

Spectrum Brands, Inc.  
Form DEF 14A  
March 24, 2006

## SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. 1)**

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 14a-12

**SPECTRUM BRANDS, INC.**

---

(Name of Registrant as Specified In Its Charter)

---

Edgar Filing: Spectrum Brands, Inc. - Form DEF 14A

(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:

---

Fee paid previously with preliminary materials.

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:

---

**SPECTRUM BRANDS, INC.**

**6 Concourse Parkway, Suite 3300**

**Atlanta, Georgia 30328**

March 24, 2006

Dear Shareholder:

On Wednesday, April 26, 2006, Spectrum Brands, Inc. will hold its annual meeting of shareholders. On behalf of the Board of Directors, I am pleased to invite you to join us so we can report to you on the activities of Spectrum during fiscal 2005. The meeting will be held at Spectrum's North American headquarters located at 601 Rayovac Drive in Madison, Wisconsin, and is scheduled to begin at 8:00 a.m., local time.

This year you are being asked to vote on the following matters: (1) the election of three Class III directors to the Board of Directors for a three-year term and one Class I director to the Board of Directors for a two year term; and (2) the ratification of the Board of Directors appointment of KPMG LLP as our independent registered public accounting firm for fiscal 2006. The Board of Directors recommends that you vote FOR each proposal. These proposals are described in the attached proxy statement, which you are encouraged to read fully.

Whether or not you plan to attend the annual meeting, it is important that your shares be represented. Regardless of the number of shares you own, please complete, sign, date and promptly return the enclosed proxy card in the enclosed envelope.

We appreciate your continued support.

Sincerely,

David A. Jones

*Chairman and*

*Chief Executive Officer*

**SPECTRUM BRANDS, INC.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

To the Shareholders of Spectrum Brands, Inc.:

The annual meeting of the shareholders of Spectrum Brands, Inc. (the "Annual Meeting") will be held at Spectrum's North American headquarters located at 601 Rayovac Drive in Madison, Wisconsin, on Wednesday April 26, 2006, at 8:00 a.m., local time, for the following purposes:

1. To elect three Class III directors to the Board of Directors for a three-year term expiring at the 2009 annual meeting and one Class I director to the Board of Directors for a two-year term expiring at the 2008 annual meeting;
2. To ratify the appointment by the Board of Directors of KPMG LLP as our independent registered public accounting firm for fiscal 2006; and
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

All shareholders of record at the close of business on Wednesday, March 15, 2006, will be entitled to vote at the Annual Meeting, whether in person or by proxy. Please complete, sign, date and return the enclosed proxy card as soon as possible in the envelope provided. Shareholders who attend the Annual Meeting may revoke their proxies and vote in person, if they wish to do so.

By Order of the Board of Directors,

James T. Lucke

Secretary

6 Concourse Parkway, Suite 3300

Atlanta, Georgia 30328

March 24, 2006

**IMPORTANT**

Edgar Filing: Spectrum Brands, Inc. - Form DEF 14A

**All shareholders are cordially invited to attend the Annual Meeting. Whether or not you plan to attend the Annual Meeting in person, you are urged to complete, date and sign the enclosed proxy card and promptly return it in the envelope provided. This will assure your representation and a quorum for the transaction of business at the Annual Meeting. If you do attend the Annual Meeting, you may vote in person if you desire to do so, even if you have returned a proxy card.**

**SPECTRUM BRANDS, INC.**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON WEDNESDAY, APRIL 26, 2006**

**General**

We are furnishing this proxy statement to shareholders of record of Spectrum Brands, Inc. ( "Spectrum" or the "Company" ) in connection with the solicitation of proxies for use at the annual meeting of shareholders (the "Annual Meeting" ) to be held on Wednesday, April 26, 2006, at Spectrum's North American headquarters located at 601 Rayovac Drive in Madison, Wisconsin, at 8:00 a.m., local time, and at any adjournments or postponements thereof, for the purposes set forth in the foregoing Notice of Annual Meeting of Shareholders. The Notice of Annual Meeting of Shareholders, this proxy statement and the enclosed form of proxy are first being mailed to shareholders on or about March 24, 2006.

**Voting Securities, Quorum and Vote Required**

Only holders of record of common stock, par value \$.01 per share, of Spectrum (the "Common Stock" ) as of the close of business on March 15, 2006 (the "Record Date" ) are entitled to receive notice of and to vote at the Annual Meeting. On the Record Date, there were 50,742,646 shares of Common Stock issued and outstanding, constituting all of our issued and outstanding voting securities. Shareholders are entitled to one vote for each share of Common Stock they held as of the Record Date.

A quorum of shareholders is necessary to hold a valid annual meeting. A quorum will exist at the Annual Meeting if the holders of record of a majority of the number of shares of Common Stock outstanding as of the Record Date are present in person or represented by proxy at the Annual Meeting. Shares held as of the Record Date by holders who are present in person or represented by proxy at the Annual Meeting but who have abstained from voting or not voted with respect to some or all of such shares on any proposal to be voted on at the Annual Meeting will be counted as present for purposes of establishing a quorum.

To be elected as a Class III or a Class I director at the Annual Meeting (Proposal No. 1), each candidate for election must receive a plurality of the votes cast by the shareholders present in person or represented by proxy at the Annual Meeting, provided a quorum is present. The affirmative vote of the holders of a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting, provided a quorum is present, is required to ratify the Board of Directors' appointment of KPMG LLP as our independent registered public accounting firm for fiscal 2006 (Proposal No. 2).

Shares represented by proxies that are marked **WITHHELD** with regard to Proposal No. 1 (Election of Directors) will be excluded entirely from the vote and will have no effect. Shares represented by proxies that are marked **ABSTAIN** with regard to Proposal No. 2 (Ratification of KPMG LLP's Appointment) will be considered present in person or represented by proxy at the Annual Meeting and will have the effect of a negative vote because approval of this proposal requires the affirmative vote of the holders of a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting.

## Edgar Filing: Spectrum Brands, Inc. - Form DEF 14A

If your shares are held in a brokerage account they may not be voted or may be voted contrary to your wishes. A broker non-vote occurs on a proposal when a broker who holds shares of record in the broker's name is not permitted to vote on that proposal without instruction from the beneficial owner of the shares and no instruction is given. For purposes of the Annual Meeting, brokers holding your shares in their name will be



permitted to vote such shares with respect to all of the proposals to be voted on at the Annual Meeting without instruction from you, and, accordingly, broker non-votes will not occur with respect to any of the proposals. To ensure your shares are voted in the manner you desire, you should provide written instructions to your broker on how to vote your shares for each of the two proposals to be voted on at the Annual Meeting.

## **Proxies and Voting Procedures**

### ***Voting Your Proxy***

You may vote in person at the Annual Meeting or by proxy. We recommend that you vote by proxy even if you plan to attend the Annual Meeting. You can always change your vote at the Annual Meeting. However, if your shares are held in the name of your broker, bank or other nominee (shares held in street name), you must bring a proxy from your broker, bank or other nominee authorizing you to vote your street name shares held as of the Record Date.

Voting instructions are included on your proxy card. If you properly complete, date and sign your proxy and return it to us in time for it to be voted at the Annual Meeting, one of the individuals named as your proxy, each of whom is one of our officers, will vote your shares as you have directed on the proxy card. **If you sign and timely return your proxy card, but do not indicate how your shares are to be voted with respect to one or more of the proposals to be voted on at the Annual Meeting, your shares will be voted FOR each of such proposals.**

Our Board of Directors has no knowledge of any matters that will be presented for consideration at the Annual Meeting other than those described herein. If any other matter is properly presented at the Annual Meeting upon which a vote may properly be taken, shares represented by duly executed and timely returned proxy cards will be voted on any such matter in accordance with the judgment of the named proxies. The named proxies will also have discretionary authority to vote upon any adjournment or postponement of the Annual Meeting, including for the purpose of soliciting additional proxies.

### ***How to Vote by Proxy***

You may vote by proxy by completing, signing, dating and returning your proxy card in the enclosed envelope. If you hold your shares through a broker or other custodian, you should provide written instructions to your broker on how to vote your shares. With respect to each of the proposals to be voted on at the Annual Meeting, your broker will be permitted to vote your shares without instruction from you. As a result, if you do not provide your broker with instructions on how to vote your shares with respect to each of the two proposals, your broker may vote your shares in a different manner than you would have voted if you had provided instructions to your broker.

### ***Revoking Your Proxy***

You may revoke your proxy before it is voted by:

Edgar Filing: Spectrum Brands, Inc. - Form DEF 14A

sending in a new proxy with a later date;

notifying the Secretary of the Company in writing before the Annual Meeting that you have revoked your proxy; or

voting in person at the Annual Meeting.

If you hold your shares through a broker or other custodian, you will need to contact them to revoke your proxy.

### ***Voting in Person***

If you plan to attend the Annual Meeting and wish to vote in person, we will give you a ballot at the Annual Meeting. However, if your shares are held in the name of your broker, bank or other nominee, you must bring a legal-proxy from your broker, bank or other nominee authorizing you to vote your street name shares held as of the Record Date.

### **Proxy Solicitation**

This solicitation of proxies is being made on behalf of our Board of Directors and we will bear the costs of the solicitation. We have engaged Georgeson Shareholder Communications Inc. to assist in soliciting proxies for a fee of approximately \$7,000 plus reasonable out-of-pocket expenses. In addition to the solicitation of proxies by mail, proxies may also be solicited by our directors, officers and employees in person or by telephone or fax, for which they will receive no additional compensation. We will also reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to shareholders.

### **Delivery of Proxy Materials and Annual Report to Households**

The Rules of the Securities and Exchange Commission (the SEC) permit companies and brokers, banks or other intermediaries to deliver a single copy of an annual report and proxy statement to households at which two or more shareholders reside (commonly referred to as householding). Beneficial owners sharing an address who have been previously notified by their broker, bank or other intermediary and who have consented to householding, either affirmatively or implicitly by not objecting to householding, will receive only one copy of our annual report to shareholders for the last fiscal year (the Annual Report) and this proxy statement. If you hold your shares in your own name as a holder of record, householding will not apply to your shares.

Beneficial owners who reside at a shared address at which a single copy of our Annual Report and this proxy statement is delivered may obtain a separate copy of our Annual Report and/or this proxy statement without charge by sending a written request to Spectrum Brands, Inc., 6 Concourse Parkway, Suite 3300, Atlanta, Georgia 30328, Attention: Vice President, Investor Relations, by calling us at (770) 829-6200 or by writing to us via electronic mail at [investorrelations@spectrumbrands.com](mailto:investorrelations@spectrumbrands.com). We will promptly deliver an Annual Report and/or this proxy statement upon request.

Not all brokers, banks or other intermediaries may offer the opportunity to permit beneficial owners to participate in householding. If you want to participate in householding and eliminate duplicate mailings in the future, you must contact your broker, bank or other intermediary directly. Alternatively, if you want to revoke your consent to householding and receive separate annual reports and proxy statements for each beneficial owner sharing your address, you must contact your broker, bank or other intermediary to revoke your consent.

**PROPOSAL NO. 1**

**ELECTION OF DIRECTORS**

The Board of Directors currently consists of nine members, as determined in accordance with our Amended and Restated By-Laws. In accordance with our Amended and Restated Articles of Incorporation, the Board of Directors is divided into three classes (designated Class I, Class II and Class III, respectively), each consisting, as nearly as possible, of one-third of the total number of directors. The current term of office of the Class III directors expires at the Annual Meeting. The Class II and Class I directors are serving terms that expire at the annual meeting of shareholders to be held in 2007 and 2008, respectively. The three classes are currently comprised of the following directors:

Class I consists of David A. Jones and Barbara S. Thomas who will serve until the annual meeting of shareholders to be held in 2008. Former director Neil P. DeFeo resigned from his position as a Class I Director effective December 31, 2005;

Class II consists of Thomas R. Shepherd, Charles A. Brizius and Scott A. Schoen who will serve until the annual meeting of shareholders to be held in 2007, and John S. Lupo, who will resign his position immediately prior to the Annual Meeting and will be standing for re-election as a Class I director at the Annual Meeting; and

Class III consists of Kent J. Hussey, William P. Carmichael and John D. Bowlin, who will serve until the Annual Meeting.

In light of Mr. DeFeo's resignation as a Class I director and in order to have each class consist, as nearly as possible, of one-third of the total number of directors, John S. Lupo has agreed to resign his position as a Class II director and as a member of the Compensation Committee and the Nominating and Corporate Governance Committee, effective immediately prior to the Annual Meeting, and stand for re-election as a Class I director this year. If elected, Mr. Lupo would serve a two year term as a Class I director expiring at the annual meeting of shareholders to be held in 2008 and be reappointed as a member of the Compensation Committee and Nominating and Corporate Governance Committee.

The named proxies will vote the shares represented by all proxies received for the nominees for these vacancies, except to the extent authority to do so is withheld. Shareholders may withhold authority from the named proxies to vote for the entire slate of directors as nominated or may withhold the authority to vote for any individual nominee by marking the box under the WITHHOLD column adjacent to the name(s) of the appropriate director(s) on the proxy card. Withholding authority to vote for one or more of the nominees will result in those nominees receiving fewer votes. If any nominee is or becomes unable or unwilling to serve, all proxies received will be voted for the person, if any, as shall be designated by the Board of Directors to replace the nominee. Each nominee has agreed to serve if elected, and the Board of Directors has no reason to believe that any nominee will be unavailable to serve as a director.

The names of the nominees being presented for consideration by the shareholders (all of whom are incumbent directors) and our current directors, their ages, the years in which they became directors of the Company and certain other information about them are set forth on the following pages. Except for Thomas H. Lee Partners, L.P. and its affiliates, none of the corporations or other organizations referred to on the following pages with which a director or nominee for director has been employed or otherwise associated is currently a parent, subsidiary or other affiliate of the Company.

**Nominees for Vacancies on the Board of Directors**

Nominees for the vacancies in Class III, whose three-year term will expire at the 2009 annual meeting of shareholders, are as follows:

Kent J. Hussey	Mr. Hussey has served as one of our directors since October 1996 and has served as our President and Chief Operating Officer since August 2002 and from April 1998 until November 2001. From December 2001 through July 2002, Mr. Hussey served as our President and Chief Financial Officer. From October 1996 to April 1998, Mr. Hussey served as our Executive Vice President of Finance and Administration and our Chief Financial Officer. From 1994 to 1996, Mr. Hussey was Vice President and Chief Financial Officer of ECC International, a producer of industrial minerals and specialty chemicals, and from 1991 to July 1994, Mr. Hussey served as Vice President and Chief Financial Officer of The Regina Company. Mr. Hussey also serves as a director of American Woodmark Corporation and a privately-held company.
Age 59	
William P. Carmichael	Mr. Carmichael has served as one of our directors since August 2002. From 1999 to 2001, Mr. Carmichael served as Senior Managing Director of the Succession Fund, a company that provides strategic financial and tax consulting to closely held private companies. Mr. Carmichael also served as Senior Vice President of Sara Lee Corporation from 1991 to 1993, Vice President from 1985 to 1990 and Chief Financial Officer from 1987 to 1990 of Beatrice Foods Company, Vice President of E-II Holdings from 1987 to 1988 and Vice President of Esmark, Inc. from 1976 to 1984. Mr. Carmichael is a director of Cobra Electronics Corporation, The Finish Line, Inc. and Simmons Company and serves as a Trustee and Chairman of Columbia Funds Series Trust, Columbia Funds Master Investment Trust and Nations Separate Account Trust. Mr. Carmichael is the Chairperson of our Audit Committee and member of our Compensation Committee.
Age 62	
John D. Bowlin	Mr. Bowlin has served as one of our directors since May 2004. Mr. Bowlin most recently served as President and Chief Executive Officer of Miller Brewing Company, a subsidiary of SABMiller plc, from 2002 to 2003. From 1985 to 2002, Mr. Bowlin served in a variety of senior executive positions at Philip Morris Companies, Inc., including: Chief Executive Officer of Miller Brewing Company from 1999 to 2002; President and Chief Executive Officer of Kraft Foods International from 1996 to 1999; President and Chief Operating Officer of Kraft Foods North America from 1994 to 1996; President and Chief Operating Officer of Miller Brewing Company from 1993 to 1994; and President of Oscar Mayer Food Corporation from 1991 to 1993. From 1974 to 1991, he held positions of increasing responsibility at General Foods Corporation. Mr. Bowlin is a member of both our Audit Committee and Nominating and Corporate Governance Committee.
Age 55	

The nominee for the vacancy in Class I, whose two-year term will expire at the 2008 annual meeting of shareholders, is:

John S. Lupo

Age 59

Mr. Lupo has served as one of our directors since July 1998 and is a principal in the consulting firm Renaissance Partners, LLC, which Mr. Lupo joined in February 2000. From October 1998 until November 1999, Mr. Lupo served as Executive Vice President for Sales and Marketing for Bassett Furniture Industries, Inc. From April 1998 to October 1998, Mr. Lupo served as a consultant in the consumer products industry. From August 1996 to April 1998, Mr. Lupo served as Senior Vice President and Chief Operating Officer for the international division of Wal-Mart Stores, Inc. From October 1990 to August 1996, Mr. Lupo served as Senior Vice President - General Merchandise Manager of Wal-Mart Stores, Inc. Mr. Lupo also serves as a director of CitiTrends, Inc. Mr. Lupo is a member of both our Compensation Committee and Nominating and Corporate Governance Committee.

**The Board of Directors recommends a vote FOR Proposal No. 1 to elect the above-named nominees as Class III and Class I directors of Spectrum.**

#### **Directors Continuing in Office**

The directors continuing in office in Class I, whose three-year term will expire at the 2008 annual meeting of shareholders, are as follows:

David A. Jones

Age 56

Mr. Jones has served as Chairman of our Board of Directors and our Chief Executive Officer since September 1996. From September 1996 to April 1998, Mr. Jones also served as our President. Between February 1995 and March 1996, Mr. Jones was Chief Operating Officer, Chief Executive Officer and Chairman of the Board of Directors of Thermoscan, Inc., a manufacturer and marketer of infrared ear thermometers for consumer and professional use. From 1989 to September 1994, Mr. Jones served as President and Chief Executive Officer of The Regina Company, a manufacturer of vacuum cleaners and other floor care equipment. In addition, Mr. Jones serves as a director of Pentair, Inc. and Simmons Company. Mr. Jones has over 30 years of experience working in the consumer products industry.

Barbara S. Thomas

Age 56

Ms. Thomas has served as one of our directors since May 2002. Ms. Thomas most recently served as Interim Chief Executive Officer of The Ocean Spray Company from November 2002 to April 2003. Previously, Ms. Thomas was President of Warner-Lambert Consumer Healthcare, the over-the-counter pharmaceuticals business of the Warner-Lambert Company, until its purchase by Pfizer Inc. in July 2000. From 1997 to 2004, Ms. Thomas served as a director of Dial Corporation. From 1993 to 1997, Ms. Thomas was employed by the Pillsbury Company, serving last as President of Pillsbury Canada Ltd. Prior to joining Pillsbury, Ms. Thomas served as Senior Vice President of Marketing for Nabisco Brands, Inc. Ms. Thomas serves as a director and a member of the Audit and Conduct Review Committee of the Bank of Nova Scotia and as a director and member of the Audit and Finance Committees of Blue Cross/Blue Shield of Florida, Inc. Ms. Thomas is the Chairperson of our Nominating and Corporate Governance Committee and a member of our Audit Committee.

## Edgar Filing: Spectrum Brands, Inc. - Form DEF 14A

---

The directors continuing in office in Class II, whose three-year term will expire at the 2007 annual meeting of shareholders, are as follows:

Thomas R. Shepherd      Mr. Shepherd has served as one of our directors since our September 1996 recapitalization. Mr. Shepherd is Chairman of TSG Equity Partners, LLC, a private equity investment firm, and is a director of various privately-held companies and previously several public companies. From 1986 through 1998, Mr. Shepherd served as a Managing Director of Thomas H. Lee Company. Mr. Shepherd is our Lead Director and the Chairperson of our Compensation Committee

Age 76

Charles A. Brizius      Mr. Brizius has served as one of our directors since our acquisition of United. Mr. Brizius is a Managing Director of Thomas H. Lee Partners, L.P., joining the firm in 1993. From 1991 through 1993, Mr. Brizius was with Morgan Stanley & Co. Incorporated where he was a financial analyst in the bank's Financial Institutions Group, Investment Banking Division. Mr. Brizius serves or has served as a director of numerous public and private companies in which THL has invested, including Ariel Holdings, Ltd., Houghton Mifflin Company, Frontline Management Companies, Inc. and Warner Music Group.

Age 36

Scott A. Schoen      Mr. Schoen has served as one of our directors since our acquisition of United. He is Co-President of Thomas H. Lee Partners, L.P. Prior to joining Thomas H. Lee Partners, L.P. in 1986, Mr. Schoen was in the Private Finance Department of Goldman, Sachs & Co. Mr. Schoen is a Director of Simmons Company. He is a member of the Board of Trustees of Spaulding Rehabilitation Hospital Network. He is also a member of the Board of Advisors of the Yale School of Management and a member of the Yale Development Board.

Age 47

Messrs. Brizius and Schoen were appointed to the Board of Directors in February 2005 pursuant to a shareholder's agreement by and between the Company and UIC Holdings, L.L.C. ( Holdings ), dated as of January 3, 2005 (the Shareholder's Agreement ), which was filed as an exhibit to the Current Report on Form 8-K filed by the Company on January 4, 2005. On January 14, 2005, Holdings merged with and into United Industries Corporation ( United ) and on February 7, 2005, the Company acquired United (as further described in Certain Relationships and Related Transactions herein). As permitted by the Shareholder's Agreement, Holdings assigned its rights and obligations under the Shareholder's Agreement to Thomas H. Lee Partners, L.P. or its affiliates ( THL ). The Shareholder's Agreement required the Company to increase the number of positions on the Board of Directors by two directors. Pursuant to, and immediately following the execution of the Shareholder's Agreement, THL designated Messrs Brizius and Schoen to fill the two newly-created positions on the Board of Directors. Going forward, the Shareholder's Agreement allows THL to include on any slate of directors presented to the Company's stockholders for election at the appropriate meeting of stockholders, to be approved by the Company's Nominating and Corporate Governance Committee, up to two nominees so long as THL owns at least 15% of the Company's issued and outstanding Common Stock on a fully-diluted basis, and one nominee so long as THL owns at least 10% of the Company's issued and outstanding Common Stock on a fully-diluted basis.

**EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS**

In addition to those directors named above who are also executive officers of the Company, set forth below is certain information concerning non-director employees who serve as executive officers of the Company. Our executive officers serve at the discretion of the Board of Directors. Except for United, none of the corporations or other organizations referred to below with which an executive officer has been employed or otherwise associated is a parent, subsidiary or other affiliate of Spectrum.

Randall J. Steward, age 51, has served as our Executive Vice President and Chief Financial Officer since August 2002. From January 2002 until August 2002, Mr. Steward took a leave of absence for personal reasons. Previously, he served as our Executive Vice President of Administration and Chief Financial Officer from October 1999 to December 2001. Mr. Steward initially joined us in March of 1998 as our Senior Vice President of Corporate Development and was named Senior Vice President of Finance and Chief Financial Officer in April 1998, a position he held until October 1999. From October 1997 to March 1998, Mr. Steward worked as an independent consultant, primarily with Thermoscan, Inc. and Braun AG, assisting with financial and operational issues. From March 1996 to September 1997, Mr. Steward served as President and General Manager of Thermoscan, Inc. From January 1992 to March 1996, he served as Executive Vice President of Finance and Administration and Chief Financial Officer of Thermoscan, Inc.

Kenneth V. Biller, age 57, was appointed President, Global Operations in February 2005. Prior to this, Mr. Biller served as our Executive Vice President of Operations since October 1999, Senior Vice President of Operations from August 1998 to October 1999, Senior Vice President of Manufacturing/Supply Chain from January 1998 to August 1998, Senior Vice President and General Manager of Lighting Products & Industrial from 1996 to January 1998 and Vice President and General Manager of Lighting Products & Industrial from 1995 to 1996. Mr. Biller joined us in 1972 and has held numerous other positions, including Director of Technology/Battery Products and Vice President of Manufacturing.

Remy E. Burel, age 54, has served as our President, Europe/ROW since January 2004. From October 2002, upon our acquisition of substantially all of the consumer battery division of VARTA AG, until December 2003, Mr. Burel served as our Executive Vice President Europe. Before the acquisition, Mr. Burel had been Chief Executive Officer of VARTA Gerätebatterie GmbH since January 2, 2000. From May 1990 to December 1999, Mr. Burel held positions of increasing responsibility at VARTA as International Marketing Manager, Geographical Area Manager (France, Spain and Portugal), Profit Center Manager (general purpose batteries) and Divisional Board Member. Mr. Burel started his career at Gillette/Braun and held six different positions in controlling and marketing in the United States, France and Germany from 1975 to 1988.

Luis A. Cancio, age 66, has served as our President, Latin America since January 2004. From October 2000 until December 2003, Mr. Cancio served as our Executive Vice President Latin America and from August 1999 to October 2000, he served as our Senior Vice President and General Manager of Latin America. From 1980 to 1996, Mr. Cancio held positions of increasing responsibility at Duracell International Inc., beginning as Vice President in Latin America and ending his tenure as Senior Vice President in other international markets.

John A. Heil, age 53, has served as our President, Global Pet since October, 2005. Prior to that time, he served as President and Chief Executive Officer of United Industries United Pet Group from June 2004, when United acquired United Pet Group until February, 2005, when he was named President, United Pet Group, after our acquisition of United. Mr. Heil joined United Pet Group as Chairman and CEO in June 2000. Prior to that



time, Mr. Heil spent twenty-five years with the H.J. Heinz Company in various executive management positions including President and Managing Director of Heinz Pet Products, President of Heinz Specialty Pet and Executive Vice President of StarKist Seafood. Mr. Heil also serves as a director of VCA Antech, Inc.

Philip F. Pellegrino, age 65, was appointed our Executive Vice President Global Sales in January 2005. From April 2004 to December 2004, he provided us with consulting services and from November 2000 to March 2004 he served as one of our directors. Previously, Mr. Pellegrino held the position of President of North American Sales for Kraft Foods Inc. from April 2003 to December 2004. From September 2000 to April 2003, he served as Senior Vice President and President of Sales for Kraft Foods Inc. From 1995 to September 2000, Mr. Pellegrino served as Senior Vice President of Sales and Customer Service for Kraft Foods Inc. Mr. Pellegrino had been employed by Kraft Foods Inc. or its subsidiary, Oscar Mayer, since 1964 in various management and executive positions.

Paul G. Cheeseman, age 47, serves as our Senior Vice President, Product Development. Immediately following our acquisition of Remington Products Company, L.L.C. in September 2003, Dr. Cheeseman assumed all responsibility for Remington product development. Previously, he served as our Senior Vice President Technology since November 2001 and as our Vice President Technology from June 1998 to November 2001 and has led all major technology initiatives at the Company since that time. From 1992 to 1998, Dr. Cheeseman held positions of increasing responsibility at Duracell Inc., a division of The Gillette Company, including Director of Operations from 1992 to 1995 and Director of Technology from 1995 to June 1998.

David R. Lumley, age 51, was appointed President, North America effective January 16, 2006. Mr. Lumley joins the Company from his position as President, Rubbermaid Home Products, a division of Newell Rubbermaid, Inc., which he held since January 2004. Prior to his position at Rubbermaid, Mr. Lumley was President and CEO of EAS, a leading sports nutrition company, since August 1999. His background includes more than 25 years experience in the consumer products industry, including having served as President of Brunswick Bicycles, Senior Vice President, Sales and Marketing at Outboard Marine Corporation and in a variety of leadership positions with Wilson Sporting Goods and other companies.

## **BOARD ACTIONS; BOARD MEMBER INDEPENDENCE;**

### **COMMITTEES OF THE BOARD OF DIRECTORS**

During fiscal 2005, our Board of Directors held four regular meetings, three special meetings and acted by unanimous written consent on five occasions. Each director attended all meetings of (a) the Board of Directors held in fiscal 2005 during the period for which he or she served as a director of the Company and (b) the committees of the Board of Directors on which he or she served during the period for which he or she so served. Spectrum does not have a policy that requires the attendance of all directors at our annual meetings of shareholders. However, all the then-current members of our Board of Directors attended our 2005 annual meeting of shareholders and we expect all members of our Board of Directors to attend the Annual Meeting. The non-management directors meet separately in executive session immediately following each regular board meeting. Thomas R. Shepherd is our Lead Director and presides at the non-management executive sessions of the Board of Directors.

Our Board of Directors has affirmatively determined that none of the following directors has a material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a

relationship with the Company): John D. Bowlin; Charles A. Brizius; William P. Carmichael; Scott A. Schoen; John S. Lupo; Thomas R. Shepherd; and Barbara S. Thomas. Our Board of Directors has adopted the definition of independent director set forth under Section 303A.02 of the New York Stock Exchange listing requirements to assist it in making determinations of independence. The Board of Directors has determined that the directors referred to above currently meet these standards and qualify as independent.

The Board of Directors has designated three principal standing committees: the Audit Committee; the Compensation Committee; and the Nominating and Corporate Governance Committee. Each of the three committees is comprised entirely of independent directors. The functions of each committee and the number of meetings held by each committee in fiscal 2005 are noted below.

The Audit Committee, whose current members are John D. Bowlin, William P. Carmichael and Barbara S. Thomas, held five meetings and acted by unanimous written consent on two occasions in fiscal 2005. Mr. Carmichael is the Chairperson of our Audit Committee and our Audit Committee Financial Expert, as defined under Section 407 of the Sarbanes-Oxley Act of 2002 and the rules promulgated by the SEC in furtherance of Section 407. Each of the members of the Audit Committee qualifies as independent, as independence is defined in Section 303A.02 of the New York Stock Exchange listing requirements and Section 10A(m)(3) of the Securities Exchange Act of 1934. The Audit Committee has been established in accordance with Section 303A.06 of the New York Stock Exchange listing requirements and Rule 10A-3 of the Securities Exchange Act of 1934, as amended, for the overall purpose of overseeing the Company's accounting and financial reporting processes and audits of our financial statements. The Audit Committee is responsible for monitoring (1) the integrity of our financial statements, (2) the independent registered public accounting firm's qualifications and independence, (3) the performance of our internal audit function and independent auditors and (4) our compliance with legal and regulatory requirements. The responsibilities and authority of the Audit Committee are described in further detail in the Audit Committee Charter, as amended, adopted by the Board of Directors in January 2003. The report of the Audit Committee for fiscal year 2005 is included elsewhere in this proxy statement.

The Compensation Committee, whose current members are William P. Carmichael, John S. Lupo and Thomas R. Shepherd, held five meetings and acted by unanimous written consent on two occasions during fiscal year 2005. Mr. Shepherd is Chairperson of our Compensation Committee. Each of the members of the Compensation Committee qualifies as independent, as independence is defined in Section 303A.02 of the New York Stock Exchange listing requirements and Section 10A(m)(3) of the Securities Exchange Act of 1934. The Compensation Committee is responsible for (1) setting appropriate goals and objectives for CEO Compensation, (2) evaluating and approving the CEO's performance in light of those goals and objectives and (3) making recommendations to the board about non-CEO, executive officer compensation, incentive compensation and equity based plans. The responsibilities and authority of the Compensation Committee are described in further detail in the Compensation Committee Charter adopted by the Board of Directors in January 2003. Mr. Carmichael was elected to the Compensation Committee in November 2005. Mr. Carmichael did not participate as a member of the Compensation Committee during fiscal 2005. The report of the Compensation Committee for fiscal year 2005 is included elsewhere in this proxy statement.

The Nominating and Corporate Governance Committee, whose current members are John D. Bowlin, Barbara S. Thomas and John S. Lupo, held four meetings in fiscal 2005 and acted by unanimous written consent on one occasion. Ms. Thomas is Chairperson of our Nominating and Corporate Governance Committee. Each of the members of the Nominating and Corporate Governance Committee qualifies as independent, as independence is defined in Section 303A.02 of the New York Stock Exchange listing requirements and Section 10A(m)(3) of

the Securities Exchange Act of 1934. The Nominating and Corporate Governance Committee is responsible for (1) recommending to the Board of Directors individuals qualified to serve as our directors and on our committees of the Board of Directors, (2) advising the Board of Directors with respect to board composition, procedures and committees, (3) developing and recommending to the Board of Directors a set of corporate governance principles applicable to the Company and (4) overseeing the evaluation process of the Board of Directors and our Chief Executive Officer. The responsibilities and authority of the Nominating and Corporate Governance Committee are described in further detail in the Nominating and Corporate Governance Committee Charter adopted by the Board of Directors in January 2003.

Copies of our (i) Corporate Governance Guidelines, (ii) charters for the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, (iii) Code of Business Conduct and Ethics and (iv) Code of Ethics for the Principal Executive Officer and Senior Financial Officers are available at our Internet site at [www.spectrumbrands.com](http://www.spectrumbrands.com) under Investor Relations Corporate Governance. Copies will also be provided to any stockholder upon written request to the Vice President, Investor Relations, Spectrum Brands, Inc., 6 Concourse Parkway, Suite 3300, Atlanta, Georgia 30328, via electronic mail at [investorrelations@spectrumbrands.com](mailto:investorrelations@spectrumbrands.com), or by contacting the Vice President, Investor Relations at 770-829-6200. None of the information posted on our website is incorporated by reference into this Annual Report.

### DIRECTOR COMPENSATION

For fiscal 2006, each of Messrs. Brizius, Schoen, Bowlin and Lupo will be paid an annual retainer of \$40,000 (in four equal installments of \$10,000) for their service as directors, Ms. Thomas will be paid an annual retainer of \$45,000 (in four equal installments of \$11,250) for her service as a director and as Chairperson of the Nominating and Corporate Governance Committee, Mr. Carmichael will be paid an annual retainer of \$50,000 (in four equal installments of \$12,500) for his service as a director and as Chairperson of the Audit Committee and Mr. Shepherd will be paid an annual retainer of \$55,000 (in four equal installments of \$13,750) for his service as Chairperson of the Compensation Committee and Lead Director. Mr. DeFeo was paid \$11,500 for his service as a director in fiscal 2006 up until his December 31, 2005 resignation, with no further amounts to be paid. Each director shall also receive \$1,500 for each meeting of the Board of Directors that he or she attends (\$750 if participating telephonically) and \$1,500 (or \$2,500 in the case of committee chairpersons) for each meeting of a committee of the Board of Directors that he or she attends (\$750 or \$1,250, respectively, if participating telephonically). Messrs. Brizius and Schoen serve as members of the Board of Directors on behalf of Thomas H. Lee Partners, L.P. Compensation, including equity compensation, for the services of Messrs. Brizius and Schoen as directors is paid to Thomas H. Lee Partners L.P. Further, each of Messrs. Bowlin, Brizius, Carmichael, DeFeo, Lupo, Schoen and Ms. Thomas was granted 3,003 shares of restricted stock and Mr. Shepherd was granted 3,646 shares of restricted stock on October 1, 2005, which restrictions lapse in equal annual installments over a three-year period. Such restricted stock grants due Messrs. Brizius and Schoen were issued to Thomas H. Lee Partners, L.P. Such restricted stock granted to Mr. DeFeo was forfeited to the Company upon his resignation.

For fiscal 2005, each of Messrs. Bowlin, DeFeo, Carmichael, Shepherd, Brizius, Schoen, Lupo and Ms. Thomas received \$8,750 per quarter for their service as directors, Mr. Carmichael received an additional \$1,250 per quarter for his service as Chairperson of the Audit Committee and Mr. Shepherd received an additional \$2,500 per quarter for his service as Lead Director. Each director also received \$1,000 for each meeting of the Board of Directors that he or she attended (\$500 if participating telephonically) and \$1,000 (or \$2,000 in the case of committee chairpersons) for each meeting of a committee of the Board of Directors that he

or she attended (\$500 or \$1,500, respectively, if participating telephonically). Mr. Bowlin received \$67,500, Mr. Carmichael received \$59,500, Mr. DeFeo received \$46,500, Mr. Lupo received \$55,000, Mr. Brizius received \$19,500, Mr. Schoen received \$19,500, Mr. Shepherd received \$58,500 and Ms. Thomas received \$58,500 in cash compensation for their service as our directors and for attending meetings of our Board of Directors and committees in fiscal 2005. Messrs. Brizius and Schoen became members of the Board of Directors on February 7, 2005 and serve on behalf of Thomas H. Lee Partners, L.P. Compensation for the services of Messrs. Brizius and Schoen, including equity compensation, was paid to Thomas H. Lee Partners L.P.

Each of Messrs. Bowlin, Carmichael, DeFeo, Lupo and Ms. Thomas was granted 2,293 shares of restricted stock and Mr. Shepherd was granted 2,675 shares of restricted stock on October 1, 2004, which restrictions lapse in equal annual installments over a three-year period. That portion of such restricted stock granted to Mr. DeFeo where restrictions had not lapsed prior to his resignation were forfeited to the Company upon his resignation. Our non-employee directors were also reimbursed for their out-of-pocket expenses in attending meetings of the Board of Directors. Directors who are also our employees receive no compensation for serving on the Board of Directors.

### **DIRECTOR NOMINATION PROCESS**

Our Board of Directors has established a Nominating and Corporate Governance Committee as described above. The Committee may identify potential board candidates from a variety of sources, including recommendations from current directors or management, recommendations of security holders or any other source the Committee deems appropriate. The Committee may also engage a search firm or consultant to assist it in identifying, screening and evaluating potential candidates. The Committee has been given sole authority to retain and terminate any such search firm or consultant.

In considering candidates for our Board of Directors, the Committee evaluates the entirety of each candidate's credentials. The Committee considers, among other things: (i) business or other relevant experience; (ii) expertise, skills and knowledge; (iii) integrity and reputation; (iv) the extent to which the candidate will enhance the objective of having directors with diverse viewpoints, backgrounds, expertise, skills and experience; (v) willingness and ability to commit sufficient time to Board of Directors responsibilities; and (vi) qualification to serve on specialized board committees, such as the Audit Committee or Compensation Committee.

Our stockholders may recommend potential director candidates by following the procedure described below. The Nominating and Corporate Governance Committee will evaluate recommendations from stockholders in the same manner that it evaluates recommendations from other sources. If you wish to recommend a potential director candidate for consideration by the Committee, please send your recommendation to, Spectrum Brands, Inc., 6 Concourse Parkway Suite 3300, Atlanta, Georgia, 30328, Attention: Corporate Secretary. Any notice relating to candidates for election at the 2007 annual meeting must be received no earlier than February 9, 2007 and no later than March 6, 2007 in accordance with our Amended and Restated Bylaws. You should use first class, certified mail in order to ensure the receipt of your recommendation. Any recommendation must include: (i) your name and address and a list of the shares of our company that you own; (ii) the name, age, business address and residence address of the proposed candidate; (iii) the principal occupation or employment of the proposed candidate over the preceding ten years and the person's educational background; (iv) a statement as to why you believe such person should be considered as a potential candidate; (v) a description of any affiliation between you and the person you are recommending; and (vi) the consent of the proposed candidate to your submitting him or her as a potential candidate. You should note that the foregoing process relates only to bringing potential candidates to the attention of the Nominating and Corporate Governance Committee. This process will not give you the right to directly propose a nominee at any meeting of stockholders.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information regarding beneficial ownership of our Common Stock as of March 15, 2006, by:

each person who is known by us to beneficially own more than 5% of the outstanding shares of our Common Stock (each, a 5% Shareholder );

our Chief Executive Officer and each of the other four most highly compensated executive officers from fiscal 2005 serving as of March 15, 2006;

each of our directors; and

all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. Determinations as to the identity of 5% Shareholders is based upon filings with the SEC and other publicly available information. Except as otherwise indicated, we believe, based on the information furnished or otherwise available to us, that each person or entity named in the table has sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them, subject to applicable community property laws. The percentage of beneficial ownership set forth below is based upon 50,742,646 shares of Common Stock issued and outstanding as of the close of business on March 15, 2006. In computing the number of shares of Common Stock beneficially owned by a person and the percentage ownership of that person, shares of Common Stock that are subject to options held by that person that are currently exercisable or exercisable within 60 days of March 15, 2006, are deemed outstanding. These shares are not, however, deemed outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise noted below, the address of each beneficial owner listed in the table is c/o Spectrum Brands, Inc., 6 Concourse Parkway, Suite 3300, Atlanta, Georgia 30328.

Edgar Filing: Spectrum Brands, Inc. - Form DEF 14A

Names and Address of Beneficial Owner	Number of Shares	Number of Shares Subject to Options (1)	Percent
Thomas H. Lee Funds c/o Thomas H. Lee Partners, LP 100 Federal Street, 35 <sup>th</sup> Floor Boston, MA 02110	12,738,621(2)	5,000(2)	25.11%
Ameriprise Financial Inc. General Counsel's Office 50591 Ameriprise Financial Center Minneapolis, MN 55474	6,613,405(3)	0	13.03%
Tremblant Capital Group 712 Fifth Avenue New York, NY 10019	4,402,809(4)	0	8.68%
Wachovia Corporation One Wachovia Center Charlotte, NC 28288-0317	3,753,051(5)	0	7.40%
David A. Jones	639,319(6)	519,445	2.28%
Kent J. Hussey	258,117(7)	220,006	*
Kenneth V. Biller	171,694(8)	88,213	*
Remy E. Burel	126,261(9)	8,500	*
Randall J. Steward	128,345(10)	208,618	*
John D. Bowlin	14,296(11)	0	*
Charles A. Brizius	12,738,621(2)(12)	5,000(2)	25.11%
William P. Carmichael	10,296(11)	10,000	*
John S. Lupo	7,796(11)	10,000	*
Scott A. Schoen	12,738,621(2)(13)	5,000(2)	25.11%
Thomas R. Shepherd	12,738,621(2)(14)	5,000(2)	25.11%
Barbara S. Thomas	5,296(11)	10,000	*
All directors and executive officers of the Company as a group (17 persons)	14,546,622(15)	1,230,532(16)	31.09%

\* Indicates less than 1% of the total number of outstanding shares of our Common Stock.

(1) Reflects the number of shares issuable upon the exercise of options exercisable within 60 days of March 15, 2006.

(2) Based on information set forth in a Schedule 13D that was filed with the SEC on February 17, 2005 ( Schedule 13D ). The Schedule 13D was filed jointly on behalf of the THL Funds (as defined below) with respect to 12,733,969 shares of Common Stock beneficially owned by the THL Funds, which included 5,000 shares subject to options held by Mr. Shepherd that were exercisable within 60 days of March 15, 2006. The 12,733,969 shares include: 10,593,305 shares directly held by Thomas H. Lee Equity Fund IV, L.P. ( Equity Fund ); 366,192 shares directly held by Thomas H. Lee Foreign Fund IV, L.P. ( Foreign Fund ); 1,031,186 shares directly held by Thomas H. Lee Foreign Fund IV-B, L.P. ( Foreign Fund B ); 2,785 shares directly held by Thomas H. Lee Investors Limited Partnership ( THL Investors ); 68,881 shares directly held by Thomas H. Lee Charitable Investment L.P. ( Charitable Investment ); 666,620 shares directly held by certain other parties affiliated with Thomas H. Lee Partners, L.P. (the Affiliate Holders ), including the 1997 Thomas H. Lee Nominee Trust, David V. Harkins, the 1995 Harkins Gift Trust, Mr. Schoen, C. Hunter Boll, Scott M. Sperling, Anthony J. DiNovi, Thomas M. Hagerty, Warren C. Smith, Jr., Smith Family Limited Partnership, Seth W. Lawry, Kent R. Weldon, Terence M. Mullen, Todd M. Abbrecht, Mr. Brizius, Scott Jaeckel, Soren Oberg, Mr. Shepherd, Wendy L. Masler, Andrew D. Flaster, Robert Schiff Lee 1988 Irrevocable Trust, Stephen Zachary Lee, Charles W. Robins as Custodian for Jesse Lee, Charles W. Robins and James Westra (the Equity Fund, Foreign Fund, Foreign Fund B, THL Investors, Charitable Investment, Affiliate Holders and certain other reporting persons under the Schedule 13D, collectively, the THL Funds ); and 5,000 shares subject to options held by Mr. Shepherd that were exercisable within 60 days of March 15, 2006.

By virtue of certain relationships among the THL Funds, each person or entity comprising the THL Funds may be deemed to share beneficial ownership of all shares of Common Stock held by the THL Funds. Except to the extent of a pecuniary interest therein, each of the persons and entities comprising the THL Funds expressly disclaims beneficial ownership of the shares held by each of the other persons and entities comprising the THL Funds, except: (a) Advisors does not disclaim beneficial ownership of shares held by Equity Fund, Foreign Fund or Foreign Fund B; (b) Management

Corp. (as defined below) does not disclaim beneficial ownership of shares held by THL Investors; and (c) Thomas H. Lee, an individual U.S. citizen, does not disclaim beneficial ownership of shares held by the 1997 Thomas H. Lee Nominee Trust. THL Equity Advisors IV, LLC, as sole general partner of Equity Fund, Foreign Fund and Foreign Fund B (collectively, the Advisors Funds), may be deemed to share voting and dispositive power with respect to 11,990,683 shares beneficially owned by the Advisors Funds. In addition, by virtue of certain relationships among the THL Funds, the THL Funds may constitute a group within the meaning of Rule 13d-5(b) under the Securities Exchange Act of 1934, as amended. As a member of a group, each person and entity of the group may be deemed to beneficially own the shares of Common Stock beneficially owned by the entire group. Each person and entity within the group expressly disclaims beneficial ownership of any shares of Common Stock held by any other person or entity of that group.

THL Investment Management Corp. (Management Corp.), as sole general partner of THL Investors, may be deemed to share voting and dispositive power with respect to 2,785 shares beneficially owned by THL Investors. Thomas H. Lee, as General Partner of Charitable Investment, may be deemed to share voting and dispositive power with respect to 68,881 shares beneficially owned by Charitable Investment. Thomas H. Lee, as General Director of Advisors, Chief Executive Officer and sole shareholder of Management Corp., General Partner of Charitable Investment and grantor of the 1997 Thomas H. Lee Nominee Trust, may be deemed to share voting and dispositive power with respect to 12,220,831 shares beneficially held by such entities. Each of the Affiliate Holders has obtained beneficial ownership of less than 1% of the outstanding shares. Each of the Affiliate Holders has sole voting and sole dispositive power with respect to such shares beneficially owned by it, except for The 1995 Harkins Gift Trust, the Smith Family Limited Partnership, the Robert Schiff Lee 1988 Irrevocable Trust and Charles W. Robins as Custodian for Jesse Lee. David V. Harkins may be deemed to share voting and dispositive power over shares held by The 1995 Harkins Gift Trust. Charles W. Robins may be deemed to share voting and dispositive power over shares held by him as Custodian for Jesse Lee.

This amount also reflects a grant of 6,006 shares of restricted stock granted to Thomas H. Lee Advisors, LLC as reported in a Form 4 filed with the SEC on October 5, 2005. These shares are presently held by THL Equity Advisors IV, LLC. THL Equity Advisors IV, LLC is the direct owner of these additional shares and a member of the THL Funds reporting group. As such, each member of the group may be deemed to beneficially own these shares of Common Stock.

This amount also reflects a grant of 3,646 shares of restricted stock given to Mr. Shepherd as reported in a Form 4 filed with the SEC on October 5, 2005. Mr. Shepherd is the direct owner of these additional shares and a member the THL Funds reporting group. As such, each member of the group may be deemed to beneficially own these additional shares of Common Stock.

- (3) Ameriprise Financial, Inc. has shared voting power with respect to 17,642 shares and shares dispositive power with respect to 6,613,405 shares. Information is based on a Schedule 13G filed by Ameriprise Financial, Inc. with the SEC on February 14, 2006.
- (4) Tremblant Capital Group has sole voting power and sole dispositive power over these shares. Information is based on a Schedule 13G filed by Tremblant Capital Group with the SEC on February 14, 2006.
- (5) Wachovia Corporation has sole voting power with respect to 3,688,848 shares, sole dispositive power with respect to 3,730,353 shares and shares dispositive power with respect to 1,540 shares. Information is based on a Schedule 13G filed by Wachovia Corporation with the SEC on February 13, 2006.
- (6) Includes 456,338 shares of restricted stock and 7,672 shares held in the Company's 401(k) plan.
- (7) Includes 175,431 shares of restricted stock and 901 shares held in the Company's 401(k) plan.
- (8) Includes 107,618 shares of restricted stock and 4,872 shares held in the Company's 401(k) plan.
- (9) Includes 90,645 shares of restricted stock.
- (10) Includes 105,076 shares of restricted stock.
- (11) Includes 4,532 shares of restricted stock.
- (12) 5,127 shares are held directly by Mr. Brizius. As discussed in note (2) above, Mr. Brizius may be deemed to share beneficial ownership of 12,738,621 shares that may be beneficially owned by the THL Funds, which include the 5,127 shares held by him directly. Except for shares held by him directly or to the extent of a pecuniary interest therein, Mr. Brizius disclaims beneficial ownership of the shares held by each of the other persons and entities comprising the THL Funds.
- (13) 30,764 shares are held directly by Mr. Schoen. As discussed in note (2) above, Mr. Schoen may be deemed to share beneficial ownership of 12,738,621 shares that may be beneficially owned by the THL Funds, which include the 30,764 shares held by him directly. Except for shares held by him directly, Mr. Schoen disclaims beneficial ownership of the shares held by each of the other persons and entities comprising the THL Funds.





- (14) 10,247 shares are held by Mr. Shepherd directly, of which 5,430 shares are restricted stock. As discussed in note (2) above, Mr. Shepherd may be deemed to share beneficial ownership of 12,738,621 shares that may be beneficially owned by the THL Funds, which include the 6,601 shares held by him directly and the 5,000 shares of Common Stock subject to options held by Mr. Shepherd that were exercisable within 60 days of March 15, 2006. Except for shares held by him directly (including the shares subject to the options referenced in the prior sentence), Mr. Shepherd disclaims beneficial ownership of the shares held by each of the other persons and entities comprising the THL Funds.
- (15) Includes 12,738,621 shares that may be beneficially owned by the THL Funds for which Messrs. Brizius, Schoen and Shepherd disclaim beneficial ownership except to the extent directly owned by them (and, with respect to Mr. Shepherd, the shares subject to the options listed in the table above) or with respect to which they have a pecuniary interest therein, 1,296,153 shares of restricted stock and 18,487 shares held in the Company's 401(k) plan. This amount includes 50,000 shares of restricted stock held by David R. Lumley who became an executive officer of the Company in January 2006.
- (16) As noted in earlier footnotes, beneficial ownership of Mr. Shepherd's 5,000 shares of Common Stock subject to options that were exercisable within 60 days of February 15, 2006 can be attributed to THL Funds and Messrs. Brizius, Schoen and Shepherd. However, for purposes of this portion of the table the 5000 shares of Common Stock subject to options are only counted once.