

SUPERIOR INDUSTRIES INTERNATIONAL INC
Form DEFC14A
April 17, 2013

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

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

SUPERIOR INDUSTRIES INTERNATIONAL, INC.
(Name of Registrant as Specified in Its Charter)

GAMCO ASSET MANAGEMENT INC.
MARIO J. GABELLI
WALTER M. SCHENKER
(Name of Persons(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials:

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

GAMCO ASSET MANAGEMENT INC.

April 17, 2013

Dear Fellow Shareholder:

GAMCO Asset Management Inc. (“GAMCO Asset Management”) and the other participants in this solicitation (collectively, “GAMCO” or “we”) are the beneficial owners of an aggregate of 2,783,021 shares of common stock, no par value per share (the “Common Stock”), of Superior Industries International, Inc., a California corporation (“Superior Industries” or the “Company”), representing approximately 10.19% of the outstanding shares of Common Stock. For the reasons set forth in the attached Proxy Statement, we are seeking representation on the Board of Directors of the Company (the “Board”). We are seeking your support at the annual meeting of shareholders scheduled to be held at the Airtel Plaza Hotel, 7277 Valjean Avenue, Van Nuys, California 91406 on Friday, May 17, 2013 at 10:00 A.M. Pacific Time, including any adjournments or postponements thereof and any meeting which may be called in lieu thereof (the “Annual Meeting”), for the following:

1. To approve an amendment to the Articles of Incorporation of Superior Industries to declassify the Board and provide for the annual election of the Board;
2. In the event that Proposal 1 is approved, to elect GAMCO’s director nominee, Walter M. Schenker (the “Nominee”) to serve until the 2014 annual meeting of shareholders and until his successor is duly elected and qualified;
3. In the event that Proposal 1 is not approved, to elect GAMCO’s Nominee, Walter M. Schenker, to serve as a Class II director on the Board in opposition to one of the Company’s incumbent directors;
4. To approve the Company’s Amended and Restated 2008 Equity Incentive Plan (the “Equity Incentive Plan”);
5. To approve the material terms of the performance goals under the Equity Incentive Plan;
6. To approve executive compensation on an advisory basis; and
7. To transact such other business as may properly come before the Annual Meeting or any postponements or adjournments thereof.

We believe that the Company is in urgent need of fresh perspective and a focus on enhancing shareholder value, which, we believe, the Nominee will provide. The Nominee does not have specific plans for the Company.

We are seeking to add one representative on the Board to ensure that the interests of the shareholders, the true owners of the Company, are appropriately represented in the boardroom. There are currently nine directorships on the Board evenly divided in three classes with terms expiring every three years. On April 15, 2013, the Company announced the appointment of Kerry A. Shiba to the Board to fill a previously existing vacancy in Class III with a term expiring at the 2014 annual meeting of shareholder. The Company is asking shareholders to approve an amendment and restatement of the Company's Amended and Restated Articles of Incorporation to permit the declassification of the Board and the annual election of directors. If such amendment is approved the Board will be reduced from nine to seven members and one director will be up for election at the Annual Meeting. If such amendment is not approved by the shareholders, then three directors will be up for election at the Annual Meeting. Through the attached Proxy Statement and enclosed BLUE proxy card, we are soliciting proxies to elect the Nominee. To the extent that three directors are up for election at the Annual Meeting, shareholders who vote on the enclosed BLUE proxy card will also have the opportunity to vote for the candidates who have been nominated by the Company other than Sheldon I. Ausman. Shareholders will therefore be able to vote for the total number of directors up for election at the Annual Meeting. The names, backgrounds and qualifications of the Company's Nominee, and other information about them, can be found in the Company's proxy statement. There is no assurance that any of the Company's nominees will serve as directors if our Nominee is elected.

We urge you to carefully consider the information contained in the attached Proxy Statement and then support our efforts by signing, dating and returning the enclosed BLUE proxy card today. The attached Proxy Statement and the enclosed BLUE proxy card are first being furnished to the shareholders on or about April 17, 2013.

If you have already voted for the incumbent management slate, you have every right to change your vote by signing, dating and returning a later dated proxy.

If you have any questions or require any assistance with your vote, please contact GAMCO at our address listed below.

Thank you for your support.

/s/ Mario J. Gabelli

Mario J. Gabelli
GAMCO Asset Management
Inc.

If you have any questions, require assistance in voting your BLUE proxy card, or need additional copies of GAMCO's proxy materials, please contact GAMCO at the phone number listed below.

GAMCO ASSET MANAGEMENT INC.

ONE CORPORATE CENTER

RYE, NEW YORK 10580

(800) 422-3554

2013 ANNUAL MEETING OF SHAREHOLDERS
OF
SUPERIOR INDUSTRIES INTERNATIONAL, INC.

PROXY STATEMENT
OF
GAMCO ASSET MANAGEMENT INC.

PLEASE SIGN, DATE AND MAIL THE ENCLOSED BLUE PROXY CARD TODAY

GAMCO Asset Management Inc. (“GAMCO Asset Management”), Mario J. Gabelli and certain of their affiliates (collectively, “GAMCO” or “we”) are significant shareholders of Superior Industries International, Inc., a California corporation (“Superior Industries” or the “Company”), owning in the aggregate approximately 10.19% of the outstanding shares of common stock, no par value per share (the “Common Stock”), of the Company. We are seeking to add one representative on the Board of Directors of the Company (the “Board”) because we believe that the Board could be improved by the addition of a director who has strong, relevant background and who is committed to fully exploring all opportunities to unlock shareholder value. We are seeking your support at the annual meeting of shareholders scheduled to be held at the Airtel Plaza Hotel, 7277 Valjean Avenue, Van Nuys, California 91406 on Friday, May 17, 2013 at 10:00 A.M. Pacific Time (including any adjournments or postponements thereof and any meeting which may be called in lieu thereof, the “Annual Meeting”), for the following:

1. To approve an amendment to the Articles of Incorporation of Superior Industries to declassify the Board and provide for the annual election of the Board;
2. In the event that Proposal 1 is approved, to elect GAMCO’s director nominee, Walter M. Schenker (the “Nominee”) to serve until the 2014 annual meeting of shareholders (the “2014 Annual Meeting”) and until his successor is duly elected and qualified;
3. In the event that Proposal 1 is not approved, to elect GAMCO’s Nominee, Walter M. Schenker, to serve as a Class II director on the Board in opposition to one of the Company’s incumbent directors;
4. To approve the Company’s Amended and Restated 2008 Equity Incentive Plan (the “Equity Incentive Plan”);
5. To approve the material terms of the performance goals under the Equity Incentive Plan;
6. To approve executive compensation on an advisory basis (the “Say-on-Pay Proposal”); and
7. To transact such other business as may properly come before the Annual Meeting or any postponements or adjournments thereof.

As of the date hereof, GAMCO and its affiliates collectively own 2,783,021 shares of Common Stock, constituting approximately 10.19% of the outstanding shares of Common Stock. We intend to vote such shares of Common Stock FOR the approval of the amendment to the Articles of Incorporation of Superior Industries to declassify the Board, FOR the election of the Nominee, FOR the approval of the Equity Incentive Plan, FOR the approval of the material terms of the performance goals under the Equity Incentive Plan, and AGAINST the approval of the Say-on-Pay Proposal, as described herein.

The Company has set the close of business on March 18, 2013 as the record date for determining shareholders entitled to notice of and to vote at the Annual Meeting (the "Record Date"). The mailing address of the principal executive offices of the Company is 7800 Woodley Avenue, Van Nuys, California 91406. Shareholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting. According to the Company, as of the Record Date, there were 27,317,363 shares of Common Stock outstanding.

THIS SOLICITATION IS BEING MADE BY GAMCO AND NOT ON BEHALF OF THE BOARD OF DIRECTORS OR MANAGEMENT OF THE COMPANY. WE ARE NOT AWARE OF ANY OTHER MATTERS TO BE BROUGHT BEFORE THE ANNUAL MEETING OTHER THAN AS SET FORTH IN THIS PROXY STATEMENT. SHOULD OTHER MATTERS, WHICH GAMCO IS NOT AWARE OF A REASONABLE TIME BEFORE THIS SOLICITATION, BE BROUGHT BEFORE THE ANNUAL MEETING, THE PERSONS NAMED AS PROXIES IN THE ENCLOSED BLUE PROXY CARD WILL VOTE ON SUCH MATTERS IN OUR DISCRETION.

GAMCO URGES YOU TO SIGN, DATE AND RETURN THE BLUE PROXY CARD IN FAVOR OF THE ELECTION OF THE NOMINEE.

IF YOU HAVE ALREADY SENT A PROXY CARD FURNISHED BY COMPANY MANAGEMENT OR THE BOARD, YOU MAY REVOKE THAT PROXY AND VOTE ON EACH OF THE PROPOSALS DESCRIBED IN THIS PROXY STATEMENT BY SIGNING, DATING AND RETURNING THE ENCLOSED BLUE PROXY CARD. THE LATEST DATED PROXY IS THE ONLY ONE THAT COUNTS. ANY PROXY MAY BE REVOKED AT ANY TIME PRIOR TO THE ANNUAL MEETING BY DELIVERING A WRITTEN NOTICE OF REVOCATION OR A LATER DATED PROXY FOR THE ANNUAL MEETING OR BY VOTING IN PERSON AT THE ANNUAL MEETING.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting—This Proxy Statement and our BLUE proxy card are available at www.gproxyonline.com

IMPORTANT

Your vote is important, no matter how few shares of Common Stock you own. GAMCO urges you to sign, date, and return the enclosed BLUE proxy card today to vote FOR the election of the Nominee.

· If your shares of Common Stock are registered in your own name, please sign and date the enclosed BLUE proxy card and return it to GAMCO in the enclosed postage-paid envelope today.

· If your shares of Common Stock are held in a brokerage account or bank, you are considered the beneficial owner of the shares of Common Stock, and these proxy materials, together with a BLUE voting form, are being forwarded to you by your broker or bank. As a beneficial owner, you must instruct your broker, trustee or other representative how to vote. Your broker cannot vote your shares of Common Stock on your behalf without your instructions.

· Depending upon your broker or custodian, you may be able to vote either by toll-free telephone or by the Internet. Please refer to the enclosed voting form for instructions on how to vote electronically. You may also vote by signing, dating and returning the enclosed voting form.

Since only your latest dated proxy card will count, we urge you not to return any proxy card you receive from the Company. Even if you return the management proxy card marked "withhold" as a protest against the incumbent directors, it will revoke any proxy card you may have previously sent to us. Remember, you can vote for our Nominee only on our BLUE proxy card. So please make certain that the latest dated proxy card you return is the BLUE proxy card.

GAMCO ASSET MANAGEMENT INC.

ONE CORPORATE CENTER

RYE, NEW YORK 10580

(800) 422-3554

Background to the Solicitation

The following is a chronology of material events leading up to this proxy solicitation.

- GAMCO has been a major shareholder of the Common Stock of Superior Industries on behalf of our clients for many years. GAMCO and certain of its affiliates initially filed a Schedule 13D with respect to their ownership of securities of the Company on May 25, 2011.
- On November 30, 2012, GAMCO delivered a letter to the Company advising it of its intention to nominate one or more individuals for election as director of the Company at the Annual Meeting.
- On January 16, 2013, GAMCO delivered a nomination letter to the Company, in accordance with the requirements of the Company's Restated Bylaws (the "Bylaws") with respect to its nomination of Mr. Schenker for election as director of the Company at the Annual Meeting.
- On January 31, 2013 the Nominating and Corporate Governance Committee of the Board, as well as the Chairman of the Board, Steven J. Borick, conducted in-person interviews of Mr. Schenker at the Company's headquarters. Following the interviews, Mr. Borick informed GAMCO that the Board had determined not to nominate Mr. Schenker on its slate and in response GAMCO informed the Company that it intends to proceed with the nomination of Mr. Schenker.
- On March 11, 2013, Mr. Schenker was contacted by Margaret Dano, the Company's Lead Director, who informed him that Mr. Schenker will not be a Board-recommended nominee. Mr. Schenker was also informed that the Board planned to reduce its size.

REASONS FOR THE SOLICITATION

We believe that change is needed on the Board of Superior Industries. Therefore, we are soliciting your support to elect our Nominee at the Annual Meeting, who we believe would bring significant and relevant experience, new insight and fresh perspective to the Board.

We believe the Company is Significantly Underperforming

GAMCO is concerned about Superior Industries' significant underperformance as evidenced by decreases in a wide range of financial metrics. In its most recent Annual Report on Form 10-K, Superior Industries reported that consolidated gross profit decreased \$6.5 million in 2012 to \$60.6 million compared to \$67.1 million in 2011. Revenues in the quarter fell 3% to \$210 million due to flat sales volume and a reduction in average selling price due to lower aluminum prices. Net sales in 2012 decreased \$0.7 million to \$821.5 million from \$822.2 million in 2011.

We believe that at this critical time fresh perspective is required in the boardroom. We are confident that the addition of a securities analyst with a thirty year background in the original equipment segment of the automotive parts industry complete with an understanding on enhancing shareholder value can benefit the Company and all its shareholders.

If elected at the Annual Meeting, our Nominee will, subject to his fiduciary duties as a director, endeavor to work with the other members of the Board to review the Company's operating business and identify opportunities to address the Company's underperformance. However, since the Nominee would be only one member of the Board if elected, there can be no assurance that any actions or changes proposed by the Nominee will be adopted or supported by the Board. It is our hope, however, that if shareholders vote to elect our Nominee at the Annual Meeting, then the Board will give serious consideration to any ideas, plans or proposals for enhancing shareholder value that the Nominee may recommend to the full Board.

OUR NOMINEE HAS THE EXPERIENCE, QUALIFICATIONS AND OBJECTIVITY NECESSARY TO FULLY EXPLORE AVAILABLE OPPORTUNITIES TO UNLOCK VALUE FOR SHAREHOLDERS

As one of the largest shareholders of Superior Industries, we have heightened concerns that the Board lacks the objectivity and commitment necessary to act in the best interests of shareholders. We have identified a highly qualified, independent director who we believe will bring a fresh perspective into the boardroom and would be extremely helpful in evaluating and executing on initiatives to unlock value at the Company. Further, we believe Superior Industries' continued underperformance and undervaluation warrant the addition of a direct shareholder representative on the Board to ensure that all decisions are made with the best interests of all shareholders as the primary objective.

Walter M. Schenker. Mr. Schenker has extensive investment expertise built over more than 40 years of experience in the investment business. Mr. Schenker brings deep knowledge of many aspects of public company investing including accounting, financial reporting, capital allocation, strategic transactions and investor relations. Further, Mr. Schenker has followed the automotive parts industry since the mid-1970's and is the author of significant published research on the industry. GAMCO believes that Mr. Schenker will be an invaluable addition to the Board that will help improve effective oversight of the Company and strengthen the Board's focus on enhancing shareholder value.

PROPOSAL NO. 1

APPROVAL OF AMENDMENT TO ARTICLES OF INCORPORATION TO DECLASSIFY THE BOARD AND PROVIDE FOR THE ANNUAL ELECTION OF THE BOARD

As discussed in further detail in the Company's proxy statement, on the recommendation of the Nominating and Corporate Governance Committee, the Board has approved and recommends that the shareholders adopt an amendment to the Company's Amended and Restated Articles of Incorporation (the "Articles of Incorporation") to eliminate the classification of the Board over a two-year period and provide for the annual election of all directors beginning with the 2015 annual meeting of shareholders. As more fully described in the Company's proxy statement, if shareholders approve Proposal 1, at the Annual Meeting then at all annual meetings thereafter, directors whose terms are expiring at such meetings will be subject to election for a one-year term expiring at the next annual meeting. As a result, directors whose terms expire in 2014 and 2015 will first be elected for one-year terms beginning in those respective years and beginning with the 2015 annual meeting of shareholders, all directors will stand for election at each annual meeting for one-year terms. The phase-in of annual elections is designed to comply with California law by allowing all of the sitting directors to complete the original term of office that the shareholders had elected the directors to serve.

According to the Company's proxy statement, the Board has resolved that if the shareholders approve Proposal 1, then immediately upon its taking effect, the size of the Board will be reduced from nine (9) members to seven (7) members by eliminating two directorships from Class II for which the term would otherwise expire at the Annual Meeting. In this instance, one director from Class II will be elected at the Annual Meeting to serve for a one-year term expiring at the 2014 Annual Meeting.

In addition, the Company's proxy statement indicates that the Company has made certain additional changes to the Articles of Incorporation that do not impact the substantive meaning of the respective provisions to: (1) correct the Company's legal name and (2) correct an administrative error in the copy of the Articles of Incorporation on file with the Secretary of State of the State of California.

WE RECOMMEND A VOTE "FOR" THE APPROVAL OF THE AMENDMENT TO THE ARTICLES OF INCORPORATION TO DECLASSIFY THE BOARD AND PROVIDE FOR THE ANNUAL ELECTION OF THE BOARD AND INTEND TO VOTE OUR SHARES "FOR" THIS PROPOSAL.

PROPOSALS NO. 2 AND 3

ELECTION OF DIRECTORS

There are currently nine directorships on the Board evenly divided in three classes with terms expiring every three years. On April 15, 2013, the Company announced the appointment of Kerry A. Shiba to the Board to fill a previously existing vacancy in Class III with a term expiring at the 2014 Annual Meeting. As more fully described above, the Company is asking shareholders to approve an amendment and restatement of the Company's Articles of Incorporation to permit the declassification of the Board and the annual election of directors. If such amendment is approved the Board will be reduced from nine to seven members and one director will be up for election at the Annual Meeting to serve for a one-year term. If such amendment is not approved, then the size of the Board will remain at nine members and three Class II directors will be up for election at the Annual Meeting to serve for a term expiring at the 2016 annual meeting of shareholders.

We are seeking your support at the Annual Meeting to elect our Nominee in opposition to one of the Company's incumbent directors. Your vote to elect the Nominee will have the legal effect of replacing this incumbent director with the Nominee. If Proposal 1 is approved, Mr. Schenker, if elected, will serve until the 2014 Annual Meeting. If Proposal 1 is not approved, Mr. Schenker, if elected, will serve as a Class II director on the Board with a term expiring at the 2016 annual meeting of shareholders. If elected, the Nominee will represent a minority of the members of the Board, and therefore it is not guaranteed that he can implement the actions that he believes are necessary to enhance shareholder value.

THE NOMINEE

The following information sets forth the name, age, business address, present principal occupation, and employment and material occupations, positions, offices, or employments for the past five years of the Nominee. The nomination was made in a timely manner and in compliance with the applicable provisions of the Company's governing instruments. The specific experience, qualifications, attributes and skills that led us to conclude that the Nominee should serve as director of the Company is set forth above in the section entitled "Reasons for the Solicitation." This information has been furnished to us by the Nominee. The Nominee is a citizen of the United States of America.

Walter M. Schenker, age 66, is the sole Principal of MAZ Capital Advisors, LLC.

Mr. Schenker has worked in the investment business for over 40 years. Since the mid-1970's, Mr. Schenker has followed the automotive parts industry, and in the 1970's and 1980's published significant research on the industry and was quoted in major publications.

During the 1970's and 1980's, Mr. Schenker was employed with a number of leading brokerage/investment banks as well as money management firms, including Lehman Brothers, Drexel Burham Lambert, Steinhardt Partners, Bear Stearns, Gabelli & Company, Inc., and Glickenhau & Company.

In 1999, Mr. Schenker co-founded Titan Capital Management, LLC, a registered investment advisor and hedge fund. In 2007, Titan Capital Management, LLC, TCMP3 Partners, L.P., its general partner, TCMP3 Capital, LLC, its investment manager, and portfolio managers Steven E. Slawson and Walter M. Schenker agreed to a settlement with the SEC in connection with unregistered securities offerings, which are commonly referred to as "PIPEs" (Private Investment in Public Equity), without admitting or denying the allegations. In June 2010, after the retirement of his partner, Mr. Schenker founded MAZ Capital Advisors, LLC. MAZ Capital Advisors, LLC manages a hedge fund which largely invests on a long term basis in small and mid-cap companies. The fund performs extensive research and often takes significant positions in portfolio companies. This process often includes developing a close relationship

with a company's management.

In the course of his career, Mr. Schenker has worked with public and private companies to advise and assist with raising capital. Mr. Schenker has been the lead plaintiff in securities class actions, and is knowledgeable on corporate governance issues.

The principal business address of Mr. Schenker is 1130 Route 46, Suite 22, Parsippany, NJ, 07054.

As of the date hereof, Mr. Schenker directly owns 10,000 shares of Common Stock in his personal IRA account, which makes him by far the largest personal owner of Common Stock of all outside directors. For information regarding purchases and sales of securities of the Company during the past two years by Mr. Schenker, see Schedule I.

There are no arrangements or understandings between GAMCO or any of its affiliates of clients and the Nominee or any other person or persons pursuant to which the nomination of the Nominee described herein is to be made, other than the consent by the Nominee to be named in this Proxy Statement and to serve as a director of the Company if elected as such at the Annual Meeting. The Nominee is not a party adverse to the Company or any of its subsidiaries nor does he have a material interest adverse to the Company or any of its subsidiaries in any material pending legal proceedings.

The Nominee presently is, and if elected as a director of the Company would be, an “independent director” within the meaning of (i) applicable NYSE listing standards applicable to board composition, including Rule 5605(a)(2) and (ii) Section 301 of the Sarbanes-Oxley Act of 2002. No Nominee is a member of the Company’s compensation, nominating or audit committee that is not independent under any such committee’s applicable independence standards.

We do not expect that the Nominee will be unable to stand for election, but, in the event the Nominee is unable to serve or for good cause will not serve, the shares of Common Stock represented by the enclosed BLUE proxy card will be voted for substitute nominee(s), to the extent this is not prohibited under the Bylaws and applicable law. In addition, we reserve the right to nominate substitute person(s) if the Company makes or announces any changes to its Bylaws or takes or announces any other action that has, or if consummated would have, the effect of disqualifying any Nominee, to the extent this is not prohibited under the Bylaws and applicable law. In any such case, shares of Common Stock represented by the enclosed BLUE proxy card will be voted for such substitute nominee(s). We reserve the right to nominate additional person(s), to the extent this is not prohibited under the Bylaws and applicable law, if the Company increases the size of the Board above its existing size or increases the number of directors whose terms expire at the Annual Meeting. Additional nominations made pursuant to the preceding sentence are without prejudice to the position of GAMCO that any attempt to increase the size of the current Board constitutes an unlawful manipulation of the Company’s corporate machinery.

WE URGE YOU TO VOTE FOR THE ELECTION OF OUR NOMINEE ON THE ENCLOSED BLUE PROXY CARD.

PROPOSAL NO. 4

APPROVAL OF THE AMENDED AND RESTATED 2008 EQUITY INCENTIVE PLAN

As discussed in further detail in the Company's proxy statement, on March 22, 2013, the Board approved an amendment and restatement of Superior Industries' 2008 Equity Incentive Plan (the "Equity Plan") consisting of two categories of amendments, certain "Housekeeping Amendments" that do not require approval of the Company's shareholders and a "Contingent Amendment," which the Board is proposing for shareholder approval at the Annual Meeting. According to the Company's proxy statement, the Contingent Amendment seeks to increase the limit on shares (from the existing plan share reserve) that may be issued in the form of "full-value awards," which includes restricted stock, RSUs and performance awards other than options or stock appreciation rights, or "SARs." The Company proposes to increase the limit on full-value awards from 100,000 shares to 600,000 shares, which represents about 26% of the overall plan reserve of 3,500,000 shares.

WE RECOMMEND A VOTE "FOR" THE APPROVAL OF THE AMENDED AND RESTATED 2008 EQUITY INCENTIVE PLAN AND INTEND TO VOTE OUR SHARES "FOR" THIS PROPOSAL.

PROPOSAL NO. 5

APPROVAL OF THE MATERIAL TERMS OF PERFORMANCE GOALS UNDER THE EQUITY INCENTIVE PLAN

As discussed in further detail in the Company's proxy statement, the Board is requesting that shareholders approve the material terms of the performance goals under the Equity Plan, to enable the Company to continue to have a shareholder-approved arrangement under which certain compensation awarded to senior officers under the Equity Plan may qualify as performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code (the "Code"). According to the Company's proxy statement, if Proposal 5 is approved but Proposal 4 to amend and restate the Equity Plan is not approved, the existing Equity Plan, as amended only by the Housekeeping Amendments (plus the performance goals approved in this Proposal 5), will continue until May 30, 2018, after which no further awards may be made under the Equity Plan. If Proposal 5 is not approved, performance awards may still be granted under the Equity Plan until May 30, 2018, but certain awards to executive officers made after May 17, 2013 will not be eligible for the performance-based compensation exemption from Section 162(m) of the Code.

WE RECOMMEND A VOTE "FOR" THE APPROVAL OF THE MATERIAL TERMS OF PERFORMANCE GOALS UNDER THE EQUITY INCENTIVE PLAN AND INTEND TO VOTE OUR SHARES "FOR" THIS PROPOSAL.

PROPOSAL NO. 6

APPROVAL OF ADVISORY VOTE ON EXECUTIVE COMPENSATION

As discussed in further detail in the Company's proxy statement, the Company is asking shareholders to indicate their support for the compensation of the Company's named executive officers. This proposal, commonly known as a "say-on-pay" proposal, is not intended to address any specific item of compensation, but rather the overall compensation of the Company's named executive officers and the philosophy, policies and practices described in the Company's proxy statement. Accordingly, the Company is asking shareholders to vote for the following resolution:

"Resolved, that shareholders approve the compensation of the Company's Named Executive Officers, as discussed and disclosed in the Compensation Discussion and Analysis, the executive compensation tables, and any narrative executive compensation disclosure contained in this proxy statement."

According to the Company's proxy statement, the say-on-pay vote is advisory only and not binding on the Company, the Compensation Committee of the Board or the Board.

WE RECOMMEND A VOTE "AGAINST" THE APPROVAL OF THE NON-BINDING RESOLUTION REGARDING EXECUTIVE COMPENSATION AND INTEND TO VOTE OUR SHARES "AGAINST" THIS PROPOSAL.

VOTING AND PROXY PROCEDURES

Only shareholders of record on the Record Date will be entitled to notice of and to vote at the Annual Meeting. Shareholders who sell their shares of Common Stock before the Record Date (or acquire them without voting rights after the Record Date) may not vote such shares of Common Stock. Shareholders of record on the Record Date will retain their voting rights in connection with the Annual Meeting even if they sell such shares of Common Stock after the Record Date. Based on publicly available information, GAMCO believes that the only outstanding class of securities of the Company entitled to vote at the Annual Meeting is the shares of Common Stock.

Shares of Common Stock represented by properly executed BLUE proxy cards will be voted at the Annual Meeting as marked and, in the absence of specific instructions, will be voted FOR the approval of the amendment to the Articles of Incorporation of Superior Industries to declassify the Board, FOR the election of the Nominee, FOR the approval of the Equity Incentive Plan, FOR the approval of the material terms of the performance goals under the Equity Incentive Plan, and AGAINST the approval of the Say-on-Pay Proposal, as described herein.

According to the Company's proxy statement for the Annual Meeting, the Company is asking shareholders to approve an amendment to the Articles of Incorporation to permit the declassification of the Board and the annual election of directors. If such amendment is approved by the shareholders, the Board will be reduced from nine to seven members and one director will be up for election at the Annual Meeting. If such amendment is not approved by the shareholders, then three directors will be up for election at the Annual Meeting. This Proxy Statement is soliciting proxies to elect our Nominee. To the extent that three directors are up for election at the Annual Meeting, shareholders who vote on the enclosed BLUE proxy card will also have the opportunity to vote for the candidates who have been nominated by the Company other than Sheldon I. Ausman. Shareholders will therefore be able to vote for the total number of directors up for election at the Annual Meeting. Under applicable proxy rules we are required either to solicit proxies only for our Nominee, which could result in limiting the ability of shareholders to fully exercise their voting rights with respect to the Company's nominees, or to solicit for our Nominee while also allowing shareholders to vote for fewer than all of the Company's nominees, which enables a shareholder who desires to vote for our Nominee to also vote for certain of the Company's nominees. The names, backgrounds and qualifications of the Company's nominees, and other information about them, can be found in the Company's proxy statement. There is no assurance that any of the Company's nominees will serve as directors if our Nominee is elected.

QUORUM; BROKER NON-VOTES; DISCRETIONARY VOTING

A quorum is the minimum number of shares of Common Stock that must be represented at a duly called meeting in person or by proxy in order to legally conduct business at the meeting. For the Annual Meeting, the presence, in person or by proxy, of the holders of at least 13,658,682 shares of Common Stock, which represents a majority of the 27,317,363 shares of Common Stock outstanding as of the Record Date and entitled to vote, will be considered a quorum allowing votes to be taken and counted for the matters before the shareholders.

Abstentions are counted as present and entitled to vote for purposes of determining a quorum. Shares represented by "broker non-votes" also are counted as present and entitled to vote for purposes of determining a quorum. However, if you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote (a "broker non-vote"). Under current NYSE rules, your broker will not have discretionary authority to vote your shares at the Annual Meeting on any of the proposals that are put to a vote at the Annual Meeting.

If you are a shareholder of record, you must deliver your vote by mail or attend the Annual Meeting in person and vote in order to be counted in the determination of a quorum.

If you are a beneficial owner, your broker will vote your shares pursuant to your instructions, and those shares will count in the determination of a quorum. Brokers do not have discretionary authority to vote on any of the matters to be presented at the Annual Meeting. Accordingly, unless you vote via proxy card or provide instructions to your broker, your shares of Common Stock will not count for purposes of attaining a quorum.

VOTES REQUIRED FOR APPROVAL

Amendment of the Articles of Incorporation According to the Company's proxy statement, the affirmative vote of at least eighty percent (80%) of the voting power of all the outstanding shares of Common Stock shall be required to approve this proposal. Abstentions and broker non-votes will effectively represent votes against this proposal.

Election of Directors According to the Company's proxy statement, if Proposal 1 is approved, the one person who receives the largest number of "yes" votes will be elected as a director. If Proposal 1 is not approved, the three people receiving the largest number of "yes" votes will be elected as Class II directors. Under California law, since there is no particular percentage of either the outstanding shares or the shares represented at the meeting required to elect a director. With respect to the election of directors, neither an abstention nor a broker non-vote will count as a vote cast "for" or "against" a director nominee. Therefore, abstentions and broker non-votes will have no direct effect on the outcome of the election of directors.

Other Proposals According to the Company's proxy statement, the affirmative vote of a majority of shares of Common Stock represented and voting at the Annual Meeting at which a quorum is present, together with the affirmative vote of at least a majority of the required quorum, shall be required to approve this proposal. Shares of Common Stock that are voted "FOR," "AGAINST" or "ABSTAIN" on the proposal are treated as being present at the Annual Meeting for purposes of establishing the quorum, but only shares of Common Stock voted "FOR" or "AGAINST" are treated as shares of Common Stock "represented and voting" at the Annual Meeting with respect to the proposal. Accordingly, abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business. However, abstentions and broker non-votes will not be counted for purposes of determining the number of shares "represented and voting" with respect to the propo