

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

PREFORMED LINE PRODUCTS CO
Form DEF 14A
March 28, 2002

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 Pursuant to Section 240.14a-11c or Section 240.14a-12

Preformed Line Products Company

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement)

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:

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

- [] 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:

PREFORMED LINE PRODUCTS COMPANY
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To our shareholders:

The 2002 annual meeting of shareholders of Preformed Line Products Company will be held at the offices of the Company, 660 Beta Drive, Mayfield Village, Ohio, Monday, April 29, 2002, at 9:00 a.m., local time, for the following purposes:

1. To elect four directors, each for a term expiring in 2004;
2. To receive reports at the meeting. No action constituting approval or disapproval of the matters referred to in the reports is contemplated; and
3. Any other matters that properly come before the meeting.

Only shareholders of record at the close of business on March 22, 2002, are entitled to notice of and to vote at the meeting or any adjournment thereof. Shareholders are urged to complete, date and sign the enclosed proxy and return it in the enclosed envelope. The principal address of Preformed Line Products Company is 660 Beta Drive, Mayfield Village, Ohio 44143

By order of the Board of Directors,
J. RICHARD HAMILTON,
Secretary

Dated: March 28, 2002

YOUR VOTE IS IMPORTANT

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

PLEASE COMPLETE, SIGN, DATE AND RETURN YOUR PROXY

PREFORMED LINE PRODUCTS COMPANY

PROXY STATEMENT

Our Board of Directors is sending you this proxy statement to ask for your vote as a Preformed Line Products Company shareholder on certain matters to be voted on at the annual meeting of shareholders. The annual meeting of shareholders will be held at 660 Beta Drive, Mayfield Village, Ohio, 44143, on Monday, April 29, 2002 at 9:00 a.m., local time. We are mailing this proxy statement and the accompanying notice and proxy to you on or about March 28, 2002.

Annual Report. A copy of our Annual Report to Shareholders for the fiscal year ended December 31, 2001 is enclosed with this proxy statement.

Solicitation of Proxies. Our Board of Directors is making this solicitation of proxies and we will pay the cost of the solicitation. In addition to solicitation of proxies by mail, our employees may solicit proxies by telephone, facsimile or electronic mail.

Proxies; Revocation of Proxies. The shares represented by your proxy will be voted in accordance with the instructions as indicated on your proxy. In the absence of any such instructions, they will be voted to elect the director nominees set forth under "Election of Directors." Your presence at the annual meeting of shareholders, without more, will not revoke your proxy. However, you may revoke your proxy at any time before it has been exercised by signing and delivering a later-dated proxy or by giving notice to us in writing at our address indicated on the attached Notice of Annual Meeting of Shareholders, or in open meeting.

Voting Eligibility. Only shareholders of record at the close of business on the record date, March 22, 2002, are entitled to receive notice of the annual meeting of shareholders and to vote the common shares that they held on the record date at the meeting. On the record date, our voting securities outstanding consisted of 5,757,030 common shares, \$2 par value, each of which is entitled to one vote at the meeting.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the amount of the Company's Common Shares beneficially owned as of December 31, 2001 by (a) the Company's directors, (b) each other person known by the Company to own beneficially more than 5% of the outstanding Common Shares, (c) the Company's Chief Executive Officer and the other four most highly compensated executive officers named in the Summary Comparison Table, and (d) the Company's executive officers and directors as a group.

NAME OF BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNER	PERCENT OF CLASS
Barbara P. Ruhlman(1)	1,537,430 (2)	26.7%
Jon R. Ruhlman(1)	511,963 (3)	8.9%

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

Thomas F. Peterson, Jr.....	494,026	8.5%
3060 Lander Road		
Pepper Pike, Ohio 44124		
Robert G. Ruhlman(1).....	402,838 (3) (4)	7.0%
Randall M. Ruhlman.....	226,266 (5)	3.9%
John D. Drinko.....	521,178 (6)	9.1%
1900 East Ninth Street		
3200 National City Center		
Cleveland, Ohio 44114		
Wilber C. Nordstrom.....	14,000	*
Frank B. Carr.....	6,000 (7)	*
Eric R. Graef.....	7,900 (3)	*
William H. Haag III.....	9,060 (3)	*
R. Jon Barnes.....	7,500 (3)	*
All Executive Officers and directors as a Group (14 persons).....	3,272,035	56.8%

* Represents less than 1%.

- (1) The mailing address for each of Barbara P. Ruhlman, Jon R. Ruhlman and Robert G. Ruhlman is 660 Beta Drive, Mayfield Village, Ohio 44143.
- (2) Includes 112,776 shares held by The Thomas F. Peterson Foundation, of which Barbara P. Ruhlman is President and a Trustee.
- (3) Includes 7,500 shares that may be acquired pursuant to a currently exercisable stock option.
- (4) Includes 140,170 shares held by the Preformed Line Products Company Profit Sharing Trust, and 60,000 shares held in trust for the benefit of Robert G. Ruhlman and his children (these 60,000 shares are also shown as being beneficially owned by Randall M. Ruhlman) and 14,768 shares owned by his wife or held by her as custodian or trustee.
- (5) Includes 60,000 shares held in trust for the benefit of Randall M. Ruhlman and his children and for the benefit of Robert G. Ruhlman and his children (these 60,000 shares are also shown as being beneficially owned by Robert G. Ruhlman).
- (6) Includes 400,452 shares held in the Ethel B. Peterson Trust for which John D. Drinko acts as Trust Advisor and has voting control. Also includes 10,400 shares held in Mr. Drinko's IRA and 2,000 shares held by his wife.
- (7) Includes 2,000 shares held in Mr. Carr's IRA.

2

ELECTION OF DIRECTORS

In accordance with our Code of Regulations, the number of directors has been fixed at seven. The Company has classified its Board of Directors into two classes serving staggered terms. Four of the seven directors, Messrs. John D. Drinko, Wilber C. Nordstrom, Jon R. Ruhlman and Randall M. Ruhlman are currently serving a term that expires at this year's annual meeting of shareholders and have been nominated for re-election at the meeting. Three directors, Mrs. Barbara P. Ruhlman and Messrs. Robert G. Ruhlman and Frank B. Carr, are currently serving a term that expires in 2003. At the annual meeting of shareholders, you will elect four directors to hold office until our annual

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

meeting of shareholders held in 2004 and until their successors are elected and qualified. The Board of Directors proposes that the nominees described below, all of whom are currently serving as directors, be re-elected to the Board of Directors. At the annual meeting of shareholders, the shares represented by proxies, unless otherwise specified, will be voted for the election of the four nominees hereinafter named.

The director nominees are identified in the following table. If for any reason any of the nominees is not a candidate when the election occurs (which is not expected), the Board of Directors expects that proxies will be voted for the election of a substitute nominee designated by management. The following information is furnished with respect to each person nominated for election as a director.

THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THE FOLLOWING NOMINEES.

NOMINEES FOR ELECTION AT THE ANNUAL MEETING

NAME AND AGE -----	PRINCIPAL OCCUPATION AND BUSINESS EXPERIENCE -----	PERIOD OF SERVICE AS A DIRECTOR -----	EXP OF FOR PR ---
John D. Drinko, 80.....	Senior Partner -- Baker & Hostetler LLP	1954 to date	20
Wilber C. Nordstrom, 83.....	Retired Executive with The Standard Products Company, Mr. Nordstrom was serving as Executive Vice President when he retired in 1983	1977 to date	20
Jon R. Ruhlman, 74.....	Chairman of the Company since 1975. Mr. Ruhlman served as the Company's CEO from 1975 until July 2000	1956 to date	20
Randall M. Ruhlman, 43.....	President of Ruhlman Motorsports (a race car team) since 1987	1998 to date	20

Current directors whose terms will not expire at the annual meeting of shareholders.

NAME AND AGE -----	PRINCIPAL OCCUPATION AND BUSINESS EXPERIENCE -----	PERIOD OF SERVICE AS A DIRECTOR -----	EXP ---
Robert G. Ruhlman, 45.....	Chief Executive Officer since July 2000. Mr. Ruhlman served as President since 1995 (a position he continues to hold) and Chief Operating Officer from 1995 until July 2000.	1992 to date	
Frank B. Carr, 74.....	Private Investor	1992 to date	
Barbara P. Ruhlman, 69.....	President of the Thomas F. Peterson Foundation since 1988	1988 to date	

Barbara P. Ruhlman and Jon R. Ruhlman are married and are the parents of Randall M. Ruhlman and Robert G. Ruhlman.

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

Jon R. Ruhlman has been the Chairman of the Company since 1975. He served as Chief Executive Officer from 1975 until July 2000. Robert G. Ruhlman became Chief Executive Officer in July 2000. He had served as President since 1995 (a position he continues to hold) and Chief Operating Officer from 1995 until

3

July 2000. From 1983 to 1996, Mr. Carr was a Managing Director of McDonald & Company Securities, Inc., Cleveland, Ohio, an investment banking and brokerage firm, and a partner in its predecessor firm (McDonald & Company) since 1968. Mr. Carr also serves as a director of Invacare, Inc.

Our Board of Directors has appointed an Audit Committee and a Salary Committee. The Board of Directors does not have a finance or nominating committee. The Audit Committee is comprised of Messrs. Carr (chairman), Drinko and Nordstrom. The Salary Committee is comprised of Messrs. Carr, Drinko (chairman) and Nordstrom.

The Audit Committee makes recommendations to the Board of Directors concerning the engagement of independent public accountants for our Company, reviews with the independent public accountants the plans and results of audit engagements, approves professional services provided by the independent public accountants, reviews the independence of the independent public accountants, considers the range of audit and nonaudit fees, reviews the independent public accountants' management letters and our responses, reviews the adequacy of our internal accounting controls, and reviews major accounting or reporting changes.

The Salary Committee reviews employment, development, reassignment and compensation matters involving corporate officers and other executive level employees, including issues related to salary, bonus and incentive arrangements. The Salary Committee also administers our equity award (stock option) plan.

In 2001, our Board of Directors held five meetings. In 2001, the Audit Committee held one meeting and the Salary Committee held one meeting. In 2001, each member of the Board of Directors, except Mr. Drinko, attended at least 75% of the meetings of the Board of Directors and of the committees on which he or she serves.

Directors' Compensation. Each director, who is not an employee of the Company, receives \$12,000 per year for being a director, \$1,400 for attending each meeting of the Board of Directors and each meeting of any committee. Directors who are also employees of ours are not paid any director's fee. We reimburse out-of-pocket expenses incurred by all directors in connection with attending Board of Directors and committee meetings.

SALARY (COMPENSATION) COMMITTEE REPORT

The Company's executive compensation program is administered by the Salary Committee, which has responsibility for reviewing all aspects of the compensation program for the executive officers of the Company. The Committee is comprised of the three directors listed at the end of this report, none of whom is an employee of the Company.

The Committee's primary objective with respect to executive compensation is to establish programs which attract and retain key managers and align their compensation with the Company's overall business strategies, values, and performance. To this end, the Committee has established and the Board of Directors has endorsed an executive compensation philosophy to compensate executive officers based on their responsibilities and the Company's overall annual and longer-term performance.

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

Until 2000, when the Company's shareholders approved its Employee Stock Option Plan, the primary components of the Company's executive compensation program have been (a) base salaries, and (b) annual cash incentive opportunities. These components are discussed below.

Base Salaries. Base salaries for each of the Company's executive officers are reviewed every 18 to 24 months by the Committee using as a guide one or more widely accepted salary evaluation systems, taking into account the size of the Company, expectations for the annual bonus plan described below and company performance, and competitive, inflationary, and internal equity considerations. The salary of Robert G. Ruhlman, Chief Executive Officer, was set by the Committee to be within a range that is competitive with the fixed salaries of chief executive officers of similar size companies with comparable profitability. At the time of his promotion on July 1, 2000, to Chief Executive Officer, the Committee increased his salary from \$240,000 to \$300,000. This brought Mr. Ruhlman's salary to what the Committee believes is nearly the mid-level range of comparable salaries.

4

Annual Cash Incentives. All officers of the Company are eligible to receive annual cash bonus awards based on a set percentage of their base salary with a maximum bonus attainable equal to 50% of base salary. The percentage of base salary is determined on a sliding scale, based on the return on shareholders' equity. The bonus awards for all officers for the years 1999, 2000 and 2001 were 30%, 40% and 20%, respectively, of base salary.

Stock Options. The Committee has awarded options to purchase 167,000 shares of the Company's Common stock. While the Committee has had the opportunity to grant stock options for only two years, it believes that option grants are a valuable motivating tool and provide a long-term incentive to management. Share option grants reinforce long-term goals by providing the proper nexus between the interests of management and the interests of the Company's shareholders. All options were awarded to retain qualified personnel in positions of significant responsibility with the Company and its subsidiaries. No options were granted to employees who had been with the Company for less than two years and all options contained provisions for periodic vesting. Each named executive officer was granted an option to purchase 10,000 common shares in 2000 but none in 2001. All option grants had exercise prices at least equal to the fair market value of the Company's Common shares on the date of the grant.

Frank B. Carr
John D. Drinko, Chairman
Wilber C. Nordstrom

AUDIT COMMITTEE REPORT

The Board of Directors adopted a written charter for the Audit Committee on May 16, 2001, and a copy of this charter is attached to this proxy statement as Appendix A. In accordance with its written charter, the Audit Committee assists the Board of Directors in fulfilling its responsibility relating to corporate accounting, reporting practices of the Company, and the quality and integrity of the financial reports and other financial information provided by the Company to any governmental body or the public. Management is responsible for the financial statements and the reporting process, including the system of internal controls. The independent auditors are responsible for expressing an opinion on the conformity of the audited financial statements with generally accepted accounting principles. Our Audit Committee is comprised of three directors, who are not officers of the Company. They are all considered "independent" under the listing standards of the NASDAQ.

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

In discharging its oversight responsibility as to the audit process, the Audit Committee reviewed and discussed the audited financial statements of the Company for the year ended December 31, 2001, with the Company's management. The Audit Committee discussed the matters required to be discussed by SAS 61, as modified or supplemented, with the independent accountants. The Audit Committee also obtained a formal written statement from the independent accountants that described all relationships between the independent accountants and the Company that might bear on the accountant's independence consistent with Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committee," as amended or supplemented. The Audit Committee discussed with the independent accountants any relationships that might impact their objectivity and independence and satisfied itself as to the accountants' independence. The Audit Committee also considered whether the provision of non-audit services by PricewaterhouseCoopers LLP ("PwC") is compatible with maintaining PwC's independence. Management has the responsibility for the preparation of the Company's financial statements, and the independent accountants have the responsibility for the examination of those statements.

Based on the above-referenced review and discussions with management and the independent accountants, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements be included in its Annual Report on Form 10-K for the year ended December 31, 2001, for filing with the Securities and Exchange Commission.

Frank B. Carr, Chairman
John D. Drinko
Wilber C. Nordstrom

5

EXECUTIVE COMPENSATION

The table below describes the compensation paid for the last three fiscal years to our chief executive officer and the four other most highly paid executive officers. We sometimes refer to the persons listed in the table below as our "named executive officers."

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION		OTHER ANNUAL COMPENSATION (\$)(2)	LONG-TERM COMPENSATION AWARDS	
		SALARY (\$)	BONUS (\$)(1)		SHARE OPTIONS #	ALL OTHER COMPENSATION (\$)(3)
Robert G. Ruhlman.....	2001	\$300,000	\$100,500	--	--	\$ 58,124
President and	2000	270,000	108,000	--	10,000	52,347
Chief Executive Officer	1999	240,000	81,000	--	--	46,522
Jon R. Ruhlman.....	2001	480,000	168,000	--	--	129,965 (3)
Chairman of the Company	2000	480,000	192,000	--	10,000	126,430 (3)
	1999	480,000	165,000	--	--	122,640 (3)
Eric R. Graef.....	2001	180,000	61,875	--	--	34,823
Vice President -- Finance	2000	172,500	69,000	--	10,000	31,161
and Treasurer	1999	13,750	2,750	--	--	--
R. Jon Barnes.....	2001	156,000	53,400	--	--	30,771
Vice President -- Sales	2000	148,000	59,200	--	10,000	29,183
and Marketing	1999	140,000	48,250	--	--	27,586

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

William H. Haag III.....	2001	150,000	50,250	--	--	29,191
Vice President --	2000	135,000	41,750	--	10,000	25,714
International Operations	1999	120,000	16,000	--	--	19,852

- (1) The Bonus Plan for all named executive officers is discussed in the Salary (Compensation) Committee Report.

- (2) No named executive officer received perquisites and other personal benefits above the threshold amounts specified in the regulations of the Securities and Exchange Commission.

- (3) Reflects the Company's contributions to the Profit Sharing Plan, including accruals to the related Supplemental Plan. Also includes, for Jon R. Ruhlman, premiums paid on "split dollar" life insurance policies covering Mr. and Mrs. Ruhlman, which totaled \$35,466, in 2001, \$32,173 in 2000, and \$28,910 in 1999.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (\$)	NUMBER OF UNEXERCISED OPTIONS AT FISCAL YEAR-END EXERCISABLE/ UNEXERCISABLE	VAL UNEXERCISE MONEY O YEAR- EXERC UNEXE
-----	-----	-----	-----	-----
Robert G. Ruhlman.....	--	--	5,000/5,000	11,81
Jon R. Ruhlman.....	--	--	5,000/5,000	11,81
Eric R. Graef.....	--	--	5,000/5,000	19,37
R. Jon Barnes.....	--	--	5,000/5,000	19,37
William H. Haag III.....	--	--	5,000/5,000	19,37

6

EMPLOYMENT CONTRACT

The Company has a five-year employment contract with Kenneth G. Brownell to serve as President and Chief Executive Officer of Superior Modular Products Inc., which expires December 2, 2003. His salary is established at not less than \$190,000 annually, plus a bonus calculated under a formula based upon the percentage of attainment of annually established profit goals. The Agreement includes a covenant not to compete during the term of the Agreement and for a period of two years after its termination.

SALARY (COMPENSATION) COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

There are no Salary Committee interlocks. John D. Drinko, a member of the Salary Committee, is senior partner of Baker & Hostetler LLP, which firm acts as general legal counsel for the Company.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company is a sponsor of Ruhlman Motorsports. Ruhlman Motorsports is

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

owned by Randall M. Ruhlman, a director of the Company, and by his wife. In 1999, 2000 and 2001, the Company paid \$707,738, \$691,004, and \$658,000 respectively, to Ruhlman Motorsports in sponsorship fees and for related promotional materials. In addition, in 1999 and 2000 the Company's Canadian subsidiary, Preformed Line Products (Canada) Ltd., paid \$60,974 and \$80,000, respectively, to Ruhlman Motorsports in sponsorship fees and for related promotional materials. This sponsorship provides the Company with a unique venue to entertain the Company's customers and to advertise on the race car which participates on the Trans-Am racing circuit. The Company believes that its sponsorship contract with Ruhlman Motorsports is as favorable to the Company as a similar contract with a similar independent third-party racing team would be. The Company and Preformed Line Products (Canada) Ltd. intend to continue to sponsor Ruhlman Motorsports in 2002.

Mr. John D. Drinko, one of the Company's directors, is a senior partner in Baker & Hostetler LLP, which acts as our general outside counsel. The Company expects that Baker & Hostetler will continue to provide legal services in that capacity in 2002.

The Company paid fees of \$96,813, \$112,838 and \$158,254 to Liggett-Stashhower, Inc. during 1999, 2000 and 2001, respectively. The brother of Jon R. Ruhlman, the chairman and a director of the Company, is an officer of Liggett-Stashhower. Liggett-Stashhower is a Cleveland, Ohio-based advertising and public relations firm which assists the Company with its advertising and the publication of its annual report. The Company believes that the fees paid to Liggett-Stashhower were substantially similar to the fees that would have been required to be paid to an unaffiliated third-party public relations firm for similar service. The Company has continued to contract for the services of Liggett-Stashhower in 2002.

7

PERFORMANCE GRAPH

Set forth below is a line graph comparing the cumulative total return of a hypothetical investment in our common shares with the cumulative total return of hypothetical investments in the NASDAQ Market Index and the Media General Financial Services, Inc. -- Industry Group 627 (Industrial Electrical Equipment) Index based on the respective market price of each investment at December 31, 2000, March 31, 2001, June 30, 2001, September 30, 2001 and December 31, 2001, assuming in each case an initial investment of \$100 on December 31, 2000, and reinvestment of dividends.

[LINE GRAPH]

COMPANY/INDEX/MARKET	12/31/2000	3/31/2001	6/30/2001	9/30/2001	12/31/2001
[DOLLARS]					
Preformed Line Products Co.	100.00	104.81	147.44	145.17	146.93
Industrial Electrical Eqp	100.00	91.30	101.10	59.71	76.23
NASDAQ Market Index	100.00	75.39	88.36	61.36	79.98

SHAREHOLDER PROPOSALS FOR 2003 ANNUAL MEETING

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

Proposals of shareholders intended to be presented, pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 (the "Exchange Act"), at our 2003 annual meeting of shareholders must be received by us at 660 Beta Drive, Mayfield Village, Ohio 44143, on or before November 28, 2002, for inclusion in our proxy statement and form of proxy relating to the 2003 annual meeting of shareholders. In order for a shareholder's proposal outside of Rule 14a-8 under the Exchange Act to be considered timely within the meaning of Rule 14a-4(c) of the Exchange Act, such proposal must be received by us at the address listed in the immediately preceding sentence not later than February 11, 2003.

8

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and owners of more than 10% of our common shares, to file with the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange initial reports of ownership and reports of changes in ownership of our common shares and other equity securities. Executive officers, directors and owners of more than 10% of the common shares are required by SEC regulations to furnish our Company with copies of all forms they file pursuant to Section 16(a).

To our knowledge, based solely on our review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended December 31, 2001, all Section 16(a) filing requirements applicable to its executive officers, directors and greater-than-10% beneficial owners were complied with, except that each of our Section 16 reporting persons inadvertently failed to timely file a Form 3 prior to the effectiveness of our Form 10 registration statement. However, the Form 3s were filed before the SEC's staff cleared all of its comments on the Form 10.

OTHER MATTERS

CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

On October 24, 2001, our Board of Directors voted to approve the engagement of PricewaterhouseCoopers LLP ("PwC") as our independent accountant for the fiscal year ending December 31, 2001. PwC replaced Ernst & Young, LLP ("E&Y"), who was dismissed as our independent accountant effective October 24, 2001. The decision to dismiss E&Y was communicated by the Company to E&Y on October 24, 2001. Our Audit Committee did not recommend or approve the change in accountant since the entire Board of Directors considered the matter.

The reports of E&Y on our financial statements for the past two fiscal years did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

In connection with the audits of our financial statements for each of the two fiscal years ended December 31, 1999 and December 31, 2000, and in the subsequent interim period, there were no disagreements with E&Y on any matters of accounting principles or practices, financial statement disclosure, or auditing scope and procedures which, if not resolved to the satisfaction of E&Y, would have caused E&Y to make reference to the matter in their report. We requested E&Y to furnish a letter addressed to the Securities and Exchange Commission stating whether it agreed with the above statements. A copy of that letter, dated October 26, 2001, is filed as Exhibit 16.1 to our Form 8-K filed with the SEC on October 26, 2001.

During the two most recent fiscal years and the subsequent interim period through October 24, 2001, neither the Company nor anyone on behalf of the Company consulted with PwC regarding either the application of accounting

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on our financial statements; or on any matter considered important by the Company in reaching a decision as to any accounting, auditing or financial reporting issue or any matter that was either the subject of a disagreement as defined in Item 304(a)(1)(iv) of Regulation S-K, or any reportable event, as defined in Item 304(a)(1)(v) of Regulation S-K.

INDEPENDENT PUBLIC ACCOUNTANTS

We have not selected our independent accountants for the current fiscal year. The Audit Committee of the Board of Directors will make this selection later in the year. Representatives of PwC, which served as our independent public accountants for the fiscal year ended December 31, 2001, are expected to be present at the annual meeting of shareholders, will have an opportunity to make a statement if they so desire, and will be available to respond to appropriate questions.

9

AUDIT FEES

The aggregate fees billed for professional services rendered by PwC for the audit of the Company's annual financial statements for the year ended December 31, 2001, and for PwC's reviews of the financial statements included in the Company's Form 10-Q filed with the Securities and Exchange Commission during 2001 were \$385,700.

FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES

PwC performed no services and therefore billed no fees relating to operating or supervising the operation of the Company's information systems or local area network or for designing or implementing the Company's financial information management systems during 2001.

ALL OTHER FEES

The aggregate fees billed for other professional services rendered to the Company by PwC other than audit fees in 2001 were \$119,800.

MISCELLANEOUS

If the enclosed proxy is executed and returned to us, the persons named in it will vote the shares represented by that proxy at the meeting. The form of proxy permits specification of a vote for the election of directors as set forth under "Election of Directors" above, the withholding of authority to vote in the election of directors, or the withholding of authority to vote for one or more specified nominees. When a choice has been specified in the proxy, the shares represented will be voted in accordance with that specification. If no specification is made, those shares will be voted at the meeting to elect directors as set forth under "Election of Directors" above. Under Ohio law and our Amended and Restated Articles of Incorporation broker non-votes and abstaining votes will not be counted in favor of or against any nominee. Director nominees who receive the greatest number of affirmative votes will be elected directors. If any other matter properly comes before the meeting, the persons named in the proxy will vote thereon in accordance with their judgment. We do not know of any other matter that will be presented for action at the meeting and we have not received any timely notice that any of our shareholders intend to present a proposal at the meeting.

By order of the Board of Directors,

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

J. RICHARD HAMILTON,
Secretary

Dated: March 28, 2002

10

APPENDIX A

AUDIT COMMITTEE CHARTER

PREFORMED LINE PRODUCTS COMPANY

ORGANIZATION

There shall be a committee of the board of directors to be known as the Audit Committee. This committee shall consist of at least three directors who are independent of the management of the company (as defined by the listing standards of the Nasdaq System) and are free of any relationship that, in the opinion of the board of directors, would interfere with their exercise of independent judgment as a committee member. Each member of the committee shall be able to read and understand financial statements, including the company's balance sheet, income statement and cash flow statement, and at least one committee member shall have had past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background (including a current or past position as chief executive or financial officer or other senior officer with financial oversight responsibilities) that results in the individual's financial sophistication as determined in the board's judgment.

STATEMENT OF POLICY

The Audit Committee shall oversee and monitor management's and the independent auditors' participation in and responsibility for the financial reporting process of the company. In so doing, it is the responsibility of the Audit Committee to maintain free and open means of communication among the directors, the independent auditors and the senior and financial management of the company. While the committee has the responsibilities and powers set forth in this charter, it is not the duty of the committee to plan or conduct audits or to determine that the company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of financial management and the independent auditors. Nor is it the duty of the committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditors, or to assure compliance with laws and regulations.

RESPONSIBILITIES

A. Review of Documents and Reports

- Review and update the committee's charter at least annually.
- Review the financial statements contained in the annual report to shareholders with management and the independent auditors to determine that the independent auditors are satisfied with the disclosure and content of the financial statements to be presented to the shareholders. Any changes in accounting principles should be reviewed. Significant findings, difficulties encountered during the course of audit work and any changes in the planned scope should also be reviewed with the independent auditors.

B. Independent Auditors

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

- Review and recommend to the directors the independent auditors to be selected to audit the financial statements of the company, considering independence and effectiveness, and approve the fees and other compensation to be paid to the independent auditors. The independent auditors for the company are ultimately accountable to the board and the committee, and the board and committee have the ultimate authority and responsibility to select, evaluate and, when appropriate, replace the independent auditors.
- Ensure that the independent auditors submit on a periodic basis to the committee a formal written statement delineating all relationships between the auditors and the company, actively engage in a dialogue with the independent auditors with respect to any disclosed relationship or service that may

impact the objectivity and independence of the independent auditors, and recommend that the board take appropriate action in response to the independent auditors' report to satisfy the committee of the independent auditors' independence.

C. Financial Reporting Process

- Provide an open avenue of communication among the independent auditors, senior and financial management and the board of directors.
- Meet with the independent auditors and financial management of the company to review the scope of the proposed audit for the current year and the audit procedures to be used and, at the conclusion thereof, review such audit, including any comments or recommendations of the independent auditors.
- Review with the independent auditors and the financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the company, including computerized information system controls and security. Elicit any recommendations for the improvement of internal control procedures or particular areas where new or more detailed controls or procedures are desirable.

D. Ethical and Legal Compliance

- Submit the minutes of all meetings of the Audit Committee to or discuss the matters discussed at each committee meeting with the board of directors.
- Investigate any matter brought to its attention within the scope of its duties with the power to retain outside counsel, accountants or others, for this purpose, if, in its judgement, it is deemed appropriate.

2

PREFORMED LINE PRODUCTS COMPANY PROXY

The undersigned hereby appoints Jon R. Ruhlman, Wilber C. Nordstrom and J. Richard Hamilton, and each of them, attorneys and proxies of the undersigned, with full power of substitution, to attend the annual meeting of shareholders of Preformed Line Products Company to be held at 660 Beta Drive, Mayfield Village, Ohio, on Monday, April 29, 2002, at 9:00 a.m., local time, or any adjournment thereof, and to vote the number of common shares of Preformed Line Products Company which the undersigned would be entitled to vote, and with all the power the

Edgar Filing: PREFORMED LINE PRODUCTS CO - Form DEF 14A

undersigned would possess if personally present, as follows:

1.

----- FOR (except as noted below), or
----- WITHHOLD AUTHORITY to vote for, the following
nominees for election as directors, each to serve until the 2004 annual
meeting of the shareholders and until his successor has been duly
elected and qualified: John D. Drinko, Jon R. Ruhlman, Wilber C.
Nordstrom and Randall M. Ruhlman.

(INSTRUCTION: TO WITHHOLD AUTHORITY TO VOTE FOR ANY PARTICULAR NOMINEE,
WRITE THAT NOMINEE'S NAME ON THE LINE PROVIDED BELOW.)

2. On such other business as may properly come before the meeting.

(To be signed on reverse side)

(Continued from other side)

THE PROXIES WILL VOTE AS SPECIFIED ABOVE, OR IF A CHOICE IS NOT
SPECIFIED, THEY WILL VOTE FOR THE NOMINEES LISTED IN ITEM 1.

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS OF THE COMPANY
Receipt of the Notice of Annual Meeting of Shareholders and Proxy
Statement dated March 28, 2002, is hereby acknowledged.

Dated _____, 2002

Signature(s)

(Please sign exactly as your
name or names appear hereon,
indicating, where proper,
official position or
representative capacity.)