CALGON CARBON CORPORATION
Form DEF 14A
March 15, 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 x Filed by a Party other than the Registrant o

Check the appropriate box:

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

Calgon Carbon Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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CALGON CARBON CORPORATION 400 CALGON CARBON DRIVE PITTSBURGH, PA 15205

Dear Fellow Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Calgon Carbon Corporation at 1:00 p.m., Eastern Time, on Thursday, April 22, 2010 at the principal executive office of the Company, 400 Calgon Carbon Drive, Pittsburgh, Pennsylvania 15205.

Information about the business of the meeting and the nominees for election as Directors is set forth in the notice of the meeting and the Proxy Statement, which are attached. This year you are asked to: (i) elect three Directors for the Class of 2013 and (ii) ratify the appointment of the independent registered public accounting firm for 2010.

It is important that your shares be represented at the meeting. Even if you plan to attend the meeting in person, we hope that you will send a proxy voting on the matters to be considered. Please sign, date and return your proxy in the enclosed envelope as promptly as possible.

Very truly yours,

John S. Stanik
President and
Chief Executive Officer

March 15, 2010

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CALGON CARBON CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Calgon Carbon Corporation will be held at the principal executive office of the Company, 400 Calgon Carbon Drive, Pittsburgh, Pennsylvania 15205, on Thursday, April 22, 2010 at 1:00 p.m., Eastern Time, for the following purposes:

(1) To elect three Directors for the Class of 2013 (Proposal 1);

(2) To ratify the appointment of the independent registered public accounting firm of the Company for 2010 (Proposal 2); and

(3) To transact such other business as may properly come before the meeting.

Please refer to the accompanying Proxy Statement for a description of the matters to be considered at the meeting.

Holders of record of the Company s Common Stock as of the close of business on March 11, 2010 are entitled to notice of and to vote at the meeting.

Please sign, date and return the enclosed proxy promptly in the envelope provided, which requires no United States postage.

Richard D. Rose
Vice President, General Counsel and Secretary

March 15, 2010

CALGON CARBON CORPORATION

PROXY STATEMENT

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CALGON CARBON CORPORATION

PROXY STATEMENT

Annual Meeting of Stockholders

April 22, 2010

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be held on April 22, 2010

The 2010 Proxy Statement and the Annual Report to Stockholders for the year ended December 31, 2009 are also available at www.proxydocs.com/ccc

The enclosed proxy is solicited on behalf of the Board of Directors (the Board) of Calgon Carbon Corporation (the Company) for use at the Annual Meeting of Stockholders to be held at 1:00 p.m., Eastern Time, on Thursday, April 22, 2010 at the principal executive office of the Company, 400 Calgon Carbon Drive, Pittsburgh, Pennsylvania 15205. The accompanying Notice of Annual Meeting of Stockholders sets forth the purposes of the meeting.

The enclosed proxy may be revoked at any time before its exercise by giving written notice of revocation to the Secretary of the Company. The shares represented by proxies in the form solicited by the Board will be voted at the meeting. If a choice is specified on the proxy with respect to a matter to be voted upon, the shares represented by the proxy will be voted in accordance with that specification. If no choice is specified, the shares will be voted as stated below in this Proxy Statement. If, however, you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may be treated as broker non-votes. Generally, broker non-votes occur when a broker is not permitted to vote on a particular matter without instructions from the beneficial owner and instructions have not been given. Brokers that have not received voting instructions from their clients cannot vote on their clients behalf on non-routine proposals, such as the election of Directors, although they may vote their clients shares on routine proposals such as the ratification of the independent registered public accounting firm. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal.

It is expected that this Proxy Statement and the accompanying form of proxy will first be mailed to stockholders on or about March 15, 2010. The Company s Annual Report to Stockholders for 2009 is enclosed with this Proxy Statement but does not form a part of the proxy soliciting material. The cost of soliciting proxies will be borne by the Company. Following the original mailing of the proxy soliciting material, regular employees of the Company may solicit proxies by mail, telephone, electronic means and personal interview. The Company may also hire a proxy solicitation firm or may request brokerage houses and other nominees or fiduciaries to forward copies of the proxy soliciting material and the 2009 Annual Report to beneficial owners of the stock held in their names, and the Company will reimburse them for reasonable out-of-pocket expenses incurred in doing so.

VOTING SECURITIES AND RECORD DATE

Holders of the Company s Common Stock of record as of the close of business on March 11, 2010 are entitled to receive notice of and to vote at the meeting. At the record date, the Company had outstanding 56,159,186 shares of Common Stock, the holders of which are entitled to one vote per share. The Company does not have cumulative voting.

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SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

Management

The following table shows the number of shares of Common Stock beneficially owned as of March 1, 2010 by each Director of the Company and by John S. Stanik, Leroy M. Ball, C.H.S. (Kees) Majoor, Robert P. O Brien, Dennis M. Sheedy and James A. Sullivan, the named executive officers of the Company in the Summary Compensation Table, and by all current Directors and executive officers of the Company as a group. The Company has stock ownership guidelines for its executive officers which are described under Stock Ownership Policy on page 20 of this Proxy Statement. Unless otherwise indicated in the footnotes to the table, each person named and all Directors and executive officers as a group have sole voting power and sole investment power with respect to the shares. As used herein, beneficial ownership means the sole or shared power to vote, or to direct the voting of, a security, or the sole or shared investment power with respect to a security (i.e., the power to dispose of, or to direct the disposition of, the security). A person is deemed to have beneficial ownership of any security that the person has the right to acquire within 60 days after the record date.

Name of Beneficial Owner	Number of Shares(1)	Percent of Class
J. Rich Alexander	2,870	*
Robert W. Cruickshank	23,710	*
Randall S. Dearth	9,514	*
William J. Lyons(2)	12,077	*
William R. Newlin(2)(3)	112,062	*
Julie S. Roberts(2)	76,348	*
Timothy G. Rupert	36,821	*
Seth E. Schofield	19,978	*
John S. Stanik(2)	584,563	1.04%
Leroy M. Ball(4)	248,018	*
C.H.S. (Kees) Majoor	268,400	*
Robert P. O Brien(5)	200,945	*
Dennis M. Sheedy(6)	4,961	*
James A. Sullivan	21,763	*
All current Directors and executive officers as a group (15 persons)(2)(3)(4)(5)(6)	1,803,040	3.16%

* Less than 1%.

(1) Includes (i) options for 2,000 shares in the case of Mr. Dearth, 65,670 shares in the case of Ms. Roberts, and 16,051 shares in the case of each of Messrs. Newlin and Rupert, granted under the Company s 1993 Non-Employee Directors Stock Option Plan; (ii) 2,870 shares of restricted stock in the case of Mr. Alexander, 4,088 shares of restricted stock in the case of Mr. Lyons, and 4,756 shares of restricted stock in the case of each of Messrs. Cruickshank, Dearth, Newlin, Rupert, and Schofield and Ms. Roberts; (iii) 366,000 shares underlying unexercised options and 28,518 time vesting restricted shares in the case of Mr. Stanik; 180,000 shares underlying unexercised options and 8,933 time vesting restricted shares in the case of Mr. Ball; 171,900 shares underlying unexercised options and 6,066 time vesting restricted shares in the case of Mr. Majoor; 88,235 shares

underlying unexercised options and 6,066 time vesting restricted shares in the case of Mr. O Brien; and 2,100 shares underlying unexercised options and 4,159 time vesting restricted shares in the case of Mr. Sullivan, granted under the Company s stock plans; and (iv) 1,060,107 shares underlying unexercised options and 98,469 time vesting restricted shares in the case of all current Directors and executive officers as a group, in each case granted under the aforementioned plans. The percent of class set forth above for any individual and the group (but not for the other individuals listed above) is computed as though such shares optioned to such individual or the group, as the case may be, were outstanding.

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(2) Includes 7,400 shares as to which Mr. Lyons shares voting and investment power with his wife; 3,950 shares as to which Mr. Newlin shares voting and investment power with his wife; 5,000 shares as to which Ms. Roberts shares voting and investment power with her husband; 5,000 shares as to which Mr. Stanik shares voting and investment power with his wife; and 250 shares as to which Mr. Rose shares voting and investment power with his wife. Does not include 1,100 shares held by Mr. Newlin s wife in a trust account, for which Mr. Newlin does not have voting or investment power.

(3) Includes 40,550 shares held indirectly by Mr. Newlin through a retirement plan.

(4) Includes 19,499 shares pledged by Mr. Ball as collateral for personal loans.

(5) Includes 6,930 shares held by Mr. O Brien under the Company s defined contribution plan.

(6) Mr. Sheedy is no longer employed by the Company.

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Other Beneficial Owners

Information as of December 31, 2009 with respect to the only persons not otherwise disclosed in the management table and known by the Company to be a beneficial owner of more than 5% of the Company s Stock as of March 1, 2010 is as follows:

Name and Address	Beneficial Ownership of Common Stock Number of Shares	Beneficial Ownership of Common Stock Percent of Class
Wells Fargo and Company (Wells) 420 Montgomery Street San Francisco, CA 94104	3,995,222	7.14%
Wells Capital Management Incorporated 525 Market Street, 10th Floor San Francisco, CA 94105		

The foregoing information is taken from a Schedule 13G filed with the Securities and Exchange Commission (the SEC) on January 20, 2010 by Wells and its affiliates reflecting ownership as of December 31, 2009. The filing states that Wells has sole voting power with respect to 3,350,549 shares, sole dispositive power with respect to 3,921,206 and shared dispositive power with respect to 150 shares, with other amounts listed in its filing for its affiliates.

Name and Address	Beneficial Ownership of Common Stock Number of Shares	Beneficial Ownership of Common Stock Percent of Class
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	4,258,546	7.61%

The foregoing information is taken from a Schedule 13G filed with the SEC on January 29, 2010 by BlackRock, Inc. and its subsidiaries reflecting ownership as of December 31, 2009. BlackRock, Inc. reports that it has sole voting and sole dispositive power with respect to all 4,258,546 shares.

Name and Address	Beneficial Ownership of Common Stock Number of Shares	Beneficial Ownership of Common Stock Percent of Class
Invesco Ltd. (Invesco) 1555 Peachtree Street NE Atlanta, GA 30309	3,955,455	7.1%

Invesco PowerShares Capital Management
Invesco Aim Advisors, Inc.
Invesco National Trust Company

The foregoing information is taken from a Schedule 13G filed with the SEC on February 11, 2010 by Invesco and its affiliates reflecting ownership as of December 31, 2009. The filing states that Invesco PowerShares Capital Management has sole voting and sole dispositive power with respect to 2,969,797 shares; Invesco Aim Advisors, Inc. has sole voting and sole dispositive power with respect to 975,658 shares; and Invesco National Trust Company has sole voting power with respect to 10,000 shares.

BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

The business of the Company is under general supervision of a Board of Directors (the Board) as provided by the laws of the State of Delaware, the Company s state of incorporation. The Board has established committees to assist it, consisting of the Executive Committee, the Compensation Committee, the Audit Committee and the Governance Committee. A current copy of each committee s charter is available to stockholders at the Company s website at www.calgoncarbon.com.

Executive Committee. Following the Annual Meeting, the Executive Committee will consist of Messrs. Schofield (Chairman), Rupert and Cruickshank and Ms. Roberts. The Executive Committee meets during the intervals between meetings of the Board, when prompt action is needed and it is impossible or inconvenient to convene a full meeting of the Board, and may exercise limited powers granted by the Board in the management of the business and affairs of the Company.

Compensation Committee. Following the Annual Meeting, the Compensation Committee will consist of Messrs. Rupert (Chairman), Cruickshank, Schofield and Dearth. All members of the Compensation Committee are independent as defined by the New York Stock Exchange standards for director independence. The Compensation Committee s overall responsibility is to determine and implement the Company s general policies with respect to the compensation of its executive officers. The Compensation Committee determines the base salary payable to each executive officer, as well as the short-term cash incentive, if any, payable to each executive officer, and to certain key employees, pursuant to the Company s short-term cash incentive plan or otherwise. The Compensation Committee s other duties include reviewing annually the succession plan for each executive officer in conjunction with the Governance Committee; evaluating the post-service arrangements with the executive officers; approving the report on executive compensation for inclusion in the Company s annual proxy statement; reviewing and discussing with management the Compensation Discussion & Analysis to be included in the Company s annual proxy statement; the creation, amendment and termination of certain employee benefit plans; and making administrative amendments to any director plans. The Compensation Committee also administers the Company s 2008 Equity Incentive Plan, has the authority to make long-term incentive awards thereunder and is responsible for evaluating whether the executives have met their applicable performance levels thereunder. Other matters related to the compensation of executive officers and key employees, such as the terms of employment contracts and certain employee benefits, are also reviewed by the Compensation Committee.

The Compensation Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Compensation Committee. In addition, the Compensation Committee may delegate to Company officers or a committee of employees any of its responsibilities with respect to non-equity based plans including, but not limited to, plans created pursuant to the Employee Retirement Income Security Act of 1974 and employment practices created consistent with the various state laws.

The Compensation Committee engages an outside compensation consultant, Towers Watson & Co. (Towers Watson or the consultant), to provide advice and recommendations on the amount and form of executive and director compensation. In addition to such services, during the Company s last fiscal year, the Company also engaged Towers Watson to provide additional services, including, but not limited to, actuarial services, pension plan consulting services, union negotiation assistance and participation in meetings. The Compensation Committee approved such other services. The aggregate fees paid to Towers Watson for determining and recommending the amount and form of executive and director compensation during the last fiscal year was $160,524.39 and the aggregate fees paid to Towers Watson for the other services was $318,401.17.

Audit Committee. Following the Annual Meeting, the Audit Committee will consist of Ms. Roberts (Chairperson) and Messrs. Dearth, Lyons and Alexander. All members of the Audit Committee are independent, as defined by the New York Stock Exchange standards for director independence. Ms. Roberts and Mr. Lyons have been designated by the Board as the Audit Committee s financial experts, as required by the Sarbanes-Oxley Act of 2002 and the SEC regulations thereunder. The Audit Committee operates under a charter, which is intended to comply with the requirements of the Sarbanes-Oxley Act of 2002 and the New York Stock Exchange corporate governance requirements.

The Audit Committee s duties include:

- the annual recommendation to the Board of the selection (subject to stockholder ratification) of our independent registered public accounting firm
- approval of the audit and non-audit fees and services of our independent registered public accounting firm
- responsibility for determining the independence of such independent registered public accounting firm

The Audit Committee has such other duties and responsibilities as are set forth in its written charter. These other duties and responsibilities include reviewing annually the report of the independent registered public accounting firm; reviewing annually the scope of the independent registered public accounting firm s audit; meeting periodically with the independent registered public accounting firm and management; reviewing the Company s systems of internal accounting and financial controls, and disclosure controls and procedures, and determining whether they are functioning adequately and reliably; assessing the performance and scope of internal audit services; reviewing and discussing with management the audited annual and quarterly financial statements of the Company and the Company s SEC filings; reviewing and discussing with management the form and content of the notes to the financial statements and Management s Discussion and Analysis of the financial statements; receiving and reviewing reports from management regarding compliance with corporate policies dealing with business conduct; reviewing business expense reporting; reviewing the Company s contingency plans in the event of a failure of its information technology systems; investigating and reporting to the Board as to any alleged breach of law or of the Company s internal policies which is brought to its attention; reviewing the audit reports of the Company s benefit plans; preparing the Audit Committee s report for inclusion in the Company s annual proxy statement; establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing and the confidentiality thereof; and discussing and reviewing risk assessment strategies. Each year the Audit Committee evaluates the performance of the independent registered public accounting firm and recommends to the Board the retention or, if appropriate, replacement of the independent registered public accounting firm. The Audit Committee also carries out other assignments given to it from time to time by the Board.

Governance Committee. Following the Annual Meeting, the Governance Committee will consist of Messrs. Cruickshank (Chairman), Lyons, Newlin and Alexander. All members of the Governance Committee are independent as determined under the New York Stock Exchange standards for director independence. The Governance Committee is responsible for the functioning of the Board and its committees, with the goal of causing the Board and its committees to satisfactorily address the major issues related to the performance and well-being of the Company. Among the duties of the Governance Committee is to review the size and composition of the Board and to make recommendations with respect to nominations for election or appointment of Directors. The Governance Committee has responsibility for reviewing, with the Board if appropriate, the Company s executive management succession plan for positions within that structure. The Governance Committee also periodically reviews legislative and regulatory issues affecting the Company as well as public interest issues identified by management as likely to affect the Company.

The Governance Committee follows the guidelines of the Company and examines, among other things, the following qualifications and skills of director candidates their business or professional experience, their integrity and judgment, their records of public service, their ability to devote sufficient time to the affairs of the Company, the diversity of backgrounds and experience they will bring to the Board, and the needs of the Company. The Governance Committee also believes that all nominees should be individuals of substantial accomplishment with demonstrated leadership capabilities. The Governance Committee does not have a formal policy with regard to the consideration of diversity in indentifying nominees for Director.

The Governance Committee will principally solicit suggestions from current Directors to identify potential candidates for Director, using the criteria described above. The Governance Committee may also employ the assistance of a search firm. The Governance Committee will consider nominees recommended by stockholders provided that stockholders submit the names of nominees and the other information required by Section 1.08 of the by-laws of the Company in writing to the Secretary of the Company. Such information should be received no earlier than November 15, 2010 and no later than January 14, 2011 with respect to nominations for election at the 2011 Annual Meeting of Stockholders.

During 2009, the Compensation Committee held five meetings and executed one written consent in lieu of a meeting, the Governance Committee held three meetings, the Audit Committee held eight meetings and the Executive Committee held one meeting and executed one written consent in lieu of a meeting. The Board held ten meetings

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during 2009. All of the Company s directors attended at least 75% of the aggregate of (1) the total number of meetings of the Board held during the period for which he or she has been a Director and (2) the total number of meetings held by all committees of the Board on which he or she served during the periods that he or she served as a Director.

Board s Leadership Structure and Role in Risk Management

The Company s principal executive officer serves as the Chairman of the Board. The Company believes that this leadership structure is appropriate due to the complexity and technical nature of the Company s business. Mr. Stanik s experience in leadership positions throughout the Company during his tenure, as well as his role in developing and executing the strategic plan, is critical to the Company s future results. In addition to the Chairman of the Board, the Company has a lead independent director, Mr. Schofield (the Lead Director). Mr. Schofield s varied career experience and his history on the Board gives him important insight into the complexity of the Company s operations.

The Company has established a Risk Management Committee, which consists of members of middle and upper management and is responsible for identifying risks to the Company, developing a plan to address those risks and overseeing the implementation of such plan and the mediation of additional risks as they arise. The Audit Committee has oversight responsibility for the Risk Management Committee, which includes an annual assurance that there is an Enterprise Risk Management Plan and risk assessment, periodic review of the progress against the Enterprise Risk Management Plan and assurance that the Board is aware of the risk assessment results and conclusions about risk tolerance and mitigation. Each year in September, the full Board receives a report on the progress of the Enterprise Risk Management Plan.

Risk Management and Compensation

The Compensation Committee has reviewed the Company s management of risk as it relates to the Company s overall compensation philosophy. The Compensation Committee hired Towers Watson to aid in this review. The Compensation Committee believes, for the reasons noted below, that (1) the Company s compensation program does not encourage excessive risk-taking and (2) the Company takes reasonable steps to mitigate any risks related to compensation.

Compensation Committee Oversight: The Compensation Committee has oversight over the short-term cash incentive plans and the 2008 Equity Incentive Plan. The Committee also has discretion to modify awards for plans over which it has authority and the ability to recoup certain payments.

Compensation Mix: The compensation program is an appropriate mix of cash (salary and short-term incentive awards) and equity compensation. Short-term incentive awards represent less than 25% of the compensation mix for all executives, align with the market and the Company s peers and are linked to corporate and/or business unit performance. Equity incentives are positioned at the market median and are granted annually to all executives. Long-term incentive awards are linked to stockholder returns.

Specific Plan Formulations: The Company s incentive plans are linked to specific award formulas (with discretion granted to the Compensation Committee to modify calculated awards as it deems appropriate), have payout ceilings in place and align with market practice. The Company has stock ownership guidelines in place for all Company executives.

Performance Metrics: The Company s short-term incentive plans focus on return on invested capital and operating income at both the corporate and business unit level and the long-term incentive plan focuses on stock price appreciation and performance relative to peers over the long-term. The Company s Chief Executive Officer thoroughly discusses corporate, business unit and individual performance with the

Compensation Committee. Targeted pay levels are based upon peer, as well as industry, data.

Plan Governance: In addition to the Compensation Committee, the senior leadership team, the finance department, the legal department, the human resources department and the business unit managers are involved in the establishment and oversight of the compensation plans.

Ownership Requirements: The Company s stock ownership guidelines require executives to hold meaningful stock ownership, linking their interests to the interests of stockholders.

ELECTION OF DIRECTORS (Proposal 1)

The Board, acting pursuant to the by-laws of the Company, has determined that the number of Directors constituting the full Board shall be nine immediately following the Annual Meeting. The Board is to be divided into three classes of nearly equal size. One such class is elected every year at the Annual Meeting for a term of three years.

The Board has, upon recommendation of the Governance Committee, nominated Robert W. Cruickshank, Julie S. Roberts and J. Rich Alexander for re-election as Directors in the Class of 2013, and each of them has agreed to serve if elected. Mr. Alexander was appointed to the Board by the Board on August 4, 2009. The Company believes that when a new Director is appointed by the Board, that Director should stand for election at the next annual meeting. Mr. Alexander was recommended as a Director candidate by another non-management Director. Messrs. Cruickshank and Alexander and Ms. Roberts will hold office until the 2013 Annual Meeting of Stockholders, or until the Director s prior death, disability, resignation or removal. Proxies are solicited in favor of these nominees and will be voted for them unless otherwise specified.

If any nominee becomes unable or unwilling to serve as a Director, it is intended that the proxies will be voted for the election of such other person, if any, as shall be designated by the Board.

Information concerning the nominees for Director and the other Directors who will continue in office after the meeting is set forth below, together with information concerning the Company s executive officers who are not Directors.

Name	**Age**	**Position with the Company**
	Class of 2013	
Robert W. Cruickshank	64	Director
Julie S. Roberts	55	Director
J. Rich Alexander	54	Director
	Class of 2012	
William R. Newlin	69	Director
John S. Stanik	56	Director (Chairman), President and Chief Executive Officer
William J. Lyons	61	Director
	Class of 2011	
Randall S. Dearth	46	Director
Timothy G. Rupert	63	Director
Seth E. Schofield	70	Director
	Executive Officers	
Leroy M. Ball	41	Senior Vice President and Chief Financial Officer
Gail A. Gerono	58	Vice President, Investor Relations, Communications and Human Resources
C.H.S. (Kees) Majoor	60	Senior Vice President Europe and Asia
Robert P. O Brien	59	Senior Vice President Americas
Richard D. Rose	48	Vice President, General Counsel and Secretary
James A. Sullivan	46	Vice President, UV and Corporate Business Development

Mr. Alexander was elected as a Director of the Company in August 2009. Mr. Alexander has served as Senior Vice President, Performance Coatings for PPG Industries, Inc., a global diversified manufacturer, since April 2005, where he is also responsible for Corporate Purchasing and Marketing. Prior thereto, he served as Vice President, Industrial Coatings for PPG Industries, Inc. The Company believes that Mr. Alexander s qualifications to sit on the Board include his extensive global experience in the Asia Pacific region with a focus in China and his experience in global mergers and acquisitions. In addition, the Company values Mr. Alexander s role as an executive officer of a manufacturing company in the chemical industry, which the Company believes is representative of the challenges and desires of its customer base. Except as provided herein, during the last five years, Mr. Alexander has not held any directorships required to be disclosed pursuant to the rules and regulations promulgated by the SEC.

Mr. Cruickshank has been a Director of the Company since November 1985. Mr. Cruickshank is a consultant providing financial advice to private clients. He is also a director of Hurco Companies, Inc., an industrial technology company. The Company believes that Mr. Cruickshank s qualifications to sit on the Board include his financial expertise and experience as a director of several public companies. Mr. Cruickshank is an original member of the public company Board and, as such, is intimately familiar with the Company s history as a public entity. Except as provided herein, during the last five years, Mr. Cruickshank has not held any directorships required to be disclosed pursuant to the rules and regulations promulgated by the SEC.

Mr. Dearth has been a Director of the Company since November 2007. Mr. Dearth has been President and Chief Executive Officer of LANXESS Corporation, a chemicals manufacturer, since 2004. Prior thereto he was President and Chief Executive Officer of Bayer Chemicals Corp., a chemicals manufacturer. The Company believes that Mr. Dearth s qualifications to sit on the Board include his twenty-plus years of experience in the chemical industry, which the Company believes is representative of the challenges and desires of its customer base. The Company believes that Mr. Dearth s position at LANXESS Corporation, a European company, makes him a valuable link to European leadership, strategy and business conditions. Except as provided herein, during the last five years, Mr. Dearth has not held any directorships required to be disclosed pursuant to the rules and regulations promulgated by the SEC.

Mr. Lyons has been Executive Vice President and Chief Financial Officer of CONSOL Energy Inc. (provider of coal and natural gas) since February 2001. Mr. Lyons has been a Director of the Company since 2008. He was also a director of CNX Gas Corporation (provider of natural gas) from October 2005 to January 2009. The Company believes that Mr. Lyons experience in the coal industry and his knowledge of natural gas resources and other commodities qualifies him to sit on the Board, given the importance of such primary raw materials to the Company s production. Mr. Lyons financial acumen is also valuable to the Board. Except as provided herein, during the last five years, Mr. Lyons has not held any directorships required to be disclosed pursuant to the rules and regulations promulgated by the SEC.

Mr. Newlin has been a Director of the Company since 2005. Mr. Newlin has served as the Chairman of Plextronics, Inc., a technology company, since 2009 and has been the Chairman of Newlin Investment Company LLC, an investment fund, since April 2007. Prior thereto he was the Executive Vice President and Chief Administrative Officer of Dick s Sporting Goods, Inc., a retailer. Mr. Newlin is a director of Kennametal Inc., a tooling, engineered components and advanced materials supplier, and ArvinMeritor, Inc., an automotive industry supplier. The Company believes Mr. Newlin s qualifications to sit on the Board include his extensive experiences in major corporate transactions, his deep executive leadership and management experience with public and private companies, his years of experience providing strategic advice to complex organizations as a counselor and member of numerous board of directors and his business and corporate legal acumen. Except as provided herein, during the last five years, Mr. Newlin has not held any directorships required to be disclosed pursuant to the rules and regulations promulgated by the SEC.

Ms. Roberts has been a Director of the Company since July 2000. Ms. Roberts is currently the President of JS Roberts Consulting, LLC, which provides CFO services and financial consulting to public and private organizations on a project, part-time or temporary basis. She retired in February of this year from Marriott International, Inc., a hospitality company, where she served as Vice President Finance, Global Finance Transformation since March 2005. Prior thereto she was Chief Financial Officer of Marriott ExecuStay, a division of Marriott. The Company believes that Ms. Roberts is qualified to sit on the Board in light of her many years of experience as a financial executive of two major publically traded corporations, including several years as a CFO of a subsidiary of one of the companies, her many years of experience as an Audit Committee Member of two publically traded companies and experience as Audit Committee Chair and her Master of Business Administration. Except as provided herein, during the last five years, Ms. Roberts has not held any directorships required to be disclosed pursuant to the rules and regulations promulgated by the SEC.

Mr. Rupert has been a Director of the Company since 2005. Mr. Rupert retired in July 2007 from his position as President and Chief Executive Officer and a director of RTI International Metals, Inc., a titanium manufacturer, which he had held since 1999. The Company believes that Mr. Rupert is qualified to serve on the Board due to his experience as the Chief Executive Officer of a company of similar size in the region. The Company believes that

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Mr. Rupert s familiarity with the challenges and realities of running a public company are extremely valuable to the Board. Except as provided herein, during the last five years, Mr. Rupert has not held any directorships required to be disclosed pursuant to the rules and regulations promulgated by the SEC.

Mr. Schofield has been a Director of the Company since December 1995. From February 1996 to July 2000, Mr. Schofield was the Managing Partner of Base International, a provider of corporate protection and security. Prior thereto, Mr. Schofield was Chairman and Chief Executive Officer of USAir Group, a major air carrier. Mr. Schofield is also a director of Marathon Oil Corporation, an integrated oil and gas company, and United States Steel Corporation, a steel manufacturer (where he serves as the Presiding Director). The Company believes that Mr. Schofield is qualified to serve on the Board due to his experience on the board of directors of other large companies in the region (including service on numerous committees), as well as his role as Chairman and Chief Executive Officer of USAir Group. The Company values Mr. Schofield s leading edge expertise, his familiarity with the complex nature of the Company s business, his long history with the Board and his experience with mergers and acquisitions. Except as provided herein, during the last five years, Mr. Schofield has not held any directorships required to be disclosed pursuant to the rules and regulations promulgated by the SEC.

Mr. Stanik has been Chairman and President and Chief Executive Officer of the Company since May 2007. Prior thereto, he was President and Chief Executive Officer of the Company. Mr. Stanik has been a Director of the Company since October 2003. The Company believes that Mr. Stanik is qualified to serve on the Board as a result of his engineering background and his almost nineteen year tenure with the Company. During such tenure, Mr. Stanik has served as plant manager of the Big Sandy plant and held a leadership role in each of the following: the equipment business, all manufacturing plants, research and development, global operations and the global carbon and service business. Except as provided herein, during the last five years, Mr. Stanik has not held any directorships required to be disclosed pursuant to the rules and regulations promulgated by the SEC.

Mr. Ball has been the Senior Vice President and Chief Financial Officer of the Company since January 2006. Prior thereto, Mr. Ball was Vice President and Chief Financial Officer of the Company.

Ms. Gerono has been the Vice President, Investor Relations, Communications and Human Resources of the Company since October 2002.

Mr. Majoor has been the Senior Vice President Europe and Asia of the Company since October 2007. Prior thereto, he was Senior Vice President Europe of the Company.

Mr. O Brien has been the Senior Vice President Americas of the Company since August 2005. Prior thereto, he was Senior Vice President of the Company responsible for Global Business Development and the Ultraviolet Light Technology Business Unit.

Mr. Rose was appointed as the Vice President, General Counsel and Secretary for the Company in September 2009. Mr. Rose was a shareholder with the law firm of Buchanan Ingersoll & Rooney, PC since 2000.

Mr. Sullivan has been the Vice President, UV and Corporate Business Development since July 2008. Prior thereto, he was the General Manager of the UV Technologies division of the Company.

EXECUTIVE AND DIRECTOR COMPENSATION

Compensation Discussion and Analysis

Objectives of the Executive Compensation Program

The executive compensation program is designed to motivate executives and support the success of the Company which ultimately occurs through the actions of talented employees. The specific objectives of our compensation program are to:

Attract and Retain Executive Talent. Through a competitive total compensation program, the Company seeks to attract qualified and talented executives to serve in existing or newly created positions. The Company also seeks to retain our executives and promote positive engagement in the business and culture of the Company.

Align Compensation with Company and Individual Performance. Certain elements of our compensation program are designed to hold executives accountable for the financial and operational performance of the Company, as well as influencing the value of the Company s common stock. To facilitate these objectives, a significant portion of an executive s compensation is at risk because it is directly tied to the short- and long-term performance of the Company.

Foster an Ownership Mentality and Create Alignment with Stockholders. Our compensation program provides shares of the Company s common stock and common stock-based awards as elements of compensation with the expectation that the executives will maintain a certain level of ownership to align their interests with those of our stockholders.

The Company has designed the compensation program based on a set of core principles which we believe support our overall objectives:

The compensation program will be fair and competitive, from an internal and external perspective, taking into account the role and distinct responsibilities of each executive.

A substantial portion of an executive s compensation will be at risk and linked to the achievement of both corporate and individual goals and changes in stockholder value.

Retirement benefits will provide financial stability following employment but will not be the focal point of why executives choose to work for the Company.

The use of perquisites and other executive benefits will be negligible and of minimal cost to the Company.

All compensation program elements taken as a whole will help focus executives to achieve the Company s financial and operational goals.

Within the context of these objectives and principles, the Company has developed its compensation program for the Chief Executive Officer and other executive officers.

Overview of the Compensation Program and Decision-Making Process

Our Board has assigned the oversight of our executive compensation program to our Compensation Committee composed of four independent directors. The Compensation Committee reviews and makes decisions regarding the compensation program for the Chief Executive Officer and makes recommendations for the other executive officers after considering recommendations made by the Chief Executive Officer. The Compensation Committee also considers the impact of tax and accounting treatment for the different types of compensation it approves. The decisions made by the Compensation Committee with respect to the named executive officers for 2009 are reflected in the tables and related footnotes and narratives that begin on page 25.

In order to support the objectives outlined above, the Company has developed a compensation program that supports our pay for performance philosophy and that provides executives with a mixture of cash payments (base salary and short-term incentives) and stock-based awards (long-term incentives). Our stock-based compensation program consists of three different types of awards, each selected to address different objectives. We also provide executives with a retirement plan similar to that provided to all other employees and severance benefits for certain types of termination (including change in control situations) from the Company. The Company currently does not