

Mueller Water Products, Inc.
Form DEF 14A
December 17, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

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

Filed by the Registrant 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
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Mueller Water Products, Inc.

(Name of Registrant as Specified In Its Charter)

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

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December 17, 2013

To My Fellow Stockholders:

It is my pleasure to invite you to attend the 2014 Annual Meeting of Stockholders of Mueller Water Products, Inc. The meeting will be held on January 29, 2014 at 10:00 A.M., Eastern Time, at the InterContinental Buckhead Hotel in Atlanta, Georgia. The meeting will begin with a discussion of, and voting on, the matters described in the attached Notice of Annual Meeting of Stockholders and Proxy Statement, followed by my report on our company's financial performance and operations.

Your vote is important to us. Your broker cannot vote on certain of the proposals without your instruction. Please inform us or your broker as to how you would like us to vote your shares on the proposals set forth in the Proxy Statement whether or not you plan to attend the meeting.

On behalf of our management team and our board of directors, I thank you for your continued support and confidence in our company.

Sincerely,

Gregory E. Hyland

Chairman of the Board, President and Chief Executive Officer

YOUR VOTE IS IMPORTANT TO US.

PLEASE REVIEW THE ATTACHED MATERIALS AND SUBMIT YOUR VOTE PROMPTLY.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JANUARY 29, 2014

To the Stockholders of Mueller Water Products, Inc.:

NOTICE IS HEREBY GIVEN that the 2014 Annual Meeting of Stockholders of Mueller Water Products, Inc. will be held at 10:00 A.M., Eastern Time, on Wednesday, January 29, 2014 at the InterContinental Buckhead Hotel, 3315 Peachtree Road, N.E., Atlanta, Georgia 30326, for the following purposes:

1. to elect a board of directors for the coming year;
2. to approve, on an advisory basis, the compensation of the Company's named executive officers, as described in this Proxy Statement;
3. to ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending September 30, 2014; and
4. to transact any other business properly brought before the Annual Meeting and any reconvened or rescheduled meeting following any adjournment or postponement thereof.

Only stockholders of the Company at the close of business on December 2, 2013, the record date for voting at the Annual Meeting, are entitled to notice of and to vote at the Annual Meeting.

This Proxy Statement and our 2013 Annual Report are available at www.proxyvote.com (for beneficial stockholders) and www.edocumentview.com/mwa (for registered stockholders).

The Company is again taking advantage of Securities and Exchange Commission rules allowing companies to furnish proxy materials to stockholders over the Internet. A Notice of Internet Availability of Proxy Materials or this Proxy Statement is first being mailed to our stockholders on or about December 19, 2013. Please refer to the Notice of Internet Availability of Proxy Materials, proxy materials email or proxy card you received for information on how to vote your shares and to ensure that your shares will be represented and voted at the Annual Meeting even if you cannot attend.

By order of the board of directors.

Keith L. Belknap
Corporate Secretary
Atlanta, Georgia
December 17, 2013

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Please note that attendance at the Annual Meeting will be limited to stockholders of Mueller Water Products, Inc. (or their authorized representatives) as of the record date. You will be required to provide the admission ticket that is detachable from your proxy card or other evidence of ownership. If your shares are held by a bank or broker, please bring to the meeting your bank or broker statement evidencing your beneficial ownership of Common Stock as of the record date to gain admission to the meeting.

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PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider. You should read the entire Proxy Statement carefully before voting.

ANNUAL MEETING OF STOCKHOLDERS

Time and Date: 1/29/2014 10:00
InterContinental Buckhead Hotel
Place: 3315 Peachtree Road, NE
Atlanta, Georgia 30326
Record Date: December 2, 2013
Stockholders as of the record date are entitled to vote. Each share of Common Stock is entitled to one vote for each director nominee and one vote for each of the other proposals.
Voting:

VOTING MATTERS

Matter	Board vote recommendation
Election of directors	FOR each director nominee
Advisory vote to approve executive compensation	FOR
Ratification of the appointment of the independent registered public accounting firm for fiscal 2014	FOR

2013 PERFORMANCE HIGHLIGHTS

Highlights of our fiscal 2013 consolidated results from continuing operations include the following elements, some of which were used by the Compensation and Human Resources Committee to assess overall Company performance and determine incentive plan compensation earned during this period. In fiscal 2013, we:

- increased net sales 9.5% year-over-year to \$1,120.8 million;
 - increased adjusted operating income 47.7% year-over-year to \$98.8 million;
 - increased income from continuing operations to \$35.4 million from the prior year loss from continuing operations of \$5.2 million;
 - reduced average investment in working capital to 24.9% of net sales from 25.8% of net sales in the prior year;
 - increased return on net assets to 21.6% from 17.3% in the prior year;
 - increased adjusted free cash flow to \$81.0 million from \$49.7 million in the prior year; and
 - returned value to our stockholders through a 63% increase in our Common Stock price (from September 30, 2012 through September 30, 2013) and the payment of \$0.07 per share in dividends during fiscal 2013.
- See "Compensation, Discussion and Analysis" for more information about the Company's fiscal 2013 performance. See Exhibit A for a reconciliation of non-GAAP financial measures to GAAP financial results.

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COMPENSATION HIGHLIGHTS

We design our executive compensation programs to attract, motivate and retain the executives who are crucial to our long-term success. The principal elements of our compensation program for executives are base salary, annual performance-based cash compensation, long-term performance-based equity compensation, other long-term incentive equity compensation and broad based benefit plans.

We structure incentive compensation to pay for performance. We set clear and measurable financial goals for corporate and business segment performance. In evaluating performance, we assess progress toward strategic priorities. Our objective is to establish pay practices that reward superior performance and align long-term incentives with the long-term interests of our stockholders.

- We paid incentive compensation for fiscal 2013 that reflects Company performance. Our annual and long-term performance-based incentive compensation awards for fiscal 2013 paid out or credited amounts in excess of target because our actual results exceeded target performance levels. For fiscal 2013, incentive compensation represented approximately 72% of our CEO's total target compensation, and an average of 64% of the total target compensation of the other named executive officers.

- We enhanced the pay-for-performance aspects of our executive compensation programs in fiscal 2013.

We redesigned our long-term incentive program by issuing grants of performance-based restricted stock units instead of grants of stock options.

For our CEO and segment Presidents, we increased the percentage of

compensation under our fiscal 2013 annual cash incentive plan tied to performance against pre-established financial performance goals to 90% from 80%.

• We continue to implement best practices for executive compensation.

Our compensation programs are designed to mitigate imprudent risk by utilizing, among other things, multiple performance targets and caps on potential payments.

Our equity incentive plan prohibits the repricing or exchange of equity awards without stockholder approval.

We prohibit hedging and pledging of our Common Stock by executives or directors.

Our executives are subject to stock ownership guidelines that require them to reach significant levels of Common Stock ownership.

We can recover cash- or equity-based compensation paid to executives where compensation is based upon the achievement of financial results that are the subject of a subsequent restatement.

We evaluate share utilization by reviewing overhang levels and analyzing annual run rates.

For fiscal 2013, we recalibrated our group of peer companies to align more closely with the current size of our business.

See "Compensation, Discussion and Analysis — Fiscal 2013 Compensation Considerations" and "— Overview" for more information regarding the Company's compensation philosophy, structure and developments.

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DIRECTOR NOMINEES

Each director stands for election annually. All directors are independent, except Mr. Hyland, our Chairman, President and CEO. The Board held seven meetings in fiscal 2013 and each director attended at least 92% of the total number of meetings of the Board and its committees of which he or she was a member.

The following table provides summary information about each director nominee. See "Matters to be Voted On — Proposal One" for more detailed information about each director nominee.

Name	Age	Director Since	Experience	Committee Memberships ⁽¹⁾
Shirley C. Franklin	68	2010	Barbara Jordan visiting professor at the LBJ School of the University of Texas; Former Mayor of Atlanta	Audit; EHS
Thomas J. Hansen	64	2011	Former Vice Chairman of Illinois Tool Works Inc.	Audit; NCG
Gregory E. Hyland	62	2005	Chairman, President and Chief Executive Officer of Mueller Water Products, Inc.	Exec*
Jerry W. Kolb	77	2006	Retired Vice Chairman of Deloitte & Touche LLP	Audit; Comp
Joseph B. Leonard	70	2006	Retired Chairman of AirTran Holdings, Inc.	Comp*
Mark J. O'Brien	70	2006	Chairman and Chief Executive Officer of Walter Investment Management Corp.	Comp; EHS
Bernard G. Rethore	72	2006	Chairman Emeritus of Flowserve Corporation	Audit; Comp; EHS*
Neil A. Springer ⁽²⁾	75	2006	Managing Director of Springer & Associates LLC	Audit*; Comp; Exec
Lydia W. Thomas	69	2008	Retired President and Chief Executive Officer of Noblis, Inc.	NCG; EHS
Michael T. Tokarz	64	2006	Chairman of Walter Energy, Inc.	NCG, EHS, Exec

* Denotes committee chairman

(1) Audit = Audit Committee; Comp = Compensation and Human Resources Committee; EHS = Environment, Health and Safety

Committee; Exec = Executive Committee; NCG = Nominating and Corporate Governance Committee

(2) Mr. Springer currently serves as our Lead Director. See "Corporate Governance — Board Leadership Structure" for more information.

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1200 Abernathy Road, N.E.
Suite 1200
Atlanta, Georgia 30328

PROXY STATEMENT

Mueller Water Products, Inc. (the "Company") is furnishing this Proxy Statement in connection with the solicitation of proxies by the board of directors (the "Board") of the Company for its 2014 annual meeting of stockholders and at any reconvened or rescheduled meeting following any adjournment or postponement of the meeting (the "Annual Meeting"). The Annual Meeting will be held on Wednesday, January 29, 2014 at 10:00 A.M., Eastern Time, at the InterContinental Buckhead Hotel, 3315 Peachtree Road, N.E., Atlanta, Georgia 30326.

A Notice of Internet Availability of Proxy Materials ("Notice") or this Proxy Statement is first being mailed to our stockholders on or about December 19, 2013.

QUESTIONS ABOUT VOTING AND THE ANNUAL MEETING

What is the purpose of this Proxy Statement?

The Proxy Statement provides information regarding matters to be voted on at the Annual Meeting. Additionally, the Proxy Statement contains certain information that the Securities and Exchange Commission (the "SEC") requires the Company to provide annually to its stockholders. The Proxy Statement is also used by the Board to solicit proxies to be used at the Annual Meeting. Proxies are solicited to give stockholders of record an opportunity to vote on the matters to be presented at the Annual Meeting, whether or not they attend the Annual Meeting. The Board has designated a proxy committee that will vote the shares represented by proxies at the Annual Meeting in the manner indicated by the proxies. The proxy committee is comprised of Gregory E. Hyland, Evan L. Hart and Keith L. Belknap.

Why did I receive a Notice in the mail instead of a printed set of proxy materials?

In accordance with rules and regulations adopted by the SEC, instead of mailing a printed copy of the Company's proxy materials to each stockholder of record, the Company may furnish proxy materials by providing access to those documents on the Internet. Stockholders will not receive printed copies of the proxy materials unless they request them. The Notice provides instructions on how to access and review the Proxy Statement and the Company's annual report on Form 10-K for the year ended September 30, 2013 (the "2013 Annual Report") over the Internet at www.proxyvote.com (for beneficial stockholders) and www.edocumentview.com/mwa (for registered stockholders), and how to submit a proxy over the Internet. If you would like to receive a paper or email copy of the proxy materials, please follow the instructions in the Notice for requesting those materials.

Who is entitled to vote on the matters discussed in the Proxy Statement?

You are entitled to vote on the matters discussed in the Proxy Statement if you were a holder of record of the Company's common stock ("Common Stock") as of the close of business on December 2, 2013. Your shares can be voted at the Annual Meeting only if you are present in person or represented by a valid proxy.

What constitutes a quorum for the Annual Meeting?

The holders of a majority of the voting power of the outstanding shares of Common Stock as of the close of business on the record date must be present, either in person or represented by proxy, to constitute a quorum necessary to conduct the Annual Meeting. On the record date, there were 158,902,050 shares of Common Stock outstanding. Shares represented by proxies received but marked as abstentions or as withholding voting authority for any or all director nominees, and shares represented by proxies received but reflecting broker non-votes, will be counted as present at the Annual Meeting for purposes of establishing a quorum.

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How many votes am I entitled to for each share of Common Stock that I hold?

Each share of Common Stock represented at the Annual Meeting is entitled to one vote.

What proposals will require my vote?

You are being asked to vote on the following items of business:

• the election of the 10 director nominees named in the Proxy Statement (Proposal 1);

• an advisory resolution to approve the compensation of our named executive officers (Proposal 2); and

• the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending September 30, 2014 ("fiscal 2014") (Proposal 3).

What vote is required to approve each proposal, and how will my vote be counted?

Proposal 1: Election of Directors

Elections of directors are determined by a plurality of votes cast in respect of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting.

Proposal 2: Advisory Vote to Approve Executive Compensation

This proposal requires approval by the holders of a majority of the voting power of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting.

Proposal 3: Ratification of the Appointment of the Independent Registered Public Accounting Firm

This proposal requires approval by the holders of a majority of the voting power of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting.

How does the Board recommend that I vote?

The Board recommends that you vote "FOR" Proposal 1, Proposal 2 and Proposal 3.

How may I vote?

You have four voting options if you are a registered stockholder:

• by Internet at the web address noted in the Notice, proxy materials email or proxy card that you received (we encourage you to vote in this manner);

• by telephone through the number noted in the proxy card that you received (if you received a proxy card);

• by signing and dating your proxy card (if you received a proxy card) and mailing it in the prepaid and addressed envelope enclosed therewith; or

• by attending the Annual Meeting and voting in person.

If you plan to vote other than by attending the Annual Meeting and voting in person, your vote must be received by 11:59 P.M. on January 28, 2014.

What is the difference between a registered stockholder and a beneficial stockholder?

These terms describe the manner in which your shares are held. If your shares are registered directly in your name with our transfer agent, Computershare, you are a "registered stockholder." Registered stockholders will receive a Notice containing instructions on how to access this Proxy Statement and the 2013 Annual Report and how to vote over the Internet or how to request and return a proxy card by mail. If your shares are held in "street name" through a broker, bank or other nominee, you are a "beneficial stockholder." Beneficial stockholders should refer to the instructions provided by their broker, bank or other nominee regarding how to vote their shares. The availability of Internet and telephone voting depends on the voting processes of the broker, bank or other nominee. As a beneficial stockholder, you have the right to direct your broker, bank or other nominee on how to vote your shares. Beneficial stockholders may vote in person only if they have a legal proxy to vote their shares as described below.

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What are "broker non-votes" and why is it important that I submit my voting instructions for shares I hold in street name?

Under New York Stock Exchange ("NYSE") rules, if a broker or other financial institution holds your shares in its name and you do not provide voting instructions to them, that firm's discretion to vote your shares for you is very limited. For the Annual Meeting, in the absence of your voting instructions, your broker has discretion to vote only on Proposal 3. If you do not provide voting instructions and your broker elects to vote your shares on Proposal 3, the missing votes for each of the other proposals are considered "broker non-votes."

May I change my vote after I vote?

You may revoke a vote by proxy at any time before it is voted at the Annual Meeting in one of three ways:

- vote again using the Internet or by telephone prior to the Annual Meeting;
- sign another proxy card with a later date and return it prior to the Annual Meeting; or
- attend the Annual Meeting in person and cast a ballot.

How will a proposal or other matter that was not included in the Proxy Statement be handled for voting purposes if it is raised at the Annual Meeting?

If any matter that is not described in the Proxy Statement should properly come before the Annual Meeting, the proxy committee will vote the shares represented by it in accordance with the proxy committee's best judgment. At the time this Proxy Statement was printed, we were not aware of any other matters that might be presented for stockholder action at the Annual Meeting.

Who will tabulate and certify the vote?

A representative of Computershare will tabulate the vote and is expected to act as the independent inspector of elections for the Annual Meeting and to certify the final vote.

What does it mean if I receive more than one Notice, proxy materials email or proxy card?

It means that you have multiple accounts holding Common Stock with brokers and/or our transfer agent. You will need to vote separately with respect to each Notice, proxy materials email or proxy card you receive. We encourage you to vote all of the shares you are entitled to vote.

What happens if I abstain from voting?

Abstentions with respect to a proposal are counted for purposes of establishing a quorum. If a quorum is present, abstentions will have no effect on the outcome of the vote.

What do I need to do if I want to attend the Annual Meeting?

Although you do not need to make a reservation to attend the Annual Meeting, attendance is limited to the Company's stockholders, members of their immediate families or their representatives. You will be required to provide the admission ticket that is detachable from your proxy card or provide other evidence of ownership of Common Stock. If your shares are held by a bank or broker, please bring your bank or broker statement evidencing your beneficial ownership of Common Stock as of the record date to gain admission to the Annual Meeting. The Company reserves the right to limit the number of representatives who may attend the Annual Meeting.

Who is soliciting proxies?

The Board is soliciting your proxy. The expense of preparing, printing and mailing this Proxy Statement and the proxies solicited hereby will be borne by the Company. Solicitation will be made principally by distribution via the Internet pursuant to SEC rules and regulations, but will also be sent via mail when requested by a stockholder. In addition to soliciting stockholders via the Internet and mail, the Company will request banks, brokerage houses and other custodians, nominees and fiduciaries to forward solicitation materials or send a Notice to the beneficial owners of Common Stock held of record by such persons. The Company will reimburse them for their reasonable out-of-pocket expenses incurred in doing so. The Company may use the services of its directors, officers and other employees, who will receive no compensation for their services, other than their regular compensation, to solicit proxies by mail, telephone or other electronic means or in person. The Company has retained the services of Alliance Advisors LLC to aid in the solicitation of proxies, including the solicitation of proxies from brokerage firms,

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banks, nominees, custodians and fiduciaries, for a fee not anticipated to exceed \$6,300 plus expenses. Your cooperation in promptly voting by proxy via the medium of your choice will help to avoid additional expense. PLEASE FOLLOW THE INSTRUCTIONS PROVIDED IN THE NOTICE TO ENSURE THAT YOUR SHARES OF COMMON STOCK ARE REPRESENTED AT THE ANNUAL MEETING IN CASE YOU ARE NOT ABLE TO ATTEND THE MEETING.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Proxy Statement and the 2013 Annual Report are available at www.proxyvote.com (for beneficial stockholders) or www.edocumentview.com/mwa (for registered stockholders).

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MATTERS TO BE VOTED ON

PROPOSAL ONE:

ELECTION OF DIRECTORS

The Nominating and Corporate Governance Committee (the “Governance Committee”) of the Board is responsible for identifying qualified candidates to serve on the Board and recommending nominees to be submitted to the Company's stockholders for election at each annual meeting of stockholders. After the Governance Committee completes its evaluation of candidates, it presents its recommendation to the Board for consideration and approval.

In evaluating candidates, the Governance Committee considers a variety of qualifications, experiences, attributes and skills, and recognizes that a diversity of knowledge, viewpoints and experience can enhance the effectiveness of the Board. Accordingly, as part of its evaluation of any given candidate, the Governance Committee takes into account how that candidate's background, qualifications, experiences, attributes and skills may enhance the quality of the Board's deliberations and decisions.

After many years of distinguished service to the Company, Howard L. Clark, Jr. is retiring from the Board at the Annual Meeting. In connection with his retirement, the Board will reduce its size to 10 members, effective as of the date of the Annual Meeting.

After evaluating each director and the composition of the full Board, the Governance Committee has recommended all of the current Board members for election other than Mr. Clark. Each of the 10 individuals nominated for election to the Board would hold office until the 2015 annual meeting of stockholders and until his or her successor is elected and qualified. Each nominee has agreed to serve as a director if elected. If for some unforeseen reason a nominee becomes unwilling or unable to serve, proxies will be voted for a substitute nominee selected by the Board. In lieu of designating a substitute nominee, the Board, in its discretion, may reduce the number of directors.

The names of the nominees and certain information about them, including information concerning their qualifications for office, are set forth below:

Shirley C. Franklin, 68, director since 2010. Ms. Franklin serves as the Barbara Jordan visiting professor at the LBJ School of the University of Texas and Chair of the board of directors and Chief Executive Officer of Purpose Built Communities, Inc., a national non-profit organization established to transform struggling neighborhoods into sustainable communities. She also serves as Co-Chair of the Atlanta Regional Commission on Homelessness and Chair of the board of directors of the National Center for Civil and Human Rights. From 2002 to 2010, Ms. Franklin served as mayor of Atlanta, Georgia. She serves as a director of Delta Air Lines, Inc., a provider of air transportation for passengers and cargo. Ms. Franklin earned a Bachelor of Science degree in sociology from Howard University and a Master's degree in sociology from the University of Pennsylvania.

Ms. Franklin brings general management expertise, strategic planning expertise, marketing expertise, financial expertise and governmental and regulatory affairs experience. In particular, the Board considered her record of civic involvement and significant experience in executive management, which has spanned three decades, including her service as mayor of Atlanta, during which time she worked to rebuild the city's water infrastructure.

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Thomas J. Hansen, 64, director since 2011. Until 2012, Mr. Hansen served as Vice Chairman of Illinois Tool Works Inc. (“ITW”), a manufacturer of fasteners and components, consumable systems and a variety of specialty products and equipment. He joined ITW in 1980 as sales and marketing manager of the Shakeproof Industrial Products businesses. From 1998 to 2006, he served as Executive Vice President of ITW. Mr. Hansen is a member of the Northern Illinois University Executive Club and a former member of the Board of Trustees of MAPI (Manufacturers Alliance). He is a director of Terex Corporation, a diversified global manufacturer of a variety of machinery products, and Standex International Corporation, a manufacturer of products and services for diverse industrial market segments. From 2005 through 2008, Mr. Hansen served as director of CDW Corporation, a multi-brand technology solutions provider. He earned a Bachelor of Science degree in marketing from Northern Illinois University and a Master of Business Administration degree from Governors State University.

Mr. Hansen brings general management expertise, multiple-part manufacturing and operations experience, financial expertise, M&A experience, strategic planning expertise, corporate governance expertise, marketing expertise and international business experience. In particular, the Board considered his experience as a senior executive of a large diversified industrial manufacturing company that faces many of the current economic, social and governance issues that the Company faces.

Gregory E. Hyland, 62, director since 2005. Mr. Hyland is the Chairman of our Board and has served as our President and Chief Executive Officer since January 2006. He served as Chairman, President and Chief Executive Officer of Walter Energy from September 2005 until December 2006. Prior to that time, Mr. Hyland served as President, U.S. Fleet Management Solutions of Ryder System, Inc., a transportation and logistics company, from June 2005 to September 2005. He served as Executive Vice President, U.S. Fleet Management Solutions of Ryder System from 2004 to 2005. Mr. Hyland is a director of Ferro Corporation, a global supplier of technology-based performance materials for manufacturers. He earned Bachelor and Master of Business Administration degrees from the University of Pittsburgh.

Mr. Hyland brings general management expertise, financial expertise, M&A experience, strategic planning expertise, corporate governance expertise, international business experience and government and regulatory affairs experience from his past and current positions in both management and on the boards of directors of each of Walter Energy, Ryder System and Ferro.

Jerry W. Kolb, 77, director since 2006. Mr. Kolb has been a director of Walter Energy since June 2003. He previously served as a Vice Chairman of Deloitte & Touche LLP, a registered public accounting firm, from 1986 to 1998. Mr. Kolb is a certified public accountant and earned a Bachelor of Science degree in accountancy from the University of Illinois and a Master of Business Administration degree from DePaul University.

Mr. Kolb brings general management expertise, financial expertise, M&A experience, strategic planning expertise, corporate governance expertise and international business experience. In particular, the Board considered his broad perspective in accounting and financial reporting matters and his extensive experience in audit, finance and compensation matters and in executive management based on his 41-year career with Deloitte & Touche.

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Joseph B. Leonard, 70, director since 2006. Mr. Leonard served as a director of Walter Energy from 2005 to 2007, and he rejoined the board of directors in 2009. He served as Interim Chief Executive Officer of Walter Energy from March 2010 through March 2011 and from August 2011 to September 2011. Mr. Leonard was Chairman of AirTran Holdings, Inc., an airline holding company, from 2007 to 2008, Chairman and Chief Executive Officer of AirTran from 1999 to 2007 and President of AirTran from 1999 to 2001. He is a director of Air Canada, a full service airline company. Mr. Leonard earned a Bachelor of Science degree in aerospace engineering from Auburn University.

Mr. Leonard brings general management expertise, financial expertise, multiple-part manufacturing and operations experience, M&A experience, strategic planning expertise, corporate governance expertise, offshore sourcing expertise, marketing expertise, international business experience and government and regulatory affairs experience. In particular, the Board considered his significant experience in executive management, operations, marketing and public affairs based on his career with major corporations.

Mark J. O'Brien, 70, director since 2006. Mr. O'Brien was a director of Walter Energy from 2005 to 2009. Since 2009, he has served as Chairman and Chief Executive Officer of Walter Investment Management Corp. (formerly Walter Industries' Homes Business), a mortgage portfolio owner and mortgage servicer. Mr. O'Brien has served as President and Chief Executive Officer of Brier Patch Capital and Management, Inc., a real estate management and investment firm, since 2004. He served in various executive capacities at Pulte Homes, Inc., a home building company, for 21 years, retiring as President and Chief Executive Officer in 2003. Mr. O'Brien earned a Bachelor of Arts degree in history from the University of Miami.

Mr. O'Brien brings general management expertise, financial expertise, M&A experience, strategic planning expertise, corporate governance expertise, marketing expertise, international business experience and government and regulatory affairs experience.

Mr. O'Brien also brings significant expertise in capital markets, municipal finance and the real estate market. In particular, the Board considered his knowledge of the capital markets and municipal finance and knowledge of the homebuilding and real estate sectors of the economy.

Bernard G. Rethore, 72, director since 2006. Mr. Rethore has been a director of Walter Energy since 2002. He has been Chairman Emeritus of Flowserve Corporation, a manufacturer of pumps, valves, seals and components, since 2000. From January 2000 to April 2000, he served as Flowserve's Chairman. He had previously served as its Chairman, President and Chief Executive Officer. Mr. Rethore was a director of Belden, Inc., a manufacturer of signal transmission products, from 1997 to 2012. He is a director of Dover Corp., a diversified manufacturer of a wide range of proprietary products. In 2008, Mr. Rethore was honored by the Outstanding Directors Exchange as an Outstanding Director of the Year, and in 2012, he was designated a Board Leadership Fellow by the National Association of Corporate Directors. He earned a Bachelor of Arts degree in Economics (Honors) from Yale University and a Master of Business Administration degree from the Wharton School of the University of Pennsylvania, where he was a Joseph P. Wharton Scholar and Fellow.

Mr. Rethore brings general management expertise, financial expertise, multiple-part manufacturing and operations experience, M&A experience, strategic planning expertise, corporate governance expertise and international business experience. In particular, the

Board considered his more than 30 years of experience at senior executive level positions with public manufacturing companies and his service on the boards of other public companies as a member of their audit, compensation and governance committees. Mr. Rethore's extensive management experience makes him a valuable contributor to the Board on matters involving business strategy, capital allocation and M&A opportunities.

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Neil A. Springer, 75, director since 2006. Mr. Springer is the Lead Director of the Board. He was a director of Walter Energy from 2000 to 2006. He has been managing director of Springer & Associates, LCC, a board consulting and executive recruitment company, since 1994. Mr. Springer served as a director of IDEX, an applied solutions company, from 1990 to 2011. He earned a Bachelor of Science degree in accounting from Indiana University, a Master of Business Administration degree from the University of Dayton and a certificate of accountancy from the University of Illinois.

Mr. Springer brings general management expertise, financial expertise, multiple-part manufacturing and operations experience, strategic planning expertise, corporate governance expertise, marketing expertise and government and regulatory affairs experience. In particular, the Board considered his more than 50 years of commercial experience and his entrepreneurial and business leadership skills. His executive experience, board memberships and his company, Springer & Associates, which focuses on board consulting, have provided Mr. Springer with substantial training in corporate governance and executive compensation and knowledge of financial reporting.

Lydia W. Thomas, 69, director since 2008. Dr. Thomas served as President and Chief Executive Officer of Noblis, Inc., a public interest scientific research, technology and strategy company, from 1996 to 2007. She was previously with The MITRE Corporation, Center for Environment, Resources and Space, serving as Senior Vice President and General Manager from 1992 to 1996, Vice President from 1989 to 1992 and Technical Director from 1982 to 1989. Dr. Thomas has served as a director of Cabot Corporation, a global performance materials company, since 1994, and she serves as a trustee of Washington Mutual Investors Fund, a mutual fund. In 2013, she was honored by the Outstanding Directors Exchange as an Outstanding Director of the Year. Dr. Thomas earned a Bachelor of Science degree in zoology from Howard University, a Master of Science degree in microbiology from American University and a Doctor of Philosophy degree in cytology from Howard University.

Dr. Thomas brings general management expertise, financial expertise, M&A experience, strategic planning expertise, corporate governance expertise and government and regulatory affairs experience. In particular, the Board considered her extensive experience at senior executive level positions and her particular expertise related to information technology and environmental, health and safety matters.

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Michael T. Tokarz, 64, director since 2006. Mr. Tokarz has served as non-executive Chairman of Walter Energy since 2006. Since 2002, he has been a member of the Tokarz Group, LLC, an investment company. From 1996 until 2002, Mr. Tokarz was a member of the limited liability company that serves as the general partner of Kohlberg Kravis Roberts & Co. L.P., a private equity company. From 2004 until 2010, he served on the board of directors of Dakota Growers Pasta Company, Inc., a manufacturer and marketer of dry pasta products. Mr. Tokarz is a director of IDEX, CNO Financial Group, Inc. (formerly Consec, Inc.), an insurance provider, MVC Capital, Inc., a registered investment company (where he serves as Chairman), and Walter Investment Management Corp. In 2007, Mr. Tokarz was honored by the Outstanding Directors Exchange as an Outstanding Director of the Year. He earned a Bachelor of Arts degree in economics with high distinction and a Master of Business Administration degree in finance from the University of Illinois. Mr. Tokarz brings general management expertise, financial expertise, multiple-part manufacturing and operations experience, M&A experience, strategic planning expertise, corporate governance expertise, international business experience and government and regulatory affairs experience. In particular, the Board considered his knowledge and experience in banking and finance, his entrepreneurial and business leadership skills, his more than 20 years of board experience with publicly traded companies and his corporate governance training.

A plurality of the votes cast in respect of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote shall be required to elect these nominees (or a substitute nominee as designated by the Board) to serve as directors.

The Board recommends a vote FOR each nominee for director for Proposal 1.

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PROPOSAL TWO:

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

We provide our stockholders with the opportunity to cast an advisory vote on the compensation of our named executive officers annually. The vote on this proposal represents an additional means by which we obtain important feedback from our stockholders about executive compensation, which is set by the Compensation and Human Resources Committee (the "Compensation Committee") of the Board and is designed to link pay with performance while enabling the Company to competitively attract, motivate and retain the key executives who drive our success. The overall objective of our executive compensation program is to encourage and reward the creation of sustainable, long-term stockholder value. To meet this objective, the Compensation Committee has implemented compensation plans for our executive officers that are designed to focus on performance-based compensation. For fiscal 2013, incentive compensation represented 61-72% of each named executive officer's target compensation opportunity. We believe that an emphasis on both short- and long-term financial performance aligns executives' and stockholders' interests.

We encourage our stockholders to read the Compensation Discussion and Analysis section of this Proxy Statement, which discusses how our compensation policies and procedures implement our compensation philosophy. The Board and the Compensation Committee believe that these policies and procedures are strongly aligned with the long-term interests of our stockholders and are effective in implementing our compensation philosophy and in achieving our strategic goals.

Accordingly, we ask for stockholder approval of the following resolution:

RESOLVED, that the stockholders approve, on an advisory basis, the compensation paid to the named executive officers of Mueller Water Products, Inc., as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables and the related narrative disclosure in the company's proxy statement for the 2014 annual meeting of stockholders.

This vote is advisory and therefore not binding on the Company, the Board or the Compensation Committee. At last year's annual meeting of stockholders, approximately 98% of votes cast were in support of the compensation of our named executive officers. The Board and the Compensation Committee value the opinions of the Company's stockholders. The Compensation Committee will consider the result of this year's vote, as well as other communications from stockholders relating to our compensation practices, and take them into account in future determinations concerning our executive compensation program. See "Compensation Discussion and Analysis — Fiscal 2013 Compensation Considerations."

The Board recommends a vote FOR Proposal 2.

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PROPOSAL THREE:

RATIFICATION OF THE APPOINTMENT OF THE
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has authority to retain and terminate the Company's independent registered public accounting firm. The Audit Committee intends to appoint Ernst & Young LLP as the independent registered public accounting firm to audit the consolidated financial statements of the Company and its subsidiaries for fiscal 2014, subject to negotiation of definitive fee arrangements. Although stockholder ratification of the appointment of Ernst & Young is not required, the Board believes that submitting the appointment to the stockholders for ratification is a matter of good corporate governance. See below for a description of the fees that Ernst & Young billed to the Company for fiscal 2013 and fiscal 2012.

One or more representatives of Ernst & Young are expected to be present at the Annual Meeting. The representatives will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate stockholder questions.

The Board recommends a vote FOR Proposal 3.

FEES AND SERVICES OF THE INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

The Audit Committee appointed Ernst & Young as the independent registered public accounting firm to audit the Company's consolidated financial statements and internal control over financial reporting for the year ended September 30, 2013.

Fees Paid to the Independent Registered Public Accounting Firm

The following table sets forth the approximate aggregate fees that Ernst & Young billed to the Company in fiscal 2013 and fiscal 2012 (in millions).

Fiscal Year	2013	2012
Audit fees ⁽¹⁾	\$2.4	\$2.7
Audit-related fees ⁽²⁾	—	0.1
Tax fees	—	—
All other fees	—	—
Total fees	\$2.4	\$2.8

(1) Reflects fees for professional services performed by Ernst & Young for the annual audits (including out-of-pocket expenses) and quarterly limited reviews of the Company's consolidated financial statements.

(2) Reflects fees for professional services performed by Ernst & Young related to the preparation and filing of our registration statements on Forms S-8 and S-3, and services performed in connection with the sale of our former U.S. Pipe segment.

Pre-Approval of Services Performed by the Independent Registered Public Accounting Firm

The Company has adopted a policy regarding pre-approval of non-audit services to be performed by the Company's independent registered public accounting firm. Specifically, non-audit fees to be incurred by the Company's independent registered public accounting firm for services permitted by the Sarbanes-Oxley Act of 2002 to be performed by such firm must be approved in advance by the Audit Committee Chairman (for individual projects in amounts up to \$100,000) or the Audit Committee.

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REPORT OF THE AUDIT COMMITTEE

The Audit Committee reported as follows with respect to the audit of the Company's consolidated financial statements for the year ended September 30, 2013 and the Company's internal control over financial reporting:

The Audit Committee's responsibility is to monitor and oversee the Company's financial reporting, internal controls over financial reporting and audit functions. The Audit Committee has reviewed and discussed the consolidated financial statements with management and Ernst & Young, the Company's independent registered public accounting firm for the year ended September 30, 2013. Management is responsible for the preparation, presentation and integrity of the Company's financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")); establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)); evaluating the effectiveness of disclosure controls and procedures; evaluating the effectiveness of internal control over financial reporting; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Ernst & Young was responsible for performing an independent audit of the Company's consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America. Ernst & Young was also responsible for performing an independent audit of, and expressing an opinion on, the Company's internal control over financial reporting.

The Audit Committee reviewed the report of management contained in the 2013 Annual Report, as well as Ernst & Young's Reports of Independent Registered Public Accounting Firm included in the 2013 Annual Report related to its audits of the consolidated financial statements and the internal control over financial reporting.

The Audit Committee has discussed with Ernst & Young the matters required to be discussed by Statement on Auditing Standards No. 16, as amended, "Communication with Audit Committees." In addition, Ernst & Young has provided the Audit Committee with the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence and the Audit Committee has discussed with Ernst & Young their firm's independence.

Based on the foregoing discussions with and reports of management and the independent auditors of the Company and the Audit Committee's review of the representations of management, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in the 2013 Annual Report.

Audit Committee

Neil A. Springer, Chairman

Shirley C. Franklin

Thomas J. Hansen

Jerry W. Kolb

Bernard G. Rethore

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CORPORATE GOVERNANCE

Overview

The Board is committed to establishing and maintaining corporate governance practices that reflect the highest standards of ethics and integrity. The following sections provide an overview of our corporate governance structure and processes.

Our corporate governance structure and processes are based on a number of key governance documents, including our Corporate Governance Guidelines (the "Guidelines"). The Guidelines govern the operation of the Board and its committees and guide the Board in the execution of its responsibilities. The Board reviews the Guidelines at least annually and updates the Guidelines periodically in response to changing regulatory requirements, evolving practices and otherwise as circumstances warrant. In accordance with the Guidelines, the Board conducts an annual evaluation of the effectiveness of the Board and each of its committees. The Board evaluations consider, among other things, the quality of meeting agendas, materials and discussions. Evaluations focus on both strengths and opportunities for improvement.

Our Code of Business Conduct and Ethics (the "Code"), which was revised in 2013, applies to all of our employees and directors. We also make available an ethics hotline, whereby employees and others can anonymously report a suspected violation of the Code. We will disclose promptly any amendments to, or waivers from, provisions of the Code on our website at www.muellerwaterproducts.com, as may be required under applicable SEC or NYSE rules. The following Board policies and other materials relating to our corporate governance are published on our website:

• Corporate Governance Guidelines

• Board Committee Composition and Committee Charters

• Code of Business Conduct and Ethics

• Certificate of Incorporation

• Bylaws

• Stock Ownership Guidelines.

We will provide copies of any of these policies and other materials relating to our corporate governance without charge upon written request to our Corporate Secretary, Mueller Water Products, Inc., 1200 Abernathy Road, N.E., Suite 1200, Atlanta, Georgia 30328. The information on our website is not a part of this Proxy Statement.

Independence of Directors

The Governance Committee and the Board annually assess the outside affiliations of each director to determine if any of these affiliations could cause a potential conflict of interest or could interfere with the independence of the director. The Guidelines set forth the categorical standards of independence for the Board. To be considered "independent" for purposes of the director qualification standards, (A) the director must meet bright-line independence standards under the NYSE Listed Company Manual and (B) the Board must affirmatively determine that the director otherwise has no material relationship with the Company, directly or as an officer, stockholder or partner of an organization that has a relationship with the Company.

The Board considers the following relationships to be immaterial relationships that would not impair a director's independence if they were conducted in the ordinary course of business:

• if the director is a director or trustee but not an executive officer, or any member of his or her immediate family is a director, trustee or employee, but not an executive officer, of any other organization (other than the Company's independent registered public accounting firm) that does business with, or receives donations from, the Company;

• if the director or any member of his or her immediate family is an executive officer of any other organization that is indebted to the Company, or to which the Company is indebted, and the total amount of indebtedness, in either case, is less than \$1 million or 2% of the total consolidated assets of the organization on which the director or any member of his or her immediate family serves as an executive officer, whichever is more; or

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if the director or any member of his or her immediate family serves as an executive officer of a charitable or educational organization that receives discretionary charitable contributions from the Company in a single fiscal year of less than \$1 million or 2% of that organization's consolidated gross receipts, whichever is more.

Based on information furnished by all directors regarding their relationships with the Company and its subsidiaries and research conducted by management with respect to outside affiliations, the Board has determined that no director who is not an employee of the Company, or a non-employee director, has a material relationship with the Company other than through his or her role as director, and each non-employee director is independent. Mr. Hyland is not independent because he is a member of management and an employee of the Company.

Each member of the Audit Committee, the Compensation Committee and the Governance Committee is independent in accordance with the NYSE Listed Company Manual and the director independence standards set forth above. No member of those committees receives any compensation from the Company other than directors' fees and no such member is an affiliated person of the Company (other than by virtue of his or her directorship). Members of the Audit Committee meet the additional standards for audit committee members of publicly traded companies required by the Sarbanes-Oxley Act of 2002. Members of the Compensation Committee qualify as "non-employee directors" as defined in Rule 16b-3 under the Exchange Act and meet the independence requirements of the NYSE Listed Company Manual and the additional standards applicable to "outside directors" under Section 162(m) of the Internal Revenue Code.

Board Composition

The Board is currently comprised of 11 members. Our Certificate of Incorporation and Bylaws permit the Board to set the number of directors at no less than six members and no more than 11 members. Our Board is elected annually, and each of our directors stands for election each year. In connection with the retirement of Mr. Clark at the Annual Meeting, the Board will reduce its size to 10 members, effective as of the date of the Annual Meeting.

In fiscal 2013, the Board held seven meetings. Each director attended at least 92% of the total number of meetings of the Board and its committees of which he or she was a member in fiscal 2013. Directors are encouraged to attend the annual meeting of stockholders. All of our directors attended the 2013 annual meeting.

Our non-employee directors meet at least quarterly in executive sessions at which management directors, currently only our Chairman, are not present. Our Lead Director presides at the executive sessions of non-employee directors.

Board Leadership Structure

Our governance documents provide the Board with the flexibility to select the appropriate leadership structure for the Company. The Board does not have a formal policy as to whether the roles of Chairman and Chief Executive Officer should be separate or whether the Chairman should be a management or a non-employee director. The Governance Committee may make, from time to time, recommendations to the Board regarding the leadership structure of the Board, including the position of Chairman.

Under our Bylaws, the Chairman presides over meetings of the Board and meetings of stockholders, while the Chief Executive Officer has general and active management of the property, business and affairs of the Company, subject to the supervision and oversight of the Board. Mr. Hyland has served as our Chairman since October 2005 and as President and Chief Executive Officer since January 2006.

The Board has adopted a number of corporate governance-related measures to provide what it views as an appropriate balance between the need for dependable strategic leadership by Mr. Hyland and the need for oversight and objectivity of independent directors. Ten of our 11 directors are independent and each committee other than the Executive Committee is comprised entirely of independent directors. All directors play active roles in overseeing our business, both at the Board and committee levels. In addition, directors have full and free access to members of management and the authority to retain independent financial, legal or other advisors as they deem necessary without consulting or obtaining the approval of any member of management.

In addition, the Board selects an independent director to serve as our Lead Director, a role that entails significant responsibility for independent Board leadership, including acting as a liaison between the independent directors and

management, chairing executive sessions of the independent directors, chairing Board meetings when the

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Chairman is not present and consulting with the Chairman on other matters pertinent to our business and the Board. Mr. Springer currently serves as our Lead Director.

The Board believes that this leadership structure is the most effective for the Company at this time. In particular, the Board believes that having one leader serve as both Chairman and Chief Executive Officer facilitates decisive and effective leadership and that this leadership structure, when combined with our other governance policies and procedures, provides appropriate opportunities for oversight, discussion and evaluation of decisions and direction of the Board.

Board's Role in Risk Oversight

The Board maintains oversight responsibility for the management of the Company's risks. While the Board oversees risk management, management is charged with assessing and managing risk. Our internal control environment is designed to identify and manage risks and to facilitate communication with the Board. Our internal audit department, which reports to the Audit Committee, facilitates our enterprise risk assessment and ongoing enterprise risk management processes, in coordination with our legal and compliance functions, and annually and regularly reports on risk-related issues to the Board and its committees to complement our strategic planning process. The Board also considers specific risk topics, including risks associated with our strategic plan and our capital structure, and receives regular reports from the heads of our principal business and corporate functions that include discussions of the risks and exposures involved in their respective areas of responsibility.

The Board executes its oversight responsibility for risk assessment and management directly as well as indirectly through its committees. The Audit Committee has primary responsibility for overseeing risks related to our financial reporting, audit process, internal control over financial reporting and disclosure controls and procedures. In addition, the Audit Committee receives reports from the internal audit department and is apprised of the internal control processes and procedures for ensuring appropriate controls are in place. The Audit Committee also receives regular reports on compliance matters, including those reported on our whistleblower hotline or otherwise to our Chief Compliance Officer or other members of management. The Audit Committee has adopted communication guidelines and other policies to help ensure that it is adequately and promptly notified of any fraudulent activity.

The Compensation Committee, the Governance Committee and the Environment, Health and Safety Committee (the "EHS Committee") of the Board oversee risks associated with their respective areas of responsibility. The Board is kept informed of its committees' risk oversight through reports of the committees to the full Board.

Board Committee Information

The Board has four standing committees: the Audit Committee, the Compensation Committee, the Governance Committee and the EHS Committee. An additional committee, the Executive Committee, meets only when called by the Chairman of the Board.

The following table shows information regarding the membership of each committee as of the date hereof:

Name	Audit	Compensation
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