

SIMPSON MANUFACTURING CO INC /CA/
Form DEF 14A
March 10, 2014

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

SCHEDULE 14A

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

Filed by the Registrant X

Filed by a Party other than the Registrant O

Check the appropriate box:

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

Simpson Manufacturing Co., Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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SIMPSON MANUFACTURING CO., INC.

5956 W. Las Positas Blvd.

Pleasanton, California 94588

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Simpson Manufacturing Co., Inc.:

We will hold the annual meeting of our stockholders at 2:00 p.m., Pacific Daylight Time, on Tuesday, April 22, 2014, at our home office located at 5956 W. Las Positas Blvd., Pleasanton, California. The matters that you will address at this meeting are:

1. A proposal to elect as directors the 3 persons nominated by a committee of independent members of our Board of Directors, each to hold office for a 3-year term and until his or her successor is elected and qualifies or until his or her earlier resignation or removal.
2. A proposal to ratify our Board of Directors selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the current fiscal year.
3. An advisory (non-binding) vote to approve Named Executive Officer compensation.
4. Any other business that properly comes before the meeting.

Only stockholders of record as of February 27, 2014, are entitled to notice of and will be entitled to vote at this meeting or any adjournment of this meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Brian J. Magstadt
Secretary

Pleasanton, California

March 10, 2014

TO ASSURE THAT YOUR SHARES ARE REPRESENTED AT THE MEETING, WE URGE YOU TO COMPLETE, DATE AND SIGN THE ENCLOSED PROXY AND MAIL IT PROMPTLY IN THE POSTAGE-PAID ENVELOPE PROVIDED, OR VOTE BY TELEPHONE OR THE INTERNET AS INSTRUCTED ON THE PROXY, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. YOU CAN REVOKE YOUR PROXY AT ANY TIME BEFORE THE PROXIES YOU APPOINT CAST YOUR VOTES.

SIMPSON MANUFACTURING CO., INC.

5956 W. Las Positas Blvd.

Pleasanton, California 94588

March 10, 2014

PROXY STATEMENT

Solicitation and Voting of Proxies

On behalf of the Board of Directors of Simpson Manufacturing Co., Inc., a Delaware corporation, we are soliciting from you a proxy in the enclosed form for use at our 2014 Annual Meeting of Stockholders. We will hold this meeting at our home office located at 5956 W. Las Positas Blvd., Pleasanton, California, on Tuesday, April 22, 2014, at 2:00 p.m., Pacific Daylight Time. Your proxy will be used at this meeting or at any adjournment of this meeting. Only holders of record of our common stock at the close of business on February 27, 2014, may vote at this meeting. At the close of business on that date, we had 48,922,339 shares of our common stock outstanding and entitled to vote. A majority, or 24,461,170, of these shares, present in person or represented by proxy at this meeting, will constitute a quorum for the transaction of business. We are making this Proxy Statement and our Annual Report to Stockholders for the year ended December 31, 2013, available to each of our stockholders on or about March 10, 2014.

Revocability of Proxy

If you give a proxy, you may revoke it at any time before the proxy holders vote it at the meeting, in any of the 3 following ways:

- deliver a written notice to our Secretary by any means, including facsimile, stating that the proxy is revoked;
- sign a proxy bearing a later date and deliver it to our Secretary; or
- attend the meeting and vote in person, although your attendance at the meeting will not, by itself, revoke your proxy.

If, however, your shares are held of record by a broker, bank or other nominee and you desire to vote at the meeting, you must bring to the meeting a letter from the broker, bank or other nominee confirming your beneficial ownership of the shares you desire to vote.

Expenses of Proxy Solicitation

We are paying the expenses of this solicitation of proxies. After we make this Proxy Statement and other soliciting materials available, we or our agents may also solicit proxies by mail, telephone, electronic mail or facsimile or in person.

Voting Rights

As a holder of our common stock, you are entitled to one vote per share on any matter submitted to a vote of the stockholders. Our Bylaws permit stockholders to cumulate their votes in the election of directors at an annual meeting if, at least 65 days before the meeting, a stockholder notifies our Secretary in writing of the stockholder's intention to cumulate votes. Cumulative voting would entitle each stockholder to give one properly nominated candidate a number of votes equal to the number of directors to be elected multiplied by the number of shares the stockholder holds or to distribute those votes on the same principle among as many properly nominated candidates as the stockholder thinks fit. Our Secretary has not, however, received a cumulative voting notice for this meeting, and as a result cumulative voting will not be available at this meeting.

Our Board of Directors expects all nominees named below to be available for election. If any nominee is not available, the proxy holders may vote for a substitute whom the Governance and Nominating Committee of our Board of Directors may nominate. We are not aware of any specific matter to be brought before the meeting that is not identified in the notice of the meeting and this Proxy Statement. If, however, stockholders present proposals at the meeting that are not included in this Proxy Statement, the proxy holders will have discretion to vote on those proposals as they see fit. The proxies solicited by this Proxy Statement will confer discretionary authority on matters of which we are not aware a reasonable time before the meeting. Accordingly, the proxy holders may use their discretionary authority to vote on any such matter pursuant to the proxies in the enclosed form. Our stockholders may cast votes personally at the meeting or the proxy holders may cast the votes of stockholders who provide proxies in the enclosed form.

- For **Proposal No. 1**, election of directors, the proxy card being provided by the Board of Directors enables a stockholder to vote FOR or AGAINST , or to ABSTAIN from voting as to, each nominee. A nominee will be elected as a director if the nominee receives a majority of the votes cast for the nominee, meaning that to be elected the number of votes cast FOR a nominee must exceed the number of votes cast AGAINST the nominee, with broker non-votes and abstentions not counted as a vote cast either FOR or AGAINST the nominee. If a nominee is an incumbent director and does not receive a majority of the votes cast, he or she will nevertheless continue to serve as a director until and unless our Board of Directors accepts his or her resignation as a director; each such nominee has submitted his or her resignation as a director, to become effective only if he or she does not receive a majority of the votes cast and our Board of Directors subsequently accepts such resignation.
- On **Proposal No. 2**, approval will also require the affirmative vote of a majority of the votes cast at the meeting on that Proposal.
- **Proposal No. 3** is an advisory vote only and is not binding on us or our Board of Directors.

Abstentions and broker nonvotes count as shares present for determination of a quorum but do not count as affirmative or negative votes and do not count in determining the number of shares voted or votes cast on Proposal No. 1 or Proposal No. 3.

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

The following table provides information, as of February 27, 2014, unless otherwise indicated, about the beneficial ownership of our common stock by

- each stockholder known by us to be the beneficial owner of more than 5 percent of our common stock,
- each director and director nominee,
- each person currently serving as one of our executive officers named in the Summary Compensation Table see Executive Compensation below, and
- all of our current executive officers and directors as a group.

Name and, for Each 5% Beneficial Owner, Address	Amount and Nature of Beneficial Ownership (1)	Percent of Class
Barclay Simpson (2) 5956 W. Las Positas Blvd. Pleasanton, CA 94588	7,508,567	15.3%
Royce & Associates, LLC 745 Fifth Avenue New York, NY 10151	4,150,433	8.5%
BlackRock, Inc. (3) 40 East 52nd Street New York, NY 10022	3,540,644	7.2%
Franklin Resources, Inc. (4) One Franklin Parkway San Mateo, CA 94403-1906	2,765,186	5.7%
The Vanguard Group (5) 100 Vanguard Blvd. Malvern, PA 19355	2,638,379	5.4%
Ariel Investments, LLC (6) 200 E. Randolph Drive, Suite 2900 Chicago, IL 60601	2,605,336	5.3%
Thomas J Fitzmyers (7)	123,453	*
Karen Colonias (8)	17,547	*
Roger Dankel (9)	6,344	*
Ricardo M. Arevalo (10)	8,280	*

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Phillip Terry Kingsfather	19,052	*
Jeffrey E. Mackenzie (11)	17,113	*
Brian J. Magstadt (12)	11,859	*
James S. Andrasick	1,069	*

Name and, for Each 5% Beneficial Owner, Address	Amount and Nature of Beneficial Ownership (1)	Percent of Class
Jennifer A. Chatman (13)	7,137	*
Earl F. Cheit (13)	9,137	*
Gary M. Cusumano (13)	7,937	*
Celeste Volz Ford		*
Peter N. Louras, Jr. (13)	11,820	*
Robin G. MacGillivray (13)	7,137	*
Barry Lawson Williams	4,564	*
All current executive officers and directors as a group (14)	7,683,682	15.7%

* Less than 0.5%

(1) We based the information in this table on information that our officers and directors provided to us and on statements on Schedule 13D or 13G that stockholders filed with the Securities and Exchange Commission and sent to us. Unless otherwise indicated below, the persons named in the table had sole voting and sole dispositive power with respect to all shares beneficially owned, subject to community property laws where applicable.

(2) Includes 2,000 shares that are subject to options that we granted under our 1994 Stock Option Plan (now part of our 2011 Incentive Plan) and that are exercisable within 60 days.

(3) Blackrock, Inc. has sole voting power with respect to 3,403,459 shares and sole dispositive power with respect to 3,540,644 shares.

(4) Franklin Resources, Inc. has sole voting power with respect to 2,661,186 shares and sole dispositive power with respect to 2,765,186 shares.

(5) The Vanguard Group has sole voting power with respect to 64,067 shares, sole dispositive power with respect to 2,577,912 shares and shared dispositive power with respect to 60,467 shares.

(6) Ariel Investments, LLC has sole voting power with respect to 2,319,540 shares and sole dispositive power with respect to 2,605,336 shares.

(7) Includes 13,500 shares that are subject to options that we granted under our 1994 Stock Option Plan (now part of our 2011 Incentive Plan) and that are exercisable within 60 days. Mr. Fitzmyers has a revolving line of credit with a bank in the maximum amount of approximately \$2.0 million that is secured by 100,000 shares of our common stock that he owns. There is currently a balance due on this line of credit of approximately \$1.5 million.

(8) Includes 12,500 shares that are subject to options that we granted under our 1994 Stock Option Plan (now part of our 2011 Incentive Plan) and that are exercisable within 60 days.

(9) Includes 3,167 shares that are subject to options that we granted under our 1994 Stock Option Plan (now part of our 2011 Incentive Plan) and that are exercisable within 60 days.

(10) Includes 1,667 shares that are subject to options that we granted under our 1994 Stock Option Plan (now part of our 2011 Incentive Plan) and that are exercisable within 60 days.

(11) Includes 10,000 shares that are subject to options that we granted under our 1994 Stock Option Plan (now part of our 2011 Incentive Plan) and that are exercisable within 60 days.

(12) Includes 9,500 shares that are subject to options that we granted under our 1994 Stock Option Plan (now part of our 2011 Incentive Plan) and that are exercisable within 60 days.

(13) Includes 5,000 shares that are subject to options that we granted under our 1995 Independent Director Stock Option Plan (now part of our 2011 Incentive Plan) and that are exercisable within 60 days.

(14) Includes 77,334 shares subject to options that are exercisable within 60 days, as described in notes (2) and (7) through (13) above.

PROPOSAL NO. 1**ELECTION OF DIRECTORS****Nominees**

We have nominated for re-election at the meeting Thomas J Fitzmyers and Karen Colonias, whose terms as directors expire in 2014, and we have nominated Celeste Volz Ford for election at this meeting. Below are the names of our directors and director nominee, and information about them. The persons authorized to vote the shares represented by proxies in the enclosed form intend to vote for Mr. Fitzmyers, Ms. Colonias and Ms. Ford. Under our Bylaws, the stockholders will not be permitted to nominate anyone at the meeting. If stockholders cast any votes at the meeting for any candidates other than those that we have nominated, the persons authorized to vote shares represented by proxies in the enclosed form will have full discretion and authority to vote for or against any or all of the nominees.

Name	Age	Director Since	Position
Thomas J Fitzmyers (4)	73	1978	Chairman of the Board and Director term expiring in 2014
James S. Andrasick (2) (4)	69	2012	Director term expiring in 2016
Jennifer A. Chatman (1) (2) (3) (5)	54	2004	Director term expiring in 2015
Earl F. Cheit (2) (3) (5) (6)	87	1994	Lead Independent Director term expiring in 2014
Karen Colonias (4)	56	2013	President and Chief Executive Officer Director term expiring in 2014
Gary M. Cusumano (4) (5)	70	2007	Director term expiring in 2016
Celeste Volz Ford	57		Director nominee
Peter N. Louras, Jr. (1) (2) (4) (5)	64	1999	Director term expiring in 2016
Robin G. MacGillivray (2) (3) (4) (5)	59	2004	Director term expiring in 2015
Barry Lawson Williams (1) (3) (4) (5) (6)	69	1994	Director term expiring in 2014

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- (1) Member of the Compensation and Leadership Development Committee
 - (2) Member of the Audit Committee
 - (3) Member of the Governance and Nominating Committee
 - (4) Member of the Acquisition and Strategy Committee
 - (5) Member of the Growth Committee

(6) Earl F. Cheit and Barry Lawson Williams are retiring from our Board of Directors in accordance with the length-of-service provision in our governance guidelines. The governance guidelines provide that no outside director will be nominated for re-election after 20 years of service, which both will reach in 2014.

Executive Officers

Our executive officers are: Karen Colonias, our President and Chief Executive Officer; Brian J. Magstadt, age 46, our Chief Financial Officer, Treasurer and Secretary; and Jeffrey E. Mackenzie, age 52, our Vice President. Phillip Terry Kingsfather, age 67, a director and the President and Chief Executive Officer of our subsidiary, Simpson Strong-Tie Company Inc., has notified us that he will retire, effective July 1, 2014. On February 26, 2014, Roger Dankel, age 50, and Ricardo M. Arevalo, age 57, were appointed as the President of North American Sales and the Chief Operating Officer, respectively, of Simpson Strong-Tie Company Inc. We regard Mr. Kingsfather, Mr. Dankel and Mr. Arevalo, as executive officers, because they perform, or will perform in 2014, management policy-making functions for us. Our executive officers also may serve as directors or officers of our subsidiaries.

Director and Officer Qualifications and Biographical Information

Our directors are individuals of reputation, integrity and accomplishment. They bring to Board issues a range of talents, including a customer-oriented focus, useful education, experience and insights. A majority of our outside directors must be independent. To be independent, an outside director must have no financial, family or close personal ties to us or our executives and must meet the New York Stock Exchange regulatory standard of independence. New directors are oriented to our business and governance through meetings with our officers and directors and visits to our facilities. We also support, and pay for, participation in continuing education programs to assist directors in performing their Board responsibilities.

Thomas J Fitzmyers was appointed Chairman of our Board of Directors in September 2011, effective January 2012. Prior to that, he served as our President and as a director since 1978 and served as our Chief Executive Officer since 1994. He has served as a director of our subsidiary, Simpson Strong-Tie Company Inc., since 1983 and as its Chief Executive Officer from 1983 to February 2009. He also served as a director of our subsidiary, Simpson Dura-Vent Company, Inc., from 1982 until its disposition in August 2010. Mr. Fitzmyers was employed by Union Bank from 1971 to 1978. He was a Regional Vice President when he left Union Bank to join us in 1978. Mr. Fitzmyers' prior experience as President and Chief Executive Officer of Simpson Manufacturing Co., Inc. gives him unique and invaluable insights into the challenges facing our business and our industry.

James S. Andrasick joined our Board of Directors in June 2012. He brings over 40 years of business experience, most recently as the Chairman of Matson Navigation, until his retirement in 2009, and as its President and Chief Executive Officer from 2002 through 2008. Prior to his promotion to President and Chief Executive Officer of Matson Navigation in 2002, Mr. Andrasick was the Chief Financial Officer of Alexander & Baldwin, Inc., the parent company of Matson Navigation, and was responsible for all business development activity. He recently served as a Trustee and Chair of the Finance Committee of Mills College and is presently a Trustee of the U.S. Coast Guard Foundation. He also previously served as a Director and Chairman of the Board of the American Red Cross, Hawaii State Chapter, as well as serving on the boards of the Aloha United Way, Arthritis Foundation and Hawaii Maritime Center and was the Chairman and a Trustee of the University of Hawaii Foundation. Mr. Andrasick holds a Bachelor of Science degree in Engineering from the U.S. Coast Guard Academy and a Masters degree in Management Science from the Massachusetts Institute of Technology. His experience in developing the China market for Matson Navigation, in real estate development for Alexander & Baldwin, Inc. and in mergers and acquisitions gives him a unique understanding of the Company's current opportunities, and his strong financial and operational background adds depth to our Board's understanding of our business.

Jennifer A. Chatman is the Paul J. Cortese Distinguished Professor of Management, Haas School of Business, University of California, Berkeley. Before joining the Berkeley faculty in 1993, she was a professor at the Kellogg Graduate School of Management, Northwestern University. She received her Ph.D. from University of California, Berkeley in 1988. She is a Trustee of Prospect Sierra School. In addition to her research and teaching at University of California, Berkeley, she consults with a wide range of organizations and is the faculty director of the Berkeley Executive Leader Program. Ms. Chatman brings

to our Board a deep understanding of organizational structure, leadership and compensation that gives us an objective perspective in interpreting and leveraging our unique culture to achieve our strategic objectives.

Earl F. Cheit is Dean and Edgar F. Kaiser Professor Emeritus, Haas School of Business, University of California, Berkeley. Until 2001, he was Chairman of the Board of YCI, a consumer products company, and Senior Advisor, Asia Pacific Economic Affairs, The Asia Foundation. He is a member of the Audit Committee of the Evelyn and Walter Haas, Jr. Fund, an Honorary Trustee of Mills College, a Trustee Emeritus of the University of California, Berkeley, Foundation, and founding Chairman of Cal Performances, the performing arts presenter and commissioner at the University of California, Berkeley. He is a member of the Bay Area Council's Business Hall of Fame selection committee. Mr. Cheit brings a wealth of academic and industry experience to our Board of Directors as well as an understanding of global economies, management and corporate governance.

Karen Colonias was appointed as our Chief Executive Officer in September 2011, effective January 2012. From May 2009 to January 2012, she was our Chief Financial Officer, Secretary and Treasurer. Prior to that, she held the position of Vice President of our subsidiary, Simpson Strong-Tie Company Inc., and in that capacity since 2004 served as the Branch Manager of Simpson Strong-Tie's manufacturing facility in Stockton, California. She joined Simpson Strong-Tie in 1984 as an engineer in the research and development department, where she was responsible for the design and testing of new products and code development. In 1998, Simpson Strong-Tie promoted Ms. Colonias to Vice President of Engineering, responsible for Simpson Strong-Tie's research and development efforts. Before joining Simpson Strong-Tie, she worked as a civil engineer for the Bechtel Corporation. Ms. Colonias has a BS in Engineering and an MBA and is also a licensed professional engineer.

Gary M. Cusumano has over 35 years of experience with The Newhall Land and Farming Company, most recently as its Chairman. He retired from Newhall Land and Farming Company in January 2006. He is a director of Granite Construction, Inc., Forest Lawn Memorial Park and the J.G. Boswell Company, was formerly a director of Sunkist Growers, Inc., Watkins-Johnson Company and Zero Corporation and has served on the boards of many not-for-profit and community service organizations. Mr. Cusumano's service as Chairman of the Newhall Land and Farming Company and his board service with Granite Construction provide our Board of Directors with his perspective and expertise from his service with a publicly traded New York Stock Exchange company and real estate developer.

Celeste Volz Ford is CEO of Stellar Solutions, Inc., which she founded in 1995. Stellar Solutions is a global provider of systems engineering expertise and a recognized leader in government and commercial aerospace programs with offices in California, Colorado and the Washington DC area. Ms. Ford is a proven leader of the Stellar companies, which include Stellar Solutions, Inc. (engineering services), Stellar Solutions Aerospace Ltd. (UK-based affiliate), QuakeFinder (humanitarian R&D division of Stellar Solutions) and the Stellar Solutions Foundation. She is a member of the boards of several organizations in the private and public sectors, including Heritage Bank, the University of Notre Dame Board of Trustees, American Conservatory Theater and the Business Advisory Council of Illuminate Ventures and formerly served on the Boards of Bay Microsystems, Foundry Networks and California Space Authority. She is a member of the National Association of Women Business Owners (NAWBO), American Institute of Aeronautics and Astronautics (AIAA), United States Space Foundation (USSF) and Vistage International. Ms. Ford received her Bachelor of Science degree in Aerospace Engineering from the University of Notre Dame and a Masters of Science degree in Aerospace Engineering from Stanford University. Ms. Ford's experience in building cutting-edge businesses brings a uniquely valuable perspective on the emerging opportunities and challenges facing the Company.

Peter N. Louras, Jr. is a retired corporate executive. He joined The Clorox Company in 1980 and was Group Vice President from May 1992 until his retirement in July 2000. In this position, he served on The Clorox Company's Executive Committee with overall responsibility for its international business activities and business development function, including acquisitions and divestitures. Before joining The Clorox Company, Mr. Louras, a certified public accountant, worked at Price Waterhouse in its offices in both San Francisco, California, and Philadelphia, Pennsylvania. Mr. Louras is a member of the American Institute of CPAs. Mr. Louras actively participates in civic projects and serves on the boards of various not-for-

profit organizations. Mr. Louras' business background provides the Board of Directors with a global perspective and hands-on experience in business development and strategic acquisitions. Mr. Louras also brings his financial accounting expertise to his role as Chair of the Audit Committee.

Robin G. MacGillivray became Senior Vice President - One AT&T Integration for AT&T in January 2010. In this role, she is overseeing the implementation of several corporate initiatives designed to further integrate merged organizations and operations for optimal customer service and financial performance. Prior to that, she was Senior Vice President - Regional and Local Markets, responsible for service and sales to AT&T's small business customers nationwide. She previously served as Senior Vice President - Strategic Process Improvement, where she oversaw that company's call center transformation, DSL improvement, and sales and marketing process standardization efforts. Ms. MacGillivray joined AT&T in 1979, after receiving her bachelor's degree in journalism from the School of Journalism and her master's degree in telecommunications management from the Annenberg School of Communications, both at the University of Southern California. She completed the Stanford Executive Program at Stanford University in 1997. She has worked in numerous AT&T organizations and functions, including Engineering, Operations, Finance, Human Resources, Marketing, Customer Service and Sales. She is the former President of the Board of Directors of the Girl Scouts of Northern California. Ms. MacGillivray brings to our Board of Directors her extensive experience managing complex businesses in highly competitive and rapidly changing environments, cultivated from a variety of functional areas.

Barry Lawson Williams is the retired Managing General Partner of Williams Pacific Ventures Inc., a venture investing and consulting firm. He is a director of PG&E Corporation, SLM Corp., CH2M HILL Companies, Ltd. and Northwestern Mutual Life Insurance Co. Mr. Williams is a director for several not-for-profit organizations, including Sutter Health and Management Leadership for Tomorrow. Mr. Williams brings invaluable experience to our Board of Directors in several areas, including financial and acquisition analysis and real estate development, and in his extensive service on several high-profile boards. He also brings legal and environmental experience and a broad understanding of relevant accounting and governance issues that we encounter.

Brian J. Magstadt has served as Chief Financial Officer, Treasurer and Secretary since January 2012. He joined Simpson Manufacturing Co., Inc. in 2004 as Financial Reporting Specialist, and, from 2008 until 2012, served as our Financial Reporting Manager, overseeing our external reporting program and managing various other accounting and finance functions. He is a licensed CPA and holds a Bachelor of Science degree in Business Administration from California State University, Chico, and a Masters of Business Administration degree from Santa Clara University.

Jeffrey E. Mackenzie was appointed Vice President in December 2008. He joined Simpson Manufacturing Co., Inc. in 1994 and from November 2000 to December 2008, served as our Financial Reporting Manager, overseeing our external reporting program and managing various other finance functions, including our equity-based compensation programs. Prior to joining us, he worked for Deloitte & Touche, LLP as a Senior Accountant in San Francisco, California. Mr. Mackenzie is a licensed CPA (currently inactive) and holds a Bachelor of Science degree in Business Administration from California State University, San Diego, and a Masters of Business Administration degree from Santa Clara University.

Roger Dankel was appointed President of North American Sales of Simpson Strong-Tie Company Inc. in February 2014, to be effective July 1, 2014. He has been employed with us since 1993 as a Field Sales Representative until 1997, when he was promoted to Sales Manager in McKinney, Texas, and then Branch Sales Manager in charge of all sales functions of that branch. Roger has successfully integrated multiple new products, both acquired and internally developed, into Simpson Strong-Tie's product line. Mr. Dankel holds a Bachelor of Science degree in Business Administration from Millsaps College. As a result of foreclosure proceedings related to a real estate investment, brought by Wells Fargo Bank, N.A., Mr. Dankel filed a Chapter 7 bankruptcy petition on June 27, 2013, in the United States Bankruptcy Court for the Eastern District of Texas. The court granted a discharge of debtor on October 1, 2013.

Ricardo M. Arevalo was appointed Chief Operating Officer of our subsidiary, Simpson Strong-Tie Company Inc., in February 2014, to be effective July 1, 2014. Mr. Arevalo began his career with us in 1999 at the Simpson Strong-Tie branch in Brea, California, as a Field Sales Engineer for the Wood Strong-Wall. From 2002 to 2008, he served as Simpson Strong-Tie's Branch Engineering Manager for the Southwest United States. In 2008, he was promoted to Simpson Strong-Tie's Vice President of Engineering, and in that capacity he organized and managed the support structure for multiple engineering groups (Connectors, Lateral systems, Fasteners, Anchors, FRP, RPS, Truss and Engineering Services), standardized policies and modernized and expanded research and test capabilities. Mr. Arevalo is a licensed California structural engineer and civil engineer, past part-time lecturer in timber design at California Polytechnic University at Pomona and the author of several publications on wood structures. He has represented Simpson Strong-Tie on national television promoting deck safety. He holds degrees from California Polytechnic University at San Luis Obispo and the University of California at Santa Barbara. Prior to joining Simpson Strong-Tie, he spent 19 years in private practice as a structural engineer.

Phillip Terry Kingsfather has served as the President and Chief Executive Officer of Simpson Strong-Tie Company Inc. since February 2009. From August 2006 to February 2009, he served as President and Chief Operating Officer of Simpson Strong-Tie Company Inc. His career with us started in 1979 as an Outside Sales Representative in the Pacific Northwest for Simpson Strong-Tie Company Inc. In 1985, he became Regional Sales Manager. He joined our Anchor Systems sales team in 1997 and was instrumental in the launch of this product line. In 2003, he was promoted to Vice President of Simpson Strong-Tie Company Inc. in charge of our Anchor Systems product line, where he served until August 2006. In November 2013, Mr. Kingsfather announced that he would be retiring effective July 1, 2014.

Independence

The New York Stock Exchange corporate governance rules require that the board of directors of a listed company consist of a majority of independent directors. A majority of our directors are independent under those rules.

Our Board of Directors follows the independence standards required by the New York Stock Exchange corporate governance rules to determine director independence. Those standards provide, among other tests, that a director will not be independent of a listed company if:

- the director is, or has been within the last 3 years, an employee of the listed company, or an immediate family member is, or has been within the last 3 years, an executive officer, of the listed company;
- the director has received, or has an immediate family member who has received, during any 12-month period within the last 3 years, more than \$120,000 in direct compensation from the listed company, other than director and committee fees and pension or other forms of deferred compensation for prior service, provided such compensation is not contingent in any way on continued service;
- (a) the director is a current partner or employee of a firm that is the company's internal or external auditor; (b) the director has an immediate family member who is a current partner of such a firm; (c) the director has an immediate family member who is a current employee of such a firm and personally works on the listed company's audit; or (d) the director or an immediate family member was within the last 3 years a partner or employee of such a firm and personally worked on the listed company's audit within that time;
- the director or an immediate family member is, or has been within the last 3 years, employed as an executive officer of another company where any of the listed company's present executive officers at the same time serves or served on the other company's compensation committee; or
- the director is a current employee, or an immediate family member is a current executive officer, of another company that has made payments to, or received payments from, the listed company for property or services in an amount that, in any of the last 3 fiscal years, exceeded

the greater of \$1,000,000 or 2 percent of the other company's consolidated gross revenues.

For purposes of these standards, immediate family member includes a director's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone, other than any domestic employee, who shares the director's home.

Applying the New York Stock Exchange independence standards, our Board of Directors has affirmatively determined that Mr. Andrasick, Ms. Chatman, Mr. Cheit, Ms. Ford, Mr. Louras, Ms. MacGillivray and Mr. Williams are each independent under the New York Stock Exchange corporate governance rules, in that none of them has a material relationship with us, either directly or as a partner, stockholder, officer or employee of an organization that has a relationship with us. Our Board of Directors has determined that our other directors, Ms. Colonias, Mr. Cusumano and Mr. Fitzmyers, are not independent under those rules. In making its determination, our Board of Directors considered all relevant facts and circumstances, including commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, and considered the issue not merely from the standpoint of a director, but also from that of persons or organizations with which a director has an affiliation.

Criteria and Diversity

In considering whether to nominate any candidate to serve on our Board of Directors, the Governance and Nominating Committee of our Board of Directors considers the candidate's education, business experience, financial expertise, industry experience, business acumen, interpersonal skills, vision, teamwork, integrity, strategic ability and customer focus. Our Board of Directors does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. Our Board of Directors also believes that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow our Board of Directors to fulfill its responsibilities. We do not discriminate against nominees on the basis of race, color, religion, gender, gender identity or expression, sexual orientation, age, national origin, disability, covered veteran status, or any other status protected by law.

Attendance at Meetings

Our Board of Directors held 6 meetings in 2013. Its committees held a total of 30 meetings in 2013, including 6 meetings of the Audit Committee, 7 meetings of the Compensation and Leadership Development Committee, 10 meetings of the Governance and Nominating Committee and 7 meetings of the Acquisition and Strategy Committee. Each director attended at least 75 percent of the meetings of our Board of Directors (except for Barclay Simpson who attended 3 of the 6 meetings) and at least 75 percent of the meetings of the committees on which he or she served in 2013. All of our directors attended the annual meeting of our stockholders in 2013, although we do not have a policy that requires our directors to attend the annual meeting of stockholders. In 2013, the independent members of our Board of Directors held 5 meetings in executive session on days when regular meetings of the entire Board of Directors were scheduled and no meetings in executive session on days when the entire Board of Directors did not meet.

Leadership Structure and the Board of Directors Role in Risk Management

Our Board of Directors and its committees take an active role in overseeing management of our risks. The Board regularly reviews information regarding our operational, financial, legal and strategic risks. Our Compensation and Leadership Development Committee is responsible for overseeing the management of risks relating to our compensation plans; our Audit Committee oversees management of our financial risks; and our Governance and Nominating Committee manages risks associated with the independence of the Board of Directors and potential conflicts of interest. In 2009, our Board of Directors created the Acquisition and Strategy Committee, whose role in risk management includes evaluating and managing our strategic risks. While each committee is responsible for evaluating certain risks and overseeing the management of these

risks, our entire Board of Directors is regularly informed about such risks through committee and executive officer reports.

For many years the roles of our Chairman and our Chief Executive Officer have been separated. We believe that this is appropriate under current circumstances, because it allows management to make the operating decisions necessary to manage the business, while helping to keep a measure of independence between the oversight function of our Board of Directors and operating decisions. We feel that this has provided an appropriate balance of operational focus, flexibility and oversight.

Our independent directors meet at regularly scheduled executive sessions without members of management. In 2010, our Board of Directors created the role of Lead Independent Director and appointed Earl F. Cheit to that role. The Lead Independent Director participates in setting the agenda of Board of Directors and Committee meetings, coordinates the distribution and presentation of meeting materials, manages communications between the Board of Directors and management, maintains the focus and punctuality of Board of Directors and Committee meetings and presides over executive session meetings of the independent directors. Mr. Cheit is retiring from our Board of Directors in accordance with the length-of-service provision in our governance guidelines. Our Board of Directors has not appointed a replacement Lead Independent Director.

Communications with our Board of Directors

We encourage stockholders and interested parties to communicate any concerns or suggestions directly to the independent members of our Board of Directors, by writing to:

Board of Directors

Simpson Manufacturing Co., Inc.

P.O. Box 1394

Alamo, CA 94507-7394

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THOMAS J FITZMYERS, KAREN COLONIAS AND CELESTE VOLZ FORD, THE THREE NOMINEES FOR DIRECTOR AT THIS MEETING.

PROPOSAL NO. 2

RATIFICATION OF SELECTION OF INDEPENDENT

REGISTERED PUBLIC ACCOUNTING FIRM

Our Board of Directors has selected PricewaterhouseCoopers LLP as the principal independent registered public accounting firm to audit our internal controls over financial reporting and our financial statements for 2014. You will be asked to ratify that selection. PricewaterhouseCoopers LLP has audited our financial statements since before our initial public offering in 1994. A PricewaterhouseCoopers LLP representative will be present at the meeting, will be given an opportunity to make a statement at the meeting if he or she desires to do so, and will be available to respond to appropriate questions.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP.

PROPOSAL NO. 3

ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

At each annual meeting, we provide our stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our Named Executive Officers as disclosed in this proxy statement in accordance with the compensation disclosure rules of the Securities and Exchange Commission. At this meeting, the stockholders will vote on the following resolution:

RESOLVED that the compensation paid to this corporation's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby approved.

As described below under Executive Compensation Compensation Discussion and Analysis, we seek to closely align the interests of our Principal Executive Officer, our Principal Financial Officer and our 3 other most highly compensated executive officers (our Named Executive Officers) with the interests of our stockholders. Our compensation programs are designed to reward our Named Executive Officers for the achievement of short-term and long-term strategic and operational goals and the achievement of increased total stockholder value, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking.

The vote on this resolution is not intended to address any specific element of compensation; rather, the vote relates to the overall compensation of our Named Executive Officers, as described in this proxy statement in accordance with the compensation disclosure rules of the Securities and Exchange Commission. This vote is advisory, which means that it is not binding on us, our Board of Directors or the Compensation and Leadership Development Committee of our Board of Directors. The Compensation and Leadership Development Committee and our Board or Directors value the views of our stockholders and will take into account the outcome of the vote when considering future compensation decisions for our Named Executive Officers.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ABOVE RESOLUTION TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Summary

Our philosophy on compensation is to closely align the interests of our Named Executive Officers with those of our stockholders. Our compensation is also structured to give our employees, not just our Named Executive Officers, an opportunity to earn above-market compensation for outstanding performance, measured by our success. Our Named Executive Officers include our Principal Executive Officer, our Principal Financial Officer and our 3 other most highly compensated executive officers. We believe that we do this by providing a high degree of incentive to achieve both short-term and long-term goals, goals that, when met, also increase our stockholders' return. Because payments to our employees depend on our first reaching financial goals, our stockholders participate in our returns before our employees. To avoid unnecessary or excessive risk-taking in our compensation programs, our goals are focused on branch or company performance, not on individual performance. Our Named Executive Officers' total compensation comprises a mix of salary and retirement plan contributions, a quarterly cash incentive program and long-term equity incentives.

Historically, our programs have aligned our employees' interests with our strategic objectives and have rewarded them with above-market compensation during highly prosperous periods and have retained a cohesive team of our most valued employees during more challenging economic times. Since we use a measure based on operating profit as the basis for both our non-equity incentive plan and our equity incentive plan, we believe that this is the most relevant measure to evaluate our financial performance for the purpose of making compensation decisions. The following table illustrates the correlation of the compensation of our Named Executive Officers with our financial performance.

Performance Measure (000s)	2013		2012		2011	
	Amount	Change	Amount	Change	Amount	Change
Income from Operations	\$ 81,478	32.0%	\$ 61,709	(16.7)%	\$ 74,057	(5.6)%
CEO Cash Profit Sharing	1,438	19.9%	1,199	(23.3)%	1,563	27.7%

In 2013, the amount of CEO cash profit sharing increased, consistent with the increase in our income from operations in 2013 while in 2012, the amount of CEO cash profit sharing declined, consistent with the decline in our income from operations in 2012. In 2011, CEO cash profit sharing increased, while our income from operations decreased, as a result of:

- a gain in 2010 of \$5.2 million on our sale of real estate located in Brea, California;
- an increase in 2011 from 2010 of \$11.2 million in equity-based and non-equity-based compensation charges; and
- a gain in equity method investment in 2011 of \$4.4 million as compared to a loss in 2010 of \$0.5 million.

The first 2 items are included in income from operations but excluded from the computation of the cash profit sharing payment. The third item was included in the computation of the cash profit sharing but excluded from income from continuing operations.

The other part of our incentive compensation is equity-based compensation. Before 2012, equity-based compensation consisted of grants of non-qualified stock options. Since 2012, equity-based compensation has consisted of awards of restricted stock units. Equity compensation is also awarded to participating employees, including our Named Executive Officers, based on performance-based results. Generally, equity-based compensation awards are based on achieving the same operating profit goals as our cash profit sharing plans. Once awarded, however, the value of these awards depends on our stock price performance over time. Stock options granted to our Named Executive Officers vest over 4 years at a rate of 25 percent per year. The restrictions on restricted stock units lapse 25 percent on each of the date of the

award and the first, second and third anniversaries of the date of the award, except for those awarded to Karen Colonias, Phillip Terry Kingsfather and Brian J. Magstadt beginning in 2013, which will lapse 75 percent on the third anniversary of the date of the award and 25 percent on the fourth anniversary of the date of the award. For our employees to fully realize the value of the equity-based compensation, we must continually improve our operating results.

The Compensation and Leadership Development Committee made some changes to our Named Executive Officers' salaries for 2014. Our Chief Executive Officer and the President and Chief Executive Officer of Simpson Strong-Tie Company Inc. received no increase over their 2013 salaries. The salary for our Chairman has been increased by 40%, from \$178,973 in 2013 to \$250,000 in 2014, but he will no longer participate in our Executive Officer Cash Profit Sharing Plan, which we expect will reduce his total compensation from \$719,092 in 2013 to approximately \$397,000 in 2014, including the value of restricted stock units that we awarded to him in February 2014. The salaries of our Chief Financial Officer and our Vice President have increased by 5% and 3%, respectively. In 2013, the rate of contribution to our Named Executive Officers' profit sharing trust accounts remained unchanged from 2012 at 7 percent of salary plus a 3 percent safe-harbor contribution. See *Salary and Profit Sharing Trust Contributions* below.

We encourage you to read this Compensation Discussion and Analysis in its entirety, as well as the information in the Summary Compensation Table and other related tables and disclosures, for an understanding of our compensation programs.

Analysis

The overall philosophy of our compensation program is to provide a high degree of incentive to employees by creating programs that reward achievement of specific profit goals. We have followed the same philosophy for many years and that experience has continuously reinforced our belief that it successfully drives our financial performance. We believe that our incentive programs, based on profit targets, align the interests of employees and stockholders, allow us to attract high-performing employees and help us retain the services of employees whose contributions are instrumental in achieving our goals. Historically, as a means of creating a sense of unity and cooperation among our employees, we have not had any special compensation plans exclusively for executive officers. Our Named Executive Officers are at-will employees. We do not have a written employment agreement with any of them, and we generally do not offer any severance benefits. We or the officer can terminate the employment relationship at any time, for any reason, with or without cause.

The primary objective of our overall compensation program is to motivate our Named Executive Officers and other officers and employees to increase stockholder value, and we aim to compensate them fairly relative to our achievement of that objective. To retain their services, some portion of their compensation, in the form of salary and profit sharing trust contributions, should compensate them for their own investment of time, regardless of the performance of our businesses. Each element of the compensation of our Named Executive Officers and other officers and employees possesses characteristics intended to motivate them in different ways. We believe that coordinating the compensation elements helps us to retain the services of our Named Executive Officers, other officers and other key employees and to motivate them to achieve results that increase the value of our common stock. The following is an analysis of the basic elements of our compensation program.

The Compensation and Leadership Development Committee of our Board of Directors believes that, to maintain a sense of unity and fairness, the forms of compensation for our Named Executive Officers generally should match those of all of our salaried employees. Our compensation program comprises 4 basic elements:

- salary,

- payments to our defined contribution profit sharing plan,
- cash profit sharing, and
- equity-based compensation.

Role of Compensation Consultants

The Compensation and Leadership Development Committee has and expects to continue to engage independent advisers to assist in carrying out its responsibilities. In April 2010, the Compensation and Leadership Development Committee engaged Venture Pay Group as its compensation consultant, and in June 2010, Venture Pay Group issued its report. The report included 3 major elements:

- a benchmark analysis of total direct compensation for our Named Executive Officers compared to industry peers,
- recommendations for potential changes to compensation programs, at several levels, to align our programs with our strategic objectives, and
- a review of current trends and issues in executive compensation.

The Compensation and Leadership Development Committee met with Venture Pay Group, reviewed its report with our officers and considered its recommendations. Although Venture Pay Group provided advice to the Compensation and Leadership Development Committee, the decisions made by the Compensation and Leadership Development Committee reflect factors and considerations in addition to the information and recommendations provided by Venture Pay Group. As a result of the benchmarking information, the Compensation and Leadership Development Committee increased the salary component of our Named Executive Officers' Compensation in 2011. See *Salary and Profit Sharing Trust Contributions* below. As recommended by Venture Pay Group, the Compensation and Leadership Development Committee approved the Simpson Manufacturing Co., Inc. 2011 Incentive Plan, which was approved by our stockholders at our annual meeting in April 2011. We awarded restricted stock units in 2012, 2013 and 2014 under the 2011 Incentive Plan. In 2012, the Compensation and Leadership Development Committee also implemented a long-term incentive program to give selected employees, including some of our Named Executive Officers, additional incentives if they help us achieve our strategic objectives. For 2014, this program includes potential additional awards of restricted stock units to Karen Colonias, Brian J. Magstadt, Roger Dankel and Ricardo M. Arevalo; see *Equity-Based Compensation Awards* below.

In 2011, the Compensation and Leadership Development Committee engaged Towers Watson as its compensation consultant. The lead consultant, who changed employers from Venture Pay Group to Towers Watson in 2011, remained the same. The consulting services were requested and approved by the Compensation and Leadership Development Committee and not recommended or provided by our officers. Towers Watson was engaged for 2 primary purposes:

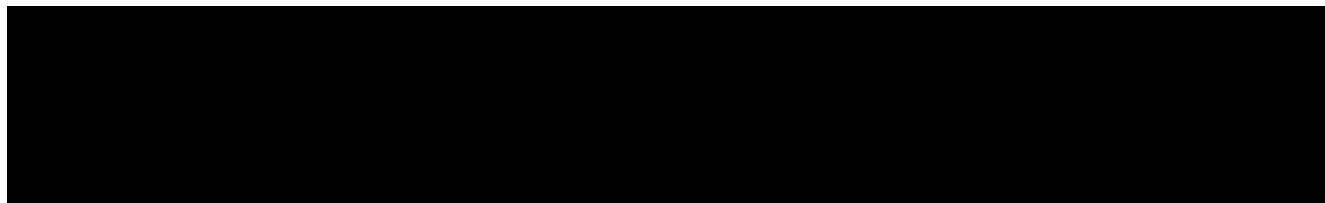
- to update a benchmarking analysis of total direct compensation for our Chief Executive Officer compared to the peer groups developed by Venture Pay Group in 2010; and
- to recommend potential changes to our long-term compensation program for our Chief Executive Officer, our Chief Financial Officer and Simpson Strong-Tie Company Inc.'s President and Chief Executive Officer, to align their compensation with strategic objectives.

Towers Watson recommended that the Compensation and Leadership Development Committee modify various terms of future equity-based compensation awards consistent with the operating profit goals, add goals based on strategic objectives and add a component reflecting total stockholder return. The Compensation and Leadership Development Committee incorporated these features into the potential equity-based compensation awards for 2012 and continues to use them. See *Equity-Based Compensation Awards* below.

Comparative Market Information

Venture Pay Group compared our Named Executive Officer compensation to 2 peer groups, including an Industry Match peer group compiled by Venture Pay Group and the peer group selected by ISS/Risk Metrics. Venture Pay Group also used a set of proprietary proxy compensation survey databases to complete the benchmarking analysis. Venture Pay Group performed benchmarking on total direct compensation from our 2009 fiscal year and on a 3-year average. The 2 peer groups were:

Industry Match Peer Group



ISS/Risk Metrics Peer Group

Aircastle Ltd.
Blount International Inc.
Graco Inc.
Quanex building Products Corp.

American Woodmark Corp.
Colfax Corp.
Great Lakes Dredge & Dock Corp.
Standex International Corp.

Ameron International Corp.{1}
Columbus McKinnon Corp.
GT Advanced Technologies Inc.{6}
Tennant Co.

{1} Acquired by National Oilwell Varco, Inc. in 2011.

{2} Acquired by 3M Company in 2012.

{3} Acquired by AB SKF in 2013.

{4} Acquired by National Oilwell Varco, Inc. in 2013.

{5} Acquired by Precision Castparts Corp. in 2012.

{6} Formerly known as GT Solar International, Inc.

Venture Pay Group selected the Industry Match peer group based on a broad range of publicly traded companies in related industries and with characteristics similar to ours, including industry specialization, revenues, market capitalization, net income and total assets. Data gathered on the peer groups included salary, bonus, total cash compensation, long-term incentives and total direct compensation. The peer group study has not been updated since it was compiled in 2010.

Salary and Profit Sharing Trust Contributions

Salary is a guaranteed minimum amount for performing the functions of the job, but salary alone provides no additional performance opportunity or motivation to increase value over the long term. The Compensation and Leadership Development Committee determines the salaries for all of our Named Executive Officers using historical salary levels for their positions and adjustments for changes in cost of living and responsibilities. Past benchmarking studies performed by compensation consultants, most recently in 2011, confirmed that the salaries for our Chief Executive Officer and the other Named Executive Officers were substantially below the 25th percentile except in one case where the officer's salary was slightly above the 25th percentile. The Compensation and Leadership Development Committee believes that our Chief Executive Officer's and the other Named Executive Officers' salaries are fair relative to salaries of their peers, given the other elements of our compensation program, even though these salaries

are generally lower than those paid by comparable companies. We consider our salary levels sufficient to motivate our Named Executive Officers to perform the basic functions of their jobs. Although our salaries have historically been set at levels that the Compensation and Leadership Development Committee believes are below the market, a greater proportion of total compensation is based on a system that provides employees with incentives to attain our profitability goals.

We and our U.S. subsidiaries maintain defined contribution profit sharing plans for U.S.-based salaried employees, including our Named Executive Officers, and for U.S.-based non-union hourly employees. An employee is eligible for participation in a given calendar year if he or she is an employee on the first and last days of that year and completes the minimum service requirement during that year. The minimum service requirement for a salaried employee is at least 1,000 hours of service and for an hourly employee is at least 750 hours of service. As of December 31, 2013, 887 employees participated in the salaried plan and 563 employees participated in the hourly plan. Under both of these plans, our Board of Directors has exclusive discretion to authorize contributions to the plan trusts. These plans limit contributions to the plan trusts to amounts deductible for federal income tax purposes under Internal Revenue Code section 404(a). Karen Colonias and Brian J. Magstadt, who are Named Executive Officers, are trustees of the plan trusts and also participate in the plan for salaried employees. Some of our foreign subsidiaries maintain similar plans for their employees.

For all years through 2008, we made contributions to the profit sharing trust for our Named Executive Officers in amounts equal to 15 percent of their salaries, up to the amounts that we were allowed to deduct from income under Internal Revenue Code section 404(a). In addition, all employees are entitled to proportionate shares of forfeited contributions from employees who terminate their employment before fully vesting in the profit sharing plan. In February 2009, in response to reduced profitability resulting from difficult economic conditions, the Compensation and Leadership Development Committee established a contribution amount equal to 10 percent of salaries to the profit sharing trust, beginning with the contribution that we made in 2010, up to the amounts that we are allowed to deduct from income under Internal Revenue Code section 404(a) for all of our and our subsidiaries' U.S. based salaried employees. This reduced rate was also used for the contribution that was earned in 2010 and paid in 2011. During 2011, we amended the profit sharing trust plan to include a 401(k) feature that allows employees, including our Named Executive Officers, to contribute their own pre-tax earnings in addition to the amount that we contribute to their accounts. As part of this change, we changed the amount of the discretionary contribution to 7 percent, and the remaining 3 percent contribution, now made quarterly, is made to comply with the safe-harbor rules that govern the plan. The safe-harbor contribution is not forfeitable and is fully vested when the contribution is made. We expect the current contribution rate to continue indefinitely, although the Compensation and Leadership Development Committee has discretion to consider changes to this contribution at any time. The Compensation and Leadership Development Committee views compensation through contribution to employees' profit sharing plan accounts as serving a similar objective as salaries.

Compensation and the Achievement of Operating and Strategic Goals

The Compensation and Leadership Development Committee does not delegate its duties of determining executive officer compensation. Our officers do, however, participate in our annual budgeting process, which forms the basis for the Compensation and Leadership Development Committee's determination of operating profit goals used for determining qualifying income for our cash profit sharing plans and whether we award equity-based compensation. Our Board of Directors reviews and approves the annual budget, and our Compensation and Leadership Development Committee approves both quarterly cash payouts to our Named Executive Officers under our Executive Officer Cash Profit Sharing Plan and equity-based awards to our Named Executive Officers under our 2011 Incentive Plan.

Before the beginning of each year, our managers and employees propose budgets for the coming year for their respective profit centers. Our senior managers, including our Named Executive Officers, review the proposed budgets, adjust these budgets as they consider appropriate, and present the budgets to our Board of Directors. Our Board of Directors then considers and approves a budget that it considers appropriate for each profit center. Based on the approved budgets, the Compensation and Leadership Development Committee determines:

- the return on asset goals for the coming year, on which the Compensation and Leadership Development Committee bases the qualifying income levels for both our Executive Officer Cash Profit Sharing Plan and our Cash Profit Sharing Plan;
- the profitability goals for the coming year, on which the Compensation and Leadership Development Committee bases equity awards under our 2011 Incentive Plan; and
- the basis for strategic goals for the coming year, which the Compensation and Leadership Development Committee uses in determining additional equity awards under our 2011 Incentive Plan for participating employees who can help us achieve our strategic initiatives, including Named Executive Officers.

Our Named Executive Officers are subject to the same standards as our other officers and employees for purposes of equity-based compensation awards under our 2011 Incentive Plan and payments under our Executive Officer Cash Profit Sharing Plan. With the few exceptions noted in the Summary Compensation Table, we generally do not have special programs for our Named Executive Officers. Our Board of Directors and its Compensation and Leadership Development Committee aim to design the goals to be achievable, but only with considerable effort, effort the Compensation and Leadership Development Committee believes will promote the growth and profitability of our business. Although the goals are based on the approved budgets, both the budgeting process and the setting of the goals involve subjective judgments of our Board of Directors and its Compensation and Leadership Development Committee. The Compensation and Leadership Development Committee, according to its guidelines, has discretion to increase or decrease equity-based compensation awards based on factors that it deems relevant. For example, the Compensation and Leadership Development Committee may award additional equity-based compensation to an employee who is promoted during the year, if the employee's profitability goal for that year is achieved. The Compensation and Leadership Development Committee also has discretion to award equity-based compensation when the relevant goal is not achieved, but has never done so with respect to a Named Executive Officer. Our Board of Directors also bases equity-based compensation awards for the outside members of our Board of Directors under our 2011 Incentive Plan on the Company-wide profitability goals.

Executive Officer Cash Profit Sharing Plan

To achieve the goal of long-term stock price appreciation, the Compensation and Leadership Development Committee believes that compensation that is based on profitability needs to incorporate both short-term and long-term elements. It also believes that consistent achievement of short-term profitability goals is likely to result in long-term growth and, with it, stock price appreciation. The short-term

element is our non-equity incentive plan that provides compensation through two cash profit sharing plans, including our Executive Officer Cash Profit Sharing Plan for our Named Executive Officers and our Cash Profit Sharing Plan for other qualified employees. Under our Executive Officer Cash Profit Sharing Plan,

we pay quarterly incentive compensation out of the portion of our profits that exceeds a specified return on qualified assets. The amounts are shown in the Summary Compensation Table under the heading, Non-Equity Incentive Plan Compensation. At the beginning of each year, the Compensation and Leadership Development Committee reviews and approves the quarterly operating profit goals for the year, the rate of return on qualified assets, and the percentage participation of each of our Named Executive Officers. Again, this process involves subjective judgment and is not amenable to numerical or statistical analysis. The Compensation and Leadership Development Committee generally defines the quarterly operating profit goal as:

Income from operations for Simpson Strong-Tie Company Inc.

Plus: Stock compensation charges

Certain incentive compensation and commissions

Salaried pension contributions

Self-insured workers compensation costs

Equals: Operating profit

The adjustments to income from operations are excluded because they are not specifically within our officers' control. This formula includes items that affect profitability that our officers can influence, such as staffing levels, direct and indirect manufacturing costs, and operating expenses, and the Compensation and Leadership Development Committee believes this is likely to promote prudent allocation of resources.

The Compensation and Leadership Development Committee bases qualifying levels on the value of the net operating assets of Simpson Strong-Tie Company Inc., multiplied by a rate of return on those assets. We set the qualifying level based on average assets, net of specified liabilities, at quarterly intervals. We project the qualifying level for the coming year in the budgeting process at the beginning of the year and use it to estimate Executive Officer Cash Profit Sharing in the operating budget. We generally determine the return on assets as follows:

Average assets, net of specified liabilities, for the 3 months ended on the last day of the second month of the quarter

Less: Cash

Real estate

Acquired assets (excluding cash, real estate, goodwill and indefinite lived intangible assets) based on tiered phase-in schedule*

Goodwill and indefinite lived intangible assets

Self-insured workers compensation reserves

Multiplied by: Specified return on asset percentage for Simpson Strong-Tie Company Inc.

Equals: Qualifying level

*The phase-in period for the acquired assets into the average asset base is as follows:

Year 1	0%
Year 2	33%
Year 3	66%
Year 4	100%

We believe this formula includes items that are likely to affect the return on assets that our officers can influence, such as staffing levels, direct and indirect manufacturing costs, and operating expenses, and promotes prudent allocation of resources.

The operating profit goal is a targeted value, and the qualifying level is a threshold return on assets at which the Executive Officer Cash Profit Sharing Plan compensation levels are determined. If the operating profit of Simpson Strong-Tie Company Inc. exceeds the qualifying level, compensation is paid to the officer out of that excess. If the operating profit realized falls short of the qualifying level, no compensation is paid.

The Compensation and Leadership Development Committee bases individual percentages of participation on job function for our Named Executive Officers. Management sets the individual percentages for participants in our Cash Profit Sharing Plan. The Compensation and Leadership Development Committee generally may give higher participation percentages to those with more responsibility. For example, our Chief Executive Officer receives a higher percentage of the available pool than our other officers. The Compensation and Leadership Development Committee has discretion to increase, reduce or eliminate any award under our Executive Officer Cash Profit Sharing Plan, but did not exercise this discretion with respect to amounts awarded to our Named Executive Officers under our Executive Officer Cash Profit Sharing Plan during 2013. The percentage of the qualifying level that each officer receives generally does not change during the year, except for minor changes when other participants enter or leave the pool during the year. We do not guarantee any minimum payments to our Named Executive Officers under our Executive Officer Cash Profit Sharing Plan. We believe that our Executive Officer Cash Profit Sharing Plan motivates our Named Executive Officers to maximize our short-term profits and rewards them when those profits are realized. With occasional adjustments that the Compensation and Leadership Development Committee felt were warranted, we have implemented this program for many years, and we believe it has contributed substantially to our success.

In 2013, the Compensation and Leadership Development Committee did not specifically target, or benchmark, the amount of short-term incentive compensation to be paid to our Named Executive Officers to any particular percentile or level within the prior benchmarking studies.

Based on our operating profit goal for each of the 4 quarters of 2014, our officers may receive a payout after our quarterly earnings are announced to the public. If the operating profit is lower or higher than the targeted operating profit, the payout will be correspondingly lower or higher, but we generally do not make any payment when the operating profit for the quarter is less than the qualifying level for the quarter.

For the full year 2014, the annual operating profit goals, qualifying levels and targeted payouts for each of the following executive officers are as follows:

	Operating Profit Goal	Qualifying Level	Targeted Payout{1}
Karen Colonias	\$ 121,732,000	\$ 64,857,000	\$ 1,446,000
Phillip Terry Kingsfather	121,732,000	64,857,000	760,000{2}
Brian J. Magstadt	121,732,000	64,857,000	397,000
Roger Dankel	121,732,000	64,857,000	312,000{3}
Ricardo M. Arevalo	121,732,000	64,857,000	259,000
Jeffrey E. Mackenzie	121,732,000	64,857,000	263,000

{1} Amounts expected to be paid for the full year of 2014 if operating profit goals established at the beginning of the year are met and qualifying levels are as projected at the beginning of the year.

{2} Targeted payout for Phillip Terry Kingsfather is computed through his planned retirement date of July 1, 2014.

{3} Targeted payout for Roger Dankel is computed based on operating profit goals of the McKinney, Texas, branch through June 30, 2014, and on total Company operating profit goals from July 1, 2014, through the end of the year.

We use these parameters only to provide incentive to our officers and employees who participate in our Executive Officer Cash Profit Sharing Plan and our Cash Profit Sharing Plan. You should not draw any inference whatsoever from these parameters about our future financial performance. You should not take these parameters as projections or guidance of any kind.

For 2013, the operating profit goals, the qualifying level and the targeted payout that we presented in our reports on Form 8-K, filed with the Securities and Exchange Commission on January 31, 2013, are reprinted below, along with the amounts that we paid to our Named Executive Officers for the four calendar quarters of 2013.

	Operating Profit Goal	Year Ended December 31, 2013 Qualifying Level	Targeted Payout{1}	Actual Payout
Karen Colonias	\$ 95,779,000	\$ 59,880,000	\$ 895,000	\$ 1,594,380
Thomas J Fitzmyers	95,779,000	59,880,000	246,000	437,958
Phillip Terry Kingsfather	95,779,000	59,880,000	722,000	1,278,919
Brian J. Magstadt	95,779,000	59,880,000	245,000	437,958
Jeffrey E. Mackenzie	95,779,000	59,880,000	163,000	290,071

{1} Amounts were expected to be paid for the full year of 2013 if operating profit goals established at the beginning of the year were met and qualifying levels were as projected at the beginning of the year.

The actual payout in the table above was the sum of the payouts for each of the quarters during the year in which payments under the Executive Officer Cash Profit Sharing Plan were made to the Named Executive Officers. The basis for the calculations for the Named Executive Officers was as follows:

Quarter	Actual Operating Profit	Actual Qualifying Level	Company Qualifying Income	Branch Level Pool Shared with Home Office	
				Company	Simpson Strong-Tie
First	\$ 17,710,000	\$ 14,124,000	\$ 3,586,000	\$ 55,000	\$ 217,000
Second	44,793,000	16,241,000	28,552,000	148,000	585,000
Third	46,420,000	15,479,000	30,941,000	148,000	583,000
Fourth	21,604,000	14,433,000	7,171,000	64,000	252,000

The quarterly payout for each of the Named Executive Officers in 2013 was computed as follows:

Quarter	Share of NEO Pool (%)	NEO Pool (%)	Share of Qualifying Income{1}	Share of Branch Level Pool{2}	Adjustments {3}	Total Award
Karen Colonias						
First	1.9788%	4.0163%	\$ 70,958	\$ 27,097	\$ (21)	\$ 98,034
Second	1.9788%	4.0163%	564,973	72,916	67	637,956
Third	1.9788%	4.0163%	612,245	72,916	(140)	685,021
Fourth	1.9788%	4.0163%	141,896	31,531	(58)	173,369
					\$	1,594,380
Brian J. Magstadt						
First	0.5435%	4.0163%	\$ 19,491	\$ 7,443	\$ (5)	\$ 26,929
Second	0.5435%	4.0163%	155,192	20,029	18	175,239
Third	0.5435%	4.0163%	168,177	20,029	(38)	188,168
Fourth	0.5435%	4.0163%	38,977	8,661	(16)	47,622
					\$	437,958
Thomas J Fitzmyers						
First	0.5435%	4.0163%	\$ 19,491	\$ 7,443	\$ (5)	\$ 26,929
Second	0.5435%	4.0163%	155,192	20,029	18	175,239
Third	0.5435%	4.0163%	168,177	20,029	(38)	188,168
Fourth	0.5435%	4.0163%	38,977	8,661	(16)	47,622
					\$	437,958
Jeffrey E. Mackenzie						
First	0.3600%	4.0163%	\$ 12,910	\$ 4,930	\$ (4)	\$ 17,836
Second	0.3600%	4.0163%	102,787	13,266	12	116,065
Third	0.3600%	4.0163%	111,388	13,266	(26)	124,628
Fourth	0.3600%	4.0163%	25,816	5,737	(11)	31,542
					\$	290,071

{1} Amount is calculated as the Share of NEO Pool (%) multiplied by the Company Qualifying Income.

{2} Amount is calculated as the quotient of the Share of NEO Pool (%) divided by NEO Pool (%), multiplied by the Branch Level Pool Shared with Home Office for the Company.

{3} Amount represents rounding differences between the amounts used in the actual calculations and the amount calculated using the rounded amounts presented in the tables above.

Because Mr. Kingsfather is an employee of Simpson Strong-Tie Company Inc., he is included in a different profit sharing pool than the other Named Executive Officers. His awards are computed using the same basic formula, but his participation in the Branch Level Pool is at a lower rate.

Quarter	Share of NEO Pool (%)	NEO Pool (%)	Share of Qualifying Income{1}	Share of Branch Level Pool{2}	Adjustments {3}	Total Award
Phillip Terry Kingsfather						
First	1.7084%		\$ 61,263	\$		
First	0.8263%	17.1726%		10,442		
First Total			\$ 61,263	\$ 10,442	\$ (4)	\$ 71,701
Second	1.7084%		\$ 487,782	\$		
Second	0.8263%	17.1726%		28,149		
Second Total			\$ 487,782	\$ 28,149	\$ (8)	\$ 515,923
Third	1.7084%		\$ 528,596	\$		
Third	0.8263%	17.1726%		28,053		
Third Total			\$ 528,596	\$ 28,053	\$ 1	\$ 556,650
Fourth	1.7084%		\$ 122,509	\$		
Fourth	0.8263%	17.1726%		12,126		
Fourth Total			\$ 122,509	\$ 12,126	\$ 10	\$ 134,645
					\$	\$ 1,278,919

{1} Amount is calculated as the Share of NEO Pool (%) multiplied by the Company Qualifying Income.

{2} Amount is calculated as the quotient of the Share of NEO Pool (%) divided by NEO Pool (%), multiplied by the Branch Level Pool Shared with Home Office for Simpson Strong-Tie.

{3} Amount represents rounding differences between the amounts used in the actual calculations and the amount calculated using the rounded amounts presented in the tables above.

We compute the Qualifying Income, if any, as the difference between the Actual Operating Profit and the Actual Qualifying Level. Qualifying Income is the basis for the computation of amounts available to be distributed under both our Cash Profit Sharing Plan and our Executive Officer Cash Profit Sharing Plan. In 2013, we computed the profit sharing pool for the Named Executive Officers as 5.725 percent of the Qualifying Income.

Based on historical information about the profitability of each of the operating units, the Compensation and Leadership Development Committee of our Board of Directors approves this percentage so that it corresponds to the effort put forth and the results achieved by the participants. The Compensation and Leadership Development Committee may adjust the percentage from time to time so that the program will continue to create equitable results for all participants, including our Named Executive Officers. A portion of the profit sharing pool from the branch level

operating units is shared with home office employees, including the Named Executive Officers, in consideration for their contributions to the success of the branch level operating units. We add this amount to the computed Named Executive Officer profit sharing pool to determine the amount available to be paid to our Named Executive Officers. The amounts of the branch level profit sharing pool that were included in the Named Executive Officer Profit Sharing Pool were \$65 thousand, \$176 thousand, \$176 thousand and \$76 thousand for the four quarters of 2013, respectively. We then allocate the Named Executive Officer profit sharing pool among the Named Executive Officers that participate in percentages approved by the Compensation and Leadership Development Committee at the beginning of the year. The participation by each Named Executive Officer

is based on the officer's level of responsibility and contribution to the success of the operating unit. Unless the composition or responsibilities of the Named Executive Officers change, the participation rates generally do not change substantially from year to year, although the Compensation and Leadership Development Committee has discretion to make changes that it considers appropriate.

Our Executive Officer Cash Profit Sharing Plan is intended to comply with Internal Revenue Code section 162(m) and the related regulations and interpretations. For these officers, our Executive Officer Cash Profit Sharing Plan replaced our Cash Profit Sharing Plan described below, in which all officers had participated for over 30 years. The total awards to any participating officer under the Executive Officer Cash Profit Sharing Plan earned during the 4 quarters of a calendar year may not exceed \$2,500,000. In other respects, our Executive Officer Cash Profit Sharing Plan provides incentive compensation to the participating officers on the same terms as apply to other employees under our Cash Profit Sharing Plan. Our Executive Officer Cash Profit Sharing Plan enables us to deduct fully, for federal income tax purposes, amounts we pay to participating officers under our Executive Officer Cash Profit Sharing Plan. In 2013, only the payments to our President and Chief Executive Officer and the President and Chief Executive Officer of Simpson Strong-Tie Company Inc. exceeded \$1,000,000 under our Executive Officer Cash Profit Sharing Plan.

Our Board of Directors has delegated the oversight of our Executive Officer Cash Profit Sharing Plan to its Compensation and Leadership Development Committee. The Compensation and Leadership Development Committee has sole discretion and authority to administer and interpret our Executive Officer Cash Profit Sharing Plan in accordance with Internal Revenue Code section 162(m). The Compensation and Leadership Development Committee may at any time amend our Executive Officer Cash Profit Sharing Plan, subject in some cases to the approval of our stockholders, or may terminate it at any time.

The Compensation and Leadership Development Committee determines the amount of the award that each of the participating officers will be eligible to receive under the Executive Officer Cash Profit Sharing Plan each fiscal quarter. The Compensation and Leadership Development Committee bases awards on a percentage of the amount by which the operating profit, as defined by the Compensation and Leadership Development Committee, exceeds the qualifying level for the fiscal quarter.

We maintain our Cash Profit Sharing Plan for the benefit of our employees and our subsidiaries' employees, other than the officers who participate in our Executive Officer Cash Profit Sharing Plan discussed above. Because it excludes our most highly compensated employees, the Cash Profit Sharing Plan is not covered by Internal Revenue Code section 162(m), and we believe that compensation paid under it is tax deductible. We may change, amend or terminate our Cash Profit Sharing Plan at any time. Under our Cash Profit Sharing Plan, as currently in effect, the Compensation and Leadership Development Committee reviews and approves a qualifying level for the coming fiscal year for Simpson Strong-Tie Company Inc. and its qualifying branches. The qualifying level equals the value of the net operating assets, as defined by the Compensation and Leadership Development Committee, of Simpson Strong-Tie Company Inc. or its respective branches, multiplied by a rate of return on those assets, as determined by the Compensation and Leadership Development Committee. If profits exceed the qualifying level in any fiscal quarter, we pay a portion of the excess to the eligible employees as cash compensation. Our executive officers determine, and the Compensation and Leadership Development Committee reviews and approves, the percentage of the excess that we will distribute and the rates we use to calculate the amounts that we distribute to participants. Whether or not we pay amounts in any quarter under our Cash Profit Sharing Plan does not affect an employee's ability to earn amounts in any other quarter under our Cash Profit Sharing Plan. Under our Cash Profit Sharing Plan, we paid amounts totaling \$22.8 million in 2013, \$17.3 million in 2012 and \$22.0 million in 2011.

Equity-Based Compensation Awards

The Simpson Manufacturing Co., Inc. 2011 Incentive Plan affords our Named Executive Officers and other selected employees, directors and consultants the opportunity to own shares of our common stock, by which we intend:

- to enhance our ability to attract and retain qualified individuals as officers, employees, directors and consultants, and
- to provide such individuals with incentives to continue service with us, devote their best efforts to Simpson Manufacturing Co., Inc. and improve our economic performance, thus enhancing the value of Simpson Manufacturing Co., Inc. for the benefit of its stockholders.

While the purpose of our Executive Officer Cash Profit Sharing Plan is to motivate our officers to achieve short-term profit goals, we believe that compensation through equity-based awards motivates our key employees to pursue long-term stock price appreciation. We believe this because our program requires achieving an annual profitability goal to receive an equity-based compensation award and, for participants to realize substantial value, sustained effort as the restrictions on restricted stock unit awards lapse and as stock options vest and mature. In addition, rather than making a single large award, our program generally awards equity-based compensation in smaller annual increments, only for years when we meet our profitability goals.

We established the principal terms of the equity-based compensation awards when we adopted the 2011 Incentive Plan (and its predecessor plan, the 1994 Stock Option Plan), and we have generally applied them consistently since then. We believe that they generally are below the range of comparable compensation plans identified in the Venture Pay Group Industry Match peer group. Under our 1994 Stock Option Plan, we granted non-qualified stock options, until February 2011, that generally have 7-year terms. Each stock option has an exercise price equal to, or above, the market price at the time it was granted. Stock options granted to Named Executive Officers vest annually over the first 4 years at a rate of 25 percent per year. Under our 2011 Incentive Plan, we awarded restricted stock units, beginning in January 2012. Each restricted stock unit award is valued at the closing price on the New York Stock Exchange on the day before the Compensation and Leadership Development Committee approves the award. Restrictions on restricted stock unit awards, including those made to Named Executive Officers, generally lapse 25 percent on each of the date of the award and the first, second and third anniversaries of the date of the award, except those awarded since 2013 to Karen Colonias, Brian J. Magstadt and Philip Terry Kingsfather, which lapse 75 percent on the third anniversary of the award date and 25 percent on the fourth anniversary of the award date. The 2011 Incentive Plan is qualified under Internal Revenue Code section 162(m).

Stock option grants for every participating employee, including a Named Executive Officer, vest fully if the employee ceases to be employed by us after reaching age 60 or in the event of a change in control. Similarly, the restrictions on restricted stock unit awards for every participating employee, including a Named Executive Officer, lapse if the employee ceases to be employed by us after reaching age 60 or in the event of a change in control. In accordance with the terms of the 2011 Incentive Plan, for stock options to vest fully and the restrictions on restricted stock unit awards to lapse fully, a change in control must be accompanied by a substantial change in the terms of employment, including compensation and benefits. We believe that this allows employees, who have made substantial contributions during their careers, to retire without having to give up any of the value that they have earned on their stock options and restricted stock unit awards. We also believe that it is appropriate, on a change in control, to accelerate the vesting of outstanding stock options and the lapse of restrictions on restricted stock units, because we do not afford other significant termination benefits to our employees.

We believe that equity-based compensation aligns the interests of our Named Executive Officers with the interests of our stockholders, because the Named Executive Officers realize additional value on the same basis as our stockholders. We make an annual award of equity-based compensation to a Named Executive Officer only when we meet our profitability goal for Simpson Strong-Tie Company Inc. for the preceding year, or in certain cases, when the Named Executive Officer achieves a goal based on one of our strategic initiatives as discussed below. If we

achieve our operating profit goals for 2014, computed as

income from operations plus stock compensation charges, certain incentive compensation and commissions, salaried pension contributions and self-insured workers' compensation costs, we anticipate awarding restricted stock units to the following executive officers for the following numbers of shares of our common stock:

	Operating Profit Goal	Restricted Stock Unit Award
Karen Colonias	\$ 121,732,000	15,250 shares
Brian J. Magstadt	121,732,000	6,315 shares
Roger Dankel	121,732,000	2,575 shares
Ricardo M. Arevalo	121,732,000	2,575 shares
Jeffrey E. Mackenzie	121,732,000	1,720 shares

We use these parameters only for the purposes stated above. You should not draw any inference whatsoever from these parameters about our future financial performance. You should not take these parameters as projections or guidance of any kind.

We believe our formula for computing the operating profit goals includes items that are likely to affect profitability and that our officers can influence, such as staffing levels, direct and indirect manufacturing costs, and operating expenses, and promotes prudent allocation of resources.

In addition, for 2014, the Compensation and Leadership Development Committee approved additional restricted stock unit awards and goals for Karen Colonias, Brian J. Magstadt, Roger Dankel and Ricardo M. Arevalo. These awards will be based on performance against estimated sales of the products from our recent strategic acquisitions of S&P Clever Reinforcement Company AG, S&P Clever Reinforcement International AG, Fox Industries, Inc., Automatic Stamping, LLC and Automatic Stamping Auxiliary Services, LLC (collectively, the Recently Acquired Businesses). The number of restricted stock units may be increased or decreased based on the percentage above or below estimated sales, but at least 75 percent of the sales goal must be reached for an award to be earned. The number of potential restricted stock units earned and the goals for these individuals are (subject to adjustment as further described below) as follows:

Recently Acquired Businesses		Potential Restricted Stock Unit Award			
		Karen Colonias	Brian J. Magstadt	Roger Dankel	Ricardo M. Arevalo
75% of sales goal	\$32,751,000	7,625 shares	3,157 shares	1,288 shares	1,288 shares
100% of sales goal	\$43,668,000	15,250 shares	6,315 shares	2,575 shares	2,575 shares
150% of sales goal	\$65,502,000	30,500 shares	12,630 shares	5,150 shares	5,150 shares

We use these parameters only for the purposes stated above. You should not draw any inference whatsoever from these parameters about our future financial performance. You should not take these parameters as projections or guidance of any kind.

The total number of restricted stock units that may be earned by achieving both the operating profit goal and the sales goal of the Recently Acquired Businesses may be modified up or down by 10 percent based on a peer group comparison of total stockholder return, including stock price appreciation and dividends paid. The peer group consists of the following companies:

Illinois Tool Works	Fastenal Company
Gibraltar Industries	Eagle Materials Inc.
Masco Corporation	Trex Co. Inc.
USG Corporation	Stanley Black & Decker, Inc.

If our total stockholder return is below the peer group average, we will award 90 percent of the restricted stock units; if it is at the peer group average, we will award 100 percent of the restricted stock units; and if it is above the peer group average, we will award 110 percent of the restricted stock units. Therefore, the maximum potential restricted stock unit awards will be 50,325 shares for Karen Colonias, 20,840 shares for Brian J. Magstadt, 8,500 shares for Roger Dankel and 8,500 shares for Ricardo M. Arevalo. Restrictions on all of the restricted stock unit awards earned by Karen Colonias, Brian J. Magstadt, Roger Dankel and Ricardo M. Arevalo will lapse 75 percent on the third anniversary of the date of the award and 25 percent on the fourth anniversary of the date of the award (subject to provisions discussed above relating to retirement after age 60 or a change in control).

In 2011, our Board of Directors adopted our 2011 Incentive Plan and our stockholders approved it at their 2011 annual meeting. We may not sell more than 16.32 million shares of common stock (including shares already sold) pursuant to all awards granted under our 2011 Incentive Plan or its predecessor plans, the 1994 Stock Option Plan and the 1995 Independent Director Stock Option Plan. Common stock sold on conversion of restricted stock units or on the exercise of stock options granted under the 2011 Incentive Plan, or its predecessor plans, may be previously unissued shares or reacquired shares, bought on the market or otherwise.

The Compensation and Leadership Development Committee targets equity-based compensation awards to all employees, including our Named Executive Officers, to total less than 1.0 percent of the outstanding shares of our outstanding common stock each year. This range is a general guideline that the Compensation and Leadership Development Committee believes should avoid undue dilution of our stockholders' investment. In 2014, we awarded 332,975 restricted stock units, excluding 9,975 restricted stock units awarded to our independent directors, out of a possible 419,205 restricted stock units that the Compensation and Leadership Development Committee had approved for operating profit performance and strategic goals during 2013. This represents about 0.7 percent of our outstanding shares of common stock. Our Chief Executive Officer and the other Named Executive Officers all met their operating profit goals for 2013, and we granted to them 40,613 restricted stock units in 2014. Karen Colonias, Phillip Terry Kingsfather and Brian J. Magstadt achieved 75 percent of the sales goal for the Recently Acquired Businesses and were awarded 6,100, 3,050 and 2,526 restricted stock units, respectively. The total stockholder return was below the peer group average, so the restricted stock units awards for Karen Colonias, Phillip Terry Kingsfather and Brian J. Magstadt were reduced by 2,440, 1,220 and 1,010 restricted stock units, respectively. The Compensation and Leadership Development Committee has approved a number of shares for possible restricted stock unit awards for 2014 equal to approximately 0.91 percent of the outstanding shares of our common stock. If we meet all of our operating profit and strategic goals and total stockholder return is above the peer group average for 2014, we anticipate awarding, in early 2015, 445,233 restricted stock units under our 2011 Incentive Plan, including 89,885 to be awarded to Named Executive Officers.

The Compensation and Leadership Development Committee determines the number of restricted stock units that we may award to each of our officers based on several factors, including position, length of service and potential contribution. The Compensation and Leadership Development Committee uses these and other factors that it considers relevant in particular cases, with the objective of making each employee's award commensurate with the employee's contribution. These judgments are largely subjective, and the factors are not weighted in any particular way. The Compensation and Leadership Development Committee begins by setting the basic level of participation for all participants, including the Named Executive

Officers, and the goal for that level of participation is the Company-wide operating profit goal. Some participants have the opportunity to earn additional awards. The number of shares for these additional awards varies among participants, but the Compensation and Leadership Development Committee's goal for each participant is an equitable award that will align the participant's incentive with the value to the Company of his or her performance. The Compensation and Leadership Development Committee also considers prior equity-based compensation awards and shares of our common stock already owned. For example, when an employee becomes an officer, the Compensation and Leadership Development Committee may approve an equity-based compensation award to the officer that the Compensation and Leadership Development Committee believes will afford the officer enough of an investment in our common stock to align the officer's interests with the interests of our stockholders. After the officer achieves that level of investment, the Compensation and Leadership Development Committee generally reduces the equity-based awards to the officer. See *Wealth Accumulation* below. The Compensation and Leadership Development Committee intends equity-based awards to reward performance with compensation that is closely aligned with the future performance of our common stock. The Compensation and Leadership Development Committee believes that our long-term incentives are lower than our competitors, based on the 2010 report from Venture Pay Group, as updated by Towers Watson in 2011.

Timing of Stock Option Grants and Restricted Stock Unit Awards

The Compensation and Leadership Development Committee approves the number of shares to be awarded under our 2011 Incentive Plan and the general terms of the awards on achieving the profitability and strategic goals set at the beginning of the year. The only variable that remains after the end of the year is the determination whether we have achieved our goals. The Compensation and Leadership Development Committee cannot make this determination until the financial statements are prepared and the financial statement audit by our independent registered public accounting firm is substantially complete. The Compensation and Leadership Development Committee ordinarily meets to finalize the equity incentive awards within a few days of announcing our financial results for the year. The Compensation and Leadership Development Committee values such awards according to the closing price of our common stock reported by the New York Stock Exchange at the close of trading on the day before the meeting, which may or may not be the day of the announcement. In 2014, the Compensation and Leadership Development Committee awarded a total of 342,950 restricted stock units, including 9,975 restricted stock units awarded to our independent directors, and established the value of these awards according to the closing price on January 31, 2014, which was 4 business days before the announcement of our fourth quarter 2013 earnings on February 6, 2014. We have followed this practice for all equity-based compensation awards under our 2011 Incentive Plan (or its predecessor plan, the 1994 Stock Option Plan), not just for awards made to our officers. We generally award equity-based compensation only once each year and do not ordinarily make awards at other times, such as when employees are newly hired or promoted, although the Compensation and Leadership Development Committee has the discretion to do so.

Wealth Accumulation

Our compensation programs for our Named Executive Officers, as well as other high-performing employees, are predominately based on quarterly and annual operating results. We believe that we should award above-average compensation for above-average performance and that we should closely tie the reward to that performance. As a result, we believe our compensation structure allows high-performing employees the opportunity to accumulate wealth for themselves, while creating value for our stockholders. A feature of our 2011 Incentive Plan, however, allows us to limit excess equity-based compensation awards to certain individuals. When an employee is promoted into a key role, such as an officer of Simpson Manufacturing Co., Inc. or a senior officer of Simpson Strong-Tie Company Inc. or one of its subsidiaries, we may give the employee an opportunity to earn an equity-based compensation award for a substantial number of shares if the employee meets his or her operating goals. The Compensation and Leadership Development Committee sets limits for these employees that, when reached, are removed from their annual award targets. The Compensation and Leadership Development Committee believes that this approach balances appropriate incentive for selected key employees to continue to perform at a high level, against avoiding excessive accumulation of equity-based compensation awards by reducing the number of shares

available for awards after the employee reaches an amount that the Compensation and Leadership Development Committee judges to be appropriate.

Employee Stock Bonus Plan

Under our 1994 Employee Stock Bonus Plan, we award shares of our common stock, based on years of service, to employees who do not participate in our 2011 Incentive Plan. The Compensation and Leadership Development Committee reviews and approves the number of shares we award, as well as the period of service. The Compensation and Leadership Development Committee has tried to balance the amount of the stock bonus awards over the years as the stock price has fluctuated, by increasing or reducing the number of shares that we award in a given year. We also award cash bonuses to these employees to compensate for their income taxes payable as a result of these bonuses. We have generally issued the shares to an employee in the year following the year in which the employee reached a tenth anniversary. The Compensation and Leadership Development Committee must approve the awards each year and may terminate the plan at any time. None of our Named Executive Officers participates in our 1994 Employee Stock Bonus Plan.

2013 Results of Advisory Vote to Approve Named Executive Officer Compensation

At the annual meeting in April 2013, a substantial majority of our stockholders, nearly 95 percent of the votes cast, approved the compensation of our named executive officers. After consideration of this high level of support, the Compensation and Leadership Development Committee decided that we did not need to make substantial changes to our compensation programs. Nevertheless, the Compensation and Leadership Development Committee continually monitors and evaluates our compensation policies and considers changes that could more closely align the interests of our employees and stockholders.

Our Board of Directors has determined that an annual advisory vote on the compensation of our Named Executive Officers allows our stockholders to provide timely, direct input on our compensation philosophy, policies and practices as disclosed in our proxy statement each year. Our Board of Directors continues to believe that an annual vote is therefore consistent with our efforts to engage in an ongoing dialogue with our stockholders on the compensation of our Named Executive Officers and other corporate governance matters.

Material Risk Considerations of Compensation Policies

We face various types of risk daily, including market risk, credit risk and currency risk, as well as general business risk. Our compensation programs look at longer time frames from one quarter to one year and beyond one year. Therefore, we do not feel that they expose us to undue risk-taking. To compete in and expand our markets, however, some risk is unavoidable and in some cases desirable and appropriate.

While our compensation programs reward our employees for time spent at work and for the achievement of specific performance objectives, we also consider how and to what extent these programs encourage risk-taking. We believe that our cash profit sharing and equity-based incentive plans promote a measured approach to areas of risk that we face as an organization. While the objectives of the plans are to achieve and increase our profitability, we believe they also encourage sound financial management and the safeguarding of our assets. In addition, we believe our compensation programs promote a sense of unity and cooperation among all of our employees, not just our executive officers, affording less opportunity and incentive for an individual employee to take undue risk in an attempt to increase his or her own compensation at the expense of

the long-term health of Simpson Manufacturing Co., Inc.

Through our cash profit sharing incentive plans, employees are encouraged to maximize quarterly profits by increasing revenues and reducing costs. Compensation under these plans is paid on a quarterly basis, regardless of our performance in a later quarter. While the quarterly time horizon could potentially create opportunities for employees to maximize income in one quarter at the expense of a future quarter, we feel that this risk is balanced in the longer-term aspects of the cash profit sharing plan, as it is an ongoing

program and income shifted from one quarter to another would not likely increase total bonus payments over time. It is also mitigated in the use of the qualifying level component of the program, which rewards prudent stewardship of assets and sound allocation of resources. This effect is further balanced by our equity-based incentive plan, which requires profitability goals to be met for a full year before we award equity-based compensation, and then the stock options or restricted stock units generally vest over a period of years thereafter. The value of an equity-based compensation award also is affected by appreciation of the market price of our common stock over time. Any attempt to maximize short-term profits at the expense of long-term financial health would work against our employees' incentive to maximize their compensation.

Summary Compensation Table

The table below provides information on compensation for the year ended December 31, 2013, for our Named Executive Officers our Principal Executive Officer, our Principal Financial Officer and our 3 other most highly compensated executive officers. Thomas J Fitzmyers was our Principal Executive Officer and Karen Colonias was our Principal Financial Officer until January 1, 2012. The amounts shown include all compensation for services to us and our subsidiaries in all capacities.

Name and Principal Position	Year	Salary(\$)	Restricted Stock Unit Awards (\$){1}	Option Awards (\$){2}	Non- Equity Incentive Plan Compensation (\$){3}	All Other Compensation (\$){4}	Total(\$)
Karen Colonias, Our President and Chief Executive Officer	2013	350,000{5}	745,723		1,437,562	26,264	2,559,549
	2012	350,000{5}	209,183		1,199,491{5}	26,272	1,784,946
	2011	283,089		516,500	642,193	32,148	1,473,930
Brian J. Magstadt, Our Chief Financial Officer and Secretary	2013	231,751	186,551		394,299	23,384{6}	835,985
	2012	225,000	114,311		286,474	15,630{6}	641,415
Thomas J Fitzmyers, Our Chairman	2013	178,973{7}	123,525		394,924{7}	21,670{7}	719,092
	2012	222,814{7}	171,135		672,988{7}	43,044{7}	1,109,981
	2011	346,118		185,940	1,563,311	62,831{7}	2,158,200
Phillip T. Kingsfather, President and Chief Executive Officer of Simpson Strong-Tie Company Inc.	2013	305,910	372,845		1,150,849	25,814{8}	1,855,418
	2012	305,910	531,846		957,676{8}	101,275{8}	1,896,707
	2011	297,000		1,094,980	682,703	163,469{8}	2,238,152
Jeffrey E. Mackenzie, Our Vice President	2013	176,534	365,622		261,540	18,680{9}	822,376
	2012	169,744	380,151		220,588	18,023{9}	788,506
	2011	164,800		413,200	297,431	21,543{9}	896,974

{1} We determined the value of restricted stock unit awards by multiplying the number of restricted stock units by the fair value per share as of the award date. The restricted stock was valued using the market price of the shares on the award date in accordance with Accounting Standards Codification Topic 718 Compensation Stock Compensation. The restricted stock units awarded in 2013 were awarded on February 6, 2013, and were valued at \$31.96, the closing stock price on February 5, 2013. The restricted stock units awarded in 2012 were awarded on January 30, 2012, and were valued at \$33.23, the closing stock price on January 27, 2012.

Vesting of all unvested restricted stock units is accelerated in the event of a change in control. See Grants of Plan-Based Awards below.

{2} We determined the value of each stock option award by multiplying the number of shares subject to the stock option by the fair value per share as of the grant date. We applied the Black-Scholes stock option pricing model to determine fair value in accordance Accounting Standards Codification Topic 718 Compensation Stock Compensation, using the following assumptions:

Grant Date	Risk Free Interest Rate	Dividend Yield	Expected Life	Volatility	Exercise Price	Weighted Average Fair Value
02/03/11	2.62%	1.75%	6.2 years	39.0%	\$ 29.66	\$ 10.33

Unvested stock options may vest in the event of a change in control. See Grants of Plan-Based Awards below.

{3} Awards earned under our Executive Officer Cash Profit Sharing Plan are earned in 1 quarter and paid in the following quarter. The amount in this column represents all cash paid during the specified years under our Executive Officer Cash Profit Sharing Plan. No amounts are deferred or payable by their terms at a later date. See Executive Compensation Compensation Discussion and Analysis *Executive Officer Cash Profit Sharing Plan* above.

{4} For 2013 and 2012, each amount includes a contribution to the officer's profit sharing trust account of an amount equal to 7 percent of the officer's salary earned in the preceding year, up to the annual qualified contribution limits of \$17,500 and \$17,150 for 2013 and 2012, respectively, per account, plus a share of funds forfeited by other employees who terminated from the profit sharing trust with an unvested balance. Each amount also includes a contribution equal to 3 percent of the officer's salary made quarterly in each year after the close of the quarter in which it is earned. This contribution is made to comply with the safe-harbor rules that govern the plan. The contribution earned in the last quarter of 2012 and 2011 and the first 3 quarters in 2013 and 2012 is included in the amounts shown for 2013 and 2012, respectively. For 2011, the amount includes a contribution of an amount equal to 10 percent of the officer's salary earned in 2010 to the officer's profit sharing trust account, up to the annual qualified contribution limit of \$24,500 per account, plus a share of funds forfeited by other employees who terminated from the profit sharing trust with an unvested balance. Another 3 percent contribution, made quarterly in 2011 after the close of the quarter in which it is earned, was made to comply with the safe-harbor rules that govern the plan. The contribution earned in the first 3 quarters of 2011 is included in the amount shown for 2011.

{5} Ms. Colonias' salary for 2012 increased 24% as compared to her salary for 2011 due to her promotion from Chief Financial Officer to Chief Executive Officer, effective January 1, 2012. Ms. Colonias' 2012 salary was 1% higher than the 2011 salary of her predecessor as Chief Executive Officer. In addition, Ms. Colonias' 2012 participation in our Executive Officer Cash Profit Sharing Plan was increased with her transition to her role as Chief Executive Officer, comparable to the level of her predecessor's participation in 2011. Ms. Colonias' did not receive an increase in her salary for 2013.

{6} All Other Compensation (\$) includes:

	2013	2012
Profit sharing trust contribution and forfeitures	\$ 23,384	\$ 15,130
Charitable gift matching contributions		500

{7} Mr. Fitzmyers' salary for 2012 decreased 36% as compared to his salary for 2011, as a result of the transition out of his role as Chief Executive Officer, effective January 1, 2012. His salary decreased further, by 20%, in 2013 as compared to 2012, due to his reduced responsibilities. Mr. Fitzmyers' participation in our Executive Officer Cash Profit Sharing Plan in 2013 and 2012 was also decreased with his transition out of his role as Chief Executive Officer.

All Other Compensation (\$) includes:

	2013		2012		2011
Profit sharing trust contribution and forfeitures	\$ 21,670	\$	23,139	\$	33,129
Hire of aircraft			17,986		19,031
Reimbursement of personal income taxes related to hire of aircraft			1,919		10,671

The amount related to Mr. Fitzmyers' use of an aircraft included travel between his home and our offices and travel on business. The total cost to us for chartering aircraft, including Mr. Fitzmyers' compensation, approximated \$462,000 in 2012 and \$508,000 in 2011. In computing the compensation cost of airplane use, we applied the Standard Industrial Fare Level tables prescribed by applicable Internal Revenue Service regulations. The members of our Board of Directors who are not employees or officers unanimously approved this arrangement.

{8} Mr. Kingsfather's participation in our Executive Officer Cash Profit Sharing Plan in 2012 was increased consistent with his increased responsibilities associated with the transition in leadership from Mr. Fitzmyers to Ms. Colonias as discussed above.

All Other Compensation (\$) includes:

	2013		2012		2011
Profit sharing trust contribution and forfeitures	\$ 25,814	\$	25,342	\$	32,461
Housing allowance			75,833		130,000
Personal electronics purchase					854
Reimbursement of personal income taxes related to personal electronics purchase					154
Charitable gift matching contributions			100		

The amount related to Mr. Kingsfather's housing allowance included incremental financing and transaction costs. The arrangement terminated in July 2012.

{9} All Other Compensation (\$) includes:

	2013		2012		2011
Profit sharing trust contribution and forfeitures	\$	17,680	\$	17,023	\$ 20,543
Charitable gift matching contributions		1,000		1,000	1,000

Compensation and Leadership Development Committee Interlocks and Insider Participation

The Compensation and Leadership Development Committee of our Board of Directors currently comprises Jennifer A. Chatman, Chair, Peter N. Louras, Jr. and Barry Lawson Williams, all of whom are independent directors. Ms. Chatman, Mr. Louras and Mr. Williams have no relationships with us or any of our subsidiaries, other than as members of our Board of Directors and its committees.

Transactions with Related Persons, Promoters and Certain Control Persons

In 2003, Thomas J Fitzmyers, then our Chief Executive Officer and a member of our Board of Directors, leased an airplane that a third-party charter company managed. He sold this airplane in 2009. We paid the charter company standard hourly rates when Mr. Fitzmyers used this airplane to travel between his home and our offices or to travel on business. Mr. Fitzmyers was responsible for maintaining the airplane, and he received a portion of the payments that were made to the charter company for its use, whether by us or others. Since the sale of this airplane, we continued to pay a charter service for Mr. Fitzmyers' travel between his home and our offices and to travel on business under a similar arrangement. This arrangement ended at the end of 2012. In 2012, we paid approximately \$462,000 for Mr. Fitzmyers use of this and other airplanes, including \$19,905 that we paid to Mr. Fitzmyers as compensation (see Summary Compensation Table above). The members of our Board of Directors who are not employees or officers unanimously approved this arrangement. Beginning in 2013, we no longer pay for the hire of an airplane for Mr. Fitzmyers, but reimburse him for the cost of his travel based on commercial flight rates to and from our offices or when he travels on Company business.

Grants of Plan-Based Awards

The following table summarizes the awards to our Named Executive Officers during 2013 under our Executive Officer Cash Profit Sharing Plan and our 2011 Incentive Plan. The Compensation and Leadership Development Committee approved the cash awards because of our financial performance based on our 2013 quarterly operating profit goals and qualifying levels and approved the restricted stock unit awards because we achieved our 2012 annual operating goals that the Compensation and Leadership Development Committee had approved at the beginning of 2012.

Name	Grant Date{1}	Threshold (\$){2}	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards (\$/Share)
			Target (\$){3}	Maximum (\$){4}		
Karen Colonias	02/06/13	59,880,000	895,000	2,500,000	23,333	31.96
Brian J. Magstadt	02/06/13	59,880,000	245,000	2,500,000	5,837	31.96
Thomas J Fitzmyers	02/06/13	59,880,000	246,000	2,500,000	3,865	31.96
Phillip Terry Kingsfather	02/06/13	59,880,000	722,000	2,500,000	11,666	31.96
Jeffrey E. Mackenzie	02/06/13	59,880,000	163,000	2,500,000	11,440	31.96

{1} The Grant Date is applicable to stock-based awards only. Targeted cash awards to be paid under our Executive Officer Cash Profit Sharing Plan are approved with the annual operating budgets at the beginning of the year. Actual awards are approved on a quarterly basis after the end of each quarter.

{2} The threshold is the annual estimated Qualifying Level based on a specified return on qualifying assets, computed quarterly (see Compensation Discussion and Analysis *Executive Officer Cash Profit Sharing Plan*).

{3} The annual targeted payout is based on the estimated quarterly Operating Profit Goals in excess of the estimated quarterly Qualifying Level (see Compensation Discussion and Analysis *Executive Officer Cash Profit Sharing Plan*).

{4} Represents the maximum amount that can be paid under our Executive Officer Cash Profit Sharing Plan for awards to be fully deductible under Internal Revenue Code section 162(m).

We use these parameters only to provide incentive to our officers and employees who participate in our Executive Officer Cash Profit Sharing Plan and our 2011 Incentive Plan. You should not draw any inference whatsoever from these parameters about our future financial performance. You should not take these parameters as projections or guidance of any kind.

The restrictions on the restricted stock units lapse (vest) as follows:

Name	Vesting Term	Vesting Increments
Karen Colonias	4 years	{1}
Brian J. Magstadt	4 years	{1}
Thomas J Fitzmyers	3 years	{2}
Phillip Terry Kingsfather	4 years	{1}
Jeffrey E. Mackenzie	3 years	{2}

{1} Restricted stock units vest three fourths on the third anniversary of the award date and one fourth on the fourth anniversary of the award date. As discussed below, vesting of restricted stock units may accelerate on a change in control or on the participant ceasing to be employed by us after reaching age 60.

{2} Restricted stock units vest one fourth on each of the award date and the first, second and third anniversaries of the award date. As discussed below, vesting of restricted stock units will accelerate on a change in control or on the participant ceasing to be employed by us after reaching age 60.

We generally award restricted stock units or grant stock options under our 2011 Incentive Plan once each year, in January or February, on the day that the Compensation and Leadership Development Committee meets to approve the awards and grants that employees earned by meeting our goals for the preceding fiscal year. In 2013, we awarded 349,396 restricted stock units, excluding 9,975 restricted stock units awarded to our independent directors, under our 2011 Incentive Plan.

Generally, restrictions on restricted stock units that the Compensation and Leadership Development Committee has awarded under our 2011 Incentive Plan lapse (vest) in increments over 3 years and stock options that were granted under our 1994 Stock Option Plan (now part of our 2011 Incentive Plan) vest (become exercisable) in increments over 4 years. Our Board of Directors has, however, resolved to accelerate the vesting of restricted stock units and stock options in two situations. First, when an employee ceases employment with us after reaching age 60, all of the employee's unvested restricted stock units and stock options vest fully. Second, all outstanding restricted stock units vest and all stock options will fully vest, and must be exercised, on a change in control of Simpson Manufacturing Co., Inc. that involves a substantial change in the terms of employment. We define change in control as any of the following transactions, in which the holders of our common stock immediately before the transaction do not continue to have substantially the same proportionate ownership in an entity that owns all or substantially all of the assets of Simpson Manufacturing Co., Inc. immediately thereafter:

- a consolidation or merger of Simpson Manufacturing Co., Inc. in which it is not the surviving corporation;
- a reverse merger in which Simpson Manufacturing Co., Inc. is the surviving corporation but the shares of our common stock outstanding immediately before the reverse merger are converted by virtue of the reverse merger into other property; or

- the approval by our stockholders of a plan or proposal for the dissolution and liquidation of Simpson Manufacturing Co., Inc.

These acceleration provisions apply to all participants in our 2011 Incentive Plan (including our 1994 Stock Option Plan, now part of our 2011 Incentive Plan), including our Named Executive Officers.

In 2014, we awarded restricted stock units under our 2011 Incentive Plan for 342,950 shares, including those awarded to our independent directors, of our common stock pursuant to commitments related to the preceding fiscal year. These restricted stock units are valued according to the closing market price per share of our common stock as reported by the New York Stock Exchange for the day preceding the date of the Compensation and Leadership Development Committee meeting awarding these restricted stock units. Restrictions on these restricted stock units generally lapse one fourth on each of the date of the award and the first, second and third anniversaries of the date of the award except for those awarded to Karen Colonias, Phillip Terry Kingsfather and Brian J. Magstadt, which will lapse three fourths on the third anniversary of the date of the award and one fourth on the fourth anniversary of the date of the award. Restrictions on the restricted stock units also lapse when an employee ceases employment with us after reaching age 60 or on a change in control of Simpson Manufacturing Co., Inc.

Outstanding Equity Awards at Fiscal Year End

As of December 31, 2013, our Named Executive Officers held the following stock options that had been granted under our 1994 Stock Option Plan (now part of our 2011 Incentive Plan) and restricted stock units that had been awarded under our 2011 Incentive Plan:

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable {1}	Option Exercise Price(\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$){1}
Karen Colonias		25,000{2}	29.66	02/02/18	3,149{4}	115,663
					23,333{5}	857,021
Brian J. Magstadt	8,500	3,500{3}	29.66	02/02/18	1,720{4}	63,176
					5,837{5}	214,393
Thomas J Fitzmyers	9,000	9,000{2}	29.66	02/02/18	2,575{4}	94,580
					2,899{4}	106,480
Phillip Terry Kingsfather		53,000{2}	29.66	02/02/18	8,003{4}	293,950
					11,666{5}	428,492
Jeffrey E. Mackenzie		20,000{2}	29.66	02/02/18	5,720{4}	210,096
					8,580{4}	315,143

{1} As discussed above see Grants of Plan-Based Awards vesting of stock options and restricted stock units will accelerate on a change in control or on the employee ceasing employment with us after reaching age 60.

{2} Unless vesting accelerates as discussed above, options vest at the rate of 25 percent per year on the anniversary of the date of grant.

{3} Unless vesting accelerates as discussed above, options vest at the rate of 1/48th per month each month beginning with the first month after the month of grant.

{4} Restricted stock units vest 25 percent on the award date and 25 percent on each of the first, second and third anniversary of the award date.

{5} Restricted stock units vest 75 percent on the third anniversary of the award date and 25 percent on the fourth anniversary of the award date.

Stock Option Exercises and Stock Vested

The following table provides information for the year ended December 31, 2013, on the exercise of stock options granted to our Named Executive Officers under our 1994 Stock Option Plan (now part of our 2011 Incentive Plan) and on the vesting of restricted stock unit awards:

Name	Stock Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Karen Colonias	27,000	156,902	1,574	52,052
Brian J. Magstadt			860	28,440
Thomas J Fitzmyers			2,254	73,467
Phillip Terry Kingsfather	28,500	87,179	4,001	132,313
Jeffrey E. Mackenzie	20,000	123,550	5,720	185,986

Potential Payments on Termination or Change in Control

We do not currently have or plan to adopt any deferred compensation programs or, except for a small number of employees in our recently acquired Swiss subsidiary, any defined benefit pension plans and generally do not pay benefits after termination of employment. We may, however, compensate a former employee after terminating employment with us, by way of the acceleration of vesting of stock options and restricted stock units on voluntary termination after reaching the age of 60 or on a change in control. These circumstances, in addition to those applicable to salaried employees generally, and the potential payments for our Named Executive Officers are as follows as of December 31, 2013:

Benefits and Payments on Termination	Voluntary Termination{1}	Change in Control{1}
Accelerated vesting of stock options and restricted stock units:		
Karen Colonias	\$	\$ 1,149,434
Brian J. Magstadt		302,314
Thomas J Fitzmyers	264,690	264,690
Phillip Terry Kingsfather	1,097,152	1,097,152
Jeffrey E. Mackenzie		666,639

{1} As discussed above under Grants of Plan-Based Awards, vesting of stock options and the lapsing of restrictions on restricted stock units will accelerate on the employee ceasing employment with us after reaching age 60 or on a change in control.

Assumes a market value of \$36.73 per share of our common stock, the closing stock price on December 31, 2013, at voluntary termination or change in control. No material conditions or obligations apply to the receipt of payment on voluntary termination.

Director Compensation

The following table provides information on compensation for the year ended December 31, 2013, that we paid to our directors who are not also our employees or officers. The amounts shown include all compensation for services to us.

Name	Fees Earned or Paid in Cash(\$)	Stock Awards (\$){1}	All Other Compensation (\$){2}	Total (\$)
James S. Andrasick	88,000	45,543		133,543
Jennifer A. Chatman	93,000	45,543		138,543
Earl F. Cheit	100,000	45,543	1,000	146,543
Gary M. Cusumano	90,000	45,543		135,543
Peter N. Louras, Jr.	101,000	45,543	1,000	147,543
Robin G. MacGillivray	94,000	45,543	1,000	140,543
Barry Lawson Williams	94,000	45,543		139,543

{1} We determined the value of restricted stock unit awards by multiplying the number of restricted stock units by the fair value per share as of the award date. The restricted stock was valued using the market price of the shares on the award date in accordance Accounting Standards Codification Topic 718 Compensation Stock Compensation. The restricted stock units were awarded on February 6, 2013, and were valued at \$31.96, the closing stock price on February 5, 2013. Vesting of all unvested restricted stock units is accelerated on a change in control; see Grants of Plan-Based Awards above.

The outstanding stock option and restricted stock awards as of December 31, 2013, for these directors were as follows:

Name	Stock Options	Restricted Stock Units
James S. Andrasick		1,425
Jennifer A. Chatman	5,000	2,850
Earl F. Cheit	5,000	2,850
Gary M. Cusumano	5,000	2,850
Peter N. Louras, Jr.	5,000	2,850
Robin G. MacGillivray	5,000	2,850
Barry Lawson Williams	5,000	2,850

{2} Represents matching contributions made by us for charitable gifts made by the director.

We pay each of our directors whom we do not compensate as an officer or employee

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- an annual retainer of \$42,250 for 2014 to be increased to \$45,000 for 2015,
- a fee of \$2,000 for attending in person each meeting of our Board of Directors or attending by telephone a meeting that is scheduled to be held by telephone conference,
- a fee of \$2,000 for attending in person each committee meeting held on a day when our Board of Directors does not meet, whether or not he or she is a member of the committee,
- a fee of \$1,000 for each committee meeting he or she attends in person on the same day as a meeting of our Board of Directors or another committee, whether or not he or she is a member of the committee, and
- a fee of half the normal fee for each Board of Directors or committee meeting he or she attends by telephone, unless it is scheduled to be held by telephone conference.

We pay the Lead Independent Director an additional annual fee of \$10,000. We pay the Chair of the Audit Committee an additional annual fee of \$8,000. We pay the Chair of each of the Compensation and Leadership Development Committee, the Acquisition and Strategy Committee and the Governance and Nominating Committee an additional annual fee of \$4,000. The annual retainer and the additional annual fees for the Lead Independent Director and the Committee Chairs are not prorated in the year that a director is appointed to the Board of Directors. We reimburse outside directors for expenses that they incur in attending Board of Directors and committee meetings and educational programs. We pay each outside director \$3,000 per day and reimburse his or her expenses when he or she visits our facilities to observe operations.

Equity-Based Compensation Awards for Independent Directors

Each of our non-management directors, whether newly appointed or continuing his or her service, is eligible to receive 1,425 restricted stock units under our 2011 Incentive Plan for each year that we meet our annual operating profit goal. A newly appointed non-management director is eligible to receive the entire restricted stock unit award as long as he or she served on the Board of Directors during the year and the operating profit goal for that year was achieved. The operating profit goal for awards for our non-management directors is the same as the operating profit goal for awards to our Named Executive Officers. In 2014, because Simpson Strong-Tie Company Inc. achieved its 2013 operating profit goals, we awarded 1,425 restricted stock units under our 2011 Incentive Plan to each of our independent directors. If we meet the Simpson Strong-Tie Company Inc. operating profit goal for 2014, we anticipate awarding in 2015 to each of our independent directors 1,425 restricted stock units under our 2011 Incentive Plan.

No stock options granted to our directors under our 1995 Independent Director Stock Option Plan (now part of our 2011 Incentive Plan) were exercised during 2013.

Potential Payments on Resignation or Change in Control for Independent Directors

We do not currently have or plan to adopt any deferred compensation programs or defined benefit pension plans and generally do not pay benefits after resignation from the Board of Directors. We may, however, compensate a former director who resigns from the Board of Directors by accelerating the lapse of restrictions on the directors' restricted stock units if the director is over age 60 or a change in control occurs, as follows as of December 31, 2013:

Benefits and Payments on Termination	Resignation{1}	Change in Control{1}
Accelerated lapse of restrictions on restricted stock units:		
James S. Andrasick	\$ 39,264	\$ 39,264
Jennifer A. Chatman		65,543
Earl F. Cheit	65,543	65,543
Gary M. Cusumano	65,543	65,543
Peter N. Louras, Jr.	65,543	65,543
Robin G. MacGillivray		65,543
Barry Lawson Williams	65,543	65,543

{1} Assumes a market value of \$36.73 per share of our common stock, the closing stock price on December 31, 2013, on resignation or change in control. No material conditions or obligations apply to the receipt of payment on resignation.

Compensation Consultants

In 2011, the Compensation and Leadership Development Committee engaged Towers Watson as its compensation consultant. The Lead Consultant, who changed employers from Venture Pay Group to Towers Watson in 2011, remained the same. Towers Watson's services were requested and approved by the Compensation and Leadership Development Committee and not recommended or provided by our officers. Towers Watson was engaged for 2 primary purposes:

- to update a benchmarking analysis of total direct compensation for our Chief Executive Officer compared to the peer groups developed by Venture Pay Group in 2010, although this did not include a full year-over-year analysis of our other Named Executive Officers compensation; and
- to recommend potential changes to our long-term compensation program for our Chief Executive Officer, our Chief Financial Officer and Simpson Strong-Tie Company Inc.'s President and Chief Executive Officer, to align our programs with strategic objectives.

Towers Watson made recommendations to the Compensation and Leadership Development Committee to modify the terms of future equity-based compensation awards to keep the operating profit goals, to add strategic goals and to add a total stockholder return component. The Compensation and Leadership Development Committee incorporated these features into the potential equity-based compensation awards beginning in 2012. See *Equity-Based Compensation Awards* above. We paid Towers Watson total fees of \$45,300 for these services in 2011. In 2012, we paid an additional \$13,403 to finalize the billing on this engagement.

Compensation and Leadership Development Committee

The Compensation and Leadership Development Committee of our Board of Directors is responsible for the development and review of our compensation policy for all of our salaried employees, including equity-based compensation, and is responsible for reviewing and approving the compensation discussion and analysis for inclusion in our Annual Report on Form 10-K and our proxy statement. The Compensation and Leadership Development Committee comprises 3 independent directors, as defined by the New York Stock Exchange rules; see Proposal No. 1 Election of Directors Independence above. In addition, the members of the Compensation and Leadership Development Committee are both:

- non-employee directors directors who satisfy the requirements established by the Securities and Exchange Commission for non-employee directors under Rule 16b-3 under the Securities Exchange Act of 1934; and
- outside directors directors who satisfy the requirements established under Internal Revenue Code section 162(m).

Our Board of Directors appoints the members of the Compensation and Leadership Development Committee for indefinite terms and may remove any member at any time. The Compensation and Leadership Development Committee operates under a written charter that our Board of Directors adopted, which is also available on our website at <http://www.simpsonmfg.com/financials/compensation.html>. We will provide a printed copy of the charter to any stockholder on request.

Compensation and Leadership Development Committee Report

The Compensation and Leadership Development Committee of our Board of Directors reviewed the above Compensation Discussion and Analysis, discussed it with our officers and recommended its inclusion in our Annual Report on Form 10-K for the year ended December 31, 2013, and in this Proxy Statement.

Compensation and Leadership Development Committee

Jennifer A. Chatman, Chair
Peter N. Louras, Jr.
Barry Lawson Williams

Report of the Audit Committee of our Board of Directors

The Audit Committee of our Board of Directors is responsible for financial and accounting oversight and risk management. Its policies and practices are described below.

Composition

The Audit Committee comprises 5 independent directors, as defined by the New York Stock Exchange rules. It operates under a written charter that our Board of Directors adopted, which is available on our website at <http://www.simpsonmfg.com/financials/audit.html>. We will provide a printed copy of the charter to any stockholder on request. The members of the Audit Committee are Peter N. Louras, Jr., Chair, James S. Andrasick, Jennifer A. Chatman, Earl F. Cheit and Robin G. MacGillivray. Our Board of Directors has determined that each of them meets the definitions and standards for independence and is financially literate, and that 1 of the Audit Committee members, Peter N. Louras, Jr., has financial management expertise as required by New York Stock Exchange rules and meets the Securities and Exchange Commission definition of an audit committee financial expert.

Responsibilities

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the accounting firm that we engage as our independent registered public accounting firm. Our officers are responsible for our internal controls and financial reporting process. Subject to the Audit Committee's oversight, our independent registered public accounting firm is responsible for performing an independent audit of our internal controls over financial reporting, for performing an independent audit of our consolidated financial statements in accordance with generally accepted auditing standards, and for reporting on those audits.

Review with Officers and the Independent Registered Public Accounting Firm

The Audit Committee met 6 times in 2013 and has held discussions with our officers and the independent registered public accounting firm. Our officers represented to the Audit Committee that our consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States. The Audit Committee has reviewed and discussed the consolidated financial statements with our officers and PricewaterhouseCoopers LLP, our independent registered public accounting firm. The Audit Committee has discussed with PricewaterhouseCoopers LLP the matters that are required to be discussed under Auditing Standard No. 16, *Communications with Audit Committees*, issued by the Public Company Accounting Oversight Board.

The Audit Committee has received the written disclosures and the letter from PricewaterhouseCoopers LLP, a registered public accounting firm, required by applicable requirements of the Public Company Accounting Oversight Board affirming the registered public accounting firm's independence in compliance with Rule 3526. The Audit Committee discussed with PricewaterhouseCoopers LLP that firm's independence. On that basis, the Audit Committee believes that PricewaterhouseCoopers LLP is independent.

Summary

Based on the Audit Committee's discussions with our officers and PricewaterhouseCoopers LLP, the Audit Committee's review of the representations of our officers, and the report of PricewaterhouseCoopers LLP to the Audit Committee, the Audit Committee recommended that our Board of Directors include the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the Securities and Exchange Commission. The Audit Committee believes that it has satisfied its responsibilities under its charter.

Audit Committee

Peter N. Louras, Jr., Chair
James S. Andrasick
Jennifer A. Chatman
Earl F. Cheit
Robin G. MacGillivray

Audit and Related Fees

Audit Fees

For professional services for the audit of our annual consolidated financial statements included in our annual report on Form 10-K, the audit of our internal control over financial reporting, and review of the condensed consolidated financial statements included in our quarterly reports on Form 10-Q, we paid PricewaterhouseCoopers LLP an aggregate of approximately \$2,534,000 for 2013 and \$2,444,000 for 2012, approximately 70 percent and 76 percent, respectively, of the total fees that we paid to PricewaterhouseCoopers LLP for those years.

Audit-Related Fees

For professional services for audit-related services, primarily for the analysis of purchase price allocations related to recent acquisitions, we paid PricewaterhouseCoopers LLP an aggregate of approximately \$144,000 for 2013 and \$26,000 for 2012, approximately 4 percent and 1 percent, respectively, of the total fees that we paid to PricewaterhouseCoopers LLP for those years.

Tax Fees

For professional services for tax compliance associated with our annual tax returns, and for tax advisory and planning services, we paid PricewaterhouseCoopers LLP an aggregate of approximately \$914,000 for 2013 and \$725,000 for 2012, approximately 25 percent and 23 percent, respectively, of the total fees that we paid to PricewaterhouseCoopers LLP for those years.

All Other Fees

For all other services, we paid PricewaterhouseCoopers LLP an aggregate of approximately \$14,000 for 2013 and \$6,000 for 2012, less than 1 percent of the total fees that we paid to PricewaterhouseCoopers LLP for each of those years. In 2013, these other services comprised primarily advisory services related to a merger involving two of our subsidiaries in Germany and to the annual subscription to an online accounting research tool. In 2012, these other services were primarily for the preparation of a report to a subsidiary's Board of Directors on the merger of the acquired businesses in Switzerland and for consultation related to the importation of products into the European Community.

The Audit Committee must pre-approve fees to be paid to PricewaterhouseCoopers LLP before PricewaterhouseCoopers LLP begins work. The Audit Committee pre-approved all fees and services for PricewaterhouseCoopers LLP's work in 2013 and 2012. The Audit Committee has determined that the fees for services rendered were compatible with maintaining PricewaterhouseCoopers LLP's independence.

Governance and Nominating Committee of our Board of Directors

Our Board of Directors has a standing Governance and Nominating Committee, which is primarily responsible for nominating candidates to our Board of Directors. Its charter is available on our website at <http://www.simpsonmfg.com/financials/governance.html>. We will provide a printed copy of each to any stockholder on request. The 4 members of the Governance and Nominating Committee, Robin G. MacGillivray, Chair, Jennifer A. Chatman, Earl F. Cheit and Barry Lawson Williams, are independent and meet all applicable independence requirements.

The Governance and Nominating Committee considers all candidates identified as potential directors, including those submitted by stockholders for its consideration. Celeste Volz Ford was recommended to the Governance and Nominating Committee by a non-management director, as were other potential candidates. The Governance and Nominating Committee screened all potential candidates using our governance guidelines, as discussed below, and then engaged a third-party firm to qualify the selected candidates for further consideration. Any of our stockholders can recommend a director candidate to the Governance and Nominating Committee by writing a letter to:

Simpson Manufacturing Co., Inc.

Board of Directors Governance and Nominating Committee

5956 W. Las Positas Blvd.

Pleasanton, CA 94588

For the Governance and Nominating Committee to consider a candidate for the 2015 annual meeting, we must receive the letter not later than November 10, 2014. The letter should include a description of the attributes that the stockholder believes the candidate would bring to our Board of Directors and the candidate's biography and contact information.

When evaluating a director candidate, whether or not recommended by a stockholder, the Governance and Nominating Committee uses for guidance our Governance Guidelines (available on our website at <http://www.simpsonmfg.com/financials/governanceguidelines.html>) on Director Qualification and Key Director Responsibilities and considers the candidate's education, business experience, financial expertise, industry experience, business acumen, interpersonal skills, vision, teamwork, integrity, strategic ability and customer focus. The Governance and Nominating Committee will review and discuss potential candidates who come to its attention, whether from internal or external sources. From the review and discussion, the Governance and Nominating Committee may narrow the list of potential candidates and interview the remaining candidates. The Governance and Nominating Committee will recommend for consideration by the full Board of Directors any candidate that the Governance and Nominating Committee considers to be suitable.

Our Bylaws also permit our stockholders directly to nominate directors. To do so, a stockholder must notify our Secretary at least 75 days, but not more than 90 days, before an annual meeting, unless we do not publicly disclose the date of the meeting at least 85 days before the date that the meeting is scheduled to be held, in which case our Secretary must receive the stockholder's notice within 10 days after we publicly disclose the meeting date. A stockholder's notice nominating 1 or more director candidates must state as to each such candidate

- the candidate's name, age, business address and residence address,
- the candidate's principal occupation or employment,
- the number of shares of our common stock that the candidate beneficially owns and other information, if any, required by our Bylaws, and
- any other information relating to the candidate that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, pursuant to Regulation 14A under the Securities Exchange Act of 1934 (including without limitation the candidate's written consent to being named in the proxy statement as a nominee and to serving as a director if elected).

The stockholder's notice must also state the stockholder's name and address, as they appear on our books, and the number of shares of our common stock that the stockholder beneficially owns and other information, if any, required by our Bylaws. We will disregard a purported nomination that does not comply in all respects with our Bylaws. We did not receive such a notice from any stockholder for our 2014 annual meeting of stockholders.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and officers and persons who own more than 10 percent of our common stock to file initial reports of ownership and reports of changes in ownership of our common stock with the Securities and Exchange Commission. Securities and Exchange Commission regulations require such persons to furnish us with copies of all section 16(a) reports that they file. Based solely on our review of the copies of such reports that we received and written representations from the executive officers and directors, we believe that in 2013 our directors and officers and 10 percent stockholders met all of the section 16(a) filing requirements regarding our common stock, except that Barclay Simpson, a 10 percent stockholder and at that time a director, sold shares in May 2013 and was 2 days late filing his report on Form 4 and Philip Terry Kingsfather, President and Chief Executive Officer of Simpson Strong-Tie Company Inc., received a restricted stock unit award in February 2013 and was 1 day late filing his report on Form 4.

Code of Ethics

We have adopted a code of business conduct and ethics that applies to our Chief Executive Officer and our Chief Financial Officer, as well as all other of our and our subsidiaries' employees. This code is posted on our website at <http://www.simpsonmfg.com/about/ethics.html>. We will provide a printed copy of the code, free of charge, to any stockholder on request.

OTHER BUSINESS

Our Board of Directors does not presently intend to bring any other business before the meeting. Insofar as our Board of Directors is aware, no matters will be brought before the meeting except as specified in the notice of the meeting. The persons that you will appoint as your proxies in the enclosed form intend to vote according to their judgment on any other business that properly comes before the meeting.

**DISCLAIMER REGARDING INCORPORATION BY REFERENCE OF THE REPORTS OF
THE AUDIT AND COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEES**

THE INFORMATION SHOWN IN THE SECTIONS ENTITLED REPORT OF THE AUDIT COMMITTEE OF OUR BOARD OF DIRECTORS AND COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE REPORT SHALL NOT BE DEEMED TO BE INCORPORATED BY REFERENCE BY ANY GENERAL STATEMENT INCORPORATING BY REFERENCE THIS PROXY STATEMENT INTO ANY FILING BY SIMPSON MANUFACTURING CO., INC. WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT TO THE EXTENT THAT SIMPSON MANUFACTURING CO., INC. INCORPORATES THIS INFORMATION BY SPECIFIC REFERENCE, AND SUCH INFORMATION SHALL NOT OTHERWISE BE DEEMED FILED UNDER SUCH ACTS.

STOCKHOLDER PROPOSALS

We must receive stockholder proposals for inclusion in our proxy statement and form of proxy relating to our 2015 Annual Meeting of Stockholders a reasonable time before we begin our solicitation, and in any event not later than November 10, 2014.

BY ORDER OF THE BOARD

Brian J. Magstadt

Secretary

TO ASSURE THAT YOUR SHARES ARE REPRESENTED AT THE MEETING, WE URGE YOU TO COMPLETE, DATE AND SIGN THE ENCLOSED PROXY AND MAIL IT PROMPTLY IN THE POSTAGE-PAID ENVELOPE PROVIDED, OR VOTE BY TELEPHONE OR THE INTERNET AS INSTRUCTED ON THE PROXY OR THE NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. YOU CAN REVOKE YOUR PROXY AT ANY TIME BEFORE IT IS VOTED.

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