

ENPRO INDUSTRIES, INC  
Form DEF 14A  
March 26, 2015  
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**SCHEDULE 14A**

**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

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

**Exchange Act of 1934 (Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

**EnPro Industries, Inc.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-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:
  
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.. 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 Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  
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- (3) Filing Party:
  
- (4) Date Filed:

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EnPro Industries, Inc.

2015 Annual Meeting

*Engineered for Performance*

**Proxy Statement and**

**Notice of 2015 Annual Meeting**

**of Shareholders**

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EnPro Industries, Inc.

2015 Annual Meeting

**Annual Meeting of Shareholders**

The 2015 Annual Meeting of Shareholders of

EnPro Industries, Inc. will be held at:

5605 Carnegie Boulevard, Suite 500

Charlotte, North Carolina 28209

on

Wednesday, April 29, 2015 at 11:30 a.m.

**Proxy voting options**

**Your vote is important!**

Whether or not you expect to attend in person, we urge you to vote your shares by phone, via the Internet, or by signing, dating, and returning the enclosed proxy card or voting instruction form at your earliest convenience. This will ensure the presence of a quorum at the meeting. Promptly voting your shares will save us the expense and extra work of additional solicitation. Submitting your proxy now will not prevent you from voting your stock at the meeting if you desire to do so, as your vote by proxy is revocable at your option.

Voting by the Internet or telephone is fast and convenient, your vote is immediately confirmed and tabulated, and our postage and proxy tabulation costs are reduced.

If you prefer, you can vote by mail by returning the enclosed proxy card or voting instruction form in the addressed, prepaid envelope provided.

Please do not return the enclosed paper ballot if you are voting via the Internet or by telephone.

**Vote by Internet**

**[www.proxyvote.com](http://www.proxyvote.com)**

24 hours a day / 7 days a week

**Instructions:**

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1. Read the accompanying Proxy Statement.
2. Go to the following website: [www.proxyvote.com](http://www.proxyvote.com)
3. Have your proxy card or voting instruction form in hand and follow the instructions. You can also register to receive all future shareholder communications electronically, instead of in print. This means that the annual report, Proxy Statement, and other correspondence will be delivered to you via e-mail.

**Vote by telephone**

**1-800-690-6903 via touch tone phone**

toll-free 24 hours a day / 7 days a week

**Instructions:**

1. Read the accompanying Proxy Statement.
2. Call toll-free **1-800-690-6903**.
3. Have your proxy card or voting instruction form in hand and follow the instructions.

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5605 Carnegie Boulevard, Suite 500

Charlotte, North Carolina 28209

**Letter from our President and Chief Executive Officer**

Dear Shareholder:

On behalf of the board of directors and management of EnPro Industries, Inc., I invite you to our annual meeting of shareholders. The meeting will be held at the company's headquarters located at 5605 Carnegie Boulevard, Suite 500, Charlotte, North Carolina on Wednesday, April 29, 2015 at 11:30 a.m.

The attached Notice of Annual Meeting of Shareholders and Proxy Statement contain details of the business to be conducted at the annual meeting.

Whether or not you attend the annual meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to promptly vote and submit your proxy via the Internet, by phone, or by signing, dating, and returning the enclosed proxy card in the enclosed envelope. If you attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy.

Sincerely,

Stephen E. Macadam

President and Chief Executive Officer

March 26, 2015



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5605 Carnegie Boulevard, Suite 500

Charlotte, North Carolina 28209

**Notice of 2015 Annual Meeting of Shareholders**

**Date:** April 29, 2015

**Time:** 11:30 a.m. Eastern Time

**Place:** 5605 Carnegie Boulevard, Suite 500  
Charlotte, North Carolina 28209

**Record date:** March 13, 2015. Only shareholders of record at the close of business on the record date are entitled to receive notice of, and to vote at, the annual meeting.

**Proxy voting:** **Important.** Please vote your shares at your earliest convenience. This will ensure the presence of a quorum at the meeting. Promptly voting your shares via the Internet, by telephone, or by signing, dating, and returning the enclosed proxy card or voting instruction form will save the expenses and extra work of additional solicitation. If you wish to vote by mail, we have enclosed an addressed envelope, postage prepaid if mailed in the United States. Submitting your proxy now will not prevent you from voting your shares at the meeting, as your proxy is revocable at your option.

**Items of business:** To elect eight directors from among the nominees described in the accompanying proxy statement

To adopt a resolution approving, on an advisory basis, the compensation paid to our named executive officers as disclosed in the accompanying proxy statement

To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015

To transact other business that may properly come before the annual meeting or any adjournment of the meeting

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON APRIL 29, 2015:** The proxy statement and 2014 annual report to shareholders are available at: <http://2015annualmeeting.enproindustries.com>.

**By Order of the Board of Directors,**

Robert S. McLean

Secretary

March 26, 2015

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EnPro Industries, Inc.

2015 Annual Meeting

Proxy statement summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information you should consider, and you should read the entire proxy statement carefully before voting.

**Annual meeting of shareholders**

**Time, Place and Voting Matters**

**Date:** April 29, 2015

**Time:** 11:30 a.m. Eastern Time

**Place:** 5605 Carnegie Boulevard, Suite 500 Charlotte, North Carolina 28209

**Record date:** March 13, 2015

**Voting:** Shareholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.

**Meeting agenda**

Election of eight directors

Advisory vote to approve executive compensation

Ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015

Transact other business that may properly come before the meeting

**Voting recommendations**

<b>Matter</b>	<b>Board vote recommendation</b>
Election of directors	<b>For each director nominee</b>
Advisory vote to approve executive compensation	<b>For</b>
Ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015	<b>For</b>

**Table of Contents****Our director nominees**

See *Proposal 1 Election of directors and Corporate governance policies and practices* for more information.

The following table provides summary information about each director nominee. Each director is elected annually.

Name	Director			Occupation	Inde- pendent	Other Committee memberships				
	Age	since				public boards	AC	CC	NC	EC
Stephen E. Macadam	54	2008		President and CEO, EnPro						C
Thomas M. Botts	60	2012		Retired Executive VP, Global Manufacturing, Shell Downstream Inc.		1	M	C	M	
Felix M. Brueck	59	2014		Director Emeritus, McKinsey & Company, Inc.			M	M	M	
B. Bernard Burns, Jr.	66	2011		Managing Director, McGuire Woods Capital Group			M	M	M	
Diane C. Creel	66	2009		Retired Chairman, CEO and President, Ecovation, Inc.		2	M	M	M	
Gordon D. Harnett*	72	2002		Former Chairman and CEO, Materion Corporation		2	M	M	C	M
David L. Hauser	63	2007		Former Chairman and CEO, FairPoint Communications			C,F	M	M	
Kees van der Graaf	65	2012		Former member of the board and executive committee,  Unilever NV and Unilever PLC		3	M	M	M	

AC Audit and Risk Management Committee

CC Compensation and Human Resources Committee

NC Nominating and Corporate Governance Committee

EC Executive Committee

\* Chairman of the Board of Directors

C Chair

M Member

F Financial expert

### **Corporate governance matters**

Our board of directors and management firmly embrace good and accountable corporate governance and believe that an attentive, high performing board is a tangible competitive advantage. To that end, the board has undertaken substantial efforts to ensure the highest standards of corporate governance.

*Annual director elections.* Since the inception of our company, our directors have been elected to serve one-year terms. Accordingly, our full board of directors is up for election at each annual meeting of shareholders.

*Majority voting in director elections.* Under our Corporate Governance Guidelines, any nominee for director in an uncontested election who receives a greater number of votes withheld from his or her election than votes for his or her election must promptly offer his or her resignation. The board's Nominating and Corporate Governance Committee will then consider the resignation and recommend to the board whether to accept or reject it. The board will act on the Nominating Committee's recommendation within 90 days after the shareholders' meeting, and the board's decision (including an explanation of the process by which the decision was reached) will be publicly disclosed on Form 8-K. Any director who offers his or her resignation may not participate in the board's discussion or vote.

*Independent Chairman of the Board.* Since the inception of our company, we have maintained separate the positions of Chairman of the Board of Directors, which is a non-executive position filled by an independent director, and Chief Executive Officer, who is the principal executive officer of our company.

*CEO is only employee on the board.* Our Corporate Governance Guidelines provide that normally the Chief Executive Officer should be the only employee who also serves as a director. Since the inception of our company, this has been the case.

*Executive sessions of non-management directors.* The non-management directors meet periodically in executive session without members of management present. These sessions are presided over by the Chairman of the Board

of Directors.

*Director stock-ownership requirements.* Our board has adopted stock ownership requirements pursuant to which a director has until five years after the date he or she becomes a director to accumulate ownership of shares having a value equal to at least five times the annual cash retainer paid to directors. All current directors who have served on the board for at least five years comply with these requirements.

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*Board refreshment.* Since December 2011, three directors have retired from our board of directors and one will retire at the 2015 annual meeting. We have added four new directors over that period. Upon the election of the directors nominated for election by the board of directors at the 2015 annual meeting, the average tenure of our non-employee directors will be 5.3 years and the average tenure of our non-employee directors other than our Chairman of the Board will be 4.0 years.

*Board and committee self-evaluations.* The board of directors and each of the Audit and Risk Management Committee, the Compensation and Human Resources Committee and the Nominating and Corporate Governance Committee conduct self-evaluations annually to assess their respective performance.

## **Executive compensation matters**

*See Compensation discussion and analysis, Executive compensation and Proposal 2 Advisory vote approving executive compensation for more information.*

Our board of directors recommends that shareholders vote to approve, on a non-binding basis, the compensation paid to our company's named executive officers as reported in this proxy statement.

We provide the following summary of our executive compensation practices and our 2014 business accomplishments in support of the board's recommendation.

### **Our compensation practices**

#### **Our programs are designed to reward success**

We design our executive officer compensation programs to attract, motivate, and retain the key executives who drive our success. Our objectives are to establish pay practices that reward them for superior performance and align their interests as managers of our company with the long-term interests of our shareholders.

We achieve our objectives through compensation that:

is primarily performance based, with the percentage of an executive officer's total compensation opportunity that is based on our financial performance increasing with the officer's level of responsibility;

is significantly stock-based in order to ensure our executives have common interests with our shareholders;

enhances retention of our executives by subjecting much of their total compensation to multi-year vesting;



links a significant portion of total pay to the execution of strategies intended to create long-term shareholder value;

provides our executives with an opportunity for competitive total pay; and

does not encourage our executives to take unnecessary or excessive risks.

**We routinely engage with our shareholders and have made changes to address their concerns**

We routinely engage in a wide-ranging dialogue with numerous shareholders, including regular conversations with many of our largest shareholders. We carefully consider the diverse views expressed by shareholders who provide us with feedback, and we made significant changes to our compensation program in 2013 following

the input from our shareholders. These changes included redesigning our long-term incentive compensation plan which measures and rewards performance based on the equity value we create.

**We employ best practices in executive compensation**

Our executive compensation practices include:

an appropriate balance between short-term and long-term compensation that discourages short-term risk taking at the expense of long-term results;

meaningful stock ownership and retention requirements that increase with levels of responsibility that further align the interests of our executive officers with the long-term interests of our shareholders;

the use by our Compensation and Human Resources Committee of an independent executive compensation consultant who reports directly to that committee and does not provide any services to our company other than assistance to that committee;

no special perquisites for any employee;

a policy prohibiting executives from hedging ownership of EnPro stock; and

a clawback policy for the recovery of performance-based compensation in the event an executive officer engages in fraud or willful misconduct that caused, directly or indirectly, the need for a material restatement of our financial results.

**Our 2014 accomplishments**

Despite uneven levels of activity in our markets during the year, our growth in 2014 illustrates the value of our participation in diverse markets and geographies. Our

performance supports our long term objectives for growth, objectives that will be further supported by significant progress in the asbestos claims resolution process of our deconsolidated subsidiary, Garlock Sealing Technologies,

LLC ( GST LLC ), and a significant improvement in our capital structure.

**Asbestos claims resolution process:** Early in the year, Judge George Hodges of the U.S. Bankruptcy Court for the Western District of North Carolina issued an opinion estimating GST LLC's liability for mesothelioma claims at \$125 million, an amount consistent with the position GST LLC took at the 2013 estimation trial in his court and far less than the

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amount sought by representatives of the asbestos claimants. In his opinion, Judge Hodges noted that the claimants estimates of nearly \$1.3 billion were based on historic settlement values which are infected with the impropriety of some law firms and inflated by the cost of defense. In January, 2015 we and GST LLC agreed with the Future Claimants Representative ( FCR ) on a revised plan of reorganization. The plan addresses all current and future claims, and we and GST LLC believe it can be approved by the court. While the confirmation of this plan and the final resolution of asbestos claims against GST LLC are likely to take many more months, this agreement with the FCR moves us toward conclusion of the case, the formal reconsolidation of GST LLC s financial results with ours and the ultimate achievement of EnPro s full potential.

**Fairbanks Morse Engine:** Fairbanks Morse Engine ( FME ) countered a softening outlook for new engine orders from the U.S. Navy with important developments in commercial markets. With consortium partner Westinghouse France, FME agreed to supply 23, 3.5 MWe opposed-piston, diesel engine-generator sets to Electricite de France ( EDF ). These sets will be used for emergency back-up power at 20 of EDF s nuclear power plants in France. The value of FME s portion of this work is approximately 89 million. Shipments will primarily occur in 2016 and 2017. For two decades, FME has provided engines to U.S. Navy and nuclear power markets under licenses from MAN Diesel and Turbo ( MAN ) and its affiliates. In 2014, FME expanded the relationship with an agreement to cooperate with MAN in the U.S. power generation market for gas-fired and dual fuel engines, giving FME a competitive offering in an attractive market.

With its partner Achates Power, Inc. ( Achates ), FME made significant progress in the design feasibility stage of its work towards improving the commercial viability of FME s proprietary opposed-piston engine.

FME and Achates are exploring ways to reduce emissions and improve fuel efficiency in an engine design that has proven reliable over many decades in critical standby and emergency power applications.

**Our capital structure:** We made substantial changes to our capital structure for the first time since 2005, a sign of the strengthening perception of EnPro in capital markets. We completed our first ever bond offering with the issuance of \$300 million 5.875% senior notes due 2022. We used a portion of these funds to purchase \$51.3 million of our outstanding convertible debentures and to contribute \$48 million to our pension plans. The purchase of the convertible debentures followed a series of exchanges earlier in the year of common stock for \$97.7 million of the debentures. We also increased our senior secured revolving credit facility to \$300 million and changed the terms of the facility from one backed by our assets to one based on our cash flows. This new capital structure enables EnPro to pursue strategic acquisitions, to begin paying dividends and to buy back our own shares.

**Acquisitions and divestitures:** We added several complementary products with the completion of three acquisitions and we divested a business that no longer fits our strategic direction. Stemco acquired the interest of its joint venture partner in Stemco Crewson, a business that produces brake products for heavy-duty trucks. The Garlock family expanded geographically with the addition of Strong-Tight, a small Taiwan-based manufacturer of gasket and sealing products, and the Technetics Group acquired Fabrico, a supplier of components for the combustion and hot path sections of industrial gas and steam turbines. We divested Garlock Rubber Technologies ( GRT ), a supplier of conveyor belts and rubber sheet products. Although GRT was a profitable business, we determined we were not the best or most appropriate long-term owner of the business. The proceeds from the sale of GRT will allow us to invest in other areas, more consistent with our growth strategies.



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### **We pay for performance**

Our compensation program allows our Compensation and Human Resources Committee and the board of directors to determine executive pay based on comprehensive criteria designed to produce long-term business success. The correlation between our financial results and the compensation awarded to executive officers demonstrates the effectiveness of this approach.

The following chart presents the total compensation, as reported in the summary compensation table in our annual proxy statements, paid to our Chief Executive Officer for each of the full years he has served in that role. The table compares his compensation to the improvement in our earnings before interest, taxes, depreciation, amortization expense, asbestos expense and other selected items (or, adjusted EBITDA-A). Adjusted EBITDA-A is a primary metric we use to evaluate our performance and one we use to determine annual and long-term incentive compensation during this period.

A significant component of the CEO's total compensation for 2014 was a special grant of restricted stock units awarded to executive officers and other key personnel in recognition of their efforts related to the asbestos claims resolution process (the ACRP) involving GST LLC. These efforts included the strategy, planning and management of the ACRP, which resulted in the order issued in January 2014 by the bankruptcy court estimating the liability for present and future mesothelioma claims against GST LLC at \$125 million, consistent with the positions GST LLC put forth at trial, and operating GST LLC and the other EnPro businesses under the unique circumstances presented by the ACRP. The special grant was made in the form of restricted stock units to help ensure the retention of these individuals as the ACRP progresses. For 2014, approximately 25% of the CEO's reported total compensation was due to this special award.

*(Annex A to this proxy statement sets forth the calculation of adjusted EBITDA-A, which is not a measure under U.S. generally accepted accounting principles. The financial results of Garlock Sealing Technologies LLC have not been included in our consolidated financial results since June 5, 2010, when GST LLC and certain affiliated companies (which, together with GST LLC, we collectively refer to as GST) filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code as the initial step in a process to resolve all current and future asbestos claims. However, because GST LLC continues to be our subsidiary, oversight of this business and its financial results continues to be a responsibility of our executive officers and the financial measures used under our incentive compensation plans include GST LLC's results, the performance of this business since June 5, 2010 has been separately included in this chart.)*

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**Table of Contents****Auditors**

*See Proposal 3 Ratification of PricewaterhouseCoopers LLP as our company's independent registered public accounting firm for 2015 and Independent registered public accounting firm for more information.*

We ask that our shareholders ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015. Below is summary information about PricewaterhouseCoopers' fees for services provided in years 2014 and 2013.

<b>Year ended December 31</b>	<b>2014</b>	<b>2013</b>
Audit fees	\$ 1,876,900	\$ 1,875,300
Audit-related fees	13,000	12,800
Tax fees	20,000	
All other fees	2,000	2,000
<b>Total</b>	<b>\$ 1,911,900</b>	<b>\$ 1,890,100</b>

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### **General information**

The enclosed proxy is solicited on behalf of the board of directors of EnPro Industries, Inc., in connection with our annual meeting of shareholders to be held on Wednesday, April 29, 2015, at 11:30 a.m. at the company's headquarters located at 5605 Carnegie Boulevard, Suite 500, Charlotte, North Carolina, and at any adjournment or postponement of the meeting. You may use the enclosed proxy card whether or not you attend the meeting. If you are a registered shareholder (that is, you hold shares directly registered in your own name), you may also vote by telephone or over the Internet by following the instructions on your proxy card. If your shares are held through an account maintained by a bank, securities broker or other nominee, which is referred to as holding in street name, you will receive separate voting instructions with your proxy materials. Although most brokers and nominees offer telephone and Internet voting, availability and specific procedures depend on their voting arrangements.

Your vote is very important. For this reason, we encourage you to date, sign, and return your proxy card in the enclosed envelope or to cast your votes by telephone or over the Internet. Doing so will permit your shares of our common stock to be represented at the meeting by the individuals named on the enclosed proxy card.

This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. Please read it carefully.

We are mailing our 2014 annual report, including financial statements, with this proxy statement to each registered shareholder. We will begin mailing these materials on or around March 26, 2015. Any shareholder may receive an additional copy of these materials by request to our shareholder relations department. You may reach the shareholder relations department via email to [investor@enproindustries.com](mailto:investor@enproindustries.com) or by calling 704-731-1522.

### ***What is the purpose of the annual meeting?***

At our annual meeting, shareholders will act on proposals for the following matters:

electing eight directors;

adopting a resolution approving, on an advisory basis, the compensation paid to our named executive officers as disclosed in this proxy statement; and

ratifying the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015.

Our board of directors has submitted these proposals. Other business may be addressed at the meeting if it properly comes before the meeting. We are not aware of any other business.

### ***Who is entitled to vote at the meeting?***

You may vote if you owned EnPro common stock as of the close of business on the record date, March 13,

2015. Each share of common stock is entitled to one vote on each matter considered at the meeting. At the close of business on the record date, 23,675,108 shares of EnPro common stock were outstanding and eligible to vote, which amount does not include 199,376 shares held by a subsidiary.

***Who can attend the meeting?***

All registered shareholders as of the record date (or their duly appointed proxies), beneficial owners presenting satisfactory evidence of ownership as of the record date, and our invited guests may attend the meeting.

***How do I vote?***

If you are a registered shareholder, you have four voting options:

over the Internet, which we encourage if you have Internet access, at the address shown on the enclosed proxy card;

by telephone through the number shown on the enclosed proxy card;

by mail, by completing, signing, dating and returning the enclosed proxy card; or

in person at the meeting.

Even if you plan to attend the meeting, we encourage you to vote your shares by proxy. If you choose to attend the meeting, please bring proof of stock ownership and proof of identification for entrance to the meeting.

If you hold your EnPro shares in street name, your ability to vote by Internet or telephone depends on the voting process of the bank, broker or other nominee through which you hold the shares. Please follow their directions carefully. If you want to vote EnPro shares that you hold in street name at the meeting, you must request a legal proxy from your bank, broker or other nominee and present that proxy, together with proof of identification, for entrance to the meeting.

**Every vote is important! Please vote your shares promptly.**

***How do I vote my 401(k) shares?***

Proxies will also serve as voting instructions to the plan trustee with respect to shares held in accounts under the EnPro Industries, Inc. Retirement Savings Plan for Salaried Employees and the EnPro Industries, Inc.

Retirement Savings Plan for Hourly Employees. If you participate in either of these plans, are a registered shareholder of record, and the plan account information is the same as the information we have on record with our transfer agent, the enclosed proxy card represents all of the shares you hold, both within the plan and outside it. If you hold your shares outside the plan in street name, or if your plan account information is different from the information on record with the transfer agent, then you will receive separate proxies, one for the shares held in the plan and one for shares held outside the plan.





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### ***What can I do if I change my mind after I vote my shares?***

Even after you have submitted your vote, you may revoke your proxy and change your vote at any time before voting begins at the annual meeting. If you are a registered shareholder, you may do this in three ways:

by timely delivering to our Secretary, or at the meeting, a later dated signed proxy card;

by voting on a later date by telephone or over the Internet (only your last dated proxy card or telephone or Internet vote is counted); or

if you attend the meeting, by voting your shares in person.

Your attendance at the meeting will not automatically revoke your proxy; you must specifically revoke it.

If you hold your shares in street name, you should contact your bank, broker or other nominee to find out how to revoke your proxy. If you have obtained a legal proxy from your nominee giving you the right to vote your shares, you may vote by attending the meeting and voting in person or by sending in an executed proxy with your legal proxy form.

### ***Is there a minimum quorum necessary to hold the meeting?***

In order to conduct the meeting, a majority of EnPro shares entitled to vote must be present in person or by proxy. This is called a quorum. If you return valid proxy instructions or vote in person at the meeting, you will be considered part of the quorum. For purposes of determining whether a quorum is present, abstentions and broker non-votes will be counted as shares that are present and entitled to vote.

### ***How will my vote be counted?***

If you provide specific voting instructions, your EnPro shares will be voted as you have instructed. If you hold shares in your name and sign and return a proxy card or vote by telephone or Internet without giving specific voting instructions, your shares will be voted as our board of directors has recommended. If you hold your shares in your name (you are the record holder) and do not give valid proxy instructions or vote in person at the meeting, your shares will not be voted.

If you hold your shares in street name and do not give your bank, broker or other nominee instructions on how you want your shares to be voted, those shares are considered uninstructed and a bank, broker or other nominee generally has the authority to vote those shares only on matters that are determined to be routine under the New York Stock Exchange rules. Under the New York Stock Exchange's rules, the election of directors and matters related to executive compensation are not considered to be routine for this purpose, which means that a broker or broker nominee may not provide a proxy with voting instructions on these matters unless it receives voting instructions from the beneficial owner of the shares. Accordingly, unless instructed by the beneficial owner, a broker or broker nominee may not provide voting instructions with respect to the vote on Proposals 1 and 2 described in this proxy statement.

The vote to ratify the appointment of our independent accounting firm and any other business that may properly come before the meeting are considered routine under the New York Stock Exchange rules, which means that a bank, broker

or other nominee has voting discretion as to any uninstructed shares on those matters.

***What vote is required to approve each item?***

Directors are elected by a plurality of the votes cast at the meeting. Plurality means that the director nominees who receive the largest number of votes cast are elected, up to the maximum number of directors to be elected at the meeting. The maximum number to be elected is eight. Shares not voted will have no impact on the election of directors. Unless proper voting instructions are to Withhold authority for any or all nominees, the proxy given will be voted For each of the nominees for director.

Under our Corporate Governance Guidelines, any nominee for director in an uncontested election who receives a greater number of votes withheld from his or her election than votes for his or her election must promptly offer his or her resignation. The board's Nominating and Corporate Governance Committee will then consider the resignation and recommend to the board whether to accept or reject it. The board will act on the Nominating Committee's recommendation within 90 days after the shareholders' meeting, and the board's decision (including an explanation of the process by which the decision was reached) will be publicly disclosed on Form 8-K. Any director who offers his or her resignation may not participate in the board's discussion or vote.

The resolution to approve, on an advisory basis, the compensation paid to our named executive officers will be approved if more votes are cast For the resolution than are cast Against the resolution. Although this advisory vote is non-binding, as provided by law, our board will review the results of the votes and, consistent with our record of shareholder engagement, will take them into account in making determinations concerning executive compensation.

The ratification of the appointment of our independent accounting firm and any other business as may properly come before the meeting, or any adjournment of the meeting, will be approved if more votes are cast For such proposal than are cast Against it.

***How do abstentions and broker non-votes count for voting purposes?***

Because directors are elected by a plurality of the votes cast, broker non-votes and abstentions will not count in determining the outcome of the election of directors. For the advisory vote on executive compensation, the ratification of the appointment of our independent accounting firm and with respect to any other business as may properly come before the meeting or any adjournment of the meeting, only votes For or Against the proposal count accordingly, broker non-votes, if any, and abstentions will not be counted in determining the outcome of the votes on those proposals. Abstentions and broker non-votes will count for determining whether a quorum is present.

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### ***Is there a list of shareholders entitled to vote at the annual meeting?***

You may examine a list of the shareholders entitled to vote at the meeting. We will make that list available at our main executive offices at 5605 Carnegie Boulevard, Suite 500, Charlotte, North Carolina, from March 26, 2015 through the end of the meeting. The list will also be available for inspection at the meeting.

### ***What are the board's recommendations?***

Your board of directors recommends that you vote:

**FOR** each of our nominees to the board of directors;

**FOR** the resolution approving, on an advisory basis, the compensation paid to our named executive officers as disclosed in this proxy statement; and

**FOR** ratifying PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015. Proxy cards or telephone and Internet instructions to vote the proxy that are validly submitted and timely received, but that do not contain instructions on how you want to vote, will be voted in accordance with the board's recommendations.

With respect to any other matter that properly comes before the meeting, the proxy holders will vote as recommended by the board of directors or, if no recommendation is given, in their own discretion.

### ***How can I find out the results of the vote?***

We will publish final voting results in a report on Form 8-K to be filed with the Securities and Exchange Commission (SEC) within four business days after the meeting. In addition, we intend to post the voting results from the meeting on our website, [www.enproindustries.com](http://www.enproindustries.com).

### ***What is householding and how does it affect me?***

To reduce the expenses of delivering duplicate proxy materials to our shareholders, we are relying on SEC rules that allow us to deliver only one proxy statement and annual report to multiple shareholders who share an address unless we have received contrary instructions from any shareholder at that address. If you share an address with another shareholder and have received only one proxy statement and annual report, you may write or call us to request a separate copy of these materials and we will promptly send them to you at no cost to you.

For future meetings, if you hold shares directly registered in your own name, you may request separate copies of our proxy statement and annual report. Alternatively, you may request that we send only one set of materials if you are receiving multiple copies. You may make any of these requests by contacting us at [investor@enproindustries.com](mailto:investor@enproindustries.com) or by calling 704-731-1522.

If your shares are held in the name of a bank, broker or other nominee and you wish to receive separate copies of our proxy statement and annual report, or request that we send only one set of these materials to you if you are receiving

multiple copies, please contact your nominee.

***Can I access these proxy materials on the Internet?***

You can access this proxy statement and our 2014 annual report to shareholders, which includes our 2014 annual report on Form 10-K, on the Internet site at <http://2015annualmeeting.enproindustries.com>. If you are a registered shareholder, you can choose to receive these documents over the Internet in the future by accessing [www.proxyvote.com](http://www.proxyvote.com) and following the instructions provided on that website. This could help us save significant printing and mailing expenses. If you choose to receive your proxy materials and annual report electronically, then prior to next year's shareholder meeting you will receive an e-mail notification when the materials and annual report are available for on-line review, as well as the instructions for voting electronically over the Internet. Your choice for electronic distribution will remain in effect until you revoke it by sending a written request to our offices at 5605 Carnegie Boulevard, Suite 500, Charlotte, North Carolina 28209, Attention: Shareholder Relations.

If your shares are held through a bank, broker or other nominee, check the information provided by that entity for instructions on how to elect to view future proxy statements and annual reports over the Internet.

***Who will solicit votes and pay for the costs of this proxy solicitation?***

We will pay the costs of the solicitation. Our officers, directors and employees may solicit proxies personally, by telephone, mail or facsimile, or via the Internet. These individuals will not receive any additional compensation for their solicitation efforts. You may also be solicited by means of press releases issued by EnPro, postings on our website, [www.enproindustries.com](http://www.enproindustries.com), and advertisements in periodicals. We have engaged D.F. King & Co. to assist in the solicitation of proxies and provide related advice and informational support, for a services fee and the reimbursement of customary disbursements that together are not expected to exceed \$20,000 in the aggregate. In addition, upon request we will reimburse banks, brokers and other nominees representing beneficial owners of shares for their expenses in forwarding voting materials to their customers who are beneficial owners and in obtaining voting instructions.

***Who will count the votes?***

Broadridge Financial Solutions will act as the master tabulator and count the votes.

**Table of Contents****Beneficial ownership of our common stock; transactions****Beneficial owners of 5% or more of our common stock**

The following table sets forth information about the individuals and entities who held more than five percent of our common stock as of February 28, 2015. This information is based solely on SEC filings made by the individuals and entities by that date.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class(1)
BlackRock, Inc. <i>et al.</i> (2) 55 East 52 <sup>nd</sup> Street New York, New York 10022	1,999,052	8.3%
T. Rowe Price Associates, Inc. <i>et al.</i> (3) 100 E. Pratt Street Baltimore, Maryland 21202	1,907,522	7.9%
The Vanguard Group, Inc.(4) 100 Vanguard Blvd. Malvern, Pennsylvania 19355	1,590,149	6.6%
Greywolf Capital Management LP <i>et al.</i> (5) 4 Manhattanville Road, Suite 201 Purchase, New York 10577	1,473,560	6.1%

(1) Applicable percentage ownership is based on 24,017,508 shares of our common stock outstanding at February 28, 2015, other than shares held by our subsidiaries.

(2) This information is based on a Schedule 13G amendment dated January 12, 2015 filed with the SEC by BlackRock, Inc. reporting beneficial ownership as of December 31, 2014. BlackRock, Inc. reports sole voting power over 1,948,811 shares and sole dispositive power over 1,999,052 shares. The Schedule 13G amendment was filed by Blackrock, Inc. as a parent holding company with respect to the following subsidiaries: BlackRock Advisors (UK) Limited; BlackRock Advisors, LLC; BlackRock Asset Management Canada Limited; BlackRock Asset Management Ireland Limited; BlackRock Fund Advisors; BlackRock Institutional Trust Company, N.A.; BlackRock Investment Management (Australia) Limited; BlackRock Investment Management (UK) Ltd; and BlackRock Investment Management, LLC. The Schedule 13G amendment indicates that BlackRock Fund Advisors beneficially owns 5% or greater of the outstanding shares of our common stock.

- (3) This information is based on a Schedule 13G amendment filed with the SEC on February 13, 2015 by T. Rowe Price Associates, Inc. and T. Rowe Price New Horizons Fund, Inc. reporting beneficial ownership as of December 31, 2014. In the Schedule 13G amendment, T. Rowe Price Associates, Inc. reports sole voting power over 252,300 shares and sole dispositive power over 1,907,522 shares and T. Rowe Price New Horizons Fund, Inc. reports sole voting power over 543,964 shares. T. Rowe Price Associates, Inc. has notified us that these shares are owned by various individual and institutional investors, including T. Rowe Price New Horizons Fund, Inc. (which reports beneficial ownership of 543,964 shares), to which T. Rowe Price Associates, Inc. serves as investment adviser with power to direct investments and/or sole power to vote the shares, and, although for purposes of the reporting requirements of the Securities Act of 1934 it is deemed to be a beneficial owner of such shares, it expressly disclaims that it is, in fact, the beneficial owner of such shares.
- (4) This information is based on a Schedule 13G amendment dated February 9 2015 filed with the SEC by The Vanguard Group, Inc. reporting beneficial ownership as of December 31, 2014. The Vanguard Group, Inc. reports sole voting power with respect to 30,270 shares, sole dispositive power with respect to 1,590,149 shares and shared dispositive power with respect to 28,570 shares. The Vanguard Group, Inc. also reports that Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 28,570 shares as a result of its serving as investment manager of collective trust accounts and that Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 1,700 shares as a result of its serving as investment manager of Australian investment offerings.
- (5) This information is based on a Schedule 13G amendment filed with the SEC on February 17, 2015 by Greywolf Capital Management LP, Greywolf Event Driven Master Fund, Greywolf GP LLC and Jonathan Savitz reporting beneficial ownership as of December 31, 2013. The address listed in the table above is for each of the foregoing other than Greywolf Event Driven Master Fund which reports the address of its principal office as 89 Nexus Way, Camana Bay, Grand Cayman KY19007. The Schedule 13G amendment reported that each of Greywolf Capital Management LP, Greywolf Event Driven Master Fund, Greywolf GP LLC and Jonathan Savitz had shared voting and shared dispositive power over 1,473,560 shares.

**Table of Contents****Director and executive officer ownership of our common stock**

The following table sets forth information as of February 28, 2015 about the shares of our common stock beneficially owned by our directors and the executive officers listed in the summary compensation table included in this proxy statement. It also includes information about the shares of our common stock that our current directors and executive officers own as a group.

<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership(1)</b>	<b>Directors Phantom Shares(2)</b>	<b>Directors Stock Units(3)</b>	<b>Percent of Class(4)</b>
Stephen E. Macadam	291,533			1.2%
Thomas M. Botts		5,236	1,716	*
Peter C. Browning		30,239	7,599	*
Felix Brueck		2,646	1,017	*
B. Bernard Burns, Jr.	5,125	6,322		*
Diane C. Creel	1,000	11,207		*
Gordon D. Harnett	2,060	31,179	6,483	*
David L. Hauser	800	18,172	6,575	*
Kees van der Graaf		5,599		*
Alexander W. Pease	9,634			*
Kenneth D. Walker	22,563			*
Jon A. Cox	34,721			*
Robert S. McLean	11,748			*
Dale A. Herold	13,801			*
23 directors and executive officers as a group	440,583	110,600	23,390	1.8%

\* Less than 1%

(1) These numbers include the following shares that the individuals may acquire within 60 days after February 28, 2015 through the exercise of stock options or the vesting of restricted stock units: Mr. Macadam, 105,810 option shares; all directors and executive officers as a group, 105,810 option shares. The numbers also include 343 shares held in our Retirement Savings Plan for Salaried Employees allocated to Mr. Walker, 1,229 shares allocated to Mr. Cox, 313 shares allocated to Mr. McLean and 4,604 shares in the aggregate allocated to members of all directors and executive officers as a group. The numbers also include 5,000 restricted shares held by Mr. Walker and 11,330 restricted shares held by all directors and executive officers as a group. The numbers also include 10,402 shares held in an IRA by Mr. Macadam and 12,407 shares in the aggregate held in IRA accounts by all directors and executive officers as a group. All other ownership is direct, except that the amount reported as held by Mr. Pease and by all directors and executive officers as a group includes 50 shares held indirectly, which shares are owned by family members. The amounts reported do not include restricted stock units and option shares as follows: Mr. Macadam, 54,315 restricted stock units and 8,429 option shares; Mr. Pease, 16,174 restricted stock



units; Mr. Walker, 9,600 restricted stock units; Mr. Cox, 7,604 restricted stock units; Mr. McLean, 7,765 restricted stock units; and all directors and executive officers as a group, 138,939 restricted stock units and 8,429 option shares.

- (2) These numbers reflect the phantom shares awarded under our Outside Directors Phantom Share Plan and the phantom shares awarded to non-employee directors under our Amended and Restated 2002 Equity Compensation Plan. When they leave the board, these directors will receive cash in an amount equal to the value of the phantom shares awarded under the Outside Directors Phantom Share Plan and shares of our common stock for phantom shares awarded under the Amended and Restated 2002 Equity Compensation Plan. See Corporate Governance Policies and Practices Director Compensation. Because the phantom shares are not actual shares of our common stock, these directors have neither voting nor investment authority in common stock arising from their ownership of these phantom shares.
- (3) These numbers reflect the number of stock units credited to those non-employee directors who have elected to defer all or a part of the cash portion of their annual retainer and meeting fees pursuant to our Deferred Compensation Plan for Non-Employee Directors. See Corporate Governance Policies and Practices Director Compensation. Because the stock units are not actual shares of our common stock, the directors have neither voting nor investment authority in common stock arising from their ownership of these stock units.
- (4) These percentages do not include the directors phantom shares or stock units described in Notes 2 and 3. Applicable percentage ownership is based on 24,017,508 shares of our common stock outstanding at February 28, 2015, other than shares held by our subsidiaries.

### **Related party transactions**

On January 6, 2014, the wife of Dale A. Herold (a former executive officer) joined Cognova Consulting, Inc. as a consultant and managing director. We have used Cognova Consulting since 2008 to provide executive

mentoring and leadership development services. In 2014, we paid Cognova Consulting \$1,287,413 for its services. At no time has Mrs. Herold had any ownership interest in Cognova Consulting.

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**Section 16(a) beneficial ownership reporting compliance**

Section 16(a) of the Exchange Act requires our directors and officers and people who own more than 10% of our common stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of our common stock. The SEC requires these people to give us copies of all Section 16(a) reports they file.

We have reviewed the copies of all reports furnished to us. Based solely on this review, we believe that no director, officer, or 10% shareholder failed to timely file in 2014 any report required by Section 16(a), other than as described below. The initial report on Form 3 for David K. Fold, upon his designation as principal accounting officer, was filed late due to an administrative error. In addition, Form 4 reports filed on February 7, 2014 for each of the following officers failed to include the exempted receipt of a derivative security payable in cash

that was deemed granted pursuant to the terms of our management purchase stock deferral plan upon the first deferrals of a portion of annual incentive compensation effected under that plan: Todd L. Anderson, David S. Burnett, J. Milton Childress II, Jon A. Cox, Dale A. Herold, Gilles Hudon, Stephen E. Macadam, Robert S. McLean, Susan E. Sweeney and Eric A. Vallincort. The failure of these initial Form 4 reports to include this information, which failure was corrected by subsequent amendments to their Form 4 reports, was the result of an administrative oversight, as all such officers had provided all information necessary for the timely filing of a complete Form 4 on February 7, 2014. For a description of this plan, see Compensation discussion and analysis Compensation analysis Retirement and other post-termination compensation Deferred compensation and management stock plans.

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### **Proposal 1 Election of directors** (Item 1 on the proxy card)

One of the purposes of the meeting is the election of eight directors to hold office until the annual shareholders meeting in 2016 or until their respective successors are elected and qualified. Our board of directors presently consists of nine directors, all of whom were elected at the 2014 annual meeting of shareholders. All of the nominees are incumbent directors whose terms would otherwise expire upon the election of directors at the meeting. Consistent with the maximum age provisions of our Corporate Governance Guidelines, Peter C. Browning, a current director, has not been nominated for re-election at the 2015 annual meeting and will retire from the board of directors at that time. The board of directors has adopted a resolution to reduce the size of the board to eight directors effective upon the commencement of the annual meeting.

All nominees have indicated that they are willing to serve as directors if elected. Properly executed proxies that do not contain voting instructions will be voted for the election of each of these nominees. If any nominee should become unable or unwilling to serve, the proxies will be voted for the election of such person as the board of directors may designate to replace such nominee. Under our bylaws no person is eligible to be elected as a director if he or she is less than 18 years of age.

**The board of directors unanimously recommends that you vote FOR the election of each of the nominees for director named below.**

### **Nominees for election**

#### **Stephen E. Macadam**

Age 54

Director since 2008

Mr. Macadam has served as our Chief Executive Officer and President since April 2008. Prior to accepting these positions with EnPro, Mr. Macadam served as Chief Executive Officer of BlueLinx Holdings Inc. since October 2005. Before joining BlueLinx Holdings Inc., Mr. Macadam was the President and Chief Executive Officer of Consolidated Container Company LLC since August 2001. He served previously with Georgia-Pacific Corp. where he held the position of Executive Vice President, Pulp & Paperboard from July 2000 until August 2001, and the position of Senior Vice President, Containerboard & Packaging from March 1998 until July 2000. Mr. Macadam held positions of increasing responsibility with McKinsey and Company, Inc. from 1988 until 1998, culminating in the role of principal in charge of McKinsey's Charlotte, North Carolina operation. Mr. Macadam received a B.S. in mechanical engineering from the University of Kentucky, an M.S. in finance from Boston College and an M.B.A. from Harvard University, where he was a Baker Scholar.

Mr. Macadam's employment agreement provides that during the term of his employment with EnPro he will be included in the slate of nominees nominated by the board of directors for election as a member of the board.

**Public company directorships in the last five years:**

Axiall Corporation

**Qualifications:**

As the company's Chief Executive Officer and President, Mr. Macadam's active involvement in our company's operations provides our board of directors with specific knowledge of our businesses, our people, our challenges and our prospects for continued growth.

**Thomas M. Botts**

Age 60

Director since 2012

Mr. Botts retired from Royal Dutch Shell on December 31, 2012. In his last role at Shell, Mr. Botts was executive vice president, global manufacturing, Shell Downstream Inc., responsible for Shell's global manufacturing business, which included all of Shell's refineries and chemical complexes around the world. Mr. Botts joined Shell in 1977 as a production engineer and served in a number of corporate and operating roles in his career including executive vice president for exploration and production (E&P) in Europe, leading Shell's largest E&P unit. He held those responsibilities from 2003 to 2009. He has been a member of the board of directors of the National Association of Manufacturers, and a member of the American Petroleum Institute Downstream Committee, a member of the council of overseers for the Jones Graduate School of Business at Rice University. He currently is a non-Executive Director for John Wood Group PLC based in the United Kingdom, Chairman of the Governor's Tier 1 Task Force at the University of Wyoming, a member of the Energy Resources Council, University of Wyoming, and a member of the Society of Petroleum Engineers. Mr. Botts received a B.S. in Civil Engineering from the University of Wyoming.

**Current public company directorships:**

John Wood Group PLC

**Qualifications:**

Mr. Botts brings to our board thirty-five years of global business experience in manufacturing, extensive experience in our oil, gas and petrochemical markets, successful results-oriented leadership and experience in business transformation in large scale, multi-country organizations.

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**Felix M. Brueck**

Age 59

Director since 2014

Mr. Brueck is a Director Emeritus of McKinsey & Company, Inc., a global consulting firm, following his retirement in 2012 as a Director of McKinsey. During his almost 30-year career with McKinsey, Mr. Brueck specialized in counseling clients in operational and organizational transformations of entire companies, major functions or business units in technologically complex industries. He was based in offices in Munich, Tokyo and Cleveland. While at McKinsey, Mr. Brueck led the Firm's Manufacturing Practice in the Americas and its Organizational Effectiveness Practice in the Americas. He was a founder of McKinsey's Performance Transformation Practice. Prior to joining McKinsey, Mr. Brueck worked as an engineer for Robert Bosch GmbH. Mr. Brueck received a Dipl. Ing. (the equivalent of a Master's Degree in Mechanical Engineering) from RWTH Aachen University in Germany and a Master's Degree in International Management from Thunderbird School of Global Management.

**Qualifications:**

Mr. Brueck's experience as a consultant with McKinsey for almost 30 years provides the board with additional expertise and insights into operational and organizational strategies and structures across a broad range of industries, including industrial manufacturing, chemicals, semiconductors, pharmaceuticals and medical devices. He also provides expertise and experience in developing leadership and optimizing productivity. Mr. Brueck's experiences advising companies around the world also deepens the board's expertise regarding global markets, business environments and practices.

**B. Bernard Burns, Jr.**

Age 66

Director since 2011

Since 2001, Mr. Burns has served as a managing director of the McGuireWoods Capital Group, a merger and acquisition advisory group. He also is of counsel to the law firm of McGuireWoods LLP and was a partner of that firm from 2001 to 2011. Mr. Burns served in various executive capacities with United Dominion Industries Limited, a diversified industrial manufacturer, from 1989 until that firm was acquired in 2001, including as Senior Vice President and General Counsel from 1993 to 1996, Executive Vice President and Chief Administrative Officer in 2000 and as president of various operating segments and divisions from 1996 to 1999 and from 2000 to 2001. He is a director of several privately held companies. Mr. Burns earned a B.A. from Furman University and a J.D. from the Duke University School of Law and completed the Advanced Management Program at Duke University's Fuqua School of Business.

**Qualifications:**

Mr. Burns' legal expertise, his extensive merger and acquisitions background and experience, including assessing M&A targets' performance and valuation, and his experience as a member of senior management of a large diversified industrial company, for which he held a number of positions, including General Counsel and president of major operating divisions, provides our board with valuable insights on legal and corporate governance matters, evaluation of acquisition opportunities and operating issues.



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**Diane C. Creel**

Age 66

Director since 2009

Prior to her retirement in September 2008, Ms. Creel served from May 2003 as Chairman, Chief Executive Officer and President of Ecovation, Inc., a waste-to-energy systems company. Prior to joining Ecovation, Ms. Creel served as Chief Executive Officer and President of Earth Tech, Inc., an international consulting engineering firm, from January 1991 to May 2003. She previously served as Chief Operating Officer of Earth Tech from 1987 to 1993 and Vice President from 1984 to 1987. Ms. Creel was director of business development and communications for CH2M Hill from 1978 to 1984, manager of communications for Caudill Rowlett Scott from 1976 to 1978, and director of public relations for LBC&W, Architects-Engineers-Planners from 1971 to 1976. Ms. Creel has a B.A. and M.A. from the University of South Carolina.

**Current public company directorships:**

Allegheny Technologies Incorporated (lead director)

TimkenSteel Corporation

**Public company directorships in the last five years:**

Goodrich Corporation

Timken Corporation

URS Corporation

**Qualifications:**

Ms. Creel's extensive senior management experience, including her service as CEO of two companies for a combined fifteen years, allows her to provide our board of directors with meaningful guidance with respect to mergers and acquisitions, environmental matters, corporate governance, strategic planning, finance, and executive compensation and benefits.

**Gordon D. Harnett**

Age 72

Director since 2002

Mr. Harnett has served as the Non-executive Chairman of the Board of EnPro since 2010. He retired as Chairman and Chief Executive Officer of Materion Corporation (formerly known as Brush Engineered Materials Inc.), a provider of metal-related products and engineered material systems, in May 2006. Prior to joining Materion Corporation in 1991, Mr. Harnett served from 1988 to 1991 as a Senior Vice President of B.F. Goodrich Company, and from 1977 to 1988, he held a series of senior executive positions with Tremco Inc., a wholly owned subsidiary of Goodrich, including President and Chief Executive Officer from 1982 to 1988. Mr. Harnett received a B.S. from Miami University and an M.B.A. from Harvard University.

**Current public company directorships:**

Acuity Brands, Inc.

PolyOne Corporation (lead director)

**Public company directorships in the last five years:**

The Lubrizol Corporation

**Qualifications:**

Mr. Harnett brings to our board of directors a deep knowledge of the manufacturing industry and leadership experience from serving as Chairman and Chief Executive Officer of a multinational corporation, a broad understanding of international operations gained through a variety of senior leadership positions, and capital allocation experience and corporate governance expertise from his service, including as lead director, on other companies' boards of directors.



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**David L. Hauser**

Age 63

Director since 2007

From August 2010 until March 2011, Mr. Hauser served as a consultant to FairPoint Communications, Inc., a communications services company. From July 2009 to August 2010, Mr. Hauser served as Chairman of the Board and Chief Executive Officer of FairPoint Communications, Inc. In October 2009, FairPoint Communications and all of its direct and indirect subsidiaries filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York. In evaluating this event with respect to the nomination of Mr. Hauser for reelection to the board of directors, the Nominating and Corporate Governance Committee considered the well-publicized challenges facing FairPoint Communications at the time Mr. Hauser accepted his position as Chairman of the Board and Chief Executive Officer, his awareness of those challenges and his commitment to FairPoint Communications in the face of those challenges. The Nominating and Corporate Governance Committee and the full board support the nomination of Mr. Hauser for re-election to the board in 2015.

Prior to joining FairPoint Communications, Mr. Hauser had a 35-year career with Duke Energy Corporation, one of the largest electric power companies in the United States. Mr. Hauser served as Group Executive and Chief Financial Officer of Duke Energy Corporation from April 2006 until June 30, 2009, and as Chief Financial Officer and Group Vice President from February 2004 to April 2006. He was acting Chief Financial Officer from November 2003 to February 2004 and Senior Vice President and Treasurer from June 1998 to November 2003. During his first 20 years with Duke Energy Corporation, Mr. Hauser served in various accounting positions, including controller. Mr. Hauser is a member of the board of trustees of Furman University and a member of the board of trustees of the University of North Carolina at Charlotte. Mr. Hauser has retired as a member of the North Carolina Association of Certified Public Accountants. Mr. Hauser received a B.A. from Furman University and an M.B.A. from the University of North Carolina at Charlotte.

**Public company directorships in the last five years:**

FairPoint Communications, Inc.

**Qualifications:**

Along with his experience and expertise in public company strategic and corporate planning, including capital allocation, Mr. Hauser, as the former Chief Financial Officer of a major corporation and through his experience and training in various other accounting and financial reporting roles, provides our board of directors with valuable insight into accounting, financial controls and financial reporting matters.

**Kees van der Graaf**

Age 64

Director since 2012

Since October 2014, Mr. van der Graaf has served as founder, owner and chairman of FSHD Unlimited, a biotechnology company. Between 2008 and 2011, Mr. van der Graaf served as an Executive-in-Residence with IMD International, an international business school based in Lausanne, Switzerland. In 2011, he also served as Co-director of the IMD Global Center. Prior to joining IMD, Mr. van der Graaf enjoyed a 32-year career with Unilever NV and Unilever PLC which operate the Unilever Group, a multinational supplier of fast-moving consumer goods. At Unilever, Mr. van der Graaf served as President of Ice Cream and Frozen Foods Europe from 2001 to 2004 and as a member of the Board and Executive Committee of Unilever NV and Unilever PLC from 2004 to 2008 with responsibilities during that period for the Global Foods division and later for European Business group. Until February 2015, Mr. van der Graaf served as a member of the board of directors of Ben & Jerry's, a wholly owned subsidiary of Unilever, which is charged with preserving and expanding Ben & Jerry's social mission, brand integrity and product quality. He is also a member of the supervisory boards of several privately held European-based companies and recently concluded his service as chairman of the supervisory board of the University of Twente in The Netherlands. Mr. van der Graaf received a degree in mechanical engineering and an M.B.A. from the University of Twente.

**Current public company directorships:**

Carlsberg A/S

GrandVision N.V. (Chairman)

OCI N.V.

**Qualifications:**

Mr. van der Graaf brings to our board of directors extensive experience in executive management positions in global public corporations and a geographic background and management experience in European markets, business environments and practices.

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### **Board leadership structure**

The primary responsibility of our board of directors is to oversee and direct management in its conduct of our business. Members of the board are kept informed of our business through discussions with the Chairman and the officers, by reviewing materials provided to them, and by participating in meetings of the board and its committees. In addition, the non-management directors meet periodically in executive session without members of management present. These sessions are presided over by the Chairman of the Board of Directors, Mr. Harnett.

Since the inception of our company, we have maintained separate the positions of Chairman of the Board of Directors, a non-executive position filled by an

independent director, and Chief Executive Officer, the principal executive officer of our company. We believe that this structure continues to be appropriate for our company given the individuals serving in those positions, particularly our current Chairman. He is a former chief executive officer of a publicly held diversified industrial manufacturer and the lead independent director of another public company. This experience and his knowledge of and familiarity with our company and its businesses through his service on our board of directors from our inception as a public company in 2002, give him a unique ability to serve as a sounding board for our Chief Executive Officer.

### **Committee structure**

Our board of directors has four committees: an Executive Committee, an Audit and Risk Management Committee, a Compensation and Human Resources Committee, and a Nominating and Corporate Governance Committee. In order to maximize board efficiency, all of our independent directors serve on each committee other than the Executive Committee. For a list of our independent directors, see [Corporate Governance Policies and Practices](#) [Director Independence](#).

Each board committee operates in accordance with a written charter that the board has approved. You may obtain copies of these charters on our website at [www.enproindustries.com](http://www.enproindustries.com) by clicking on [Investor](#) and then [Corporate Governance](#) and looking under [Committee Charters](#). Copies of the charters are also available in print to any shareholder who requests them.

*Executive Committee.* The current members of the Executive Committee are Mr. Macadam (Chairman), Mr. Browning and Mr. Harnett. The Executive Committee did not meet in 2014. The primary function of this committee is to exercise the powers of the board as and when directed by the board or when the board is not in session, except those powers which, under North Carolina corporate law, may not be delegated to a committee of directors.

*Audit and Risk Management Committee.* The Audit and Risk Management Committee, or Audit Committee, met four times in 2014. It assists the board in monitoring the integrity of our financial statements, compliance with legal and regulatory requirements, management of significant risk areas (including insurance, pension, asbestos, environmental

and litigation) and the qualifications, independence and performance of our internal auditors and independent registered public accounting firm. This committee has the sole authority to appoint or replace our independent registered public accounting firm and to approve all related fees. Mr. Hauser is the current committee chairman.

*Compensation and Human Resources Committee.* The Compensation and Human Resources Committee, or Compensation Committee, met four times in 2014. Mr. Botts is the current committee chairman. The primary function of the Compensation Committee is to assist the board and management in exercising oversight concerning the appropriateness and cost of our compensation and benefit programs, particularly for executives. The Compensation Committee sets the salaries and annual bonus and long-term award opportunities for our senior executives, assesses the performance of our CEO, and oversees succession planning programs. The committee has delegated responsibility for the design, administration, asset management and funding policies of our qualified and non-qualified benefit plans to a benefits committee consisting of members of management. However, the Compensation Committee has expressly retained the authority to approve benefit plan amendments (other than amendments resulting from collective bargaining agreements) that would materially affect the cost, basic nature or financing of these plans. In addition, the Compensation Committee approves all formal policies established by the benefits committee and reviews the benefits committee's activities at least once per year. Mr. Botts currently chairs this committee.

*Nominating and Corporate Governance Committee.* The Nominating and Corporate Governance Committee met five times in 2014. The primary function of this committee is to assist the board and management in exercising sound corporate governance. This committee identifies and nominates individuals who are qualified to become members of the board, assesses the effectiveness of the board and its committees, and recommends board committee assignments. It also reviews various corporate governance issues, including those items discussed below under Corporate Governance Policies and Practices. Mr. Harnett currently chairs this committee.

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### **Risk oversight**

As discussed above, the Audit and Risk Management Committee assists the board in monitoring compliance with legal and regulatory requirements and the management of significant risk areas (including insurance, pension, asbestos, environmental, litigation and all incentive compensation plans, including for non-executive personnel). The company's internal audit group periodically performs an enterprise risk analysis of the company and reports the results of its analysis to the

Audit and Risk Management Committee. The head of the internal audit group reports directly to the Audit and Risk Management Committee and customarily attends meetings of that committee. In addition, the company's General Counsel customarily attends meetings of the Audit and Risk Management Committee. All of our independent directors currently serve on the Audit and Risk Management Committee.

### **Meetings and attendance**

The board met eight times in 2014. All directors attended at least 75% of the total number of meetings of the full board and of the board committees on which they serve.

It is our policy to encourage all directors to attend the annual meeting of shareholders. All of our directors attended our 2014 annual meeting.

### **Corporate governance policies and practices**

Our board of directors and management firmly embrace good and accountable corporate governance and believe that an attentive, high performing board is a tangible competitive advantage. To that end, the board has undertaken substantial efforts to ensure the highest standards of corporate governance.

### **Corporate Governance Guidelines and Code of Business Conduct**

The board regularly reviews our Corporate Governance Guidelines, taking into account recent trends in corporate governance and any new rules adopted by the New York Stock Exchange (NYSE) and the SEC. Among other things, these guidelines specify that:

normally the Chief Executive Officer should be the only employee who also serves as a director;

a substantial majority of the members of the board should be independent directors;

the board should hold regularly scheduled executive sessions without management present;

board members should attend our annual shareholders meeting; and

the board should evaluate its performance and contributions, and those of its committees, on an annual basis. Our Corporate Governance Guidelines require any nominee for director in an uncontested election who receives a greater number of votes withheld from his or her election than votes for his or her election to tender a resignation to the board Chairman.

Our Corporate Governance Guidelines include a provision that prohibits directors from engaging in hedging or monetization transactions with respect to EnPro stock, including through the use of financial instruments such as exchange funds, prepaid variable forwards, equity swaps, puts, calls, collars, forwards and other derivative instruments.

We also have a Code of Business Conduct. The Code covers, among other things, conflicts of interest, corporate opportunities, confidentiality, protection and proper use of company assets, fair dealing, compliance with laws (including insider trading laws), the accuracy and reliability of our books and records, and the reporting of illegal or unethical behavior. It applies to our directors and all of our employees, including our principal executive, financial and accounting officers. Pursuant to the Code, all conflict of interest transactions, including related party transactions we would be required to disclose in our proxy statement, must be presented to a member of our internal Corporate Compliance Committee or an attorney in our legal department, who are authorized by the Code to present such transactions to our Chief Executive Officer and the Audit and Risk Management Committee. The Code does not otherwise establish specific procedures and policies for the approval or ratification of conflict of interest transactions, and we would develop such procedures on a case-by-case basis as the need arises. Each year, we ask all members of the board and all officers to certify their compliance with the Code. Each member of the board and each officer certified compliance without exception in the first quarter of 2015.

Copies of our Corporate Governance Guidelines and Code of Business Conduct are available on our website at [www.enproindustries.com](http://www.enproindustries.com). From our home page, click on the Investor tab and then on Corporate Governance.

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**Director independence**

As described in our Corporate Governance Guidelines, the board believes that a substantial majority of the board should consist of independent directors. At its February 2015 meeting, the board of directors made a determination as to the independence of each nominee for election as a director at the annual meeting. In making these determinations, the board used the definition of an independent director in the NYSE listing standards and the categorical standards set forth in our Corporate Governance Guidelines. Under these guidelines, a director will be independent only if the board affirmatively determines that the director has no material relationship with our company (either directly or as a director, partner, shareholder or officer of an organization that has a relationship with us).

Under our Corporate Governance Guidelines, a director will not fail to be deemed independent solely as a result of a relationship we have with an organization with which the director is affiliated as a director, partner, shareholder or officer, so long as:

the relationship is in the ordinary course of our business and is on substantially the same terms as those generally prevailing at the time for comparable transactions with non-affiliated persons; and

in the event of a relationship involving extensions of credit to us, the extensions of credit have complied with all applicable laws and no event of default has occurred.

In addition, under the guidelines, the board cannot conclude that a director is independent if he or she falls into one of the following categories:

the director is, or has been within the last three years, an employee of ours, or an immediate family member is, or has been within the last three years, an executive officer of ours;

the director or an immediate family member has received more than \$120,000 during any 12-month period within the last three years in direct compensation from us, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

the director or an immediate family member is a current partner of our auditor; the director is a current employee of our auditor; the director has an immediate family member who is a current employee of our auditor and who personally works on our audit; or the director or an immediate family member was within the last three years a partner or employee of our auditor and personally worked on our audit within that time;

the director or an immediate family member is, or has been in the past three years, part of an interlocking directorate in which an executive officer of ours serves on the compensation committee of another company that employs the director;

the director is a current employee, or an immediate family member is a current executive officer, of a company that we do business with, and that company's sales to or purchases from us in any of the last three fiscal years exceeded the greater of \$1,000,000 or 2% of the other company's consolidated annual revenues; or

the director or the director's spouse serves as an officer, director or trustee of a charitable organization, and our discretionary charitable contributions to such organization exceeded the greater of \$1,000,000 or 2% of the other organization's annual revenues.

To assist in the board's independence determinations, each director nominated for election at the 2015 annual meeting completed a questionnaire that included questions to identify any relationships with us or with any of our executive officers or other directors. After discussing all relationships disclosed in the responses to these questionnaires, the board determined that Mr. Botts, Mr. Brueck, Mr. Burns, Ms. Creel, Mr. Harnett, Mr. Hauser and Mr. van der Graaf are independent because none has a material relationship with the company other than as a director. As our Chief Executive Officer and President, Mr. Macadam is automatically disqualified from being an independent director.

### **Board and committee self-evaluations**

The board of directors and each of the Audit and Risk Management Committee, the Compensation and Human Resources Committee and the Nominating and Corporate Governance Committee conduct self-evaluations annually to assess their performance. The board and committee evaluation process involves the distribution of a self-assessment questionnaire to all board and committee members that invites written

comments on all aspects of the board and each committee's process. The evaluations are then summarized, reviewed by the Chairman of the Board and serve as the basis for a discussion of board and committee performance and any recommended improvements. Going forward, the board of directors has determined that the self-assessment process will include an assessment of the performance of each director.



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**Audit committee financial expert**

The board of directors has determined that Mr. Hauser, the chairman of the Audit Committee, is an audit committee financial expert as that term is defined in Item 401(h) of the SEC's Regulation S-K. At its February 2015 meeting, the board determined that Mr. Hauser, through his education and experience as a certified public accountant and his prior experience as the Chief Financial Officer of Duke Energy Corporation, has all of the following attributes:

an understanding of generally accepted accounting principles and financial statements;

the ability to assess the general application of those principles in connection with the accounting for estimates, accruals and reserves;

experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that our financial statements can reasonably be expected to raise;

an understanding of internal controls and procedures for financial reporting; and

an understanding of audit committee functions.

**Director candidate qualifications**

When considering candidates for director, the Nominating and Corporate Governance Committee takes into account a number of factors, including whether the candidate is independent from management and the company, whether the candidate has relevant business experience, the composition of the existing board, matters of diversity (including diversity in professional experience and industry background), and the candidate's existing commitments to other businesses. In addition, all candidates must meet the requirements set forth in our Corporate Governance Guidelines. Those requirements include the following:

candidates should possess broad training and experience at the policy-making level in business, government, education, technology or philanthropy;

candidates should possess expertise that is useful to our company and complementary to the background and experience of other board members, so that we can achieve and maintain an optimum balance in board membership;

candidates should be of the highest integrity, possess strength of character and the mature judgment essential to effective decision making;

candidates should be willing to devote the required amount of time to the work of the board and one or more of its committees. Candidates should be willing to serve on the board over a period of several years to allow for the development of sound knowledge of our business and principal operations;

candidates should be without any significant conflict of interest; and

candidates must be at least 18 years old and no candidate shall be nominated by the board of directors for election or re-election as a director after reaching age 72 unless the Nominating and Corporate Governance Committee and our board of directors, by a vote of a majority of directors not subject to such a determination, specifically determine that, in light of all the circumstances, it is in the best interests of our company and our shareholders that such candidate be nominated for election or re-election.

The Nominating and Corporate Governance Committee will consider recommending for nomination director candidates recommended by shareholders. Shareholders who wish to suggest that the board nominate a particular candidate should send a written statement addressed to our Secretary at 5605 Carnegie Boulevard, Suite 500, Charlotte, North Carolina 28209 in accordance with the timeline and procedures set forth in our bylaws for shareholders to nominate directors themselves. See [Shareholder Proposals](#) for a description of the requirements to be followed in submitting a candidate and the content of the required statements.

## **Nomination process**

In evaluating the composition of the board of directors in connection with recommending candidates for election as directors, the Nominating and Governance Committee annually reviews a skills matrix, comparing the skills of the current directors with all desired skills identified in the matrix. To the extent that the Nominating and Governance Committee has identified any desired skills not provided by incumbent directors that it would

recommend for re-election, the Nominating Committee has engaged in a search to identify a candidate or candidates who would add the missing skills. When seeking candidates for director, the Nominating and Corporate Governance Committee solicits suggestions from incumbent directors, management or others and evaluates suggestions submitted by shareholders. The Nominating and Corporate Governance Committee may

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also engage the services of a third party to identify and evaluate candidates.

After conducting an initial evaluation of a candidate, if the committee believes the candidate might be a suitable director, each member of the Nominating and Corporate Governance Committee and each other director not then serving on the Nominating and Corporate Governance Committee generally separately interviews the candidate. The Nominating and Corporate Governance Committee may also ask the candidate to meet with management. If the Nominating and Corporate Governance Committee concludes that a candidate would be a valuable addition to the board and that the candidate meets all of the requirements for board membership, it will recommend to the full board that the candidate be nominated for election (or appointed, if the purpose of the committee's search was to fill a vacancy).

Before recommending a sitting director for re-election, the Nominating and Corporate Governance Committee considers whether the director's re-election would be consistent with the criteria for board membership in our Corporate Governance Guidelines (as described above), the skills identified in the skills matrix used by the committee (as described above) and applicable rules and requirements of the SEC and NYSE. This process includes a review on behalf of the Nominating and Corporate Governance Committee of the responses to the annual director questionnaires.

Since Mr. Harnett is 72 years of age, pursuant to our Corporate Governance Guidelines described above, he may not be nominated for election as a director unless the Nominating and Corporate Governance Committee and our board of directors, by a vote of a majority of directors (not including Mr. Harnett), specifically determine that, in light of all the circumstances, it is in the best interests of our company and our shareholders that he be nominated for re-election. The determination to

nominate Mr. Harnett for re-election as a director was made by a unanimous vote of the Nominating and Corporate Governance Committee and our board of directors, other than Mr. Harnett who recused himself from the vote in each instance.

In making this determination, the Nominating and Corporate Governance Committee and board of directors considered Mr. Harnett's tenure and leadership, the continuity of his position as Chairman of the board of directors and the Nominating and Governance Committee, his finance, governance and management background, his understanding of the company and the history of the asbestos litigation of the company's subsidiaries as the company progresses in the ACRP, as well as changes in the composition of the board of directors. Since December 2011, three directors have retired from service and a fourth (Mr. Browning) will retire at the 2015 annual meeting. Four new directors have joined the board during that period. The board believes that, given these circumstances, Mr. Harnett's continued service maintains a desirable level of continuity on the board of directors and is in the best interest of the company and its shareholders.

Our directors share certain characteristics and attributes that we believe are critical to effective board membership, including sound and mature business judgment essential to intelligent decision-making, experience at the policy-making level at a business, integrity and honesty, and the ability to collaborate in an effective manner at a board level. These characteristics and attributes and the specific employment and leadership experiences and other qualifications listed for each of our directors in his or her biography found above under the caption "Nominees for Election" led to the conclusion that these individuals should be nominated for election.

## **Communications with the board**

Shareholders and other interested parties can send communications to the board anonymously and confidentially by means of the EnTegrity Assistance Line. You can find instructions for using the EnTegrity Assistance Line on our website at [www.enproindustries.com](http://www.enproindustries.com). An independent third party staffs the line. We have instructed this third party that any report addressed to the board of directors be forwarded to the Chairman of the Audit and Risk Management Committee, a non-management director. Reports not addressed to the board of directors are forwarded to our Director of Internal Audit, who reports directly to the Audit and Risk Management Committee and is a member of our internal Corporate Compliance Committee. The Director of Internal Audit periodically updates the Audit and Risk Management Committee regarding the investigation and resolution of all reports of alleged misconduct (financial or otherwise).

Shareholders and other interested parties also may send written correspondence to the board in care of our Secretary, addressed to 5605 Carnegie Boulevard,

Suite 500, Charlotte, North Carolina 28209. The board has established procedures for the handling of communications from shareholders and other interested parties and directed our Secretary to act as the board's agent in processing these communications. All communications regarding matters that are within the scope of the board's responsibilities are forwarded to the board Chairman, a non-management director. Communications regarding matters that are the responsibility of one of the board's committees are also forwarded to the chairman of that committee. Communications that relate to ordinary business matters, such as customer complaints, are sent to the appropriate business. Solicitations, junk mail and obviously frivolous or inappropriate communications are not forwarded, but the Secretary will make them available to any director who wishes to review them.

In addition, security holders and other in