

FRANKLIN ELECTRIC CO INC  
Form DEF 14A  
March 18, 2008

Franklin Electric

400 East Spring Street  
Bluffton, Indiana 46714

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held

May 2, 2008 at 9:00 a.m., Eastern Time

To the Shareholders of  
Franklin Electric Co., Inc.

The Annual Meeting of Shareholders of Franklin Electric Co., Inc. (the "Company"), an Indiana corporation, will be held at the Jefferson A Room in the Grand Wayne Center, 120 West Jefferson Blvd., Fort Wayne, Indiana, on Friday, May 2, 2008, at 9:00 a.m., Eastern Time. The purposes of the meeting are to:

1. Elect three directors for terms expiring at the 2011 Annual Meeting of Shareholders;
2. Ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the 2008 fiscal year; and
3. Transact any other business that may properly come before the Annual Meeting or any adjournment or postponement thereof.

Only shareholders of record at the close of business on February 29, 2008 will be entitled to notice of and to vote at the Annual Meeting.

You are urged to vote your proxy regardless of whether you plan to attend the Annual Meeting. If you do attend, you may nevertheless vote in person which will revoke any previously executed proxy.

By order of the Board of Directors.

Thomas J. Strupp  
Vice President, Chief Financial  
Officer and Secretary

Bluffton, Indiana  
March 13, 2008

- 1 -

---

FRANKLIN ELECTRIC CO., INC.

400 East Spring Street, Bluffton, Indiana 46714

---

PROXY STATEMENT

---

Annual Meeting of Shareholders To be Held on May 2, 2008

GENERAL INFORMATION

This Proxy Statement and the enclosed proxy are furnished to shareholders in connection with the solicitation of proxies by the Board of Directors of Franklin Electric Co., Inc. (the "Company"), 400 East Spring Street, Bluffton, Indiana, for use at the Annual Meeting of Shareholders to be held on May 2, 2008 or any adjournment or postponement thereof. Shareholders were sent Notice of the Annual Meeting, as well as information regarding how to access this Proxy Statement and the Company's 2007 Annual Report, including the financial statements contained therein, beginning on or about March 13, 2008.

The expenses of solicitation, including the cost of printing and mailing, will be paid by the Company. Officers and employees of the Company, without additional compensation, may solicit proxies personally, by telephone or by facsimile. Arrangements will also be made with brokerage firms and other custodians, nominees and fiduciaries to forward proxy solicitation materials to the beneficial owners of shares held of record by such persons, and the Company will reimburse such entities for reasonable out-of-pocket expenses incurred by them in connection therewith.

## NOTICE AND VOTING INSTRUCTIONS

Shareholders will receive a Notice Card with overview information regarding the availability of proxy materials over the internet. Shareholders who wish to receive a paper or email copy of the proxy materials must request one. There is no charge for requesting a copy. Requests can be made at the voting website, via telephone, or via email.

**Voting by Internet:** Use the internet link and control number provided to you on your Notice Card. You may vote until 11:59 p.m., Eastern Time on May 1, 2008. You will need the control number provided on your Notice Card to access the website.

**Voting by Telephone:** Call the toll-free telephone number provided on your Notice Card. Telephone voting will be available until 11:59 p.m., Eastern Time on May 1, 2008. Detailed instructions will be provided during the call. The procedures are designed to authenticate votes cast by using the last 4 digits of a shareholder's social security/taxpayer I.D. number.

**Voting by Mail:** Request a hardcopy of the proxy materials. Then complete the Proxy Card, date and sign it, and return it in the envelope provided. Shareholders may also vote their shares in person at the Annual Meeting.

Employees who are participants in the Company's Employee Stock Ownership Plan and/or Directed Investment Salary Plan will receive a notice and instructions by email or other method that cover the shares credited to their plan accounts.

If a shareholder does not specify the manner in which the proxy shall be voted, the shares represented thereby will be voted:

- FOR the election of the nominees for director as set forth in this Proxy Statement;
- FOR the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the 2008 fiscal year; and
- In accordance with the recommendations of management with respect to other matters that may properly come before the Annual Meeting.

A shareholder who has executed a proxy has the power to revoke it at any time before it is voted by (i) delivering written notice of such revocation to Mr. Thomas J. Strupp, Vice President, Chief Financial Officer and Secretary, 400 East Spring Street, Bluffton, Indiana 46714, (ii) executing and delivering a subsequently dated proxy by mail, or voting by telephone or through the internet at a later date, or (iii) by attending the Annual Meeting and voting in person.

## SHAREHOLDERS ENTITLED TO VOTE AND SHARES OUTSTANDING

The Board of Directors of the Company fixed the close of business on February 29, 2008 as the record date (the "Record Date") for determining shareholders entitled to notice of and to vote at the Annual Meeting. As of the Record Date, there were 65,000,000 shares of Common Stock, \$.10 par value (the "Common Stock"), authorized, of which 23,091,325 shares of Common Stock were outstanding. Each share of Common Stock is entitled to one vote on each matter submitted to a vote of the shareholders of the Company. Votes cast by proxy or in person at the Annual Meeting will be tabulated by the inspectors of election appointed for the Annual Meeting and will be counted as

present for purposes of determining whether a quorum is present. A majority of the outstanding shares of Common Stock, present in person or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum but will not be counted as votes cast on any matter submitted to shareholders. As a result, abstentions and broker non-votes will not have any effect on the voting results with respect to any of the matters scheduled to be submitted to shareholders at the Annual Meeting.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table shows the persons known by the Company to be the beneficial owners of more than five percent of the Company's Common Stock as of February 29, 2008, unless otherwise noted. The nature of beneficial ownership is sole voting and investment power, unless otherwise noted.

Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of class
Select Equity Group, Inc., jointly with George S. Loening (and related entities) 380 Lafayette Street, 6th Floor New York, NY 10003	3,598,333(1)	15.58
Patricia Schaefer 5400 Deer Run Court Muncie, IN 47304	2,000,084(2)	8.66
Diane D. Humphrey 2279 East 250 North Road Bluffton, IN 46714	1,839,657(3)	7.97
PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187-5053	1,592,038(4)	6.89
Snyder Capital Management LP 1 Market Plaza Suite 1200 San Francisco, CA 94105-1012	1,541,498(5)	6.68
Wells Fargo Bank Minnesota, N.A. Midwest Plaza, West Tower 801 Nicolette Mall, Suite 700 Minneapolis, MN 55479-0065	1,173,868(6)	5.08

(1) According to a Schedule 13G jointly filed with the Securities and Exchange Commission ("SEC"), on February 15, 2008, Select Equity Group, Inc., Select Offshore Advisors, LLC and George S. Loening have sole investment and voting power with respect to all of these shares.

(2) Pursuant to agreements with Ms. Schaefer, the Company has a right of first refusal with respect to 1,708,040 shares owned by Ms. Schaefer.

(3) Pursuant to agreements with Ms. Humphrey, the Company has a right of first refusal with respect to 1,665,307 shares owned by Ms. Humphrey.

(4) According to a Schedule 13G filed with the SEC on February 15, 2008, Power-Shares Capital Management LLC has sole investment and voting power with respect to all shares.

(5) According to a Schedule 13G filed with the SEC on February 15, 2008, Snyder Capital Management, LP has sole investment and voting power with respect to all shares.

(6) Wells Fargo Bank holds these shares as Trustee under the Company's Employee Stock Ownership Plan (the "ESOP"), Directed Investment Salary Plan (the "401(k) Plan"), and defined benefit pension plans. Share information is

from the January 31, 2008 Trust records provided by Wells Fargo Bank. The shares held in the ESOP and 401(k) Plan will be voted pursuant to the direction of the participants. Shares for which no direction is received from participants will be voted by the Trustee in accordance with the direction of the Employee Benefits Committee of the Company. The Employee Benefits Committee is appointed by the Company's Board of Directors to oversee the Company's employee benefit plans. In the absence of any direction from the Employee Benefits Committee, such shares will be voted by the Trustee in the same proportion that the shares were voted by participants, unless inconsistent with the Trustee's fiduciary obligations. The Trustee has no investment power over participant's shares. The shares held in the defined benefit pension plans will be voted pursuant to the direction of the Employee Benefits Committee of the Company, which also has investment power over these shares.

## SECURITY OWNERSHIP OF MANAGEMENT

The following table shows the number of shares of Common Stock beneficially owned by directors, nominees, each of the executive officers named in the "Summary Compensation Table" below, and all executive officers and directors as a group, as of February 29, 2008. The nature of beneficial ownership is sole voting and investment power, unless otherwise noted.

Name of beneficial owner	Amount and nature of beneficial ownership	Percent of class
R. Scott Trumbull	409,036(1)(2)(3)(4)(5)	1.77
Gregg C. Sengstack	238,345(1)(2) (3) (4)	1.03
Peter-Christian Maske	95,929(1)(2) (3) (4)	*
Jerome D. Brady	82,281(1)(5)	*
Robert J. Stone	87,457(1)(2) (3) (4)	*
Howard B. Witt	53,894(1)	*
Thomas J. Strupp	15,201(1)(2)(4)	*
David A. Roberts	13,658(1)(5)	*
Thomas L. Young	8,458	*
David M. Wathen	2,249(5)	*
David T. Brown	0(5)	*
All directors and executive officers as a group	1,125,413(1)(2)(3)(4)(5)	4.87

\* Less than 1 percent of class

(1) Includes shares issuable pursuant to stock options exercisable within 60 days after February 29, 2008 as follows: Mr. Trumbull, 274,595; Mr. Sengstack, 119,400; Mr. Maske, 13,750; Mr. Brady, 76,000; Mr. Stone, 62,697; Mr. Witt, 36,000; Mr. Roberts, 8,000; Mr. Strupp, 6,350; and all directors and executive officers as a group, 696,766.

(2) Includes shares held by the ESOP Trustee as of December 31, 2007: Mr. Trumbull, 732; Mr. Sengstack, 6,937; Mr. Maske, 1,949; Mr. Stone, 4,778; Mr. Strupp, 151; and all directors and executive officers as a group, 21,296.