

UNIVERSAL FOREST PRODUCTS INC
Form DEF 14A
March 06, 2012

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

SCHEDULE 14A

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

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

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

Universal Forest Products, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

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

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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:

SEC 1913 (11-01) Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Universal Forest Products, Inc.
2801 East Beltline NE
Grand Rapids, MI 49525

Notice of Annual Meeting

The Annual Meeting of Shareholders of Universal Forest Products, Inc. will be held at the Company's Technology and Training Building, 2880 East Beltline Lane NE, Grand Rapids, MI 49525, on Wednesday, April 18, 2012, at 8:30 a.m. local time (registration begins at 8:00 a.m.) for the following purposes:

- (1) Election of three directors for three year terms expiring in 2015.
- (2) Consider and vote upon a proposal to amend our Company's Director Retainer Stock Plan.
- (3) Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2012.
- (4) To consider an advisory vote on executive compensation.
- (5) The transaction of such other business as may properly come before the meeting or any adjournment thereof.

Shareholders of record at the close of business on February 20, 2012, are entitled to notice of and to vote at the meeting. To vote by telephone, shareholders of record may call toll free on a touch-tone telephone, 1-800-690-6903, enter the control number located on their Notice, and follow the recorded instructions. To vote on the Internet, shareholders of record may go to the Internet address <http://www.proxyvote.com>, enter the control number located on their Notice, and follow the instructions provided.

BY ORDER OF THE BOARD OF DIRECTORS

Matthew J. Missad, Chief Executive Officer

March 6, 2012

Your vote is important. Even if you plan to attend the meeting,
PLEASE VOTE YOUR PROXY PROMPTLY.

Universal Forest Products, Inc.
2801 East Beltline NE
Grand Rapids, MI 49525

Annual Meeting of Shareholders

April 18, 2012

Proxy Statement

SOLICITATION OF PROXIES

This Proxy Statement and the enclosed proxy are being furnished to holders of common stock, no par value, of Universal Forest Products, Inc. (the "Company"). Our Board of Directors (the "Board") is soliciting proxies for use at our Annual Meeting of Shareholders to be held on April 18, 2012, and at any adjournment of that meeting, at our Technology and Training Building, 2880 East Beltline Lane NE, Grand Rapids, MI 49525, at 8:30 a.m. local time. Registration for the meeting begins at 8:00 a.m.

VOTING AT THE MEETING

If the enclosed Proxy is properly signed and returned, the shares represented by the proxy will be voted at our Annual Meeting of Shareholders and at any adjournment of the meeting. If a shareholder specifies a choice, the proxy will be voted as specified. If no choice is specified, the shares represented by the proxy will be voted for the election of all nominees named in the Proxy Statement, for the proposed amendment to our Director Retainer Stock Plan, for the ratification of the appointment of our independent registered public accounting firm, for approval of our executive compensation, and in accordance with the judgment of the persons named as proxies with respect to any other matter which may come before the meeting.

In accordance with the rules promulgated by the Securities and Exchange Commission, we have elected to use the Internet as our primary means of providing our proxy materials to our shareholders. Unless requested, shareholders will not receive paper copies of our proxy materials. Instead, we will mail our shareholders a Notice of Internet Availability of Proxy Materials with instructions for accessing our proxy materials and for voting via the Internet or telephone. The Notice of Internet Availability of Proxy Materials will also provide information on how shareholders may obtain paper copies of proxy materials free of charge, if they so choose.

Returning your completed proxy will not prevent you from voting in person at our Annual Meeting of Shareholders, if you wish to do so. In addition, you may revoke your proxy at any time before it is voted, by written notice to our secretary prior to our Annual Meeting of Shareholders, by submission of a later-dated proxy, or by the withdrawal of your proxy and voting in person at our Annual Meeting of Shareholders.

The cost of the solicitation of proxies will be paid by our Company. In addition to the use of the United States Postal Service, proxies may be solicited personally, by telephone, by facsimile, or by electronic mail by our employees who will not receive additional compensation for soliciting proxies. We do not intend to pay any compensation for the solicitation of proxies, except that we will reimburse brokers, nominees, custodians, and other fiduciaries for their expenses in connection with sending materials to beneficial owners and obtaining their proxies.

VOTING SECURITIES

Holders of record of common stock at the close of business on February 20, 2012, will be entitled to vote at our Annual Meeting of Shareholders. As of February 20, 2012, there were 19,655,445 shares of common stock outstanding. The presence in person or by proxy of at least 51% of such shares constitutes a quorum. A shareholder is entitled to one vote for each share of common stock registered in the shareholder's name at the close of business on February 20, 2012. Under Michigan law, abstentions are treated as present and entitled to vote and therefore count in determining the presence of a quorum. A broker non-vote on a matter is considered not entitled to vote on that matter and, therefore, is not counted in determining (1) the existence of a quorum, or (2) whether a matter requiring approval of a majority of the shares present and entitled to vote has been approved. A broker non-vote occurs when a broker or similar holder has not received voting instructions from the beneficial holder of these shares and is barred from exercising its discretionary authority to vote the shares because the proposal is "non-routine." Votes cast at the meeting or submitted by proxy will be counted by inspectors of the meeting appointed by our Company. There is no right to cumulative voting on any matter.

ELECTION OF DIRECTORS

Our Board presently consists of ten members. These members are divided into three classes, as equal in number as possible, with the classes to hold office for staggered terms of three years each. Our Board has nominated incumbent directors Matthew J. Missad, and Louis A. Smith, and director nominee, Thomas W. Rhodes, to three-year terms expiring at our 2015 Annual Meeting of Shareholders. Mr. Missad was appointed to our Board on July 13, 2011, in connection with his election as CEO. Directors Dan M. Dutton and William R. Payne are not seeking re-election to our Board. We thank them for their service and wisdom as well as the insight they provided to our Company during their respective terms. At its meeting on January 30, 2012, our Board reduced the size of the Board to nine members, effective April 18, 2012.

The persons named as proxy holders in the accompanying proxy will vote for the above-named nominees, unless a shareholder directs them differently on a proxy card. If a nominee is not available for election as a director at the time of the Annual Meeting of

Shareholders (a situation which is not now anticipated), the Board may designate a substitute nominee, and the accompanying proxy will be voted for the substituted nominee.

A vote of the shareholders holding a plurality of the shares present in person or represented by proxy is required to elect directors. Accordingly, the three individuals who receive the greatest number of votes cast at the meeting will be elected as directors.

The Board of Directors recommends a vote FOR the election of each person nominated by the Board.

The following table provides certain biographical information for each person who is nominated for election as a director at our Annual Meeting of Shareholders and for each person who is continuing as an incumbent director.

Names, (Ages), Positions, and Backgrounds of Directors and Nominees	Service as a Director
---	-----------------------

Nominees for Terms Expiring in 2015

Matthew J. Missad (51) is Chief Executive Officer of our Company, a position to which he was appointed on July 13, 2011. From 1996 to 2011, he was Executive Vice President, General Counsel and Secretary, in addition to serving on the boards of subsidiary entities, including international partnerships.

Director since 2011.
CPA Certificate of Examination.

Mr. Missad's experience and exposure to nearly all facets of our business is integral to the growth of our Company. Having led, at various times, the human resources, insurance, marketing, wood preservation, engineering, transportation, and compliance teams, and serving on our executive leadership team, he has an ability to understand and motivate people and teams, a capacity to simplify complex issues for sound decision-making, and a well-rounded and deep understanding of our Company's business, people, markets, and opportunities.

Thomas W. Rhodes (50) is President and Chief Executive Officer of TWR Enterprises, Inc. of Corona, CA, a company he formed in 1984, which is the largest framing contractor in Southern California. Mr. Rhodes serves as a board member of the California Framing Contractors Association, Building Industry Association, Orange County, and the California Professional Association of Specialty Contractors, Orange County/Inland Empire.

Director Nominee.

Mr. Rhodes has spent over 26 years building his business while establishing and developing relationships in the residential building and commercial construction industry. Mr. Rhodes' experience in the site-built construction business and his career as a framing contractor and an entrepreneur will provide our Board and management with meaningful insight into this market and its prospects. His creative and strategic-thinking skills enabled him to branch out into other ventures, including real estate, hotel development and insurance. These experiences are expected to provide a benefit to his service on our Board.

Louis A. Smith (72) is President of the law firm of Smith and Johnson, Attorneys, P.C., of Traverse City, Michigan and serves as a member of the Advisory Council for the University of Notre Dame Law School. Currently serving as Lead Director. Member of Audit Committee.

Mr. Smith served on The State Board of Law Examiners, upon nomination by the Michigan Supreme Court and by gubernatorial appointment. Member of Personnel and Compensation Committee.

Mr. Smith utilizes his 47 years in the active practice of law to assist our Company's evaluation of legal and strategic risks. He has significant business ownership expertise, including in-depth experience with regulated industries such as banking and oil and gas. He has tremendous institutional knowledge and experience based on his 18 years as a member of our Board.

Incumbent Directors - Terms Expiring in 2013

William G. Currie (64) is Chairman of the Board of our Company. He joined our Company in 1971, serving as a salesman, general manager, vice president, and executive vice president. He was the Chief Executive Officer of our Company from 1989 to 2006, and on January 1, 2000, also became Vice Chairman of the Board. On April 19, 2006, he was named Chairman of the Board and served as an employee with the title of Executive Chairman until he retired from our Company on July 20, 2009. Mr. Currie has been on the board of Forestar Real Estate Group Inc. since 2008 and serves on its Audit and Management Development and Executive Compensation Committee. Director since 1978.

During his tenure with our Company, Mr. Currie created and, to this day, maintains extremely valuable relationships with many in the lumber and building materials industries. He has an in-depth understanding of our Company's supply chain and customer base, which makes him an important asset to management in assessing growth opportunities and strategic objectives.

John M. Engler (63) became President of the Business Roundtable on January 15, 2011. He was President and Chief Executive Officer of the National Association of Manufacturers from October 2004 until he took over as head of the Business Roundtable. He was President of State and Local Government Business and Vice President of Government Solutions for North America for EDS in Herndon, Virginia. Director since 2003. Member of Nominating and Corporate Governance Committee. Member of Personnel and Compensation Committee.

from February 2003 to September 2004. He served as Governor of the State of Michigan from 1991 to 2003. Mr. Engler has served on the board of Munder Capital Management since 2003 and on the board of Delta Airlines since 2008. He served on the board of Northwest Airlines from 2003 until 2008.

Mr. Engler's law degree, coupled with his experience in successfully leading the State of Michigan for 12 years, gives him a unique capacity to understand complex issues and to simplify them in an efficient and effective manner. As President of the Business Roundtable, Mr. Engler leads an association of chief executive officers of leading U.S. companies with nearly \$6 trillion in annual revenue and more than 12 million employees. His work on issues ranging from tax and trade to corporate governance and regulatory policy allows him to be a key contributor as a director.

Bruce A. Merino (58) retired from The Home Depot in 2009, after 25 years with the company. At the time of his retirement, he was Senior Vice President of Merchandising and President of The Home Depot's Expo Design Center. Mr. Merino sits on the City of Hope's Home Improvement Board Council and is its chair.

Director since 2009.
Chairman of Personnel and Compensation Committee.
Member of Nominating and Corporate Governance Committee.

Mr. Merino has been able to utilize his 38 years of experience in the home improvement industry to assist our Company in strategy and operations for our DIY market. Mr. Merino understands the procurement and marketing operations of big box retailers, which is very valuable to our Company.

Incumbent Directors - Terms Expiring in 2014

John W. Garside (72) is President and Treasurer of Woodruff Coal Company of Kalamazoo, Michigan. Mr. Garside is a former commissioner for the Michigan Department of Transportation.

Director since 1993.
Member of Personnel and Compensation Committee.
Member of Nominating and Corporate Governance Committee.

Mr. Garside has nearly 51 years of business and management experience with full bottom-line responsibilities. He has dealt extensively with transportation issues in both the private and public sectors. He has a unique understanding and perception of energy costs, energy policy, and resource management. Mr. Garside's institutional knowledge and experience, based on his 18 years as a member of our Company's Board, is a valuable asset to our Company.

Gary F. Goode (67) retired from Arthur Andersen LLP in March 2001

Director since 2003.
Chairman of Audit Committee.

after 29 years. Since his retirement, Mr. Goode has worked as an independent consultant, and has served as Chairman of Titan Sales and Consulting LLC since January 2004. Mr. Goode has been on the Board of Directors of Gentex Corporation since 2003 and serves on its Audit, Compensation, and Nominating Committees.

Mr. Goode is a financial expert, as defined by the SEC. As a result of 29 years as a Certified Public Accountant, he gained valuable insight into a wide variety of businesses. His financial acumen, coupled with these varied business experiences, provides a great frame of reference for successful business practices at other companies. His working career also gives him extensive experience working with companies whose securities are registered with the SEC.

Mark A. Murray (57) has served as President of Meijer, Inc., a regional retail chain, since 2006. From 2001 to 2006, he was the President of Grand Valley State University. He also served as

Director since 2004.
Chairman of Nominating and Corporate Governance

Treasurer for the State of Michigan from 1999 to 2001 and Vice Committee.
President of Finance and Administration for Michigan StateMember of Audit Committee.
University
from 1998 to 1999. Mr. Murray received his B.S. in economics and
his M.S. in labor and industrial relations from Michigan State
University.
In addition to his service on our Board, he is a director for DTE
Energy
and serves on its Finance Committee and Public Relations
Committee,
and a director or trustee of many community and professional
organizations.

Mr. Murray is a financial expert, as defined by the SEC. His qualifications to sit on our Board include his experience as president of a major Michigan-based corporation and his experience as a university president and a State of Michigan government official. He also has extensive experience in financial accounting matters for complex organizations, strategic planning and corporate development, combined with strong skills in corporate finance, sales and marketing, and government relations and public policy. He also has experience serving as a director of another publicly-traded corporation.

CORPORATE GOVERNANCE AND BOARD MATTERS

Our Board is committed to sound and effective corporate governance practices. To assist in these practices, the Board has appointed three standing committees: the Audit Committee, the Nominating and Corporate Governance Committee, and the Personnel and Compensation Committee. Each of these committees has a written charter, the current versions of which are available for review on our website at www.ufpi.com under the tab "Investor Relations."

Code of Business Conduct and Ethics and Code of Ethics for Senior Financial Officers

We have adopted a Code of Business Conduct and Ethics that applies to our employees, officers, and directors. We have also adopted a Code of Ethics for Senior Financial Officers. Each Code is posted on our website, and any changes or waiver to either code will be disclosed on our website at www.ufpi.com under the tab "Investor Relations."

Affirmative Determination Regarding Director Independence and Other Matters

Our Board has determined each of the following directors, including Mr. Rhodes, assuming his election as a director, to be an "independent director," as defined in Marketplace Rule 4200(a)(15) of the National Association of Securities Dealers (the "NASD"): John M. Engler, John W. Garside, Gary F. Goode, Bruce A. Merino, Mark A. Murray, and Louis A. Smith. There are no family relationships between or among the directors (including the director nominee) and our executive officers.

To assist our Board, the Nominating and Corporate Governance Committee reviewed the applicable legal standards for director and Board committee independence, as well as the criteria applied to determine "audit committee financial expert" status and the answers to annual questionnaires completed by each of the directors. On the basis of this review, the Nominating and Corporate Governance Committee delivered a report to the full Board, and the Board made its independence and "audit committee financial expert" determinations based upon that report and each member's review of the information made available to the Nominating and Corporate Governance Committee.

The effectiveness of each of our directors is monitored through the use of an annual assessment. Our Board does not have a mandatory retirement age policy. We believe that the ability of a Board member to add value to our Company is not dependent on age;

rather, it is based on the director's actual performance. As a result, we expect that some directors will not serve until a typical retirement age, while others may serve longer.

Committees

Audit Committee. Each member of the Audit Committee is "independent," as that term is defined by Rule 4200(a)(15) of the Nasdaq Listing Standards as well as the applicable rules of the Securities and Exchange Commission for audit committee membership. Our Board has determined that Mr. Goode and Mr. Murray each qualify as an "audit committee financial expert," as defined in Item 407(d) of Regulation S-K of the Securities Exchange Act of 1934 (the "Exchange Act"). The full responsibilities of the Audit Committee are set forth in the Audit Committee Charter. In general, the primary purpose of this Committee is to assist the Board in overseeing management's conduct of our financial reporting processes and system of internal controls regarding finance, accounting, legal compliance, and ethics. During 2011, the Audit