

STANLEY BLACK & DECKER, INC.

Form DEF 14A

March 09, 2012

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 [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

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

STANLEY BLACK & DECKER, 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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- 3) Filing Party:
 - 4) Date Filed:
-

March 9, 2012

Dear Fellow Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Stanley Black & Decker, Inc. (Stanley Black & Decker or the Company) to be held at 9:30 a.m. on April 17, 2012, at the Stanley Black & Decker University, 1000 Stanley Drive, New Britain, Connecticut 06053 (see directions on back cover).

This booklet includes the Notice of Annual Meeting of Shareholders and the Proxy Statement. The Proxy Statement describes the business to be conducted at the Annual Meeting and provides other important information about the Company that you should be aware of when you vote your shares.

The Board appreciates and encourages your participation. Whether or not you plan to attend the meeting, it is important that your shares be represented. **PLEASE COMPLETE, SIGN, DATE AND MAIL THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED OR REGISTER YOUR VOTE BY TELEPHONE OR ON THE INTERNET AT YOUR EARLIEST CONVENIENCE.**

Very truly yours,

Nolan D. Archibald
Executive Chairman

John F. Lundgren
President and Chief Executive Officer

2012 Proxy Summary

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

Annual Meeting of Shareholders

Time and Date:	9:30 a.m., April 17, 2012
Place:	Stanley Black & Decker University 1000 Stanley Drive New Britain, Connecticut 06053
Record Date:	February 27, 2012
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 4 directors*
- *Approve an amendment to the Restated Certificate of Incorporation to declassify the Board of Directors*
- *Approve the Company's 2012 Management Incentive Compensation Plan*
- *Approve selection of Ernst & Young LLP as independent auditors for fiscal 2012*
- *Approve executive compensation on an advisory basis*
- *Transact other business that may properly come before the meeting*

Voting Matters and Vote Recommendation

Proposal No.	Matter	Board Vote Recommendation	Page Reference (for more detail)
1	Election of Directors	FOR EACH NOMINEE	1
2	Approve Amendment to Restated Certificate of Incorporation	FOR	48
3	Approve 2012 Management Incentive Compensation Plan	FOR	49
4	Approve Ernst & Young LLP as Auditors for Fiscal 2012	FOR	51
5	Approve Executive Compensation on an Advisory Basis	FOR	52

Board Nominees

The following table provides summary information about each director nominee. If shareholders approve the proposal to declassify the Board, each director will be elected annually commencing with the 2013 Annual Meeting (please see Item 1 Election of Directors and Item 2 Approval of an Amendment to the Restated Certificate of Incorporation to Declassify the Board of Directors for more information). Each director is elected by a plurality of the votes cast. However, if a director nominee in an uncontested election receives more votes against than for election, the term of that director will end on the earlier of (1) 90 days or (2) the date the Board selects a successor (please see Voting Information, Vote required for approval for more information). Each director nominee is a current director and attended at least 75% of the aggregate of all meetings of the Board and each committee on which he or she sits.

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Name	Director		Occupation	Independent	Committee Memberships				
	Age	Since			E	A	CG	FP	CO
Patrick D. Campbell*	59	2008	Retired SVP & CFO, 3M Company	X		X		X	
Benjamin H. Griswold, IV*	71	2001 (B)	Chairman, Brown Advisory	X		X			X
Eileen S. Kraus*	73	1993	Retired Chairman, Fleet Bank, Connecticut	X	X	C	X		
Robert L. Ryan	68	2005 (B)	Retired SVP & CFO, Medtronic, Inc.	X	X		X	C	

- E Executive Committee
A Audit Committee
CG Corporate Governance Committee
FP Finance and Pension Committee
CO Compensation and Organization Committee
B Former Black & Decker director
C Chair
* Financial expert

Corporate Governance Highlights

In 2011, as part of the Board’s ongoing review of the Company’s corporate governance and compensation practices, the Board also considered the results of last year’s Say on Pay vote, in which a majority of shareholders voted against the compensation of our named executive officers. Shareholders raised a variety of concerns that the Company believes contributed to this result, including the Company’s decision in prior years not to recommend declassifying the Board of Directors in response to shareholder proposals to do so, and the implementation of compensation arrangements in connection with the merger of The Stanley Works and The Black & Decker Corporation. The Board carefully considered all of the issues raised by shareholders, examined current views on corporate governance best practices and determined what changes and enhancements to the Company’s corporate governance and compensation practices would be in the best interests of the Company. As a result, the Board has taken the following actions:

- The Board is recommending shareholders approve an amendment to our Restated Certificate of Incorporation that would declassify the Board: the Board has revisited this issue and now believes that the Board should be declassified. Please see the discussion under Item 2 Approval of an Amendment to the Restated Certificate of Incorporation to Declassify the Board of Directors.
- The Board amended the Company’s Bylaws to implement a majority voting policy governing the election of directors, which is in effect for this year’s Annual Meeting of Shareholders: this amendment adopted the relevant provision set forth in Connecticut law and was filed with the SEC on February 15, 2011 as Exhibit 3.ii to the Company’s Form 8-K.
- The Board evaluated and revised the composition of the Compensation and Organization Committee in light of prior shareholder votes: the current membership of this Committee is set forth under Board of Directors Compensation and Organization Committee.
- Minimum stock ownership requirements for the Company’s executive officers have been significantly increased as discussed at page 15.
- Stock option and RSU grants to executive officers will be subject to a one-year post exercise holding period, as discussed at page 15.
- Minimum stock ownership requirements for non-employee directors have been modified to require ownership of shares having a value equal to 500% of the annual cash retainer, as discussed at page 10.
- Single-trigger change in control provisions have been replaced with double-trigger provisions in the Company’s 2009 Long-Term Incentive Plan and in the proposed 2012 Management Incentive Compensation Plan, as more fully set forth at page 39.

- *The Board has determined that golden parachute excise tax gross-ups will not be included in any new change in control or severance agreements or arrangements. In addition, tax gross-ups on perquisites have been eliminated, except for those guaranteed to one executive pursuant to an existing employment agreement, as more fully discussed at page 22.*
- *The Compensation and Organization Committee engaged Pay Governance LLC as an independent compensation consultant. Pay Governance LLC will work exclusively with the Committee and will not provide any other services to the Company.*

Declassification of the Board

The Board has approved, and recommends the Company's shareholders approve, an amendment to the Company's Restated Certificate of Incorporation that would declassify the Board and provide for annual elections for all directors commencing with the 2013 Annual Meeting of Shareholders. Currently, the Board is divided into three classes of directors with members serving staggered three-year terms. Please see Item 2 Approval of an Amendment to the Restated Certificate of Incorporation to Declassify the Board of Directors for more information.

2012 Management Incentive Compensation Plan

The Board has approved, and recommends the Company's shareholders approve, a new Management Incentive Compensation Plan to replace the Company's existing 2006 Management Incentive Compensation Plan. The Company is seeking shareholder approval of the new Plan in order to qualify for the performance-based exclusion from the deduction limitations under Section 162(m) of the Internal Revenue Code (Section 162(m)) for bonus compensation payable under the Plan. Pursuant to Section 162(m), shareholder approval must be obtained every five years in order for compensation to qualify as performance-based compensation. The new Plan is based on, and is substantially identical to, the 2006 Plan. Under the new Plan, however, awards will not automatically vest upon a change in control, as they would under the 2006 Plan. Please see Item 3 Approval of the Company's 2012 Management Incentive Compensation Plan for more information.

Auditors

We ask that the shareholders approve the selection of Ernst & Young LLP as our independent auditors for fiscal year 2012. Please see Item 4 Approval of Independent Registered Accounting Firm for more information, including the amount of fees for services provided in 2010 and 2011.

Executive Compensation Advisory Vote

The Board recommends shareholders vote to approve, on an advisory basis, the compensation paid to the Company's named executive officers as described in this Proxy Statement for the reasons discussed in this Proxy Statement, including:

- We achieved strong Company performance again in 2011;
- From the announcement of the merger between The Stanley Works and Black & Decker to January 3, 2012, the value of a share of Company common stock increased by more than 89% for those who held Black & Decker common stock and 56% for those who held The Stanley Works common stock;
- The Board is responsive to concerns raised by shareholders in connection with last year's Say on Pay vote;
- Our long-term performance targets are aggressive;
- Our pay for performance alignment is strong; and
- Our aggregate compensation expenditures are targeted at the market median.

Please see Item 5 Advisory Vote to Approve Compensation of Named Executive Officers for more information.

2013 Annual Meeting

- Shareholder proposals submitted for inclusion in our 2013 Proxy Statement pursuant to Rule 14a-8 of the Exchange Act must be received by us not later than November 9, 2012.
- Notice of shareholder proposals for the 2013 Annual Meeting of Shareholders, submitted other than pursuant to Rule 14a-8, must be delivered to us no earlier than November 9, 2012 and no later than December 9, 2012.

Please see Shareholder proposals for the 2013 Annual Meeting for more information.

STANLEY BLACK & DECKER, INC.

1000 Stanley Drive
New Britain, Connecticut 06053
Telephone: 860-225-5111

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

March 9, 2012

To the Shareholders:

The Annual Meeting of Shareholders of Stanley Black & Decker, Inc. will be held at the Stanley Black & Decker University, 1000 Stanley Drive, New Britain, Connecticut 06053 on April 17, 2012, at 9:30 a.m. for the following purposes:

- (1) To elect four directors to the Board of Directors of Stanley Black & Decker, Inc.;
- (2) To approve an amendment to the Restated Certificate of Incorporation to Declassify the Board of Directors;
- (3) To approve the Company's 2012 Management Incentive Compensation Plan;
- (4) To approve Ernst & Young LLP as the Company's independent auditors for the 2012 fiscal year;
- (5) To approve, on an advisory basis, the compensation of the Company's named executive officers; and
- (6) To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Shareholders of record at the close of business on February 27, 2012 are entitled to vote at the meeting and any adjournment or postponement thereof.

Important Notice Regarding the Availability of Proxy Materials for the Shareholders Meeting to Be Held on April 17, 2012: This Proxy Statement, together with the Form of Proxy and our Annual Report, are available free of charge by clicking on SEC Filings under the Investor section of the Company's website (www.stanleyblackanddecker.com).

Bruce H. Beatt
Secretary

STANLEY BLACK & DECKER, INC.

1000 Stanley Drive
New Britain, Connecticut 06053
Telephone: 860-225-5111

PROXY STATEMENT FOR THE APRIL 17, 2012 ANNUAL MEETING OF SHAREHOLDERS

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Stanley Black & Decker, Inc. (the Company), a Connecticut corporation, to be voted at the 2012 Annual Meeting of Shareholders, and any adjournment or postponement thereof (the Annual Meeting), to be held on the date, at the time and place, and for the purposes set forth in the foregoing Notice. No business may be transacted at the Annual Meeting other than the business specified in the Notice of the Annual Meeting, business properly brought before the Annual Meeting at the direction of the Board of Directors, and business properly brought before the Annual Meeting by a shareholder who has given notice to the Company's Secretary that was received after November 12, 2011 and before December 12, 2011. The Company did not receive any such notice. Management does not know of any matters to be presented at the Annual Meeting other than the matters described in this Proxy Statement. If, however, other business is properly presented at the Annual Meeting, the proxy holders named in the accompanying proxy will vote the proxy in accordance with their best judgment.

On March 12, 2010, a wholly owned subsidiary of The Stanley Works was merged with and into The Black & Decker Corporation, with the result that The Black & Decker Corporation became a wholly owned subsidiary of The Stanley Works (the Merger). In connection with the Merger, The Stanley Works changed its name to Stanley Black & Decker, Inc. Throughout this Proxy Statement, references to the Company refer to Stanley Black & Decker, Inc., formerly known as The Stanley Works. The Black & Decker Corporation continues to exist as a wholly owned subsidiary of the Company; references to Black & Decker in this Proxy Statement refer to The Black & Decker Corporation as it existed prior to completion of the transaction.

This Proxy Statement, the accompanying Notice of the Annual Meeting and the enclosed proxy card are first being mailed to shareholders on or about March 9, 2012.

ITEM 1 ELECTION OF DIRECTORS

At the 2012 Annual Meeting, the shareholders will elect four directors to the Board of Directors. The nominations to the Board of Directors are set forth below. Shareholders also will vote on a proposal to declassify the Board at the 2012 Annual Meeting. If that proposal is approved, the terms of all directors will expire at the 2013 Annual Meeting. Otherwise, those elected as directors will serve until the Annual Meeting of Shareholders indicated in the biographical information below and until the particular director's successor has been elected and qualified.

The Board of Directors recommends a vote FOR the nominees. If for any reason any nominee should not be a candidate for election at the time of the meeting, the proxies may be voted, at the discretion of those named as proxies, for a substitute nominee.

Information Concerning Nominees for Election as Directors

PATRICK D. CAMPBELL, retired, has been a director of the Company since October 2008. He served as Senior Vice President and Chief Financial Officer of 3M Company from 2002 to 2011. Prior to his tenure with 3M, Mr. Campbell had been Vice President of International and Europe for General Motors Corporation where he served in various finance related positions during his 25 year career with that company.

Mr. Campbell is 59 years old and is a member of the Audit Committee and the Finance and Pension Committee.

As the former Senior Vice President and Chief Financial Officer of 3M Company, Mr. Campbell has expert knowledge in finance. Before he joined 3M Company, Mr. Campbell worked at General Motors in various capacities, including the role of Chief Financial Officer and Vice President of General Motors International Operations, based in Switzerland, for six years. This experience gives Mr. Campbell a perspective that he is able to use to help the Board understand the issues management confronts on a daily basis and to serve as a resource for management.

Mr. Campbell's term will expire at the 2015 Annual Meeting.

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BENJAMIN H. GRISWOLD, IV, Chairman, Brown Advisory, was elected a director of Black & Decker in 2001 and was appointed to the Company's Board of Directors on March 12, 2010, when the Merger was completed.

Mr. Griswold joined Alex. Brown & Sons in 1967, became a partner of the firm in 1972, was elected Vice Chairman of the Board and director in 1984, and became Chairman of the Board in 1987. Upon the acquisition of Alex. Brown by Bankers Trust New York Corporation in 1997, he became Senior Chairman of BT Alex. Brown, and upon the acquisition of Bankers Trust by Deutsche Bank in 1999, he became Senior Chairman of Deutsche Banc Alex. Brown, the predecessor of Deutsche Bank Securities Inc. Mr. Griswold retired from Deutsche Bank Securities Inc. in February 2005 and was appointed Chairman of Brown Advisory, an asset management and strategic advisory firm, in March 2005. Mr. Griswold also serves as non-executive Chairman of W.P. Carey & Co., LLC, Lead Director of Flowers Foods, Inc. and a director of the Baltimore Life Insurance Company. He also serves on the Deutsche Bank Americas Client Advisory Board. In the non-profit sector, he is a trustee emeritus of the Johns Hopkins University and the Peabody Institute and chairs the Baltimore Symphony Orchestra's Endowment Board.

Mr. Griswold, who is 71, is Chair of the Compensation and Organization Committee and a member of the Audit Committee.

Mr. Griswold brings to the Board substantial experience with finance and investment banking matters after spending more than 30 years in the financial services industry, including a number of years in various leadership positions. Combined with his long tenure as a director of Black & Decker, Mr. Griswold is an important resource for the Board and management.

Mr. Griswold's term will expire at the 2015 Annual Meeting.

EILEEN S. KRAUS, retired, has been a director of the Company since October 1993. She served as Chairman, Fleet Bank, Connecticut, a subsidiary of Fleet Boston Financial, from 1995 to 2000. She had been President, Shawmut Bank Connecticut, N.A., and Vice Chairman of Shawmut National Corporation from 1992 to 1995; Vice Chairman, Connecticut National Bank and Shawmut Bank, N.A. from 1990 to 1992; and Executive Vice President of those institutions from 1987 to 1990. She is the lead director of Kaman Corporation, a director and Chairman of the Corporate Governance Committee of Rogers Corporation, Chairman of the Audit Committee of the board of Ironwood Mezzanine Funds I and II and Chairman of the Advisory Committee of Ironwood Mezzanine Funds I. Mrs. Kraus also serves on the board and Compensation Committee of Connecticare, Inc.

Mrs. Kraus is 73 years old and is Chair of the Audit Committee and a member of the Corporate Governance Committee and of the Executive Committee.

Due to Mrs. Kraus' long tenure with the Board, she has in-depth knowledge of the Company. Mrs. Kraus also has broad general management experience and financial expertise from her years in executive management at Connecticut National Bank, Shawmut Bank, N.A., and Fleet Bank Connecticut, and is a financial expert. Mrs. Kraus' knowledge of the Company and her management judgment and financial expertise make her a valuable resource for the Board and management.

Mrs. Kraus' term will expire at the 2015 Annual Meeting.

ROBERT L. RYAN, retired Senior Vice President and Chief Financial Officer, Medtronic Inc., was elected a director of Black & Decker in 2005 and was appointed to the Company's Board of Directors on March 12, 2010, when the Merger was completed.

Mr. Ryan was a management consultant for McKinsey and Company and a Vice President for Citicorp. He joined Union Texas Petroleum Corporation as Treasurer in 1982, became Controller in 1983, and was promoted to Senior Vice President and Chief Financial Officer in 1984. In April 1993, Mr. Ryan was named the Senior Vice President and Chief Financial Officer of Medtronic, Inc. He retired from Medtronic in 2005. Mr. Ryan also serves as a director of Citigroup Inc. and General Mills, Inc., is a trustee of Cornell University, and within the past five years has served on the board of UnitedHealth Group, Inc. and The Hewlett-Packard Company.

Mr. Ryan, who is 68, is Chair of the Finance and Pension Committee and a member of the Corporate Governance Committee and of the Executive Committee.

As the former Chief Financial Officer of Union Texas Petroleum Corporation and Medtronic, Inc., Mr. Ryan has extensive experience in finance matters and is a financial expert. Mr. Ryan also has served on a number of boards of public companies, and the experience gained by serving on those boards makes him a valuable resource for the Company.

Mr. Ryan's term will expire at the 2015 Annual Meeting.

Information Concerning Directors Continuing in Office

NOLAN D. ARCHIBALD served as President and Chief Executive Officer of Black & Decker from 1986 through March 12, 2010 and as Chairman of the Board of Black & Decker from 1987 through March 12, 2010. He was appointed to the Company's Board of Directors, and elected Executive Chairman of the Board, on March 12, 2010, when the Merger was completed.

Prior to his tenure with Black & Decker, Mr. Archibald served in various executive positions with Conroy, Inc. In 1977, he became Vice President of Marketing for the Airstream Division of Beatrice Companies, Inc. His subsequent positions at Beatrice included President of Del Mar Window Coverings, President of Stiffel Lamp Company, and President of the Home Products Division. In 1983, he was elected a Senior Vice President of Beatrice and President of the Consumer and Commercial Products Group. Mr. Archibald left Beatrice and was elected President and Chief Operating Officer of Black & Decker in 1985. Mr. Archibald also serves as a director of Brunswick Corporation, Lockheed Martin Corporation, and Huntsman Corporation.

Mr. Archibald, who is 68, is a member of the Executive Committee.

As the former President and Chief Executive Officer of Black & Decker, Mr. Archibald's experience with and knowledge of the Black & Decker business is valuable to the Company, especially as the Company works to integrate the Stanley and Black & Decker businesses. In addition, Mr. Archibald's leadership of the Board provides necessary continuity of leadership for the legacy Black & Decker business.

Mr. Archibald's term will expire at the 2013 Annual Meeting.

JOHN G. BREEN, retired, was elected Lead Independent Director of the Board when the Company completed the Merger on March 12, 2010. He has been a director of the Company since July 2000. Mr. Breen was the Chief Executive Officer of The Sherwin-Williams Company from 1979 to 1999; he also served as Chairman of the Board of that company from April 1980 to April 2000. Mr. Breen is a director of MTD Holdings Inc. and a trustee of John Carroll University and of University Hospitals Health Systems, and within the past five years has served on the boards of MeadWestvaco Corporation, Goodyear Tire & Rubber Company, Armada Funds, and Allegiant Advantage Funds.

Mr. Breen is 77 years old and is a member of the Audit Committee, the Compensation and Organization Committee and the Executive Committee.

Due to Mr. Breen's long tenure on the Company's Board, he has in-depth knowledge of the Company that makes him a valuable asset to the Board. As a former Chief Executive Officer of The Sherwin-Williams Company, Mr. Breen's extensive experience with a retail business and his familiarity with operations and the distribution channels into which the Company sells products is of great value to the Company.

Mr. Breen's term will expire at the 2013 Annual Meeting.

GEORGE W. BUCKLEY, Executive Chairman of 3M Company, was elected a director of Black & Decker in 2006 and was appointed to the Company's Board of Directors on March 12, 2010, when the Merger was completed.

Mr. Buckley served as Chairman, President and Chief Executive Officer of 3M Company from December 2005 until February 23, 2012. In announcing Mr. Buckley's retirement earlier this year, 3M Company stated that Mr. Buckley would remain as executive Chairman through the Company's May 8, 2012 Annual Meeting, after which the Board expects to elect a new Chairman.

From 1993 to 1997, Mr. Buckley served as the chief technology officer for the Motors, Drives, and Appliance Component Division of Emerson Electric Company. Later, he served as President of its U.S. Electric Motors Division. In 1997, he joined the Brunswick Corporation as a Vice President, became Senior Vice President in 1999, and became Executive Vice President in 2000. Mr. Buckley was elected President and Chief Operating Officer of Brunswick in April 2000 and Chairman and Chief Executive Officer in June 2000. As noted above, he was elected Chairman, President, and Chief Executive Officer of 3M Company in December 2005. Mr. Buckley serves as a director of 3M Company and Archer-Daniels-Midland Company and within the past five years has served on the boards of Ingersoll-Rand plc and Tyco Corporation.

Mr. Buckley, who is 65, is a member of the Audit Committee and of the Compensation and Organization Committee.

As the Chairman and former President and Chief Executive Officer of 3M Company, Mr. Buckley provides the Board with the expertise and knowledge of managing a large, multi-national corporation. This knowledge, combined with his prior experience as the Chief Executive Officer of Brunswick Corporation, provides a valuable resource to the Board and management.

Mr. Buckley's term will expire at the 2014 Annual Meeting.

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CARLOS M. CARDOSO, Chairman of the Board, President and Chief Executive Officer of Kennametal, Inc., has been a director of the Company since October 2007. Mr. Cardoso joined Kennametal in 2003 and served as Vice President and Chief Operating Officer prior to assuming his current position in 2005. Prior to his tenure with Kennametal, Mr. Cardoso was President of the Pump Division of Flowserve Corporation from 2001 to 2003.

Mr. Cardoso is 54 years old and is a member of the Corporate Governance Committee and the Compensation and Organization Committee.

As the Chairman of the Board, President and Chief Executive Officer of Kennametal, Inc., Mr. Cardoso faces the challenge of managing a complex company on a daily basis. This experience, combined with the skills Mr. Cardoso has acquired in his leadership roles at Kennametal, Inc. and Flowserve Corporation, make him a valuable resource for the Board and management.

Mr. Cardoso's term will expire at the 2014 Annual Meeting.

VIRGIS W. COLBERT has been a director of the Company since July 2003. Mr. Colbert served as Executive Vice President of Worldwide Operations from 1997 to 2005 and Senior Vice President of Operations from 1995 to 1997 for Miller Brewing Company. Mr. Colbert continues to serve as a Senior Advisor to MillerCoors Company (formerly Miller Brewing Company). In addition, he is currently a director of The Manitowoc Company, Inc., Sara Lee Corporation, Bank of America, and Lorillard, Inc., and within the past five years has served on the boards of Merrill Lynch & Co. Inc. and Delphi Corporation.

Mr. Colbert is 72 years old and is a member of the Corporate Governance Committee.

Mr. Colbert provides the Board and management broad experience in management and oversight of consumer businesses through his professional service with Miller Brewing Company and his public company directorships. He brings significant expertise in domestic and international operations, logistics management, change management, strategic planning, risk management, and manufacturing, which is important to our large and diversified global company.

Mr. Colbert's term will expire at the 2013 Annual Meeting.

ROBERT B. COUTTS, retired, has been a director of the Company since July 2007. Mr. Coutts served as Executive Vice President, Electronic Systems of Lockheed Martin from 1998 through 2008. Prior to his tenure with Lockheed Martin, Mr. Coutts held senior management positions over a 20-year period with the General Electric Company. In addition, he is a director of Hovnanian Enterprises, Inc. and of Pall Corporation.

Mr. Coutts is 62 years old and is Chair of the Corporate Governance Committee and a member of the Finance and Pension Committee.

Mr. Coutts' long experience in senior management of Lockheed Martin and General Electric Company has led him to develop expertise in manufacturing, supply chain management, and government contracting that is of value to the Board as the Company seeks to expand its sales to the U.S. government and continue to improve its global manufacturing operations and sourcing.

Mr. Coutts' term will expire at the 2014 Annual Meeting.

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ANTHONY LUISO, retired President-Campofrio Spain, Campofrio Alimentacion, S.A., was elected a director of Black & Decker in 1988 and was elected a member of the Company's Board of Directors on May 20, 2010.

Mr. Luiso was employed by Arthur Andersen & Co. and, in 1971, joined Beatrice Companies, Inc. He held various positions at Beatrice, including President and Chief Operating Officer of the International Food Division and President and Chief Operating Officer of Beatrice U.S. Food. Mr. Luiso left Beatrice in 1986 to become Group Vice President and Chief Operating Officer of the Foodservice Group of International Multifoods Corporation and served as Chairman of the Board, President, and Chief Executive Officer of that corporation until 1996. He served as Executive Vice President of Tri Valley Growers during 1998. In 1999, he joined Campofrio Alimentacion, S.A., the leading processed meat products company in Spain, as President-International and subsequently served as President of Campofrio Spain through 2001.

Mr. Luiso, who is 68, is a member of the Compensation and Organization Committee.

Based on Mr. Luiso's service as a director of Black & Decker for over 20 years, he has extensive knowledge of the Black & Decker business. This knowledge, together with his prior management experience, is of great value to the Board and management, particularly during the integration of the two companies.

Mr. Luiso's term will expire at the 2013 Annual Meeting.

JOHN F. LUNDGREN, President and Chief Executive Officer of the Company, has been a director of the Company since March 2004. Mr. Lundgren served as Chairman and Chief Executive Officer of the Company from March 2004 through March 2010. In connection with the Merger, Mr. Lundgren relinquished his position as Chairman of the Board on March 12, 2010, and remained with the Company as a director and its President and Chief Executive Officer. Before he joined the Company, Mr. Lundgren served as President-European Consumer Products, of Georgia Pacific Corporation from 2000 to 2004. Formerly, he had held the same position with James River Corporation from 1995 to 1997 and Fort James Corporation from 1997 to 2000 until its acquisition by Georgia-Pacific. Mr. Lundgren also serves on the board of Callaway Golf Company.

Mr. Lundgren is 60 years old and is Chair of the Executive Committee.

As the Chief Executive Officer of the Company, Mr. Lundgren provides the Board with knowledge of the daily workings of the Company and also with the essential experience and expertise that can be provided only by a person who is intimately involved in running the Company. Mr. Lundgren's service on the Board and as Chief Executive Officer of the Company provides necessary continuity of leadership for the Company's legacy Stanley business.

Mr. Lundgren's term will expire at the 2013 Annual Meeting.

MARIANNE M. PARRS, retired, has been a director of the Company since April 2008. She has held a number of executive and management positions at International Paper Company since 1974, including Executive Vice President with responsibility for Information Technology, Global Sourcing, Global Supply Chain-Delivery from 1999 to 2005 and Executive Vice President and Chief Financial Officer from November 2005 until the end of 2007. Ms. Parrs also serves on the boards of CIT Group Inc., Signet Jewelers Limited, the Rise Foundation in Memphis, Tennessee, the Leadership Academy in Memphis, Tennessee, Josephines Circle, Memphis, Tennessee and the United Way of the Mid-South.

Ms. Parrs is 67 years old and is a member of the Audit Committee and the Finance and Pension Committee.

As the former Executive Vice President and Chief Financial Officer of International Paper Company, Ms. Parrs brings expert knowledge in finance to the Board. Ms. Parrs also brings experience in supply chain management and communication matters through an earlier role at International Paper Company. This experience makes Ms. Parrs a valuable resource for the Board and management.

Ms. Parrs' term will expire at the 2014 Annual Meeting.

Board of Directors

Qualifications of Directors and Nominees. As noted above, on March 12, 2010, a wholly owned subsidiary of the Company merged with and into The Black & Decker Corporation, with the result that The Black & Decker Corporation became a wholly owned subsidiary. The negotiations between the Company and Black & Decker relating to the Merger included extensive discussions regarding the composition of the Board of Directors of the Company upon completion of the transaction. The Company's Board of Directors believed that, because the Company's shareholders would continue to hold a majority of the shares in the Company following completion of the transaction and for various other reasons, it was important that the persons who served as directors of the Company prior to the Merger continue to comprise a majority of the Board of Directors of the Company following completion of the transaction. The Company's Board also recognizes the value that former board members of Black & Decker bring to the Company, as their knowledge and experience with Black & Decker facilitates the Board's oversight of the integration of the two companies. Six members of the Black & Decker board, including Nolan D. Archibald, who was Chairman and Chief Executive Officer of Black & Decker prior to completion of the Merger, were elected to the Company's Board at its 2010 Annual Meeting. Two of those directors, and two directors who were members of the Company's board of directors prior to the Merger, are up for reelection. The Company believes that each of these directors should be reelected, as their qualifications, skills and experience continue to be of value to the Company.

The Company carefully considered the qualifications, skills and experience of each director when concluding that the director should serve on the Board. With respect to each individual director, the Company believes that the director is appropriate to serve on the Board due to the qualifications and experience described above.

Board Leadership Structure. The negotiations between the Company and Black & Decker relating to the Merger also included extensive discussions regarding the Board leadership structure. The Company and Black & Decker agreed that, upon completion of the Merger, the roles of Chairman and Chief Executive Officer would be separated and a Lead Independent Director position would be created. As a result, upon completion of the Merger, John F. Lundgren, who was the Company's Chairman and Chief Executive Officer prior to the transaction, resigned as Chairman; Nolan D. Archibald, who was Black & Decker's Chairman, President and Chief Executive Officer prior to the transaction, was appointed Executive Chairman; and John G. Breen, who was an independent director of the Company prior to the Merger, was appointed Lead Independent Director. Under the terms of the Company's Bylaws and Corporate Governance Guidelines, the Chairman presides at all meetings of the Board at which he is present and, jointly with the Chief Executive Officer and the Lead Independent Director, establishes a schedule of agenda subjects to be discussed during the year at the beginning of each year and the agenda for each Board meeting. The Lead Independent Director presides at executive sessions of the Board and at any meeting of the Board at which neither the Chairman nor the Chief Executive Officer is present, participates in the establishment of agendas as described in the preceding sentence, and ensures that the views, opinions and suggestions of the other independent directors are adequately brought to the attention of the Chairman and the Chief Executive Officer and, together with the Chairman and Chief Executive Officer, ensures that such views, opinions and suggestions are adequately addressed with the Board.

One of the Company's primary objectives since the Merger has been to properly integrate the legacy Stanley businesses and the legacy Black & Decker businesses. To help complete a smooth integration, the Board believes it essential that the Board leadership include members with experience from both the Company and Black & Decker as the companies existed prior to completion of the Merger. The Company therefore has determined that vesting the leadership of the Board in a Chairman and in a Lead Independent Director, with an obligation that both consult with the Chief Executive Officer in establishing agendas and addressing certain other matters, as described above, is appropriate for the Company at this time. Separating the role of Chairman from that of Chief Executive Officer has allowed Mr. Lundgren, who previously held both titles, to focus on the integration of the Stanley and Black & Decker businesses.

Risk Oversight. As required by our Corporate Governance Guidelines, during the orientation process for new directors, each director receives a presentation from the Company's senior management that details the Company's risk management policies and procedures. Our Audit Committee routinely discusses with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies. The Finance and Pension Committee also periodically reviews the Company's risk management program and its adequacy to safeguard the Company against extraordinary liabilities or losses. Both the Audit Committee and the Finance and Pension Committee report to the full Board regarding the status of the Company's risk management program and policies, and any issues or concerns that may arise. To ensure that there is appropriate Board oversight of the risk management process, the Board is committed to having individuals experienced in risk management on both the Audit Committee and the Finance and Pension Committee.

Meetings. The Board of Directors met six times during 2011. The Board's standing committees met the number of times shown in parentheses: Executive (0), Audit (4), Corporate Governance (4), Finance and Pension (2), and Compensation and Organization (5). The members of the Board serve on the committees described in their biographical material on pages 1-6. In 2011, each incumbent director attended at least 75% of the aggregate number of meetings of the Board of Directors and committees of the Board of Directors on which such director served that have been held since the director became a member of the Board or the applicable committees. Although the Company has no formal policy regarding attendance by members of the Board of Directors at the Company's Annual Meetings, all but one of the members of the Board of Directors attended the 2011 Annual Meeting.

Director Independence. The Board of Directors has adopted Director Independence Standards which are available free of charge on the Corporate Governance section of the Company's website (which appears under the Investors heading) at www.stanleyblackanddecker.com. The Board of Directors has made the determination that all director nominees standing for election and all of its incumbent directors whose terms will continue after the Annual Meeting, except Mr. Lundgren and Mr. Archibald, are independent according to the Director Independence Standards, the applicable rules of the Securities and Exchange Commission, and as independence is defined in Section 303A of the New York Stock Exchange listing standards. It is the policy of the Board of Directors that every member of the Audit, Corporate Governance, and Compensation and Organization Committees should be an independent director. The charters of each of these committees and the Board of Directors Corporate Governance Guidelines are available free of charge on the Corporate Governance section of the Company's website at www.stanleyblackanddecker.com or upon written request to Stanley Black & Decker, Inc., 1000 Stanley Drive, New Britain, Connecticut 06053, Attention: Investor Relations. Changes to any charter, the Director Independence Standards or the Corporate Governance Guidelines will be reflected on the Company's website.

Executive Committee. The Executive Committee exercises all the powers of the Board of Directors during intervals between meetings of the Board; however, the Executive Committee does not have the power to declare dividends or to take actions reserved by law to the Board of Directors. The Executive Committee operates under a charter, which is available free of charge on the Corporate Governance section of the Company's website at www.stanleyblackanddecker.com.

Audit Committee. The Audit Committee nominates the Company's independent auditing firm, reviews the scope of the audit, approves in advance audit and non-audit services, and reviews with the independent auditors and the Company's internal auditors their activities and recommendations, including their recommendations regarding internal controls and critical accounting policies. The Audit Committee meets with the independent auditors, the internal auditors, and management, each of whom has direct and open access to the Audit Committee. The Board of Directors has made the determination that all of the members of the Audit Committee are independent according to the Director Independence Standards, the applicable rules of the Securities and Exchange Commission, and as independence is defined in Section 303A of the New York Stock Exchange listing standards. The Audit Committee has issued a standing invitation to all members of the Board of Directors to attend Audit Committee meetings. The Board of Directors has determined that Eileen S. Kraus meets the requirements for being an Audit Committee Financial Expert as that term is defined in Item 407(d)(5) of Regulation S-K and that all members are financially literate under the current New York Stock Exchange listing standards. The Audit Committee operates under a charter, which is available free of charge on the Corporate Governance section of the Company's website at www.stanleyblackanddecker.com.

Corporate Governance Committee. The Corporate Governance Committee makes recommendations to the Board as to Board membership and considers names submitted to it in writing by shareholders as well as recommendations from third party search firms, current directors, Company officers, employees and others. The Corporate Governance Committee recommends directors for Board committee membership and committee chairs, and recommends director compensation. The procedures and processes followed by the Corporate Governance Committee in connection with the consideration and determination of director compensation are described below under the heading Director Compensation. The Corporate Governance Committee has taken the lead in articulating the Company's corporate governance guidelines and establishing a procedure for evaluating Board performance. The Corporate Governance Committee also approves policy guidelines on charitable contributions. The Company's Bylaws require that any director be a shareholder of the Company. While the Corporate Governance Committee does not have specific minimum qualifications for potential directors, all director candidates, including those recommended by shareholders, are evaluated on the same basis. In evaluating candidates, including existing Board members, the Corporate Governance Committee considers an individual candidate's personal and professional responsibilities and experiences, the then-current composition of the Board, and the challenges and needs of the Company in an effort to ensure that the Board, at any time, is comprised of a diverse group of members who, individually and collectively, best serve the needs of the Company and its stockholders. In general, and in giving due consideration to the composition of the Board at the time a candidate is being considered, the desired attributes of individual directors are:

integrity and demonstrated high ethical standards; experience with business administration processes and principles; the ability to express opinions, raise difficult questions, and make informed, independent judgments; knowledge, experience, and skills in at least one specialty area (such as accounting or finance, corporate management, marketing, manufacturing, technology, information systems, international business, or legal or governmental affairs); the ability to devote sufficient time to prepare for and attend Board meetings; willingness and ability to work with other members of the Board in an open and constructive manner; the ability to communicate clearly and persuasively; and diversity with respect to other characteristics, which may include, at any time, gender, ethnic background, geographic origin, or personal, educational and professional experience.

The Board of Directors has made the determination that all of the members of the Corporate Governance Committee are independent according to the Director Independence Standards, applicable rules of the Securities and Exchange Commission, and as independence is defined in Section 303A of the New York Stock Exchange listing standards. The Corporate Governance Committee operates under a charter, which is available free of charge on the Corporate Governance section of the Company's website, www.stanleyblackanddecker.com.

Shareholders who wish to submit names to be considered by the Corporate Governance Committee for nomination for election to the Board of Directors should, as set forth in the Company's Bylaws, send written notice to the Secretary of the Company to be received at its principal executive offices at least 90 days but no more than 120 days prior to the anniversary of the date on which the Proxy Statement was first mailed relating to the immediately preceding Annual Meeting, which notice should set forth (i) the name and record address of the shareholder of record making such nomination and any other person on whose behalf the nomination is being made, and of the person or persons to be nominated, (ii) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by such shareholder or such other person, (iii) a description of all arrangements or understandings between such shareholder and any such other person or persons or any nominee or nominees in connection with the nomination by such shareholder, (iv) such other information regarding each nominee proposed by such shareholder as would be required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required to be disclosed, pursuant to the rules of the Securities and Exchange Commission had the nominee been nominated or intended to be nominated by the Board of Directors, and shall include a consent signed by each such nominee to be named in the Proxy Statement for the Annual Meeting as a nominee and to serve as a director of the Company if so elected, and (v) a representation that such shareholder intends to appear in person or by proxy at the Annual Meeting to make such nomination.

Compensation and Organization Committee. The Compensation and Organization Committee (the Compensation Committee), with the assistance of its compensation consultant, periodically conducts on-going evaluations of existing executive compensation programs and administers the Company's executive compensation plans. The Committee met five times during 2011 and met in executive session at the end of each of those meetings to review different aspects of the Company's executive compensation programs. Representatives from Towers Watson were present at three meetings of the Compensation Committee and representatives from Pay Governance LLC were present at two meetings of the Compensation Committee. In October 2011, the Committee retained Pay Governance LLC as an independent compensation consultant to advise the Committee. No management employees participated in executive sessions relating to compensation arrangements for our Chief Executive Officer. The procedures and process followed by the Compensation Committee in connection with the consideration and determination of executive compensation are described below under the heading Executive Compensation. The Board of Directors has made the determination that all of the members of the Compensation Committee are independent according to the Director Independence Standards, applicable rules of the Securities and Exchange Commission, and as independence is defined in Section 303A of the New York Stock Exchange listing standards. The Compensation Committee operates under a charter, which is available free of charge on the Corporate Governance section of the Company's website, www.stanleyblackanddecker.com. The following persons served as members of the Compensation Committee during 2011: John G. Breen, George W. Buckley, Carlos M. Cardoso, Virgis W. Colbert, Benjamin H. Griswold, IV, Anthony Luiso, and Lawrence A. Zimmerman. Mr. Colbert stepped down as a member of the Compensation Committee and Mr. Buckley was elected to the Committee effective July 15, 2011; also on that date, Mr. Zimmerman was elected Chair of the Compensation Committee. Mr. Zimmerman remained Chair of the Compensation Committee until he retired from the Board on December 31, 2011. On February 14, 2012, Mr. Griswold was elected Chair of the Compensation Committee.

Finance and Pension Committee. The Finance and Pension Committee advises in major areas concerning the finances of the Company and oversees the Company's administration of its qualified and non-qualified defined contribution and defined benefit retirement plans. The Board of Directors has made the determination that all of the members of the Finance and Pension Committee are independent according to the Director Independence Standards, applicable rules of the Securities and Exchange Commission, and as independence is defined in Section 303A of the New York Stock Exchange listing standards.

Director Compensation. The Company pays its directors who are not employees of the Company or any of its subsidiaries an annual retainer and pays an additional fee to those non-employee directors who serve as committee chairs and to the Lead Independent Director. The annual retainer fee paid to non-employee directors was increased, effective July 15, 2011, from \$110,000 to \$125,000. In addition, fees for committee chairs were increased from \$15,000 to \$20,000 per year for the chairs of the Audit Committee and the Compensation Committee. The chairs of the Corporate Governance Committee and the Finance and Pension Committee were increased from \$10,000 to \$15,000 per year and the Lead Independent Director was increased from \$20,000 to \$25,000 per year. Non-employee directors may defer any or all of their fees in the form of Company common stock or as cash accruing interest at the five-year treasury bill rate. The Company also grants its non-employee directors Restricted Stock Units with dividend equivalent rights pursuant to the Company's Restricted Stock Unit Plan for Non-Employee Directors (the Director RSU Plan). These Awards are fully vested at the time of grant and entitle each recipient to a cash payment equal to the market value of a share of Company common stock at the time of settlement plus accrued dividends from the date of grant. The settlement date is the date specified by the director as the date, or dates, on which distributions are to be made following the date on which the director ceases to be a director of the Company. Distributions may be made in a single lump sum in the first year following the termination of the director's service or in up to ten equal annual installments, at the election of the director. On April 19, 2011, each non-employee director of the Company received 1,645 Restricted Stock Units with dividend equivalent rights pursuant to the Director RSU Plan. Directors may also receive Company products with an aggregate value of up to \$5,000 annually.

Stock Ownership Policy for Non-Employee Directors. Prior to February 14, 2012, non-employee directors were expected to hold at least 7,500 shares of Company common stock. On February 14, 2012, the Board approved a new Stock Ownership Policy for Non-Employee Directors, a copy of which can be found on the Corporate Governance section of the Company's website at www.stanleyblackanddecker.com. Pursuant to that policy, Directors are expected to hold shares having a value equal to 500% of the annual cash retainer.

Executive Sessions and Communications with the Board. Pursuant to the Corporate Governance Committee Charter, the Lead Independent Director presides over executive (non-management) meetings of the Board. Shareholders or others wishing to communicate with the Lead Independent Director, the Board generally, or any specific member of the Board of Directors may do so by mail addressed to Stanley Black & Decker, Inc., c/o Corporate Secretary, 1000 Stanley Drive, New Britain, Connecticut 06053 or by calling the Company's Ethics Hotline, an independent toll-free service at 1-800-424-2987 (extension 53822).

Business Conduct Guidelines. The Company has adopted a worldwide set of Business Conduct Guidelines applicable to all of its directors, officers and employees and a code of ethics for the Chief Executive Officer and senior financial officers. Copies of these documents are available free of charge on the Corporate Governance section of the Company's website at www.stanleyblackanddecker.com or otherwise upon request addressed to Stanley Black & Decker, Inc., 1000 Stanley Drive, New Britain, Connecticut 06053, Attention: Investor Relations.

Director Continuing Education. The Company regularly provides directors with continuing education on a variety of topics. In 2011, subjects covered with Board members included current trends in corporate governance and executive compensation, implications of regulations implementing various aspects of the Dodd-Frank Act, and directors' and officers' liability and insurance therefor. In addition, the Company provided all directors with a subscription to *Agenda*, a weekly publication that focuses on governance issues of interest to directors of public companies.

Related Party Transactions. Pursuant to the Company's Business Conduct Guidelines, employees, officers and directors are required to bring any potential conflict of interest, including any proposed related party transaction involving a related person as that term is defined in Item 404(a) of Regulation S-K, to the attention of the General Counsel. The General Counsel obtains the facts to determine whether a conflict or potential conflict exists and determines the appropriate action in consultation with appropriate members of management. Where a proposed transaction involves a Related Person as that term is defined in Item 404(a) of Regulation S-K, the General Counsel discusses the reasons for the transaction with appropriate members of management. In the event management believes it is in the best interest of the Company to proceed with the transaction, the proposed transaction is brought to the attention of the Board for its review and approval.

During 2011, ABM Group, LLC performed construction work at a Company facility in East Greenwich, Rhode Island. ABM was paid approximately \$155,000 for these services. One of the owners of ABM Group, LLC is a son-in-law of Mark Mathieu, the Company's Senior Vice President, Human Resources. The contract for services was awarded to ABM through a competitive bid process in which Mr. Mathieu played no role in the selection of ABM Group to provide these services.

Security Ownership of Certain Beneficial Owners

No person or group, to the knowledge of the Company, owned beneficially more than five percent of the outstanding common stock of the Company as of February 27, 2012, except as shown in this table.

(1) Title of class	(2) Name and address of beneficial owner	(3) Amount and nature of beneficial ownership	(4) Percent of class
Common Stock \$2.50 par value	Massachusetts Financial Services Company 500 Boylston Street Boston, MA 02116	9,664,410 (8,363,080 sole voting power; 0 shared voting power; 9,664,410 sole dispositive power)	5.7%