

APTARGROUP INC
Form DEF 14A
March 19, 2010

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

AptarGroup, Inc.

(Name of Registrant as Specified In Its Charter)

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

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*475 West Terra Cotta Avenue, Suite E
Crystal Lake, Illinois 60014
815-477-0424*

March 19, 2010

Dear Stockholder,

It is my pleasure to invite you to attend our annual meeting of stockholders on May 5, 2010. At the meeting, we will review AptarGroup's performance for fiscal year 2009 and our outlook for the future.

We are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their stockholders over the Internet. We believe that this e-proxy process expedites stockholders' receipt of proxy materials, while also lowering the costs and reducing the environmental impact of our annual meeting. Today, we mailed to most of our stockholders a Notice containing instructions on how to access our 2010 proxy statement and annual report and vote online. All other stockholders will continue to receive a copy of the proxy statement and annual report by mail unless they elect to receive the annual meeting materials over the Internet. The Notice and proxy statement contain instructions on how you can (i) receive a paper copy of the proxy statement and annual report, if you only received a Notice by mail, or (ii) elect to receive your proxy statement and annual report over the Internet, if you received them by mail this year.

A notice of the annual meeting and proxy statement are attached. You will also find enclosed voting instructions. The vote of each stockholder is important to us. Whether or not you expect to attend the annual meeting, I urge you to vote by the Internet or by telephone, or alternatively, to complete and return a paper proxy card as soon as possible.

I look forward to seeing you on May 5 and addressing your questions and comments.

Sincerely,

Peter Pfeiffer
President and Chief Executive Officer

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475 West Terra Cotta Avenue, Suite E
Crystal Lake, Illinois 60014
815-477-0424

March 19, 2010

NOTICE OF 2010 ANNUAL MEETING OF STOCKHOLDERS

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on May 5, 2010 the Proxy Statement and the 2009 Annual Report/Form 10-K are available at www.proxyvote.com.

The annual meeting of stockholders of AptarGroup, Inc. will be held on May 5, 2010 at 9:00 a.m., at the offices of Sidley Austin LLP, One South Dearborn Street, Chicago, Illinois, 60603 to consider and take action on the following:

1. To elect the three director nominees named in the proxy statement to terms of office expiring at the annual meeting in 2013;
2. To ratify the appointment of the independent registered public accounting firm; and
3. To transact any other business that is properly raised at the meeting.

Your Board of Directors recommends a vote FOR all of the director nominees and FOR the ratification of the appointment of the independent registered public accounting firm.

Stockholders owning our common stock as of the close of business on March 11, 2010 are entitled to vote at the annual meeting. Each stockholder has one vote per share.

Whether or not you plan to attend the annual meeting, we urge you to vote your shares by using the Internet (which is the most cost effective means for AptarGroup), toll free telephone number or by completing and mailing a paper proxy card.

By Order of the Board of Directors,

Stephen J. Hagge
Secretary
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475 West Terra Cotta Ave, Suite E
Crystal Lake, Illinois 60014

PROXY STATEMENT

ANNUAL MEETING INFORMATION

This proxy statement contains information related to the annual meeting of stockholders of AptarGroup, Inc. to be held on May 5, 2010 beginning at 9:00 a.m., at the offices of Sidley Austin LLP, One South Dearborn Street, Chicago, Illinois, 60603 and at any postponements or adjournments of the meeting. The proxy statement was prepared under the direction of AptarGroup's Board of Directors to solicit your proxy for use at the annual meeting. In accordance with rules and regulations adopted by the Securities and Exchange Commission (the "SEC"), instead of mailing a printed copy of our proxy materials to each stockholder of record or beneficial owner, we are furnishing proxy materials, which include this proxy statement and the accompanying proxy card, notice of meeting, and Annual Report/Form 10-K, to our stockholders over the Internet. If you received a Notice of Internet Availability of Proxy Materials ("Notice") by mail, you will not receive a printed copy of the proxy materials. Instead, the Notice instructs you as to how you may access and review all of the important information contained in the proxy materials. The Notice also instructs you as to how you may submit your proxy on the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice. The Notice will be mailed to stockholders on or about March 19, 2010.

Who is entitled to vote?

Stockholders owning our common stock at the close of business on March 11, 2010 are entitled to vote at the annual meeting, or any postponement or adjournment of the meeting. Each stockholder has one vote per share on all matters to be voted on at the meeting. On March 11, 2010, there were 67,815,128 shares of common stock outstanding.

What am I voting on?

You are asked to vote on the following proposals:

To elect the three director nominees named in this proxy statement to terms of office expiring at the annual meeting in 2013

To ratify the appointment of the independent registered public accounting firm

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The Board of Directors knows of no other business that will be presented at the meeting. If other matters properly come before the annual meeting, the persons named as proxies will vote on them in accordance with their best judgment.

How does the Board of Directors recommend I vote on the proposals?

The Board has unanimously approved and recommends a vote FOR all of the director nominees and FOR the ratification of the appointment of the independent registered public accounting firm. Unless you give other instructions when voting your proxy, the persons named as proxies will vote in accordance with the recommendation of the Board.

How do I vote?

You can vote your proxy in any of the following ways:

- ◆ ***By Internet:*** AptarGroup encourages stockholders to vote by Internet because it allows the least costly method of tabulating votes. You can vote by Internet by following the instructions on the proxy card or the Notice of Internet Availability of Proxy Materials.
- ◆ ***By Telephone:*** You can vote by touch-tone telephone by following the instructions on the proxy card.
- ◆ ***By Mail:*** If you received proxy materials by mail or if you request a paper proxy card, you may elect to vote by mail. To do so, you should sign, date and complete the proxy card you receive and return it in the prepaid envelope which accompanied that proxy card.

When voting to elect directors, you have three options:

Vote for all nominees

Vote for only some of the nominees

Withhold authority to vote for all or some nominees

When voting on all other proposals, you again have three options, but they are different from those pertaining to the election of directors:

Vote FOR a given proposal

Vote AGAINST a given proposal

ABSTAIN from voting on a given proposal

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If you return your proxy with no votes marked, your shares will be voted as follows:

FOR the election of all nominees for director

FOR the ratification of the appointment of the independent registered public accounting firm

You can revoke your proxy at any time before it is exercised by any of the following methods:

Entering a new vote by Internet or telephone

Writing to AptarGroup's Corporate Secretary

Submitting another signed proxy card with a later date

Voting in person at the annual meeting

What is a quorum?

A "quorum" is the presence at the meeting, in person or by proxy, of the holders of a majority of the outstanding shares of AptarGroup's common stock on March 11, 2010. There must be a quorum for the meeting to be held.

How are shares in a 401(k) plan voted?

If you hold shares of AptarGroup through your 401(k) plan, you will be instructing the trustee how to vote your shares by voting by Internet or by telephone, or by completing and returning the proxy card. If you do not vote by Internet or telephone or if you do not return the proxy card, or if you return it with unclear voting instructions, the trustee will not vote the shares in your 401(k) account.

How are shares held in a broker account voted?

If you own shares through a broker, you should be contacted by your broker regarding a proxy card and whether telephone or Internet voting options are available. If you do not instruct your broker on how to vote your shares, your broker, as the registered holder of your shares, may represent your shares at the annual meeting for purposes of determining a quorum. Even without instructions, your broker may exercise discretion in voting for the ratification of the appointment of the independent registered public accounting firm. Brokers have authority to vote in their discretion on "routine" matters if they do not receive voting instructions from the beneficial owner of the shares. Please note that under recent rules changes effective January 1, 2010, the election of directors is no longer considered a routine matter. Consequently, if you do not give your broker or nominee specific voting instructions with respect to the election of directors, your street name shares will not be counted in determining the number of shares necessary for approval of a nominee but will instead be

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treated as a broker "non-vote". Broker non-votes are counted as shares present in determining whether the quorum requirement is satisfied.

How many votes are required to approve each proposal?

The three persons receiving the greatest number of votes will be elected to serve as directors. As a result, withholding authority to vote for a director nominee and non-votes with respect to the election of directors will not affect the outcome of the election. Approval of the proposal regarding the ratification of the appointment of the independent registered public accounting firm require the affirmative vote of a majority of the shares present at the meeting and entitled to vote on the proposal. Abstaining is the legal equivalent of voting against this proposal.

Who will count the votes?

Our agent, Broadridge Financial Solutions, Inc., will count the votes cast by proxy or in person at the annual meeting.

How can I reduce the environmental impact of our annual meeting by requesting electronic delivery of annual meeting materials?

We encourage you to choose electronic (e-mail) delivery of future annual meeting materials by visiting www.proxyvote.com. Please follow the Vote By Internet instructions on the proxy card or the Notice of Internet Availability of Proxy Materials and you will be provided with the opportunity to choose electronic delivery for future meeting materials.

Following are the proposals to be voted on at this year's annual meeting.

PROPOSAL 1 ELECTION OF DIRECTORS

The Board of Directors is currently comprised of ten members divided into three classes, with one class of directors elected each year for a three-year term. The Board of Directors proposes the following nominees, two of whom are currently serving as directors and one new nominee, to be elected for a new term expiring at the 2013 annual meeting. The Corporate Governance Committee of the Board of Directors engaged the executive search firm Egon Zehnder International for the purpose of indentifying potential director nominee candidates. As a result of this engagement, the new nominee, Giovanna Kampouri Monnas, was referred to the Corporate Governance Committee for evaluation and consideration. Ms. Monnas has been nominated to replace Mr. Siebel who served on the Board since 1993 and is not standing for election in 2010.

If any of the director nominees is unable or fails to stand for election, the persons named in the proxy intend to vote for a substitute nominee nominated by the Corporate Governance Committee of the Board of Directors. The following sets forth information as to each nominee for election at this meeting and each director continuing in office.

We believe all of the members of the Board of Directors and our Director nominee are individuals of outstanding character and sound judgment that have the business experience and acumen necessary to work together effectively and to make valuable contributions to the Board of Directors and management. As a U.S.-based company with significant international operations, particularly in Europe, we seek to maintain a balanced board with approximately one-half of our Directors being U.S. citizens and approximately one-half being citizens from countries other than the U.S. Additionally, we value the following attributes: operating experience in packaging or packaging-related businesses, skill sets which may include experience in finance, strategic planning, marketing, pharmaceutical products and manufacturing; diversity, including a mix of genders and multi-cultural viewpoints; and previous board of director experience.

Set forth below is biographical and other background information concerning each Director and Director nominee. This information includes each person's principal occupation as well as a discussion of the specific experience, qualifications, attributes, and skills of each person that led to the Board of Directors' conclusion that he or she should continue to serve as a Director or, in the case of Ms. Monnas, should be nominated to serve as a Director. In addition, set forth below is the year during which each Director began serving on the Board of Directors of AptarGroup and their age.

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Name	Director		Principal Occupation, Experience, and Directorships
	Since	Age	
Alain Chevassus	2001	65	Mr. Chevassus has been President of COSFIBEL (flexible plastic packaging) since 2000. The Board of Directors concluded that Mr. Chevassus should continue to serve as a director of AptarGroup in part due to his executive role as President of COSFIBEL, his knowledge of and background in the global packaging, merchandising solutions and cosmetics industries, particularly with respect to product categories that are important to AptarGroup, and his global financial and senior management experience.
Stephen J. Hagge	2001	58	Mr. Hagge is the Executive Vice President, Chief Operating Officer, and Secretary of AptarGroup. He was appointed Chief Operating Officer in 2008 and has been Executive Vice President, and Secretary of AptarGroup since 1993. He served as Chief Financial Officer from 1993 to 2008. The Board of Directors concluded that Mr. Hagge should continue to serve as a director of AptarGroup in part due to his role as Executive Vice President, Chief Operating Officer and Secretary of AptarGroup, his deep understanding of AptarGroup's business, as demonstrated by his more than 25 years as an executive of AptarGroup and its predecessor company, his knowledge of and background in the global dispensing systems and consumer packaging industry and his financial and senior management experience.
Giovanna Kampouri Monnas		53	Ms. Monnas has been an independent consultant since 1996. She has served in executive positions at Joh. Benckiser GmbH (consumer products company) from 1989 to 1996 and at The Procter & Gamble Company (consumer products company) from 1981 to 1988. Ms. Monnas is a member of the Supervisory Board of Randstad Holding nv (a company publicly listed on the Euroenext Amsterdam Exchange providing human resources services). She is also a non-executive director of Puig S.L. (fragrance, cosmetic and fashion products). From 2005 until 2009 Ms. Monnas was a member of the supervisory board of TNT N.V. (mail, express and logistics services).

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Name	Director Since	Age	Principal Occupation, Experience, and Directorships
			The Board of Directors concluded that Ms. Monnas should serve as a director of AptarGroup in part due to her executive positions at leading global consumer marketing companies, her knowledge of and background in the fragrance and cosmetic markets, which are particularly important to AptarGroup, and her global marketing and senior management experience.

The Board of Directors recommends a vote FOR each of the nominees for Director.

DIRECTORS WHOSE PRESENT TERMS CONTINUE UNTIL 2011

Name	Director Since	Age	Principal Occupation and Directorships
King W. Harris	1993	66	Mr. Harris has been Chairman of the Board since 1996. Since 2000, he has been Chairman of Harris Holdings, Inc. (investments). Mr. Harris is also a director of Alberto-Culver Co. (personal care and beauty products company).
			The Board of Directors concluded that Mr. Harris should continue to serve as a director of AptarGroup in part due to his role as former President and Chief Executive Officer of AptarGroup's former parent company, Pittway Corporation, where he had responsibility for overseeing Pittway's packaging businesses from 1978 to 1993, his experience as a director of public, private and civic organizations and his acquisition, marketing, sales and senior management experience, which includes merging Pittway's Seaquist Division with the Pfeiffer Companies to form AptarGroup in 1993.
Peter H. Pfeiffer	1993	61	Mr. Pfeiffer was appointed President and Chief Executive Officer of AptarGroup in 2008. Prior to this appointment, he had been Vice Chairman of the Board since 1993.

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Name	Director Since	Age	Principal Occupation and Directorships
Dr. Joanne C. Smith	1999	49	<p>The Board of Directors concluded that Mr. Pfeiffer should continue to serve as a director of AptarGroup in part due to his role as President and Chief Executive Officer of AptarGroup, his deep understanding of AptarGroup's business, as demonstrated by his more than 30 years as an executive of AptarGroup and the Pfeiffer Companies, his knowledge of and background in the global dispensing systems and consumer packaging industry and his related manufacturing, engineering, marketing and senior management experience.</p> <p>Dr. Smith is a physician at the Rehabilitation Institute of Chicago ("RIC") and became RIC's President and Chief Executive Officer in 2006. From 2005 until 2006, Dr. Smith was President of RIC's National Division and from 2002 to 2005, she served as RIC's Senior Vice President, Corporate Strategy. Dr. Smith is also a director of Hill-Rom, Inc. (healthcare, medical technology).</p> <p>The Board of Directors concluded that Dr. Smith should continue to serve as a director of AptarGroup in part due to her executive background as President and Chief Executive Officer of a leading research and healthcare rehabilitation organization, her public company director experience, her knowledge of and background in the healthcare and medical technology industry, which is particularly relevant for AptarGroup's Pharma business, and her strategic planning, operations and senior management experience.</p>

Table of Contents**DIRECTORS WHOSE PRESENT TERMS CONTINUE UNTIL 2012**

Name	Director Since	Age	Principal Occupation and Directorships
Stefan A. Baustert	2006	54	<p>Since 2009, Mr. Baustert has been a member of the supervisory board of IKB Deutsche Industriebank AG (a corporate lending bank publicly listed on the Frankfurt Stock Exchange). Mr. Baustert was the Chief Executive Officer of Singulus Technologies AG (optical storage media) ("Singulus") from 2006 until 2009. From 2003 to 2009, Mr. Baustert was also the Chief Financial Officer and a member of the Managing Board of Singulus. From 2006 to 2009, he was Chairman of the Board of Steag Hamatech AG (media replication machinery).</p> <p>The Board of Directors concluded that Mr. Baustert should continue to serve as a director of AptarGroup in part due to his background as the CEO and CFO of a global manufacturer and his related global manufacturing, sales, financial and senior management experience. This experience has also led the Board to determine that Mr. Baustert is an "audit committee financial expert" as defined by the SEC.</p>
Rodney L. Goldstein	2003	58	<p>Mr. Goldstein has been Chairman of Frontenac Company LLC (private equity investing) since 2003. For more than the past five years, he has been Managing Director of Frontenac. Mr. Goldstein represents Frontenac on the boards of directors of several privately held companies.</p> <p>The Board of Directors concluded that Mr. Goldstein should continue to serve as a director of AptarGroup in part due to his background as Managing Director of a private investment firm with a focus on business and industrial services, which is particularly relevant in light of AptarGroup's history of acquiring small innovative packaging businesses, his experiences as a director of several other companies and his acquisition, financial and senior management experience. This experience has also led the Board to determine that Mr. Goldstein is an "audit committee financial expert" as defined by the SEC.</p>

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Name	Director Since	Age	Principal Occupation and Directorships
Leo A. Guthart	1993	72	Mr. Guthart has been the Managing Member of the General Partner of Topspin Partners L.P. (venture capital investing) since 2000. From 2001 to 2003, he was Executive Vice President of the Home and Building Control Group of Honeywell International Inc.
			The Board of Directors concluded that Mr. Guthart should continue to serve as a director of AptarGroup in part due to his role as the founder of a venture capital fund, his background as Chief Executive Officer of a division of a leading global manufacturer, his role as former Vice Chairman of AptarGroup's former parent company, Pittway Corporation, and his financial and senior management experience. This experience has also led the Board to determine that Mr. Guthart is an "audit committee financial expert" as defined by the SEC.
Ralf K. Wunderlich	2009	43	Mr. Wunderlich has been a member of Amcor's Global Executive Team and President of the business group Amcor Flexibles Asia Pacific (packaging company) since the beginning of 2010. He had been President and Managing Director of LINPAC Packaging Ltd. and an executive director of LINPAC Group Ltd. from 2008 to the end of 2009. From 2005 to 2007, Mr. Wunderlich was President of Alcan Packaging, Global Tobacco Packaging. From 2002 to 2005 Mr. Wunderlich was President of Alcan Packaging, Asia & Pacific (now part of Amcor).
			The Board of Directors concluded that Mr. Wunderlich should continue to serve as a director of AptarGroup in part due to his executive positions at leading global packaging companies, his knowledge of and background in the packaging industry, his experience in working with and from various European, American and Asian countries and his global financial and senior management experience.

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CORPORATE GOVERNANCE

AptarGroup's corporate governance documents, including our *Corporate Governance Principles*, *Code of Business Conduct and Ethics*, *Director Independence Standards*, and Board of Directors Committee Charters, are available through the Corporate Governance link on the Investor Relations page of the AptarGroup web site at the following address: <http://www.aptar.com>. Within the time period required by the SEC and the New York Stock Exchange ("NYSE"), we will post on our website any amendment to or waiver from the Code of Conduct applicable to any executive officer or director. The information provided on our website is not part of this report and is therefore not incorporated herein by reference.

Corporate Governance Principles

The Board of Directors of AptarGroup ("Board") has adopted a set of *Corporate Governance Principles* to provide guidelines for AptarGroup and the Board to ensure effective corporate governance. The *Corporate Governance Principles* cover topics including, but not limited to, director qualification standards, Board and committee composition, director responsibilities, director compensation, director access to management and independent advisors, director orientation and continuing education, succession planning and the annual evaluations of the Board and its committees. The Corporate Governance Committee is responsible for overseeing and reviewing the *Corporate Governance Principles* and recommending to the Board any changes to the principles.

Code of Business Conduct and Ethics

Ethical business conduct is a shared value of our Board, management and employees. AptarGroup's *Code of Business Conduct and Ethics* applies to our Board as well as our employees and officers, including our principal executive officer and our principal financial and accounting officer.

The *Code of Business Conduct and Ethics* covers all areas of professional conduct, including, but not limited to, conflicts of interest, disclosure obligations, insider trading, confidential information, as well as compliance with all laws, rules and regulations applicable to AptarGroup's business. AptarGroup encourages all employees, officers and directors to promptly report any violations of the Code to the appropriate persons identified in the Code. In the event that an amendment to, or a waiver from, a provision of the *Code of Business Conduct and Ethics* that applies to any of our directors or executive officers is necessary, AptarGroup intends to post such information on its web site. As of the date of the mailing of this proxy statement, there are no such amendments or waivers.

Board Structure

The Chairman of the Board is an independent director who is not an executive officer or employee of the Company. The Company believes that having an independent Chairman enhances the oversight ability of the Board. An independent Chairman can also provide stability and continuity during senior management transitions.

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The Board has four committees: the Audit, Compensation, Corporate Governance, and Executive Committees. Each committee is governed by a charter approved by the Board. Each member of the Audit, Compensation, and Corporate Governance Committees has been determined to be independent as discussed below under "Independence of Directors". Committees report their actions to the full Board at each next regular meeting. An affirmative vote of at least 70% of the Board is required to change the size, membership or powers of these committees, to fill vacancies in them, or to dissolve them.

The Board is responsible for the Company's risk oversight. The Board receives a presentation annually that is prepared by Company's Risk Management leader. This presentation includes an assessment and discussion of various risks, including but not limited to, operational, credit, and compensation practice risks. The Company has concluded that there are not any compensation policies or practices that are reasonably likely to have a material effect on the Company. In addition, at each Audit Committee meeting, the Audit Committee discusses whether any new financial risks have arisen and the steps management has taken to monitor and control any such exposures.

Independence of Directors

Our *Corporate Governance Principles* provide that the Board must be composed of a majority of independent directors. No director qualifies as independent unless the Board affirmatively determines that the director has no material relationship with AptarGroup either directly or as a partner, stockholder or officer of an organization that has a relationship with AptarGroup. Our Board has determined that seven out of ten current directors and the new director nominee are independent in accordance with the New York Stock Exchange listing standards. Those individuals determined to be independent are: S. Baustert, A. Chevassus, R. Goldstein, L. Guthart, K. Harris, G. Kampouri Monnas, J. Smith, and R. Wunderlich. The Board has made this determination based on the following categorical standards, in addition to any other relevant facts and circumstances. These standards provide that a director generally will not be independent if:

The director is or has been an employee of the Company within the last three years or has an immediate family member who is or has been an executive officer of the Company within the last three years.

The director has received or an immediate family member has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company 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 is, or has an immediate family member who is, a current partner of a firm that is the Company's internal or external auditor ("Firm").

The director is a current employee of such Firm.

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The director has an immediate family member who is a current employee of such Firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice.

The director was, or has an immediate family member who was, within the last three years but is no longer a partner or employee of such Firm and personally worked on the Company's audit within that time.

The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.

The director is a current employee or an immediate family member is a current executive officer of another company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

The director or an immediate family member is, or has been within the last three years, a director or executive officer of another company that is indebted to the Company, or to which the Company is indebted, if the total amount of either company's indebtedness for borrowed money to the other is or was 2% or more of the other company's total consolidated assets.

The director or an immediate family member is, or has been within the last three years, an officer, director or trustee of a charitable organization if the Company's, or any executive officer's, annual charitable contributions to the organization exceeds or exceeded the greater of \$1 million, or 2% of such charitable organization's gross revenue.

The Board considers the following to be immaterial when making independence determinations:

If a director is an officer, director or trustee of a charitable organization or entity to which the Company has made grants or contributions in the past year of less than \$100,000.

Investments by Messrs. Harris and Siebel in a private equity fund managed by Mr. Guthart which, in the aggregate, are less than 1% of the fund's total net asset value.

Mr. Harris' membership on the Board of Directors of Alberto-Culver Co., a customer of AptarGroup.

Ms. Monnas' membership on the Board of Directors of Puig S.L., a customer of AptarGroup.

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Executive Sessions

Non-management directors meet regularly in executive sessions without management. "Non-management" directors are all those who are not Company officers. Executive sessions are led by a "Presiding Director." An executive session is held in conjunction with each regularly scheduled Board meeting and other sessions may be called by the Presiding Director in his or her own discretion or at the request of the Board. Mr. Harris has been designated as the Presiding Director.

Nomination of Directors

It is the policy of the Corporate Governance Committee to consider candidates for director recommended by stockholders. The Board has established a maximum age limit for director nominees. Nominees must be 74 years old or younger at the time of election. In order to recommend a candidate, stockholders must submit the individual's name and qualifications in writing to the Committee (in care of the Secretary at AptarGroup's principal executive office at 475 West Terra Cotta Avenue, Suite E, Crystal Lake, Illinois 60014) and otherwise in accordance with all of the procedures outlined under "Other Matters - Stockholder Proposals" for a director nomination.

In identifying and evaluating nominees for Director, the Committee takes into account the applicable requirements for directors under the Securities Exchange Act of 1934, as amended, and the listing standards of the New York Stock Exchange. In addition, the Committee may take into consideration such factors and criteria as it deems appropriate, including, but not limited to, the nominee's character, judgment, business experience and acumen, as well as the overall diversity of the Board. Because the Company's operations and customers are located in many different geographic regions, the Committee considers international perspectives and cultural diversity when evaluating potential candidates. The Committee also believes that a mix of genders is necessary to have a well-balanced and representative Board. In addition to nominees recommended by stockholders, the Committee also considers candidates recommended by management or other members of the Board. The Committee evaluates candidates recommended for Director by stockholders in the same way that it evaluates any other nominee. The Committee may engage outside advisors to identify potential director nominee candidates from time to time. The effectiveness of the nomination process is evaluated by the Board each year as part of its annual self-evaluation and more formally by the Corporate Governance Committee as it evaluates and identifies director candidates.

Communications with the Board of Directors

The Board has established a process for stockholders and other interested parties to communicate with the Board or an individual director, including the Presiding Director or the non-management directors as a group. A stockholder or other interested party may contact the Board or an individual director by writing to their attention at AptarGroup's principal executive offices at 475 West Terra Cotta Avenue, Suite E, Crystal Lake, Illinois 60014.

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Communications received in writing are distributed to the Board or to individual directors as appropriate in accordance with procedures approved by AptarGroup's independent directors.

Audit Committee

The Board has determined that each member of the Audit Committee (Messrs. Baustert, Goldstein and Guthart) is financially literate and independent in accordance with the requirements of the New York Stock Exchange. The Board has also determined that Messrs. Baustert, Goldstein and Guthart qualify as "audit committee financial experts" as that term is defined in rules of the Securities and Exchange Commission implementing requirements of the Sarbanes-Oxley Act of 2002. In reaching this determination, the Board considered, among other things, the relevant experience of Messrs. Baustert, Goldstein and Guthart as described under "Election of Directors." The Audit Committee operates under a written charter that complies with all regulatory requirements.

This committee oversees the financial reporting process, system of internal controls and audit process of AptarGroup and reviews AptarGroup's annual and interim financial statements. In addition, the Audit Committee reviews the qualifications, independence and audit scope of AptarGroup's external auditor and is responsible for the appointment, retention, termination, compensation and oversight of the external auditor. This committee also reviews AptarGroup's process for monitoring compliance with laws, regulations and its *Code of Business Conduct and Ethics*. The Audit Committee also approves or ratifies all related party transactions in excess of \$120,000.

Compensation Committee

The Compensation Committee is comprised solely of independent directors and is appointed by the Board to discharge the Board's responsibilities relating to compensation of the Company's executives. This committee may not delegate its authority. The Compensation Committee reviews and recommends to the Board compensation plans, policies and programs, as well as approves CEO and executive officer compensation, and employment and severance agreements, including change-in-control provisions. In addition, this committee annually reviews the succession plans affecting corporate and other key management positions and approves grants and/or awards of restricted stock, stock options and other forms of equity-based compensation. For further information on this committee's procedures for consideration of executive compensation, see our "Compensation Discussion and Analysis".

The Compensation Committee receives recommendations annually from the CEO regarding the compensation levels of our other executive officers, including salary, bonus and equity compensation. In addition, this committee receives compensation market survey information from the Vice President of Human Resources, including information prepared by compensation consulting firms. For a further discussion of compensation information provided to the Compensation Committee by management, see our "Compensation Discussion and Analysis".

Under the Compensation Committee charter, this committee has the authority to retain outside advisers as deemed necessary. This committee has retained outside advisers in the

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past to validate and compare compensation information and recommendations it has received from management, including information prepared for management by outside advisers. The Compensation Committee intends to engage outside advisers to perform such work from time to time and at least once every three years.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee of the Board who served on the Compensation Committee in 2009 (Messrs. Chevassus, Goldstein, Guthart and Harris) has interlocking relationships as defined by the SEC or had any relationships requiring disclosure by AptarGroup under the SEC's rules requiring disclosure of certain relationships and related party transactions. Mr. Pfeiffer, President and Chief Executive Officer, and Mr. Hagge, Executive Vice President and Chief Operating Officer, participate in all discussions regarding salaries and incentive compensation for all of our executive officers, except during discussions regarding their own salary and incentive compensation. Messrs. Pfeiffer and Hagge may make suggestions or recommendations during these discussions, however all deliberations and determinations regarding the compensation of our executive officers are made solely by the Committee.

Corporate Governance Committee

The Corporate Governance Committee is comprised solely of independent directors. This committee identifies, evaluates and recommends to the Board individuals qualified to stand for election as directors, including nominations received from Board members, stockholders or outside parties. This committee evaluates candidates recommended for director by stockholders in the same way that it evaluates any other nominee. Additional information regarding director nominations can be found under the heading "Nomination of Directors".

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