METHODE ELECTRONICS INC
Form DEF 14A
July 27, 2012

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

(Amendment No. ___)

Filed by the Registrant: __X__

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))

_X_

Definitive Proxy Statement

___

Definitive Additional Materials

___

Soliciting Material Pursuant to Rule 14a-12

METHODE ELECTRONICS, INC.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

X

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)

Title of each class of securities to which transaction applies:

(2)

Aggregate number of securities to which transaction applies:

(3)

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

(4)

Proposed maximum aggregate value of transaction:

(5)

Total fee paid:

Fee paid previously with preliminary materials.

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

(1)

Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:

METHODE ELECTRONICS, INC.

7401 West Wilson Avenue

Chicago, Illinois 60706

(708) 867-6777

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 13, 2012

To the Shareholders of Methode Electronics, Inc.:

Notice is hereby given that an annual meeting of shareholders of Methode Electronics, Inc. will be held on Thursday, September 13, 2012 at 11:00 a.m., Chicago time, at Methode s corporate offices at 7401 West Wilson Avenue, Chicago, Illinois, for the following purposes:

1.

To elect a Board of Directors;

2.

To ratify the Audit Committee s selection of Ernst & Young LLP to serve as our independent registered public accounting firm for the fiscal year ending April 27, 2013;

3.

To provide advisory approval of Methode s named executive officer compensation; and

4.

To transact such other business as may properly come before the annual meeting or any adjournment or postponement thereof.

The Board of Directors recommends that you vote FOR each of Methode s nominees for director, FOR the ratification of Ernst & Young LLP as our independent registered public accounting firm and FOR advisory approval of Methode s named executive officer compensation.

Our Board of Directors has fixed the close of business on July 18, 2012 as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting and at any adjournment or postponement thereof.

We are furnishing materials for our annual meeting on the Internet. You may vote your shares in person by attending our annual meeting, or by proxy. To vote by proxy, you may vote using the Internet, by toll-free telephone number or, if you request and receive a paper copy of the proxy card by mail, by signing, dating and mailing the proxy card in the self-addressed, postage-paid envelope provided. **Information regarding voting in person is contained in the Notice of Internet Availability of Proxy Materials and the proxy statement. Instructions regarding voting by proxy are contained on the proxy card.**

It is important that your shares be represented and voted at the annual meeting. Whether or not you plan to attend the annual meeting, please vote on the matters to be considered. Thank you for your interest and cooperation.

By Order of the Board of Directors,

Warren L. Batts

Chairman

Chicago, Illinois

July 27, 2012

METHODE ELECTRONICS, INC.

7401 West Wilson Avenue

Chicago, Illinois 60706

(708) 867-6777

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS
September 13, 2012

GENERAL INFORMATION

We are furnishing this proxy statement to you in connection with the solicitation of proxies on behalf of Methode Electronics, Inc. (Methode) for use at our annual meeting of shareholders to be held on Thursday, September 13, 2012 at 11:00 a.m., Chicago time, at Methode s corporate offices at 7401 West Wilson Avenue, Chicago, Illinois, and at any adjournment or postponement of the annual meeting. On July 27, 2012, we mailed our Notice of Internet Availability of Proxy Materials, which contains instructions for our shareholders to access our proxy statement and annual report over the Internet or request a paper copy of the proxy materials.

At the annual meeting, we will ask our shareholders to (i) elect our Board of Directors, (ii) ratify the Audit Committee s selection of Ernst & Young LLP (Ernst & Young) to serve as our independent registered public accounting firm for fiscal 2013, (iii) provide advisory approval of Methode s named executive officer compensation, and (iv) consider and vote upon any other business which properly comes before the annual meeting.

The Board of Directors recommends that you vote FOR each of Methode s nominees for director, FOR the ratification of Ernst & Young as our independent registered public accounting firm and FOR advisory approval of Methode s named executive officer compensation.

You may vote your shares in person, by attending our annual meeting, or by proxy. To vote by proxy, you may vote using the Internet, by toll-free telephone number or, if you request and receive a paper copy of the proxy card by mail, by signing, dating and mailing the proxy card in the self-addressed, postage-paid envelope provided. **Information regarding voting in person is contained in the Notice of Internet Availability of Proxy Materials and this proxy statement. Instructions regarding voting by proxy are contained on the proxy card.** Please do not submit a proxy card if you have voted by telephone or the Internet.

It is important that your shares be represented at the annual meeting. Whether or not you plan to attend the annual meeting in person, please vote on the matters to be considered.

Record Date; Shares Outstanding

Our Board of Directors has fixed the close of business on July 18, 2012 as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting and at any adjournment or postponement thereof. As of the record date, there were 37,060,490 shares of our common stock outstanding and entitled to vote at the annual meeting.

Quorum; Votes Required

In deciding all questions, assuming a quorum is present, a holder of Methode s common stock is entitled to one vote, in person or by proxy, for each share held in such holder s name on the record date. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Methode s common stock is necessary to constitute a quorum at the annual meeting. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum at the annual meeting. Generally, broker non-votes occur when shares held by a broker or nominee for a beneficial owner are not voted with respect to a particular proposal because the broker or nominee lacks discretionary power to vote such shares.

With respect to the election of directors, shareholders may vote (a) for each nominee; (b) against each nominee; or (c) to abstain from voting for each nominee. The election of our Board of Directors requires approval by a majority of the shares of common stock represented at the meeting and entitled to vote. With respect to the proposals to ratify the selection of Ernst & Young as our independent registered public accounting firm and the advisory vote on executive compensation, shareholders may vote (1) for ; (2) against ; or (3) to abstain from voting on each matter. The ratification of the selection of Ernst & Young and the advisory vote on executive compensation each require approval by a majority of the shares of common stock represented at the meeting and entitled to vote. Both abstentions and broker non-votes will be considered as present but will not be considered as votes in favor of any matter. Broker non-votes are excluded from the for, against and abstain counts, and instead are reported as simply broker non-votes. Consequently, abstentions have the effect of voting against these matters, while broker non-votes have no effect as to voting for or against any such matter.

Under New York Stock Exchange rules, the proposal to ratify the selection of Ernst & Young is considered a discretionary item. Therefore, brokers may vote in their discretion on this matter on behalf of clients who have not furnished voting instructions to the broker. In contrast, all other proposals set forth in this proxy statement are non-discretionary items, and brokers who have not received voting instructions from their clients may not vote on these proposals.

All properly executed and timely delivered proxies will be voted in accordance with the instructions provided. Unless contrary instructions are indicated, proxies will be voted FOR each of Methode s nominees for director, FOR the ratification of the selection of Ernst & Young and FOR advisory approval of Methode s named executive officer compensation. The Board of Directors knows of no other business that will be presented for consideration at the annual meeting. If any other matter is properly presented, it is the intention of the persons named in the enclosed proxy to vote in accordance with their best judgment.

Voting Procedures

It is important that your shares be represented at the annual meeting. You may vote your shares in person, by attending our annual meeting, or by proxy. To vote by proxy, you may vote using the Internet, by toll-free telephone number or, if you request and receive a paper copy of the proxy card by mail, by signing, dating and mailing the enclosed proxy card in the self-addressed, postage-paid envelope provided. Information regarding voting in person is contained in the Notice of Internet Availability of Proxy Materials and this proxy statement. Instructions regarding voting by proxy are contained on the proxy card. Please do not submit a proxy card if you have voted by telephone or the Internet. You may revoke your proxy as described below.

Revoking Your Proxy

If you decide to change your vote, you may revoke your proxy at any time before the annual meeting. You may revoke your proxy by notifying our Corporate Secretary in writing that you wish to revoke your proxy at the following address: Methode Electronics, Inc., 7401 West Wilson Avenue, Chicago, Illinois 60706, attention: Corporate Secretary. You may also revoke your proxy by submitting a later-dated and properly executed proxy (including by means of the telephone or Internet) or by voting in person at the annual meeting. Attendance at the annual meeting will not, by itself, revoke a proxy.

Proxy Solicitation Expenses

The accompanying proxy is being solicited on behalf of Methode. We will bear the entire cost of this solicitation. Our directors, officers or other regular employees may solicit proxies by telephone, by e-mail, by fax or in person. No additional compensation will be paid to directors, officers and other regular employees for such services. In the event that beneficial owners of our shares request paper copies of our proxy materials, banks, brokerage houses, fiduciaries and custodians holding shares of our common stock beneficially owned by others as of the record date will be requested to forward such proxy soliciting material to the beneficial owners of such shares and will be reimbursed by Methode for their reasonable out-of-pocket expenses.

CORPORATE GOVERNANCE

We are committed to maintaining high standards of corporate governance in order to serve the long-term interests of Methode and our shareholders.

Director Independence

Our Board of Directors has considered the independence of the nominees for director under the applicable standards of the U.S. Securities and Exchange Commission (SEC) and the New York Stock Exchange. Our Board has determined that all of the nominees for director are independent under those standards, except for Donald Duda, our President and Chief Executive Officer. Mr. Duda s lack of independence relates solely to his service as an executive officer and is not due to any other transactions or relationships.

In addition, our Board of Directors has determined that each member of our Audit Committee, our Compensation Committee, our Nominating and Governance Committee and our Technology Committee satisfies the independence requirements of the applicable standards, if any, of the SEC and the New York Stock Exchange.

Board Committees

The following chart sets forth the committees of our Board:

Committee	Members	Principal Functions	Number of Meetings in Fiscal 2012
Audit	Lawrence B. Skatoff (Chair)		8
	Walter J. Aspatore Stephen F. Gates	Oversees accounting and financial reporting and audits of financial statements.	
	Isabelle C. Goossen		
	Paul G. Shelton	Monitors performance of internal audit function and our system of internal control.	
		Monitors performance, qualifications and independence of our independent registered public accounting firm and makes decisions regarding retention, termination and compensation of the independent registered public accounting firm and approves services provided by the independent registered public accounting firm.	

		Monitors compliance with legal and regulatory requirements, including our Code of Business Conduct.	
		Reviews our press releases and certain SEC filings.	
		Reviews related party transactions and potential conflict of interest situations.	
Compensation	Paul G. Shelton (Chair)		7
	Warren L. Batts	Oversees our compensation policies and plans.	
	Darren M. Dawson		
	Isabelle C. Goossen	Approves goals and incentives for the compensation of our Chief Executive Officer and, with the advice of management, other officers and managers.	
	Christopher J. Hornung		
		Approves grants under our stock and bonus plans.	
Nominating and Governance	Christopher J. Hornung (Chair)		4
	Warren L. Batts	Selects director candidates for election to our Board at the annual meeting or to fill vacancies.	
	J. Edward Colgate		
	Stephen F. Gates	Recommends Board committee assignments.	
	Lawrence B. Skatoff		
		Recommends compensation and benefits for directors.	
		Reviews our Corporate Governance Guidelines.	
		Conducts an annual assessment of Board performance.	

		Reviews our risk management policies and practices.	
		Annually reviews succession planning for our Chief Executive Officer.	
Technology	Darren M. Dawson (Chair) Walter J. Aspatore J. Edward Colgate Isabelle C. Goossen Christopher J. Hornung	Reviews with management our technology assets and future needs. Reviews technology research and development activities and possible acquisitions of technology.	4

If applicable, our Audit Committee reviews related party transactions and potential conflict of interest situations in accordance with the Audit Committee Charter and our Code of Business Conduct. We do not have a separate written policy regarding related party transactions and potential conflict of interest situations. Our Code of Business Conduct states that conflicts of interest are prohibited, except as approved by our Board of Directors. In reviewing any such transaction, our Audit Committee and Board of Directors would consider Methode s rationale for entering into the transaction, alternatives to the transaction, whether the transaction is on terms at least as fair to Methode as would be the case were the transaction entered into with a third party and other relevant factors.

During the 2012 fiscal year, our Board of Directors held 12 meetings, and no director attended less than 75% of the aggregate of the total number of meetings of our Board and the total number of meetings held by the respective committees on which he or she served. Under our Corporate Governance Guidelines, our directors are expected to attend Board and shareholder meetings and meetings of committees on which they serve. Our directors are expected to meet as frequently as necessary to properly discharge their responsibilities.

Our independent directors hold regularly scheduled executive sessions at which only independent directors are present. Pursuant to our Corporate Governance Guidelines, our Chairman of the Board is the Presiding Director of such sessions.

Our Audit, Compensation, Nominating and Governance and Technology Committees operate pursuant to charters adopted by the Board, which are available on our website at *www.methode.com* or in print upon any shareholder s request. Our Corporate Governance Guidelines are also available on our website at *www.methode.com* or in print upon any shareholder s request.

Board Leadership Structure, Risk Oversight and Compensation Policy Risks

The Board of Directors has determined that having an independent director serve as Chairman of the Board is in the best interests of our shareholders. This structure provides for a greater role for the independent directors in the oversight of Methode and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of the Board.

Our Board of Directors takes an active role, both as a whole and at the committee level, in overseeing management of Methode s risks. Our Board and committees review information regarding Methode s market, competition and financial risks, as well as risks associated with Methode s operations, employees and political risks encountered by Methode throughout the globe. In addition, the entire Board of Directors is regularly informed about those risks monitored by the various committees, as more fully described in this proxy statement and in each committee s charter, through committee reports about such risks. The Board also receives regular reports directly from officers responsible for the oversight of particular risks within Methode.

We believe that risks arising from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on Methode. The Compensation Committee actively monitors the mix and design of the elements of executive compensation and believes that our compensation programs do not encourage management to assume excessive risks.

Nominating Process of the Nominating and Governance Committee

Our Nominating and Governance Committee is responsible for identifying and recommending to our Board of Directors individuals qualified to become directors consistent with criteria approved by our Board. In considering potential candidates for our Board, including with respect to nominations for re-election of incumbent directors, the Committee considers the potential candidate s integrity and business ethics; strength of character, judgment and experience consistent with our needs; specific areas of expertise and leadership roles; and the ability to bring diversity to our Board. While the Committee charter and our Corporate Governance Guidelines do not prescribe diversity standards, the Committee considers diversity in the context of the Board as a whole, including whether the potential candidate brings complementary skills and viewpoints. The Committee also considers the ability of the individual to allocate the time necessary to carry out the tasks of Board membership, including membership on appropriate committees.

The Committee identifies potential nominees by asking current directors and others to notify the Committee if they become aware of persons, meeting the criteria described above, who may be available to serve on our Board. The Committee has sole authority to retain and terminate any search firm used to identify director candidates and has sole authority to approve the search firm s fees and other retention terms. Historically, the Committee has not engaged third parties to assist in identifying and evaluating potential nominees, but would do so in those situations where particular qualifications are required to fill a vacancy and our Board s contacts are not sufficient to identify an appropriate candidate.

The Committee will consider suggestions from our shareholders. Any recommendations received from shareholders will be evaluated in the same manner that potential nominees suggested by Board members are evaluated. Upon receiving a shareholder recommendation, the Committee will initially determine the need for additional or replacement Board members and evaluate the candidate based on the information the Committee receives with the shareholder recommendation or may otherwise acquire, and may, in its discretion, consult with the other members of our Board. If the Committee determines that a more comprehensive evaluation is warranted, the Committee may obtain additional information about the director candidate s background and experience, including by means of interviews with the candidate.

Our shareholders may recommend candidates at any time, but the Committee requires recommendations for election at an annual meeting of shareholders to be submitted to the Committee no later than 120 days before the first anniversary of the date of the proxy statement in connection with the previous year s annual meeting. The Committee believes this deadline is appropriate and in the best interests of Methode and our shareholders because it ensures that the Committee has sufficient time to properly evaluate all proposed candidates. Therefore, to submit a candidate for consideration for nomination at the 2013 annual meeting of shareholders, a shareholder must submit the recommendation, in writing, by March 29, 2013. The written notice must include:

.

the name, age, business address and residential address of each proposed nominee and the principal occupation or employment of each nominee;

.

the number of shares of our common stock that each nominee beneficially owns;

.

a statement that each nominee is willing to be nominated; and

.

any other information concerning each nominee that would be required under the rules of the SEC in a proxy statement soliciting proxies for the election of those nominees.

Recommendations must be sent to the Nominating and Governance Committee, Methode Electronics, Inc., 7401 West Wilson Avenue, Chicago, Illinois 60706.

Communications with Directors

Our annual meeting of shareholders provides an opportunity each year for shareholders to ask questions of, or otherwise communicate directly with, members of our Board of Directors on appropriate matters. All of our directors attended the 2011 annual meeting. We anticipate that all of our directors will attend the 2012 annual meeting.

In addition, interested parties may, at any time, communicate in writing with any particular director, or our independent directors as a group, by sending such written communication to the Corporate Secretary of Methode Electronics, Inc. at 7401 West Wilson Avenue, Chicago, Illinois 60706. Copies of written communications received at such address will be provided to the relevant director or the independent directors as a group unless such communications are considered, in the reasonable judgment of the Corporate Secretary, to be improper for submission to the intended recipient(s). Examples of shareholder communications that would be considered improper for submission include, without limitation, customer complaints, solicitations, communications that do not relate directly or indirectly to us or our business or communications that relate to other improper or irrelevant topics.

Code of Business Conduct and Ethics

Our Board of Directors has adopted a Code of Business Conduct that applies to our directors, principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions, as well as other employees. The code is available on our website at *www.methode.com* or in print upon any shareholder s request.

If we make any substantive amendments to the Code of Business Conduct or grant any waiver, including any implicit waiver, from a provision of the Code of Business Conduct to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions, we will disclose the nature of such amendment or waiver on our website or in a report on Form 8-K in accordance with applicable rules and regulations.

Stock Ownership Guidelines

Our Compensation Committee considers stock ownership by directors to be an important means of linking their interests with those of our shareholders. We maintain stock ownership guidelines for our directors. All directors are expected to own stock with a value equal to at least five times the annual cash retainer paid to Methode directors. The requirements are subject to a five year phase-in period. Shares subject to unexercised stock options are not included for purposes of satisfying the guidelines. Considering the applicable phase-in periods, all of our directors were in compliance with our stock ownership policy for fiscal 2012.

DIRECTOR COMPENSATION

We use a combination of cash and common stock to compensate our non-employee directors. Directors who are also our full-time employees are not paid for their services as directors or for attendance at meetings.

For the fiscal year ended April 28, 2012, non-employee directors received an annual cash retainer of $35,000 and an attendance fee of $1,000 for all committee meetings and for each board meeting other than the regularly scheduled quarterly meetings. Our Chairman of the Board and the Chairman of each of our board committees received supplemental annual retainers in the following amounts: Chairman of the Board, $25,000; Chairman of each of the Audit Committee and the Compensation Committee, $20,000; and Chairman of each of the Nominating and Governance Committee and Technology Committee, $10,000. In addition, members of our Audit Committee received an additional annual retainer of $10,000. Pursuant to our Deferred Compensation Plan, our directors may elect to defer up to 100% of their retainers and attendance fees per year. Additional information regarding the Deferred Compensation Plan is described under Executive Compensation Tables Nonqualified Deferred Compensation, below.

The following table sets forth certain information regarding compensation earned by our non-employee directors during the fiscal year ended April 28, 2012.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	Total ($)
Walter J. Aspatore	65,000	32,100	97,100
Warren L. Batts (2)	78,000	32,100	110,100
J. Edward Colgate	56,000	32,100	88,100
Darren M. Dawson	58,000	32,100	90,100
Stephen F. Gates	63,000	52,002	115,002
Isabelle C. Goossen	71,000	32,100	103,100
Christopher J. Hornung	65,000	32,100	97,100
Paul G. Shelton	87,000	32,100	119,100
Lawrence B. Skatoff	74,000	32,100	106,100

(1) On July 12, 2011, the Compensation Committee granted each non-employee director other than Mr. Gates a stock award for 3,000 shares of common stock. On such date, the Compensation Committee granted Mr. Gates a stock award for 4,860 shares of common stock. The reported amounts reflect the fair value at the date of grant calculated in accordance with the Financial Accounting Standards Board s Accounting Standards Codification Topic 718 (ASC 718). Details of the assumptions used in valuing these awards are set forth in Note 5 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended April 28, 2012

(2) As of April 28, 2012, Mr. Batts held a vested stock option with respect to 5,000 shares of common stock.

SECURITY OWNERSHIP

Five Percent Shareholders

The following table sets forth information regarding all persons known to be the beneficial owners of more than 5% of Methode s common stock as of July 18, 2012 (except as set forth in the relevant footnotes).

Name and Address of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership (1)	Percent of Class (%)
DePrince, Race & Zollo, Inc. (2) 250 Park Avenue South, Suite 250 Winter Park, Florida 32789	3,718,471	10.0
BlackRock, Inc. (3) 40 East 52nd Street New York, New York 10022	2,887,592	7.8
Invesco Ltd. (4) 1555 Peachtree Street NE Atlanta, Georgia 30309	2,745,484	7.4
Royce & Associates, LLC (5) 745 Fifth Avenue New York, New York 10151	2,299,573	6.2
T. Rowe Price Associates, Inc. (6) 100 E. Pratt Street Baltimore, Maryland 21202	2,275,270	6.1
Dimensional Fund Advisors LP (7) Palisades West, Building One 6300 Bee Cave Road Austin, Texas 78746	2,248,242	6.1
The Vanguard Group, Inc. (8) 100 Vanguard Blvd.	1,925,786	5.2

Malvern, PA 19355

(1) Beneficial ownership arises from sole voting and sole investment power of all shares reported unless otherwise indicated by footnote.

(2) Based solely on an amendment to Schedule 13G filed by DePrince, Race & Zollo, Inc. with the SEC on June 7, 2012.

(3) Based solely on an amendment to Schedule 13G filed by BlackRock, Inc. with the SEC on February 10, 2012.

(4) Based solely on an amendment to Schedule 13G filed by Invesco Ltd. with the SEC on February 8, 2012. The Schedule 13G indicates that two subsidiaries of Invesco Ltd., Invesco Advisers, Inc. and Invesco PowerShares Capital Management, hold the shares.

(5) Based solely on an amendment to Schedule 13G filed by Royce & Associates, LLC with the SEC on January 19, 2012.

(6) Based solely on an amendment to Schedule 13G filed by T. Rowe Price Associates, Inc. with the SEC on February 10, 2012. T. Rowe Price does not share voting power or dispositive power with respect to the reported shares. Includes 462,520 shares held with sole voting power.

(7) Based solely on an amendment to Schedule 13G filed by Dimensional Fund Advisors LP with the SEC on February 14, 2012. Includes 2,184,564 shares held with sole voting power. According to the amendment to Schedule 13G, neither Dimensional Fund Advisors LP nor certain of its subsidiaries possesses voting or investment power over certain securities owned by various funds to which Dimensional Fund Advisors LP and its subsidiaries may act as an investment advisor. Dimensional Fund Advisors LP and its subsidiaries disclaim beneficial ownership of such securities.

(8) Based solely on a Schedule 13G filed by The Vanguard Group, Inc. with the SEC on February 9, 2012. According to the 13G, includes 48,650 shares held with sole voting power, 1,877,136 shares held with sole dispositive power and 48,650 shares held with shared dispositive power.

Directors and Executive Officers

The following table sets forth information regarding our common stock beneficially owned as of July 18, 2012 by (i) each director and nominee, (ii) each of the named executive officers, and (iii) all current directors and executive officers as a group.

Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership (1)	Percent of Class (%)
Walter J. Aspatore	28,000	*
Warren L. Batts	66,000(2)	*
J. Edward Colgate	28,070	*
Darren M. Dawson	32,200	*
Donald W. Duda	589,247(3)	1.6
Stephen F. Gates	14,860	*
Isabelle C. Goossen	32,000	*
Christopher J. Hornung	122,850	*
Paul G. Shelton	50,000	*
Lawrence B. Skatoff	30,850	*
Timothy R. Glandon	103,959(4)	*
Theodore P. Kill	133,145(5)	*
Douglas A. Koman	200,708(6)	*
Thomas D. Reynolds	235,708(7)	*
All current directors and executive officers as a group (16 individuals)	1,805,592(8)	4.8

* Percentage represents less than 1% of the total shares of common stock outstanding as of July 18, 2012.

(1) Beneficial ownership arises from sole voting and investment power unless otherwise indicated by footnote.

(2) Includes options to purchase 5,000 shares of common stock exercisable within 60 days.

(3) Includes options to purchase 251,666 shares of common stock exercisable within 60 days, 32,581 shares of common stock held in our 401(k) Plan and 265,000 shares of vested restricted stock units for which common stock will be delivered to Mr. Duda in the event of termination from Methode under any circumstance. Excludes 200,000 shares of restricted stock and 60,000 unvested restricted stock units granted in fiscal 2011, as discussed under Compensation Discussion and Analysis below.

(4) Includes options to purchase 70,500 shares of common stock exercisable within 60 days, 18,259 shares of common stock held in our 401(k) Plan and 12,000 shares of vested restricted stock units for which common stock will be delivered to Mr. Glandon in the event of termination from Methode under any circumstance. Excludes 60,000 shares of restricted stock and 18,000 unvested restricted stock units granted in fiscal 2011, as discussed under Compensation Discussion and Analysis below.

(5) Includes options to purchase 68,000 shares of common stock exercisable within 60 days, 12,000 shares of vested restricted stock units for which common stock will be delivered to Mr. Kill in the event of termination from Methode under any circumstance. Excludes 60,000 shares of restricted stock and 18,000 unvested restricted stock units granted in fiscal 2011, as

discussed under "Compensation Discussion and Analysis" below.

(6) Includes options to purchase 105,666 shares of common stock exercisable within 60 days, 29,033 shares of common stock held in our 401(k) Plan and 16,000 shares of vested restricted stock units for which common stock will be delivered to Mr. Koman in the event of termination from Methode under any circumstance. Excludes 80,000 shares of restricted stock and 24,000 unvested restricted stock units granted in fiscal 2011, as discussed under "Compensation Discussion and Analysis" below.

(7) Includes options to purchase 143,334 shares of common stock exercisable within 60 days, 23,913 shares of common stock held in our 401(k) Plan and 20,000 shares of vested restricted stock units for which common stock will be delivered to Mr. Reynolds in the event of termination from Methode under any circumstance. Excludes 100,000 shares of restricted stock and 30,000 unvested restricted stock units granted in fiscal 2011, as discussed under "Compensation Discussion and Analysis" below.

(8) Includes options to purchase 726,850 shares of common stock exercisable within 60 days, 132,063 shares of common stock held in our 401(k) Plan and 120,000 shares of vested restricted stock units for which common stock will be delivered to our executive officers in the event of termination from Methode under any circumstance. Excludes 600,000 shares of restricted stock and 180,000 unvested restricted stock units granted to our executive officers in fiscal 2011.

PROPOSAL ONE:
ELECTION OF DIRECTORS

A Board of ten directors will be elected at the annual meeting. Each director will hold office until the next annual meeting of shareholders and until his or her successor is elected and qualified. All of the nominees listed below currently serve as directors. All of the nominees were recommended unanimously to our Board of Directors by our Nominating and Governance Committee and were nominated by our Board of Directors. If any of these nominees is not a candidate for election at the annual meeting, an event which our Board of Directors does not anticipate, the proxies will be voted for a substitute nominee recommended to our Board of Directors by our Nominating and Governance Committee and nominated by our Board of Directors.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE   FOR   THE ELECTION OF THE FOLLOWING NOMINEES.

Walter J. Aspatore

Chairman Emeritus,

Amherst Partners, LLC

Director since 2008

Age 69

Mr. Aspatore has served as Chairman Emeritus of Amherst Partners, LLC, a business consulting firm, since 2010. Prior thereto, Mr. Aspatore was Chairman of Amherst Partners from 1994 through 2010. Prior to co-founding Amherst Partners, Mr. Aspatore served in various officer positions at diversified manufacturing and technology businesses, including Cross and Trecker Corporation, the Warner and Swasey Company, Bendix Corporation and TRW Corporation. He also served as Vice Chairman and President of Onset BIDCO, a venture capital and subordinated debt fund, from 1992 to 1994. Mr. Aspatore also serves as a director of Mackinac Financial Corporation, a bank holding company. Mr. Aspatore s consulting experience and service at various consulting, manufacturing and technology businesses has resulted in continued contributions to the Board.

Warren L. Batts, Chairman

Retired Chairman and Chief Executive Officer,

Tupperware Corporation

Director since 2001

Age 79

Mr. Batts is the retired Chairman and Chief Executive Officer of Tupperware Corporation, a diversified consumer products company. Mr. Batts is also the retired Chairman of Premark International, Inc., a diversified consumer products company, where he also served as Chief Executive Officer from 1986 until 1996. Mr. Batts has taught as an Adjunct Professor of Strategic Management at the University of Chicago Graduate School of Business since 1998. Mr. Batts has served in the following key leadership positions: Chairman Of the Board, Cook County Health & Hospital System; Life Director and Chairman, Children's Memorial Medical Center; Life Trustee, Art Institute of Chicago; Chairman, School of the Art Institute of Chicago; Life Trustee, Northwestern University; Director and Chairman, the National Association of Manufacturers; and Director, National Association of Corporate Directors. Mr. Batts has used his corporate governance expertise, significant leadership experience and vast business knowledge to make contributions while on the Board.

Dr. J. Edward Colgate

Allen and Johnnie Breed University Professor of Design,

Department of Mechanical Engineering,

Northwestern University

Director since 2004

Age 49

Dr. Colgate is currently a Professor in the Department of Mechanical Engineering at Northwestern University, where he has served in various professor positions since 1988. Dr. Colgate is currently the Allen and Johnnie Breed University Professor of Design. From June 1999 until September 2000, Dr. Colgate took a sabbatical leave from Northwestern University to serve as a founder and the President of Cobotics, Inc., which is now part of Stanley Assembly Technologies, a supplier of human interface technologies for the industrial marketplace. His research interests include human-machine systems, especially cobotics and haptic interface. Dr. Colgate s academic and technical background has provided the basis for continued contributions to the Board s operations and deliberations.

Dr. Darren M. Dawson

McQueen Quattlebaum Professor,

Holcombe Department of Electrical and Computer Engineering,

Clemson University

Director since 2004

Age 49

Dr. Dawson currently serves as a Professor in the Electrical and Computer Engineering Department at Clemson University, where he has held various professor positions since 1990. Dr. Dawson leads the Robotics and Mechatronics Laboratory, which is jointly operated by the Electrical and Mechanical Departments. His research interests include nonlinear control techniques for mechatronic systems, robotic manipulator systems and vision-based systems. Dr. Dawson s work has been recognized by several awards, including the Clemson University Centennial Professorship in 2000. Dr. Dawson s academic and technical background has provided the basis for continued contributions to the Board s operations and deliberations.

Donald W. Duda

Chief Executive Officer and President,

Methode Electronics, Inc.

Director since 2001

Age 57

Mr. Duda has served as our Chief Executive Officer since May 2004 and our President since 2001. Mr. Duda joined us in 2000 and served as our Vice President - Interconnect Products Group. Prior to joining Methode, Mr. Duda held several positions with Amphenol Corporation, a manufacturer of electronic connectors, most recently as General Manager of its Fiber Optic Products Division from 1988 through 1998. Mr. Duda continues to use his executive background and unique understanding of Methode to contribute to the Board.

Stephen F. Gates

Special Counsel

Mayer Brown LLP

Director since 2010

Age 66

Mr. Gates has served as Special Counsel at Mayer Brown LLP, a global law firm, since 2008. From 2003 through 2007, Mr. Gates served as Senior Vice President and General Counsel of ConocoPhillips, a large energy company and refiner. From 2002 through 2003, Mr. Gates was a Partner at Mayer Brown LLP, and from 2000 through 2002, Mr. Gates served as Senior Vice President and General Counsel of FMC Corporation, a diversified chemicals company. Mr. Gates legal background and corporate governance expertise have led to unique contributions to the Board.

Isabelle C. Goossen

Vice President and Chief Financial Officer,

Chicago Symphony Orchestra Association

Director since 2004

Age 60

Ms. Goossen has served as the Chief Financial Officer for the Chicago Symphony Orchestra Association since March, 2011. Ms. Goossen has served as the Vice President for Finance and Administration for the Chicago Symphony Orchestra Association since 2001. From 1986 through 1999, Ms. Goossen held several management positions with Premark International, Inc., a diversified consumer products company, most recently as Vice President and Treasurer from 1996 through 1999. Ms. Goossen also serves as a director of Columbian Mutual Life Insurance, a New York domestic life insurance company, and its subsidiary Columbian Life Insurance Company, an Illinois domestic life insurance company. Ms. Goossen has used her financial and management background to make continued contributions to the Board.

Christopher J. Hornung, Vice Chairman

Chief Executive Officer

Next Testing, Inc.

Director since 2004

Age 60

Mr. Hornung has served as Chief Executive Officer of Next Testing, Inc. since January 2007. Next Testing provides comprehensive, sport-specific athletic testing programs. From February 2004 through December 2006, Mr. Hornung served as President of the Pacific Cycle Division of Dorel Industries, Inc., a global consumer products company. Prior to the acquisition of Pacific Cycle by Dorel Industries Inc., Mr. Hornung served as the Chairman and Chief Executive Officer of Pacific Cycle. Mr. Hornung s executive and entrepreneurial experience as well as his expertise regarding international sourcing and distribution has resulted in continued contributions to the Board.

Paul G. Shelton

Retired Vice President and Chief Financial Officer,

FleetPride, Inc.

Director since 2004

Age 62

Mr. Shelton retired in 2003 as Vice President and Chief Financial Officer of FleetPride Inc., an independent heavy-duty truck parts distributor. From 1981 through 2001, Mr. Shelton served in various management positions at AMCOL International Corporation, a supplier of specialty minerals and chemicals, most recently as Senior Vice President from 1994 through 2001 and Chief Financial Officer from 1984 through 2001. Mr. Shelton serves on four private company Boards and was a former member of the Board of Directors of AMCOL International Corporation. Mr. Shelton has used his executive, financial and Board experience to contribute to the operations and deliberations of the Board.

Lawrence B. Skatoff

Retired Executive Vice President and Chief Financial Officer,

BorgWarner Inc.

Director since 2004

Age 72

Mr. Skatoff retired in 2001 as Executive Vice President and Chief Financial Officer of BorgWarner Inc., a manufacturer of highly engineered systems and components for the automotive industry. Prior to joining BorgWarner Inc., Mr. Skatoff was Senior Vice President and Chief Financial Officer of Premark International, Inc., a diversified consumer products company, from 1991 through 1999. Before joining Premark, Mr. Skatoff was Vice President-Finance of Monsanto Company, a worldwide manufacturer of chemicals and pharmaceuticals. Mr. Skatoff s executive experience and financial background has led to continued contributions to the Board.

PROPOSAL TWO:
RATIFICATION OF SELECTION OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our Board of Directors has selected Ernst & Young to serve as our independent registered public accounting firm for the fiscal year ending April 27, 2013, subject to ratification of the selection by our shareholders. Ernst & Young has served as our independent registered public accounting firm for many years and is considered to be well qualified. We entered into an engagement agreement with Ernst & Young for its fiscal 2012 services, which, among other things, contains contractual provisions that subject us to alternative dispute resolution procedures and exclude punitive damages from any monetary award. It is anticipated that the services performed by Ernst & Young for fiscal 2013 will be subject to a similar engagement agreement.

Representatives of Ernst & Young will be present at the annual meeting, will have the opportunity to make a statement and will be available to respond to appropriate questions.

If our shareholders do not ratify the selection of Ernst & Young, our Audit Committee will reconsider the selection. Even if the selection is ratified, our Audit Committee may select a different independent registered public accounting firm at any time during the year if it determines that a change would be in the best interests of Methode and our shareholders.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF OUR AUDIT COMMITTEE S SELECTION OF ERNST & YOUNG AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

PROPOSAL THREE:
ADVISORY APPROVAL OF METHODE S EXECUTIVE COMPENSATION

Section 14A of the Securities Exchange Act of 1934 requires that we provide our shareholders with the opportunity to vote to approve, on a nonbinding, advisory basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with the SEC s compensation disclosure rules.

As described under Executive Compensation Compensation Discussion and Analysis, we seek to align the interests of our executives with the interests of our shareholders and reward performance.

The advisory vote on this resolution is not intended to address any specific element of compensation, but rather the overall compensation of our named executive officers as disclosed in this proxy statement. The vote is advisory, which means that the vote is not binding on Methode, our Board of Directors or our Compensation Committee. Although this vote is nonbinding, our Board of Directors and our Compensation Committee value the opinions of our shareholders and will consider the outcome of the vote when making decisions concerning executive compensation.

Shareholders may vote for or against the following resolution, or may abstain from voting. The affirmative vote of a majority of the shares present or represented at the annual meeting and entitled to vote is required to approve the proposed resolution.

We ask our shareholders to approve the following resolution:

RESOLVED, that the compensation of Methode s named executive officers, as disclosed in Methode s Proxy Statement for the 2012 Annual Meeting of Shareholders pursuant to the SEC s compensation disclosure rules, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosure, is hereby approved.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE FOREGOING RESOLUTION.

AUDIT COMMITTEE MATTERS

Report of the Audit Committee

The Audit Committee oversees our financial reporting process on behalf of our Board of Directors. Our management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. Our Board has determined that each member of our Audit Committee meets the requirements as to independence, experience and expertise established by the New York Stock Exchange. In addition, our Board has determined that Mr. Skatoff is an audit committee financial expert as defined by the SEC. In fulfilling its oversight responsibilities, our Audit Committee reviewed and discussed the audited financial statements in the Annual Report on Form 10-K for the year ended April 28, 2012 with management, including a discussion of the quality, not just the acceptability, of the accounting principles; the reasonableness of significant judgments; and the clarity of disclosures in the financial statements.

Our Audit Committee reviewed and discussed with our independent registered public accounting firm, Ernst & Young, which is responsible for expressing an opinion on the conformity of the audited financial statements with U.S. generally accepted accounting principles, the firm s judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed under the standards of the Public Company Accounting Oversight Board (United States).

The Committee has received the written disclosures and the letter from Ernst & Young required by applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young s communications with the Committee concerning independence, and has discussed with Ernst & Young the firm s independence from management and Methode and considered the compatibility of nonaudit services with the firm s independence.

Our Audit Committee discussed with our internal auditors and Ernst & Young the overall scope and plans for their respective audits. Our Audit Committee met with the internal auditors and Ernst & Young, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls, and the overall quality of our financial reporting. The Committee also discussed with Ernst & Young the matters required to be discussed by the Statement on Auditing Standards No. 114, as amended.

In reliance on the reviews and discussions referred to above, the Committee recommended to our Board of Directors (and our Board has approved) that the audited financial statements be included in the Annual Report on Form 10-K for the year ended April 28, 2012 filed with the SEC.

AUDIT COMMITTEE

Lawrence B. Skatoff, Chairman

Walter J. Aspatore

Stephen F. Gates

Isabelle C. Goossen

Paul G. Shelton

Auditing and Related Fees

Our Audit Committee engaged Ernst & Young to examine our consolidated financial statements for the fiscal year ended April 28, 2012. Fees paid to Ernst & Young for services performed during the 2012 and 2011 fiscal years were as follows:

		Fiscal 2012		Fiscal 2011
Audit Fees (1)	$	1,202,323	$	1,105,618
Audit-Related Fees		0		0
Tax Fees (2)		208,313	$	53,927
All Other Fees (3)		0	$	1,995
Total	$	1,410,636	$	1,161,540

(1) Audit fees represent aggregate fees billed for professional services rendered by Ernst & Young for the audit of our annual financial statements and review of our quarterly financial statements, audit services provided in connection with other statutory and regulatory filings and consultation with respect to various accounting and financial reporting matters.
(2) For fiscal 2012 and 2011, tax fees primarily included fees for a transfer pricing study and for tax compliance, respectively.
(3) All other fees represent fees for due diligence review and analysis.

Pre-Approval Policy

Our Audit Committee is responsible for reviewing and pre-approving all audit and non-audit services provided by Ernst & Young and shall not engage Ernst & Young to perform non-audit services proscribed by law or regulation. In fiscal 2012, 100% of audit and non-audit services were approved by the Audit Committee.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

This Compensation Discussion and Analysis describes the key elements of our executive compensation program, including an analysis of compensation awarded to, earned by or paid to our named executive officers in fiscal 2012. In this discussion, the term named executive officers refers to the five officers about whose compensation we provide detailed tabular and narrative information in this proxy statement.

Executive Summary

Our Compensation Committee strives to align our executives interests with those of our shareholders and reward performance. For fiscal 2012, the principal elements of our executive compensation program included salary, a performance-based annual cash bonus, stock options, limited perquisites and welfare benefits.

In fiscal 2011, our Compensation Committee adopted a five-year equity award program. This program continues to serve as a key component of our executive compensation program. This five-year program includes performance-based restricted stock awards (RSAs), restricted stock units (RSUs) and performance-based tandem cash awards (Tandem Cash Awards). The vesting of the RSAs and the Tandem Cash Awards will depend on our fiscal 2015 performance. The time-based RSUs vest annually through fiscal 2015. After considering the results of the 2011 say-on-pay vote and other factors, including our discussions with several institutional shareholders, the Compensation Committee elected to disclose the threshold and target levels of performance under these RSA and Tandem Cash Awards. Our Compensation Committee believes that disclosing these performance levels will provide additional transparency regarding our executive compensation program and affirm our commitment to pay-for-performance compensation. (See Elements of Compensation -- Equity Awards Fiscal 2011 Five-Year Equity Award Program).

In July 2011, our Compensation Committee reviewed our executive compensation program (including our five-year equity award program) and made certain key decisions regarding fiscal 2012 compensation.

.

The Compensation Committee granted fiscal 2012 annual performance-based cash bonus awards with a maximum amount payable approximately 15% higher than the maximum amount payable in fiscal 2011. In setting the performance measures under the fiscal 2012 awards, the Compensation Committee focused on Methode s pre-tax income (as adjusted for certain litigation expenses and/or settlement amounts). For Messrs. Duda, Koman, Glandon and Reynolds, the pre-tax adjusted income performance measure represented 53% of the maximum bonus payable for fiscal 2012. For Mr. Kill, this measure represented 33% of the maximum bonus. Based on our fiscal 2012 performance, none of our named executive officers earned the portion of their performance-based annual bonus based on pre-tax adjusted income.

.

As contemplated by our five-year award equity program, stock options were the only equity awards made to our named executive officers in fiscal 2012. The number of options granted to each named executive officer equaled the number of options granted to such executive officer in fiscal 2011.

.

Our Chief Executive Officer and Compensation Committee agreed not to increase the salary of any of our named executive officers for fiscal 2012 after considering the general economic conditions in the industries we serve and Methode s revenues and profitability. Our Chief Executive Officer s salary has remained the same for the past eight years and the salaries of the majority of our other named executive officers have remained the same for the past five years.

.

In fiscal 2012, we did not pay dividends on any unearned or cancelled performance-based awards.

In July 2012, our Compensation Committee reviewed our executive compensation program after considering the report of The Delves Group, an executive compensation consulting firm, and the 2011 say-on-pay results, and made certain key decisions regarding fiscal 2013 compensation, as described below.

.

The Compensation Committee decided not to increase our Chief Executive Officer s salary for fiscal 2013. The Compensation Committee increased the salaries of our other named executive officers by 5%.

.

The Compensation Committee set fiscal 2013 annual performance-based cash bonus awards. For our Chief Executive Officer, the amount payable pursuant to this award at the target level of performance was increased from 67% of salary to 100% of salary. For Messrs. Koman, Glandon and Reynolds, the amount payable at the target level of performance was increased to 66% of salary and for Mr. Kill, the amount payable was increased to 60% of salary.

.

For all of our named executive officers, the fiscal 2013 annual performance-based cash bonus awards include a performance measure tied to pre-tax income (as adjusted for certain litigation expenses and/or settlement amounts). The fiscal 2013 target level of performance exceeds two times fiscal 2012 performance.

.

Our Compensation Committee granted awards of stock options to our named executive officers. As contemplated by our five-year equity award program, the number of options granted to each named executive officer equaled the number of options granted to such executive officer in fiscal 2011 and fiscal 2012.

Our executive compensation program is structured so that a significant amount of each of our named executive officer s compensation is variable compensation and at risk for non-payment if we fail or the executive fails to meet performance targets. Our executive compensation program contains other components and features that are designed to further align the interests of our named executive officers with our shareholders interests. For example,

.

Our executives do not participate in pension plans or receive other post-retirement benefits, nor do they generally have employment or severance agreements (other than in connection with a change in control).

.

We maintain double-trigger change of control agreements and the executives are only entitled to a payment following termination of employment subsequent to a change in control.

.

A significant portion of our outstanding long-term incentive awards are composed of performance-based RSAs and stock options.