

TENNANT CO
Form DEF 14A
March 11, 2013

SCHEDULE 14A
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
- [] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material Under Rule 14a-12

TENNANT COMPANY
(Name of the Registrant as Specified In Its Charter)

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

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Tennant Company
701 N. Lilac Drive
Minneapolis, Minnesota 55422

March 11, 2013

Dear Shareholder,

On behalf of your Board of Directors and management, I am pleased to invite you to attend the 2013 Annual Meeting of Shareholders of Tennant Company to be held on Wednesday, April 24, at 10:30 a.m. (CDT) at the Golden Valley Country Club in Golden Valley, Minnesota.

The attached Notice of Annual Meeting and Proxy Statement describe the business to be conducted at the meeting. We have elected, where possible, to provide access to our proxy materials over the Internet under the Securities and Exchange Commission's "notice and access" rules. We believe that providing our proxy materials over the Internet reduces the environmental impact of our Annual Meeting without limiting our shareholders' access to important information about Tennant.

Whether or not you plan on attending the meeting, we encourage you to vote promptly.

We appreciate your continued confidence in Tennant, and we look forward to seeing you at the meeting.

Sincerely,

H. Chris Killingstad
President and Chief Executive Officer

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NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS

- Time and Date: 10:30 a.m. Central Daylight Time
Wednesday, April 24, 2013
- Place: Golden Valley Country Club
7001 Golden Valley Road
Golden Valley, Minnesota 55427
- Items of Business: (1)Elect four directors to a three-year term;
- (2)Ratify the appointment of KPMG LLP (“KPMG”) as our independent registered public accounting firm for 2013;
- (3)Advisory approval of executive compensation;
- (4)Approve the Tennant Company Amended and Restated 2010 Stock Incentive Plan, as Amended; and
- (5)Approve the Tennant Company 2014 Short-Term Incentive Plan.
- Who May Vote: You may vote if you were a shareholder of record as of the close of business on March 1, 2013.
- Proxy Voting: It is important that your shares are voted, whether or not you attend the meeting. Please vote your shares, as instructed in the Notice of Internet Availability of Proxy Materials, by voting over the Internet as promptly as possible. You may also request a paper proxy card, which will include a reply envelope, to submit your vote by mail or to vote by telephone as described in the Notice of Internet Availability of Proxy Materials. Your prompt response will help reduce solicitation costs incurred by us.

March 11, 2013

Heidi M. Wilson, Secretary

TENNANT COMPANY PROXY STATEMENT

Why did I receive a Notice of Internet Availability of Proxy Materials?

Tennant Company (“we,” “us,” “our,” “the Company”), on behalf of our Board of Directors (“Board”), is supplying this Proxy Statement in order to obtain your Proxy vote in connection with the Annual Meeting of Shareholders.

The Annual Meeting will be held at the Golden Valley Country Club, 7001 Golden Valley Road, Golden Valley, Minnesota, on Wednesday, April 24, 2013, at 10:30 a.m. Central Daylight Time.

The Notice of Internet Availability of Proxy Materials is being mailed to shareholders on or about March 11, 2013.

How do I access the proxy materials?

Under rules of the Securities and Exchange Commission, we are furnishing proxy materials to our shareholders on the Internet, rather than mailing printed copies to our shareholders.

If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you request one as instructed in that notice. Instead, the Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review the proxy materials, and vote, on the Internet.

If you received a Notice of Internet Availability of Proxy Materials by mail and would like to receive a printed copy of our proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials.

What is a Proxy?

The Proxy serves as a ballot for elections to our Board, as well as listing information about any other items to be discussed and voted on at the Annual Meeting. It allows an authorized agent to act on your behalf in the event you do not attend the Annual Meeting in person.

Who is entitled to vote?

You may vote if you owned shares of our Common Stock as of the close of business on March 1, 2013. As of March 1, 2013, there were 18,498,218 shares of Common Stock outstanding, each entitled to one vote.

How do I vote?

You may vote in one of four ways:

1. By Internet

You may access the website at www.proxyvote.com to cast your vote 24 hours a day, 7 days a week, until 11:59 p.m. (EDT) on April 23, 2013. Please have your Notice of Internet Availability of Proxy Materials or, if you have requested one, your Proxy Card, in hand and the last four digits of your social security number available to verify your

identity. Follow the instructions provided to obtain your records and create an electronic ballot.

2. By Phone

Request a Proxy Card from us by following the instructions on your Notice of Internet Availability of Proxy Materials. Then you may call 1-800-690-6903 by using any touch-tone phone, 24 hours a day, 7 days a week, until 11:59 p.m. (EDT) on April 23, 2013. Have your Proxy Card in hand when calling. You will need to provide the last four digits of your social security number to verify your identity. Follow the voice prompts to cast your vote.

3. By Mail

Request a Proxy Card from us by following the instructions on your Notice of Internet Availability of Proxy Materials. Mark, sign and date your Proxy Card and return it in the postage-paid envelope that will be provided, or return it to Tennant Company, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

4. In person at the Annual Meeting

All shareholders may vote in person at the Annual Meeting. Paper ballots will be available for voting at the meeting. See below for instructions on voting in person if your shares are held through a third party.

What happens if my shares are held in an account at a brokerage firm, bank, broker-dealer or similar organization?

If your shares are held in an account at a brokerage firm, bank, broker-dealer or other similar organization, then you are the beneficial owner of shares held in “street name,” and the Notice of Internet Availability of Proxy Materials was forwarded to you by that organization. The organization holding your account is considered the shareholder of record for purposes of voting at the Annual Meeting.

As a beneficial owner, you have the right to direct that organization on how to vote the shares held in your account. You should follow the instructions received from that organization to vote your shares. Shares held beneficially in street name may be voted in person only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares.

Can my broker vote my shares on my behalf without receiving voting instructions from me?

The election of directors, the advisory approval of executive compensation, the approval of the Amended and Restated 2010 Stock Incentive Plan, as Amended, and the approval of the 2014 Short-Term Incentive Plan will be considered proposals on which your broker does not have discretionary authority to vote. Thus, if your shares are held in street name and you do not provide instructions as to how your shares are to be voted on these matters, your broker or other nominee will not be able to vote your shares on these matters.

Accordingly, we urge you to provide instructions to your broker or nominee so that your votes may be counted on these matters. You should vote your shares by following the instructions provided on the voting instruction card that you receive from your broker.

What happens if my shares are held in the Tennant Company Retirement Savings Plan?

If your shares are held in the Tennant Company Retirement Savings Plan (“Savings Plan”), your vote will be communicated to the Trustee who will vote all shares held in the Savings Plan in proportion to votes cast by all participants who submit voting instructions. Your Proxy Card includes shares you hold in the Savings Plan. To be effective, your voting instructions must be received by the Trustee by April 20, 2013. Shares held in the Savings Plan may not be voted in person.

Can the Trustee vote my shares on my behalf without receiving voting instructions from me?

The Trustee will vote all shares held in the Savings Plan in proportion to votes cast by all participants who submit voting instructions timely. You should vote your shares by following the instructions described above and set forth on your Proxy Card.

How is my Proxy voted?

Shares represented by Proxy will be voted in the following manner:

- As specified by the Proxy; or

-

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Where a Proxy is submitted, but no specification is given, shares will be voted as the Board recommends, which is that you vote FOR each of the nominees listed in Item 1 (election of directors), FOR Item 2 (ratification of independent registered public accounting firm), FOR Item 3 (advisory approval of executive compensation), FOR Item 4 (approve the Tennant Company Amended and Restated 2010 Stock Incentive Plan, as Amended) and FOR Item 5 (approve the Tennant Company 2014 Short-Term Incentive Plan).

Why should I vote?

Your vote is important! It ensures that your ownership interests are represented even if you are unable to attend the Annual Meeting in person. A promptly voted Proxy will save us additional solicitation expense.

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May I revoke my Proxy or change my vote?

Proxies may be revoked at any time before being voted at the Annual Meeting. The Proxy may be revoked or changed only by use of the following methods:

- Sending a signed, written notice of revocation, dated later than the Proxy, to the attention of the Secretary at the Company's address listed on page 4 of this Proxy Statement;
- Sending a signed Proxy, dated later than the prior Proxy, to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, New York 11717;
 - Voting again by telephone or on the Internet prior to the Annual Meeting; or
- Attending the Annual Meeting, revoking your Proxy and voting in person. Your attendance at the Annual Meeting will not revoke your Proxy unless you revoke your Proxy.
- For shares held in an account at a brokerage firm, bank, broker-dealer or other similar organization, or in the Savings Plan, see restrictions described above.

How many votes are needed to hold the Annual Meeting?

The meeting can take place when holders of a majority of the outstanding shares of common stock, either in person or by Proxy, are present at the meeting. This is known as a quorum. Abstentions and broker non-votes will be counted as present when determining whether a quorum exists.

What is a broker non-vote?

Broker non-votes are shares held of record by a broker that are not voted on a matter because the broker has not received voting instructions from the beneficial owner of the shares and either lacks or declines to exercise the authority to vote the shares in its discretion.

How many votes are needed to elect directors?

As established by Minnesota Statute 302A.215, the affirmative vote of a plurality of outstanding shares of common stock present and entitled to vote is required to elect each director nominated. The director nominees with the most votes will be elected. If you (or a broker), either in person or by Proxy, withhold your vote or do not give authority to vote for a director, your shares will not be voted in favor of such director nominee.

How many votes are needed to ratify KPMG as the independent registered public accounting firm for our Company?

The affirmative vote of the holders of a majority of outstanding shares of common stock present and entitled to vote is required to ratify the appointment of KPMG as our independent registered accounting firm (provided that the number of shares voted in favor of the proposal constitutes more than 25% of the outstanding shares). For this purpose, a shareholder voting through a Proxy who abstains with respect to ratification of KPMG is considered to be present and entitled to vote, and is in effect a negative vote; however, broker non-votes will not be counted as votes on this matter and will have no effect.

How many votes are needed to approve the advisory approval of executive compensation?

The approval on this matter is advisory and not binding on the Company. The Company will consider shareholders to have approved our executive compensation if the number of votes cast FOR this proposal exceed the number of votes cast AGAINST it. For this purpose, a shareholder who abstains with respect to this proposal and any broker non-votes on this proposal will have no effect.

How many votes are needed to approve (i) the Tennant Company Amended and Restated 2010 Stock Incentive Plan, as Amended, and (ii) the Tennant Company 2014 Short-Term Incentive Plan?

The affirmative vote of the holders of a majority of the outstanding shares of common stock present and entitled to vote is required to approve the Tennant Company Amended and Restated 2010 Stock Incentive Plan, as Amended, and the Tennant Company 2014 Short-Term Incentive Plan, respectively, (provided that the number of shares voted in favor of each proposal constitutes more than 25% of the outstanding shares). For this purpose, a shareholder voting through a Proxy who abstains with respect to approval of the Amended and Restated 2010 Stock Incentive Plan, as Amended, or the approval of the 2014 Short-Term Incentive Plan, as the case may be,

is considered to be present and entitled to vote, and is in effect a negative vote.

Under New York Stock Exchange rules, the votes cast on the proposal to approve the Amended and Restated 2010 Stock Incentive Plan, as Amended, must exceed 50% of all shares entitled to vote. Accordingly, a shareholder who does not give authority to a Proxy to vote, including a broker non-vote, on the approval of this proposal shall have the effect of a negative vote.

Who will pay the cost of this Proxy solicitation?

We will bear the cost of solicitation. Proxies may be solicited on our behalf by directors, officers or employees, in person or by telephone, electronic transmission and facsimile transmission. No additional compensation will be paid to such persons for such solicitation. We will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending Proxy materials to beneficial owners of shares.

What address should I use for correspondence with the Company?

Our principal executive office is located at 701 North Lilac Drive, P.O. Box 1452, Minneapolis, Minnesota, 55440-1452.

BOARD OF DIRECTORS INFORMATION AND QUALIFICATIONS

Directors Whose Terms Expire in 2013 (Class III Directors):

AZITA ARVANI, 50

Director Since 2012

- Head of Partnering and Alliances for Nokia Siemens Networks, a mobile broadband company, since September 2012. Head of Innovation Strategy for Nokia Siemens from September 2011 – August 2012.
- Principal and Founder of Arvani Group Inc., a boutique business consulting firm specializing in the mobile and wireless industry, from 2002 to 2011.
- Vice President, Business Development and Strategy, for ActiveSky, provider of an online mobile multimedia application development and distribution platform, from 2000 to 2001.
- Held various senior technical and business positions, including Director, Corporate Business Strategy, for Xerox Corporation, a business process and document management company, from 1996 to 2000.
- Member of the Governance and Executive Committees.

Qualifications:

Ms. Arvani, through her work with Nokia Siemens Networks, brings extensive experience in disruptive technologies. As a consultant and executive leader, she has helped a diverse set of companies develop and commercialize game-changing technologies which will be of significant value as we evolve our Orbio® water-based and other sustainable cleaning technologies.

First time nomination for election by shareholders:

This is the first time that Ms. Arvani has been nominated for election by shareholders. In 2012, the Board retained a search firm to assist in the identification of candidates with expertise in developing and commercializing disruptive technologies, and Ms. Arvani was identified through that search. After a review of the candidates identified, on October 1, 2012, the Board, upon recommendation of the Governance Committee, appointed Ms. Arvani as a member of our Board.

WILLIAM F. AUSTEN, 54

Director Since 2007

- Group President for Bemis Company, Inc., the largest flexible packaging company in the Americas and a major international manufacturer of pressure-sensitive materials used for labels, decoration and signage, since May 2012. Vice President, Operations, for Bemis from 2004 to April 2012.

- President and Chief Executive Officer for Morgan Adhesives Company from 2000-2004.
- Held various positions with General Electric Company from 1980-2000, culminating in General Manager, Switch Gear Business.
- Member of the Audit, Compensation and Executive Committees.

Qualifications:

Mr. Austen brings a broad strategic perspective as one of the top leaders at Bemis Company where he serves as Group President, Global Operations. He is a talented leader in global manufacturing and operations with experience in global mergers, acquisitions and business integration. This experience is relevant to our business due to our international operations and growth through acquisitions.

JAMES T. HALE, 72

Director Since 2001

- Corporate Governance Consultant since 2004.
- Executive Vice President, General Counsel and Corporate Secretary for Target Corporation from 2000-2004. Senior Vice President, General Counsel and Corporate Secretary for Target from 1981-2000.
- Held various Vice President positions with General Mills, Inc., from 1979-1981.
- Practiced law at Faegre & Benson LLP from 1966-1979.
- Chair of the Governance Committee, member of the Compensation and Executive Committees.

Qualifications:

Mr. Hale, a corporate governance expert and the former General Counsel and Executive Vice President of Target Corporation, has significant experience working with public company corporate governance. As part of his past legal experience in private pr