APOGEE ENTERPRISES, INC.
Form DEF 14A
May 12, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

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

Check the appropriate box:

¨ Preliminary Proxy Statement

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

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to § 240.14a-12

Apogee Enterprises, Inc.

(Name of Registrant as Specified In Its Charter)

Not Applicable

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 240.0-11 and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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May 12, 2014

Dear Shareholder:

You are cordially invited to attend the 2014 Annual Meeting of Shareholders of Apogee Enterprises, Inc. to be held at Apogee s headquarters, 4400 West 78th Street, Suite 520, Minneapolis, Minnesota, commencing at 9:30 a.m. Central Daylight Time on Wednesday, June 25, 2014. The Corporate Secretary s formal notice of the meeting and the proxy statement appear on the following pages and describe the matters to come before the meeting.

We hope that you will be able to attend the meeting, and we look forward to seeing you. Even if you plan to attend the meeting, we urge you to vote your shares by either Internet or mail as promptly as possible so your shares will be represented at the annual meeting. Instructions on voting your shares are on the Notice of Internet Availability of Proxy Materials you received for the annual meeting. If you received paper copies of our proxy materials, instructions on the two ways to vote your shares can be found on the enclosed proxy form. Internet voting facilities for shareholders of record will be available 24 hours a day and will close at 11:59 p.m. Eastern Daylight Time (10:59 p.m. Central Daylight Time) on June 24, 2014. If you attend the meeting in person and you are a shareholder of record, you may at that time revoke any proxy previously given and vote in person, if desired.

Sincerely,

Joseph F. Puishys Chief Executive Officer	Bernard P. Aldrich Chair of the Board of Directors

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APOGEE ENTERPRISES, INC.

4400 West 78th Street

Suite 520

Minneapolis, Minnesota 55435

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

to be held on June 25, 2014

NOTICE IS HEREBY GIVEN that the 2014 Annual Meeting of Shareholders of Apogee Enterprises, Inc. will be held at Apogee s headquarters, 4400 West 78th Street, Suite 520, Minneapolis, Minnesota, commencing at 9:30 a.m. Central Daylight Time on Wednesday, June 25, 2014 for the following purposes:

1. Election of two Class I directors for three-year terms ending in the year 2017 and one Class III director for a two-year term ending in the year 2016;

2. Advisory approval of Apogee s executive compensation;

3. To consider and act upon a proposal to approve the 2014 Restatement of the Apogee Enterprises, Inc. 2009 Non-Employee Director Stock Incentive Plan;

4. To consider and act upon a proposal to approve the 2014 Restatement of the Apogee Enterprises, Inc. Deferred Compensation Plan for Non-Employee Directors;

5. Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending February 28, 2015; and

6. Transaction of such other business as may properly be brought before the meeting.

The Board of Directors has fixed May 2, 2014 as the record date for the meeting. Only shareholders of record at the close of business on that date are entitled to receive notice of and to vote at the meeting.

Pursuant to rules adopted by the Securities and Exchange Commission, we have elected to provide access to our proxy materials over the Internet. Accordingly, we have sent our shareholders a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to access our 2014 proxy statement and our fiscal 2014 Annual Report to Shareholders online. Shareholders who have received the Notice will not be sent a printed copy of our proxy materials in the mail unless they request to receive a printed copy.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on June 25, 2014: Our 2014 Proxy Statement and our Fiscal 2014 Annual Report to Shareholders are available at www.proxyvote.com.

By Order of the Board of Directors,

Patricia A. Beithon
General Counsel and Corporate Secretary

Minneapolis, Minnesota

May 12, 2014

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PROXY STATEMENT

2014 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD JUNE 25, 2014

The Board of Directors of Apogee Enterprises, Inc. (Apogee or the Company) is soliciting proxies for use at our annual meeting of shareholders to be held on Wednesday, June 25, 2014, and at any adjournment of the meeting. We are first making the proxy statement and form proxy card and voting instructions available to our shareholders on or about May 13, 2014.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the meeting?

At our annual meeting, shareholders will act upon the matters outlined in the Notice of Annual Meeting of Shareholders. These include:

- election of directors;
- advisory approval of Apogee s executive compensation (the Say on Pay Proposal);
- approving the 2014 Restatement of the Apogee Enterprises, Inc. 2009 Non-Employee Director Stock Incentive Plan (the Director Stock Plan Proposal);
- approving the 2014 Restatement of the Apogee Enterprises, Inc. Non-Employee Director Deferred Compensation Plan (the Director Deferred Compensation Plan Proposal); and
- ratification of the appointment of our independent registered public accounting firm.

Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

In accordance with rules adopted by the Securities and Exchange Commission (the SEC), we may furnish proxy materials, including this proxy statement and our fiscal 2014 Annual Report to Shareholders, to our shareholders by providing access to such documents on the Internet instead of mailing printed copies. Most shareholders will not receive printed copies of the proxy materials unless they request them. Instead, the Notice of Internet Availability of Proxy Materials (the Notice), which was mailed to most of our shareholders, will instruct you as to how you may access and review all of the proxy materials

on the Internet. The Notice also instructs you as to how you may submit your proxy on the Internet. By accessing and reviewing the proxy materials on the Internet, you will save us the cost of printing and mailing these materials to you and reduce the impact of such printing and mailing on the environment. If you would like to receive a paper copy of our proxy materials, you should follow the instructions for requesting such materials provided in the Notice.

How do I get electronic access to the proxy materials?

The Notice will provide you with instructions regarding how to view the proxy materials for our annual meeting on the Internet.

Who is entitled to vote at the meeting?

Our Board of Directors has set May 2, 2014 as the record date for the annual meeting. If you were a shareholder of record at the close of business on May 2, 2014, you are entitled to notice of and to vote at the annual meeting.

As of the record date, 29,107,469 shares of common stock, par value $0.33-1/3, were issued and outstanding and, therefore, eligible to vote at the annual meeting.

What are my voting rights?

Holders of our common stock are entitled to one vote per share. Therefore, 29,107,469 votes are entitled to be cast at the meeting. There is no cumulative voting.

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How many shares must be present to hold the meeting?

In accordance with our Amended and Restated Bylaws, shares equal to at least a majority of the voting power of the outstanding shares of our common stock as of the record date must be present at the meeting in order to hold the meeting and conduct business. This is called a quorum. Your shares are counted as present at the meeting if:

- you are present and vote in person at the meeting;
- you have properly submitted a proxy via the Internet or by mail, even if you abstain from voting on one or more matters; or
- you hold your shares in street name (as discussed under What is the difference between a shareholder of record and a street name holder? on page 3) and you did not provide voting instructions to your broker and your broker uses its discretionary authority to vote your shares on the ratification of the appointment of our independent registered public accounting firm.

How do I vote my shares?

Your vote is important. Because many shareholders do not attend the meeting in person, it is necessary that a large number be represented by proxy. If you are a shareholder of record, you can give a proxy to be voted at the meeting in either of the following ways:

- electronically via the Internet by following the Vote by Internet instructions on the Notice or, if you received paper copies of our proxy materials, the enclosed proxy card; or
- by completing, signing and mailing the proxy card (if you received paper copies of our proxy materials).

The Internet voting procedure has been set up for your convenience. The procedure has been designed to authenticate your identity, allow you to give voting instructions, and confirm that those instructions have been recorded properly. If you are a shareholder of record and you would like to submit your proxy via the Internet, please refer to the specific instructions provided on the Notice or, if you received paper copies of our proxy materials, the enclosed proxy card. If you received paper copies of our proxy materials and wish to submit your proxy by mail, please return your signed proxy card in the enclosed postage-paid envelope to us before the annual meeting. If you are an employee and received our 2014 proxy materials electronically via the Internet at your company email address, you will only be able to give a proxy to be voted at the meeting electronically via the Internet as described under How do I vote if my shares are held in the 401(k) retirement plan, employee stock purchase plan or other plans of Apogee? on page 3.

If you hold your shares in street name, you must vote your shares in the manner prescribed by your broker or other nominee. Your broker or other nominee has enclosed or otherwise provided a voting instruction card for you to use in directing the broker or other nominee how to vote your shares.

If you properly submit your proxy via the Internet or return your executed proxy by mail and do not revoke your proxy, it will be voted in the manner you specify.

What is a proxy?

A proxy is your designation of another person to vote stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. When you designate someone a proxy, you may also direct the proxy how to vote your shares. We refer to this as your proxy vote. Three of our executive officers, Joseph F. Puishys, James S. Porter and Patricia A. Beithon, have been designated as the proxies to cast the votes of our shareholders at our 2014 annual meeting.

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What is the difference between a shareholder of record and a street name holder?

If your shares are registered directly in your name, you are considered the shareholder of record with respect to those shares.

If your shares are held in a stock brokerage account or by a bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the shareholder of record with respect to those shares. However, you still are considered the beneficial owner of those shares, and your shares are said to be held in street name. Street name holders generally cannot vote their shares directly and must instead instruct the broker, bank, trust or other nominee how to vote their shares using the voting instruction form provided by the broker, bank, trust or other nominee. Please refer to How do I vote my shares? on page 2.

How do I vote if my shares are held in the 401(k) retirement plan, employee stock purchase plan or other plans of Apogee?

If you hold any shares in our 401(k) retirement plan, employee stock purchase plan or other plans of Apogee, your Internet proxy vote or completed proxy card will serve as voting instructions to the plan trustee. However, your voting instructions must be received at least one day prior to the annual meeting in order to count. In accordance with the terms of our 401(k) retirement plan, the trustee will vote all of the shares held in the plan in the same proportion as the actual proxy votes submitted by plan participants at least one day prior to the annual meeting. If you are a participant in our employee stock purchase plan, the plan custodian cannot vote your shares unless it receives timely instructions from you.

If you hold shares in our 401(k) retirement plan, employee stock purchase plan or other plans of Apogee and have a company email address, you will receive our 2014 proxy statement and 2014 Annual Report to Shareholders electronically at your company email address instead of receiving paper copies of these documents or the Notice in the mail. The email will provide instructions and a control number to use to provide voting instructions to the plan trustee via the Internet. If you receive our 2014 proxy statement and 2014 Annual Report to Shareholders electronically, you may only provide voting instructions to the plan trustee via the Internet and you will not receive a proxy card that can be returned by mail.

If you are an employee who received our 2014 proxy statement and 2014 Annual Report to Shareholders electronically and you wish to receive a paper copy of these materials, you should contact:

Internet:	www.apog.com
Email:	IR@apog.com
Telephone:	(877) 752-3432
Facsimile:	(952) 487-7565
Mail:	Investor Relations
	Apogee Enterprises, Inc.
	4400 West 78th Street, Suite 520
	Minneapolis, Minnesota 55435

What does it mean if I receive more than one Notice of Internet Availability of Proxy Materials or proxy card?

If you receive more than one Notice or proxy card, it means that you hold shares registered in more than one account in different names or variations of your name. To ensure that all of your shares are voted, if you submit your proxy vote via the Internet, vote once for each Notice or proxy card you receive, or sign and return each proxy card.

You may prefer to hold your shares in more than one account, and you are welcome to do so. However, some multiple accounts are unintentional and will occur if one stock purchase is made with a middle initial and a subsequent purchase is made without a middle initial. Please contact our Investor Relations Department at IR@apog.com, (877) 752-3432 (telephone) or (952) 487-7565 (facsimile) for information on how to merge your accounts.

Can I vote my shares in person at the meeting?

If you are a shareholder of record, you may vote your shares in person at the meeting by completing a ballot at the meeting. Even if you currently plan to attend the meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the meeting.

If you hold your shares in street name, you may vote your shares in person at the meeting only if you obtain a signed letter or other proxy from your broker, bank, trust or other nominee giving you the right to vote the shares at the meeting.

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If you are a participant in our 401(k) retirement plan, employee stock purchase plan or other plans of Apogee, you may submit a proxy vote as described above, but you may not vote your plan shares in person at the meeting.

What vote is required for the election of directors or for a proposal to be approved?

With respect to the election of directors, in accordance with Minnesota law, the nominees for election as Class I and Class III directors will be elected by a plurality of the votes cast at the annual meeting. This means that since shareholders will be electing two Class I directors and one Class III director, the two nominees for Class I director and one nominee for Class III director receiving the highest number of votes will be elected.

As provided in our Corporate Governance Guidelines, if a majority of our shares that are voted at the meeting are designated to be withheld from a director nominee s election, then such nominee shall offer his or her resignation to our Nominating and Corporate Governance Committee for consideration. Our Nominating and Corporate Governance Committee will evaluate the best interests of Apogee and our shareholders and recommend to our Board of Directors the action to be taken with respect to that director s offered resignation.

With respect to the Say on Pay Proposal, Director Stock Plan Proposal, Director Deferred Compensation Plan Proposal, and the ratification of the appointment of our independent registered public accounting firm, the affirmative vote of a majority of the shares of our common stock present in person or by proxy and entitled to vote at the annual meeting is required for the approval of those proposals (provided that the total number of shares voted in favor of the proposal constitutes more than 25% of our outstanding shares).

How are votes counted?

You may either vote FOR or WITHHOLD authority to vote for each nominee for our Board of Directors. You may vote FOR, AGAINST or ABSTAIN on the Say on Pay Proposal, Director Stock Plan Proposal, Director Deferred Compensation Plan Proposal and the ratification of the appointment of our independent registered public accounting firm.

If you submit your proxy but ABSTAIN from voting or WITHHOLD authority to vote on one or more matters, your shares will be counted as present at the meeting for the purpose of determining a quorum. Your shares also will be counted as present at the meeting for the purpose of calculating the vote on the particular matter from which you abstained from voting or withheld authority to vote.

If you ABSTAIN from voting on a proposal, your abstention has the same effect as a vote against that proposal. We will not count WITHHOLD authority as either for or against a director nominee, so WITHHOLD authority has no effect on the election of a director; however, if a majority of our shares that are voted at the meeting are designated to be WITHHOLD authority from a director nominee s election, then such director nominee shall offer his or her resignation to our Nominating and Corporate Governance Committee for consideration, as described under What vote is required for the election of directors or for a proposal to be approved? above.

If you hold your shares in street name and do not provide voting instructions to your broker, your shares will be considered broker non-votes and will not be voted on any proposal on which your broker does not have discretionary authority to vote under the rules of the New York Stock Exchange. Shares that constitute broker non-votes will be counted as present at the meeting for the purpose of determining a quorum but will not be represented at the meeting for purposes of calculating the vote with respect to such matter or matters. This effectively reduces the number of shares needed to approve such matter or matters. Your broker or other nominee has discretionary authority to vote your shares on the ratification of our independent registered public accounting firm, even if your broker or other nominee does not receive voting instructions from you. Your broker or other nominee does not have discretionary authority to vote your shares on the election of directors, Say on Pay Proposal, Director Stock Plan Proposal or Director Deferred Compensation Plan Proposal if your broker or other nominee does not receive voting instructions from you.

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Who will count the vote?

Representatives of Broadridge Financial Solutions, Inc., our tabulating agent, will tabulate the votes and act as independent inspector of election.

How does our Board of Directors recommend that I vote?

Our Board of Directors recommends a vote:

- **FOR** all of the director nominees;
- **FOR** the Say on Pay Proposal;
- **FOR** the Director Stock Plan Proposal;
- **FOR** the Director Deferred Compensation Plan Proposal; and
- **FOR** ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending February 28, 2015.

What if I do not specify how I want my shares voted?

If you submit your proxy via the Internet or a signed proxy card and do not specify how you want to vote your shares, we will vote your shares:

- **FOR** all of the director nominees;
- **FOR** the Say on Pay Proposal;
- **FOR** the Director Stock Plan Proposal;
- **FOR** the Director Deferred Compensation Plan Proposal;
- **FOR** ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending February 28, 2015; and
- in the discretion of the persons named in the proxy on any other matters that properly come before the meeting and as to which we did not have knowledge prior to February 26, 2014.

Can I change my vote after submitting my proxy or voting instructions?

Yes. If you are a shareholder of record, you may revoke your proxy and change your vote at any time before your proxy is voted at the annual meeting, in any of the following ways:

- by sending a written notice of revocation to our Corporate Secretary;
- by submitting a later-dated proxy to our Corporate Secretary;
- by submitting a later-dated proxy via the Internet; or
- by voting in person at the meeting.

If you hold your shares in street name, you should contact your broker, bank, trust or other nominee for information on how to revoke your voting instructions and provide new voting instructions.

If you hold shares in our 401(k) retirement plan, employee stock purchase plan or other plans of Apogee, you may revoke your proxy and change your voting instructions at any time, but not less than one day before the annual meeting, in any of the following ways:

- by sending a written notice of revocation to the plan trustee or plan custodian;
- by submitting a later-dated voting instruction or proxy to the plan trustee or plan custodian; or
- by submitting a later-dated voting instruction or proxy via the Internet.

Will my vote be kept confidential?

Yes. We have procedures to ensure that, regardless of whether shareholders vote via the Internet, by mail or in person, (1) all proxies, ballots and voting tabulations that identify shareholders are kept permanently confidential, except as disclosure may be required by federal or state law or expressly permitted by a shareholder; and (2) voting tabulations are performed by an independent third party.

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How can I attend the meeting?

You may be asked to present valid picture identification, such as a driver s license or passport, before being admitted to the meeting. If you hold your shares in street name, you may also be asked to present proof of ownership to be admitted to the meeting. A recent statement from your broker, or letter from your bank, trust or other nominee are examples of proof of ownership.

Who pays for the cost of proxy preparation and solicitation?

We pay for the cost of proxy preparation and solicitation, including the reasonable charges and expenses of brokers and other nominees for forwarding proxy materials to the beneficial owners of our shares.

We are soliciting proxies primarily by mail and email. In addition, some of our officers and regular employees may solicit the return of proxies by telephone, facsimile, personal interview, email or telegram. These individuals will receive no additional compensation for these services.

How can I communicate with our Board of Directors?

Subject to reasonable constraints of time, topics and rules of order, you may direct comments to or ask questions of our Chair of the Board or Chief Executive Officer during our 2014 Annual Meeting of Shareholders. In addition, you may communicate directly with any director by writing to:

Apogee Directors

Apogee Enterprises, Inc.

4400 West 78th Street, Suite 520

Minneapolis, Minnesota 55435

Attention: Corporate Secretary

Directors@apog.com

Our Corporate Secretary will promptly forward to our Board of Directors or the individually named directors all relevant written communications, as specified in our Corporate Governance Guidelines, received at the above addresses.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth information concerning beneficial ownership of our common stock outstanding as of May 2, 2014, the record date for our 2014 Annual Meeting of Shareholders, by persons known to us to own more than 5% of our common stock. Unless otherwise indicated, the named holders have sole voting and investment power with respect to the shares beneficially owned by them.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (#)	% of Common Stock Outstanding
BlackRock, Inc.(1)	2,492,464	8.6
Franklin Resources, Inc.(2)	2,294,880	7.9

The Vanguard Group, Inc.[(3)]	1,879,372	6.5
Westwood Management Corp.[(4)]	1,538,187	5.3
Dimensional Fund Advisors LP[(5)]	1,445,851	5.0

(1) We have relied upon the information provided by BlackRock, Inc. in a Schedule 13G/A reporting information as of December 31, 2013. The Schedule 13G/A was filed by BlackRock, Inc. in its capacity as a parent holding company or control person and indicates that BlackRock, Inc. has sole investment power over 2,492,464 shares and sole voting power over 2,407,574 shares. BlackRock Fund Advisors, a subsidiary of BlackRock, Inc., beneficially owns 5% or greater of the outstanding shares of the security class reported on the Schedule 13G/A. The address for BlackRock, Inc. is 40 East 52nd Street, New York, NY 10022.

(2) We have relied upon the information provided by Franklin Resources, Inc. (FRI), Charles B. Johnson, Rupert H. Johnson, Jr. and Franklin Advisory Services, LLC, an investment advisor (Franklin), in a jointly filed Schedule 13G/A reporting information as of December 31, 2013. Direct or indirect subsidiaries of FRI serve as investment managers of one or more open-end or

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closed-end investment companies or other managed accounts that hold the shares of our common stock in the ordinary course of business. In their capacity as investment managers, the subsidiaries of Franklin exercise sole investment discretion over the securities covered by an investment management agreement. Franklin Advisory Services, LLC has sole investment power over 2,294,880 shares and sole voting power over 2,146,280 shares, in the aggregate, held as of December 31, 2013. Charles B. Johnson and Rupert H. Johnson, Jr., each of whom owns in excess of 10% of the outstanding common stock of FRI, may be deemed to be the beneficial owners of securities held by entities advised by FRI subsidiaries. Franklin, FRI subsidiaries, Charles B. Johnson and Rupert H. Johnson, Jr. each disclaim beneficial ownership of the shares of our common stock. The filing persons and each of the investment management subsidiaries believe that they are not a group within the meaning of Rule 13d-5 of the Securities Exchange Act of 1934 (the Exchange Act). The address for FRI is One Franklin Parkway, San Mateo, CA 94403.

(3) We have relied upon the information provided by The Vanguard Group, Inc., an investment advisor (Vanguard), in a Schedule 13G/A reporting information as of December 31, 2013. Of the shares reported, Vanguard has sole investment power over 1,837,118 shares, shared investment power over 42,254 shares, and sole voting power over 44,554 shares. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of Vanguard, serving as an investment manager of collective trust accounts, is the beneficial owner of 42,254 shares and Vanguard Investments Australia, Ltd., a wholly owned subsidiary of Vanguard, serving as investment manager of Australian investment offerings, is the beneficial owner of 2,300 shares. The address for Vanguard is 100 Vanguard Boulevard, Malvern, PA 19355.

(4) We have relied upon the information provided by Westwood Management Corp., an investment advisor (Westwood), in a Schedule 13G reporting information as of December 31, 2013. Of the shares reported, Westwood has sole investment power over 1,538,187 shares, sole voting power over 1,360,246 shares and shared voting power over 33,361 shares. The address for Westwood is 200 Crescent Court, Suite 1200, Dallas, TX 75201.

(5) We have relied upon the information provided by Dimensional Fund Advisors LP, an investment advisor (Dimensional Advisors), in a Schedule 13G/A reporting information as of December 31, 2013. Dimensional Advisors furnishes investment advice to four investment companies and serves as investment manager to certain commingled group trusts and separate accounts (such investment companies, trusts and accounts are collectively referred to as the Funds). Subsidiaries of Dimensional Advisors may act as advisor or sub-advisor to certain Funds. All of the 1,445,851 shares listed are owned by the Funds. The Funds exercise sole investment power over 1,445,851 shares and sole voting power over 1,411,175 shares. The Funds also have the right to receive, or power to direct the receipt of dividends from, or the proceeds from the sale of the securities held in their respective accounts. In its role as investment advisor, sub-advisor and/or manager, Dimensional Advisors and its subsidiaries may be deemed to be beneficial owners of the shares; however, Dimensional Advisors and its subsidiaries disclaim beneficial ownership of such shares. The address for Dimensional Advisors is Palisades West, Building One, 6300 Bee Cave Road, Austin, TX 78746.

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SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT

The following table sets forth the number of shares of our common stock beneficially owned as of May 2, 2014, the record date for our 2014 Annual Meeting of Shareholders, by each of our directors, each of our executive officers named in the Summary Compensation Table (our Named Executive Officers) and by all of our directors and executive officers as a group.

Amount and Nature of Beneficial Ownership

Name of Beneficial Owner	Shares of Common Stock Held (#)(1)(2)	Shares Underlying Options Exercisable Within 60 Days (#)(3)	Total Beneficial Ownership (#)	% of Common Stock Outstanding	Phantom Stock (#)(4)	Total Stock-Based Ownership (#)(5)
Non-Employee Directors						
Bernard P. Aldrich	24,958	31,257	56,215	*	46,447	102,662
Jerome L. Davis	19,569	21,946	41,515	*	33,011	74,526
Sara L. Hays	21,669	16,072	37,741	*	20,881	58,622
John T. Manning	30,937(6)		30,937	*		30,937
Robert J. Marzec	25,291	25,383	50,674	*	10,748	61,422
Stephen C. Mitchell(7)	7,933		7,933	*		7,933
Donald A. Nolan	3,122		3,122	*	1,494	4,616
Richard V. Reynolds	23,958	10,000	33,958	*	23,800	57,758
David E. Weiss	22,525	25,383	47,908	*		47,908
Named Executive Officers						
Joseph F. Puishys	272,287	300,341	572,628	1.9		572,628
James S. Porter	134,868		134,868	*		134,868
Patricia A. Beithon	188,729		188,729	*		188,729
John A. Klein	15,255		15,255	*		15,255
Gary R. Johnson	54,208		54,208	*		54,208
All directors and executive officers as a group (14 persons)	845,309	430,382	1,275,691	4.3	136,381	1,412,072

* Indicates less than 1%.

(1) Unless otherwise indicated, the individuals listed in the table have sole voting and investment power with respect to the shares owned by them, and such shares are not subject to any pledge. For our non-employee directors, the number indicated includes shares of restricted stock issued to the named individual pursuant to our 2009 Non-Employee Director Stock Incentive Plan, as amended (2011) (the Director Stock Plan). For our executive officers, the number of shares indicated includes shares issued to the named individual pursuant to our 2009 Stock Incentive Plan, as amended (2011) (the Stock Incentive Plan), our employee stock purchase plan and our 401(k) retirement plan.

(2) Includes the following shares of restricted stock issued pursuant to our Director Stock Plan: 7,933 shares for each of Messrs. Aldrich, Davis, Manning, Marzec, Mitchell, Reynolds and Weiss and Ms. Hays; 3,122 shares for Mr. Nolan; and 66,586 shares for all executive

officers and directors as a group. All shares of restricted stock held pursuant to our Director Stock Plan are subject to future vesting conditions and holders of such shares have no investment power over such shares.

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Includes the following shares issued to our Named Executive Officers pursuant to our Stock Incentive Plan:

Named Executive Officers	Shares of Restricted Stock
Joseph F. Puishys	145,386
James S. Porter	15,185
Patricia A. Beithon	11,987
John A. Klein	5,933
Gary R. Johnson	4,406
All directors and executive officers as a group (14 persons)	182,897

All shares of restricted stock held pursuant to our Stock Incentive Plan are subject to future vesting conditions and the holders of such shares have no investment power over such shares.

(3) Includes shares underlying stock options exercisable currently or within 60 days of May 2, 2014.

(4) Includes phantom stock units, each representing the value of one share of our common stock, that are attributable to accounts in our Deferred Compensation Plan for Non-Employee Directors (Director Deferred Compensation Plan), which is described under the heading Director Deferred Compensation Plan on page 22.

(5) The amounts in this column are derived by adding the amounts in the Total Beneficial Ownership and the Phantom Stock columns of the table.

(6) Includes 1,000 shares held by Mr. Manning s wife.

(7) Mr. Mitchell will retire from our Board effective as of our 2014 Annual Meeting of Shareholders.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who own more than 10% of our securities to file with the SEC initial reports of ownership of those securities on Form 3 and reports of changes in ownership on Form 4 or Form 5. Specific due dates for these reports have been established by the SEC, and we are required to disclose in this proxy statement any failure to timely file the

required reports by these dates. Based solely on our review of the copies of these reports received by us and written representations from our directors and executive officers, we believe that our directors and executive officers complied with all Section 16(a) filing requirements for the fiscal year ended March 1, 2014.

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PROPOSAL 1: ELECTION OF DIRECTORS

Our Restated Articles of Incorporation provide that our Board of Directors will be divided into three classes of directors of as nearly equal size as possible and the term of each class of directors is three years. Our articles further provide that the total number of directors will be determined exclusively by our Board of Directors. The term of one class expires each year in rotation. At our 2014 Annual Meeting of Shareholders, the terms of our Class I directors will expire.

Currently, we have ten directors, with four directors serving in Class I; however, Mr. Mitchell, who currently serves as a Class I director with a term expiring at our 2014 Annual Meeting of Shareholders, will retire after 18 years of service on our Board. Our Board has determined to decrease the size of the Board to nine directors.

Robert J. Marzec and Donald A. Nolan have been nominated for re-election to our Board as Class I directors and David E. Weiss has been nominated for re-election to our Board as a Class III director. The Class I and Class III directors elected at our 2014 Annual Meeting of Shareholders will serve until our Annual Meeting of Shareholders in 2017 and 2016, respectively, or until their successors are elected and qualified. Each of the nominees has agreed to serve as a director if elected.

We have no reason to expect that any of the nominees will fail to be a candidate at our 2014 Annual Meeting of Shareholders and, therefore, do not have in mind any substitute or substitutes for any of the nominees. If any of the nominees should be unable to serve as a director, proxies will be voted for a substitute nominee or nominees in accordance with the best judgment of the person or persons acting under the proxies.

Our Board of Directors recommends that you vote FOR the two Class I nominees and one Class III nominee for director. Unless authority for one or more of the nominees is withheld, proxies will be voted FOR the election of each of Messrs. Marzec and Nolan as Class I directors for a three-year term expiring at our 2017 Annual Meeting of Shareholders and FOR the election of Mr. Weiss as a Class III director for a two-year term expiring at our 2016 Annual Meeting of Shareholders.

The nominees for election as directors and the directors whose terms of office will continue after the annual meeting have provided information about themselves in the following section. All of our directors possess the minimum qualities and skills described under Criteria for Membership on Our Board of Directors on page 17.

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Nominee Class I Director for Term Expiring in 2017

ROBERT J. MARZEC

Age 69

Biography Retired Audit Partner of PricewaterhouseCoopers LLP, an international public accounting firm. Our director since 2005.

Mr. Marzec retired from PricewaterhouseCoopers LLP in 2002 after spending 36 years in its Assurance and Business Advisory Services (financial and regulatory reporting division). He held various leadership and audit positions, including Managing Partner of the Minneapolis office of PricewaterhouseCoopers, LLP from 1991 to 1998.

Board Committee Audit Committee Chair.

Key Attributes, Experience and Skills Mr. Marzec has extensive public accounting and auditing experience at public, private and non-profit organizations and has a strong background in financial controls and reporting, financial management, financial analysis, SEC reporting requirements, mergers and acquisitions, and international business. During his service at PricewaterhouseCoopers LLP and on boards at other public and mutual companies and non-profit organizations, Mr. Marzec gained broad knowledge of many different companies and industries, and public company board and corporate governance practices.

Other Directorships Since 2009 Formerly a director of Medtox Scientific, Inc. and Health Fitness Corporation.

Nominee Class I Director for Term Expiring in 2017

DONALD A. NOLAN

Age 53

Biography President of the Materials Group for Avery Dennison Corporation, a global leader in labeling and packaging materials and solutions, since 2008. Our director since 2013.

Prior to joining Avery Dennison Corporation, Mr. Nolan served in various executive capacities for Valspar Corporation, a global leader in the paint and coatings industry, from 1996 to 2008, including Senior Vice President, Global Packaging and Automotive Coatings; Vice President, Global Packaging; Vice President, Packaging Coatings Americas; and other marketing and sales and general management positions. Prior to joining Valspar Corporation, Mr. Nolan served in various marketing and sales positions with Loctite Corporation, Ashland Chemical Company and General Electric Company.

Board Committee Audit Committee Member.

Key Attributes, Experience and Skills Mr. Nolan brings to our Board 18 years of leadership experience at public companies and extensive expertise and insight to our Board in the areas of manufacturing operations, international business, financial management, product development, leadership development, and supply chain and logistics.

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Nominee Class III Director for Term Expiring in 2016

DAVID E. WEISS

Age 70

Biography Retired Chairman, President and Chief Executive Officer of Storage Technology Corporation, a publicly-held developer, manufacturer and distributor of data storage solutions for the management, retrieval and protection of business information. Our director since 2005.

Mr. Weiss has 33 years of leadership experience in the computer and information technology industry, serving as Chairman, President and Chief Executive Officer of Storage Technology Corporation from 1996 to 2000 and in other executive positions with Storage Technology Corporation from 1991 to 1996, including Chief Operating Officer, Executive Vice President, Senior Vice President for Marketing and Vice President Global Marketing. Prior to joining Storage Technology Corporation, Mr. Weiss worked in various engineering management positions with IBM Corporation, a global computer and information technology company, from 1967 to 1991.

Board Committee Compensation Committee Chair.

Key Attributes, Experience and Skills As Chairman, President and Chief Executive Officer of Storage Technology Corporation, Mr. Weiss led a global public company and public company board. Through his service at Storage Technology Corporation and IBM Corporation, he gained expertise in the areas of business operations, strategy development, information technology, mergers and acquisitions, financial management, leadership development and succession planning, executive compensation, marketing, investor relations and corporate governance.

Class II Director Term Expiring in 2015

BERNARD P. ALDRICH

Age 64

Biography Retired Chief Executive Officer and President of Rimage Corporation (now Qumu Corporation), a publicly-held designer and manufacturer of on-demand publishing and duplicating systems for CD and DVD recordable media. Our director since 1999.

Mr. Aldrich retired as Chief Executive Officer and President and a director of Rimage Corporation in 2009, after 12 years of service in those capacities. Prior to joining Rimage Corporation in 1997, he served as President of several manufacturing companies controlled by Activar, Inc., an industrial plastics and construction supply company, from 1995 to 1996. Mr. Aldrich served as President of Colwell Industries, a company that designs, manufactures and distributes color merchandising tools, from 1992 to 1994 and as Chief Financial Officer of Advance Machine Co., a manufacturer and supplier of equipment for the commercial floor care industry, from 1973 to 1991.

Board Position Non-Executive Chair of the Board since 2011.

Key Attributes, Experience and Skills Mr. Aldrich has 13 years of public company operational experience, eight years of private company operational experience and 18 years of private company financial management experience. In addition to leading companies, he has a background and expertise in manufacturing operations, financial management, global markets, executive compensation, leadership development and corporate governance. Mr. Aldrich also has experience leading a public company board.

Other Directorships Since 2009 Formerly a director of Rimage Corporation (now Qumu Corporation).

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Class II Director Term Expiring in 2015

JOHN T. MANNING

Age 65

Biography Retired Vice Chairman and Audit Partner of BDO Seidman LLP (now BDO USA, LLP), the U.S. member firm of BDO International Limited, an international public accounting firm. Our director since 2005.

Mr. Manning retired from BDO Seidman LLP in 2000 after 27 years of service. During his tenure with BDO Seidman LLP (and its affiliate, BDO International Limited), he worked in various management positions for 12 years, including Vice Chairman from 1995 to 1999, Managing Partner of the Richmond, Virginia office from 1990 to 1991, and various management positions in the international headquarters in Brussels, Belgium from 1992 to 1995. Prior to moving into management with BDO Seidman LLP, Mr. Manning spent 15 years providing auditing services to BDO Seidman LLP s clients.

Board Committees Audit Committee and Nominating and Corporate Governance Committee Member.

Key Attributes, Experience and Skills Mr. Manning has extensive public accounting, auditing and management experience. For over 15 years, he held leadership positions at BDO Seidman LLP and BDO International Limited with responsibilities for domestic and global strategy development and execution. He also led BDO Seidman LLP s enterprise risk management program for over five years. During his tenure at BDO Seidman LLP, he gained broad knowledge of many different industries, including a specialty in the commercial construction industry, and experience working with public, private and not-for-profit boards. Mr. Manning has background and expertise in financial management, strategic planning, information technology, leadership development, risk assessment and mitigation, human resources, and international operations. Mr. Manning also has experience serving on public and private company boards.

Class II Director Term Expiring in 2015

JOSEPH F. PUISHYS

Age 56

Biography Our Chief Executive Officer and President and director since August 2011.
Prior to joining our Company, Mr. Puishys served in various leadership positions at Honeywell International, Inc., a Fortune 100 diversified technology and manufacturing company, for over 32 years. He served as President of Honeywell Environment & Combustion Controls from 2008 to 2011; President of Honeywell Building Solutions from 2005 to 2008; President of Honeywell Building Solutions, America from 2004 to 2005; President of Bendix Friction Materials from 2002 to 2004; Vice President and General Manager of Garrett Engine Boosting Systems from 2000 to 2002; Vice President and General Manager, Aftermarket, Allied Signal Turbocharging Systems from 1996 to 2000; Vice President, Logistics, Allied Signal Automotive Products Group from 1992 to 1996; and various accounting and financial positions from 1979 to 1992.

Key Attributes, Experience and Skills Mr. Puishys brings to our Board 32 years of experience at a Fortune 100 company and extensive expertise and insight in the areas of the commercial building and construction industry, global markets, sales and operations, business building, mergers and acquisitions, operational excellence, leadership development and financial management.

Other Directorships Since 2009 Director of Arctic Cat Inc.

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Class III Director Term Expiring in 2016

JEROME L. DAVIS

Age 59

Biography Former Corporate Vice President of Food and Retail for Waste Management, Inc., the leading provider of integrated environmental solutions in North America, from January 2010 to June 2012. Our director since 2004.

Mr. Davis was President of Jerome L. Davis & Associates, LLC, a consulting firm focusing on executive coaching and leadership development, from 2006 until December 2009.

Mr. Davis was Global Vice President, Service Excellence for Electronic Data Systems, a business and technology services company, from July 2003 to October 2005. From May 2001 to July 2003, he served in various capacities at Electronic Data Systems, including Chief Client Executive Officer and President, Americas for Business Process Management. Prior to joining Electronic Data Systems, Mr. Davis served as President and Executive Officer of the Commercial Solutions Division of Maytag Corporation, a home and commercial appliance company, from October 1999 until May 2001. He served as Senior Vice President of Sales and Corporate Officer for Maytag s Appliances Division from March 1998 to September 1999. From March 1992 to February 1998, Mr. Davis was Vice President of National Accounts and Area Vice President for Frito Lay, a global food company. Mr. Davis also held various sales and marketing positions with Proctor & Gamble, a global consumer products company, from 1977 to 1992.

Board Committees Compensation Committee and Nominating and Corporate Governance Committee Member.

Key Attributes, Experience and Skills Mr. Davis brings to our Board 30 years of experience in Fortune 500 companies and extensive expertise and insight in the areas of marketing and sales, strategy development, international business, leadership development, succession planning, executive compensation and information technology. His role on another public company board provides him with public company board and corporate governance experience.

Other Directorships Since 2009 Director of GameStop Corp.

Class III Director Term Expiring in 2016

SARA L. HAYS

Age 49

Biography Principal of SLH Advisors, a privately-held project management and consulting services firm, since May 2011. Our director since 2005.

Ms. Hays served as Managing Director, Operations and General Counsel and member of the Executive and Investment Committees of Wrightwood Capital LLC (now part of Ares Management LLC), a real estate finance and investment company, from April 2005 through April

2011. Prior to joining Wrightwood Capital LLC, she spent over 10 years at Hyatt Hotels, a global hospitality company, initially as Development Counsel, structuring and negotiating management, venture, development and finance agreements, and ultimately serving as Senior Vice President and General Counsel and a member of Hyatt Hotels Managing Committee responsible for managing the legal risks associated with Hyatt Hotels worldwide operations, transactions and owned assets. Before joining Hyatt Hotels, Ms. Hays was an associate practicing commercial real estate law with the Chicago law firm of Coffield Ungaretti & Harris (now Ungaretti & Harris) from 1989 to 1994. Ms. Hays holds an MBA from Kellogg School of Management and a JD from Northwestern University School of Law.

Board Committee Nominating and Corporate Governance Committee Chair.

Key Attributes, Experience and Skills Ms. Hays has over 24 years of experience as a strategic business partner and counsel to senior executives and board members in the commercial real estate, finance and hospitality industries with particular expertise in the areas of operations and strategic planning, complex transactions, including acquisitions, debt and equity structuring and workouts, fund formation and management, legal and risk management, investor relations and corporate governance. Ms. Hays has over 17 years of service as in-house counsel to corporations (14 years as a general counsel) and has managed a broad range of legal, enterprise risk, regulatory, compliance and corporate governance issues. Ms. Hays also has private company and non-profit board experience.

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Class III Director Term Expiring in 2016

RICHARD V. REYNOLDS

Age 65

Biography Lieutenant General, U.S. Air Force, retired. Owner of The Van Fleet Group, LLC, a privately-held aerospace consulting firm. Our director since 2006.

General Reynolds retired from the U.S. Air Force in 2005 after 34 years of service, having served as Vice Commander, Air Force Materiel Command from 2003 to 2005; Commander, Aeronautical Systems Center of Air Force Materiel Command from 2001 to 2003; Commander, Air Force Flight Test Center of Air Force Materiel Command from 1998 to 2001; Program Executive Officer, Airlift and Trainers of the Air Force Program Executive Office from 1996 to 1998 and various other operational and leadership positions from 1971 to 1996.

General Reynolds formed The Van Fleet Group, LLC in 2006. He also served as Senior Manager/Senior Business Advisor of BearingPoint, Inc., an international management and technology consulting firm, from 2006 to 2009.

Board Committees Audit Committee and Compensation Committee Member.

Key Attributes, Experience and Skills General Reynolds service in senior leadership positions in the U.S. Air Force provides valuable business, leadership and management experience, including expertise in government contracting and procurement, risk assessment and mitigation, supply chain and logistics management, information technology and leadership development. General Reynolds also has experience serving on public and private company and non-profit boards.

Other Directorships Since 2009 Allison Transmission Holdings, Inc.

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CORPORATE GOVERNANCE

Corporate Governance Section of Our Web Site

Information relative to our corporate governance is available on our web site at www.apog.com by clicking on Corporate Governance and then the applicable document or information. This information includes:

- Board of Directors Background, Experience and Independence
- Board Committees Current Members
- Board Committee Charters
- How to Contact the Board
- Management Background and Experience
- Our Code of Business Ethics and Conduct
- Our Corporate Governance Guidelines
- Our Restated Articles of Incorporation
- Our Amended and Restated Bylaws

We will provide copies of any of the foregoing information without charge upon written request to: Corporate Secretary, Apogee Enterprises, Inc., 4400 West 78th Street, Suite 520, Minneapolis, Minnesota 55435.

Code of Business Ethics and Conduct

Our Board of Directors has adopted our Code of Business Ethics and Conduct (our Code of Conduct), which is a statement of our high standards for ethical behavior and legal compliance. All of our employees, including our executive officers, and all members of our Board of Directors are required to comply with our Code of Conduct.

Corporate Governance Guidelines

Our Corporate Governance Guidelines outline the role, composition, qualifications, operation and other policies applicable to our Board of Directors and are revised as necessary to continue to reflect evolving corporate governance practices.

Board Independence

Under our Corporate Governance Guidelines, a substantial majority of the directors on our Board, and all members of our Audit, Compensation, and Nominating and Corporate Governance Committees must be independent. Each year, in accordance with NASDAQ rules, our Board of Directors affirmatively determines the independence of each director and nominee for election as a director in accordance with guidelines it has adopted, which include all elements of independence set forth in the NASDAQ listing standards.

Our Nominating and Corporate Governance Committee reviewed the applicable legal standards for Board member and Board committee member independence. In making its independence recommendation, our Nominating and Corporate Governance Committee reviewed a summary of the answers to annual questionnaires completed by each Board member regarding employment, business, familial, compensation and other relationships with Apogee and our management. Our Nominating and Corporate Governance Committee reported on its review to our Board of Directors. Based on this review, our Board of Directors has determined that the following non-employee directors are independent and have no material relationship with us except serving as a director and holding shares of our common stock: Bernard P. Aldrich, Jerome L. Davis, Sara L. Hays, John T. Manning, Robert J. Marzec, Stephen C. Mitchell, Donald A. Nolan, Richard V. Reynolds and David E. Weiss. Our Board of Directors has determined that Joseph F. Puishys is not independent because he serves as our Chief Executive Officer and President.

Stock Ownership Guidelines for Non-Employee Directors

Our Board of Directors believes that non-employee directors should have a significant equity interest in Apogee and established voluntary stock ownership guidelines for directors in 2002. The guidelines encourage share ownership by our directors in an amount having a market value of $150,000 (three times the current annual Board retainer of $50,000) to be achieved within five years of first being elected as a director. In calculating share ownership of our non-employee directors, we include shares of restricted stock issued pursuant to our Director Stock Plan and phantom stock units under our Director Deferred Compensation Plan, but do not include unexercised stock options. As of February 28, 2014, the last trading day of fiscal 2014, all our non-employee directors whose terms continue after our 2014 Annual Meeting of Shareholders met our stock ownership guidelines, except for Donald A. Nolan, who joined our Board on June 26, 2013 and is making progress toward meeting his stock ownership guideline within the required time period.

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Retirement Policy

Our Board of Directors has established a policy that, unless otherwise approved by a majority of our directors, no individual who is over 72 years of age may be elected to serve as a director.

Procedures for Shareholder Recommendations or Nominations of Director Candidates

Our Nominating and Corporate Governance Committee considers recommendations of director candidates. A shareholder who wishes to recommend a director candidate to our Board of Directors for nomination by our Board of Directors at our annual meeting or for vacancies on our Board of Directors that arise between meetings must provide our Nominating and Corporate Governance Committee with sufficient written documentation to permit a determination by our Board of Directors as to whether such candidate meets the required and desired director selection criteria set forth in our Corporate Governance Guidelines and the factors discussed below under the heading Criteria for Membership on Our Board of Directors. Such documentation and the name of the director candidate must be sent by U.S. mail to our Corporate Secretary at the address indicated on the Notice of Annual Meeting of Shareholders. Our Corporate Secretary will send properly submitted shareholder recommendations to the Chair of our Nominating and Corporate Governance Committee for consideration at a future committee meeting.

Alternatively, shareholders may directly nominate a person for election to our Board of Directors by complying with the procedures set forth in our Amended and Restated Bylaws and the rules and regulations of the SEC. Our Amended and Restated Bylaws are available on our website at www.apog.com by clicking on Corporate Governance, then Bylaws. Any shareholder nominations of director candidates for the 2015 election of directors should be submitted to our Corporate Secretary at the address indicated on the Notice of Annual Meeting of Shareholders no later than February 27, 2015.

Director candidates recommended by shareholders in compliance with these procedures and who meet the criteria outlined above will be evaluated by our Nominating and Corporate Governance Committee in the same manner as nominees proposed by other sources.

Criteria for Membership on Our Board of Directors

Our Corporate Governance Guidelines outline our director qualification standards. Director candidates should possess the highest personal and professional ethics, integrity and values; be committed to representing the long-term interests of our stakeholders; have an inquisitive and objective perspective, practical wisdom and mature judgment; and be willing to challenge management in a constructive manner. Our Board of Directors strives for membership that is diverse in gender, ethnicity, age, geographic location, and business skills and experience at policy-making levels. In addition, director candidates must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serving on our Board of Directors for an extended period of time.

Our Nominating and Corporate Governance Committee s procedure for reviewing the qualifications of all nominees for membership on our Board of Directors include making a preliminary assessment of each proposed nominee, based upon resume and biographical information, willingness to serve, and other background information, business experience and leadership skills. All director candidates who continue in the process are then interviewed by members of our Nominating and Corporate Governance Committee and a majority of our other current directors. Our Nominating and Corporate Governance Committee makes recommendations to our Board of Directors for inclusion in the slate of director nominees at a meeting of shareholders, or for appointment by our Board of Directors to fill a vacancy. Prior to recommending a director to stand for re-election for another term, our Nominating and Corporate Governance Committee applies its director candidate selection criteria, including a director s past contributions to our Board of Directors, effectiveness as a director and desire to continue to serve as a director.

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Board Meetings and 2013 Annual Meeting of Shareholders

During fiscal 2014, our Board of Directors met five times and our non-employee directors met in executive session without our Chief Executive Officer or any other members of management being present four times. Each of our directors attended at least 75% of the regularly scheduled and special meetings of our Board of Directors

and the Board committees on which he or she served that were held during the time he or she was a director during fiscal 2014.

All members of our Board of Directors are expected to attend our annual meetings of shareholders and all ten of the members of our Board of Directors attended our 2013 Annual Meeting of Shareholders.

Board Committee Membership, Meetings and Responsibilities

We currently have three standing Board committees: Audit, Compensation, and Nominating and Corporate Governance. Each of those Committees consists entirely of independent, non-employee directors. On June 26, 2013, we disbanded our Strategy and Enterprise Risk Committee, with the full Board assuming oversight for strategy and enterprise risk. Each Committee operates under a written charter which is available on our website at www.apog.com (Corporate Governance).

The table below provides fiscal 2014 membership and meeting information for each of our standing Board committees.

Name	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Strategy and Enterprise Risk Committee[1]
Bernard P. Aldrich[2]				
Jerome L. Davis		M	M	
Sara L. Hays	M(3)		C(4)	M(3)
John T. Manning	M		M(4)	C(3)
Robert J. Marzec	C		M(3)	
Stephen C. Mitchell		M	C/M(5)	
Donald A. Nolan	M(4)			
Joseph F. Puishys				M(3)
Richard V. Reynolds	M	M(4)		M(3)
David E. Weiss		C		M(3)
Fiscal 2014 Meetings	9	7	4	1
Fiscal 2014 Executive Sessions	5	5	3	1

C = Committee Chair M = Committee Member

(1) Our Strategy and Enterprise Risk Committee disbanded on June 26, 2013.

(2) Mr. Aldrich serves as Non-Executive Chair of our Board.

(3) Through June 26, 2013.

(4) Since June 26, 2013.

(5) Mr. Mitchell served as Chair of our Nominating and Corporate Governance Committee through June 26, 2013 and continued to serve as a member of such Committee after such date.

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The primary functions of each of our current Board Committees are described below.

Board Committee	Responsibilities
AUDIT COMMITTEE	Directly responsible for the appointment, compensation, retention and oversight of the work of the firm that serves as the independent accountants to audit our financial statements.
All Members Independent	Oversees our system of financial controls and internal audit procedures.
This Committee has oversight responsibilities for our independent registered public accounting firm.	Oversees our program to ensure compliance with legal and regulatory requirements and ethical business practices.
Each member meets the independence and experience requirements of the NASDAQ listing standards and the SEC.	Assesses and establishes policies and procedures to manage our financial reporting and internal control risk.
John T. Manning and Robert J. Marzec are each audit committee financial experts under the rules of the SEC.	Establishes policies and procedures for the pre-approval of all services by our independent registered public accounting firm.
	Oversees our internal audit function.
	Establishes procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters.
	Considers the accountants independence.
COMPENSATION COMMITTEE	Establishes our executive compensation philosophy and compensation programs that comply with this philosophy.
All Members Independent	Determines the compensation of our executive officers and other members of senior management.

This Committee administers our executive compensation program.	Administers our stock incentive plans in which our employees participate.
Each member is a non-employee director, as defined in the Exchange Act, and is an outside director as defined in Section 162(m) of the Internal Revenue Code.	Administers our annual cash and long-term incentive plans for executive officers and other members of senior management.
	Reviews its decisions on compensation for our Chief Executive Officer with the full Board of Directors prior to communicating those decisions to our Chief Executive Officer.
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE	Establishes and implements procedures to review the qualifications for membership on our Board of Directors, including nominees recommended by shareholders.
All Members Independent	Assesses our compliance with our Corporate Governance Guidelines.
This Committee identifies and evaluates Board candidates and oversees our corporate governance practices.	Reviews our organizational structure and succession plans.
	Makes recommendations to our Board of Directors regarding the composition and responsibilities of our Board committees and compensation for directors.
	Conducts an annual performance review of our Board committees and Board of Directors as a whole and our directors whose terms are expiring at that year s annual meeting of shareholders.
	Conducts an annual review of the performance of our Chief Executive Officer, which includes soliciting assessments from all non-employee directors.

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Risk Oversight by Our Board of Directors

Our Board of Directors oversees our enterprise risk management processes, focusing on our business and strategic, financial, operational, information technology, and overall enterprise risk. In deciding to disband our Strategy and Enterprise Risk Committee on June 26, 2013, our Board determined that oversight of our Company s strategy and overall enterprise risk management program would be more effective if performed by the full Board utilizing the skills and experiences of all Board members. In addition, our Board of Directors executes its overall responsibility for risk management through its Committees, as follows:

Our Audit Committee has primary responsibility for risks relating to the reliability of our financial reporting processes, system of internal controls and corporate compliance program. Our Audit Committee receives quarterly reports from management, our independent registered public accounting firm and internal audit partner regarding our financial reporting processes, internal controls and public filings. It also receives quarterly updates from management regarding Code of Conduct issues, litigation and legal claims, and other compliance matters.

Our Compensation Committee, with assistance from its independent compensation consultant, oversees the risks associated with our compensation programs, policies and practices with respect to both executive compensation and compensation generally.

Our Nominating and Corporate Governance Committee oversees the risks associated with succession planning, non-employee director compensation, overall Board of Directors and Board Committee performance and corporate governance practices.

Our Board of Directors is kept abreast of the risk oversight efforts by our Committees through reports to our full Board by our Committee Chairs presented at each quarterly meeting of our Board of Directors. Our Board of Directors considers specific risk topics, including risks associated with our strategic plan, mergers and acquisitions, and market risks.

Board Leadership Structure

Our Board of Directors separated the roles of Chair of the Board and Chief Executive Officer and appointed Mr. Aldrich as the Non-Executive Chair of our Board in January 2011. In this capacity, Mr. Aldrich has chaired the meetings of our Board of Directors and executive sessions of our independent directors. The Non-Executive Chair of our Board, in consultation with our Chief Executive Officer, establishes the agenda for each meeting of our Board of Directors.

We believe our Board leadership structure supports the risk oversight function of our Board of Directors. In addition to having a Non-Executive Chair of the Board, strong independent directors chair each of our Board Committees, there is open communication between management and our directors, and all of our directors are actively involved in the risk oversight function.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We have established written policies and procedures (the Related Person Transaction Policy) to assist us in reviewing transactions in excess of $120,000 involving our Company and our subsidiaries and Related Persons (Related Person Transactions). A Related Person includes our Company s directors, director nominees and executive officers, beneficial owners of 5% or more of our Company s common stock and their respective Immediate Family Members (as defined in our Related Person Transaction Policy). Our Related Person Transaction Policy supplements our Code of Conduct Conflict of Interest Policy (the Conflict of Interest Policy), which applies to all of our employees and directors.

Our Related Person Transaction Policy requires any Related Person Transaction to be promptly reported to the Chair of our Nominating and Corporate Governance Committee. In approving, ratifying or rejecting a Related Person Transaction, our Nominating and Corporate Governance Committee will consider such information as it deems important to determine if the Related Person Transaction is fair to our Company. Our Conflict of Interest Policy requires our employees and directors to report to our General Counsel any potential conflict of interest situations involving an employee or director or their Immediate Family Members. During fiscal 2014, there were no Related Person Transactions.

NON-EMPLOYEE DIRECTOR COMPENSATION

Non-Employee Director Compensation Arrangements During Fiscal 2014

Our Board of Directors approves the compensation for members of our Board of Directors and Board Committees based on the recommendations of our Nominating and Corporate Governance Committee. We target compensation for service on our Board of Directors and Board committees generally at the median for board service at companies in our peer group of companies, using the same peer group used for executive compensation purposes described under the heading Competitive Market on page 33. Generally, our Nominating and Corporate Governance Committee reviews and discusses the

compensation data and analysis provided by management using a third party compensation database. Our Chief Executive Officer participates in the discussions on compensation for members of our Board of Directors. Directors who are employees receive no additional compensation for serving on our Board of Directors.

Our non-employee directors receive cash compensation in the form of cash retainers and equity compensation in the form of restricted stock awards, as described under the heading Restricted Stock Awards on page 22. Mr. Puishys, our only employee director, receives no additional compensation for serving on our Board of Directors.

The following table describes the compensation arrangements with our non-employee directors for fiscal 2014.

Compensation	Fiscal 2014
Annual Cash Retainers:	
Non-Executive Chair of the Board(1) (2)	$110,000
Board Member(2)	50,000
Audit Committee Chair	30,000
Audit Committee Member	15,000
Compensation Committee Chair	20,000
Compensation Committee Member	10,000
Nominating and Corporate Governance Committee Chair	20,000
Nominating and Corporate Governance Committee Member	10,000
Strategy and Enterprise Risk Committee Chair(3)	20,000
Strategy and Enterprise Risk Committee Member(3)	10,000
Equity Grant	A time-based restricted stock award of 3,122 shares that vests over three years.
Charitable Matching Contributions Program for Non-Employee Directors	$2,000 maximum aggregate annual match.

(1) We pay an annual cash retainer to our Non-Executive Chair of the Board and do not pay any other cash compensation to him for service on our Board of Directors.

(2) Our Board of Directors increased the annual retainers for the Non-Executive Chair by $10,000 to $110,000 and for Board members by $10,000 to $50,000 effective as of July 1, 2013.

(3) On June 26, 2013, our Strategy and Enterprise Risk Committee was disbanded and the cash retainers were paid only for that portion of the year the Committee was in existence.

Restricted Stock Awards

Restricted stock awards to non-employee directors are issued pursuant to our Director Stock Plan. Each non-employee director receives a time-based restricted stock award on the date he or she is first elected to our Board and annually on the date of our annual meeting of shareholders if his or her term continues after such meeting. The number of shares of restricted stock subject to the award is determined by our Board of Directors, after recommendation by our Nominating and Corporate Governance Committee and in consideration of various factors, including our performance, market data and trends, performance by our Board as a whole and the equity-based compensation received by non-employee directors approximating the 50th percentile of our peer group of companies, using the same peer group of companies used for executive compensation purposes. The outstanding time-based restricted stock awards vest in three annual installments over the three-year vesting period.

Director Deferred Compensation Plan

Our Director Deferred Compensation Plan was adopted by our Board of Directors to encourage our non-employee directors to continue to make contributions to the growth and profits of Apogee and to increase their ownership of shares of our common stock, thereby aligning their interests in the long-term success of Apogee with that of our other shareholders. Under the plan, participants may elect to defer all or a portion of their annual retainer into deferred stock accounts. There is no Company match on amounts deferred by our non-employee directors under such plan. Each participating director receives a credit of shares of our common stock in an amount equal to the amount deferred divided by the fair market value of one share of our common stock as of the crediting date. These accounts also are credited, as of the crediting date, with an amount equal to the dividend paid on one share of our common stock multiplied by the number of shares credited to each account. Participating directors may elect to receive the amounts credited to their accounts at a fixed date, at age 70 or following death or retirement from our Board of Directors. The amounts are paid out in the form of shares of our common stock (plus cash in lieu of fractional shares) either in a lump sum or in installments, at the participating director s election. This plan is an unfunded, book-entry, phantom stock unit plan, as no trust or other vehicle has been established to hold any shares of our common stock.

Charitable Matching Contributions Program for Non-Employee Directors

Under our Charitable Matching Contributions Program for Non-Employee Directors, we match cash or publicly-traded stock contributions made by our non-employee directors to charitable organizations that are exempt from federal income tax up to a maximum aggregate amount of $2,000 per eligible non-employee director per calendar year.

Fiscal 2014 Non-Employee Director Compensation Table

The following table shows the compensation paid to our non-employee directors for fiscal 2014.

Name	Fees Earned or Paid in Cash ($)[1]	Stock Awards ($)[2]	All Other Compensation ($)[3]	Total ($)
Bernard P. Aldrich	106,667[4]	74,990	22,554	204,211
Jerome L. Davis	66,667	74,990	17,494	159,151
Sara L. Hays	68,333	74,990	13,163	156,486
John T. Manning	75,000	74,990	5,492	155,482
Robert J. Marzec	80,000	74,990	9,440	164,430
Stephen C. Mitchell	70,000	74,990	5,492	150,482
Donald A. Nolan[5]	43,333	74,990	1,024	119,347
Richard V. Reynolds	71,667	74,990	14,235	160,892
David E. Weiss	70,000	74,990	5,492	150,482

(1) Includes cash retainers deferred by non-employee directors under our Director Deferred Compensation Plan, as further described under the heading Director Deferred Compensation Plan on page 22. During fiscal 2014, Messrs. Davis and Nolan were our only non-employee directors to make deferrals of their annual cash retainers pursuant to our Director Deferred Compensation Plan, deferring $16,667 and $32,500, respectively, of their fiscal 2014 retainers.

(2) The amounts in this column are calculated based on the fair market value of our common stock on the date the award was made in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC Topic 718). Each non-employee director received a time-based restricted stock award of 3,122 shares on June 26, 2013. The closing price of our common stock on the NASDAQ Global Select Market on June 26, 2013, the date of grant, was $24.02. The table below sets forth certain information with respect to the aggregate number of shares of unvested restricted stock and vested options to purchase shares of our common stock held by our non-employee directors as of March 1, 2014, the end of fiscal 2014. Our non-employee directors did not hold any unvested stock options as of March 1, 2014.

Name	Aggregate Number of Shares of Restricted Stock (#)	Aggregate Number of Stock Options (#)
Bernard P. Aldrich	7,933	31,257
Jerome L. Davis	7,933	21,946

Sara L. Hays	7,933	16,072
John T. Manning	7,933	
Robert J. Marzec	7,933	25,383
Stephen C. Mitchell	7,933	
Donald A. Nolan	3,122	
Richard V. Reynolds	7,933	10,000
David E. Weiss	7,933	25,383

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(3) This column includes the dividend equivalents paid on phantom stock units pursuant to our Director Deferred Compensation Plan, dividends paid on shares of restricted stock issued pursuant to our Director Stock Plan and matching contributions pursuant to our Charitable Matching Contributions Program for Non-Employee Directors. The table below sets forth the amounts contributed or paid by the Company for our non-employee directors pursuant to such plans with respect to fiscal 2014.

Name	Dividend Equivalents Paid on Phantom Stock Units Held in our Director Deferred Compensation Plan ($)	Dividends Paid on Shares of Restricted Stock Issued Pursuant to our Director Stock Plan ($)	Matching Contributions under our Charitable Matching Contributions Program for Non-Employee Directors ($)	Total All Other Compensation ($)
Bernard P. Aldrich	17,062	3,492	2,000	22,554
Jerome L. Davis	12,002	3,492	2,000	17,494
Sara L. Hays	7,671	3,492	2,000	13,163
John T. Manning		3,492	2,000	5,492
Robert J. Marzec	3,948	3,492	2,000	9,440
Stephen C. Mitchell		3,492	2,000	5,492
Donald A. Nolan	150	874		1,024
Richard V. Reynolds	8,743	3,492	2,000	14,235
David E. Weiss		3,492	2,000	5,492

(4) We increased the annual retainer for service as our Non-Executive Chair by $10,000 on July 1, 2014, the fifth month in fiscal 2014.

(5) Mr. Nolan joined our Board of Directors on June 26, 2013.

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EXECUTIVE COMPENSATION

Compensation Committee Report

Our Compensation Committee has reviewed and discussed the following Compensation Discussion and Analysis section with management and the Committee s independent compensation consultant. Based on its review and discussions with management, our Compensation Committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in the Company s 2014 proxy statement and in the Company s Annual Report on Form 10-K for the fiscal year ended March 1, 2014.

Compensation Committee of the

Board of Directors of Apogee

David E. Weiss, *Chair*

Jerome L. Davis

Stephen C. Mitchell

Richard V. Reynolds

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes Apogee s executive compensation program for fiscal 2014, and certain elements of the fiscal 2015 program. In particular, this section explains how our Compensation Committee (the Committee) made decisions related to compensation for our executives, including our Named Executive Officers, for fiscal 2014.

Our Named Executive Officers for fiscal 2014 were:

Joseph F. Puishys, Chief Executive Officer and President

James S. Porter, Chief Financial Officer

Patricia A. Beithon, General Counsel and Corporate Secretary

John A. Klein, Senior Vice President, Operations and Supply Chain Management

Gary R. Johnson, Vice President and Treasurer

Messrs. Porter, Klein and Johnson and Ms. Beithon are collectively referred to as our Other Named Executive Officers in this Compensation Discussion and Analysis section.

Executive Summary

About Apogee. Our Company is a leader in technologies involving the design and development of value-added glass products and services for the commercial construction and picture framing industries. We are a leading fabricator of coated, high performance architectural glass for global markets. We are one of the largest U.S. full-service building glass installation and renovation companies. We design, engineer, fabricate and finish aluminum frames for window, curtainwall and storefront systems that comprise the outside skin of buildings in North America. We also provide value-added glass and acrylic for the custom picture framing market sector.

Our Fiscal 2014 Performance. Our Company delivered another year of significant growth as we executed on our business strategies in commercial construction market sectors that are showing some improvement. Our Company benefitted from increased sales, improving pricing and project margins in our segments serving the commercial construction market sectors, along with better execution.

We grew revenues 10% over fiscal 2013, with all of our segments showing growth in revenues.

We had operating income of $40,285,000, up 47% over operating income of $27,419,000 in fiscal 2013.

We increased our operating margin 130 basis points to 5.2%.

Our earnings per share increased 42% to $0.95 from $0.67 per share in fiscal 2013.

Our backlog at the end of fiscal 2014 was $329,600,000, an increase of 11% or $31,300,000 over backlog at the end of fiscal 2013.

We had positive cash flow from continuing operations of $52,921,000 in fiscal 2014, compared to $40,523,000 in fiscal 2013.

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- We also maintained a strong financial position during fiscal 2014, with a net positive cash position of $28,700,000 at the end of fiscal 2014, after completing two acquisitions during fiscal 2014 for approximately $54,000,000 in cash.

- Our stock price as of the last trading day of fiscal 2014 was $34.23, 31% higher than our stock price of $26.21 on the last trading day of fiscal 2013.

In addition to the significant financial improvements during fiscal 2014, we made considerable progress on our strategies to continue to grow in fiscal 2015 and beyond through new geographies, new products and new market sectors.

- We expanded our North American geographic footprint in the third quarter of fiscal 2014 by acquiring a Canadian storefront and entrance system company with annual revenues of approximately C$60,000,000.

- We expanded our U.S. geographic footprint for building glass installation and renovation services by opening two offices in Texas and successfully executed installation projects and were awarded new installation projects in our new Texas region.

- We expanded our window product offerings during the second quarter of fiscal 2014, when we acquired certain assets and liabilities of a window fabrication company in Colorado that added historical window renovation products.

- We increased our aluminum extrusion capacity with the installation of a third extrusion press that became operational in the first quarter of fiscal 2015.

- We increased our anodizing capacity with enhancements to our anodizing facility.

- We expanded our U.S. geographic footprint for storefront and entrance systems with a new fabrication facility in Texas.

- We further penetrated new picture framing markets in Europe and certain other international geographies.

- All of our business units introduced new products during fiscal 2014.

Additionally, we took actions to improve our operations for fiscal 2014 and future years.

- We made significant investments in new capabilities and efficiencies at our Minnesota architectural glass fabrication facility with the installation of a new state-of-the-art glass coater, which we anticipate will be operational during the second quarter of fiscal 2015.

- We continued our focus on company-wide continuous improvement and Lean manufacturing initiatives and improvements in our supply chain management.

- We continued our long-standing focus on workplace and job site safety.

We continued our focus on developing our future senior leaders with senior and middle management leadership development programs.

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Creating Shareholder Value. With the U.S. commercial construction market sector only beginning to recover during fiscal 2014, our Company has delivered substantial improvement in total shareholder returns and has outperformed the companies in our compensation peer group (identified under Competitive Market on page 33), and the Russell 2000 Index. In fiscal 2014, our Company delivered total shareholder returns of 32%, higher than our compensation peer group and the Russell 2000 Index. The chart below compares our Company s total shareholder returns to our compensation peer group and the Russell 2000 Index for the past one, three and five-year periods.

We have had significantly improved financial performance over the last three fiscal years, as evidenced by our growth in net sales and earnings per share from operations. These metrics among others are used in our incentive compensation plans to reward our executives and align pay with performance.

Executive Compensation Philosophy and Practices. Our compensation programs are designed to attract, motivate and retain executive talent to achieve long-term success of our Company; pay for sustainable performance in an ever-changing environment; and align the interests of our executive officers with our shareholders. We continue to refine our executive compensation program to reflect evolving executive compensation practices. The table on page 28 highlights our current executive compensation practices.

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Our Executive Compensation Practices: (What We Do)	See Page	Executive Compensation Practices We Have Not Implemented or Have Discontinued: (What We Don t Do)	See Page
We tie pay to performance. A significant percentage of both short-term compensation and long-term compensation is performance-based.	29	We do not have employment contracts for our Named Executive Officers, except for a transitional employment agreement with Mr. Puishys, who joined our Company on August 22, 2011 as our Chief Executive Officer and President, which expires on August 22, 2014.	42
We review tally sheets and realizable pay and performance for our executives and use that information as a factor in making compensation decisions.	32		
We mitigate undue compensation risk, including utilizing caps on potential payments; multiple financial performance metrics; different metrics for our annual cash incentives and long-term performance awards; as well as robust Board and Board Committee processes to identify risk.	44	We do not believe any of our Company s compensation programs create risks that are reasonably likely to have a material adverse effect on our Company.	44
We have change-in-control severance agreements with all of our Named Executive Officers that provide benefits only upon a double trigger.	43	We do not provide for excise tax gross-ups or single triggers in our change-in-control severance agreements.	43
Our equity award agreements for grants made pursuant to our Stock Incentive Plan have double trigger change-in-control provisions for all employees.	56		
We provide minimal perquisites to our executives.	46-47	We do not provide tax reimbursement or tax gross-ups on any perquisites.	46-47

		We do not provide automobile allowances to or pay for club memberships for our Named Executive Officers.	
		We do not have any Company-owned or leased aircraft.	
We have adopted stringent share ownership guidelines, and we review compliance annually.	43	We do not reprice underwater stock options or stock appreciation rights.	
We evaluate share utilization by annually reviewing overhang and annual burn rates.	33		
The Committee benefits from its utilization of a compensation consulting firm that fully meets the stringent independence requirements under the final rules of the Dodd-Frank Act.	32	The Committee s compensation consulting firm does not provide any other services to our Company other than those requested by our Compensation Committee for executive compensation and our Nominating and Corporate Governance Committee with respect to director compensation.	32
We have a clawback policy that applies to our Named Executive Officers and certain other executives.	44	The Committee s independent compensation consulting firm does not provide any specific recommendations for compensation for our Named Executive Officers.	32
We have a formal hedging policy that prohibits all employees and directors from engaging in hedging transactions in our Company s securities.	43		

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The Role of Shareholder Vote on Say on Pay Proposal. Our Company provides our shareholders with the opportunity to cast an advisory vote on our Say on Pay Proposal annually. At our Company s annual meeting of shareholders held on June 26, 2013, 95.0% of the votes cast on the Say on Pay Proposal were voted in favor of the proposal. The Committee will continue to take into account the outcome of our Company s Say on Pay Proposal when making future compensation decisions.

Our Executive Compensation Program. Total compensation includes a mix of short-term and long-term compensation and fixed and performance-based compensation.

Short-term compensation

- Base salary (fixed)
- Annual performance-based cash incentives (variable)

Long-term compensation

- Time-based restricted stock award (variable)
- Two-year cash-based performance awards on end-to-end cycles which are only earned upon achievement of certain two-year objective performance measures (variable). These awards are granted every other year.

Target Compensation Mix. The charts below illustrate the short-term and long-term mix, and fixed and performance-based mix of the primary compensation elements at target used by the Committee as a guideline in making compensation awards for our Named Executive Officers.

Target Compensation Mix

(1) Our two-year cash-based performance awards are on end-to-end performance cycles and are granted every other year. We have included the annualized (50%) value of such awards at target in the charts. Our two-year cash-based performance awards are granted at the beginning of the first year of the two-year performance cycle and are a component of long-term compensation for both years in the performance cycle.

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Highlights of Fiscal 2014 Compensation Actions. The following highlights the Committee s key compensation decisions for fiscal 2014. These decisions were made after reviewing compensation data provided by the Committee s independent compensation consultant.

Base Salaries. For fiscal 2014, the Committee awarded a base salary increase of 6.3% to our Chief Executive Officer, and base salary increases ranging from 2.5% to 3.0% to our Other Named Executive Officers. The fiscal 2014 base salary for our Chief Executive Officer was at the 45th percentile for chief executive officers in our Company s peer group. The fiscal 2014 base salaries for our Other Named Executive Officers ranged from the 35th to 60th percentile for comparable positions in comparable markets.

Annual Cash Incentives. Our fiscal 2014 cash incentives paid out at 124.73% of target. Our Chief Executive Officer earned an annual cash incentive equal to 124.73% of his fiscal 2014 base salary and our Other Named Executive Officers earned fiscal 2014 annual cash incentives ranging from 31.18% to 74.84% of their fiscal 2014 base salaries.

Time-Based Restricted Stock Awards. On April 30, 2013, the Committee awarded time-based restricted stock awards to our Named Executive Officers, as outlined in the Summary Compensation Table on page 45 and the Fiscal 2014 Grants of Plan-Based Awards table on page 48.

Two-Year Cash-Based Performance Awards. Our fiscal 2013 2014 cash-based performance awards, granted during fiscal 2013, paid out at 112.34% of target and the amounts earned will be paid out in two equal annual installments in May 2014 and March 2015. Our Chief Executive Officer earned $1,348,080 and our Other Named Executive Officers earned amounts ranging from $151,561 to $606,636.

Our two-year cash-based performance awards are end-to-end awards granted every other year. Since the Committee granted the fiscal 2013 2014 cash-based performance awards during fiscal 2013, it did not grant any two-year cash-based performance awards during fiscal 2014. The Committee intends to grant fiscal 2015 2016 cash-based performance awards during the first quarter of fiscal 2015.

Legacy Three-Year Performance Share Units. At the beginning of fiscal 2013, we discontinued granting three-year performance share unit awards as a component of our long-term compensation. The legacy fiscal 2012 2014 performance share unit awards, the last of such awards, paid out at 134.59% of target. Messrs. Porter and Johnson and Ms. Beithon are our only Named Executive Officers who held fiscal 2012 2014 performance share units. No other three-year performance share unit awards are outstanding.

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Overview of Primary Compensation Elements

The table below provides an overview of the three primary compensation elements used in our executive compensation program.

Compensation Element	Objective	How Determined	Market Positioning(1)	How Impacted by Performance
Base Salary	Attract and retain executives by offering pay programs that are competitive with the market.	Annual subjective assessment of executive leadership and individual performance, experience, tenure, competitive market data, internal equity among positions with similar responsibilities, and executive potential.	Targeted to be around the 50th percentile relative to competitive market practices.	Based on individual performance.
Annual Cash Incentive Compensation	Create an incentive for achievement of pre-defined annual Company performance results.	For target bonus award opportunity percentages competitive market data and trends and internal equity among positions with similar responsibilities. For actual bonus payouts performance against pre-established criteria in our annual cash incentive plan.	Target level performance results in target total cash compensation (base salary plus annual cash incentive compensation) that is generally slightly below the 50th percentile. Above target performance results in maximum total cash compensation that is generally slightly above the 50th percentile. Below target performance results in threshold total cash compensation that is generally at or below the 25th percentile.	Payout dependent on achievement of one-year Company financial performance goals.
Long-Term Incentive Compensation: Time-Based Restricted Stock and Cash-Based Performance Awards	Align the interests of executives with shareholders and to focus on long-term sustained performance. Create appropriate retention incentives.	Company performance, annual subjective assessment of achievement of individual business objectives, market data and trends, internal equity among positions with similar responsibilities and executive potential.	Targeted generally to be at or slightly above the 50th percentile for target performance and up to the 75th percentile for maximum performance.	Increase in our common stock price increases the value of the time-based restricted stock awards. Payout of cash-based performance awards is dependent on achievement of two-year Company financial performance goals.

(1) Actual pay levels may be above or below the targeted level depending on all of the factors outlined in the How Determined column of the table.

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Compensation Process

Our compensation program is evaluated annually taking into consideration changes to our business strategy, the economy and our competitive marketplace. The Committee reviews a compensation tally sheet, which lists total direct compensation (base salary, annual cash incentive compensation and long-term incentive awards), perquisites, other elements of executive compensation, broad-based employee benefits and wealth accumulation through Company equity and retirement plans for our Named Executive Officers. The compensation tally sheet is one of many factors used by the Committee to make individual compensation decisions.

The Committee does not generally consider compensation earned in prior years in establishing the elements and levels of compensation for the current fiscal year. However, the Committee does assess historical pay and performance to ensure continued alignment. The Committee also considers the annual performance evaluations of our Named Executive Officers and reviews its compensation consultant s independent analyses of compensation for our Named Executive Officers and other executive officers based on comparable positions using both published survey sources and company peer group data to determine our competitive positioning relative to the markets where we recruit. Our Chief Executive Officer makes recommendations to the Committee on compensation for our Other Named Executive Officers, but does not participate in the determination of his own compensation.

The Committee makes the annual grant of long-term equity awards to executives primarily at its regularly scheduled meeting held during our Company s first quarter of each fiscal year. The exact date of such meeting is generally established by the Committee more than a year in advance of the meeting.

Annually, the performance of each of our Named Executive Officers is evaluated based on a subjective assessment of (i) his or her executive leadership and (ii) achievement of agreed-upon individual business objectives for the just-completed fiscal year. The annual performance evaluation of our Chief Executive Officer is conducted by our Nominating and Corporate Governance Committee, with all non-employee directors participating in the performance evaluation. The results of the Chief Executive

Officer s annual performance evaluation are reviewed by the Committee and our full Board. Our Chief Executive Officer conducts or participates in the annual performance evaluation of our Other Named Executive Officers, reviews the results with members of the Committee, and makes recommendations to the Committee on compensation for our Other Named Executive Officers.

Consulting Assistance, Competitive Market and Compensation Positioning

Compensation Consultant Independence. In fiscal 2014, the Committee retained the services of Pearl Meyer & Partners (PM&P) to assist with the review of overall compensation for our executive officers, as well as the review of our proxy statement disclosure regarding executive compensation. PM&P reports directly to the Committee and the Committee can replace PM&P or hire additional consultants at any time. During fiscal 2014, PM&P attended five Committee meetings in person or by telephone, including executive sessions as requested, and consulted with the Chair of the Committee between meetings.

As required under the Dodd-Frank Act, the Committee has analyzed whether the work of PM&P as its compensation consultant raises any conflict of interest, taking into consideration the following factors under this rule: (i) PM&P does not provide any other services to our Company; (ii) the amount of fees from our Company paid to PM&P is less than 1% of PM&P s total revenue; (iii) PM&P s policies and procedures were designed to ensure independence; (iv) PM&P does not have any business or personal relationship with an executive officer of our Company; (v) PM&P does not have any business or personal relationship with any member of the Committee; and (vi) neither PM&P, nor any member of its consulting team, owns any stock of our Company. The Committee has determined, based on its analysis of the above factors, that PM&P is independent of our Company and the work of PM&P and the individual compensation advisors employed by PM&P as compensation consultants to the Committee has not created any conflict of interest. The Committee will continue to monitor the independence of its compensation consultant on an annual basis.

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Competitive Market. The Committee relies on its independent compensation consultant to help define the appropriate competitive market using a combination of peer group companies and surveys of manufacturing and general industry executive compensation identified by its compensation consultant. The information on the competitive market is used by the Committee:

- As an input in developing base salary ranges, annual cash incentive targets and long-term incentive ranges;
- To benchmark the form and mix of long-term awards;
- To benchmark overhang levels (dilutive impact on our shareholders of equity compensation) and annual burn rate (the aggregate shares awarded as a percentage of total outstanding shares);
- To assess the competitiveness of total direct compensation awarded to our Named Executive Officers and certain of our other executives; and
- As an input in designing our compensation plans and philosophy.

The selection criteria identified for determining and reviewing our Company s peer group generally include:

- Companies with revenue within a similar range (0.33 to 2.0 multiple).
- Companies with market capitalization within a similar range (0.33 to 2.0 multiple).
- Companies with market capitalization to revenue ratio of greater than 0.5.
- Companies in the same or similar industries.
- Companies with business model similarity, which may include the following:
  - Coatings for special purposes (*e.g.*, protective, UV, etc.);
  - Construction materials, primarily for commercial or industrial application;
  - Specialized/customized product lines;
  - Heavy-duty manufacturing operations and project-directed manufacturing;
  - Project-based businesses;
  - Green product or service initiatives; and
  - Revenues generated primarily in the United States (greater than 60%).
- Companies in the same geographic location (to a lesser degree).
- Companies included in the prior-year peer group, to help ensure year-over-year consistency (where appropriate).

During the third quarter of fiscal 2013, using the selection criteria outlined above, the Committee, with the assistance of its independent compensation consultant, identified a peer group consisting of the 15 companies listed below. Each company selected met at least three of the selection criteria. During the third quarter of fiscal 2014, the Committee reevaluated and confirmed this 15-company peer group remains appropriate for compensation purposes.

Aegion Corp.

Azz incorporated

CLARCOR, Inc.

Columbus McKinnon Corporation

Daktronics, Inc.

Eagle Materials Inc.

EnPro Industries, Inc.

H.B. Fuller Company

Graco Inc.

Griffon Corporation

Lydall, Inc.

NCI Building Systems, Inc.

Quaker Chemical Corporation

Quanex Building Products Corporation

Tennant Company

Fiscal 2014 Individual Compensation Actions

Fiscal 2014 Annual Performance Evaluations. The performance during fiscal 2014 of each of our Named Executive Officers was evaluated based on a subjective assessment of (i) his or her executive leadership and (ii) achievement against his or her individual business objectives for fiscal 2014. Below is certain information regarding each Named Executive Officer s individual business objectives for fiscal 2014 and accomplishments against those objectives.

Mr. Puishys. Mr. Puishys individual business objectives for fiscal 2014 were based on financial performance, geographic expansion, inorganic growth, commercial building retrofit initiative and new product introductions. During fiscal 2014, our Company exceeded its fiscal 2014 operating plan with revenue growth of 10%, and earnings per share of $0.95, a 42% increase over fiscal 2013. Also, during fiscal 2014, our Company completed the acquisition of a Canadian storefront and entrance system company and purchased certain assets of a window company that added historical window product offerings; exceeded our fiscal 2014 building glass installation services targets for orders and revenue for the new Texas region; and successfully

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executed on our new glass coater installation at our Minnesota architectural glass fabrication facility on schedule and budget with an operational start anticipated for the first half of fiscal 2015. All our business segments introduced new products during fiscal 2014 and our commercial building retrofit initiative exceeded our fiscal 2014 revenue target for that initiative.

Mr. Porter. Mr. Porter s individual business objectives for fiscal 2014 were based on financial and operational performance, strategy and business development initiatives, commercial building retrofit initiative and organizational development. During fiscal 2014, revenue and earnings results exceeded our fiscal 2014 operating plan, with all four segments growing sales and earnings. In addition, during fiscal 2014, our Company improved operating margin by 130 basis points. Mr. Porter successfully led our strategy and business development efforts to expand international growth with the acquisition of a Canadian storefront and entrance system company and to expand our product offerings through the purchase of certain assets of a window company with historical window product offerings. Mr. Porter also provided support for integration efforts related to our acquisition of a Canadian storefront and entrance system company, took action to strengthen the finance organization and provided support for our commercial building retrofit initiative.

Ms. Beithon. Ms. Beithon s individual business objectives for fiscal 2014 were based on compliance, corporate governance, litigation and claim management, and support for growth initiatives. Ms. Beithon provided legal and due diligence support for the acquisition of a Canadian storefront and entrance system company and purchase of certain assets of a window company with historical window product lines; provided legal support for other growth initiatives; continued to lead our corporate governance efforts; provided leadership for our company-wide compliance programs; managed successful resolution of various claims and litigation matters; and took actions to strengthen the legal organization.

Mr. Klein. Mr. Klein s individual business objectives for fiscal 2014 were based on cost productivity savings, continuous improvement and Lean initiatives, supply chain and procurement initiatives and safety. During fiscal 2014, Mr. Klein led cost productivity initiatives resulting in savings of at least $11,000,000, exceeding our fiscal 2014 goal; implemented a Lean manufacturing scorecard at all our business units; audited each business unit on the maturity of its Lean manufacturing program; implemented various company-wide corporate buying programs that met our fiscal 2014 procurement savings goals; and provided leadership for safety. In addition, Mr. Klein also provided support for supply chain synergy opportunities and integration efforts related to our acquisition of a Canadian storefront and entrance system company.

Mr. Johnson. Mr. Johnson s individual business objectives for fiscal 2014 were based on treasury management, enterprise risk management, credit facility management, real estate portfolio management and retirement plan management. During fiscal 2014, Mr. Johnson negotiated an extension to our $100,000,000 revolving credit facility on attractive terms and $4,000,000 of operating leases at attractive rates; led our cash management efforts; led efforts to secure significant state and local incentives in connection with facility and equipment investments; led treasury and tax due diligence and integration efforts with respect to our acquisition of a Canadian storefront and entrance system company; and continued to provide leadership for our tax, enterprise risk management and safety programs.

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Base Salary. Base salary reflects a fixed portion of the overall compensation package and is the base amount from which other compensation elements are determined, such as target annual cash incentive opportunities, long-term incentive compensation award opportunities, benefits and retirement savings opportunities. Because several other elements of compensation are driven by base salary, the Committee is careful to set the appropriate level of base salary.

In making salary adjustments, the Committee considers the executive s base salary relative to the market, our compensation philosophy and other factors such as individual performance against business plans, leadership, initiatives, experience, knowledge and job criticality. After discussing these items, the Committee determined it was appropriate to deliver merit increases to all executives.

Below is information on the base salaries of our Named Executive Officers for fiscal 2014 and fiscal 2015.

Base Salary

Name	Fiscal 2014 Base Salary ($)	Percent Increase in Fiscal 2014 (%)	Percentile in the Fiscal 2014 Competitive Market (%)	Fiscal 2015 Base Salary ($)	Percent Increase in Fiscal 2015 (%)	Percentile in the Fiscal 2015 Competitive Market (%)
Joseph F. Puishys	670,000	6.3	45	770,000	14.9	55
James S. Porter	384,375	2.5	60	395,000	2.8	60
Patricia A. Beithon	301,400	2.5	35	315,000	4.5	35
John A. Klein	246,000	2.5	40	255,000	3.7	30
Gary R. Johnson	210,545	3.0	50	215,810	2.5	40

Annual Cash Incentive Compensation. Annual cash incentive awards are designed to reward short-term performance results and the metrics are generally objective financial goals based on the annual operating plan approved by our Board of Directors. For fiscal 2014, annual cash incentive awards to our Named Executive Officers were made pursuant to our shareholder-approved Apogee Enterprises, Inc. 2012 Executive Management Incentive Plan (the Executive MIP), as described below.

Executive MIP. Our Executive MIP was adopted to ensure the tax deductibility of the annual cash incentive compensation that may be earned by our Named Executive Officers. Our Executive MIP is designed to be an annual bonus pool plan. Each fiscal year, the Committee establishes a bonus pool equal to a percentage of one or more performance factors from a list of approved factors set forth in our Executive MIP. Our Company must meet the selected performance factor in order for a bonus pool to be funded to allow for any actual payout under the plan.

Each fiscal year, the Committee selects the executives of our Company who will participate in our Executive MIP for that year and assigns a percentage of the bonus pool to each participating executive, with the total percentage not to exceed 100% of the bonus pool for any given fiscal year. The percentage of the bonus pool assigned to each participating executive establishes the maximum annual cash incentive award payout for that individual participant for the current fiscal year; however, no one individual payout can exceed $3,000,000 in any given fiscal year.

The actual annual cash incentive awards to be paid to participants after the annual bonus pool has been established may be adjusted downward based on the achievement of one or more additional predetermined, objective performance goals based on the annual operating plan approved by our Board of Directors. At least one of the additional predetermined, objective performance goals must be met at the threshold level in order for any annual cash incentive to be paid to an executive. In addition, if our Company is not profitable, no annual cash incentives will be paid even if the other goals are at or above threshold.

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Generally, if the threshold performance level for all financial goals is achieved, 50% or less of the target award will be paid; if target performance level for all financial goals is achieved, 100% of the target award will be paid; and if maximum performance level for all annual financial goals is achieved, 200% of the target award will be paid. If threshold performance level for only one financial metric is achieved and threshold

performance is not achieved for any of the other financial goals, less than 50% of the target award will be paid based on the weighting allocated to that specific financial performance goal. For any performance between these levels, awards will be interpolated. The Committee has the discretion to further reduce payouts under our Executive MIP as appropriate.

Fiscal 2014 Annual Cash Incentive Payouts. The performance factor used to establish the fiscal 2014 bonus pool under our Executive MIP was 7% of Apogee operating income. In fiscal 2014, we had operating income of $40,285,000, generating a bonus pool of $2,820,000. The performance goals used for fiscal 2014 awards for annual cash incentive awards made pursuant to our Executive MIP for our Named Executive Officers were a combination of Apogee net sales, earnings per share (EPS), and days working capital.

The tables below set forth certain information with respect to the fiscal 2014 annual cash incentive award payout ranges as a percentage of fiscal 2014 salary for our Named Executive Officers.

Fiscal 2014 Annual Cash Incentive Compensation Ranges

Name	Threshold Payout as a Percentage of Fiscal 2014 Salary (%)[1]	Target Payout as a Percentage of Fiscal 2014 Salary (%)[2]	Maximum Payout as a Percentage of Fiscal 2014 Salary (%)[3]
Joseph F. Puishys	5.00	100.00	200.00
James S. Porter	3.00	60.00	120.00
Patricia A. Beithon	2.50	50.00	100.00
John A. Klein	2.00	40.00	80.00
Gary R. Johnson	1.25	25.00	50.00

(1) Assumes threshold performance level is achieved for only the performance goal with the lowest weighting and is not achieved for any other performance goals. If actual results are below threshold performance level for all performance goals, the payout will be zero.

(2) Assumes target performance level is achieved for all performance goals.

(3) Assumes maximum performance level is achieved for all performance goals.

The following table outlines the performance metrics, weighting and performance levels and actual performance achievement for the fiscal 2014 performance cycle.

Fiscal 2014 Annual Cash Incentive Performance Levels

Performance Goal	Weighting (%)	Threshold	Target	Maximum	Actual Performance
Net Sales	25	$733,000,000	$761,000,000	$781,000,000	$771,445,000

EPS	65	$0.75	$0.90	$1.05	$0.95
Days Working Capital	10	45.9 days	43.0 days	39.3 days	47.8 days

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The following table sets forth certain information with respect to the fiscal 2014 annual cash incentive compensation payouts for each of our Named Executive Officers.

Fiscal 2014 Annual Cash Incentive Compensation Payouts

	Performance Metrics		Potential Payout			Actual Payout	
Name	**Metric**	**Weighting (%)**	**Target Payout as a Percent of Fiscal 2014 Salary (%)**	**Target Payout Level ($)**	**Percentage of Target (%)**	**Approved Payout Amount ($)[1]**	**Percent of Fiscal 2014 Salary (%)**
Joseph	Net Sales	25	25.00	167,500	38.06	255,002	38.06
F.	EPS	65	65.00	435,500	86.67	580,689	86.67
Puishys	Days Working Capital	10	10.00	67,000			
		100	100.00	670,000	124.73	835,691	124.73
James	Net Sales	25	15.00	57,656	38.06	87,791	22.84
S.	EPS	65	39.00	149,906	86.67	199,875	52.00
Porter	Days Working Capital	10	6.00	23,063			
		100	60.00	230,625	124.73	287,666	74.84
Patricia	Net Sales	25	12.50	37,675	38.06	57,356	19.03
A.	EPS	65	32.50	97,955	86.67	130,627	43.34
Beithon	Days Working Capital	10	5.00	15,070			
		100	50.00	150,700	124.73	187,983	62.37
John	Net Sales	25	10.00	24,600	38.06	37,441	15.22
A.	EPS	65	26.00	63,960	86.67	85,288	34.67
Klein	Days Working Capital	10	4.00	9,840			
		100	40.00	98,400	124.73	122,729	49.89
Gary	Net Sales	25	6.25	13,159	38.06	20,023	9.51
R.	EPS	65	16.25	34,213	86.67	45,625	21.67
Johnson	Days Working Capital	10	2.50	5,264			
		100	25.00	52,636	124.73	65,648	31.18

(1) The individual approved payout amount for each of our Named Executive Officers is less than the maximum allocation of the bonus pool under our Executive MIP for such individual. Therefore, all approved payout amounts for our Named Executive Officers are fully deductible under Section 162(m) of the U.S. Internal Revenue Code of 1986.

Long-Term Incentive Compensation. We utilize two instruments to deliver long-term incentive compensation. The mix of long-term incentive instruments is determined annually by the Committee. Commencing in fiscal 2013, the mix of long-term incentive compensation for our Named Executive Officers was time-based restricted stock awards and two-year cash-based performance awards, which are issued only in the first year of the two-year performance cycle (granted every other year). Prior to fiscal 2013, the mix of long-term incentive compensation was time-based restricted stock awards and three-year performance share unit awards, which the Committee discontinued issuing when it adopted the two-year cash-based performance awards.

Time-Based Restricted Stock Awards. Each year, the Committee determines a fixed dollar value of the time-based restricted stock award for each executive for the just-completed fiscal year. The Committee begins its deliberations

with a targeted fixed dollar value, as a percentage of base salary, which is compared to competitive levels of long-term incentives for comparable positions in the competitive market, based on data provided by the Committee s independent compensation consultant. The

Committee determines a final fixed dollar value for each of our Named Executive Officers after considering the subjective evaluation of each of our Named Executive Officers performance against his or her individual business objectives for the just completed fiscal year. The time-based restricted stock awards will generally vest in three equal annual installments commencing on the first anniversary date of the award.

The Committee determined that Messrs. Puishys, Porter, Klein and Johnson and Ms. Beithon had substantially met his or her individual business objectives for fiscal 2013 and awarded our Named Executive Officers time-based restricted stock on April 30, 2013 as set forth below.

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Fiscal 2014 Restricted Stock Awards

Name	Time-Based Restricted Stock Awarded (#)	Value of Award ($)[1]	Percentage of Fiscal 2014 Salary (%)	Grant Price ($)
Joseph F. Puishys[2]	21,036	535,997	80	25.48
James S. Porter[3]	7,241	184,501	48	25.48