

MIDDLEBY CORP
Form DEF 14A
April 01, 2016

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

THE MIDDLEBY CORPORATION

(Name of Registrant as Specified In Its Charter)

N/A

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

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*1400 Toastmaster Drive
Elgin, Illinois 60120*

April 1, 2016

Dear Stockholder:

You are hereby notified that the Annual Meeting of Stockholders (the "Meeting") of The Middleby Corporation (the "Company") will be held at the Company's principal executive offices located at 1400 Toastmaster Drive, Elgin, Illinois 60120 at 10:30 a.m., local time, on Wednesday, May 11, 2016, for the following purposes:

- (1) To elect seven directors to hold office until the 2017 Annual Meeting.
- (2) To hold an advisory vote on executive compensation.
- (3) To consider and act on a proposal to ratify the selection of Ernst & Young LLP as independent public accountants of the Company for the current fiscal year ending December 31, 2016.
- (4) To consider and act on a proposal to re-approve the performance goals under the Company's 2011 Long-Term Incentive Plan, with no additional shares authorized.
- (5) To consider and act on a proposal to re-approve the performance goals under the Company's Value Creation Incentive Plan.
- (6) To transact such other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 18, 2016, as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting.

The Securities and Exchange Commission has adopted rules for the electronic distribution of proxy materials. We have elected to provide access to our proxy materials and 2015 Annual Report on the Internet instead of sending a full set of printed proxy materials. We believe that this process will provide you with prompt access to our proxy materials, lower our costs of printing and delivering proxy materials and minimize the environmental impact of printing paper copies. You should have already received the Notice of Internet Availability of Proxy Materials with instructions on how to access the proxy materials and vote. If you would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials set forth on the Notice of Internet Availability of Proxy Materials.

The rules of the Securities and Exchange Commission permit us to deliver one Notice of Internet Availability of Proxy Materials to one address shared by two or more of our stockholders. This delivery method is referred to as "householding" and can result in significant cost savings. To take advantage of this opportunity, we have delivered only one Notice of Internet Availability of Proxy Materials to multiple stockholders who share an address, unless we received contrary instructions from the impacted stockholders prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the Notice of Internet Availability of Proxy Materials, as requested, to any stockholders at the shared address to which a single copy of the notice was delivered. If you prefer to receive separate copies of the Notice of Internet Availability of Proxy Materials, contact Broadridge Financial Solutions, Inc. at 866-540-7095 or in writing at Broadridge Financial Solutions, Inc., Householding

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Department, 51 Mercedes Way, Edgewood, New York 11717. If you are currently a stockholder sharing an address with another stockholder and wish to receive only one copy of future Notices of Internet Availability of Proxy Materials for your household, please contact Broadridge Financial Solutions, Inc. at the above phone number or address.

You are invited to attend the Meeting in person. If you attend the Meeting in person, you may vote your shares by bringing valid photo identification and delivering your completed proxy card or ballot at the Meeting. Please note that if you hold your shares through a bank, broker or other nominee, you must also bring a form of legal proxy, which you must request from such nominee, in order to vote at the Meeting.

Your vote is important to us. Whether or not you plan to attend the Meeting in person, we urge you to return your proxy promptly in accordance with the following instructions. If you own shares in your own name, you may vote in one of the following ways: (i) visit the website shown on your Notice of Internet Availability of Proxy Materials or proxy card to vote electronically via the Internet, (ii) by telephone, pursuant to the instructions on the proxy card or (iii) if you requested printed proxy materials, by signing and returning the proxy card using the postage-paid envelope provided.

Shares cannot be voted by marking, writing on and/or returning the Notice of Internet Availability of Proxy Materials. Any Notices of Internet Availability of Proxy Materials that are returned will not be counted. If you own shares through a bank, broker or other nominee, please execute your vote by following the instructions provided by such nominee.

By Order of the Board of Directors

MARTIN M. LINDSAY

Treasurer

*1400 Toastmaster Drive
Elgin, Illinois 60120*

**2016 ANNUAL MEETING OF STOCKHOLDERS
May 11, 2016
PROXY STATEMENT**

GENERAL

This Proxy Statement and the accompanying proxy are furnished to stockholders of The Middleby Corporation (the "Company") in connection with the solicitation of proxies by the Company's Board of Directors (the "Board") for use at the 2016 Annual Meeting of Stockholders (the "Meeting") to be held at the Company's principal executive offices located at 1400 Toastmaster Drive, Elgin, Illinois 60120, at 10:30 a.m., local time, on Wednesday May 11, 2016, for the purposes set forth in the accompanying Notice of Meeting. The Notice of Internet Availability of Proxy Materials, the Proxy Statement and related materials included herewith, and the Company's Annual Report to Stockholders for the fiscal year ended January 2, 2016, are being distributed or made available to stockholders on or about April 1, 2016.

Stockholders of record at the close of business on March 18, 2016 (the "Record Date") are entitled to notice of and to vote at the Meeting. On such date there were 57,550,041 outstanding shares of common stock, par value \$0.01 per share, of the Company ("Common Stock"). In deciding all questions, each holder of Common Stock will be entitled to one vote, in person or by proxy, for each share held on the Record Date.

Stockholders who are entitled to vote at the Meeting may vote by proxy pursuant to the following methods: (i) stockholders who own shares in their own name may vote in person at the Meeting by bringing valid photo identification and delivering their proxy card or ballot at the Meeting, or by mail, telephone, pursuant to the instructions on the proxy card or electronically via the Internet, pursuant to the instructions on the Notice of Internet Availability of Proxy Materials or (ii) stockholders who own shares through a bank, broker or other nominee should follow the instructions provided by such nominee.

The election inspectors appointed for the Meeting will determine the presence of a quorum and tabulate the votes cast by proxy or in person at the Meeting. The presence, in person or represented by proxy, of the holders of a majority of the shares of Common Stock outstanding and entitled to vote at the Meeting is necessary to constitute a quorum. A quorum is necessary for the transaction of business at the Meeting. Abstentions and broker non-votes will be included in determining the presence or absence of a quorum. Generally, broker non-votes occur on a proposal when a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter or when a broker has such discretionary authority but does not exercise such discretion.

Election of each individual director requires the vote of a majority of the votes cast at the Meeting by holders of shares present in person or represented by proxy and entitled to vote at the Meeting. For the election of directors, abstentions and broker non-votes will not count as a vote FOR nor a vote AGAINST a nominee and thus will have no effect on the outcome of the vote.

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Approval of the proposal on a non-binding advisory vote on executive compensation, the proposal to ratify the Company's appointment of independent public accountants, re-approval of the performance goals under the Company's 2011 Long Term Incentive Plan, with no additional shares authorized, and re-approval of the performance goals under the Company's Value Creation Incentive Plan require the vote of a majority of the votes cast at the Meeting by holders of shares present in person or represented by proxy and entitled to vote at the Meeting. For purposes of these proposals, abstentions and broker non-votes will not count as a vote cast either FOR or AGAINST approval of such proposal, and thus will have no effect on the outcome of the vote on such proposals.

Properly executed proxies will be voted in the manner directed by the stockholders. If no direction is made, such proxies will be voted as follows:

"Proposal No. 1 Election of Directors"; FOR the election of each of the named nominees as a director of the Company;

"Proposal No. 2 Advisory Vote on Executive Compensation"; FOR the approval, by an advisory vote, of the 2015 compensation of the Company's named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission ("SEC");

"Proposal No. 3 Ratification of Selection of Independent Public Accountants"; FOR the ratification of the selection of Ernst & Young LLP as the Company's independent public accountants for the current fiscal year ending December 31, 2016;

"Proposal No. 4 Re-approval of the performance goals under the Company's 2011 Long-Term Incentive Plan, with no additional shares authorized"; FOR the re-approval of the performance goals under the Company's 2011 Long-Term Incentive Plan, with no additional shares authorized; and

"Proposal No. 5 Re-approval of the performance goals under the Company's Value Creation Incentive Plan"; FOR the re-approval of the performance goals under the Company's Value Creation Incentive Plan.

Any proxy may be revoked by the stockholder at any time prior to the voting thereof by notice in writing to the Secretary of the Company, either prior to the Meeting (at the above Elgin address) or at the Meeting if the stockholder attends in person, or a later dated proxy will revoke a prior dated proxy. As of the date of this Proxy Statement, the Board of Directors knows of no other business which will be presented for consideration at the Meeting. If other proper matters are presented at the Meeting, however, it is the intention of the proxy holders named in the enclosed form of proxy to take such actions as shall be in accordance with their best judgment.

PROPOSAL NO. 1 ELECTION OF DIRECTORS

Seven persons have been nominated to serve as a director until the 2017 Annual Meeting of Stockholders and until their successors shall be duly elected and qualified or until their earlier death, resignation or removal. The following persons have been nominated:

Name	Age	Principal Occupation(s) During Past Five Years and Other Public Directorships	Director of Company or Predecessor Since
Selim A. Bassoul	59	<p>President, Chief Executive Officer and Chairman of the Board of the Company and its principal subsidiary, Middleby Marshall Inc. ("MM"), since December 23, 2004. President and Chief Executive Officer of the Company and MM from 2001 to 2004. Chief Operating Officer of the Company and MM from 2000 to 2001. Group President of Middleby Cooking Systems Group from 1999 to 2000. President of Southbend, an affiliate of the Company, from 1996 to 1999.</p> <p>Mr. Bassoul's extensive experience at the subsidiary and corporate level of the Company and his day to day leadership as CEO of the Company provide the Board with intimate knowledge and an invaluable perspective regarding the Company's operations, challenges and business strategy.</p>	2001
Sarah Palisi Chapin	54	<p>Chief Executive Officer and board member of Hail Merry, a marketer and manufacturer of gluten-free vegan, raw oil and refrigerated dessert snacks, since 2009. Director of Caribou Coffee Company, Inc., from 2007 to 2013. Partner in The Chain Gang, a restaurant investment consultancy and advisory practice, from 2004 to 2009. Chief Executive Officer of Enersyst Development Center from 1995 to 2003. Vice President of Worldwide Business Strategy of Burger King Corporation from 1990 to 1995.</p> <p>Ms. Chapin brings more than three decades of experience in the food service and food processing industries, including a comprehensive understanding of strategy, franchising, commercial kitchen technology, brand management, product development, marketing, operational excellence, market expansion and acquisition strategy.</p>	2013

Name	Age	Principal Occupation(s) During Past Five Years and Other Public Directorships	Director of Company or Predecessor Since
Robert B. Lamb	74	<p>Special Adjunct Professor of Management at the Leonard N. Stern School of Business at New York University since 2011; Clinical Professor of Management from 1977 to 2011. Has served as adviser to U.S. and foreign corporations, commercial banks, investment banks and government agencies. Director of Bondholders Communication Corporation. Member of the Board of Editors, The Municipal Finance Journal, since 1985.</p> <p>Mr. Lamb's expertise in domestic and international economics provides valuable insight into current economic trends and international business opportunities.</p>	2005
Cathy L. McCarthy	68	<p>President and Chief Executive Officer of Cross Tack, Inc. a strategy consulting firm, since 2011. Chief Executive Officer and President of SM&A, a competition management and program services firm from 2007 to 2011. Chief Operating Officer and President of SM&A from 2005 to 2007. Chief Financial Officer and Corporate Secretary of SM&A from 2001 to 2006. Chairman SRG Instruments, a medical device firm, since 2013. Partner SRGI Holdings since 2013. Board member of Recros Medica, Inc. since 2014.</p> <p>Ms. McCarthy's operating experience as a Chief Executive Officer and a Chief Financial Officer of numerous private and public companies combined with her extensive background in strategy, mergers and acquisition, financial reporting and internal controls provide the Board with valuable strategy and financial oversight capabilities.</p>	2015
John R. Miller III	75	<p>Chairman and Chief Executive Officer of EOP, Inc., publisher of special market trade magazines since 1968; Sales Manager, Procter & Gamble, Packaged Soap Division, 1964 to 1968. Director Emeritus of First National Bank of Long Island and its holding company, the First of Long Island Corporation.</p> <p>Mr. Miller's marketing background and knowledge of diversity issues is valuable in Board discussions regarding new product introductions, overall marketing strategy and employee matters.</p>	1978

Name	Age	Principal Occupation(s) During Past Five Years and Other Public Directorships	Director of Company or Predecessor Since
Gordon O'Brien	50	<p>President of Specialty Finance and Operations of American Capital Strategies since 2008. Principal and Managing Director of American Capital Strategies from 1998 to 2008. Vice President of Pennington Partners/PENMAN Partners, a private equity firm, from 1995 to 1998. A board member of numerous private companies as a representative of American Capital Strategies.</p> <p>Mr. O'Brien's extensive experience with capital markets and acquisition strategy as well as his experience as a director on numerous other boards are valuable in Board discussions regarding the Company's capital structure, liquidity needs and acquisition strategy.</p>	2005
Philip G. Putnam	75	<p>President of Highview Associates, Independent Corporate Advisors since 2009. Managing Director, Fulcrum Securities from 2008 to 2009. Managing Director, Flagstone Capital, LLC, investment bankers, from 2000 to 2007. Executive Vice President, Brean Murray & Co. Inc., investment bankers, from 1996 to 2000.</p> <p>Mr. Putnam's extensive history with the Company and his investment banking and investment analysis experience provides the Board with invaluable insight into ongoing financial and accounting matters.</p>	1978

Each of the nominees has consented to serve as a director if elected. The Board knows of no reason why any of the foregoing nominees will be unavailable to serve, but, in the event of any such unavailability, the proxies received will be voted for such substitute nominees as the Board may recommend.

Vote Required for Approval; Board Recommendation

Election of each individual director nominee requires the vote of a majority of the votes cast at the Meeting by holders of shares present in person or represented by proxy and entitled to vote at the Meeting. For the election of directors, abstentions and broker non-votes will not count as a vote FOR nor a vote AGAINST a nominee and thus will have no effect on the outcome of the vote.

The Board adopted a policy on May 14, 2013, which requires any director who does not obtain a majority of votes cast in an uncontested election to promptly tender his or her resignation to the Chairman of the Board for consideration by the Board. The Nominating Committee will then consider the resignation and recommend appropriate action to the Board. The Board is required to take formal action on the Nominating Committee's recommendation no later than 90 days following the date of the stockholders' meeting at which the election of directors occurred. In considering the Nominating Committee's recommendation, the Board shall consider the information, factors and alternatives considered by the Nominating Committee and such additional information, factors and alternatives as the Board deems relevant. Following the Board's decision on the Nominating Committee's recommendation, the

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Company, within four business days after such decision is made, shall publicly disclose, in a Form 8-K filed with the Securities and Exchange Commission, the Board's decision, together with an explanation of the process by which the decision was made and, if applicable, the Board's reason or reasons for rejecting the tendered resignation.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" EACH OF THE ABOVE NAMED NOMINEES AS A DIRECTOR OF THE COMPANY.

Committees; Board Meetings

The Board held four in-person meetings during the fiscal year ended January 2, 2016, and each director attended at least 75% of all Board and applicable committee meetings except for Ms. McCarthy, who the Board appointed as a director in November 2015 following a recommendation by the Nominating Committee. Although the Company does not have a formal attendance policy, the Company encourages all directors to attend its annual meeting of stockholders. All of the Company's directors except for Ms. McCarthy attended the 2015 Annual Meeting of Stockholders. Current directors, Mmes. Chapin and McCarthy and Messrs. Putnam, Miller, O'Brien and Lamb, as well as former director Sabin Streeter, have been determined by the Board to be "independent directors" as such term is defined under Rule 4200(a)(15) of The NASDAQ Stock Market, Inc. ("NASDAQ"). The Board is comprised of a majority of independent directors. The Company currently has an Audit Committee, a Compensation Committee and a Nominating Committee.

Audit Committee

The Company's standing Audit Committee was established in accordance with Section (3)(a)(58)(A) of the Securities Exchange Act of 1934, as amended. During the fiscal year ended January 2, 2016, the Audit Committee was comprised of Messrs. Putnam (Chairman), Lamb, Streeter (who served until his resignation in November 2015) and Ms. McCarthy, and met in-person four times for the purposes of (i) approving the selection of the Company's independent auditor; (ii) reviewing the arrangements for and scope of the audit and pre-approving permitted non-audit services; (iii) reviewing the Company's interim and annual financial statements or other results of the audit; (iv) reviewing the Company's internal accounting procedures and controls and the recommendations of the Company's independent auditor; and (v) reviewing the external audit process. All of the members of the Audit Committee have been determined by the Board to be financially sophisticated as required by NASDAQ Rule 4350(d) and to be "audit committee financial experts" as such term is defined in Item 407(d)(5) of Regulation S-K promulgated by the SEC. All of the members of the Audit Committee have been determined by the Board to meet the additional independence criteria set forth in NASDAQ Rule 4350(d). The Audit Committee has a written charter which was approved by the Board on March 4, 2003 and modified as of February 25, 2004, and is currently available in the "Investor Relations" section of the Company's website, located at www.middleby.com.

Compensation Committee

During the fiscal year ended January 2, 2016, the Compensation Committee met in-person four times and was comprised of Messrs. Miller (Chairman) and O'Brien and Ms. Chapin. The function of the Compensation Committee is to make recommendations concerning the compensation of the Chairman of the Board, the President and CEO, and other executive officers of the Company. The Compensation Committee is also responsible for administering and making grants to executive officers under the Company's 2011 Long-Term Incentive Plan (the "LTIP"), for administering outstanding grants under the Company's 2007 Stock Incentive Plan and administering the Value Creation Incentive Plan, including the establishment and certification of performance goals. Effective May 8, 2011, the LTIP superseded the 2007 Stock Incentive Plan and, after that date, grants could no longer be made out of the 2007 Stock

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Incentive Plan. All of the members of the Compensation Committee have been determined by the Board to be independent as defined under applicable NASDAQ listing standards. The Compensation Committee has a written charter which was effective as of June 28, 2013, and is currently available in the "Investor Relations" section of the Company's website, located at www.middleby.com.

The Compensation Committee has retained Meridian Compensation Partners ("Meridian") since August 2012 to advise regarding Board and executive compensation. During 2015, Meridian was not given a narrow list of instructions, but rather was engaged to provide information and advice that might assist the Compensation Committee in performing its duties, including: (i) review of the Company's proxy disclosed peer group, (ii) a competitive analysis of compensation for the CEO position, (iii) advice related to compensation structure, (iv) information related to market trends and practices, and (v) updates related to regulatory changes impacting executive pay. While the Meridian guidance has been a valuable resource for the Compensation Committee in identifying compensation trends and competitive practices, the Compensation Committee is not bound to adhere to the advice or recommendations that Meridian may provide to the Compensation Committee. The Compensation Committee considers Meridian to be an independent advisor as a result of the following factors:

Meridian was retained by, and reports directly to, the Compensation Committee;

Meridian has provided no services to the Company in the past four years (other than services in connection with its retention by the Compensation Committee beginning in August 2012);

We were advised by Meridian that it has internal policies and procedures intended to prevent conflicts of interest;

There are no business or personal relationships between Meridian's lead consultant and members of the Compensation Committee; and

We were advised by Meridian that its lead consultants on the Company's account do not own any Common Stock.

Nominating Committee

During the fiscal year ended January 2, 2016, the Nominating Committee met two times and was comprised of Messrs. Putnam (Chairman), Miller and O'Brien.

The Nominating Committee discusses, reviews and evaluates potential director candidates and recommends potential director candidates to the full Board for election by the stockholders or appointment to the Board, as the case may be, pursuant to the Bylaws. The full Board then considers the potential director candidates who have been recommended by the Nominating Committee. In identifying and selecting director candidates, the Nominating Committee and the Board consider a variety of factors, including, but not limited to, a candidate's experience, skills, expertise, diversity, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, conflicts of interest and such other relevant factors that the Nominating Committee considers appropriate in the context of the needs of the Board. The Nominating Committee has a written charter which was effective as of February 22, 2013, and is currently available in the "Investor Relations" section of the Company's website, located at www.middleby.com.

Because the Company's stockholders rarely, if ever, have recommended potential director candidates, the Nominating Committee and the Board do not have a formal policy at this time for consideration of potential director candidates recommended by the Company's stockholders, but the Nominating

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Committee will give due consideration to any and all such candidates under the same criteria as internally generated candidates. See "Requirements and Procedures for Submission of Stockholder Nominations of Director Candidates and Proposals of Security Holders" for further information regarding the procedures for recommending a director nominee for consideration.

Board Leadership Structure

The business of the Company is managed under the direction of the Board, in the interest of the stockholders. The Board delegates its authority to management for managing the day to day activities of the Company. The Board requires that management review major actions and initiatives with the Board prior to implementation.

The lead independent director acts as an intermediary between the Board and senior management. Among other things, the lead independent director is responsible for facilitating communication among directors and between the Board and the CEO, working with the CEO to provide an appropriate information flow to the Board and serving as chairman of the executive sessions of the independent directors at each formal Board meeting.

Executive sessions of the independent directors are held in conjunction with regularly scheduled meetings of the Board and as otherwise deemed necessary. Mr. O'Brien has served as lead independent director of the Board since March 2010.

The Company believes the positions of Chairman and CEO should currently be held by the same person. The Company has adopted a counterbalancing governance structure, including:

a designated lead independent director;

a Board entirely composed of independent members, with the exception of Mr. Bassoul, the Company's CEO;

committees comprised entirely of independent directors; and

established governance and ethics guidelines.

Board Compensation Structure

Under our Board compensation policy, during the fiscal year ended January 2, 2016, the lead independent director received an annual retainer of \$55,000 and each other nonemployee director received an annual retainer of \$65,000, with the respective Audit and Compensation Committee Chairmen receiving an additional \$15,000 annual retainer and the Nominating Committee Chairman receiving an additional \$5,000 annual retainer. No additional meeting fees are paid to our nonemployee directors or our directors who are also officers of the Company. Compensation paid to our nonemployee directors in 2015 is shown in the Director Compensation for Fiscal Year 2015 table appearing on page 36.

On March 16, 2015, each nonemployee member of the Board as of such date was awarded 1,000 shares of restricted stock pursuant to the LTIP. These shares of restricted stock had a one year vesting requirement and became vested on March 16, 2016 based on continued service.

On March 16, 2016, each nonemployee member of the Board as of such date was awarded 1,000 shares of restricted stock pursuant to the LTIP. These shares of restricted stock are scheduled to vest on March 16, 2017 based on continued service.

Risk Oversight

The Board has an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board regularly reviews information regarding the Company's credit, liquidity and operations, as well as the risks associated with each. While the Board has general oversight responsibility for risk at the Company, the Board has delegated some of its risk oversight duties to Board committees. The Compensation Committee is responsible for overseeing the management of risks relating to the Company's executive compensation plans and arrangements. The Audit Committee oversees management of financial risks and evaluates the internal control framework of the Company. The Nominating Committee is responsible for recommending to the Board individuals qualified to serve as directors of the Company. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through committee reports about such risks.

It is the role of management to present material risks in a clear and understandable manner as part of its broader responsibility to keep the Board well informed on all matters of significance to the Company. The Company believes that its current leadership structure facilitates this clear delineation of responsibility with respect to its risk management process. The combined role of CEO and Chairman is an effective structure for the Board to understand the risks associated with the Company's strategic plans and objectives. Additionally, maintaining an independent Board with a lead independent director permits open discussion and assessment of the Company's ability to manage these risks.

Stockholder Communications With the Board

The Board has adopted the following procedure for stockholders and other interested parties to communicate with the Board. All such communications should be sent by email to the Chairman of the Board at the address found on the Company's website, www.middleby.com, or by regular mail to the Chairman of the Board at the Company's principal executive offices in Elgin, Illinois. The Chairman will collect and organize all such communications, deleting any sales or other solicitations and any communications which contain offensive material. A summary of the communications received will be periodically provided to the Board, which will determine the disposition of any such communication.

EXECUTIVE OFFICERS

The following is a summary of the professional experience of the executive officers of the Company:

Name	Age	Principal Occupation(s) During Past Five Years
Selim A. Bassoul	59	President, Chief Executive Officer and Chairman of the Board of the Company and its principal subsidiary, MM, since December 23, 2004. President and Chief Executive Officer of the Company and MM from 2001 to 2004. Chief Operating Officer of the Company and MM from 2000 to 2001. Group President of Middleby Cooking Systems Group from 1999 to 2000. President of Southbend, a Middleby company, from 1996 to 1999.
Timothy J. FitzGerald	46	Vice President and Chief Financial Officer of the Company and MM since May 2003. Vice President and Corporate Controller of the Company and MM from February 2000 to May 2003. Corporate Controller of the Company and MM from November 1998 to May 2003.
David Brewer	59	Chief Operating Officer of the Company's Commercial Foodservice Equipment Group since March 2009. President, Pitco Frialator, Inc. from July 2007 to March 2009. President, Lantech North America, from June 2005 to July 2007. Vice President of Global Supply Chain, YUM!, from March 2002 to June 2005.
Martin M. Lindsay	51	Corporate Treasurer and Assistant Secretary of the Company and MM since February 2002. Assistant Treasurer of the Company and MM from March 1999 to February 2002.

EXECUTIVE COMPENSATION
Compensation Discussion and Analysis

The following Compensation Discussion and Analysis ("CD&A") describes the material elements of compensation for the Company's executive officers identified in the Summary Compensation Table for Fiscal Year 2015 as the "Named Executive Officers." The CD&A also provides analysis with respect to the compensation disclosed in the tables that follow.

The Compensation Committee of the Board (the "Committee") during the course of 2015 was composed of the following outside directors, each of whom is "independent" in accordance with the NASDAQ governance rules: John R. Miller III, Chairman, Gordon O'Brien and Sarah Palisi Chapin. The Committee is appointed by, and responsible to, the Board for making recommendations to the Board and approving, where appropriate, all matters related to executive and non-employee director compensation.

Executive Summary

We seek to closely align the interests of our Named Executive Officers with the interests of our stockholders. As described in this CD&A, our compensation program is designed to reward our Named Executive Officers for the achievement of short-term and long-term financial goals. This summary contains a discussion of our 2015 performance, our 2015 executive compensation highlights, and our prior year say-on-pay results.

2015 Company Performance

The executive team led by Mr. Bassoul, our CEO, has driven the performance of the Company, outperforming its peers in many respects, including for the past fiscal year. For example, our 2015 financial performance on Total Shareholder Return ("TSR") and Earnings Per Share ("EPS") was above the peer group median. The peer group for this purpose is the Proxy Peer Group as discussed below on page 18. On a three-year basis (FYE 2013 - FYE 2015), the Company's TSR was 152% versus the Proxy Peer Group median TSR of 33%. Over the same period, the Company's EPS growth was 53% versus the Proxy Peer Group median EPS growth of 33%. On a five-year basis (FYE 2011 - FYE 2015), the Company's TSR was 283% versus the Proxy Peer Group median TSR of 62% and the Company's EPS growth was 149% versus the Proxy Peer Group median EPS growth of 87%. This illustrates the strong performance of the executive team over a number of years in the face of varying economic conditions.

Note: TSR reflects annual rates of return reflecting stock price appreciation plus reinvestment of dividends (calculated monthly) and the compounding effect of dividends paid on reinvested dividends.

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The chart below highlights the Company's financial performance over a ten-year period:

In addition to the financial achievements described and highlighted graphically above, other notable accomplishments in 2015 included:

Record net revenue of \$1.826 billion, an increase of 11.6% over 2014.

Record operating cash flow of \$249 million.

Successfully completed seven strategic acquisitions, significantly expanding the residential Kitchen equipment platform and further adding to Middleby's portfolio of leading brands and technologies in the Commercial Foodservice Group and the Food Processing Group. Acquisitions included J. Goldstein & Co. Pty. Ltd., Eswood Australia Pty. Ltd., Desmon Food Service Equipment Company, Thurne High Speed Slicing, Marsal & Sons, Inc., Induc Commercial Electronics Co., Ltd., AGA Rangemaster Group plc, and Lynx Grills, Inc.

Continued execution of acquisition integration initiatives at the Residential Kitchen Equipment Group and the Food Processing Group, resulting in strong improvements to profitability and strategic positioning of each business segment for sustained long-term growth. These initiatives included the completion of Viking residential distributor consolidation initiatives and substantial initial integration efforts related to the recent AGA Rangemaster acquisition.

Market launch of complete new lineup of Viking products including new ranges, French door wall oven, professional refrigeration and induction cooktops.

Continued development and introduction of new and industry leading innovations across all business segments, including products that increase energy efficiency, reduce water consumption, increase speed of cooking, reduce food waste and provide labor savings.

Further expansion of international infrastructure in key growth markets, including Australia, China, Russia and the Middle East.

Named to Fortune magazine's 2015 Fastest Growing Company list.

Highlights of 2015 Compensation Program

Our compensation mix for 2015 was a combination of base salary, annual cash bonus and long-term incentive awards delivered in the form of performance-based equity grants. Beginning in 2014, based in part on feedback from our stockholder outreach initiative, the Committee granted one-year performance-based equity incentive awards to both the CEO and CFO and intends to continue this practice on an annual basis going forward.

The 2015 annual cash bonus plan and equity incentive awards focus on increasing both earnings before interest, taxes, depreciation and amortization ("EBITDA") and EPS, without encouraging unnecessary or excessive risk-taking. The Committee and management have continually reviewed and considered other performance metrics, but have determined for 2015 that EBITDA and EPS directly link to the Company's business strategy, are measures by which the Company is commonly evaluated externally by analysts and investors, and are the best indicators of the Company's financial and operational performance.

As described below, on March 16, 2015, the Company made awards of performance-based restricted stock to Messrs. Bassoul and FitzGerald pursuant to the terms of the LTIP. The shares of restricted stock are earned based on the level of EBITDA and EPS growth achieved over a one-year time period.

As discussed and illustrated in the description of Compensation Programs, Objectives and Philosophy below, the compensation structure for our Named Executive Officers reflects our pay for performance philosophy as evidenced by the following:

Equity incentive awards in recent years have been made solely in the form of performance-based restricted stock, and

Fixed compensation (base salary) is a small portion of total direct compensation paid to the Named Executive Officers while variable pay (compensation that is "at risk" based on performance) comprises a large portion of total direct compensation paid to the Named Executive Officers.

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Because of its desire to reinforce a performance-based culture and high-growth strategy, the Company emphasizes a pay mix that is comprised primarily of variable pay. As such, base salary makes up the smallest portion of total direct compensation for the CEO and CFO, with variable pay in terms of annual cash bonus and equity incentives accounting for the remaining portion. The mix varies by position, taking into account each position's ability to influence results. The following charts provide the 2015 mix for target total compensation for the CEO and CFO:

2015 Target Compensation

Selim A. Bassoul

Timothy J. FitzGerald

Prior Year Say on Pay Results

At the May 12, 2015 stockholders' meeting, the "Advisory Vote on Executive Compensation" proposal (the "say on pay" proposal) with respect to our executive compensation programs for 2014 was approved with the support of 85.7% of the votes cast, which excludes abstentions and broker non-votes. This increase in shareholder support for our executive compensation programs as compared to the results of our 2014 say on pay vote occurred after we had implemented significant changes relating to our executive compensation programs for 2014, as discussed below under the heading "Summary of Recent Key Changes to Executive Compensation Practices." We believe that the significant changes relating to our executive compensation programs that were put in place for 2014 should be given a reasonable amount of time to prove their effectiveness at linking executive compensation with operating performance and stockholder interests. Accordingly, the Committee has continued the existing pay practices established with respect to 2015 compensation and has not made significant changes for 2016.

Summary of Recent Key Changes to Executive Compensation Practices

As a result of stockholder outreach conducted in 2013 and early 2014 and recent corporate growth, for 2014 Mr. Bassoul voluntarily recommended to the Committee to decrease his existing compensation arrangement and, in order to drive outstanding operational performance, encouraged the Committee to reallocate the newly available compensation funds deeper into the Company's management team in the form of incentive compensation pay that is at-risk and variable based on performance. The resulting compensation changes drove the development of a new executive compensation program with renewed emphasis on more challenging performance targets, a decrease in both the target and maximum annual cash bonus, and beginning in 2014, the replacement of the three-year LTIP stock grant in favor of an annual performance-based stock grant for the CEO and the CFO. In particular, the change from the front-loaded three-year LTIP grant structure to an annual performance-based grant structure allows the Committee greater control over the performance goals designed to drive Company performance consistently, year over year.

Summary of Mr. Bassoul's Compensation Structure

The structure of Mr. Bassoul's compensation for 2015 remains relatively unchanged from the 2014 structure. Based on Mr. Bassoul's compensation recommendations for 2014, the Committee implemented several changes to the Company's overall executive compensation program for 2014 which have been carried over into 2015 and are as follows:

Reduced EPS target cash bonus compensation for the CEO from \$3,000,000 in 2013 to \$875,000 for 2014 and 2015;

Reduced EPS maximum cash bonus compensation for the CEO from \$4,000,000 in 2013, to \$1,750,000 for 2014 and 2015;

Reduced EBITDA target cash bonus compensation for the CEO from \$3,000,000 in 2013 to \$875,000 for 2014 and 2015;

Reduced EBITDA maximum cash bonus compensation for the CEO from \$4,000,000 in 2013, to \$1,750,000 for 2014 and 2015;

Decreased target cash bonus payouts for the CEO by over 70%;

Decreased maximum cash bonus payouts for the CEO by over 50%;

Changed the portion of at-risk pay to weigh more heavily towards stock performance, and less on the cash bonus incentive;

Replaced the three-year LTIP grant for the CEO and CFO with a one-year performance-based stock grant with a minimum annual payout only when both minimum EPS and EBITDA growth targets are achieved; and

Set the CEO's targeted equity incentive grant value for 2015 at \$1,812,500, with a highly leveraged maximum opportunity to earn up to 400% of the target number of shares for achieving significant financial results.

Corporate Governance Highlights

We continue to implement and maintain leading practices in our executive compensation program, stockholder outreach and related areas. These practices include:

- ü Risk Mitigation
- ü No "Gross-ups"
- ü No Hedging or Pledging
- ü Majority Vote Standard for Uncontested Director Elections
- ü No Repricing
- ü Stock Ownership Requirements
- ü Investor Outreach
- ü Independent Compensation Consultant

Further, we modified the equity incentive grant process in 2014 such that grants to the CEO and CFO are made on an annual basis (prior practice incorporated sporadic grants that were typically made every three years); this structure will enable the Committee to reward results tied to the Company's business goals for each year and will have the effect of lowering individual grant totals.

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In addition to the practices identified above, the Company has committed to adopting a recoupment ("clawback") policy once final rules are established by the SEC.

We encourage you to read the CD&A for a detailed discussion and analysis of our executive compensation program, including information about the 2015 compensation of the Named Executive Officers described in the tables that follow.

Discussion and Analysis

Compensation Programs, Objectives and Philosophy

The Committee's compensation philosophy is to engage and promote competitive spirit amongst its employees at all levels to facilitate delivery of the best possible products to the market capable of maximizing market share within each product niche, thus ensuring the highest potential stock price on the market for the Company's stockholders.

The Company's compensation and benefits programs are influenced by the Company's business culture and are designed to maximize strategic Company goals. The Company's compensation program objectives are as follows:

Attract and Retain Executive Talent The Committee provides compensation packages that will attract and retain qualified executive talent and deliver increasing rewards for extraordinary performance.

Link Executive Compensation with Operating Performance The Committee structures a portion of the compensation for Named Executive Officers and senior management to vary with the Company's financial and operating performance. This requires that a significant portion of an executive's annual compensation is "at-risk" and linked to the achievement of corporate and, in certain cases, individual goals described further below, in order to drive and increase stockholder value.

Link Executive Equity Incentive Compensation with Stockholder Interests The Committee believes that granting equity-based awards using vehicles such as stock options, restricted stock, stock appreciation rights, or performance stock, aligns the interests of the Named Executive Officers with those of stockholders through stock ownership and furthers the Company's goal of executive retention by using time-based vesting of equity awards in certain cases. Equity incentive compensation granted to the Named Executive Officers in recent years has been solely in the form of performance stock to (i) align the interests of executives, including the Named Executive Officers, with stockholder interests and (ii) to tie performance goals and payouts directly to metrics that have been identified as critical drivers of financial and operational success and strategic objectives.

Facilitate a High-Growth Company Strategy The Committee provides incentive compensation that rewards executives for exceptional growth in earnings, which then results in strong stock price performance and growth in market capitalization. Incentive compensation goals are set at "stretch" levels, resulting in awards that out-perform the market when Company performance out-performs the market.

Deductibility Under Section 162(m) of the Code For 2015, the performance based compensation provided to the Named Executive Officers subject to Section 162(m) of the Internal Revenue Code (the "Code") was structured to comply with the requirements that qualify the

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compensation as tax deductible to the Company. However, the Committee reserves the right to pay compensation that may be non-deductible to the Company if it determines that doing so would be in the best interests of the Company.

Role of the Compensation Committee

The Committee, consisting entirely of independent directors, has the responsibility for establishing, implementing, and monitoring adherence with the Company's compensation program and providing input to the Board with respect to management development and succession planning. The role of the Committee is to oversee, on behalf of the Board and for the benefit of the Company and its stockholders, the Company's compensation and benefit plans. For additional information on the members, structure, scope of authority and operation of the Committee, see "Compensation Committee" and "Proposal No. 1 Election of Directors."

The Committee makes all decisions over total direct compensation for our Named Executive Officers and other members of senior management, which involves decisions regarding base salary, annual cash bonuses and equity incentive awards. The Committee's recommendations for compensation arrangements of Mr. Bassoul, our Chairman of the Board, CEO and President, are presented to the full Board for approval.

Compensation Decision-Making Process

The CEO annually reviews the performance of each executive officer. Elements of executive reviews include an analysis of actual operating performance versus pre-determined operating performance targets, measures taken to improve efficiency of operations within the executive's area of responsibility and assessment of the executive's commitment to the Company's core operating principles. Based on his review, the CEO develops a recommendation to the Committee for each executive's annual base salary, annual incentive plan opportunity and payout, and the basis for equity-based grants. The Committee uses the same methodology to establish the annual base salary, annual incentive plan opportunity and payout, and equity incentive award for the CEO. For Mr. Bassoul's 2015 compensation structure, the Committee reviewed external pay data provided by Meridian referencing two different peer groups, as discussed below.

With respect to annual cash bonus awards, the Committee determines the minimum amount of operating performance that must be achieved each year in order for an annual cash bonus to be paid. Target performance levels are set to be in line with the Company's annual budget and growth objectives. Target performance levels for the CEO are recommended by the Committee to the Board for review and approval and target performance levels for the other Named Executive Officers are recommended by the CEO to the Committee for review and approval. The target total direct compensation of the Named Executive Officers and senior management of the Company is set at levels intended to be competitive in order to retain the executive talent that has driven the historically strong performance of the Company and attract new talent to continue strong performance and leadership.

The Committee determines compensation levels based on the discretionary judgment and experience of the Committee members, with regards to the executive officers' experience in their respective roles, tenure with the Company, recent individual performance contributions, expected future performance contributions and critical retention needs. In setting compensation levels for the 2015 fiscal year, the Committee reviewed compensation data provided by Meridian in early 2015 to assist in setting 2015 target pay levels for Mr. Bassoul (for a detailed discussion, refer to the section below titled "Peer Group Use for 2015 Pay Decisions"). The Committee generally did not utilize external compensation data, surveys or indices as a basis for setting targeted pay levels for 2015 for the other Named Executive Officers.

Development of the Peer Group

In 2010, the Committee approved a peer group of 13 companies in comparable industries (the "Proxy Peer Group") with median revenues approximating those of the Company at that time, for purposes of serving as a reference point for compensation levels, rather than a formula for establishing specific pay levels. However, the Proxy Peer Group was not intended to supplant Committee judgment.

The 12 companies remaining in the Proxy Peer Group (whose median 2013 revenues were \$1.387 billion) include: Barnes Group Inc., Chart Industries, Inc., Circor International, Inc., Clarcor Inc., Colfax Corporation, Dover Corporation, Graco Inc., IDEX Corporation, John Bean Technologies Corporation, The Manitowoc Company, Papa John's International Inc., and Standex International Corporation. Kaydon Corporation, which was previously in the Proxy Peer Group, was acquired in 2013 and was thus removed as a company in the Proxy Peer Group.

Peer Group Use for 2015 Pay Decisions

In considering the 2015 compensation structure for Mr. Bassoul, the Committee reviewed compensation data compiled by Meridian in early 2015 for the CEO positions at companies in the Proxy Peer Group. The Committee also reviewed compensation data of a "High-Performing Peer Group," which was developed in 2013 and included 20 companies with median 2013 revenues of \$2.034 billion. Companies in the High-Performing Peer Group were identified by reviewing capital goods companies with revenues of one-half to three times the Company's revenues and that performed comparably to or better than the Company relative to several financial metrics. The companies in the High-Performing Peer Group (along with their respective 2013 revenues) are listed in the table below. The Committee also considered the fact that, under Mr. Bassoul's leadership over the five-year period from 2011 through 2015, the Company delivered exceptional Total Shareholder Return of 283% and Earnings Per Share growth of 149%. Notwithstanding the superior performance of the executive team (in particular, Mr. Bassoul) and the substantial increase in stockholder value versus High-Performing Peer Group over the last ten years, the 2015 pay opportunity for Mr. Bassoul resulted in target total compensation that is between the 50th and the 75th percentile of the High-Performing Peer Group companies.

High Performing Peer Group

(\$ millions)

Company	FYE 2013 Revenues	Company	FYE 2013 Revenues
Acuity Brands, Inc.	\$ 2,394	MSC Industrial Direct Company Inc.	\$ 2,787
Air Lease Corporation	\$ 837	Mueller Water Products Inc.	\$ 1,185
American Railcar Industries, Inc.	\$ 733	MYR Group, Inc.	\$ 903
Apogee Enterprises, Inc.	\$ 771	Patrick Industries, Inc.	\$ 736
B/E Aerospace, Inc.	\$ 3,484	Rush Enterprises, Inc.	\$ 3,385
Federal Signal Corporation.	\$ 919	Sensata Technologies Holding N.V.	\$ 2,410
Freightcar America Inc.	\$ 599	Transdigm Group Inc.	\$ 2,373
Graco Inc.	\$ 1,221	Universal Forest Products, Inc.	\$ 2,660
Greenbrier Companies, Inc.	\$ 2,204	Wabash National Corporation	\$ 1,863
Lennox International Inc.	\$ 3,367	Wabtec Corporation	\$ 3,044
The Middleby Corporation.	\$ 1,429	Peer Group Median	\$ 2,034