner Corporation, Chicago, Illinois, a diversified manufacturing and services company, and President and Chief Executive Officer of BorgWarner Automotive, Inc., Troy, Michigan, a subsidiary of BorgWarner Corporation.	72	1987
Gary L. Neale	Chairman and Chief Executive Officer, and a director of NiSource, Inc., Merrillville, Indiana, a holding company for gas and electric utilities and other energy-related subsidiaries. Mr. Neale is also a director of Chicago Bridge & Iron Company N.V.	65	1977
David B. Rayburn	President and Chief Executive Officer of the Company since January 15, 2003. Prior to January 15, 2003, Mr. Rayburn was President and Chief Operating Officer and, prior to April 2002, Mr. Rayburn was Executive Vice President of the Company. Mr. Rayburn is also a director of Twin Disc, Incorporated and Jason Incorporated.	57	2003

The Board of Directors recommends a vote FOR all of the director-nominees: Dr. Incropera, Mr. Martin and Ms. Williams.

STOCK OWNERSHIP

Certain Beneficial Owners of Common Stock

The following table shows the number of shares of common stock beneficially owned by each person or entity that we know beneficially owns 5% or more of our common stock.

Name and Address of Owner	Common Stock Number of Shares Owned and Nature of Interest	Percent
Administrative Committee of Modine Employee Stock Ownership Plan ("ESOP") 1500 DeKoven Avenue Racine, Wisconsin 53403-2552 Members: D.B. Spiewak, R.L. Hetrick and D.R. Zakos	1,808,855(a)(b)	5.18%

Mario J. Gabelli and affiliates One Corporate Center Rye, New York 10580-1434	5,454,408(c)	15.77%
Lord, Abbett & Co. LLC 90 Hudson Street Jersey City, New Jersey 07302	1,804,693 (d)	5.22%

(a) The ESOP was converted into a unitized fund in September 2004. Under SEC Rule 13d-3, the Administrative Committee of the ESOP may be deemed to be the beneficial owner of the shares held in the ESOP, although Marshall & Ilsley Trust Company N.A. is trustee of the shares in the ESOP. Marshall & Ilsley Trust Company N.A. is also the trustee of the Company's Employees' Retirement Trusts (pension) and defined contribution plans (including 401(k) plans) and is the escrow agent for participants' restricted stock awards under the 1994 and 2002 Incentive Stock Plans. The participants in the ESOP are entitled to direct how the stock represented by the units in their account will be voted and Marshall & Ilsley Trust Company N.A. votes undirected shares in its sole discretion as it also does with undirected shares in the defined contribution plans. Marshall & Ilsley Trust Company N.A., as custodian, may be viewed as having voting or dispositive authority in certain situations pursuant to Department of Labor regulations or interpretations or federal case law. Pursuant to SEC Rule 13d-4, inclusion of such shares in this table shall not be construed as an admission that the reporting person or its affiliates are, for purposes of Sections 13(d) or 13(g) of the Securities Exchange Act of 1934, the beneficial owners of such securities. D.J. Kuester, a director of the Company, is Chairman and CEO of Marshall & Ilsley Corporation and Chairman and CEO of M&I Marshall & Ilsley Bank. Marshall & Ilsley Trust Company N.A. is a subsidiary of Marshall & Ilsley Corporation. Marshall & Ilsley Corporation and its subsidiaries specifically disclaim beneficial ownership of stock held by the ESOP and the related trusts.

(b) As of March 31, 2005.

(c) Based on Schedule 13D/A filed under the Securities Exchange Act of 1934, dated November 23, 2004. Each reporting person included in the Schedule 13D/A: Gabelli Funds, LLC; GAMCO Investors, Inc.; MJG Associates, Inc. and Gabelli & Company, Inc. Profit Sharing Plan, has the sole power to vote or direct the vote and the sole power to dispose or direct the disposition of the reported shares, except that (i) GAMCO Investors, Inc. does not have authority to vote 397,000 of the reported shares, and (ii) in certain circumstances, proxy voting committees may have voting power over the reported shares.

(d) Based on Schedule 13G filed under the Securities Exchange Act of 1934, dated December 31, 2004. The reporting person on the Schedule 13G has the sole power to vote or direct the vote and the sole power to dispose or direct the disposition of the reported shares.

Directors' and Officers' Ownership of Common Stock

The following table shows how many shares of Modine common stock each director, nominee, executive officer listed in the *Summary Compensation Table* below (the "Named Executive Officers") and all officers and directors as a group beneficially owned as of March 31, 2005. No director or Named Executive Officer beneficially owns more than 1.0% of the common stock, and directors and officers as a group beneficially own approximately 5.32% of the common stock.

Name	Shares Beneficially Owned (a)
R. J. Doyle (b)	82,000
F. P. Incropera (c)	35,000
F. W. Jones (d)	88,819
D. J. Kuester (e)	67,000
V. L. Martin (f)	57,200
G. L. Neale (g)	93,588
M. C. Williams (h)	40,000
M. T. Yonker (i)	68,655
D. B. Rayburn (j)	292,427
B. C. Richardson (k)	85,011
C. R. Katzfey (l)	135,901
J. R. Rulseh (m)	132,418
K. A. Feldman (n)	121,860
All directors and officers as a group (21 persons) (o)	1,856,626

(a) Except as otherwise indicated, each person has the sole power to vote and dispose of all shares listed opposite his or her name.

(b) Includes 67,000 shares of common stock issuable upon the exercise of options.

(c) Includes 35,000 shares of common stock issuable upon the exercise of options.

(d) Includes 51,000 shares of common stock issuable upon the exercise of options.

(e) Includes 51,000 shares of common stock issuable upon the exercise of options and excludes the shares held of record by Marshall & Ilsley Trust Company N.A. as described in the *Certain Beneficial Owners of Common Stock* table above.

(f) Includes 50,000 shares of common stock issuable upon the exercise of options and 200 shares held in trust for the benefit of his children for which Mr. Martin serves as trustee.

(g) Includes 67,000 shares of common stock issuable upon the exercise of options.

(h) Includes 40,000 shares of common stock issuable upon the exercise of options.

(i) Includes 51,000 shares of common stock issuable upon the exercise of options.

(j) Includes 233,400 shares of common stock issuable upon the exercise of options, 26,800 shares of restricted stock and 17,295 units held in the form of Modine Stock Fund Units (Modine 401(k) Retirement Plan, Modine Deferred Compensation Plan and Modine Employee Stock Ownership Plan with each unit consisting of common stock and a cash component (the "Units")).

(k) Includes 54,900 shares of common stock issuable upon the exercise of options, 23,800 shares of restricted stock and 711 Units.

- (l) Includes 104,600 shares of common stock issuable upon the exercise of options, 16,160 shares of restricted stock, and 6,649 Units.
- (m) Includes 102,600 shares of common stock issuable upon the exercise of options, 16,040 shares of restricted stock and 5,342 Units.
- (n) Includes 98,600 shares of common stock issuable upon the exercise of options and 15,200 shares of restricted stock.
- (o) Includes 1,407,720 shares of common stock issuable upon the exercise of options, 158,230 shares of restricted stock and 69,146 Units.

The above beneficial ownership information is based on information furnished by the specified persons and is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as required for purposes of this proxy statement; accordingly, it includes shares of common stock that are issuable upon the exercise of stock options exercisable within 60 days of July 20, 2005. Such information is not necessarily to be construed as an admission of beneficial ownership for other purposes.

CORPORATE GOVERNANCE

The Company's business is managed under the direction of the Board of Directors, pursuant to the laws of the State of Wisconsin, our Restated Articles of Incorporation and Restated By-laws. Members of the Board of Directors are kept informed of the Company's business through discussions with the President and Chief Executive Officer, and with key members of management, by reviewing materials provided to them and by participating in meetings of the Board of Directors and its committees.

The Company reviews and evaluates its corporate governance policies and practices, particularly in light of the Sarbanes-Oxley Act of 2002 and rule changes made by the Securities and Exchange Commission and the New York Stock Exchange (NYSE), to which we moved the listing of our common stock from the Nasdaq National Market in fiscal 2005. We believe that our current policies and practices meet these requirements. Our corporate governance policies, including our Guideline on Corporate Governance and charters for committees of the Board, are available on our website, www.modine.com, and are available in print to any shareholder upon request.

Since July 21, 2004, all of the members of the Company's Audit Committee, Officer Nomination & Compensation Committee, and Corporate Governance and Nominating Committee have been determined to be independent, as defined under the NYSE listing standards applicable to the respective committees.

Lead Director

In June 2003, the Board created a new position of Lead Director, whose primary responsibility is to preside over periodic executive sessions of the Board in which management directors and other members of management do not participate. The Lead Director also chairs certain portions of Board meetings and performs other duties that the Board may from time to time delegate to assist the Board in the fulfillment of its responsibilities. Mr. Neale serves in this position and does not receive any compensation in addition to his director fees to perform his role as Lead Director. At least once annually, those directors who are "independent" in accordance with the criteria described below *at Board Independence* meet without the other directors. Mr. Neale also serves as the presiding director at each of these meetings.

Code of Ethics

Our Guideline for Business Conduct (our "Guideline") summarizes the compliance and ethical standards and expectations we have for all our employees, officers (including our principal executive officer, principal financial officer and principal accounting officer) and directors with respect to their conduct in furtherance of Company business. It contains procedures for reporting suspected violations of the Guideline, including procedures for the reporting of questionable accounting or auditing matters, or other concerns regarding accounting, internal accounting controls or auditing matters. The Company has established a Business Ethics Program through which employees and others may report, anonymously and in confidence, concerns regarding such matters. A copy of our Guideline, as well as further information regarding our Business Ethics Program is available on our website at www.modine.com. These materials are also available in print to any shareholder upon request. If we make any substantive amendment to the Guideline, we will disclose the nature of such amendment on our website or in a current report on Form 8-K. In addition, if a waiver from the Guideline is granted to an executive officer or director, we will disclose the nature of such waiver on our website at www.modine.com, in a press release, or in a current report on Form 8-K.

Board Meetings and Committees

The Board of Directors held seven regular meetings and one special meeting during the fiscal year and had four standing committees consisting of an Audit Committee, an Officer Nomination & Compensation Committee, a Pension Committee and a Corporate Governance and Nominating Committee. All directors attended at least 75% of the Board meetings and meetings of committees of which they were members. The following chart describes the membership of each committee as of March 31, 2005 and the number of times it met in fiscal 2005:

Name	Audit	Officer Nomination & Compensation	Pension	Corporate Governance and Nominating
R. J. Doyle	Chair	X		X
F. P. Incropera	X		X	X
F. W. Jones		X	Chair	X
D. J. Kuester			X	
V. L. Martin			X	
G. L. Neale	X	Chair		X
D. B. Rayburn				
M. C. Williams	X	X		X
M. T. Yonker	X	X		Chair
Number of Meetings in fiscal 2005	4	3	2	2

Roles of the Board's Committees

Audit Committee. The Audit Committee is a separately designated committee of the Board, established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The functions of the Audit Committee are described below in the *Report of the Audit Committee* on pages __ and __ of this proxy statement. The charter of the Audit Committee is available on the Company's website, www.modine.com.

In July of each year, the Board selects the members of the Audit Committee. The Board of Directors has determined that each Audit Committee member satisfies the financial literacy and experience requirements of the NYSE, and that Mr. Doyle (the Chair of the Committee) qualifies as an "audit committee financial expert" within the meaning of the SEC rules.

Officer Nomination & Compensation Committee. The Officer Nomination & Compensation Committee:

- reviews the performance of the President and CEO;
- reviews candidates for positions as Company officers;
- makes recommendations to the Board on officer candidates;
- makes recommendations to the Board on compensation for officers;
- considers recommendations made by management relating to director compensation and presents those recommendations to the Board; and
- administers the 1994 and 2002 Incentive Compensation Plans.

The charter of the Officer Nomination & Compensation Committee is available on the Company's website, www.modine.com. The Officer Nomination & Compensation Committee Report is included in this proxy statement below on pages ___ to ___. The Board selects the members of the Officer Nomination & Compensation Committee in July of each year.

Pension Committee. The Pension Committee:

- reviews and monitors performance of the defined benefit pension plans and the defined contribution plans offered by the Company;
- monitors the objectives, membership and activities of the Company's Pension Investment Committee; and
- provides oversight for pension trust investments and defined contribution plans.

The directors serving on the Pension Committee are not required to be independent. The charter of the Pension Committee is available on the Company's website, www.modine.com.

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee is responsible for developing and implementing policies and practices relating to corporate governance, including reviewing and monitoring implementation of the Company's Guideline on Corporate Governance. In addition, the Committee develops and reviews background information on prospective nominees to the Board and makes recommendations to the Board regarding such persons. The Committee also prepares and supervises the Board's annual review of director independence and the Board's self-evaluation. The charter of the Corporate Governance and Nominating Committee is available on the Company's website, www.modine.com. The Board selects members of the Corporate Governance and Nominating Committee in July of each year.

Selection of Nominees for the Board

The Corporate Governance and Nominating Committee considers prospective candidates for Board membership recommended by its members, as well as management and shareholders. Shareholders who wish to recommend a prospective nominee for the Board should notify the Company's Corporate Secretary in writing with whatever supporting material the shareholder considers appropriate. The Committee requests that it receive any such recommendations by October 1, 2005 for election at the 2006 Annual Meeting. The Company has not received any shareholder recommendations of director candidates with regard to the election of directors covered by this proxy statement or otherwise. The Corporate Governance and Nominating Committee intends to evaluate candidates recommended by shareholders in the same manner that it evaluates other candidates.

Once the Committee identifies a prospective nominee, it makes an initial determination as to whether to conduct a full evaluation of the candidate. The Committee makes its initial determination based on the information provided to the Committee with the recommendation of the prospective candidate, as well as the Committee's own knowledge of the prospective candidate, which may be supplemented by inquiries to the person making the recommendation or others. The Committee's preliminary determination is based primarily on the need for additional Board members to fill vacancies or expand the size of the Board and the likelihood that the prospective nominee satisfies the evaluation factors described below.

If the Committee determines that additional consideration is warranted, it may request a third-party search firm to gather additional information about the prospective nominee's background and experience and to report its findings to the Committee. The Committee then evaluates the prospective nominee. The Committee considers relevant factors as it deems appropriate, including the current composition of the Board, the need for Audit Committee expertise and the evaluations of other prospective nominees. In assessing candidates, the Board considers issues such as education, experience, diversity, knowledge and understanding of matters such as finance, manufacturing, technology and others frequently encountered by a global business.

Every effort is made to complement and supplement skills within the existing Board and strengthen any identified areas. Further criteria include a candidate's personal and professional ethics, integrity and values, as well as his or her willingness and ability to devote sufficient time to attend meetings and participate effectively on the Board. The Committee has not established minimum qualifications for director nominees.

In connection with this evaluation, the Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Committee, and others as appropriate, will interview prospective nominees in person or by telephone. After completing the evaluation and interview, the Committee makes a recommendation to the full Board as to the persons who should be nominated by the Board, and the Board determines who should be nominated for a position on the Board after considering the recommendation and report of the Committee.

Board Independence

The Board has determined that the following directors are independent within the meaning of the SEC regulations, the listing standards of the NYSE and the Company's Guideline on Corporate Governance: Messrs. Doyle, Neale, Jones and Yonker, Dr. Incropera and Ms. Williams. The Board concluded that none of these directors possessed the categorical relationships set forth in the NYSE listing standards that prevent independence and had no other business or other relationships with the Company relevant to a determination of their independence.

The Company requires, as set forth in its Guideline on Corporate Governance, that a majority of the Board members be independent directors. However, the Company is not opposed to having members of the Company's management, including the CEO, serve as directors. At a minimum, to qualify as "independent," a director must so qualify under governing rules, regulations and standards, including those issued by the SEC and the NYSE. The Corporate Governance and Nominating Committee assesses independence on an ongoing basis, and each director is responsible for bringing to the attention of the Corporate Governance and Nominating Committee any changes to his or her status that may affect independence. In addition, the directors complete, on an annual basis, a questionnaire prepared by the Company that is designed to elicit information that relates to the independence assessment. At least annually, the Board reviews the relationships that each director has with the Company. Only those directors who the Board affirmatively determines have no material relationship with the Company, and who do not have any of the relationships that prevent independence under the NYSE listing standards, are considered to be independent directors. A majority of the Company's current directors are independent directors.

Shareholder Communication with the Board

Shareholders wishing to communicate with the Board of Directors or with a Board member (including the Lead Director) should address communications to the Board or to the particular Board member, c/o Corporate Secretary, Modine Manufacturing Company, 1500 DeKoven Avenue, Racine, Wisconsin 53403-2552. Under the process approved by the Board, the Corporate Secretary reviews all such correspondence and regularly forwards to the Board a summary of all such correspondence and copies of all correspondence that, in the opinion of the Corporate Secretary, deal with the functions of the Board or Committees thereof or that he otherwise determines requires their attention. Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of the Company's Business Ethics Committee and handled in accordance with procedures established by the Audit Committee with respect to such matters. From time to time, the Board may change the process by which shareholders may communicate with the Board or its members. Please refer to the Company's website, www.modine.com, for any changes to this process.

Compensation of Directors

Employees of Modine do not receive any compensation for serving on the Modine board. Non-employee directors, including the Lead Director, receive the following:

- a retainer fee of \$6,250 per quarter;
- \$1,750 for each Board meeting attended, effective January 19, 2005 (previously the attendance fee was \$1,143 (effective January 1, 2004 to July 20, 2005) and \$1,500 (effective July 21, 2004 to January 18, 2005));
- \$1,500 for each committee and special meeting attended, effective July 21, 2004;
- a retainer fee of \$4,000 per year for acting as Chair of a committee;
- reimbursement for travel, lodging, and related expenses incurred in attending meetings; and
- travel-accident and director and officer liability insurance.

The fees for Board meeting attendance changed from \$1,500 to \$1,750 during the 2005 fiscal year although the aggregate regular meeting attendance fees were the same as those paid in fiscal 2004. The number of regular board meetings during the 2005 fiscal year was seven versus eight in the prior year.

In May 2004, the Board of Directors meeting was held at the Company's European headquarters in Bonlanden, Germany. The Company paid the travel, meal and lodging expenses of the directors and the directors spouse for the directors attending the meeting.

Since July 1, 2000, directors of the Company who are not employees have participated in the 2000 Stock Option Plan for Non-Employee Directors (the "2000 Directors' Plan") which authorizes the grant of non-qualified stock options through May 16, 2010, exercisable for up to 500,000 shares of common stock. These options are granted at 100% of the fair market value of the common stock on the grant date. The options expire no later than ten years after the grant date and terminate no later than three years after termination of director status for any reason other than death. Within 30 days after election and each re-election to the Board, each non-employee director so elected or re-elected is automatically granted an option for the number of shares equal to the product of 6,000 times the number of years in the term to which such director has been so elected or re-elected. The 2000 Directors' Plan may be administered by the Board or by a committee of two or more directors of the Company if deemed necessary or advisable in order to comply with the exemptive rules promulgated pursuant to Section 16(b) of the Securities Exchange Act of 1934. Neither the Board nor any such committee has authority to administer the 2000 Directors' Plan with respect to the selection of participants under such plan or the timing, pricing, or amount of any grants. The Company is submitting the amendment and restatement of the 2000 Directors' Plan to the shareholders for approval in this proxy statement (Item 2). Please see the discussion of the changes to that plan described on pages __ to __ in this proxy statement.

Prior to July 1, 2000, directors of the Company who were not employees were eligible to participate in the 1994 Stock Option Plan for Non-Employee Directors (the "1994 Directors' Plan") which authorized the grant of non-qualified stock options through July 20, 2004, exercisable for up to 500,000 shares of common stock. These options were granted at 100% of the fair market value of the stock on the grant date and expire no later than ten years after the grant date and terminate no later than three years after termination of director status for any reason other than death. Within 30 days after election or re-election to the Board, each director so elected or re-elected was automatically granted an option for the number of shares equal to the product of 5,000 times the number of years in the term to which such director had been so elected or re-elected. The 1994 Directors' Plan was administered by the Board or by a committee of two or more directors of the Company if deemed necessary or advisable in order to comply with the exemptive rules promulgated pursuant to Section 16(b) of the Securities Exchange Act of 1934. Neither the Board nor any such committee had authority to administer the 1994 Directors' Plan with respect to the selection of participants under the plan or the timing, pricing, or amount of any grants. The 1994 Directors' Plan was terminated at the end of June 2000 and no additional grants have been made since that time.

The Board of Directors adopted the Modine Manufacturing Company Director Emeritus Retirement Plan (the "Director Emeritus Retirement Plan") pursuant to which any person, other than an employee of the Company, who is or becomes a director of Modine on or after April 1, 1992, and who retires from the Board will be paid a retirement benefit equal to the annualized sum directors are being paid for their service to the Company as directors (including Board meeting attendance fees but excluding any applicable committee attendance fees) as in effect at the time such director ceases his or her service as a director. The retirement benefit continues for a duration equal to the duration of the director's Board service. If a director dies before retirement or after retirement during such period, his or her spouse or other beneficiary will receive the applicable retirement benefit. In the event of a change in control (as defined in the Director Emeritus Retirement Plan) of Modine, each eligible director, or his or her spouse or other beneficiary entitled to receive a retirement benefit through him or her, would be entitled to receive a lump-sum payment equal to the present value of the total of all benefit payments that would otherwise be payable under the Director Emeritus Retirement Plan. The retirement benefit is not payable if the director directly or indirectly competes with the Company or if the director is convicted of fraud or a felony and such fraud or felony is determined by disinterested members of the Board of Directors to have damaged Modine. Effective July 1, 2000, the Director Emeritus Retirement Plan was frozen with no further benefits accruing under it. All eligible directors who retired prior to July 1, 2000 continue to receive benefits pursuant to the Director Emeritus Retirement Plan. All current directors eligible for participation accrued pension benefits pursuant to the Director Emeritus Retirement Plan until July 1, 2000.

Attendance at Annual Meeting

The Company does not have a formal policy that its directors attend the Annual Meeting of Shareholders because it expects them to do so and because the Company's directors historically have attended these meetings. All of the members of the Board of Directors attended last year's annual meeting. The Board of Directors conducts its annual meeting directly after the Annual Meeting of Shareholders at the Company's headquarters.

Report of the Audit Committee

The Audit Committee of the Board of Directors operates under a written charter adopted by the Board of Directors. The charter was most recently revised on May 4, 2004. As set forth in the charter, the Audit Committee's purpose is to assist the Board of Directors in monitoring the:

- Integrity of the Company's financial statements;
- Independent auditor's qualifications and independence;
- Performance of the Company's internal audit function and independent auditors; and
- Company's compliance with legal and regulatory requirements.

The full text of the Committee's revised charter is available on the Company's website, www.modine.com.

In carrying out these responsibilities, the Audit Committee, among other things:

- Appoints the independent auditor for the purpose of preparing and issuing an audit report and to perform related work, and discuss with the independent auditor appropriate staffing and compensation;
- Retains, to the extent it deems necessary or appropriate, independent legal, accounting or other advisors;
- Oversees management's implementation of systems of internal controls, including review of policies relating to legal and regulatory compliance, ethics and conflicts of interests; and reviews the activities and recommendations of the Company's internal auditing program;
- Monitors the preparation of quarterly and annual financial reports by the Company's management, including discussions with management and the Company's outside auditors about draft annual financial statements and key accounting and reporting matters;
- Determines whether the outside auditors are independent (based in part on the annual letter provided to the Company pursuant to *Independence Standards Board Standard No. 1*); and
- Annually reviews management's programs to monitor compliance with the Company's Guideline on Business Ethics.

In overseeing the preparation of the Company's financial statements, the Committee met with both management and the Company's outside auditors to review and discuss all financial statements prior to their issuance and to discuss significant accounting issues. Management advised the Committee that all financial statements were prepared in accordance with generally accepted accounting principles. The Committee's review included discussion with the outside auditors of matters required to be discussed pursuant to *Statement on Auditing Standards No. 61 (Communication With Audit Committees)*, including the quality of the Company's accounting principles, the reasonableness of significant judgments and the transparency of disclosures in the financial statements.

With respect to the Company's outside auditors, the Committee, among other things, discussed with PricewaterhouseCoopers LLP matters relating to its independence, after receiving the written disclosures and the letter from PwC required by the *Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees)*.

Finally, the Committee continued to monitor the scope and adequacy of the Company's internal auditing program, including proposals for adequate staffing and to strengthen internal procedures and controls where appropriate.

On the basis of these reviews and discussions, the Committee recommended to the Board of Directors that the Board approve the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K

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for the fiscal year ended March 31, 2005, for filing with the Securities and Exchange Commission.

Members of the Audit Committee:

<i>R. J. Doyle, Chair</i>	<i>M. C. Williams</i>
<i>F. P. Incropera</i>	<i>M. T. Yonker</i>
<i>G. L. Neale</i>	

EXECUTIVE COMPENSATION

Report of the Officer Nomination & Compensation Committee

The Committee's Role and Purpose of this Report: The responsibilities of the Officer Nomination & Compensation Committee are included under the caption *Corporate Governance -- Roles of the Board's Committees -- Officer Nomination & Compensation Committee* on page ___ of this proxy statement. The Committee reports to the entire Board.

The purpose of this report is to summarize the philosophical principles, specific program objectives and other factors the Committee considers in determining the compensation of Modine's executive officers, including the Named Executive Officers.

Compensation Philosophy: The Committee has approved principles for the management compensation program that:

- Recognize Modine's goals can only be achieved by the retention and attraction of competent, highly skilled people and that compensation is the primary factor in retaining and attracting such people;
- Encourage strong financial and operational performance of Modine by preserving and enhancing our shareholders' investment over time without experiencing undue risk in the process;
- Emphasize performance-based compensation that balances rewards for short-term and long-term results for the Company;
- Link compensation to the interests of our shareholders by using stock incentives, both stock awards and stock options;
- Place all elements of executive compensation (base pay), annual incentives (cash bonus), and long-term incentives (stock-based) at the median of the market with the market defined by industrial companies with revenue of such companies adjusted to be comparable to that of Modine;
- Align performance incentives in the short-term with return on assets employed (ROAE) and in the long-term with earnings per share (EPS); and
- Emphasize corporate results rather than independent performance of operating units given the interdependence of the operating units.

Compensation Methodology: Modine's executive compensation plan is designed to achieve median market compensation for each executive when target goals for cash and stock incentive plans are achieved. When our targets are exceeded total compensation will exceed the market median.

Modine's executive compensation plan consists of many components including base pay, cash bonus, and stock incentives. The goals we establish within our program, though, are tailored to Modine's culture and operational challenges. Modine provides a comprehensive executive compensation program that aligns payment with the performance of the Company. Our aim is to provide compensation that is competitive with other comparable manufacturing companies and with those companies from which we seek to attract new, highly competent employees and with which we compete to retain such employees. Compensation packages of companies in the performance peer group and others are taken into consideration in establishing executive compensation at Modine. This information is supplemented by general industry compensation information with adjustments for relative revenue.

The Committee engages a third party consultant to assist in the annual review of all elements of executive compensation: base salary; annual incentives and long-term incentive compensation. The consultant annually conducts

surveys of executive compensation to determine the competitiveness of all elements of executive compensation. The Committee also seeks counsel from the consultant on trends in plan design to ensure that the Company's executives are appropriately paid in accordance with the Committee's principles. The goal is to compensate executives at the median range for all elements of compensation paid by companies to persons in substantially similar positions in a group determined by the Committee, after adjustments for relative revenue, to represent an accurate benchmark for Modine. The Committee also considers the cumulative compensation of executive officers in relation to the above-described group of companies.

Components of Compensation:

§ Base Salary: We target median or “market” base pay which is the median base salary for like positions based on broad industry surveys. A competitive base salary target is part of all salaried employees’ compensation. Annual base salary is designed to compensate executives for their level of responsibility and sustained individual performance. The Committee annually reviews base salary to ensure, on the basis of responsibility and performance, that executive compensation is substantially meeting the Committee's principles. The Committee approves in advance all salary increases for the officers. In determining salary increases, the Committee reviews data presented by its independent consultant. Superior performance is recognized through above market merit increases. Individual performance is the key component in determining base salary increases.

§ Annual Incentives:

Modine Management Incentive Plan (MIP). The Management Incentive Plan is our annual cash bonus plan. One corporate financial measure is used for all participants. Using one measure fosters cooperation among our divisions and plants and keeps managers focused on the performance of the corporation overall.

The plan has a short term focus (one year) and is based on the fiscal results of the Company using the Return on Assets Employed (ROAE) measure. ROAE is determined by dividing net earnings by average net assets. Modine moved to this measure from a Return on Equity measure several years ago when we first focused on Value Based Management. ROAE drives performance by focusing the organization on asset utilization, working capital management and earnings improvement.

The plan originally included only top level managers that directly impacted the Company’s performance. We expanded this plan in the United States a few years ago to include many of our middle managers and plant management staff since they influence performance through their actions and decisions. We also use this plan globally. The top management in Europe and Asia participate in the MIP.

Overall Company performance is the key component in determining bonuses and bonus increases. The Committee believes that the focus on the Company's performance versus the performance of an individual in determining an annual bonus is appropriate given the interdependence of operations, the mobility of employees within the organization and the desire of management to attract talented people to underperforming divisions to improve performance.

Cash bonuses increase in a linear fashion with the Company's ROAE. The incentive is set at a percentage of base salary and the incentive levels are greater for more highly compensated officers to reflect the level of responsibility of the executive.

Since 2001, the Modine MIP ROAE Performance Schedule has been as follows: to earn the Threshold bonus, the Company must achieve ROAE of 4%; to earn the Target bonus, the Company must achieve ROAE of 8%; and to earn the Maximum bonus, the Company must achieve ROAE of 16%. The percentage of base pay paid as a bonus under the MIP varies based upon job responsibility with the Company having eight levels with increasing percentage of salary earned as a bonus with increasing levels of job responsibility. If the Company achieves the Threshold ROAE

(4%), an initial level participant in the MIP would receive 3% of his or her salary with levels increasing to 37.5% of salary as a bonus for the CEO. If the Company achieves the Target ROAE (8%), an initial level participant in the MIP would receive 6% of his or her salary and the CEO 75% and if the Maximum ROAE (16%) is achieved, an initial level participant in the MIP would receive 12% of his or her salary and the CEO would receive 150%. For ROAE between the Threshold and the Maximum, the percentage of salary that may be earned as a bonus increases with each 100th% change in ROAE.

§ Long-Term Incentive Compensation:

Long Term Incentive Plans are used to attract, retain and motivate key employees that directly impact the performance of the Company. These plans are intended to reward performance over a period greater than one year. These plans are typically stock based plans so that stock price directly impacts the amount of compensation the executive receives.

There are two levels of Long Term Incentive Plan participation. Top managers are eligible to participate in the Stock Option component of the program. Officers and key executives participate in the Stock Option component, Retention Restricted Stock component and the Performance Stock component of the Plan.

Ø *Top Managers Plan.* Under the Top Managers Plan, the Committee awards stock options based on the competitive long term incentive value for the position (for example an operations manager will receive a greater number than a plant manager) and the stock price at the time of grant.

Ø *Officers and Key Executives Plan.* In fiscal 2005, the Long Term Incentive Plan for Officers and Key Executives was administered with the number of options and restricted stock awards available for grant fixed or pre-determined based on position.

The following describes the types of incentive awards granted in fiscal 2005:

Ø *Stock Options:* Stock options have an exercise price equal to the fair market value of the common stock on the date of grant, are immediately exercisable after one year of service with the Company (therefore, for an employee who has been employed by the Company for at least one year, the option is immediately exercisable) and have a term of ten years from the date of grant. Options may be rescinded at any time until two years after their exercise if the recipient is terminated for cause, competes against the Company, does not comply with applicable laws and regulations, fails to maintain high ethical standards, breaches the Company's policies or misuses Company information.

Individual stock option grants are determined based upon the Committee's subjective assessment of individual performance, contribution and potential. The Committee determines the number of shares of stock that will be subject to an option grant based upon many factors, including the Company's and the individual's performance, previous grants of stock options and awards and the competitive market for long-term compensation.

Ø *Restricted Stock Awards:* The Committee grants awards of common stock, at no cost to the employee, for retention and to reward performance. The Committee selects a target number of shares that relates to market competitive pay for each participant. A retention increment equal to one-third of the target is granted in January. The performance portion, earned on the basis of EPS, is granted in May following the end of the fiscal year in addition to the retention portion so that the participant receives a restricted stock award upon the Company achieving pre-determined EPS. An executive officer may receive stock awards ranging from one-third of his or her Target award to 150% of his or her Target award. The shares vest in 20% increments over five years.

For fiscal 2005, the performance schedule for the issuance of Restricted Stock Awards was as follows: to earn the Threshold number of stock awards the Company's EPS must be \$1.20; to earn the Target number of stock awards, the Company's EPS must be \$1.50 and to earn the Maximum number of stock awards, the Company's EPS must be \$1.75.

The Company's EPS for fiscal 2005 was \$1.79 so participants in the plan received the Maximum number of Restricted Stock Awards.

Other Discretionary Bonuses

The Committee, at its October 2004 meeting, approved a request from the CEO to grant shares of unrestricted stock to certain employees (officers and non-officers) in recognition of their performance. Messrs Richardson and Rulseh, two of the named Executive Officers, each received a grant of 1,000 shares of unrestricted stock.

Benefit Plans for Highly Compensated Employees

In addition to the employee benefits applicable to employees in general, more highly compensated employees of Modine are eligible to participate in the Deferred Compensation Plan and an Executive Supplemental Retirement Plan.

Deferred Compensation Plan: The Deferred Compensation Plan is a non-qualified plan. It allows an employee to defer salary in an amount that exceeds the statutory limitations applicable to 401(k) plans. For the 2004 calendar year, an employee could contribute no more than \$13,000 to a 401(k) plan. The Deferred Compensation Plan allows a highly compensated employee to defer an amount of salary that exceeds \$13,000 but in no event can the deferral into the Deferred Compensation Plan exceed 10% of base salary. Salary deferred pursuant to the Deferred Compensation Plan is placed into a rabbi trust that is invested by the committee administering the plan. Payments out of the Deferred Compensation Plan are deferred until termination of service or retirement.

Executive Supplemental Retirement Plan ("SERP"): The SERP is a non-qualified pension plan. The SERP supplements the Company's qualified pension plan by allowing salary and bonus that is in excess of statutory limits to be taken into account in determining pension benefits paid to an employee.

Chief Executive Compensation

The Chief Executive Officer participates in the same programs and receives compensation based on the same factors as the other executive officers. However, Mr. Rayburn's overall compensation reflects a greater degree of policy and decision-making authority and a higher level of responsibility with respect to the strategic direction and financial and operational results of the Company. For fiscal 2005, the Chief Executive Officer's compensation components were:

Base Salary: The Committee evaluated Mr. Rayburn's individual performance during fiscal 2005 based on certain criteria. These criteria included the following: the qualities of leadership, ability to instill confidence in others, the ability to inspire confidence from others, development of Modine's long-term strategic plan and annual goals and objectives, development of an effective senior management team and provision for management succession, effective communications with stakeholders and his relationship with the Board. As a result of this evaluation and comparison with compensation norms, Mr. Rayburn's salary was \$625,000 as the start of the 2005 fiscal year and increased from \$625,000 to \$675,000 annually effective on April 1, 2005.

Annual Incentive: The Company's ROAE for fiscal 2005 was 7.52% which is just short of the Target level described above. Given the MIP formula, Mr. Rayburn earned a bonus of \$440,625 representing 67.50% of his base salary.

Long-Term Incentive Awards:

Restricted Stock: Prior to the beginning of the 2005 fiscal year, the Committee set the stock award Target for Mr. Rayburn at 15,000 shares, including both retention and performance portions of the award. For the 2005 fiscal year the Committee determined that participants in the 2002 Incentive Plan would receive the Target level of awards in the

event that earnings per share were \$1.50. Mr. Rayburn's award under the terms of the plan was 22,500 shares, 150% of the Target, given the Company's results of \$1.79 for earnings per share. In addition, in January 2005, the Committee determined that Mr. Rayburn's long-term incentive compensation is substantially below market level and, to partially rectify that situation, granted Mr. Rayburn an additional 14,000 shares of restricted stock.

Stock Options. In January 2005, the Committee awarded Mr. Rayburn options to purchase 26,000 shares of Common Stock at the closing market price on the date of the award.

Changes for Fiscal 2006

Going forward, target annual long term incentive grants for each eligible position will be determined based on the competitive market value of long term incentive for the position. This value is determined by market surveys that look at competitive practice for like positions across a broad spectrum of industries. Target long term incentive will be a dollar value expressed as a percentage of base salary. Modine is continuing to move its long term incentive awards to restricted stock.

The plan in fiscal 2006 will have three components:

- Stock options - performance focused, wealth is created by the appreciation of Modine stock over time. Stock options may be exercised within a 10 year period after grant. Options will continue to be granted in January of each year.
- Retention Restricted Stock Awards - retention focused. A portion of the award vests each year. In fiscal 2006 Modine is reducing the vesting period for future awards from five years to four years. Retention Restricted Stock Awards will continue to be granted in January of each year.
- Performance Stock Awards - performance focused. Awards will be earned based on the attainment of corporate financial goals over a three year period and will be granted after the end of the performance period.

The grant value for each component of Long Term Incentive plan is determined based on a percentage of target long term incentive dollars:

- Stock Options will comprise 20% of target long term incentive dollars;
- Restricted Stock will comprise 20% of target long term incentive dollars; and
- Performance Stock Awards will comprise 60% of target long term incentive dollars.

The Performance Stock Award element of the plan is being changed for fiscal 2006. In prior years restricted stock was earned based on achievement of the annual EPS goal which, like our bonus goal, has a one year focus. Contemporary long term incentive plans are expanding the time horizon for performance based plans. Starting with fiscal 2006, Performance Stock Awards will be earned based on performance over a three year period. Once earned, they are fully vested and will be granted immediately. Like prior years, the award amounts will vary based on performance. There will be a Threshold, Target and Maximum performance share award. The Maximum has been increased this year from 150% of target awards to 175% of target awards.

Two measures will be used to determine the Performance Stock Awards - an EPS measure and a Total Shareholder Return (TSR) measure. These two measures gauge performance relative to other companies and focus management on driving differentiation in Modine's earnings and stock performance. The EPS goal is measured on a three year period, which ensures that management makes decisions with the intermediate term in mind versus trying to maximize a given year's performance to the detriment of future periods.

Achievement and payout for each measure will be calculated and paid out independently of the other measure. EPS achievement is weighted at 60% of the target performance shares and TSR is weighted at 40% of the target performance shares. The EPS achievement is based on cumulative three year EPS achievement and the target is set at a cumulative EPS that reflects 10% annualized growth during the three year period. The 10% annualized EPS growth goal was set at the average EPS growth of the S&P 500 over a ten year period.

The performance measure for TSR is Modine's performance relative to the performance of the S & P 500 over a three year period. The calculation of TSR includes both the stock price change over the three year period as well as dividends granted during the period.

A new performance period will begin each year so there will be multiple performance share periods, with separate goals, operating simultaneously.

Compliance with Internal Revenue Code Section 162(m): Section 162(m) of the Internal Revenue Code of 1986, as amended, generally disallows a tax deduction to public companies for compensation over \$1,000,000 paid to a company's CEO and the four other most highly compensated executive officers. Qualifying performance-based compensation will not be subject to the deduction limit if certain requirements are met.

The Committee believes that it is generally in the Company's best interest to attempt to structure performance-based compensation, including stock option grants and annual bonuses, to executive officers who may be subject to Section 162(m) in a manner that satisfies the statute's requirements. However, the Committee also recognizes the need to retain flexibility to make compensation decisions that may not meet Section 162(m) standards when necessary to enable the Company to meet its overall objectives, even if the Company may not deduct all of the compensation. Accordingly, the Board and the Committee have expressly reserved the authority to award non-deductible compensation in appropriate circumstances. Further, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and the regulations issued thereunder, no assurance can be given, notwithstanding the Company's efforts, that compensation intended by the Company to satisfy the requirements for deductibility under Section 162(m) will do so.

Respectfully submitted by the member of the Officer Nomination & Compensation Committee of the Board of Directors:

<i>G. L. Neale Chair</i>	<i>M. C. Williams</i>
<i>R. J. Doyle</i>	<i>M. T. Yonker</i>
<i>F.W. Jones</i>	

Compensation Committee Interlocks and Insider Participation: There are none.

Summary Compensation Table

The following table sets forth compensation awarded to, earned by, or paid to the Company's Chief Executive Officer and the four most highly compensated executive officers other than the Chief Executive Officer who were serving as executive officers as of March 31, 2005 (the "Named Executive Officers"), for services rendered to the Company and its subsidiaries during fiscal 2005. Also included is compensation information for the same individuals for the fiscal years ended March 31, 2004, and March 31, 2003. Because Mr. Richardson joined the Company as Vice President and Chief Financial Officer on May 12, 2003 and was therefore not an executive officer for all periods being reported, information for Mr. Richardson is given for fiscal years 2004 and 2005.

Name and Principal Position	Fiscal Year	Annual Compensation			Long Term Compensation		
		Salary \$(a)	Bonus \$(b)	Compensation\$(c)	Restricted Stock Awards\$(d)	Securities Underlying Options (#)	All Other Compensation \$(e)
D. B. Rayburn President and CEO	2005	621,226	440,625	24,808	1,013,075	26,000	23,330
	2004	553,333	276,667	6,050	234,540	30,000	18,360
	2003	412,414	155,313	11,763	277,315	22,400	14,319
B. C. Richardson V.P. Finance and CFO	2005	350,130	193,990	9,915	379,785	13,900	13,645
	2004	299,061(f)	200,000(f)	57,769(g)	661,924(f)	41,000(f)	9,259
C. R. Katzfey Group Vice President	2005	284,475	134,371	5,457	379,785	10,400	11,158
	2004	272,000	90,658	9,406	140,724	12,000	10,656
	2003	262,500	76,563	8,807	166,389	11,200	9,674
J. R. Rulseh Group Vice President	2005	271,418	156,861	3,915	379,785	10,400	7,292
	2004	255,500	85,158	9,431	140,724	12,000	4,841
	2003	243,000	70,875	175	163,391	11,200	7,228
K. A. Feldmann Group Vice President	2005	€253,000/ \$327,933	€113,850/ \$147,570		379,785	10,400	0
	2004	€242,000/ \$297,736(h)	€80,659/ \$99,236(h)	€19,490/ \$23,979(h)	140,724	12,000	0
	2003	€230,081/ \$250,769(h)	€67,115/ \$73,150(h)	€18,894/ \$20,593(h)	142,405	11,200	0

(a) The salary amounts set forth above include amounts deferred at the Named Executive Officer's option through contributions to the Modine 401(k) Retirement Plan for Salaried Employees and the Modine Deferred Compensation Plan.

(b) The bonus amounts include amounts paid in May of the next fiscal year under the Company's Management Incentive Plan ("MIP") attributable to the Company's performance during the then prior fiscal year. By way of example, the MIP bonus paid in May 2005 is attributable to the Company's performance for the fiscal year ended March 31, 2005.

(c) Includes perquisites, except where the total amount of perquisites received by the Named Executive Officer was less than \$50,000 or 10% of the named Executive Officers' salary and bonus. Perquisites provided to some or all of the Named Executive Officers were as follows: estate and financial planning services; executive physical examinations and travel, meals and lodging to attend the Board of Directors meeting in May 2004 at the Company's European headquarters in Bonlanden, Germany.

(d) The dollar values shown for fiscal 2005 grants are based on the number of shares awarded multiplied by the closing market price of Company common stock on the date of grant. The figures for 2005 restricted stock column include awards made in January 2005 and May 2005 pursuant to the 2002 Incentive Compensation Plan (the "2002 Plan"), which were as follows: Mr. Rayburn - 36,500 shares; Mr. Richardson - 13,500 shares; Mr. Katzfey - 13,500 shares; Mr. Rulseh - 13,500 shares; and Mr. Feldman - 13,500 shares. The total number of restricted shares outstanding and the aggregate market value at March 31, 2005 for the Named Executive Officers were: Mr. Rayburn - 26,800 shares valued at \$786,044; Mr. Richardson - 23,800 shares valued at \$698,054; Mr. Katzfey - 16,160 shares valued at \$473,973; Mr. Rulseh - 16,040 shares valued at \$470,453; and Mr. Feldmann - 15,200 shares valued at \$445,816. Dividends are paid on the restricted shares at the same time and the same rate as dividends are paid to all shareholders.

The awards under the 2002 Plan are subject to restrictions that lapse annually in fifths over a period commencing at the end of the first year from the date of grant. In the event of retirement, the shares may, if authorized by the Officer Nomination & Compensation Committee of the Board, be released at an earlier date. In the event of a change in control, the share restrictions lapse.

(e) Includes employer matching contributions to the Modine 401(k) Retirement Plan for Salaried Employees and the Modine Deferred Compensation Plan and payments of premiums for life insurance and disability insurance.

(f) Mr. Richardson joined the Company on May 12, 2003. In connection with his joining the Company, the Company paid Mr. Richardson a hiring bonus of \$75,000, guaranteed him a bonus for the fiscal year ended March 31, 2004 of \$125,000 and granted him 20,000 shares of restricted common stock at no cost to him and options for the purchase of 25,000 shares of common stock with an exercise price of \$21.47 per share. The restricted stock and the options were granted pursuant to the terms of the 2002 Plan.

(g) Includes \$25,144 for relocation expenses (including tax gross up payments) and \$26,387 for club membership (including tax gross up payments).

(h) The salary, bonus and other annual compensation for Mr. Feldmann, who works and lives in Germany, were paid to him in Euros in the amounts shown in the table above. The amounts shown in U.S. dollars in the table above were converted from the Euro at the following exchange rates in effect at March 31 in the years indicated: 2005 - \$1=0.7715€; 2004- \$1=0.8128€ and 2003 - \$1=0.9175€.

Stock Options

The following table sets forth information about stock option grants during the last fiscal year to the Named Executive Officers.

Name	Individual Grants Number of Securities Underlying Options Granted(#)(a)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price (\$/sh)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (b)(c)	
					5% (\$)	10% (\$)
D. B. Rayburn	26,000	8.32%	31.57	1/18/2015	514,020	1,306,500
B. C. Richardson	13,900	4.45%	31.57	1/18/2015	274,664	698,475
C. R. Katzfey	10,400	3.33%	31.57	1/18/2015	205,608	522,600
J. R. Rulseh	10,400	3.33%	31.57	1/18/2015	205,608	522,500
K. A. Feldmann	10,400	3.33%	31.57	1/18/2015	205,608	522,600

(a) All options granted are immediately exercisable except within the first year of employment. Holders may use shares previously owned or received upon exercise of options to pay the exercise price of the options. Up to 3,000,000 shares of common stock may be issued pursuant to grants of awards under the 2002 Plan. The ability to grant awards under the 2002 Plan expires on July 17, 2012. Incentive stock options and non-qualified stock options are granted at 100% of the fair market value of common stock on the date of the grant and expire no later than ten years after the date of the grant. Grants pursuant to the 2002 Plan may be made to officers and certain other employees as is determined by the Committee. Upon the exercise of an option, the optionee may pay the purchase price in cash, stock, optioned stock, or a combination thereof. The optionee may also satisfy any tax withholding obligation by using optioned stock.

(b) The dollar amounts under these columns are the result of calculations at the 5% and 10% rates set by the SEC and, therefore, are not intended to forecast possible future appreciation, if any, of the Company's stock price.

(c) No gain to the optionee is possible without stock price appreciation, which will benefit all shareholders commensurately.

The following table sets forth information with respect to the Named Executive Officers concerning option exercises during and the value of options outstanding at the end of the last fiscal year.

**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 FY-End (#) (a)		Value of Unexercised In-the Money Options at FY-End (\$) (a)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
D. B. Rayburn	11,000	38,060	233,400	0	928,870	0
B. C. Richardson	0	0	54,900	0	199,060	0
C. R. Katzfey	9,605	57,878	104,600	0	445,837	0
J. R. Rulseh	9,000	31,500	102,600	0	428,520	0
K. A. Feldmann	0	0	98,600	0	421,520	0

(a) All options granted are immediately exercisable except within the first year of employment. Value is determined by subtracting the exercise price from the year-end closing price of the Company common stock and multiplying by the number of shares underlying the options.

Pension Plan Table

The Named Executive Officers participate on the same basis as other salaried employees in the non-contributory Modine Manufacturing Company Pension Plan for Non-Union Hourly-Paid Factory Employees and Salaried Employees (the "Salaried Pension Plan")(with the exception of K.A. Feldmann, who is a German citizen and receives an annual contribution of five percent of his annual base salary for his personal pension planning purposes, and an additional five percent of his annual base salary on the basis of a reinsured support fund). Because the Company's contributions to the Salaried Pension Plan are actuarially based on all eligible salaried employees and are not allocated to individual employee accounts, expenses for a specific person cannot readily be separately or individually calculated. Retirement benefits are based on an employee's earnings for the five highest consecutive of the last ten calendar years proceeding retirement and on years of service. Applicable earnings include salary, bonus, and any deferred amount under the Modine 401(k) Retirement Plan and the Deferred Compensation Plan which is approximately the same as cash compensation reported in the Summary Compensation Table, but on a calendar year rather than a fiscal year basis. A minimum of five years of service is required for the benefits to vest. The principal benefit under the Salaried Pension Plan is a lifetime monthly benefit for the joint lives of a participant and his/her spouse based on the employee's earnings and period of employment, and is not subject to offset by Social Security benefits. Employees may retire with unreduced early retirement benefits at age sixty-two or may be eligible for disability, deferred, or other early retirement benefits depending on age and years of service upon retirement or termination. In addition, an employee may elect to receive a lump-sum pension benefit if, upon retirement, the sum of the employee's age plus years of eligible service with the Company equals least 85. Furthermore, if employed on and before March 31, 2001, an employee who reaches age sixty-two and who has accumulated thirty or more years of eligible service may request that the accrued benefit be paid immediately in a lump-sum amount, even if he/she elects not to retire at that time.

In March 2004, the Board of Directors passed a resolution that freezes credited service under the Salaried Pension Plan as of April 1, 2006. After April 1, 2006, participants in pension plans will not earn additional credited service; however, changes in compensation will be considered in any pension calculation.

The following table sets forth the estimated annual benefits payable upon retirement at normal retirement age for the years of service indicated under a combination of the Salaried Pension Plan and the Executive Supplemental Retirement Plan, a non-qualified defined benefit pension plan, at the indicated remuneration levels (average of five years' earnings).

Average Annual Earnings	Representative Years of Service				
	15 Years	20 Years	25 Years	30 Years	35 Years
\$125,000	\$27,937	\$37,249	46,561	55,873	65,186
200,000	46,780	62,374	77,967	93,561	109,154
275,000	65,624	87,499	109,374	131,248	153,123
350,000	84,468	112,624	140,780	168,936	197,092
425,000	103,312	137,749	172,186	206,623	241,061
500,000	122,155	162,874	203,592	244,311	285,029
575,000	140,999	187,999	234,999	281,998	328,998
650,000	159,843	213,124	266,405	319,686	372,967
725,000	178,687	238,249			