

Dorman Products, Inc.
Form DEF 14A
March 29, 2018

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

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Dorman Products, Inc.

(Name of Registrant as Specified In Its Charter)

Not Applicable

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

Payment of Filing Fee (Check the appropriate box):

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- (3) Filing Party:

(4) Date Filed:

Notice of Annual Meeting of Shareholders

May 10, 2018

Dear Shareholder:

All shareholders of Dorman Products, Inc., a Pennsylvania corporation, referred to as we, our, us, and the Company herein, are cordially invited to attend the Annual Meeting of Shareholders to be held at the corporate offices of Dorman Products, Inc. located at 3400 East Walnut Street, Colmar, Pennsylvania 18915 on Thursday, May 10, 2018 at 8:30 a.m., Eastern Daylight Time, for the following purposes:

To elect seven directors, as described in the accompanying proxy statement.

To approve, on an advisory basis, the compensation of our named executive officers.

To approve the Dorman Products, Inc. 2018 Stock Option and Stock Incentive Plan.

To ratify KPMG LLP as our independent registered public accounting firm for the 2018 fiscal year.

To transact any other business as may properly come before the annual meeting or any postponements or adjournments thereof.

Only shareholders of record as of the close of business on March 9, 2018, referred to as the record date, are entitled to notice of and to vote at the annual meeting and any postponements or adjournments thereof.

If the annual meeting is adjourned because of the absence of a quorum, those shareholders entitled to vote who attend the adjourned annual meeting, although constituting less than a quorum as provided herein, shall nevertheless constitute a quorum for the purpose of electing directors. If the annual meeting is adjourned for one or more periods aggregating at least fifteen (15) days because of the absence of a quorum, those shareholders entitled to vote who attend the reconvened annual meeting, if less than a quorum as determined under applicable law, shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in this Notice of Annual Meeting of Shareholders.

The Notice of Internet Availability of Proxy Materials will be mailed to our shareholders on or about March 29, 2018. If you previously requested electronic or paper delivery of the proxy materials, you will be sent the proxy statement, the accompanying proxy card and the 2017 Annual Report to Shareholders on or about March 29, 2018. The Notice of Internet Availability of Proxy Materials contains instructions on how to access an electronic copy of our proxy materials.

Your vote is important. Whether or not you attend the meeting, we urge you to vote promptly.

By Order of the Board of Directors

/s/ Thomas J. Knoblauch
THOMAS J. KNOBLAUCH
Senior Vice President, General Counsel and
Assistant Secretary

Colmar, Pennsylvania
March 29, 2018

Important Notice Regarding the Availability of Proxy Materials

for the Shareholder Meeting to Be Held on May 10, 2018

The proxy statement and the 2017 Annual Report to Shareholders are available at www.proxyvote.com.

TABLE OF CONTENTS

| | Page |
|---|-------------|
| <u>Proxy Statement Summary</u> | 1 |
| <u>Voting Procedures</u> | 3 |
| <u>Corporate Governance</u> | 6 |
| <u>Committees of the Board of Directors</u> | 8 |
| <u>Director Nomination Process</u> | 9 |
| <u>Proposal I: Election of Directors</u> | 14 |
| <u>Director Compensation</u> | 18 |
| <u>Executive Compensation: Compensation Discussion and Analysis</u> | 20 |
| <u>Executive Compensation: Compensation Tables</u> | 34 |
| <u>Summary Compensation Table for Fiscal 2017</u> | 34 |
| <u>Grants of Plan-Based Awards for Fiscal 2017</u> | 36 |
| <u>Outstanding Equity Awards at December 30, 2017</u> | 40 |
| <u>Option Exercises and Stock Vested for Fiscal 2017</u> | 41 |
| <u>Non-Qualified Deferred Compensation for Fiscal 2017</u> | 42 |
| <u>Potential Payments upon Termination or Change in Control</u> | 43 |
| <u>Risk Assessment in Compensation Policies and Practices for Employees</u> | 48 |
| <u>Compensation Committee Interlocks and Insider Participation</u> | 48 |
| <u>Certain Relationships and Related Transactions</u> | 48 |
| <u>Security Ownership of Certain Beneficial Owners and Management</u> | 50 |
| <u>Section 16(a) Beneficial Ownership Reporting Compliance</u> | 52 |
| <u>Report of Audit Committee</u> | 53 |
| <u>Proposal II: Advisory Vote on Executive Compensation</u> | 54 |
| <u>Proposal III: Approval of the Dorman Products, Inc. 2018 Stock Option and Stock Incentive Plan</u> | 55 |
| <u>Proposal IV: Ratification of KPMG LLP as Independent Registered Public Accounting Firm</u> | 65 |
| <u>Principal Accountant Fees and Services</u> | 66 |
| <u>Pre-Approval Policies and Procedures</u> | 66 |
| <u>Shareholder Proposals</u> | 67 |
| <u>Annual Report</u> | 67 |
| <u>Solicitation of Proxies</u> | 67 |
| <u>Other Matters</u> | 67 |

Householding

68

EXHIBIT A

Dorman Products, Inc. 2018 Stock Option and Stock Incentive Plan

A-1

Dorman Products, Inc.**3400 East Walnut Street****Colmar, Pennsylvania 18915****Proxy Statement Summary**

This summary highlights information contained elsewhere in this proxy statement. It does not contain all of the information you should consider, and you should read the entire proxy statement carefully before voting. References in this proxy statement to the Company, Dorman, we, us, and our refer to Dorman Products, Inc., a Pennsylvania company.

Annual Meeting of Shareholders

Date: May 10, 2018
Time: 8:30 a.m., Eastern Daylight Time
Place: Corporate offices of Dorman Products, Inc. located at 3400 East Walnut Street, Colmar, PA 18915
Record Date: March 9, 2018
Voting: Shareholders have one vote per share on all matters presented at the annual meeting
Voting Matters and the Board's Recommendation

| Agenda Item | Board Vote Recommendation | Page Reference |
|--|----------------------------------|-----------------------|
| Election of seven directors | FOR each Director Nominee | 14 |
| Approval on an advisory basis of the compensation of our named executive officers | FOR | 54 |
| Approval of the Dorman Products, Inc. 2018 Stock Option and Stock Incentive Plan | FOR | 55 |
| Ratification of the appointment of KPMG LLP as Dorman's independent registered public accounting firm for 2018 | FOR | 65 |

In addition to these matters, shareholders may be asked to vote on such other business as may properly come before the annual meeting.

Director Nominees

Shareholders are being asked to elect each of the director candidates nominated by the Board of Directors of Dorman (the Board of Directors or Board).

| Name | Director | | | Qualifications | Independent | Position/Committee Memberships |
|-------------------|----------|-------|---|--|-------------|--|
| | Age | Since | Occupation | | | |
| Steven L. Berman | 58 | 1978 | Executive Chairman, Secretary and Treasurer | Leadership, Industry, Operational, Marketing | No | |
| Mathias J. Barton | 58 | 2014 | Chief Executive Officer and President | Leadership, Financial, Industry, Operational, Marketing | No | |
| John J. Gavin | 61 | 2016 | Former Senior Advisor of LLR Partners, LLC Former Chairman of Strategic Distribution, Inc. | Leadership, Financial, Operational, Human Resources, M&A, Corporate Governance | Yes | Audit Committee Corporate Governance and Nominating Committee Compensation Committee (Chair) |
| Paul R. Lederer | 78 | 1998 | Former Executive Vice President of Federal Mogul Corporation | Leadership, Financial, Industry, Marketing | Yes | Lead Director Audit Committee |

| | | | | | | |
|--------------------|----|------|--|--|-----|--|
| | | | | | | Corporate Governance and Nominating Committee |
| | | | | | | Compensation Committee |
| Richard T. Riley | 61 | 2010 | Former Executive Chairman of LoJack Corporation | Leadership, Financial, Industry, Operational, M&A, Corporate Governance | Yes | Audit Committee (Chair) Corporate Governance and Nominating Committee Compensation Committee |
| Kelly A. Romano | 55 | 2017 | Former President, Intelligent Building Technologies, United Technologies Corporation | Leadership, Financial, Operational, M&A, Corporate Governance | Yes | Audit Committee Corporate Governance and Nominating Committee Compensation Committee |
| G. Michael Stakias | 68 | 2015 | President and Chief Executive Officer of Liberty Partners | Leadership, Financial, Legal, M&A, Corporate Governance | Yes | Audit Committee Corporate Governance and Nominating Committee (Chair) Compensation Committee |

Proxy Statement

This proxy statement and the accompanying proxy are for the solicitation of proxies by the Board of Directors of Dorman Products, Inc. for use at our Annual Meeting of Shareholders to be held on Thursday, May 10, 2018 at 8:30 a.m., Eastern Daylight Time, and any postponements or adjournments of the annual meeting. The annual meeting will be held at the corporate offices of Dorman Products, Inc., 3400 East Walnut Street, Colmar, Pennsylvania, 18915. This proxy statement and the 2017 Annual Report to Shareholders are posted on the Internet at www.proxyvote.com and the Notice of Internet Availability of Proxy Materials (the "Notice") will be mailed to our shareholders on or about March 29, 2018. If you previously requested electronic or paper delivery of the proxy materials, you will be sent the proxy statement, the accompanying proxy card and the 2017 Annual Report to Shareholders on or about March 29, 2018.

Voting Procedures

Record Date

The Board has fixed the close of business on March 9, 2018 as the record date for the determination of shareholders entitled to receive notice of, and to vote at, the annual meeting and any postponements or adjournments of the annual meeting. As of the close of business on the record date, there were 33,599,819 shares of our common stock, par value \$0.01 per share, outstanding.

Vote Per Share

Shareholders have one vote per share on all matters to be presented at the annual meeting.

Voting Matters

At the annual meeting, shareholders will consider and vote upon:

- (i) the election of seven directors, as described in this proxy statement;
- (ii) the approval, on an advisory basis, of the compensation of our named executive officers;
- (iii) the approval of the Dorman Products, Inc. 2018 Stock Option and Stock Incentive Plan;
- (iv) the ratification of KPMG LLP as our independent registered public accounting firm for the 2018 fiscal year;
and
- (v) such other business as may properly come before the annual meeting or any postponements or adjournments thereof.

The Board is not aware of any other matters that will come before the annual meeting or any postponements or adjournments thereof.

How to Vote

Voting by Shareholders of Record. If you are a shareholder of record, you may vote in person at the annual meeting. If you do not wish to vote in person or if you will not be attending the annual meeting, you may vote by proxy. You may vote by proxy over the Internet, by mail, or by telephone following the instructions provided in your proxy card or Notice.

Voting by Beneficial Owners. If your shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar organization, then you are the beneficial owner of shares held in street name. If you hold your shares in street name, please check the materials provided to you by your broker, bank or other nominee to determine how you may vote your shares. As a beneficial owner, you have the right to direct the broker, bank or other nominee holding your shares on how to vote the shares held in your account using the voting instructions received from such organization. The availability of Internet or telephone voting will depend on the voting process of your broker, bank or other nominee. Shares held in street name may be voted in person at the annual meeting only if you obtain a legal proxy from the broker, bank or other nominee giving you the right to vote the shares.

Voting by participants in the Dorman Products, Inc. 401(k) Retirement Plan and Trust. If you are a participant in the Dorman Products, Inc. 401(k) Retirement Plan and Trust, referred to as the 401(k) Retirement Plan, and shares of common stock of the Company are credited to your plan account, you have the right to direct Vanguard Fiduciary Trust Company, trustee of the 401(k) Retirement Plan, on how to vote such shares. To provide instructions to the trustee on how to vote your plan shares, simply vote your plan shares by following the instructions provided in your proxy card or Notice, which permits voting electronically via the Internet, by telephone or in writing. The trustee of the 401(k) Retirement Plan will have the votes of each participant tabulated by Broadridge and will vote the 401(k) Retirement Plan's shares on a basis proportionally consistent with the tabulated votes of such participants by submitting a final proxy card representing the plan shares for inclusion in the tally at the annual meeting. If you do not vote the plan shares credited to your account, the trustee will not have direction as to how to vote such shares and you will be treated as directing the trustee to vote your plan shares in the same proportion as the shares for which the trustee has received timely instruction from others who do vote. To allow sufficient time for the trustee to vote your plan shares, your vote must be received by 11:59 p.m., Eastern Daylight Time, on May 7, 2018.

Voting by Proxy

A proxy is your legal designation of another person, also referred to as the proxy, to vote on your behalf. By properly signing and returning the proxy card or by voting by Internet or telephone, you are giving the persons who our Board designated as proxies the authority to vote your shares in the manner that you indicate on your proxy card or by voting by Internet or telephone.

If you vote electronically via the Internet or by telephone, you will need your control number (your control number can be found on your proxy card and the Notice). If you vote electronically via the Internet or by telephone, you do not need to return your proxy card.

Please note that although there is no charge to you for voting electronically via the Internet or by telephone, there may be costs associated with electronic or telephonic access such as usage charges of Internet service providers and telephone companies. We do not cover these costs; they are solely your responsibility.

Whether or not you plan to attend the annual meeting, we urge you to vote promptly using one of these methods to ensure your vote is counted.

How to Revoke Your Proxy

Proxies may be revoked prior to being voted at the annual meeting. You may revoke a proxy before its exercise by filing written notice of revocation with Broadridge before the annual meeting (notice of revocation must be received by the day before the annual meeting). After voting, you may change your vote one or more times by completing and returning a later dated proxy to Broadridge, by voting again by Internet or telephone as described in this proxy statement, or by voting in person at the annual meeting. Attendance at the annual meeting will not in itself constitute a revocation of your proxy. You may request a new proxy card from Broadridge. The last vote received chronologically will supersede any prior votes. The deadline for registered shareholders to change their vote is 11:59 p.m., Eastern Daylight Time, on May 9, 2018 (mailed proxy cards must be received by the day before the annual meeting). All requests and correspondence with Broadridge should be mailed to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, New York 11717. If you are a beneficial owner of shares of common stock held in street name, please review the voting instructions provided by the broker, bank or other nominee holding your shares or contact such organization regarding how to change your vote. If you are a participant in the 401(k) Retirement Plan and shares of common stock of the Company are credited to your plan account, you may revoke a proxy before its exercise by filing written notice of revocation with Broadridge and you may change your vote one or more times by completing and returning a later dated proxy to Broadridge or by voting again by Internet or telephone. The deadline for participants in the 401(k) Retirement Plan to revoke or change their vote is 11:59 p.m., Eastern Daylight Time, on

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May 7, 2018 (notices of revocation and mailed proxy cards must be received by May 7, 2018).

Quorum

A quorum of shareholders is necessary to hold a valid annual meeting. Presence at the annual meeting in person or by proxy of the holders of a majority of our issued and outstanding common stock as of the close of business on the record date is necessary to constitute a quorum. All shares present in person or represented by proxy (including abstentions and broker non-votes) are counted for quorum purposes.

If the annual meeting is adjourned because of the absence of a quorum, those shareholders entitled to vote who attend the adjourned annual meeting, although constituting less than a quorum as provided herein, shall nevertheless constitute a quorum for the purpose of electing directors. If the annual meeting is adjourned for one or more periods aggregating at least fifteen (15) days because of the absence of a quorum, those shareholders entitled to vote who attend the reconvened annual meeting, if less than a quorum as determined under applicable law, shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in the Notice of Annual Meeting of Shareholders.

Vote Required and Method of Counting Votes

The table below summarizes the votes required for approval of each matter to be brought before the annual meeting, as well as the treatment of abstentions and broker non-votes.

| Proposal | Vote Required for Approval | Abstentions (or the withholding of authority) | Broker Non-Votes |
|--|---|---|------------------|
| Election of Directors | A nominee for director will be elected to serve on the Board if the votes cast for such nominee's election exceed the votes cast against such nominee's election. | No effect | No effect |
| Advisory Vote on Executive Compensation | The affirmative vote of the majority of the votes cast is required to approve this proposal. | No effect | No effect |
| Approval of the Dorman Products, Inc. 2018 Stock Option and Stock Incentive Plan | The affirmative vote of the majority of the votes cast is required to approve this proposal. | No effect | No effect |
| Ratification of Appointment of Auditor | The affirmative vote of the majority of the votes cast is required to approve this proposal. | No effect | Not applicable |

If you are a registered shareholder and sign and return a proxy but do not specify how you want your shares voted, your shares will be voted **FOR** the director nominees and **FOR** the other proposals listed above.

If you are a beneficial owner of shares held in street name and do not provide the broker, bank or other nominee that holds your shares with specific voting instructions, under the rules of various national and regional securities

exchanges, the broker, bank or other nominee that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If the broker, bank or other nominee that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares will not be able to vote your shares on such matter, often referred to as a broker non-vote. The election of directors, the advisory vote on the compensation of our named executive officers and the approval of the Dorman Products, Inc. 2018 Stock Option and Stock Incentive Plan are considered non-routine under applicable regulatory rules. The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the 2018 fiscal year is considered routine under applicable regulatory rules.

Discretionary Voting Power

The proxy also confers discretionary authority to vote with respect to any and all of the following matters that may come before the annual meeting: (i) matters to be presented at the annual meeting of which we did not have notice on or prior to February 15, 2018; (ii) approval of the minutes of the prior meeting of shareholders if such approval does not amount to ratification of the action taken at such meeting; (iii) the election of any person to any office for which a bona fide nominee named in this proxy statement is unable to serve or for good cause will not serve; (iv) any proposal omitted from this proxy statement and form of proxy pursuant to Rules 14a-8 or 14a-9 under the Securities Exchange Act of 1934, as amended, referred to as the Exchange Act; and (v) matters incident to the conduct of the annual meeting. If any such matters come before the meeting, the proxy agents named in the accompanying proxy card will vote in accordance with their best judgment and discretion.

Corporate Governance

The Board of Directors and Director Independence. The Board currently consists of seven members and has three standing committees: (i) the Audit Committee; (ii) the Compensation Committee; and (iii) the Corporate Governance and Nominating Committee. The Lead Director serves on all three committees.

The Board has determined that the following current directors, constituting a majority of the members of the Board, are independent as defined in the applicable listing standards of Nasdaq: John J. Gavin, Paul R. Lederer, Richard T. Riley, Kelly A. Romano and G. Michael Stakias. Edgar W. Levin, a director of the Company from 1991 until his retirement from the Board on May 16, 2017, was also determined by the Board to be independent as defined in the applicable listing standards of Nasdaq. Mr. Levin served as an independent member (as defined under applicable SEC rules and the listing standards of Nasdaq) of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee until May 16, 2017.

Under applicable SEC and Nasdaq rules, the existence of certain related person transactions in excess of certain thresholds between a director and the Company are required to be disclosed and may preclude a finding by the Board that the director is independent. A director is not considered independent unless the Board affirmatively determines that the director has no material relationship with us that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Based on its independence review, the Board determined that no transactions or relationships between the Company and independent directors or any member of their immediate family (or any entity of which an independent director or an immediate family member is an executive officer, general partner or significant equity holder) were identified which would render the directors named above not independent.

Board Leadership and Risk Management. In connection with the appointments of Mathias J. Barton as Chief Executive Officer and Steven L. Berman as Executive Chairman, each effective as of September 24, 2015, the Board separated the roles of Chief Executive Officer and Chairman. Mr. Berman served in the role of Chief Executive Officer and Chairman of the Board from January 2011 until his appointment as Executive Chairman. As our Chief Executive Officer and President, Mr. Barton is responsible for our day-to-day operations and for executing our long-term strategies. As Executive Chairman of the Board, Mr. Berman devotes most of his time to strategic planning and identifying business growth opportunities. In addition, because Mr. Berman is not independent within the meaning of the Nasdaq listing standards, the Board has selected Paul R. Lederer, a director who is independent, to serve as our Lead Director (as described below).

Although the Board does not have a policy that requires the separation of the roles of Chief Executive Officer and Chairman of the Board, the Board made a determination to currently separate such positions. The Board believes that an appropriate leadership structure depends on the opportunities and challenges facing a company at a given time. The Board believes that the current leadership structure is appropriate for us at this time as it enables us and the Board to

continue to benefit from Mr. Berman's vast experience, skills, expertise, and knowledge of the Company's business and industry.

We have a relatively small board of directors and a majority of the members are independent under the listing standards of Nasdaq. Each independent director has direct access to our Executive Chairman, our Chief Executive Officer and our Lead Director, as well as other members of the senior management team. The independent directors meet in executive session without management present at least quarterly.

The Board takes an active role, as a whole and at the committee level, in overseeing the management of the Company's risks. The Board regularly reviews information regarding the Company's operations, financial condition, and liquidity, as well as the risks associated with each. The Company's Audit Committee supervises the management of financial risks and potential conflicts of interests. The Company's Compensation Committee is responsible for overseeing the management of risks associated with the Company's executive compensation plans and arrangements. The Corporate Governance and Nominating Committee manages risks associated with the independence of the Board and the duties and responsibilities of its members. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through attendance at committee meetings or committee reports about such risks. Additionally, we have a Risk and Compliance Committee made up of members of senior management that evaluates the risks posed to the Company and the Company's responses to those risks. The Risk and Compliance Committee performs detailed reviews of the Company's risks and monitors the Company's compliance with applicable laws, regulations and frameworks, and reports its actions to the Board.

Lead Director. As a matter of good corporate governance, the Board has adopted a practice of appointing a Lead Director. The Lead Director is charged with (i) presiding at all meetings of the Board at which the Executive Chairman is not present, including executive sessions of the independent directors; (ii) serving as a liaison between management and the independent directors; (iii) assisting the Executive Chairman in setting the Board's schedules, agendas, and information flow; (iv) participating (in conjunction with the Compensation Committee) in the periodic evaluation and performance review of the Chief Executive Officer and other principal officers; (v) communicating Board member feedback to the Chief Executive Officer and Executive Chairman; (vi) recommending to the Board the retention of advisors and consultants who report directly to the Board; and (vii) performing such other duties as may be delegated by the Board from time to time. Based on his experience, qualifications, and skills more fully described below, the Board appointed Paul R. Lederer to serve as Lead Director.

Majority Voting. We have a majority vote standard in uncontested director elections. Under our Amended and Restated By-laws, in an uncontested election, each director shall be elected by an affirmative majority of the votes cast to hold office until the next annual meeting and until his or her successor is elected and qualified or until his or her earlier death, resignation or removal. Shareholders may vote for or against each nominee, or they may abstain from voting on a nominee; however, abstentions will have no effect in determining whether the required majority vote has been obtained. In addition, each incumbent nominee is required to provide an advance, contingent and irrevocable resignation that will be effective upon (i) the failure to receive the required vote, and (ii) Board acceptance of such resignation. If an incumbent director fails to receive the required vote for re-election, the Corporate Governance and Nominating Committee will act on an expedited basis to determine whether to accept the director's resignation and will submit such recommendation for prompt consideration by the Board. The Board will act on the Corporate Governance and Nominating Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation. The Corporate Governance and Nominating Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation. In contested elections (those where the number of nominees exceeds the number of directors to be elected), a plurality vote standard applies.

Director Resignation in the Event of a Significant Change in Occupation. Our corporate governance guidelines provide that an independent Board member must offer his or her resignation for consideration by the Corporate Governance and Nominating Committee in the event of a significant change in that Board member's principal occupation. The Corporate Governance and Nominating Committee will consider such factors as it deems relevant in determining whether to recommend that the offer of resignation be accepted and will present its recommendation to the Board for action.

Meetings of the Board of Directors and Committees. During the fiscal year ended December 30, 2017, the Board held five meetings. In fiscal 2017, the Audit Committee held four meetings, the Compensation Committee held five

meetings and the Corporate Governance and Nominating Committee held four meetings. During fiscal 2017, each incumbent director attended at least 75% of the aggregate of (1) the total number of meetings of the directors which were held during the period for which the director was a director, and (2) the total number of meetings held by any committees of which the director was a member during the period that the director served.

Attendance at Annual Meeting of Shareholders. It is the policy of the Board that, absent sufficient cause, all of our directors attend our annual meeting. All of our then directors attended last year's annual meeting.

Communication with the Board of Directors. Shareholders may communicate with the Board or any individual director by sending a letter addressed to the Board or the individual director c/o Thomas J. Knoblauch, Assistant Secretary, Dorman Products, Inc. at 3400 East Walnut Street, Colmar, Pennsylvania 18915. In the letter, the shareholder must identify him or herself as a shareholder of the Company. The Assistant Secretary may require reasonable evidence that the communication is being made by or on behalf of a shareholder before the communication is transmitted to the individual director or to the Board.

Committees of the Board of Directors

Audit Committee. The Audit Committee, established in accordance with Section 3(a)(58)(A) of the Exchange Act, assists the Board in the oversight of the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company, the independent auditor's qualifications and independence and the performance of the Company's independent auditors. The Audit Committee also selects the firm to be engaged as the independent auditor, approves the fees to be paid to such firm and pre-approves all professional services provided to the Company by such firm. In addition, the Audit Committee reviews and discusses the Company's annual and quarterly financial statements with management and the independent auditor; reviews with the independent auditor any audit problems or difficulties and management's response; discusses Company policies with respect to risk assessment and risk management; approves all related party transactions and establishes procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submissions by the Company's employees of concerns regarding questionable accounting or auditing matters. The responsibilities of the Audit Committee are further described in the Audit Committee Charter, which was adopted by the Board and a copy of which is available on the Company's website at www.dormanproducts.com and accessible via the Investor Relations page.

As of the date of this proxy statement, Richard T. Riley (Chairman), John J. Gavin, Paul R. Lederer, Kelly A. Romano, and G. Michael Stakias serve on the Audit Committee. Each member of the Audit Committee, in the opinion of the Board, is independent as defined under the applicable SEC rules and the listing standards of Nasdaq. The Board has determined that each of Messrs. Riley, Gavin and Stakias qualifies as an audit committee financial expert as defined by the rules of the SEC.

Compensation Committee. The Compensation Committee is responsible for annually reviewing and approving the compensation of our Chief Executive Officer and all of our other executive officers. The Chief Executive Officer is not present during the discussion and approval of his compensation. The Compensation Committee also periodically reviews the compensation paid to our non-employee directors for annual retainers and makes recommendations to the Board for any adjustments. The Compensation Committee also administers the Company's incentive compensation plans and equity-based plans, including the Dorman Products, Inc. Executive Cash Bonus Plan, referred to as the Executive Cash Bonus Plan, and the Dorman Products, Inc. 2008 Stock Option and Stock Incentive Plan, referred to as the 2008 Plan. The responsibilities of the Compensation Committee are further described in the Compensation Committee Charter, which was adopted by the Board and a copy of which is available on the Company's website at www.dormanproducts.com and accessible via the Investor Relations page.

As of the date of this proxy statement, John J. Gavin (Chairman), Paul R. Lederer, Richard T. Riley, Kelly A. Romano, and G. Michael Stakias serve on the Compensation Committee. Each member of the Compensation Committee, in the opinion of the Board, is independent as defined under the applicable SEC rules and the listing standards of Nasdaq.

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee is responsible for developing and periodically reviewing and assessing the Company's corporate governance guidelines. In addition, the Corporate Governance and Nominating Committee is charged with developing criteria for the selection of individuals to be considered as candidates for election to the Board.

The Corporate Governance and Nominating Committee is also responsible for recommending qualified candidates to the Board for election as directors of the Company, and has recommended to the Board the slate of directors that the Board proposes for election by shareholders at the annual meeting. The responsibilities of the Corporate Governance and Nominating Committee are further described in the Corporate Governance and Nominating Committee Charter, which was adopted by the Board and a copy of which is available on the Company's website at www.dormanproducts.com and accessible via the Investor Relations page.

As of the date of this proxy statement, G. Michael Stakias (Chairman), John J. Gavin, Paul R. Lederer, Richard T. Riley and Kelly A. Romano serve on the Corporate Governance and Nominating Committee. Each member of the Corporate Governance and Nominating Committee, in the opinion of the Board, is independent as defined under the applicable SEC rules and the listing standards of Nasdaq.

Director Nomination Process

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee is responsible for, among other matters, annually presenting to the Board a list of individuals recommended for nomination for election as directors at the annual meeting. The Corporate Governance and Nominating Committee identifies and screens candidates for the Board and has the authority as it deems appropriate to retain a professional search firm to identify and evaluate director candidates.

Before recommending a director candidate, the Corporate Governance and Nominating Committee reviews his or her qualifications to determine whether the director candidate meets the qualifications described below. In the case of an incumbent director, the Corporate Governance and Nominating Committee also reviews the director's service to the Company during the past term, including the number of Board and committee meetings attended, the quality of participation and whether the candidate continues to meet the qualifications for director as described below. After completing this evaluation, the Corporate Governance and Nominating Committee makes a formal recommendation to the full Board as to election or re-election of the candidate.

Director Qualifications. In order to be nominated for director, a director candidate must be a natural person at least eighteen (18) years of age. Characteristics expected of all directors include: integrity, high personal and professional ethics, sound business judgment, and the ability and willingness to commit sufficient time to the Board. In evaluating the suitability of individual Board members, the Board considers many factors, including capability, experience, skills, expertise, dedication, conflicts of interest, independence from the Company's management and the Company and such other relevant factors that may be appropriate in the context of the needs of the Board.

The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the Company's business and represent shareholder interests through the exercise of sound judgment, using its diversity of experience. Accordingly, the Corporate Governance and Nominating Committee believes that the Board, as a whole, should include members who collectively bring the following strengths and backgrounds to the Board:

experience as a Chief Executive Officer, President or a principal officer of another company;

senior-level experience in the automotive aftermarket or automotive parts industry generally or with companies that have similar business models;

experience with overseas distribution operations; and

strengths in the functional areas of finance, corporate governance, financial statement analysis, business operations and strategic planning, and mergers and acquisitions.

Additional criteria apply to directors being considered to serve on particular committees of the Board. For example, members of the Audit Committee must meet additional standards of independence and have the ability to read and understand our financial statements.

The Corporate Governance and Nominating Committee uses a variety of methods to identify and evaluate nominees for director. Candidates may come to the attention of the committee through current and former Board members, management, professional search firms (to whom we pay a fee), shareholders or other persons. The Corporate Governance and Nominating Committee evaluates candidates for the Board on the basis of the standards and qualifications set forth above, regardless of the source of the candidate referral. Although the Company does not have a formal policy with regard to consideration of diversity, the Board seeks to achieve a diversity of strengths and backgrounds on the Board, particularly in the areas described above.

Director Candidates Nominated by Shareholders. Under our Amended and Restated By-laws, a shareholder may nominate a person for election as a director at the next annual meeting of shareholders if the shareholder making the nomination:

is a shareholder of record on the date of providing the nomination notice, on the record date for the determination of the shareholders entitled to vote at the annual meeting of shareholders and at the time of the annual meeting of shareholders;

is entitled to vote at the annual meeting; and

complies with the nomination notice procedures contained in our Amended and Restated By-laws, which are outlined below.

For a shareholder nomination notice to be timely under our Amended and Restated By-laws, it must be delivered to, or mailed and received by, the Secretary of the Company at our principal executive offices not earlier than the close of business on the one hundred twentieth (120th) calendar day, and not later than the close of business on the ninetieth (90th) calendar day, prior to the first anniversary of the immediately preceding year's annual meeting. If an annual meeting was not held in the prior year or the annual meeting is called for a date that is more than thirty (30) calendar days earlier or more than sixty (60) calendar days later than the anniversary date of the prior year's annual meeting, to be timely, the shareholder nomination notice must be delivered to or received by, the Secretary of our company at our principal executive offices, no earlier than the close of business on the one hundred twentieth (120th) calendar day prior to the date of the scheduled annual meeting and not later than the close of business on the later of the ninetieth (90th) calendar day prior to the date of the scheduled annual meeting or, if the first public disclosure of the date of the scheduled annual meeting is less than one hundred (100) calendar days prior to the date of the scheduled annual meeting, the tenth (10th) calendar day following the day on which public disclosure of the date of the scheduled annual meeting is first made by us. In no event will any adjournment or postponement of an annual meeting or the public disclosure of any adjournment or postponement of an annual meeting commence a new time period or extend any time period for the giving of a shareholder nomination notice.

The following information must be included in the shareholder nomination notice:

as to each person whom the shareholder proposes to nominate for election or reelection as a director:

the name, age, business address and residence address of such person;

the principal occupation and employment of such person;

the number of shares of each class and series of our capital stock which are owned beneficially or of record by such person (which information shall be supplemented not later than ten (10) calendar days after the record date for the annual meeting to disclose such ownership as of the record date);

such person's executed written consent to being named in the proxy statement as a nominee and to serving as a director if elected;

all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made with the SEC in connection with the solicitation of proxies for the election of directors in a contested election pursuant to Section 14 of the Exchange Act (or pursuant to any law or statute replacing such section), and the rules and regulations promulgated thereunder;

a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such person being nominated, on the one hand, and the shareholder and any Shareholder Associated Person (as defined below), on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K of the Exchange Act, referred to as Regulation S-K, if the shareholder making the nomination and any Shareholder Associated Person were the registrant for purposes of such rule and the person being nominated was a director or executive officer of such registrant; and

a statement as to whether such person, if elected, intends to comply with all applicable corporate governance and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director, including, without limitation, the director resignation provisions set forth in the Company's Corporate Governance Guidelines.

as to the shareholder giving the notice:

the name and record address of the shareholder, as they appear on the Company's stock ledger, and the name and address of any Shareholder Associated Person;

the number of shares of each class and series of our capital stock which are, directly or indirectly, owned beneficially and/or of record by the shareholder or any Shareholder Associated Person, documentary evidence of such record or beneficial ownership, and the date or dates such shares were acquired and the investment intent at the time such shares were acquired;

any Derivative Instrument (as defined below) directly or indirectly owned beneficially by the shareholder or any Shareholder Associated Person and any other direct or indirect right held by the shareholder or any Shareholder Associated Person to profit from, or share in any profit derived from, any increase or decrease in the value of our shares;

any proxy, contract, arrangement, understanding, or relationship pursuant to which the shareholder or any Shareholder Associated Person has a right to vote any shares of any of our securities;

any Short Interest (as defined below) directly or indirectly held by the shareholder or any Shareholder Associated Person in any security issued by us;

any rights to dividends on our shares owned beneficially by the shareholder or any Shareholder Associated Person that are separated or separable from the underlying shares;

any proportionate interest in our shares or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which the shareholder or any Shareholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner;

any performance-related fees (other than an asset-based fee) that the shareholder or any Shareholder Associated Person is entitled to based on any increase or decrease in the value of shares of the Company or Derivative Instruments, if any, as of the date of such notice, including without limitation, any such interests held by members of the shareholder's or any Shareholder Associated Person's immediate family sharing the same household (which information shall, in each case, be supplemented by the shareholder and any Shareholder Associated Person not later than ten (10) calendar days after the record date for the meeting to disclose such ownership as of the record date);