

AMERICAN VANGUARD CORP  
Form DEF 14A  
April 23, 2015

## SCHEDULE 14A INFORMATION

(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 Pursuant to Rule 14a-11(c) or Rule 14a-12

## AMERICAN VANGUARD CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:



**AMERICAN VANGUARD CORPORATION**

**4695 MacArthur Court, Suite 1200**

**Newport Beach, California 92660**

April 23, 2015

Dear Stockholder:

It is our pleasure to invite you to attend the 2015 Annual Meeting of Stockholders (the Annual Meeting ) of American Vanguard Corporation (the Company or AVD ). The Annual Meeting will be held at the Hilton Hotel, 18800 MacArthur Boulevard, Irvine, California on Wednesday, June 3, 2015 at 11:00 am Pacific. In the following pages you will find the Secretary's Notice of the Meeting and the Proxy Statement which describe the matters to come before the Annual Meeting.

If you plan to attend the meeting, please note the admission procedures on the Notice of the Meeting.

Whether or not you plan to attend the Annual Meeting, please vote your shares in one of the following ways, either: (i) via the Internet, by following the instructions on your proxy card, (ii) by calling the toll-free telephone number on your proxy card, or (iii) by marking, dating and signing the enclosed proxy card and returning it in the accompanying postage paid envelope as quickly as possible.

We are grateful for your continuing interest in American Vanguard Corporation. In person or by proxy, your vote is important. Thank you!

Sincerely,

AMERICAN VANGUARD CORPORATION

Eric G. Wintemute

*Chairman and Chief Executive Officer*

**AMERICAN VANGUARD CORPORATION**

**4695 MacArthur Blvd., Suite 1200**

**Newport Beach, CA 92660**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held Wednesday, June 3, 2015**

To the Stockholders of American Vanguard Corporation:

The Annual Meeting of American Vanguard Corporation, a Delaware corporation, will be held at the Hilton Hotel, 18800 MacArthur Boulevard, Irvine, California 92612, on Wednesday, June 3, 2015. The meeting will begin promptly at 11:00 a.m. local time. Matters to be voted on at the meeting are:

1. Elect eight (8) directors until their successors are elected and qualified;
2. Ratify the appointment of BDO USA, LLP ( BDO ) as independent registered public accounting firm for the year ending December 31, 2015; and
3. Hold an advisory vote on executive compensation.

Stockholders of record at the close of business on Wednesday, April 15, 2015, are entitled to notice of, and to vote at, the Annual Meeting and any adjournments thereof. A copy of the Company's Annual Report, including financial statements for the year ended December 31, 2014, is enclosed with this Notice.

**Please note that in order to be admitted to the Annual Meeting, a person must furnish proof of his or her status as a stockholder at the site of such meeting. This proof may take the form of a proxy card, if the person is a stockholder of record. If the shares are held through an intermediary, such as a bank or broker, or holder of record, a recent brokerage statement or letter from a bank or broker is an example of proof of ownership. You must also present valid photo identification.**

It is important that your shares be represented whether or not you plan to attend the Annual Meeting. You may vote your shares in any of the following ways, either: (i) via the Internet, by following the instructions on your proxy card, (ii) by calling the toll-free telephone number on your proxy card, or (iii) by marking, dating and signing the enclosed proxy card and returning it in the accompanying postage paid envelope. All shares represented by the enclosed proxy, if the proxy is properly executed and returned, will be voted as you direct. If you attend the meeting, you may withdraw your proxy at that time and vote your shares in person.

**Finally, if you plan to attend the Annual Meeting in person, please RSVP by May 30, 2015 to William Kuser, Director of Investor Relations, at either 949-221-6119 or AVD-Shareholder@amvac-chemical.com.**

By Order of the Board of Directors

Timothy J. Donnelly

*Chief Administrative Officer*

*General Counsel & Secretary*

Newport Beach, California

April 23, 2015

**AMERICAN VANGUARD CORPORATION**

**4695 MacArthur Court**

**Newport Beach, CA 92660**

**PROXY STATEMENT**

**Annual Meeting of Stockholders to be held June 3, 2015**

**Proxy Solicitation by the Board of Directors**

The Board of Directors of American Vanguard Corporation (the **Company**) is soliciting proxies to be voted at the Annual Meeting to be held on Wednesday, June 3, 2015, at the Hilton Hotel, 18800 MacArthur Boulevard, Irvine, California 92612, at 11:00 a.m., local time, and at any adjournments or postponements thereof. This proxy statement describes issues on which the Company would like you, as a stockholder, to vote. It also gives you information on these issues so that you can make an informed decision. The approximate date on which this proxy statement and the enclosed form of proxy are first being sent or given to stockholders is April 23, 2015.

The Board of Directors of the Company (the **Board of Directors** or the **Board**) has fixed the close of business on Wednesday, April 15, 2015, as the record date for the determination of stockholders entitled to receive notice of, and to vote at, the Annual Meeting (the **Record Date**). At the Record Date, 31,573,948 shares of common stock, par value \$0.01 per share of the Company (**Common Stock**), were issued. Of that amount, 2,450,634 were held as treasury shares. Each share of Common Stock, excluding treasury shares, entitles its record holder on the Record Date to one vote on all matters.

**Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be held on June 3, 2015. Our Proxy Statement and our 2014 Annual Report to Stockholders are available at [www.american-vanguard.com](http://www.american-vanguard.com).** This website address contains the following documents: the Notice of the Annual Meeting, our Proxy Statement and our 2014 Annual Report to Stockholders. You are encouraged to access and review all of the important information contained in the proxy materials before voting.

**QUESTIONS AND ANSWERS**

**Why am I receiving this annual meeting information and proxy?**

You are receiving this proxy statement from us because you owned shares of Common Stock of the Company as of the Record Date. This Proxy Statement (**Proxy**) describes issues on which you are invited to vote and provides you with other important information so that you can make informed decisions.

You may own shares of Common Stock in several different ways. If your stock is represented by one or more stock certificates registered in your name, you have a stockholder account with our transfer agent, American Stock Transfer & Trust, which makes you a stockholder of record. If you hold your shares in a brokerage, trust or similar account, you are a beneficial owner, not a stockholder of record.

**What am I voting on?**

You are being asked to vote on the election of eight (8) directors, the ratification of the appointment of BDO as the Company's independent registered public accounting firm for fiscal year 2015, and your recommendation on executive compensation, as disclosed in the Proxy. When you sign and mail the proxy card or submit your





proxy by telephone or the Internet, you appoint Eric G. Wintemute and Timothy J. Donnelly as your representatives at the Annual Meeting. When we refer to the named proxies, we are referring to Mr. Wintemute and Mr. Donnelly. This way, your shares will be voted even if you cannot attend the meeting.

### **How do I vote my shares?**

Record holders may vote in person at the Annual Meeting, or by using either the Internet, the telephone or the Proxy Card.

Persons who beneficially own stock can vote at the Annual Meeting, provided that they obtain a legal proxy from the person or entity holding the stock, typically a broker, bank or trustee. A beneficial owner can obtain a legal proxy by making a request to the broker, bank or trustee. Under a legal proxy, the bank, broker or trustee confers all of its legal rights as a record holder (which, in turn, had been passed on to it by the ultimate record holder) to grant proxies or to vote at the Annual Meeting.

Set forth below are the various means Internet, telephone and mail for voting without attending the Annual Meeting.

*You may submit your proxy on the Internet.* Stockholders of record and most beneficial owners of Common Stock may vote via the Internet. Instructions for doing so are provided along with your proxy card or voting instruction form. If you vote on the Internet, please do not mail in your proxy card. Subject to rules relating to broker non-votes, your Internet vote will authorize the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

*You may submit your proxy by telephone.* Stockholders of record and most beneficial owners of Common Stock may vote by telephone. Instructions for doing so are provided along with your proxy card or voting instruction form. If you vote by telephone, please do not mail in your proxy card. Subject to rules relating to broker non-votes, your telephone vote will authorize the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

*You may submit your proxy by mail.* Simply sign and date the proxy card or voting instruction form received with this proxy statement and mail it in the enclosed prepaid and addressed envelope. If you mark your choices on the card or voting instruction form, your shares will be voted as you instruct.

**All proxy voting procedures, including those by the Internet and by telephone, will include instructions on how to vote either FOR or AGAINST any or all director nominees.**

### **What if I change my mind after I submit my proxy?**

You may revoke your proxy and change your vote, irrespective of the method (*i.e.*, Internet, telephone, or mail) in which you originally voted, by delivering a later-dated proxy or by voting at the Annual Meeting. The later-dated proxy may be delivered by telephone, Internet or mail and need not be delivered by the same means used in delivering the to-be-revoked proxy. You may do this at a later date or time by:

Submitting a proxy by telephone or on the Internet (which may not be available to some beneficial holders); your latest telephone or Internet proxy will be counted;

Signing and delivering a proxy card with a later date; or

Voting at the Annual Meeting (if you hold shares beneficially through a broker, you must bring a legal proxy from the record holder in order to vote at the Annual Meeting).

If you are a registered stockholder, you may obtain a new proxy card by contacting the Corporate Secretary, American Vanguard Corporation, 4695 MacArthur Court, Suite 1200, Newport Beach, California 92660, telephone (949) 260-1200. If your shares are held by a broker, bank or trustee, you may obtain a new voting instruction form by contacting your broker, bank or trustee. If you sign and date the proxy card or the voting instruction form and submit it in accordance with the accompanying instructions and in a timely manner, any earlier proxy card or voting instruction form will be revoked and your choices on the proxy card or voting instruction form will be voted as you instruct.

**How many shares must be present to hold the meeting?**

A quorum must be present at the Annual Meeting in order to hold the Annual Meeting and conduct business. Shares representing a majority of the voting power of the outstanding shares of Common Stock entitled to vote as of the Record Date, present in person or by proxy, will be necessary to establish a quorum. Shares of Common Stock will be counted as present at the Annual Meeting, if the stockholder is present and votes in person at the Annual Meeting or has properly submitted and not revoked a proxy. As noted above, treasury shares are not entitled to vote and, therefore, are not counted in determining a quorum. Broker non-votes with respect to ratification of BDO as independent registered public accounting firm and abstentions shall count toward establishing a quorum for the Annual Meeting.

**How many votes must the director nominees receive to be elected?**

Directors shall be elected by a majority of the votes cast by the holders of shares of Common Stock present in person or represented by proxy at the Annual Meeting. In other words, those nominees for whom the number of shares voted FOR exceeds the number of shares voted AGAINST will be elected. There is no cumulative voting for the Company's directors. Further, broker non-votes will not be taken into account in determining the outcome of the election of directors.

**How many votes must be received in order for the other proposals to be ratified?**

Approval for the two other proposals (the appointment of BDO as independent registered public accounting firm and the advisory vote on executive compensation) will require the affirmative vote of a majority of the votes cast at the meeting.

**How will my shares be voted, and what are broker non-votes?**

All proxies received and not revoked will be voted as directed. If you are a stockholder of record who submits a proxy but does not indicate how the proxies should vote on one or more matters, the named proxies will vote as recommended by the Company. However, if you are not a stockholder of record (in other words, your shares are held by a broker) and you do not provide instructions to the broker on how to vote, then your proxy will be counted (i) as a vote FOR the ratification of BDO as independent registered public accounting firm, and (ii) as a broker non-vote toward all other measures. A broker non-vote does not count as a vote either for or against a measure; however, because two of the three proposals require a majority vote for passage, it is possible that a measure could fail to pass if there are a large number of broker non-votes. Accordingly, if you want to ensure the passage of a matter, then it is important that you provide voting instructions on that matter.

**Who pays the costs of proxy solicitation?**

The expenses of soliciting proxies for the Annual Meeting are to be paid by the Company. Solicitation of proxies may be made by means of personal calls upon, or telephonic or telegraphic communications with, stockholders or their personal representatives by either officers or employees. In addition, a proxy solicitation agent has been retained by the Company for this purpose. Although there is no formal agreement to do so, the Company may reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding this Proxy to stockholders whose Common Stock is held of record by such entities.

**What business may be properly brought before the meeting and what discretionary authority is granted?**

*Nominations for Directors for the Annual Meeting.* The Nominating & Corporate Governance Committee has established guidelines setting forth certain advance notice procedures relating to the nomination of directors (the *Nomination Procedure* ), and no person nominated by a stockholder will be eligible for election as a director, unless nominated in accordance with the provisions of the *Nomination Procedure*. Under the terms of the *Nomination Procedure*, to be timely for the Annual Meeting, a stockholder's notice must have been delivered to, or mailed and received at, the principal executive offices of the Company by no later than March 5, 2015. Notwithstanding the provisions of the *Nomination Procedure*, a stockholder also must comply with all applicable requirements of the Securities Exchange Act of 1934, as amended (the *Exchange Act* ) and the rules and regulations thereunder with respect to the matters set forth in the *Nomination Procedure*. The Company did not receive any director nominations to be considered for inclusion in the Proxy to be voted on at the Annual Meeting under the *Nomination Procedure*.

*Stockholder Proposals for the Annual Meeting.* The Nominating & Corporate Governance Committee has also adopted certain advance notice procedures for properly bringing business, other than director nominations, before a meeting of the stockholders (the *Stockholder Proposal Procedure* ) whether or not to be included in the Company's proxy materials. Under the terms of the *Stockholder Proposal Procedure*, to be timely for the Annual Meeting, a stockholder must have delivered a notice regarding a proposal delivered to the principal executive offices of the Company by no later than January 15, 2015. The Company did not receive any stockholder proposals for the Annual Meeting, pursuant to the *Stockholder Proposal Procedure*. The presiding officer of the Annual Meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of the *Stockholder Proposal Procedure*, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

The Company has no knowledge or notice that any business, other than as set forth in the Notice of Annual Meeting, will be brought before the Annual Meeting. For information related to the application of the *Nomination Procedure* and the *Stockholder Proposal Procedure* for the 2016 Annual Meeting, see the discussion in this Proxy Statement under the caption *Proposals for Submission at Next Annual Meeting* and *Stockholder Nomination of Directors* .

**Is a list of stockholders entitled to vote at the meeting available?**

A list of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting. The list will also be available Monday through Friday from April 20, 2015 through June 3, 2015, between the hours of 9 a.m. and 4 p.m., local time, at the offices of the Corporate Secretary, American Vanguard Corporation, 4695 MacArthur Court, Suite 1200, Newport Beach, California 92660. A stockholder of record may examine the list for any legally valid purpose related to the Annual Meeting.

**Where can I find the voting results of the meeting?**

We will publish the final results in a Form 8-K within four business days after the Annual Meeting. You can read or print a copy of that report by going to the Company's website, [www.american-vanguard.com](http://www.american-vanguard.com), Investor Relations, Securities Exchange Commission ( SEC ) Filings, and then click on, [View American Vanguard SEC Filings](#) . References to our website in this proxy statement are not intended to function as hyperlinks, and the information contained on our website is not intended to be incorporated by reference into this Proxy. You can find the same Form 8-K by going directly to the SEC EDGAR files at [www.sec.gov](http://www.sec.gov). You can also get a copy by calling the Company at (949) 260-1200, or by calling the SEC at (800) SEC-0330 for the location of a public reference room.

The following sets forth the names and certain information with respect to the persons nominated for election as directors, all of whom have had the same principal occupation for more than the past five years,

except as otherwise noted. All such nominees have consented to serve and are currently directors. All of the eight nominees were elected by the stockholders at the 2014 Annual Meeting of Stockholders.

#### **NOMINEES FOR ELECTION AS DIRECTORS QUALIFICATIONS & EXPERIENCE**

**Scott D. Baskin**, age 61, was elected as a director with the Company in January 2014. Mr. Baskin has extensive experience as a litigator arising from his 35 year career with the law firm of Irell & Manella, from which he retired at the end of 2013. During his tenure at Irell & Manella, Mr. Baskin concentrated his practice on intellectual property, technology, real estate, business torts and securities actions for a multitude of corporate clients. A frequent lecturer and writer, he has published many articles on intellectual property rights, patent infringement, trial preparation and discovery. He was an assistant instructor at Yale Law School and clerked for Hon. Y. C. Choy, United States Court of Appeals for the Ninth Circuit. Mr. Baskin holds a J.D. from Yale Law School and a B.A. in Political Science and History from Stanford University. Mr. Baskin brings legal acumen and extensive experience in intellectual property matters, which complement the Company's commitment to innovation in formulations and delivery equipment.

**Lawrence S. Clark**, age 56, has served as a director since 2006. Mr. Clark served as the Chief Financial Officer ( CFO ) for Legendary Pictures, a motion picture production company that develops, co-produces and co-finances major motion pictures in partnership with NBC Universal from 2004 until June, 2012. From 2003 - 2004 he provided financial and corporate development consulting services to media and entertainment clients. From 2000 to 2003, Mr. Clark was the CFO of Creative Artists Agency, a leading entertainment talent, literary and marketing agency. From 1997 to 2000, he served as Senior Vice President, Corporate Development for Sony Pictures Entertainment. Mr. Clark was Director International for The Carlyle Group, a private equity firm, from 1995 to 1997. In 1992, he co-founded Global Film Equity Corp., which provided strategic, business advisory and capital raising services to media companies. From 1989 to 1992, Mr. Clark was Vice President, Corporate Finance at Salomon Brothers, Inc. Prior to that, he was a Corporate Finance Associate at Goldman Sachs & Co. from 1987 to 1989. With over 25 years of financial, investing and operating experience, Mr. Clark brings a financial discipline and analytical approach that make him a valuable asset to the Board.

**Debra F. Edwards**, age 61, was elected as a director with the Company in 2011. Dr. Edwards is an independent consultant, specializing in global regulatory strategy for pesticides and biocides. She has 30 years of experience specializing in pesticide residue chemistry, human health risk assessment, human health and ecological risk management, registration, re-registration and regulatory policy development. The majority of her career has been spent in leading large scientific and regulatory organizations within the United States Environmental Protection Agency ( USEPA ), culminating in her serving as Director of the Office of Pesticide Programs. Except for a two-year stint in Guatemala as a volunteer in the United States Peace Corp. (1997-1999), Dr. Edwards worked for the USEPA from 1985 until 2010. Dr. Edwards holds a Ph.D. and a Masters Degree in Plant Pathology, has been the recipient of numerous academic and professional honors, including the Presidential Rank Award for Meritorious Service as a Senior Executive of the USEPA, and has published and made presentations in national and international fora on pesticide regulation, food safety and integrated pest management. Given the large number of active ingredients that the Company has registered for use across the globe and the rapidly changing and increasingly challenging regulatory climate, Dr. Edwards continues to be a valuable asset for assisting the board in mapping out strategy for product defense, regulatory compliance both domestically and internationally, and in the evaluation of product line acquisitions. She also has extensive experience in product stewardship and worker safety issues.

**Morton D. Erlich**, age 70, was elected as a director with the Company in October 2013. Mr. Erlich has extensive experience in accounting and auditing, arising from his 34 year career with KPMG LLP and being licensed as a CPA (currently inactive) since 1974. During his tenure at KPMG, he served as Audit Engagement Partner for numerous public and private companies in a wide range of industries and also served as Managing Partner of the firm's Woodland Hills office. In addition to his audit and accounting work he also developed expertise in merger, acquisition and due diligence projects, as well as SEC compliance and employee benefit plan

audits. Since 2004, Mr. Erlich has provided financial and managerial consulting services to a number of middle-market companies and professional service firms. Since 2006, he has been a member of the Board of Directors of Skechers USA, Inc. a prominent global footwear company where he has served as Lead Independent Director and Chairman of both the Audit Committee and the Nominating and Governance Committee, and as a member of the Compensation Committee.

**Alfred F. Ingulli**, age 73, has served as a director since 2010. Mr. Ingulli served as Executive Vice President of Crompton Corporation (later Chemtura Corporation), a \$3 billion specialty chemical company from 1989 through 2004, in which capacity he was responsible for the company's global agricultural chemical business. In addition, from 2002-2004 he also served as a member of Crompton Corporation's executive committee. From 2005 to 2014, Mr. Ingulli served on the board of directors of PBI/Gordon, Inc., a marketer of specialty chemicals in turf and ornamental, lawn and garden and animal health markets and served as a member of the compensation and audit committees of that board. Further, from 1996-2004, he served on the board of directors of Gustafson LLC, a manufacturer of seed treatment products and application equipment, and was chairman of that board from 2002-2004. From 1990-2004, Mr. Ingulli also served as a board member, and from 1998-2000 as Chairman, of CropLife America, a nationwide not-for-profit trade organization representing member companies that produce, sell, and distribute most of the active compounds used in crop protection products registered for use in the United States. Mr. Ingulli brings to the AVD board an in-depth knowledge of our industry and income statement optimization.

**John L. Killmer**, age 65, has served as a director since December 2008. Mr. Killmer was responsible for Global Marketing, Product and Supply Chain Management for Arysta LifeSciences Corporation (Arysta), a large privately held crop protection and life science company, from November 2004 through June 2008. At Arysta, Mr. Killmer had global responsibility for marketing and product management and, in addition, was responsible for global supply chain management. From 1980 to November 2004 he served in various capacities with Monsanto Company (Monsanto) including three years as President of Monsanto, Greater China from 2001 to 2003. Since December 2014, Mr. Killmer has served as a member of the board of directors of APSE, Inc., a privately-held corporation involved in the development of RNAi technology. Mr. Killmer possesses a combination of considerable technical expertise and business acumen. A trained scientist, Mr. Killmer began his professional career focusing on technology and ascended the corporate ladder with increasing profit responsibility. He served as pro-tem Director of Technology for the Company from March 2009 through December, 2010, during which time he evaluated the Company's technology infrastructure and added multiple resources (both people and equipment) to help enhance the Company's domestic manufacturing and process and formulation technology.

**Eric G. Wintemute**, age 59, has served as a director since June 1994. Mr. Wintemute served as President and CEO from July 1994 until June 2011, and Chairman and CEO since June 2011. He was appointed Executive Vice President and COO of the Company in January 1994. Mr. Wintemute has been at the helm of the Company during its years of greatest growth. With 21 years' experience on this Board, 36 years experience at the Company (21 years as CEO) and membership in leading crop protection trade groups (previously, as Chairman of CropLife America), Mr. Wintemute brings a broad industry perspective to the Board. His interaction with the heads of our peers, suppliers and customers; legislators; and enforcement authorities has enabled him to identify economic, technological and political trends affecting the Company. This is an invaluable resource to the Board, particularly when evaluating future business plans and providing strategic direction to the Company.

**M. Esmail Zirakparvar**, age 65, has served as a director since June 2010. Mr. Zirakparvar served in executive positions at Bayer CropScience AG. From 2002-2004 he served as COO and member of the Bayer CropScience AG's Board of Management in Germany and from 2004-2006 as Head of Region of Americas, President & CEO of Bayer CropScience LP USA and Member of the Bayer CropScience AG Executive Committee. Prior to that, he served in various executive positions at Rhone-Poulenc Agrochimie and Aventis CropScience from 1986-2001, ultimately as Head of Portfolio Management and member of the Global Executive Committee in Lyon, France for these companies. In addition to his hands-on experience in product

development, regulatory matters, project management, and management of agricultural chemical businesses, Mr. Zirakparvar helped to oversee the integration, management and direction of one of the largest global agricultural chemical companies. With his background, he gives the board a world-class sense of perspective and strategic direction and is an invaluable asset for helping to guide the Company down a path of growth and prosperity in the future.

#### **DEPARTING DIRECTORS QUALIFICATIONS & EXPERIENCE**

*Carl R. Soderlind*, age 81, has served as a director since June 2000. Mr. Soderlind served as Chairman and CEO of Golden Bear Oil Specialties, a producer of niche specialty oil and chemical products used in a variety of industrial applications from 1997 to 2001. From 1961 to 1996 he served in various capacities of Witco Corporation, including as Senior Executive Vice President and member of the Management Committee. Mr. Soderlind has extensive experience in running businesses in both specialty oil and chemical products. Mr. Soderlind's many years working in investor relations have given him an in-depth knowledge of the public markets and a keen awareness of investors' expectations. During his professional career, Mr. Soderlind specialized in growing businesses through well-timed acquisitions of product lines and companies. Mr. Soderlind gave the Company valuable advice on investor relations, acquisitions and pragmatic decision-making. His sound advice on a broad range of business matters affecting the Company will be missed.

#### **BOARD DIVERSITY AND LEADERSHIP**

In evaluating persons for potential service on the Board, we seek, above all, the most qualified candidates. At a minimum, viable candidates must have ample professional experience and business acumen befitting a director of a public Company. In addition, we believe that a fully functioning board should include members having functionally diverse backgrounds, including, for example, industry-specific experience, international experience, profit responsibility in a public Company, accounting and audit expertise, corporate governance expertise, scientific and technological credentials, manufacturing experience and mergers and acquisitions experience. Other considerations, such as gender, race and age, are of secondary importance. While the Nominating and Governance Committee does not have an express policy with respect to diversity in identifying or selecting nominees for the Company's Board, in evaluating nominees, the Committee does assess the background of each candidate in a number of different ways, including how the individual's qualifications complement, strengthen and enhance those of existing Board members as well as the future needs of the Board. During the Board's annual self-evaluation, and at other times during the year, the Directors assess the Board's performance and ways in which such performance can be improved. With respect to the nomination of continuing directors for re-election, the individual's contributions to the Board are also considered.

The Board of Directors does not have a policy on whether or not the role of the Chairman of the Board and the CEO should be separate or, if it is to be separate, whether the Chairman of the Board should be selected from the non-employee directors or be an employee. However, the Board believes that, to the extent that these roles are held by the same person, it is important that a non-management director be appointed to the position of lead director. At present, Mr. Wintemute serves as both Chairman and CEO, while Mr. Killmer, a non-management director, serves in the role of lead director. We continue to maintain that Board leadership should be defined according to the stockholders' best interests as measured against current circumstances. Further, we believe that the factor of paramount importance is not whether the roles of Chairman and CEO need to be held by two people; rather, it is most important to ensure that non-management directors maintain a sufficient level of leadership and objectivity. We further believe that we have accomplished this through the appointment of a lead director.

#### **RISK OVERSIGHT**

The Company's Board of Directors has formal responsibility for risk oversight. In 2011, working with enterprise risk management consultants at Lockton, Inc. (the Company's primary insurance broker), senior management conducted an in-depth risk analysis as a first step toward implementing an enterprise risk

management program at the Company. As that analysis was proceeding, the Board formed a Risk Committee, which now consists of John L. Killmer (as chairman), M. Esmail Zirakparvar, and Debra F. Edwards to take on primary responsibility for risk oversight. The Risk Committee meets regularly (at least four times per year) and coordinates primarily with the Risk Manager (Timothy J. Donnelly) of the Company. Senior management has also appointed a team of managers to serve as an executive risk committee, with responsibility to identify and assess areas of risks, to identify mitigation measures and to implement those measures. The Company has identified several material risks facing the Company and has identified risk owners responsible for marshalling the resources and leading a team to address those risks. These risks are updated from time to time and presently include: i) adverse regulatory climate; ii) managing high levels of inventory and reduced levels of manufacturing activity; iii) succession planning/bench strength; iv) maintaining competitiveness of product offerings; v) vulnerability to environmental event; vi) undervaluation by the market; and vii) sustainable growth through licensing, acquisitions and current product lines. Each of these risks is incorporated into the risk-owner's annual performance goals and are important factors in determining both job performance and incentive compensation. In addition, these risks have been incorporated into the Company's 2020 Strategic Business Plan. Executives serving as risk-owners periodically report their progress through the Risk Manager to the Risk Committee. See, also, "Employee Compensation and Enterprise Risk" on page 15 of this proxy for a discussion on risk and compensation.

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## CORPORATE GOVERNANCE OF THE COMPANY

The Company is committed to sound corporate governance principles and practices. Please visit the Company's website at [www.american-vanguard.com](http://www.american-vanguard.com) for the Company's current Audit Committee Charter, Compensation Committee Charter, Nominating and Corporate Governance Committee Charter, Finance Committee Charter, the Code of Ethics and Conduct, the Employee Complaint Procedures for Accounting and Auditing Matters, and Corporate Governance Guidelines, all of which are available in print to any stockholder upon request.

### THE INDEPENDENCE OF DIRECTORS

It is the expectation and practice of the Board that, in their roles as members of the Board, all members will exercise their independent judgment diligently and in good faith and in the best interests of the Company and its stockholders as a whole, notwithstanding any member's other activities or affiliations.

The Board currently consists of nine members. The Board has determined that Scott D. Baskin, Lawrence S. Clark, Debra F. Edwards, Morton D. Erlich, Alfred F. Ingulli, John L. Killmer, Carl R. Soderlind, and M. Esmail Zirakparvar, who constitute a majority of the Board, are independent in accordance with the applicable rules and listing standards currently prescribed by the New York Stock Exchange for general service on the Board. The Board's determination concerning independence was based on information provided by the Company's directors and discussions among the Company's directors. The Board will re-examine the independence of each of its members at least once per year and more frequently during the year, if there is any change in a member's material relationship with the Company that would interfere with the member's exercise of independent judgment.

### MEETINGS OF THE BOARD

The Board met eight times during the year ended December 31, 2014. All directors attended at least 75% of the aggregate of the number of meetings of the Board and the total number of meetings held by all committees of the Board for which they served. The non-management directors of the Company meet at regularly scheduled executive sessions without any member of the Company's management present. The individual who presides at these executive sessions is the lead director, John L. Killmer. Interested parties who wish to communicate with the lead director or with non-management directors may do so by email to [directors@amvac-chemical.com](mailto:directors@amvac-chemical.com).

The Board does not mandate that its members attend the Annual Meeting of Stockholders; nevertheless, all directors did attend the 2014 Annual Meeting of Stockholders.

### COMMITTEES OF THE BOARD

#### Audit Committee

The Audit Committee is currently composed of Messrs. Morton D. Erlich (Chairperson), Scott D. Baskin, Lawrence S. Clark and Alfred F. Ingulli, all of whom are non-employee directors and financially literate. The Board has determined that all members of the Audit Committee are independent directors under the applicable rules and regulations currently prescribed by the SEC and the applicable rules and listing standards currently prescribed by the New York Stock Exchange. In addition, the board has found that each of Morton D. Erlich and Lawrence S. Clark are audit committee financial experts within the meaning of applicable SEC rules and regulations. The Audit Committee held six meetings during the year ended December 31, 2014.

The responsibilities of the Audit Committee are set forth in the current Audit Committee Charter, which is available on the Company's website ([www.american-vanguard.com](http://www.american-vanguard.com)), and include:

Employing the independent registered public accounting firm to audit the Company's consolidated financial statements.



Pre-approving all services performed by the independent registered public accounting firm.

Providing oversight on the external reporting process and the adequacy of the Company's internal controls.

Reviewing the scope of the audit activities of the independent registered public accounting firm and appraising audit efforts.

Reviewing services provided by the independent registered public accounting firm and other disclosed relationships, as they bear on the independence of that firm.

Overseeing the performance of the Company's internal audit function.

Establishing procedures for the receipt, retention and resolution of complaints, if any, regarding accounting, internal controls or auditing matters.

Please also see the Audit Committee Report on page 12 of this Proxy.

#### **Compensation Committee**

The Compensation Committee is currently composed of Messrs. Lawrence S. Clark (Chairperson), Carl R. Soderlind and Alfred F. Ingulli. The Board has determined that all members of the Compensation Committee are independent directors under the applicable rules and listing standards currently prescribed by the New York Stock Exchange. Further, the Board has found that each of the members of the Compensation Committee, who will administer the Company's compensation plan(s), are non-employee directors under Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act) and are outside directors under Section 162(m) of the Internal Revenue Code of 1986. The Compensation Committee held eight meetings during the year ended December 31, 2014.

The responsibilities of the Compensation Committee are set forth in the current Compensation Committee Charter, which is available on the Company's website ([www.american-vanguard.com](http://www.american-vanguard.com)), and include:

Establishing executive compensation policy consistent with corporate objectives and stockholder interest.

Overseeing the process for evaluating CEO performance in comparison with Board-approved goals and objectives and recommending CEO compensation to the Board.

Administering grants and options in Company stock under the Company's compensation plan(s).

Evaluating the independence of compensation professionals.

Please also see the Compensation Committee Report on page 24 of this Proxy.

#### **Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee is currently composed of Messrs. M. Esmail Zirakparvar (Chairperson), Scott D. Baskin, Morton D. Erlich, and Carl R. Soderlind. The Board has determined that all members of the Nominating and Corporate Governance Committee are independent directors under the applicable rules and listing standards currently prescribed by the New York Stock Exchange. The Nominating and Corporate Governance Committee held three meetings during the year ended December 31, 2014.

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The responsibilities of the Nominating and Corporate Governance Committee are set forth in the current Nominating and Corporate Governance Committee Charter, which is available on the Company's website ([www.american-vanguard.com](http://www.american-vanguard.com)), and include:

Recommending to the Board nominees for election to the Board of Directors.

Reviewing principles, policies and procedures affecting directors and the Board's operation and effectiveness.

Overseeing evaluation of the Board and its effectiveness.

**Finance Committee**

The Finance Committee is currently composed of Alfred F. Ingulli (Chairperson), Lawrence S. Clark, Debra F. Edwards, John L. Killmer, and M. Esmail Zirakparvar. The Finance Committee held ten meetings during the year ended December 31, 2014.

The responsibilities of the Finance Committee are set forth in the current Finance Committee Charter, which is available on the Company's website ([www.american-vanguard.com](http://www.american-vanguard.com)) and involves working with senior management of the Company to evaluate, investigate and recommend changes in the area of corporate finance including, among other things:

The incurrence or refinancing of indebtedness.

The issuance or amendment of the Company's equity securities.

Acquisitions, divestitures and other restructuring activity.

Short-term and long-term financing plans.

**Risk Committee**

The Risk Committee is currently composed of John L. Killmer (Chairperson), Debra F. Edwards and M. Esmail Zirakparvar. The Risk Committee held four meetings during the year ended December 31, 2014. Typically, all members of the Board are invited to attend Risk Committee meetings. The primary responsibility of the Risk Committee is to oversee risk management at the Company and to ensure that the Company continuously monitors material risks, identifies mitigation measures for those risks, and takes commercially practicable measures to minimize those risks to the fullest extent possible. The committee works with the Company's Risk Manager and senior management to conduct (or cause to be conducted) periodic assessments of the Company's risk profile and to ensure the following:

that adequate resources are made available to address and mitigate risks, where possible,

that risk owners are identified and made accountable for addressing these risks, and

that the practice of monitoring and addressing these risks remains a part of the Company's culture.

## REPORT OF THE AUDIT COMMITTEE

The responsibilities of the Audit Committee, which are set forth in the Audit Committee Charter, include providing oversight to the Company's financial reporting process through periodic meetings with the Company's independent registered public accounting firm and, with management, to review accounting, auditing, internal controls and financial reporting matters. The management of the Company is responsible for the preparation and integrity of the financial reporting information and related systems of internal controls. The Audit Committee, in carrying out its role, relies on the Company's senior management, including senior financial management, and its independent registered public accounting firm.

We have reviewed and discussed, with senior management, the Company's audited financial statements included in the Company's Annual Report on Form 10-K (for the period ended December 31, 2014) for filing with the Securities and Exchange Commission. Management has confirmed to us that such financial statements (i) have been prepared with integrity and objectivity and are the responsibility of management and (ii) have been prepared in conformity with accounting principles generally accepted in the United States of America.

We have discussed with BDO USA, LLP, the Company's independent registered public accounting firm, the matters required to be discussed by Auditing Standard No. 16, Communications with Audit Committees (AS 16), issued by the Public Company Accounting Oversight Board. AS 16 requires our independent registered public accounting firm to provide us with additional information regarding the scope and results of their audit of the Company's financial statements, including with respect to (i) their responsibility under generally accepted auditing standards, (ii) significant accounting policies, (iii) management judgments and estimates, (iv) any significant audit adjustments, (v) any disagreements with management, and (vi) any difficulties encountered in performing the audit.

We have received from BDO USA, LLP, a letter of independence providing the disclosures required by Rule 3526, Communication with Audit Committee Concerning Independence with respect to any relationships between BDO USA, LLP and the Company that in their professional judgment may reasonably be thought to bear on independence. BDO USA, LLP has discussed its independence with us, and has confirmed in such letter that, in its professional judgment, it is independent of the Company within the meaning of the federal securities laws.

Based on the review and discussions described above with respect to the Company's audited financial statements, we have recommended to the Board of Directors that such financial statements be included in the Company's Annual Report on Form 10-K for filing with the Securities and Exchange Commission.

As specified in the Audit Committee Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with accounting principles generally accepted in the United States of America. That is the responsibility of management and the Company's independent registered public accounting firm. In addition, it is not the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent registered public accounting firm, or to assure compliance with laws and regulations and the Company's Code of Conduct and Ethics. In giving our recommendation to the Board of Directors, we have relied on (i) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States of America, and (ii) the report of the Company's independent registered public accounting firm with respect to such financial statements.

## AUDIT COMMITTEE

Morton D. Erlich, Chair

Scott D. Baskin

Lawrence S. Clark

Alfred F. Ingulli

April 23, 2015

**COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

To the knowledge of the Company, the ownership of the Company's outstanding Common Stock as of December 31, 2014, by persons who are beneficial owners of 5% or more of the outstanding Common Stock is set forth below.

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership (*)</b>	<b>Percent of Class</b>
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	2,574,326	8.8%
Blackrock, Inc. 55 East 52 <sup>nd</sup> Street New York, NY 10022	2,407,346	8.3%
Herbert A. Kraft 4695 MacArthur Court Newport Beach, CA 92660	2,093,543	7.2%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	1,695,348	5.8%
River Road Asset Management, LLC 462 S. 4 <sup>th</sup> St. Ste 1600 Louisville, KY 40202	1,627,118	5.6%
Champlain Investment Partners, LLC 180 Battery St. Burlington, VT 05401	1,612,950	5.6%

(\*) Based on information reported to the SEC by, or on behalf of, such beneficial owner.

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To the knowledge of the Company, the ownership of the Company's outstanding Common Stock, as of March 6, 2015, by persons who are directors and nominees for directors, the executive officers of the Company named in the Summary Compensation Table, and by all directors and officers as a group is set forth below. Unless otherwise indicated the Company believes that each of the persons set forth below has the sole power to vote and to dispose of the shares listed opposite his name.

Office (if any)	Name and Address Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Chairman & CEO	Eric G. Wintemute 4695 MacArthur Court Newport Beach, CA 92660	919,437(1)	3.2%
Director	Carl R. Soderlind 4695 MacArthur Court Newport Beach, CA 92660	66,149	(3)
Director	Lawrence S. Clark 4695 MacArthur Court Newport Beach, CA 92660	28,678(2)	(3)
Director	John L. Killmer 4695 MacArthur Court Newport Beach, CA 92660	25,446	(3)
Director	Alfred F. Ingulli 4695 MacArthur Court Newport Beach, CA 92660	15,392	(3)
Director	M. Esmail Zirakparvar 4695 MacArthur Court Newport Beach, CA 92660	18,021	(3)
Director	Debra F. Edwards 4695 MacArthur Court Newport Beach, CA 92660	9,906	(3)
Director	Morton D. Erlich 4695 MacArthur Court Newport Beach, CA 92660	4,834(4)	(3)
Director	Scott D. Baskin 4695 MacArthur Court Newport Beach, CA 92660	4,480	(3)
Managing Director	Ad de Jong Newport Beach, CA 92660	28,481	(3)

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4695 MacArthur Court

Newport Beach, CA 92660

CFO

David T. Johnson

67,454(5)

4695 MacArthur Court

Newport Beach, CA 92660