

UNIVERSAL FOREST PRODUCTS INC  
Form DEF 14A  
March 09, 2018  
**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**SCHEDULE 14A**

**(RULE 14a-101)**  
**SCHEDULE 14A INFORMATION**

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

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 Pursuant to § 240.14a - 12

**UNIVERSAL FOREST PRODUCTS, INC.**

(Name of Registrant as Specified in its Charter)

Payment of Filing Fee:

No fee  
required.

Fee computed on table below per Exchange Act Rules 14-a-6(i)(1) and 0-11

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the

Edgar Filing: UNIVERSAL FOREST PRODUCTS INC - Form DEF 14A

Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule, or Registration No.:
- (3) Filing Party:
- (4) Date Filed:

**Universal Forest Products, Inc.**  
**2801 East Beltline NE**  
**Grand Rapids, MI 49525**

**Notice of Annual Meeting**

The Annual Meeting of Shareholders of Universal Forest Products, Inc. (the "Company") will be held in the Company's Technology and Training Building, 2880 East Beltline Lane NE, Grand Rapids, MI 49525, on Wednesday, April 18, 2018, at 8:30 a.m. local time (registration begins at 8:00 a.m.) for the following purposes:

- (1) To elect three directors for three-year terms expiring in 2021.
- (2) To consider and vote upon a proposal to amend the Company's Employee Stock Purchase Plan.
- (3) To consider and vote upon a proposal to amend the Company's Long-Term Stock Incentive Plan.
- (4) To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2018.
- (5) To participate in an advisory vote to approve the compensation paid to our Named Executives.
- (6) To consider an advisory vote on the frequency of a shareholder advisory vote on executive compensation.
- (7) To transact such other business as may properly come before the meeting or any adjournment thereof.

Shareholders of record at the close of business on February 21, 2018, are entitled to notice of and to vote at the meeting. To vote by telephone, shareholders of record may call toll-free on a touch-tone telephone, 1-800-690-6903, enter the control number located on their Notice of Internet Availability of Proxy Materials, and follow the recorded instructions. To vote via the Internet, shareholders of record may go to the Internet address <http://www.proxyvote.com>, enter the control number located on their Notice, and follow the instructions provided.

BY ORDER OF THE BOARD OF DIRECTORS

David A. Tutas, General Counsel and Secretary

March 9, 2018

Your vote is important. Even if you plan to attend the meeting,  
PLEASE VOTE YOUR PROXY PROMPTLY.

**Universal Forest Products, Inc.**

2801 East Beltline NE  
Grand Rapids, MI 49525

**Annual Meeting of Shareholders**

April 18, 2018

**2018 Proxy Statement**

**GENERAL QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING**

The following is information regarding the meeting and the voting process, presented in a question and answer format.

**What is a proxy?**

A proxy is your authorization for someone else to vote for you in the way that you want to vote and allows you to be represented at our Annual Meeting of Shareholders if you are unable to attend. When you complete and submit a proxy card, use the automated telephone voting system, or use the Internet voting system, you are submitting a proxy. The Board of Directors of the Company is soliciting this proxy. As used in this proxy statement, the terms the Company, we, our and us all refer to Universal Forest Products, Inc. and its subsidiaries.

**What is a proxy statement?**

A proxy statement is a document required by the United States Securities and Exchange Commission ( SEC ) to explain the matters on which you are being asked to vote on by proxy and to disclose certain related information. This proxy statement was first made available to our shareholders on or about March 9, 2018.

**Why am I receiving my proxy materials electronically instead of receiving paper copies through the mail?**

Under rules adopted by the SEC, we are furnishing proxy materials to our shareholders primarily via the Internet, instead of mailing printed copies of the proxy statement and annual report. In addition to reducing the amount of paper used in producing these materials, this method lowers the costs associated with mailing the proxy materials to shareholders.

On or about March 9, 2018, we mailed to our shareholders of record (other than those who previously requested electronic delivery) a Notice of Internet Availability of Proxy Materials ( Notice ) containing instructions on how to access this proxy statement and our annual report online. If you received a Notice by mail, you will not receive a printed copy of the proxy materials in the mail unless you specifically request them. The Notice instructs you on how to electronically access and review all the information contained in this proxy statement and the annual report, and it provides you with information on voting.

If you received a Notice by mail and would like to receive a paper copy of our proxy materials, follow the instructions contained in the Notice about how you may request to receive your materials in printed form on a one-time or ongoing basis.

**Where is this year's proxy statement available electronically?**

You may view this proxy statement and our 2017 Report to Shareholders electronically by going to [www.proxyvote.com](http://www.proxyvote.com).

**Who can vote?**

Only record holders of the Company's common stock at the close of business on February 21, 2018 (the Record Date), can vote at the Annual Meeting. Each shareholder of record has one vote, for each share of common stock owned, on each matter presented for a vote at the Annual Meeting.

**What is the difference between a shareholder of record and a street name holder?**

If your shares are registered directly in your name, you are considered the shareholder of record with respect to those shares.

If your shares are held in a stock brokerage account or by a bank or other nominee, then the brokerage firm, bank or other nominee is considered to be the shareholder of record with respect to those shares. However, you still are considered the beneficial owner of those shares, and your shares are said to be held in street name. Street name holders generally cannot vote their shares directly and must instead instruct the brokerage firm, bank or other nominee on how to vote their shares. See "How can I vote?" below.

**How can I vote?**

If your shares are held in street name, follow the instructions provided by your bank, broker, or other nominee. If your shares are held in your name, you may vote in one of four ways:

- Via Internet: Go to [www.proxyvote.com](http://www.proxyvote.com) and follow the instructions. You may do this at your convenience, 24 hours a day, 7 days a week. You will need to have your proxy card or Notice in hand. The deadline for Internet voting is 11:59 p.m. Eastern time, April 17, 2018.
- By Telephone: Call toll-free 1-800-690-6903 and follow the instructions. You may do this at your convenience, 24 hours a day, 7 days a week. You will need to have your proxy card or Notice in hand. The deadline for voting by telephone is 11:59 p.m. Eastern time, April 17, 2018.
- In Writing: Complete, sign, date and return the proxy card in the return envelope provided with your proxy card, so that it is received no later than April 17, 2018.
  - In Person: Attend the Annual Meeting to cast your vote.

If you submit a proxy to the Company before the Annual Meeting, whether by proxy card, telephone or Internet, the persons named as proxies will vote your shares as you direct. If no instructions are specified, the proxy will be voted for the three directors nominated by the Board of Directors; for the proposal to amend the Employee Stock

Purchase Plan; for the proposal to amend the Long-Term Stock Incentive Plan; for the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 29, 2018; for the non-binding, advisory proposal to approve the compensation paid to our Named Executives; and for one year on the non-binding advisory proposal on the frequency of a shareholder advisory vote on executive compensation.

### **Can I revoke my proxy?**

You may revoke a proxy at any time before the proxy is exercised by:

- (1) Delivering written notice of revocation to the Corporate Secretary of the Company, 2801 East Beltline NE, Grand Rapids, MI 49525;
- (2) Submitting another properly completed proxy card that is later dated;
- (3) Voting by telephone at a subsequent time;
- (4) Voting via the Internet at a subsequent time; or
- (5) Voting in person at the Annual Meeting.

If you hold your shares in street name, you must vote your shares in the manner prescribed by your brokerage firm, bank, or other nominee.

### **How many votes do we need to hold the Annual Meeting?**

In order to carry on the business of the meeting, we must have a quorum. This means that a majority of the shares that are outstanding and entitled to vote as of the Record Date must be present in person or by proxy. Shares are counted as present at the meeting if the shareholder either:

- Is present and votes in person at the Annual Meeting; or
- Has properly submitted a signed proxy card or other form of proxy (through the telephone or Internet).

On the Record Date, there were 61,203,340 shares of common stock issued and outstanding. Therefore, at least 30,601,671 shares need to be present at the Annual Meeting.

### **What matters will be voted on at the meeting?**

You are being asked to vote on: (i) the election of three directors to serve three-year terms expiring in 2021; (ii) the proposal to amend the Employee Stock Purchase Plan; (iii) the proposal to amend the Long-Term Stock Incentive Plan; (iv) the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 29, 2018; (v) a non-binding, advisory proposal to approve the compensation paid to our Named Executives, otherwise known as a say-on-pay proposal; and (vi) a non-binding advisory proposal on the frequency of a shareholder advisory vote on executive compensation, otherwise known as a say-when-on-pay proposal. These matters are more fully described in this proxy statement.

**How many votes are needed for each proposal?**

A majority of votes cast at the meeting will approve each matter that arises at the Annual Meeting. Under the Company's majority vote standard for the election of directors (described in more detail below), to be elected, a nominee must receive a greater number of votes cast for his or her election than the number of votes cast against. Because the say-on-pay vote and the say-when-on-pay vote are advisory, they will not be binding upon the Board of Directors or the Personnel and Compensation Committee.

Also, the election of directors, the vote on the amendment to the Employee Stock Purchase Plan, the vote on the amendment to the Long-Term Stock Incentive Plan, the say-on-pay vote, and the say-when-on-pay vote are each considered non-routine matters. Consequently, if your shares are held by a broker or other fiduciary, it cannot vote your shares on these matters unless it has received voting instructions from you.

Abstentions and broker non-votes, if any, will not be counted as votes cast but will count for purposes of determining whether a quorum is present. So long as a quorum is present, abstentions and broker non-votes will have no effect on any of the matters presented for a vote at the Annual Meeting.

**What happens if a nominee is unable to stand for re-election?**

The Board may, by resolution, provide for a lesser number of directors or designate a substitute nominee. In the latter case, shares represented by proxies may be voted for a substitute nominee. Proxies cannot be voted for more than three nominees. We have no reason to believe that any nominee will be unable to stand for re-election.

**What options do I have in voting on each of the proposals?**

You may vote for, against, or abstain on each proposal properly brought before the meeting.

**Where will the Annual Meeting be held?**

Our Annual Meeting will be held at our Technology and Training Building which is located at 2880 East Beltline Lane NE, Grand Rapids, MI 49525. The meeting begins at 8:30 a.m. EDT, and registration commences at 8:00 a.m. EDT.

**Where do I find the voting results of the meeting?**

If available, we will announce voting results at the Annual Meeting. The voting results will also be disclosed on a Form 8-K that we will file with the SEC within four business days after the meeting.

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on April 18, 2018.**

This proxy statement along with our annual report is available at: [www.proxyvote.com](http://www.proxyvote.com). A copy of our Annual Report on Form 10-K for the fiscal year ended December 30, 2017, as filed with the SEC, may be obtained without charge upon written request to the Chief Financial Officer, Universal Forest Products, Inc., 2801 East Beltline NE, Grand Rapids, MI 49525.

**VOTING SECURITIES AND RECORD DATE**

As of February 21, 2018, the Record Date for the Annual Meeting, we had issued and outstanding, 61,203,340 shares of common stock. Shareholders are entitled to one vote for each share of our common stock registered in their names as of the close of business on the Record Date. Votes cast at the meeting and submitted by proxy are counted by the inspectors of the meeting, who are appointed by us.

The following table sets forth information as to each shareholder known to have been the beneficial owner of more than five percent (5%) of our outstanding shares of common stock as of February 21, 2018:

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership (1)</b>	<b>Percent of Class</b>
BlackRock, Inc. 40 East 52nd Street New York, NY 10055	9,884,817(2) )	16.1 %
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	5,510,374(3) )	9.0 %
Dimensional Fund Advisors LP Building One 6300 Bee Cave Road Austin, TX 78746	4,692,272(4) )	7.6 %

- (1) Except as otherwise indicated by footnote, each named shareholder has sole voting and investment power with respect to the shares indicated.
- (2) BlackRock, Inc., either directly or through affiliated companies, beneficially owned this number of shares, as noted on the Schedule 13G it filed with the SEC on January 23, 2018.
- (3) The Vanguard Group, either directly or through affiliated companies, beneficially owned this number of shares, as noted on the Schedule 13G it filed with the SEC on February 9, 2018.
- (4) Dimensional Fund Advisors LP ( "Dimensional" ), an investment advisor, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts (the "Funds" ). All shares are owned by the Funds. Dimensional possesses investment and/or voting power over our Company's securities and may be deemed to be the beneficial owner of the shares, as noted on the Schedule 13G it filed with the SEC on February 9, 2018. Dimensional expressly disclaims beneficial ownership of such securities.

**ELECTION OF DIRECTORS**

Our Board presently consists of nine members. These members are divided into three classes, as equal in number as possible, with the classes to hold office for staggered terms of three years each. Our Board has nominated Matthew J. Missad, Thomas W. Rhodes, and Brian C. Walker to three-year terms expiring at our 2021 Annual Meeting of Shareholders. Each incumbent director has been previously elected by our shareholders.

The persons named as proxy holders in the accompanying proxy will vote for the above-named nominees, unless a shareholder directs them differently by proxy. If a nominee is not available for election as a director at the time of the Annual Meeting of Shareholders (a situation which is not now anticipated), the Board may designate a substitute nominee, and the accompanying proxy will be voted for the substitute nominee.





The proxies cannot be voted for a greater number of persons than the number of nominees named. The proxy holders, to the extent they have been granted authority to vote in the election of directors, may or may not vote for a substitute nominee.

The vote required for the election of a director shall, except in a contested election, be the affirmative vote of a majority of the votes cast in the election of a nominee. A majority of the votes cast shall mean that the number of votes cast for a director's election exceeds the number of votes cast against that director's election, with abstentions and broker non-votes not counted as votes cast either for or against that director's election. In a contested election, directors are elected by a plurality of the votes cast at a meeting of shareholders. An election is considered contested if there are more nominees for election than positions on the Board of Directors to be filled by election at that meeting.

In any non-contested election of directors, any director nominee who receives a greater number of votes cast against his or her election than in favor of his or her election is required to immediately tender his or her resignation to the Board. The Nominating and Corporate Governance Committee will make a recommendation to the Board on whether to accept or reject the resignation or whether other action should be taken. The Board will act on the Committee's recommendation, and publicly disclose its decision within 90 days from the date of the certification of the election results for that meeting.

**The Board of Directors recommends a vote FOR the election of each of the three nominees.**

The following table provides certain biographical information for each person who is nominated for election as a director at our Annual Meeting of Shareholders and for each person who is continuing as an incumbent director. The information was provided to us as of March 4, 2018, by the respective nominees and directors.

**Names, (Ages), Positions, and Backgrounds  
of Directors and Nominees**

**Service as a Director**

**Nominees for Term Expiring in 2021**

**Matthew J. Missad** (57) is Chief Executive Officer of our Company, a Director since 2011, position to which he was appointed on July 13, 2011. From 1996 to 2011, he was Executive Vice President, General Counsel, and Secretary, in addition to serving on the boards of subsidiary entities, including international partnerships. Mr. Missad has been on the board of Independent Bank Corporation since October 2014, and serves on its Compensation Committee.

Mr. Missad's experience and exposure to nearly all facets of our business is integral to the growth of our Company. Having led, at various times, the human resources, insurance, marketing, wood preservation, engineering, transportation, and compliance teams, and serving on our executive leadership team, he has an ability to understand and motivate people and teams, a capacity to simplify complex issues for sound decision-making, and a well-rounded and deep understanding of our Company's business, people, markets, and opportunities.

**Names, (Ages), Positions, and Backgrounds  
of Directors and Nominees**

**Service as a Director**

**Thomas W. Rhodes** (56) is President and Chief Executive Officer of TWR Enterprises, Inc. of Corona, CA, a company he formed in 1984, and which is the largest framing contractor in Southern California. Mr. Rhodes has served as a board member of the California Framing Contractors Association, Building Industry Association - Orange County, and the California Professional Association of Specialty Contractors - Orange County/Inland Empire.

Director since 2012.  
Member of Audit Committee.  
Member of Personnel and Compensation Committee.

Mr. Rhodes has spent over 30 years building his business while establishing and developing relationships in the residential building and commercial construction industry. Mr. Rhodes' experience in the site-built construction business and his career as a framing contractor and an entrepreneur, provides our Board and management with meaningful insight into this market and its prospects. His creative and strategic-thinking skills have enabled him to branch out into other ventures, including real estate, hotel development, and insurance. These experiences provide a unique benefit to his service on our Board.

**Brian C. Walker** (56) is President and Chief Executive Officer of Herman Miller, Inc. of Zeeland, MI, a global provider of office furniture and services. Previously, he served as its chief operating officer and chief financial officer. Mr. Walker is also a director of Herman Miller, Inc. In February 2018, Mr. Walker announced that he will be retiring as CEO and director of Herman Miller by August 31, 2018 or until his successor is named. Mr. Walker is a Certified Public Accountant, and serves as the lead director and chairs the Compensation Committee of Briggs & Stratton Corporation. He served on the board of the Federal Reserve Bank of Chicago-Detroit Branch from 2009 to 2012.

Director since 2015.  
Member of Nominating and Corporate Governance Committee.  
Member of Personnel and Compensation Committee.

Mr. Walker is a sitting CEO, and has experience and expertise in finance, international business, executive compensation, strategic development, and organizational and human resource matters. Mr. Walker's experience enables him to make valuable contributions to Board discussions concerning the Company's strategy and operations, and his education, expertise, and experience in accounting and compensation matters provide a unique benefit as a member of our Board.

**Incumbent Directors - Term Expiring in 2019**

**William G. Currie** (70) is Chairman of the Board of our Company. He joined our Company in 1971, and has served as a salesman, general manager, vice president, and executive vice president. He was the Chief Executive Officer of our Company from 1989 to 2006, and on January 1, 2000, also became Vice Chairman of the Board. On April 19, 2006, he was named Chairman of the Board and served as an employee with

Director since 1978.

the title of Executive Chairman until he retired from our Company on

7

**Names, (Ages), Positions, and Backgrounds  
of Directors and Nominees**

**Service as a Director**

July 20, 2009. Mr. Currie served on the board of Forestar Real Estate Group Inc. from 2008 to 2016.

During his tenure with our Company, Mr. Currie created and, to this day, maintains extremely valuable relationships with many companies in the lumber and building materials industries. He has an in-depth understanding of our Company's supply chain and customer base, which makes him an important asset to management in assessing growth opportunities and strategic objectives.

**John M. Engler** (69) was appointed Interim President of Michigan State University in Lansing, MI on January 31, 2018. Prior to that, he served as President of the Business Roundtable from January 15, 2011 until his retirement on February 5, 2017. From 2004 until 2011, Mr. Engler was President and Chief Executive Officer of the National Association of Manufacturers. He served as Michigan's 46<sup>th</sup> Governor for three terms, from 1991 to 2003. Mr. Engler has served as an Independent Trustee of the Fidelity Fixed Income and Asset Allocation fund's board since November 2014, and as a director of K12 Inc. since October 2012. He previously served on the boards of Munder Capital Management, Northwest Airlines, Delta Airlines, and Dow Jones & Company.

Director since 2003.  
Chairman of Nominating and Corporate Governance Committee.  
Member of Personnel and Compensation Committee.

Mr. Engler's professional and legal background, coupled with his experience in successfully leading the State of Michigan for 12 years, gives him a unique capacity to understand complex issues and to simplify them in an efficient and effective manner. As President of the Business Roundtable, Mr. Engler led an association of chief executive officers of U.S. companies with over \$7 trillion in annual revenue and more than 16 million employees. His work on issues ranging from tax and trade to corporate governance and regulatory policy makes him a key contributor as a director.

**Bruce A. Merino** (64) retired from The Home Depot in 2009, after 25 years with the company. At the time of his retirement, he was Senior Vice President of Merchandising and President of The Home Depot's Expo Design Center. Mr. Merino sits on the City of Hope's Home Improvement Board Council and is its chair.

Director since 2009.  
Chairman of Personnel and Compensation Committee.  
Member of Nominating and Corporate Governance Committee.

Mr. Merino has been able to utilize his 38 years of experience in the home improvement industry to assist our Company in strategy and operations for our DIY market. His understanding of the procurement and marketing operations of big box retailers is very valuable to our Company.



**Names, (Ages), Positions, and Backgrounds  
of Directors and Nominees**

**Service as a Director**

**Incumbent Directors - Term Expiring in 2020**

**Gary F. Goode** (72) retired from Arthur Andersen LLP in March 2001 after 29 years. Following his retirement, Mr. Goode has worked as an independent consultant, and has served as Chairman of Titan Sales & Consulting, LLC since January 2004. Mr. Goode has been on the Board of Directors of Gentex Corporation since 2003 and serves on its Audit, Compensation, and Nominating Committees.

Director since 2003.  
Chairman of Audit Committee.

Mr. Goode is a financial expert, as defined by the SEC. As a result of 29 years as a Certified Public Accountant, he gained valuable insight into a wide variety of businesses. His financial acumen, coupled with these varied business experiences, provides a great frame of reference for successful business practices at other companies. His working career also gives him extensive experience working with companies whose securities are registered with the SEC.

**Mary E. Tuuk** (53) became Chief Compliance Officer/Senior Vice President, Properties and Real Estate for Meijer, Inc., a regional retail chain, on March 4, 2018. She had been with Meijer as Chief Compliance Officer since July 2015. She was Executive Vice President of Corporate Services, and Secretary of the Board of Directors, for Fifth Third Bancorp of Cincinnati, OH, until she joined Meijer, Inc. Ms. Tuuk also served as President of Fifth Third Bank (Western Michigan) where she had leadership responsibility for the growth and strategic direction of major lines of business. Previously, she was Executive Vice President and Chief Risk Officer for Fifth Third Bancorp from June 2007 to December 2011. She was named one of the 25 Women to Watch in Banking by the American Banker magazine each year from 2008 to 2014. She serves on the boards of a variety of civic and charitable organizations.

Director since 2014.  
Member of Audit Committee.  
Member of Nominating and Corporate Governance Committee.

Ms. Tuuk is a financial expert, as defined by the SEC. Her experience in financial services adds a unique perspective to our Board. Her expertise in enterprise risk management, corporate governance, legal affairs, compliance, regulatory and governmental affairs, as well as strategic planning, further enhances her value as a Board member.

**Michael G. Wooldridge** (58) is a Partner with the law firm of Varnum LLP, headquartered in Grand Rapids, MI. He joined Varnum in 1985, and is a partner in the firm's corporate practice group, focusing on corporate governance, securities, and mergers and acquisitions. Mr. Wooldridge has been included in The Best Lawyers in America since 2005. He also serves on the boards of several community organizations.

Director since 2016.  
Member of Nominating and Corporate Governance Committee.  
Member of Personnel and Compensation Committee.





**Names, (Ages), Positions, and Backgrounds  
of Directors and Nominees**

**Service as a Director**

Mr. Wooldridge serves as an advisor and counsel to a number of publicly-held companies on a variety of corporate and securities law matters. His advice on compliance matters, corporate governance disclosure requirements, and other issues is invaluable, as is his experience in advising other publicly-held companies.

**CORPORATE GOVERNANCE AND BOARD MATTERS**

Our Board is committed to sound and effective corporate governance practices. The Board has documented those practices in our Corporate Governance Principles (the Principles). These Principles address director qualifications, director responsibilities, periodic performance evaluations, stock ownership guidelines, and a variety of other corporate governance matters. The Principles also require the Board to have an Audit Committee, Nominating and Corporate Governance Committee, and a Personnel and Compensation Committee. The Principles, along with the charters of each of these committees, are available for review on our website at [www.ufpi.com](http://www.ufpi.com) under the tab Investor Relations.

**Code of Business Conduct and Ethics and Code of Ethics for Senior Financial Officers**

We adopted a Code of Business Conduct and Ethics that applies to our employees, officers, and directors. We also adopted a Code of Ethics for Senior Financial Officers. Each Code is posted on our website, and any changes or waiver to either code will be disclosed on our website at [www.ufpi.com](http://www.ufpi.com) under the tab Investor Relations. Any changes to or waivers of either Code for our chief executive officer or senior financial officers will be disclosed on our website.

**Affirmative Determination Regarding Director Independence and Other Matters**

As required by the Principles, our Board has determined each of the following directors to be an independent director, under the Nasdaq Stock Market Rules (the Nasdaq Standard): William G. Currie, John M. Engler, Gary F. Goode, Bruce A. Merino, Thomas W. Rhodes, Mary E. Tuuk, Brian C. Walker, and Michael G. Wooldridge. There are no family relationships between or among the directors and our executive officers.

To assist our Board, the Nominating and Corporate Governance Committee reviewed the applicable legal standards for director and board committee independence, as well as the criteria applied to determine audit committee financial expert status and the answers to annual questionnaires completed by each of the directors. Based on this review, the Nominating and Corporate Governance Committee delivered a report to the full Board, and the Board made its independence and audit committee financial expert determinations based upon that report and each member's review of the information made available to the Nominating and Corporate Governance Committee.

The effectiveness of each of our directors is monitored through the use of an annual assessment. Our Board does not have a mandatory retirement age policy. We believe that the ability of a Board member to add value to our Company is not dependent on age; rather,

it is based on the director's actual performance. As a result, we expect that some directors will not serve until a typical retirement age, while others may serve longer. In addition, we evaluate the tenure of individual directors as well as the collective tenure of our Board. In connection with this evaluation, we strive to maintain a balanced composition of relatively new and meaningful tenured directors with the objective of fostering the input of new ideas and thoughts while maintaining a strong historical perspective and deep understanding of our business and the markets we serve.

## **Committees**

**Audit Committee.** Each member of the Audit Committee is independent under the Nasdaq Standard as well as the applicable rules of the SEC for audit committee membership. Our Board has determined that Mr. Goode and Ms. Tuuk each qualify as an audit committee financial expert, as defined in Item 407(d) of Regulation S-K of the Securities Exchange Act of 1934 (the Exchange Act). The full responsibilities of the Audit Committee are set forth in the Audit Committee Charter. In general, the primary purpose of this Committee is to assist the Board in overseeing management's conduct of our financial reporting processes and system of internal controls regarding finance, accounting, legal compliance, and ethics. During 2017, the Audit Committee held five meetings.

**Personnel and Compensation Committee.** Each member of this Committee is independent under the Nasdaq Standard. The Committee is responsible for reviewing and recommending to the Board the timing and amount of compensation for key employees, including salaries, bonuses, and other benefits, as well as director compensation. This Committee is also responsible for administering our equity-based incentive plans and for reviewing compensation plans and awards as they relate to key employees. The Committee has the authority to retain consultants and third-party advisors for assistance. The Committee has the ultimate authority to determine matters of executive compensation; however, it may rely upon recommendations of our Chief Executive Officer for matters of compensation for officers and Named Executives (as defined in the Summary Compensation Table), other than the Chief Executive Officer. Additional information on the Committee's role and practices involving executive compensation is described in the Compensation Discussion and Analysis in this proxy statement. The full responsibilities of the Personnel and Compensation Committee are set forth in its Charter. During 2017, the Personnel and Compensation Committee held two meetings.

**Nominating and Corporate Governance Committee.** Each member of the Nominating and Corporate Governance Committee is independent under the Nasdaq Standard. The Nominating and Corporate Governance Committee considers and proposes director nominees to the Board for election by our shareholders, selects candidates to fill Board vacancies as they may occur, makes recommendations to the Board regarding Board committee memberships, reviews succession planning for the Chief Executive Officer, generally monitors our corporate governance system, and performs any other functions or duties deemed appropriate by our Board. The full responsibilities of the Nominating and Corporate Governance Committee are set forth in its Charter. The Committee and Board adopted a Policy Governing Director Qualifications and Nominations, the details of which are described below, which include certain minimum qualification and board composition standards. In view of the age and tenure of certain members of the Board, the Committee

has been active in seeking and evaluating qualified candidates, consistent with the Policy Governing Director Qualifications and Nominations, to serve on the Board. During 2017, the Nominating and Corporate Governance Committee held two meetings.

Shareholder Nominees for Director. Our Articles of Incorporation contain certain procedural requirements applicable to shareholder nominations of directors. A shareholder who wishes to nominate a person to serve as a director must provide us with written notice. The notice must include: (1) the name and address of both the shareholder who intends to make the nomination and the person or persons nominated; (2) a representation that the shareholder is a current holder of record, will continue to hold those shares through the date of the meeting, and intends to appear in person or by proxy at the meeting; (3) a description of all arrangements between the shareholder and each nominee; (4) the information regarding each nominee as would be required to be included in a proxy statement filed under Regulation 14A of the Exchange Act had the nominee been nominated by the Board; and (5) the consent of each nominee to serve as a director. The nominee's written consent to the nomination and sufficient background information regarding the candidate must be included to enable the Nominating and Corporate Governance Committee to make proper assessments as to his or her qualifications. Nominations must be addressed to the Chairman of the Nominating and Corporate Governance Committee at our headquarters, and must be received no later than 30 days prior to our Annual Meeting of Shareholders, or within seven days after the date our notice of the Annual Meeting of Shareholders is given to our shareholders if our notice of that meeting is given less than 40 days prior to the date of that meeting.

Director Qualifications and Requirements. Our Board has adopted a Policy Governing Director Qualifications and Nominations (the Policy ). The substance of the Policy is incorporated into the Nominating and Corporate Governance Committee's Charter, which is available on our website. The Policy sets forth the general process the Committee is required to follow for identifying and evaluating director nominees, including nominees recommended by shareholders. Under the Policy, the Committee has the authority to seek director candidates from any source deemed appropriate, including recommendations of candidates submitted by shareholders. The Policy requires the Committee to evaluate all proposed director candidates in the same manner, irrespective of the source of the initial recommendation of the proposed candidate.

The Policy includes minimum qualification standards, Board composition standards, and additional qualification criteria. With respect to the former, the Policy requires that the Committee be satisfied that each recommended nominee meet the following qualifications:

- (1) *Integrity.* The candidate must exhibit high standards of personal integrity and ethical character.
- (2) *Absence of Conflicts of Interest.* The candidate must not have any interests that would impair his or her ability to (i) exercise independent judgment, or (ii) otherwise discharge the fiduciary duties owed as a director to our Company and its shareholders.
- (3) *Fair and Equal Representation.* The candidate must be able to represent fairly and equally all shareholders of our Company, without favoring or advancing any particular shareholder or other constituency.

- (4) *Experience.* The candidate must have experience at a strategic, policy-making, or senior management level in a business, government, non-profit, or academic organization of high standing.
- Business Understanding.* The candidate must have a general appreciation regarding major issues facing public
- (5) companies of a size and operational scope similar to the Company, including contemporary governance concerns, regulatory obligations of a public issuer, strategic business planning, and basic concepts of corporate finance.
- (6) *Available Time.* The candidate must have, and be prepared to devote, adequate time to our Board and its committees.

In addition to these minimum qualification criteria, the Committee is required to recommend Board candidates to help ensure that a majority of our Board is independent, that each of the Audit, Personnel and Compensation, and Nominating and Corporate Governance Committees is comprised entirely of independent directors, and that at least one member of the Audit Committee qualifies as an Audit Committee financial expert. The Committee and our Board also consider diversity in their identification of director candidates. Diversity in business and professional experience, education, and background benefits our Company by increasing the range of skills and perspectives available to our Board. Director nominees are selected without regard to race, gender, sexual orientation, religious belief, or national origin. Our Board believes that adherence to these principles will provide an environment and practices that will yield the best return for our shareholders.

The Committee has, to date, not paid any third-party fees to assist in identifying and evaluating nominees. As of the date of this Proxy Statement, the Committee has not received any recommended nominations from any of our shareholders in connection with our 2018 Annual Meeting of Shareholders.

### **Majority Voting**

On January 27, 2017, our Board of Directors approved an amendment to our Bylaws to provide for majority voting for the election of directors. This majority voting standard is described above under Election of Directors.

### **Communications with the Board**

Generally, shareholders who have questions or concerns regarding our Company should contact Investor Relations at 800-598-9663. However, any shareholder who wishes to address questions regarding the business or affairs of our Company directly with the Board or any individual director should direct his or her questions in writing to our Secretary at 2801 East Beltline NE, Grand Rapids, MI 49525. Our Secretary has been directed to promptly forward all communications to the full Board or the specific director indicated in the letter.

### **Meeting Attendance**

Each director is expected to make a reasonable effort to attend all meetings of our Board, applicable committee meetings, and the Annual Meeting of Shareholders. All directors attended our 2017 Annual Meeting of Shareholders. During the last fiscal year, there were four regular meetings of the Board, and the Board took action by unanimous written

consent on three occasions. All directors attended at least 75% of the Board and Committee meetings for which they were eligible to attend. During fiscal 2017, the independent members of our Board met in executive session, without the presence of management, on two occasions.

### **Leadership Structure and the Board's Role in Risk Oversight**

William G. Currie, our current Chairman of the Board, was formerly our Company's Chief Executive Officer and served as Executive Chairman until his retirement from our Company in July 2009. Our Board holds sessions of its meetings that are exclusively attended by independent directors. William G. Currie chairs the meetings of independent directors, to communicate actions requested by the independent directors, and to serve as a liaison between the independent directors and our Chief Executive Officer. We believe that the governance of our Board, as currently constituted, is more effective by separating the offices of chairman of the board and chief executive officer.

Our Board of Directors, through its three committees, has an advisory role in risk oversight for our Company. Company management maintains primary responsibility for the risk management of our Company. The current trends toward increased regulation, litigation, and political volatility make it extremely difficult to predict the type and magnitude of risks facing our Company. Despite this unpredictability, our Board relies on the representations of management, periodic reports from our independent auditors, as well as internal audit services performed by a third party, our Company's systems of internal controls, our Company's insurance advisors, and the historically conservative practices of our Company, to provide comfort on our Company's ability to manage its risks. Management's discussion of current risk factors is set forth in our Company's Annual Report on Form 10-K.

### **PROPOSAL TO AMEND OUR EMPLOYEE STOCK PURCHASE PLAN**

Our Board originally adopted, and our shareholders approved, the Employee Stock Purchase Plan (the ESPP) in 1994, and it has been amended periodically since then. On October 17, 2017, our Board adopted an amendment to the ESPP to authorize an additional 300,000 shares of our Company's common stock for issuance under the ESPP, subject to shareholder approval. Accordingly, at this Annual Meeting, our shareholders are being requested to consider and approve this amendment.

As of February 21, 2018, there were 295,698 shares of common stock available for issuance under the ESPP. The following paragraphs summarize the material features of the ESPP. The full text of the ESPP, as amended by the amendment approved by our Board and being submitted for approval by our shareholders, is included as Appendix A to this Proxy Statement.

**Description of the ESPP.** All employees, except certain part-time employees, are eligible to participate in the ESPP after completing one year of continuous employment as of the beginning of an Option Period. An Option Period begins on the first day of each fiscal quarter and ends on the last day of that quarter.

The ESPP provides an opportunity for eligible employees to purchase shares of our Company's common stock at a price equal to eighty five percent (85%) of the fair market value of the shares as of the last business day of the Option Period. As long as our shares

are traded in the over-the-counter market, the fair market value per share will equal the closing sale price of our common stock as reported by the National Association of Securities Dealers Automated Quotation System ( Nasdaq ) on the applicable purchase date.

Eligible employees who have elected to participate may contribute cash (up to 10% of the employee's gross earnings for the prior fiscal quarter) to the ESPP through payroll deductions, by lump sum contributions, or both. Shares are purchased on the last business day of each Option Period with funds contributed by participating employees during that Option Period. An employee may not purchase stock under the ESPP having a fair market value, at the time of purchase, aggregating more than Twenty-Five Thousand Dollars (\$25,000.00) in any one calendar year.

A participant may terminate his or her participation at any time prior to the Participant's last pay date in an Option Period by written notice to us. Upon termination, a participant may not reenter the ESPP until three (3) full fiscal quarters have elapsed. As a condition to participation in the ESPP, participants are required to agree not to sell or otherwise dispose of shares purchased under the ESPP for a period of at least one (1) year following the date of purchase, unless the sale results from termination of employment.

Rights under the ESPP are not transferable. Any termination of employment, including death and retirement, terminates participation. In addition, the ESPP automatically terminates on January 16, 2028, unless terminated earlier by our Board. Our Board may amend the ESPP at any time, except that it cannot be amended without shareholder approval if the amendment would (a) increase the maximum number of shares that may be issued under the ESPP, (b) withdraw the administration of the ESPP from the Personnel and Compensation Committee, (c) change the class of employees eligible to participate under the ESPP, or (d) render options granted under the ESPP unqualified for special tax treatment under the Internal Revenue Code of 1986, as amended (the Code ).

**Summary of Federal Income Tax Consequences.** The ESPP is intended to be a qualified Employee Stock Purchase Plan, as defined in Section 423 of the Code. The following paragraphs summarize the consequences of the acquisition and disposition of shares of our common stock for federal income tax purposes, based on management's understanding of existing federal income tax laws.

Funds contributed by employees through payroll deductions are a part of current compensation taxable as ordinary income, although the funds are not actually received by employees. As of the last business day of each fiscal quarter (a Purchase Date ), a participating employee will be considered to have been granted an option to purchase shares and to have simultaneously exercised the option on that date.

If the employee does not dispose of those shares for a period of two (2) years after the date of the grant (the Holding Period ), upon subsequent disposition of the shares, or upon death, the employee will realize compensation, taxable as ordinary income, equal to the lesser of (a) the amount by which the fair market value of the shares at the time of sale or death exceeds the option exercise price, or (b) the amount by which the fair market value of the shares at the time the option was granted exceeded the option exercise price. If (b) is the lesser amount, the difference between the fair market value of the shares at the time of disposition or death and the fair market value of the shares at the time the option was granted will be taxed as a capital gain.

If the Holding Period requirement described above is not met, the amount to be treated as compensation on disposition of the shares is the difference between the option exercise price and the fair market value of the shares at the time the option is exercised (i.e. the discount amount). If the Holding Period requirement is not met, we will be entitled to a deduction for federal income tax purposes equal to the amount recognized as compensation by the employee. In all other events, we will not be entitled to any deduction for federal income tax purposes with respect to shares purchased by employees under the Plan.

The affirmative vote of the holders of the majority of the shares represented in person or by proxy and entitled to vote on this item will be required for approval of the proposed amendment to the ESPP. All broker non-votes will not be treated as votes cast in this matter; shares voted as abstentions will be counted as votes cast and therefore will have the effect of a negative vote. Votes will be counted by inspectors of election appointed by the presiding officer at our Annual Meeting of Shareholders.

The Board of Directors believes that the opportunity to purchase shares of our common stock under the ESPP at a discount from market price is important to attract and retain qualified employees who are essential to our success, and that stock ownership is an important incentive that enhances employee performance and, consequently, is in the best interests of our shareholders.

**The Board of Directors recommends a vote FOR the proposed amendment to the Employee Stock Purchase Plan.**

#### **PROPOSAL TO AMEND THE UNIVERSAL FOREST PRODUCTS, INC. LONG-TERM STOCK INCENTIVE PLAN**

Our Board of Directors originally adopted, and our shareholders approved, the Universal Forest Products Long-Term Stock Incentive Plan (the "LTSIP") in 1997, and it has been amended and extended periodically since then. The LTSIP provides for the grant of a variety of equity-based awards, described in more detail below, such as stock options, including incentive stock options as defined in Section 422 of the Internal Revenue Code, as amended (the "Code"), stock appreciation rights, restricted stock, performance shares, and other stock-based awards.

**Terms of Proposed Amendment.** If approved, the proposed amendment would extend the term of the LTSIP, terminate the authority to grant Reload Options (detailed below), and eliminate the Evergreen Provision (as defined below) of the LTSIP. The LTSIP is currently scheduled to expire on April 15, 2019. The LTSIP authorizes the Committee to award Reload Options and contains an Evergreen Provision by which the number of shares of common stock available for issuance automatically increases annually by the lesser of (i) six hundred thousand (600,000) shares; or (ii) one percent (1%) of the sum of the outstanding shares plus the number of shares subject to outstanding options issued under the LTSIP (the "Evergreen Provision"). Our Board of Directors has approved an amendment to the LTSIP, subject to shareholder approval, to (i) extend the term of the LTSIP for an additional ten (10) years; (ii) terminate the authority to grant Reload Options; and (iii) eliminate the Evergreen Provision. Accordingly, at the Annual Meeting, our shareholders will be asked to approve this amendment.

The following paragraphs summarize the material features of the LTSIP. The full text of the LTSIP, as amended by the amendment approved by our Board and being submitted for approval by our shareholders, is included as Appendix B to this Proxy Statement.

**Purpose.** The purpose of the LTSIP is to promote the long-term success of our Company for the benefit of our shareholders through stock-based compensation, by aligning the personal interests of our key employees with those of our shareholders. The LTSIP is designed to allow key employees to participate in our Company's future, as well as to enable our Company to attract, retain, and reward such employees.

**Administration.** The LTSIP will continue to be administered by the Personnel and Compensation Committee of our Board of Directors (the Committee), composed of two or more non-employee Directors within the meaning of Rule 16b-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended. As of February 21, 2018, the number of employees eligible to participate in the LTSIP was approximately 1,275. Subject to our Articles of Incorporation, Bylaws, and the provisions of the LTSIP, the Committee has the authority to select key employees to whom Awards may be awarded; the type of awards (or combination thereof) to be granted; the number of shares of common stock to be covered by each award; and the terms and conditions of any award, such as conditions of forfeiture, transfer restrictions, and vesting requirements.

The LTSIP provides for the granting of a variety of stock-based awards, described in more detail below, such as Options, including Incentive Stock Options, as defined in the Code, Stock Appreciation Rights, Restricted Stock, Performance Shares, and Other Stock-Based Awards. The LTSIP provides that no more than twenty five percent (25%) of LTSIP shares may be awarded to any one employee.

The term of the LTSIP currently expires on April 15, 2019, such that no awards may be granted under the LTSIP after that date. One of purposes of the proposed amendment is to extend the term of the LTSIP for an additional ten (10) years.

**Types of Awards.** The following types of awards may be granted under the LTSIP:

- An Option is a contractual right to purchase shares at a price determined at the date the Option is granted. Options include Incentive Stock Options, as defined in the Code, as well as Nonqualified Stock Options. The exercise price included in both Incentive Stock Options and Nonqualified Stock Options must equal at least one hundred percent (100%) of the fair market value of the stock at the date of grant. The LTSIP provides that each recipient of a Stock Option Award must agree to remain in the continuous employment with the Company for a period of at
- least 12 months from the grant date or until the date of retirement if that occurs prior to the expiration of the 12-month period. If the proposed amendment is approved, option awards may not include a Reload Option. A Reload Option is an option to purchase shares equal to the number of shares of common stock delivered in payment of the exercise price and/or tax withholding liability of the original option, and is deemed to be granted upon delivery of those shares without further action by the Committee. The Committee does not permit the repricing of options, and the Company has not granted options under the LTSIP since 2004.



A Stock Appreciation Right is an award of the right to receive stock or cash of an equivalent value in an amount equal to the difference between the price specified in the Stock Appreciation Right and the prevailing market price of our common stock at the time of exercise. Stock Appreciation Rights may be granted only in tandem with Options.

Restricted Stock is an award of shares of common stock granted to an employee for no or nominal consideration. Title to the shares passes to the employee at the time of the grant; however, the ability to sell or otherwise dispose of the shares is subject to restrictions and conditions determined by the Committee. The recipient of a Restricted Stock Award will have all the rights of a shareholder, including the right to vote and receive dividends. In general, shares of restricted stock are subject to forfeiture if the participant does not meet certain conditions, such as continued employment over a specified vesting period and/or the attainment of specified Company performance objectives.

Performance Shares are an award of the right to receive stock or cash of an equivalent value at the end of the specified performance period upon the attainment of specified performance goals.

An Other Stock-Based Award is any other award that may be granted under the LTSIP that is valued in whole or in part by reference to or is payable in or otherwise based on common stock. This includes the grant of restricted stock units, which represent a specified number of hypothetical shares of our common stock, the vesting of which is subject to such requirements as the Committee may determine. A participant to whom restricted stock units are granted typically does not have any rights as a shareholder with respect to the units, such as dividend and voting rights, unless and until they are settled in shares of our common stock.

**Shares Subject to LTSIP.** As of February 21, 2018, 9,931,978 shares of common stock, no par value, remain available for issuance under the LTSIP. The closing sale price of our common stock, as quoted in the Nasdaq Global Select Market on February 21, 2018, was \$36.28 per share.

The shares to be offered under the LTSIP are authorized and unissued shares, including shares reacquired by our Company which have that status. The number of shares that may be issued under the LTSIP and the number of shares subject to Awards are subject to adjustments in the event of a merger, reorganization, consolidation, recapitalization, dividend (other than ordinary cash dividends), stock splits, or other change in corporate structure affecting the common stock. If the proposed amendment is approved by our shareholders, the Evergreen Provision (described above), pursuant to which a minimum number of shares of common stock are added to the LTSIP for issuance annually, would be eliminated. Subject to certain restrictions, expired, forfeited, and cancelled awards and shares surrendered or withheld in payment for exercising Options may be reissued under the LTSIP.

**Termination or Amendment of the LTSIP.** Our Board may at any time amend, discontinue, or terminate the LTSIP or any part thereof; however, unless otherwise required by law, after shareholder approval, the rights of a participant may not be impaired without the consent of such participant. In addition, without the approval of our

shareholders, no amendment may be made which would increase the aggregate number of shares of common stock that may be issued under the LTSIP or decrease the Option price of any Option to less than 100% of the fair market value on the date of grant.

**Participation and Assignability.** Neither the LTSIP, nor any award agreement granted under the LTSIP, entitles any participant to any right to continued employment by our Company or any subsidiary. Generally, no award or other benefit payable under the LTSIP may, except as otherwise specifically provided by law, be subject in any manner to assignment, transfer, or encumbrance. However, Nonqualified Stock Options may be transferred without consideration to (i) an immediate family member of the optionee, (ii) a trust for the benefit of an immediate family member of the optionee, or (iii) a partnership or a limited liability company whose only partners or members are immediate family members, if the Option holder satisfies certain conditions as may be required by the Committee.

**Federal Tax Consequences.** The U.S. federal income tax consequences to our Company and to LTSIP participants are complex and subject to change. The following summarizes the general consequences of the grant and acquisition of awards under the LTSIP for federal income tax purposes, based on management's understanding of existing federal income tax laws. This summary is necessarily general in nature and does not purport to be complete. Also, state and local income tax consequences are not discussed and may vary from locality to locality. Participants under the LTSIP should consult their own tax advisors since a participant's situation may be such that some variation of the rules described below will apply.

***Options.*** LTSIP participants will not recognize taxable income at the time an Option is granted under the LTSIP unless the Option has a readily ascertainable market value at the time of grant. Management understands that Options to be granted under the LTSIP will not have a readily ascertainable market value; therefore, income will not be recognized by participants before the time of exercise of an Option. For Nonqualified Stock Options, the difference between the fair market value of the shares at the time an Option is exercised and the Option price generally will be treated as ordinary income to the optionee, in which case the Company will be entitled to a deduction equal to the amount of the optionee's ordinary income. With respect to Incentive Stock Options, participants will not realize income for federal income tax purposes as a result of the exercise of such Options. In addition, if common stock acquired as a result of the exercise of an Incentive Stock Option is disposed of more than two years after the date the Option is granted and more than one year after the date the Option was exercised, the entire gain, if any, realized upon disposition of such common stock will be treated for federal income tax purposes as capital gain. Under these circumstances, no deduction will be allowable to our Company in connection with either the grant or exercise of an Incentive Stock Option. Exceptions to the general rules apply in the case of a disqualifying disposition.

If a participant disposes of shares of common stock acquired pursuant to the exercise of an Incentive Stock Option before the expiration of one year after the date of exercise or two years after the date of grant, the sale of such stock will be treated as a disqualifying disposition. As a result, such a participant would recognize ordinary income and our Company would be entitled to a deduction in the year in which such disposition occurred. The amount of the deduction and the ordinary income recognized

upon a disqualifying disposition would generally be equal to the lesser of: (a) the sale price of the shares sold minus the Option price, and (b) the fair market value of the shares at the time of exercise minus the Option price. If the disposition is to a related party (such as a spouse, brother, sister, lineal descendant, or certain trusts or business entities in which the seller holds a direct or indirect interest), the ordinary income recognized generally is equal to the excess of the fair market value of the shares at the time of exercise over the exercise price. Any additional gain recognized upon disposition, in excess of the ordinary income, will be taxable as capital gain. In addition, the exercise of Incentive Stock Options may result in an alternative minimum tax liability.

**Stock Appreciation Rights.** Upon the grant of a Stock Appreciation Right, the participant will realize no taxable income and the Company will receive no deduction. A participant will realize income at the time of exercise if the award becomes vested and is no longer subject to forfeiture and the participant is entitled to receive the value of the award. The Company will receive a deduction of an equal amount in the same year the participant recognizes income. If a Stock Appreciation Right is settled in shares of common stock, upon the participant's subsequent disposition of those shares, the participant would recognize capital gain or loss (long-term or short-term, depending on the holding period) to the extent the amount realized from the sale differs from his or her tax basis (i.e. the fair market value of shares of common stock on the exercise date).

**Restricted Stock.** Recipients of shares of Restricted Stock that are not transferable and are subject to substantial risks of forfeiture at the time of grant will not be subject to federal income taxes until the lapse or release of the restrictions or sale of the shares, unless the recipient files a specified election under the Code to be taxed at the time of grant. The recipient's income and our Company's deduction will be equal to the excess of the then fair market value (or sale price) of the shares less any purchase price. Any subsequent transfer of the shares of Restricted Stock after the time the restrictions lapse or are released will result in a capital gain or loss (long-term or short-term, depending upon the holding period) to the extent the amount realized from the sale differs from the tax basis (as described above). Dividends paid in cash and received by a participant prior to the time the restrictions lapse or are released will constitute ordinary income to the participant in the year paid, and the Company will generally be entitled to a corresponding deduction for those dividends. Any dividends paid in stock may be treated as an award of additional restricted shares, subject to the tax treatment described above.

**Performance Shares.** Participants are not taxed upon the grant of Performance Shares. Upon receipt of the underlying shares or cash, a participant will be taxed at ordinary income tax rates (subject to withholding) on the amount of cash received and/or the current fair market value of stock received, and the Company will be entitled to a corresponding deduction. The participant's basis in any Performance Shares received will be equal to the amount of ordinary income on which he or she was taxed and, upon subsequent disposition, any gain or loss will be capital gain or loss.

**Restricted Stock Units.** Recipients of Restricted Stock Units will not recognize taxable income at the time of grant. A recipient is taxed upon receipt of payment for an award of Restricted Stock Units, which payment may be in shares or cash. Upon

receipt of payment for an award of Restricted Stock Units, the fair market value of the shares or the amount of cash received will be taxed to the recipient at ordinary income rates. However, if any shares used as payment for Restricted Stock Units are not transferable and are subject to substantial risk of forfeiture, the taxable event is deferred until either the restrictions on transferability or the risks of forfeiture lapse. The basis of any shares used as payment for Restricted Stock Units will be equal to the fair market value of the shares on the date the recipient recognizes ordinary income as described above. The Company will receive a deduction of an equal amount in the same year the participant recognized income.

**Required Vote for Approval.** The affirmative vote of a majority of our common stock voted at the Annual Meeting, by person or by proxy, is required to approve the proposed Amendment. Broker nonvotes and abstentions will not be counted as votes cast on the proposal. Unless otherwise directed by marking the accompanying proxy, the proxy holders named therein will vote for the approval of the proposed amendment.

**The Board of Directors recommends a vote FOR the approval of the proposed amendment to our Long-Term Stock Incentive Plan.**

#### **RATIFICATION OF DELOITTE & TOUCHE LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2018**

The Audit Committee selected Deloitte & Touche LLP ( Deloitte ) as our independent registered public accounting firm for the fiscal year ending December 29, 2018. The services provided to our Company and our shareholders by Deloitte for 2017 are described below under the caption Independent Registered Public Accounting Firm – Disclosure of Fees.

We are asking our shareholders to ratify the selection of Deloitte as our independent registered public accounting firm. Although ratification is not legally required, the Board is submitting the selection of Deloitte to our shareholders for ratification as a matter of good corporate governance. Representatives of Deloitte are expected to be present at our Annual Meeting of Shareholders to respond to appropriate questions and to make such statements as they may desire. The affirmative vote of the holders of the majority of the shares represented in person or by proxy and entitled to vote on this item will be required for ratification. Broker non-votes and abstentions will not be treated as votes cast on this proposal. Unless otherwise instructed by you, brokers, banks, and other street name holders will have the discretionary authority to vote your shares on this matter.

If our shareholders do not ratify the appointment, the appointment will be reconsidered by the Audit Committee and the Board. Even if the selection is ratified, the Audit Committee, at its discretion, may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interest of our Company and our shareholders.

**The Board of Directors recommends a vote FOR this proposal to ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for fiscal 2018.**

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM – DISCLOSURE OF FEES**

As explained above, Deloitte served as our independent registered public accounting firm for the fiscal years ended December 30, 2017 and December 31, 2016. The following table sets forth the fees we paid to Deloitte for those years, all of which were pre-approved by the Audit Committee.

	2017	2016
Audit Fees <sup>(1)</sup>	\$ 866,500	\$ 628,000
Audit Related Fees	0	0
Tax Fees	100,000	125,000
All Other Fees	129,000	0
Total	\$ 1,095,500	\$ 753,000

(1) Includes annual audit, quarterly reviews, audit of internal controls, and consultation.

***Audit Committee Pre-Approval Policy.*** The Audit Committee has established a pre-approval policy and procedures for audit, audit-related, and tax services that can be performed by our independent registered public accounting firm. The policy sets out the specific services that must be pre-approved by the Audit Committee, and places limitations on the scope of these services while ensuring that the independence of the auditors to audit our financial statements is not impaired. The policy prohibits us from retaining Deloitte for services which are proscribed by rules of the SEC. In addition, the policy requires disclosure of non-audit services performed by our auditors. The pre-approval policy does not include a delegation of the Audit Committee's responsibilities and authority under the pre-approval policy. All services provided by Deloitte under the captions Audit Fees, Tax Fees, and All Other Fees were approved by the Audit Committee under this policy.

**AUDIT COMMITTEE REPORT**

On February 26, 2018, the Audit Committee submitted to the Board of Directors the following report:

The Committee has reviewed and discussed with management our Company's audited financial statements as of and for the year ended December 30, 2017.

The Committee has discussed with our independent auditors the matters covered by Public Company Accounting Oversight Board (PCAOB) standards, AU Section 380 *Communication with Audit Committees*.

The Committee has received from Deloitte the written disclosures and letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding Deloitte's communications with the Audit Committee concerning independence, has discussed with Deloitte their independence, and has satisfied itself as to Deloitte's independence.

Based on the reviews and discussions referred to above, the Committee recommended to the Board of Directors that the audited financial statements referred to above be included in our Company's Annual Report on Form 10-K for the year ended December 30, 2017.

Gary F. Goode, Chairman  
Thomas W. Rhodes  
Mary E. Tuuk

The report of the Audit Committee shall not be deemed to be soliciting material filed or by reference in any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934.

#### **ADVISORY (NON-BINDING) VOTE ON EXECUTIVE COMPENSATION**

Consistent with our Board's recommendation, as approved by our shareholders, and as required under the Securities Exchange Act, we allow our shareholders the opportunity to vote, on an advisory and annual basis, on the compensation paid to our Named Executives. Because your vote is advisory, it will not be binding on our Board. However, our Board will review the voting results and take them into consideration when making future decisions regarding executive compensation.

Our Company has had a long-standing tradition of delivering results to our shareholders. Because the compensation of our executives has been closely linked to Company performance, our executive compensation programs have played a major role in our ability to drive strong financial results and attract and retain a highly experienced, successful team to manage our Company.

Our compensation programs are substantially tied to our key business objectives and the success of our shareholders. If the value we deliver to our shareholders declines, so does the compensation we deliver to our executives. We closely monitor the compensation programs and pay levels of executives of companies of similar size and complexity, with the objective that our compensation programs are within the norm of a range of market practices and remain competitive.

We believe our executive compensation programs are effective and structured in a manner that (a) is consistent with our compensation philosophy and objectives (as described in our Compensation Discussion and Analysis below), (b) promotes our business objectives, and (c) supports our culture and traditions that have existed for over 60 years.

The advisory vote on executive compensation was conducted at our Annual Meeting of Shareholders in 2017, based on the disclosure of our executive compensation in the proxy statement for that meeting. Approximately 73% of the shares voted at that meeting approved of the compensation paid to our Named Executives. The Board considered the results of this vote as supportive of the Company's compensation policies and programs, and did not make any material changes to those policies and programs as a result of that vote.

Accordingly, our Board of Directors recommends that you vote in favor of the following resolution:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the compensation tables, narrative disclosure, and related material disclosed in the Company's proxy statement for its 2018 Annual Meeting of Shareholders, is hereby APPROVED.

**The Board of Directors recommends a vote FOR this proposal.**

#### **ADVISORY VOTE ON THE FREQUENCY OF SHAREHOLDER VOTES ON EXECUTIVE COMPENSATION**

This year we are offering our shareholders the opportunity to vote on how often the Board should ask our shareholders to provide an advisory vote on executive compensation. The Board believes that because our current executive incentive targets are established annually, an annual vote on executive compensation is most appropriate. You may choose to vote in any one of four manners on the proxy. You may indicate that you prefer this vote every one, two or three years or you may abstain. If no choice is specified, the shares represented by your proxy will be voted in favor of management's recommendation that the vote be conducted every year. The shareholder vote on this issue is advisory. Because it is not binding upon us, the Personnel and Compensation Committee and our Board of Directors may decide that it is in the best interests of our shareholders and our Company to hold an advisory vote on executive compensation more or less frequently than the option approved by our shareholders. However, the Committee and the Board will consider the outcome of the vote when making future decisions on the frequency for which shareholder advisory votes are solicited on executive compensation.

**The Board of Directors recommends that you vote for the proposal to have an advisory vote on executive compensation each year.**

**SECURITIES OWNERSHIP OF MANAGEMENT AND DIRECTORS**

The following table contains information with respect to ownership of our common stock by each director, each nominee for election as director, each Named Executive in the tables under the caption Executive Compensation, and all executive officers and directors as a group. The information in this table was furnished by our officers, directors, and nominees for election of directors, and represents our understanding of circumstances in existence as of February 21, 2018:

<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership (1)</b>	<b>Percent of Class</b>
Patrick M. Webster	338,618 (2)	*
Matthew J. Missad	318,003 (2)	*
Michael R. Cole	159,738 (2)	*
Patrick M. Benton	106,903 (2)	*
Allen T. Peters	102,315 (2)	*
William G. Currie	273,613 (3)	*
Gary F. Goode	130,913 (3)	*
John M. Engler	73,047 (3)	*
Thomas W. Rhodes	51,029 (3)	*
Bruce A. Merino	38,480	*
Brian C. Walker	21,863 (3)	*
Michael G. Wooldridge	18,578 (3)	*
Mary E. Tuuk	17,460	*
All directors and executive officers as a group (21 persons)	2,111,973 (2)(3)	3.4%

\* Less than one percent (1%).

(1) Except as otherwise indicated by footnote, each named person has sole voting and investment power with respect to the shares indicated.

Includes shares subject to issuance under our deferred compensation plans for Messrs. Missad, Cole, Webster,

(2) Benton, and Peters in the amount of 75,333 shares; 28,550 shares; 112,682 shares; 7,366 shares; and 9,361 shares, respectively.

Includes shares held in our Director Retainer Stock Plan for Messrs. Currie, Engler, Goode, Rhodes, Walker, and

(3) Wooldridge who hold 7,552 shares; 34,772 shares; 91,516 shares; 34,622 shares; 14,854 shares; and 10,125 shares, respectively.



## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### **Compensation Philosophy and Objectives**

We believe our employees are our most important asset. Our executive compensation program has been designed to motivate, reward, attract, and retain the management deemed essential to ensure our Company's success. The program seeks to align executive compensation with Company objectives, business strategy, and financial performance. In applying these principles, we seek to:

- Create an environment that rewards performance for achievement of Company goals;
- Attract and retain key executives critical to the long-term success of our Company; and
- Align the interests of executives with the long-term interests of shareholders through stock ownership initiatives and requirements.

We believe the compensation of our executives should reflect the performance of the business units in which they are involved and for which they are responsible. We further believe the performance of our executives in managing our Company, considered in light of general economic and specific Company, industry, and competitive conditions, should be the basis for determining their overall compensation.

#### **What Our Compensation Program is Designed to Reward**

Our compensation program is designed to reward overall financial performance as well as each person's individual contribution to our Company. In measuring an individual's contribution to our Company, the Personnel and Compensation Committee (the Committee) considers numerous factors, including the individual's contribution to Company performance, individual performance relative to pre-established goals, and general economic conditions in the markets we serve.

#### **Compensation Program Components**

The Committee has responsibility for establishing, implementing, and monitoring adherence to our compensation philosophy and established programs. The Committee seeks to ensure that the total compensation paid to our executives is fair, reasonable, and competitive.

The principal components of our executive compensation consist of (a) base salary, (b) annual performance incentives (generally paid under our Performance Bonus Plan), and (c) long-term incentive compensation (generally payable in the form of equity-based compensation awards). Base salaries are set for our executive officers at the Committee's January meeting each year. At this meeting, our Chief Executive Officer makes compensation recommendations to the Committee with respect to our executive officers, excluding his own compensation. The Committee may accept or adjust such recommendations. It makes the sole determination of the compensation for our Chief Executive Officer, subject to approval of our Board.

**Base Salaries.** Historically, we have provided modest base salaries relative to market averages and created opportunities for significant performance-based incentive compensation. The Committee has complete discretion in determining base salary amounts, regardless of whether corporate or individual performance goals are achieved.

The Committee may, but is not required to, use objective and subjective measures in exercising its discretion in setting base salaries. The Committee is authorized to utilize the services of third-party consultants from time to time to assist in the review of our compensation programs and render related services. The last external review of our executive compensation programs was performed in the fourth quarter of 2016 by Meridian Compensation Partners, LLC ( Meridian ). Meridian was retained by the Committee to review peer group compensation. In connection with that review, Meridian conducted a comparison of our compensation relative to a peer group as well as general market data and executive compensation rates and practices from a variety of third party sources. Based upon Meridian's review and benchmarking, the Committee concluded that our compensation program for executive officers is generally competitive, and as a result, no material modifications have been made to our executive compensation program since that review.

The Committee approved salary increases to the Named Executives, identified in the Summary Compensation Table, as follows:

Named Executive	Effective Date	New Salary*	% Increase
Matthew J. Missad	February 1, 2018	\$ 781,534	3.52 %
Michael R. Cole	February 1, 2018	\$ 405,517	5.07 %
Patrick M. Webster	February 1, 2018	\$ 465,320	4.68 %
Patrick M. Benton	February 1, 2018	\$ 282,190	6.10 %
Allen T. Peters	February 1, 2018	\$ 298,211	5.95 %

\*In 2017, the base salaries of our Named Executives (as well as other officers) were increased to compensate for the termination of certain features of our medical expense reimbursement program. For 2018, the salaries for our Named Executives (as well as other officers) were increased to compensate for the termination of our automobile allowance and reimbursement program. Excluding these adjustments, the increase to Mr. Missad's base salary was \$15,000 or 2% effective February 1, 2018.

For fiscal 2017, the ratio of the median of the annual total compensation of all of our active employees as of December 31, 2017, excluding our Chief Executive Officer, (\$39,609.60) to the annual total compensation of our Chief Executive Officer (\$2,764,750.30) was 70:1. The compensation of our median employee was determined by (1) calculating the annual total compensation of all of our active employees as of December 31, 2017 (the Determination Date), and (2) ranking the annual total compensation of all employees (except our Chief Executive Officer) from lowest to highest (4,978 on the list of 9,955). We included all full-time and part-time employees as of the Determination Date, and annualized the total compensation for those full-time and part-time employees who were employed by us for less than one year as of the Determination Date. We applied applicable

1 Our current peer group companies are WestRock Co., Masco Corp., Builders FirstSource, Sonoco Products Co., Bemis Co. Inc., Boise Cascade Co., Greif Inc., BMC Stock Holdings Inc., Louisiana-Pacific Corp., BlueLinx Holdings Inc., NCI Building Systems Inc., Gibraltar Industries Inc., American Woodmark Corp., Simpson Manufacturing Inc., and Trex Co. Inc.

foreign exchange rates, relative to the U.S. dollar, for our non-U.S. employees. Total annual compensation includes each element of compensation listed in the Summary Compensation Table below, except for Employer Contributions to any 401(k) or similar qualified, defined contribution plan, based upon our Company's payroll records.

**Annual Incentive Compensation.** Our Performance Bonus Plan ( Performance Bonus Plan ) provides for the contribution of a fixed percentage of pre-bonus operating profit to each of a number of bonus pools, based upon the pre-bonus Return on Investment ( ROI ) of each plant, region, and division (each of which is referred to as a Business Unit ), as well as a separate Corporate Business Unit bonus pool. Combined, these bonus pools are the source for our Company's aggregate bonus awards.

ROI is determined based upon the Business Unit's pre-bonus operating profit, less income taxes, divided by the average investment of the Business Unit. Average investment is defined as the average of inventory, plus accounts receivable, plus net property, plant and equipment, plus intangibles, less accumulated amortization, less accounts payable.

At the beginning of each year, each Named Executive is allocated a fixed percentage of the bonus pool of his or her respective Business Unit. The amount of an employee's percentage of his or her bonus pool is generally reflective of that person's relative degree of responsibility for the operations and results of that Business Unit, as well as his or her performance and tenure with the Company. If the Business Unit generates profits which result in a bonus pool, the participant receives the allocated percentage as a performance bonus. The dollar amount of that pool is based upon the Business Unit's aggregate ROI. As ROI increases, a higher percentage of pre-bonus operating profit is contributed to the pool.

For the Corporate Business Unit, the minimum contribution percentage of 4.87% of pre-bonus operating profit occurs at the lowest level of ROI, which is 6.00%. The maximum contribution percentage of 10.47% occurs at an ROI of 25.50% and higher. In general, for every hundred basis point improvement in ROI, our Company contributes an approximate, additional 28 basis points of pre-bonus operating profit to the Corporate Business Unit bonus pool. Three of our Named Executives participated in the Corporate Business Unit bonus pool in 2017.

For 2017, we achieved an overall ROI of 13.76%. This resulted in a contribution of \$15,462,251 to the Corporate Business Unit bonus pool, which equaled 7.11% of pre-bonus operating profit. The performance bonus for each of the Named Executives (other than Messrs. Benton and Peters) was based upon our Company's total ROI. The performance bonuses for Messrs. Benton and Peters were based upon the ROI of their respective Business Units.

The bonus amount for Mr. Missad was determined by the Company's ROI, as a whole. Based upon that performance, we contributed the calculated amount of pre-bonus operating profit to the Corporate Business Unit bonus pool. Mr. Missad was eligible to receive a 20% allocation of the Corporate Business Unit bonus pool for 2017. That percentage, multiplied by the amount of that bonus pool, yielded a bonus for Mr. Missad of \$3,092,450 for 2017. However, this amount exceeds our Company policy which prohibits the cash payment of a performance bonus that is more than 2.0 times a participant's base salary at the time the bonus is payable. As a result, Mr. Missad received a cash bonus of \$1,563,068 for 2017, which was approximately 10.11% of the Corporate Business Unit bonus pool.

As noted, the Company limits cash bonus payments to 2.0 times a participant's base salary, determined as of the date the bonus is payable. The amount earned by an employee under the Performance Bonus Plan in excess of the permitted cash bonus amount (the "Excess Bonus") is paid in the form of shares of restricted Company common stock under our LTSIP (described below). As a result, for 2017, our Named Executives effectively funded the long-term compensation component of their total compensation with what they earned under our Performance Bonus Plan.

For the restricted stock awards granted in 2018, based upon 2017 performance under the Performance Bonus Plan, the Excess Bonus was paid in the form of shares of restricted Company common stock that cliff vest on the fifth anniversary of the award date, based upon the Fair Market Value of our Company's common stock on the award date. The Committee approved management's recommendation to allocate \$465,000 of earned Excess Bonus amounts (otherwise payable to the Named Executives), plus \$535,000 paid out of corporate and divisional bonus pool discretionary funds, to other non-Named Executive employees that was paid in the form of restricted stock subject to five-year vesting (the "Reallocated Restricted Stock Amount"). Restricted stock awards granted in 2017, based upon 2016 performance under the Performance Bonus Plan, were also subject to five-year cliff vesting (totaling 194,808 shares).

The following table discloses and explains the determination of bonuses earned by the Named Executives under our Performance Bonus Plan for 2017. As is explained above, actual cash bonus payments are limited to 2.0 times each participant's base salary at the date of payment of the bonus. For 2017, the actual cash bonus payments to Messrs. Missad, Cole, Webster, Benton, and Peters were less than the total bonus amounts each earned under the terms of the Performance Bonus Plan.

Named Executive	Actual ROI (1)	Percent of Pre-Bonus Operating Profit Contributed to the Corporate Business Unit Bonus Pool	Allocation of Participation in the Corporate Business Unit Bonus Pool	Cash Performance Bonus Paid (2)
Matthew J. Missad	13.76 %	7.11 %	20.00 %	\$ 1,563,068
Michael R. Cole	13.76	7.11	8.00	792,698
Patrick M. Webster	13.76	7.11	15.00	913,034
Patrick M. Benton	18.08	3.17 (3 )	50.00 (3 )	547,932
Allen T. Peters	16.57	3.07 (3 )	50.00 (3 )	578,932

(1) The Committee periodically establishes ROI threshold achievement levels for each Business Unit, which may vary among the different Business Units.

(2) For 2017, the earned bonuses for Messrs. Missad, Cole, Webster, Benton, and Peters equaled \$3,092,450; \$1,236,980; \$2,319,338, \$1,053,599, and \$1,330,116, respectively.

(3) For 2017, Messrs. Benton and Peters did not participate in the Corporate Business Unit bonus pool. Rather, the incentive compensation for each of them was based upon the ROI of their respective Business Unit.

We have approximately 106 bonus pools, one for each Business Unit, as well as the separate Corporate Business Unit pool.

**Chief Executive Officer.** The Committee annually reviews, and recommends for Board approval, our Chief Executive Officer's base salary. Mr. Missad's salary is based on comparable compensation data, the Committee's assessment of his past performance,

and its expectation as to his future contributions in leading our Company. Mr. Missad's base salary fell in the mid-range of the salaries of comparable executives in our peer group. The Committee has complete discretion in recommending the base salary for Mr. Missad (who does not have an employment agreement with our Company). For 2018, Mr. Missad is eligible to receive 20% of the Corporate Business Unit bonus pool, subject to the limits described above.

**Long-Term Stock Incentive Plan.** We provide long-term incentive compensation to our executive officers and key employees through stock options, grants of restricted shares, conditional stock grants, and other equity-based awards under the terms of our Long-Term Stock Incentive Plan (the "LTSIP"). The Committee has complete discretion in determining eligibility for participation and the type and number of shares subject to awards made under the LTSIP, except for those awarded to our CEO, which are determined by the Board.

For 2017 (as was the case for 2016 and 2015), the long-term equity awards made to our Named Executives under our LTSIP were funded entirely by these officers under our Performance Bonus Plan. The number of shares of restricted stock granted to each Named Executive was determined by each employee's Excess Bonus earned under the Performance Bonus Plan. No discretionary awards were made to the Named Executives under the LTSIP in 2017, nor have any been made since 2014. Based upon the formula described above, our Named Executives received restricted stock awards in the following amounts for 2017 performance under our Performance Bonus Plan:

	Matthew J. Missad	Michael R. Cole	Patrick M. Webster	Patrick M. Benton	Allen T. Peters
Shares subject to five-year cliff vesting (1)	35,032	11,480	35,084	13,161	19,884

(1) Amount determined by (a) each Named Executive's total earned bonus under the Performance Bonus Plan, less the sum of (1) the total cash bonus, and (2) their share of the Reallocated Restricted Stock Amount to other employees, divided by (b) \$36.52, the closing price of the Company's common stock on the award date (February 22, 2018).

We encourage and promote ownership of Company stock by our employees and directors, and have a Minimum Stock Ownership Policy that sets requirements for ownership of our common stock by our key employees and independent directors, as follows:

Title	Company Stock Ownership Requirement
Officers	\$ 200,000
General Manager of Operations and Corporate Directors	\$ 100,000
Operations Managers, Plant Managers, Sales Managers and Directors, Executive Managers, Senior Managers, Purchasing and Transportation Managers	\$ 50,000
Independent Directors	7,500 shares

Effective June 1, 2011, our Board approved amendments to our Executive Stock Grant Program (the "ESGP") that included a stock match provision. Under this provision, we grant shares of restricted Company common stock to eligible employees who invest in shares of the Company's common stock under our Deferred Compensation Plan (the

DCP ). Under the ESGP, approximately \$1.00 worth of Company stock is awarded for each \$1.00 deferred and invested in Company stock under the DCP (the Match Shares ). The Match Shares vest in full on the fifth anniversary of the grant date, subject to certain acceleration events.

Our DCP allows key employees to defer a portion of their salary and/or bonus. Participants in the DCP may elect to invest the deferred amounts in certain investment alternatives, including our common stock. Also, under the DCP, if a key employee's ownership of our common stock is below certain targeted thresholds, the amount of the deferral must be used to invest in shares of our common stock. In general, each employee receives a payout of his or her DCP account one year from the date they leave our Company, unless preceded by retirement, death, or change in control, in which case the employee or his or her beneficiary may receive the distribution earlier, subject to DCP provisions.

As described above in this Proxy Statement, we have a shareholder-approved Employee Stock Purchase Plan (the ESPP ) which allows our employees to make a payroll deduction or lump sum contribution, or both, for the purchase of our common stock. Shares of our common stock are purchased with the money in the employee's account on the last trading day of the quarter, at a 15% discount from the then prevailing market price of our common stock. All eligible employees with at least one year of service may participate in the ESPP. Under the ESPP, an employee may not acquire more than \$25,000 of our common stock in any one plan year, based upon the fair market value of our stock as of the date of purchase.

We have a Stock Gift Plan under which eligible employees receive a modest amount of our common stock on specified service anniversaries with us.

**Executive Retirement Plan.** On October 14, 2010, the Committee approved an Executive Retirement Plan (the ERP ) for officers with twenty or more years of Company service and at least ten years of service as an officer. The ERP provides for a retirement benefit at age 62 or later of 150% of base salary (based upon the executive's highest annual base salary during the three-year period preceding retirement), and is payable over three years after retirement, death, or disability.

**Impact of Restatements Retroactively Impacting Financial Goods.** The Company has not had any material restatement of prior financial results. If such restatements were to occur, the Committee and Board would review the matter and determine what, if any, adjustment to current or prior compensation might be appropriate.

**Deductibility of Compensation.** Our policy is to pay all earned compensation regardless of whether it exceeds the One Million Dollar (\$1,000,000.00) limitation on compensation deductions set forth in Section 162(m) of the Internal Revenue Code.

**PERSONNEL AND COMPENSATION COMMITTEE REPORT**

The primary purpose of the Personnel and Compensation Committee (the Committee) is to assist the Board in discharging its responsibilities related to the compensation of our Company's executives. The Committee's responsibilities are more fully described in its Charter, which is available on our website.

The Committee reviewed and discussed with management the Compensation Discussion and Analysis included in this Proxy Statement. Effective as of March 5, 2018, based upon that review and those discussions, the Committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Bruce A. Merino, Chairman  
 John M. Engler  
 Thomas W. Rhodes  
 Brian C. Walker  
 Michael G. Wooldridge

The report of the Personnel and Compensation Committee shall not be deemed to be soliciting material filed or by reference in any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934.

**Summary Compensation Table**

The following table shows certain information regarding the compensation for our Chief Executive Officer, Chief Financial Officer, and our three other most highly compensated executive officers for each of our last three fiscal years (the Named Executives).

Name and Principal Position	Year	Salary (1)	Stock Awards (2)	Non-Equity Incentive Plan Compensation (1)(3)	All Other Compensation (4)	Total
Matthew J. Missad, Chief Executive Officer	2017	\$ 744,977	\$ 1,361,323	\$ 1,563,068	\$ 60,433	\$ 3,729,801
	2016	597,537	1,395,707	1,500,000	65,184	3,558,428
	2015	535,658	1,248,576	956,900	41,604	2,782,738
Michael R. Cole, Chief Financial Officer	2017	382,210	462,862	792,698	41,466	1,679,236
	2016	355,150	523,018	761,966	43,294	1,683,428
	2015	345,483	323,137	622,971	40,451	1,332,042
Patrick M. Webster, President and Chief Operating Officer	2017	439,944	1,363,222	913,03	39,952	2,756,152
	2016	403,717	1,452,785	879,102	42,008	2,777,612
	2015	393,925	1,014,429	707,964	38,853	2,155,171
Patrick M. Benton, President, UFP Northern Division	2017	263,810	522,807	547,932	29,964	1,364,513
	2016	254,583	613,535	622,000	32,897	1,523,015
	2015	249,999	596,806	533,750	34,093	1,414,648
Allen T. Peters, President, UFP Western Division	2017	279,227	768,331	578,932	33,056	1,659,546
	2016	268,666	748,349	553,000	37,717	1,607,732

Edgar Filing: UNIVERSAL FOREST PRODUCTS INC - Form DEF 14A

2015	258,916	581,642	471,625	36,181	1,348,364
------	---------	---------	---------	--------	-----------

Includes amounts deferred by the Named Executives under our Profit Sharing and 401(k) Plan and DCP. The (1) 2017 amounts include deferrals under the DCP in the amount of \$115,000 for Messrs. Missad and Webster, and \$55,000 for Messrs. Cole, Benton, and Peters. The 2016 amounts include deferrals under



the DCP in the amount of \$115,000 for Messrs. Missad and Webster, \$55,000 for Messrs. Cole and Peters, and \$50,000 for Mr. Benton. The 2015 amounts include deferrals under the DCP in the amount of \$115,000 for Messrs. Missad and Webster, \$50,000 for Mr. Cole, \$65,000 for Mr. Benton, and \$37,730 for Mr. Peters.

(2) The 2017 amounts include 35,032 shares granted to Mr. Missad, 11,480 shares granted to Mr. Cole, 35,084 shares granted to Mr. Webster, 13,161 shares granted to Mr. Benton, and 19,884 shares granted to Mr. Peters on February 22, 2018 under the LTSIP based upon the Excess Bonus (defined in the Compensation Discussion and Analysis section above) earned under our Performance Bonus Plan for 2017, less their share of the Reallocated Restricted Stock Amount. The 2016 amounts include 40,758 shares granted to Mr. Missad, 14,838 shares granted to Mr. Cole, 42,540 shares granted to Mr. Webster, 14,829 shares granted to Mr. Benton, and 21,906 shares granted to Mr. Peters on February 23, 2017 under the LTSIP based upon the Excess Bonus (defined in the Compensation Discussion and Analysis section above) earned under our Performance Bonus Plan for 2016, less their share of the Reallocated Restricted Stock Amount, and 3,000 shares granted to Mr. Benton in connection with his promotion and relocation. The 2015 amounts include 50,079 shares granted to Mr. Missad, 11,946 shares granted to Mr. Cole, 40,164 shares granted to Mr. Webster, 20,352 shares granted to Mr. Benton, and 23,838 shares granted to Mr. Peters on February 18, 2016 under the LTSIP based upon the Excess Bonus (defined in the Compensation Discussion and Analysis section above) earned under our Performance Bonus Plan for 2015, less their share of the Reallocated Restricted Stock Amount, and 3,000 shares granted to Mr. Benton in connection with his promotion and relocation. The amount set forth in this column represents the aggregate fair value of the awards as of the grant date, computed in accordance with FASB ASC Topic 718, Compensation-Stock Compensation. The assumptions used in calculating these amounts are based on a vesting period of either three or five years, subject to acceleration upon reaching age 60.

The 2017 amounts include Match Shares under the ESGP that were granted on February 28, 2018 to Messrs. Missad, Cole, Webster, Benton, and Peters in the amount of 2,488; 1,324; 2,488; 1,280; and 1,280 shares, respectively. The 2016 amounts include Match Shares under the ESGP that were granted on February 23, 2017 to Messrs. Missad, Cole, Webster, Benton, and Peters in the amount of 2,817; 1,491; 2,817; 1,326; and 1,458 shares, respectively. The 2015 amounts include Match Shares under the ESGP that were granted on February 25, 2016 to Messrs. Missad, Cole, Webster, Benton, and Peters in the amount of 3,984; 1,944; 3,708; 2,130; and 1,398 shares, respectively.

(3) Represents annual cash bonus payments under performance-based bonus plans tied to our operating profit and ROI, which cover substantially all salaried employees.

(4) The amounts in this column include Company contributions to our Profit Sharing and 401(k) Plan for 2017 in the amount of \$4,050 for Messrs. Missad, Cole, Webster, and Peters; and \$3,519 for Mr. Benton. Subject to certain requirements, including age and service requirements, all employees are eligible to participate in our Profit Sharing and 401(k) Plan.

Also included in this column is personal use of corporate aircraft for 2017 in the amount of \$17,771 for Mr. Missad and \$2,934 for Mr. Webster. We permit limited personal use of corporate aircraft by our Named Executives, and personal use of our aircraft requires approval by our Chief Executive Officer. We calculate the incremental cost to our Company for personal use of our aircraft based on the cost of fuel and oil per hour of flight; trip-related inspections, repairs and maintenance; landing, parking and hangar fees; supplies; and other variable costs. Since our aircraft is used primarily for business travel, we do not include the fixed costs that do not change based on personal usage, such as pilots' salaries, the purchase or leasing costs of our aircraft, and the cost of maintenance not related to specific trips.

The amount in this column also includes the following fringe benefits, none of which exceeded the greater of \$25,000 or 10% of the Named Executive's aggregate fringe benefits: automobile allowance, automobile insurance, gasoline, use of Company-owned property, insurance premiums, a convenience allowance, and taxes paid on behalf of the Named Executive.

**Narrative Disclosure of Perquisites and Benefits**

We provide benefit programs to executive officers and other employees. The following table generally identifies such benefit plans and those employees who may be eligible to participate:

Benefit Plan	Officers	Certain Managers	Full-Time Exempt Employees	Full-Time Non-Exempt Employees
401(k) Plan	√	√	√	√
Medical/Dental/Vision Plans	√	√	√	√
Life and Disability Insurance	√	√	√	√
Employee Stock Purchase Plan	√	√	√	√
ROI Bonus Plan	√	√	√	Not Offered
Hourly ROI Bonus	Not Offered	Not Offered	Not Offered	√
Equity Incentive Plans	√	√	√	Not Offered
Change in Control and Severance Plan	√	√	Not Offered	Not Offered
Deferred Compensation Plan	√	√	Not Offered	Not Offered
Executive Retirement Plan	√	Not Offered	Not Offered	Not Offered
Holiday Gifts Not Exceeding \$1,500	√	√	√	√

We believe perquisites for executive officers should be limited in scope and value. As a result, we have historically provided nominal perquisites. The following table generally illustrates the perquisites we do and do not provide, and identifies those employees who may be eligible to receive them.

Type of Perquisites	Officers	Certain Managers	Full-Time Employees
Employee Discount	√	√	√
Convenience Allowance (1)	√	Not Offered	Not Offered
Automobile Allowance (2)	√	√	Not Offered (2)
Personal Use of Company Aircraft	Only with CEO Approval	Only with CEO Approval	Not Offered

(1) We provide our officers with a limited taxable convenience allowance which they may use for household management, health and wellbeing, and similar expenses.

(2) For 2018, the Company's automobile expense reimbursement program was revised to limit participation to certain employees whose personal automobiles are used more than fifty percent for Company business travel. Other employees receive reimbursement, in accordance with the Code, for expenses incurred in connection with the utilization of their personal vehicles for business travel.

**Grants of Plan-Based Awards**

The following table reflects the grant of plan-based awards for fiscal 2017 to the Named Executives, and sets forth information on possible payouts to the Named Executives under our Performance Bonus Plan for fiscal 2017.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)		Estimated Future Payouts Under Equity Incentive Plan Awards		All Other Stock Awards: Number of Shares or Units (3)	All Other Option Awards: Number of Underlying Options (#)	Exercise Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Maximum (2) (\$)	Threshold (#)	Maximum (#)				
Matthew J. Missad	02/22/18 02/28/18	0	\$ 1,563,068	0	0	35,032 2,488	0 0	0 0	\$1,279,368 81,954
Michael R. Cole	02/22/18 02/28/18	0	811,034	0	0	11,480 1,324	0 0	0 0	419,249 43,612
Patrick M. Webster	02/22/18 02/28/18	0	930,640	0	0	35,084 2,488	0 0	0 0	1,281,267 81,954
Patrick M. Benton	02/22/18 02/28/18	0	564,380	0	0	13,161 1,280	0 0	0 0	480,639 42,163
Allen T. Peters	02/22/18 02/28/18	0	596,422	0	0	19,884 1,280	0 0	0 0	726,163 42,163

The amounts reported in these columns are not actual awards; rather, they represent the maximum awards that could have been earned by each Named Executive for fiscal 2017 under our Performance Bonus Plan. The actual amount paid to each Named Executive under this Plan for fiscal 2017 is

- (1) reported in the Summary Compensation Table. Amounts earned under this Plan are required to be paid within 75 days after our fiscal year-end and are subject to the maximum payment amount described in footnote (2). For details regarding how awards are determined under the Plan, see the Compensation Discussion and Analysis section of this Proxy Statement.
- (2) Represents 2.0 times each Named Executive's base salary as of the date of the grant, which is the maximum amount of any earned bonus that is payable in cash under our Performance Bonus Plan. Reflects the grant of shares of restricted Company common stock. As described in the Compensation Discussion and Analysis section above, the amount of an employee's bonus earned in excess of the limit referenced in footnote (2) is payable in shares of restricted Company stock that cliff vest in five years, subject to accelerated vesting upon death, disability, retirement, or a change in control. The grant date fair value of the awards is included in the Stock Awards column in the Summary Compensation Table.

**Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth information concerning equity awards held by the Named Executives as of December 30, 2017:

Name	Grant Date	Vesting Date	Stock Awards			
			Number of Shares or Units of Stock That Have Not Vested (1)	Market Value of Shares or Units of Stock That Have Not Vested (2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (2)
Matthew J. Missad	02/23/17	02/23/22	2,817	\$ 105,976		
	02/23/17	02/23/22	40,758	1,533,316		
	02/25/16	02/25/21	3,984	149,978		
	02/18/16	02/18/21	39,636	1,491,106		
	02/18/16	02/18/19	10,443	392,866		
	02/26/15	02/26/20	5,076	190,959		
	02/19/15	02/19/20	10,725	403,475		
	02/19/15	02/19/18	13,980	525,928		
	02/27/14	02/27/19	7,200	270,864		
	02/27/14	02/27/19	4,857	182,720		
	02/28/13	02/28/18	6,438	242,198		
Michael R. Cole	02/23/17	02/23/22	1,491	56,091		
	02/23/17	02/23/22	14,838	558,206		
	02/25/16	02/25/21	1,944	73,133		
	02/18/16	02/18/19	6,798	255,741		
	02/18/16	02/18/21	5,148	193,668		
	02/26/15	02/26/20	2,544	95,705		
	02/27/14	02/27/19	2,400	90,288		
	02/27/14	02/27/19	2,529	95,141		
02/28/13	02/28/18	3,249	122,227			
Patrick M. Webster	02/23/17	02/23/22	2,817	105,976		
	02/23/17	02/23/22	42,540	1,600,355		
	02/25/16	02/25/21	3,708	139,495		
	02/18/16	02/18/21	32,439	1,220,355		

Edgar Filing: UNIVERSAL FOREST PRODUCTS INC - Form DEF 14A

02/18/16	02/18/19	7,725	290,615
02/26/15	02/26/20	5,061	190,395
02/19/15	02/19/20	10,176	382,821
02/19/15	02/19/18	10,281	386,771
02/27/14	02/27/19	3,600	135,432
02/27/14	02/27/19	4,857	182,720
02/28/13	02/28/18	6,438	242,198

Name	Grant Date	Vesting Date	Stock Awards			
			Number of Shares or Units of Stock That Have Not Vested (1)	Market Value of Shares or Units of Stock That Have Not Vested (2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (2)
Patrick M. Benton	02/23/17	02/23/22	1,326	49,884		
	02/23/17	02/23/22	14,829	557,867		
	02/23/17	02/23/22	3,000	112,860		
	02/25/16	02/25/21	3,000	112,860		
	02/25/16	02/25/21	2,130	80,131		
	02/18/16	02/18/21	19,302	726,141		
	02/18/16	02/18/19	1,050	39,501		
	02/26/15	02/26/20	3,000	112,860		
	02/26/15	02/26/20	1,263	47,514		
	02/27/14	02/27/19	900	33,858		
	02/27/14	02/27/19	465	17,493		
	02/28/13	02/28/18	1,053	39,614		
		01/15/08	01/15/18			1,500
Allen T. Peters	02/23/17	02/23/22	1,458	54,850		
	02/23/17	02/23/22	21,906	824,104		
	02/25/16	02/25/21	1,398	52,593		
	02/18/16	02/18/21	18,693	703,231		
	02/18/16	02/18/19	5,415	193,555		