

BEACON ROOFING SUPPLY INC  
Form DEF 14A  
January 17, 2006

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

**SCHEDULE 14A**  
(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
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Beacon Roofing Supply, 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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- No fee required.
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## Beacon Roofing Supply, Inc.

One Lakeland Park Drive  
Peabody, Massachusetts 01960

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### NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON FEBRUARY 15, 2006

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To the shareholders of Beacon Roofing Supply, Inc.:

The 2006 Annual Meeting of Shareholders of Beacon Roofing Supply, Inc. (the Company) will be held at the headquarters of our new Shelter Distribution region at 1602 Lavon Drive, McKinney, Texas 75069 on Wednesday, February 15, 2006, at 8:00 a.m. local time, for the purpose of considering and voting on the following matters:

- (1) A proposal to elect seven members to our Board of Directors to hold office until the 2007 annual meeting of shareholders or until their successors are duly elected and qualified, and
- (2) The transaction of such other business as may properly come before the annual meeting and any adjournment(s) or postponement(s) thereof.

All holders of record of shares of Beacon Roofing Supply, Inc. stock (NASDAQ: BECN) at the close of business on January 6, 2006 are entitled to receive notice of the meeting and to vote at the meeting.

Your attention is directed to the accompanying Proxy Statement for further information with respect to the matters to be acted upon at the meeting.

Whether or not you expect to be present, please sign, date and return the enclosed proxy card in the enclosed pre-addressed envelope as promptly as possible. No postage is required if mailed in the United States.

By Order of the Board of Directors

David R. Grace  
Secretary  
Peabody, Massachusetts  
January 13, 2006

**This is an important meeting and all shareholders are invited to attend the meeting in person. Those shareholders who are unable to attend are respectfully urged to execute and return the enclosed proxy card as promptly as possible in the enclosed return envelope. No postage is required if mailed in the United States. Shareholders who execute a proxy card may nevertheless attend the meeting, revoke their proxy and vote their shares in person.**

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## **Beacon Roofing Supply, Inc.**

**One Lakeland Park Drive  
Peabody, Massachusetts 01960**

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### **PROXY STATEMENT**

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### **DATE, TIME AND PLACE OF ANNUAL MEETING**

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Beacon Roofing Supply, Inc. of proxies from the holders of our common stock, par value \$.01 per share, for use at our 2006 annual meeting of shareholders to be held at the headquarters of our new Shelter Distribution region at 1602 Lavon Drive, McKinney, Texas 75069 on Wednesday, February 15, 2006, at 8:00 a.m. local time or at any adjournment(s) or postponement(s) of the annual meeting.

This proxy statement and the enclosed form of proxy are being mailed to shareholders of common stock on or about January 13, 2006. Shareholders should review the information provided in this proxy statement in conjunction with our 2005 Form 10-K which accompanies this proxy statement. In this proxy statement, we refer to Beacon Roofing Supply, Inc. as we, our and the Company.

Our principal executive offices are located at One Lakeland Park Drive, Peabody, Massachusetts, 01960.

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## **ABOUT THE MEETING**

### ***What is the Date, Time and Place of the Annual Meeting?***

Beacon Roofing Supply Inc.'s 2006 Annual Shareholders Meeting will be held on Wednesday, February 15, 2006, beginning at 8:00 a.m., local time, at the headquarters of our new Shelter Distribution region at 1602 Lavon Drive, McKinney, Texas 75069.

### ***What is the purpose of the annual meeting?***

At the annual meeting, shareholders will act upon the matters outlined in the notice of meeting on the cover page of this proxy statement, consisting of 1) the election of directors and 2) any other matters that properly come before the meeting. In addition, management will discuss the performance of the Company and respond to questions from shareholders.

### ***Who is entitled to vote at the meeting?***

Only our shareholders of record at the close of business on January 6, 2006, the record date for the meeting, are entitled to receive notice of and to participate in the annual meeting. If you were a shareholder of record on that date, you will be entitled to vote all of the shares you held on that date at the meeting, or any postponement(s) or adjournment(s) of the meeting. As of the record date, there were 28,923,463 shares of common stock outstanding (representing 29,156,324 shares issued less 232,861 shares held in treasury), all of which are entitled to be voted at the annual meeting.

A list of shareholders will be available at our headquarters at One Lakeland Park Drive, Peabody, Massachusetts 01960 for a period of ten days prior to the annual meeting and at the annual meeting itself for examination by any shareholder.

### ***What are the voting rights of the holders of our common stock?***

Holders of common stock are entitled to one vote per share on each matter that is submitted to shareholders for approval.

### ***Who can attend the meeting?***

All shareholders as of the record date, or their duly appointed proxies, may attend the meeting, and each may be accompanied by one guest. Please also note that if you hold your shares in street name (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date.

### ***What constitutes a quorum?***

The presence at the meeting, in person or by proxy, of the holders of common stock representing a majority of the combined voting power of the outstanding shares of stock on the record date will constitute a quorum, permitting the meeting to conduct its business. As of the record date, there were 28,923,463 shares of common stock outstanding, all of which are entitled to be voted at the annual meeting.

As of the record date, our directors, director nominee and executive officers and entities affiliated with these persons owned common stock representing 5.7% of the outstanding shares of common stock entitled to be cast at the annual meeting.

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***What vote is required to approve each item?***

For purposes of electing directors at the annual meeting, the nominees receiving the greatest numbers of votes of common stock shall be elected as directors. The affirmative vote of a majority of votes of common stock present, in person or by proxy at the annual meeting and voting together as a single class, is required for the approval of any other matter that may be submitted to a vote of our shareholders.

The inspector of election for the annual meeting shall determine the number of shares of common stock represented at the meeting, the existence of a quorum and the validity and effect of proxies, and shall count and tabulate ballots and votes and determine the results thereof. Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting for purposes of determining a quorum but will not be counted as votes cast for or against the election of directors. On other matters that may be submitted for a vote, broker non-votes will not be considered in tallying votes cast, and abstentions will be treated as a vote against. If less than a majority of the combined voting power of the outstanding shares of common stock are represented at the annual meeting, a majority of the shares so represented may adjourn the annual meeting from time to time without further notice.

***What are the Board's recommendations?***

Our board of directors recommends a vote FOR the election of the respective nominees for director named in this proxy statement.

Unless contrary instructions are indicated on the enclosed proxy, all shares represented by valid proxies received pursuant to this solicitation (and which have not been revoked in accordance with the procedures set forth below) will be voted (a) FOR the election of the respective nominees for director named in this proxy statement and (b) in accordance with the recommendation of our board of directors, FOR or AGAINST all other matters as may properly come before the annual meeting. In the event a shareholder specifies a different choice by means of the enclosed proxy, such shares will be voted in accordance with the specification made.

***How do I vote?***

You can vote in any of the following ways.

To vote by mail:

- *Mark*, sign and date your proxy card; and
- *Return* it in the enclosed envelope.

To vote in person if you are a registered shareholder:

- *Attend* our annual meeting;
- *Bring* valid photo identification; and
- *Deliver* your completed proxy card or ballot in person.

To vote in person if you hold in street name:

- *Attend* our annual meeting;

- *Bring* valid photo identification; and
- *Obtain* a legal proxy from your bank or broker to vote the shares that are held for your benefit, attach it to your completed proxy card and deliver it in person.

***Can I change my vote after I return my proxy card?***

Yes. The giving of a proxy does not eliminate the right to vote in person should any shareholder giving the proxy so desire. Shareholders have an unconditional right to revoke their proxy at any time prior to the exercise of that proxy, either in person at the annual meeting or by filing with our Secretary at our headquarters a written revocation or duly executed proxy bearing a later date; however, no such revocation will be effective until written notice of the revocation is received by us at or prior to the annual meeting.

***Who pays for costs relating to the proxy statement and annual meeting of shareholders?***

The cost of preparing, assembling and mailing this Proxy Statement, the Notice of Annual Meeting of Shareholders and the enclosed proxy card is to be borne by us. In addition to the use of mail, our directors, officers and employees may solicit proxies personally and by telephone, facsimile and other electronic means. They will receive no compensation in addition to their regular salaries. We may request banks, brokers and other custodians, nominees and fiduciaries to forward copies of the proxy material to their principals and to request authority for the execution of proxies. We may reimburse these persons for their expenses in so doing.

**STOCK OWNERSHIP*****Who are the largest owners of our stock? How much stock do our directors and executive officers own?***

The following table shows information regarding the beneficial ownership of our common stock for the following:

- (i) each shareholder known by us to beneficially own more than 5% of our common stock,
- (ii) each of our directors and our director nominee,
- (iii) each executive officer named in the Summary Compensation Table in Executive Compensation, and
- (iv) all directors and executive officers as a group.

All information is as of the record date.

Name and Address of Beneficial Owners(1)	Common Stock		
	Beneficially Owned Shares	Percent	
Shareholders owning more than 5% of our common stock:			
Gilder, Gagnon, Howe & Co. LLC(2) 1775 Broadway, 26 <sup>th</sup> Floor New York, NY 10019	2,563,133	8.9	%
Scout Capital Partners, L.P.(3) 320 Park Avenue 3 <sup>rd</sup> Floor New York, New York 10022	2,145,000	7.4	%
Directors, director nominee and executive officers:			
Robert R. Buck(4)	432,790	1.5	%
Andrew R. Logie(5)	593,122	2.0	%
David R. Grace(6)	291,861	1.0	%
C. Eric Swank(7)	2,000	*	
H. Arthur Bellows, Jr.(7)	27,500	*	
James J. Gaffney(8)	56,346	*	
Peter M. Gotsch(9)	200,795	*	
Wilson B. Sexton(10)	42,500	*	
Stuart A. Randle	0		
All directors, director nominee and executive officers as a group (9 persons)	1,646,914	5.6	%

\* Less than 1%

(1) Information concerning beneficial ownership of shares is as of January 6, 2006, the record date. Includes the number of shares that such person has the right to acquire beneficial ownership as of that date and which such person has the right to acquire beneficial ownership of within 60 days thereafter.

(2) Based on Schedule 13G filed by Gilder, Gagnon, Howe & Co. LLC on January 10, 2006.



- (3) Based on Schedule 13G filed by Scout Capital Partners, L.P. on February 11, 2005.
- (4) Includes 308,245 shares issuable upon the exercise of options.
- (5) Includes 192,343 shares issuable upon the exercise of options. Includes 191,432 shares held by the Logie Beacon Limited Partnership over which Mr. Logie shares voting and investment control. Mr. Logie disclaims beneficial ownership of shares held by the Logie Beacon Limited Partnership in which he does not have a pecuniary interest.
- (6) Includes 132,913 shares issuable upon the exercise of options and 1,685 shares over which Mr. Grace shares investment control but of which he disclaims beneficial ownership.
- (7) Represents shares issuable upon the exercise of options.
- (8) Includes 27,500 shares issuable upon the exercise of options. Includes 2,846 shares over which Mr. Gaffney shares investment and voting control, but of which Mr. Gaffney disclaims beneficial ownership.
- (9) Peter Gotsch is a member of the investment committee of Code Hennessy & Simmons LLC, the general partner of CHS Management III, L.P., which in turn is the general partner of Code, Hennessy & Simmons III, L.P., which owns 200,795 shares. Mr. Gotsch may be deemed to beneficially own the shares owned by Code, Hennessy & Simmons III, L.P., but disclaims beneficial ownership of shares in which he does not have a pecuniary interest.
- (10) Includes 27,500 shares issuable upon the exercise of options.

***Section 16(a) Beneficial Ownership Reporting Compliance***

Section 16(a) of the Securities Exchange Act of 1934 requires our officers, directors and persons who own more than ten percent of a registered class of our equity securities to file reports of ownership and changes in ownership on Forms 3, 4 and 5, as applicable, with the Securities and Exchange Commission (SEC). Officers, directors and shareholders owning more than ten percent of our common stock are required by the SEC regulations to furnish us with copies of all Forms 3, 4 and 5 they file.

Based solely on our review of the copies of these forms received or representations from certain reporting persons that no Form 5 was required, we believe that all of our officers, directors, and greater than ten percent beneficial owners complied with all filing requirements applicable to them with respect to transactions during 2005.

**SUMMARY OF BUSINESS MATTERS TO BE VOTED ON**

**Item 1.**

**ELECTION OF DIRECTORS**

Our Amended and Restated Certificate of Incorporation and Bylaws provide that our board of directors shall consist of not less than three members to serve one-year terms of office. The authorized number of directors is currently set at seven members. Upon election at the annual meeting, our directors will serve terms expiring at the 2007 annual meeting of shareholders or until their successors have been duly elected and qualified. The following individuals are our nominees:

Andrew R. Logie  
 Robert R. Buck  
 H. Arthur Bellows, Jr.  
 James J. Gaffney  
 Peter M. Gotsch  
 Stuart A. Randle  
 Wilson B. Sexton

Each nominee has consented to serve as a director; however, in the event that a nominee for a directorship is unable to accept election or if any other unforeseen contingencies should arise, it is intended that proxies will be voted for the remaining nominees, if any, and for such other person as may be designated by the board of directors, unless it is directed by a proxy to do otherwise.

**MANAGEMENT AND THE BOARD OF DIRECTORS**

*Who are the directors, director nominee and executive officers of the Company?*

Our board of directors currently consists of six directors. There is currently a vacancy on the board of directors. Each director is elected for a term of one year and serves until a successor is duly elected and qualified or until his or her death, resignation or removal. There are no family relationships between any of our directors or executive officers. Our executive officers are elected by and serve at the discretion of the board of directors. The board has determined that each of the following directors is an independent director as such term is defined in Nasdaq Marketplace Rule 4200(a)(15): H. Arthur Bellows, Jr., James J. Gaffney, Peter M. Gotsch and Wilson B. Sexton. Independent members of our board of directors shall meet in executive session at least two times a year.

Name	Age	Position
Andrew R. Logie	61	Chairman of the Board
Robert R. Buck	58	President and Chief Executive Officer, Director
David R. Grace	46	Chief Financial Officer
C. Eric Swank	37	Senior Vice President, Sales and Marketing
H. Arthur Bellows, Jr.	67	Director
James J. Gaffney	65	Director
Peter M. Gotsch	41	Director
Stuart A. Randle	46	Director Nominee
Wilson B. Sexton	69	Director

*Andrew R. Logie*, Chairman and Director. Mr. Logie and a group of investors acquired Beacon Sales Company, Inc. in 1984. As its new CEO, he oversaw the growth of the business from three to seven branches with sales increasing six-fold to \$70 million in 1997 prior to its acquisition by Beacon Roofing Supply, Inc. From 1997 to July 2002, he was our Chairman, President and Chief Executive Officer. He was Chairman and Chief Executive Officer from July 2002 to March 2003. Prior to joining Beacon Sales Company, Mr. Logie spent 14 years in the roofing industry, working nine years with Bradco Supply and five years with GAF Corporation. Mr. Logie attended Nichols College in Dudley, Massachusetts.

*Robert R. Buck*, President and Chief Executive Officer and Director. Mr. Buck joined us in October 2003. Prior to joining us, he served as President Uniform Rental Division of Cintas Corporation from July 1997. From 1991 through 1997, he served as Senior Vice President Midwest Region of Cintas. From 1982 through 1991, he served as Senior Vice President Finance and Chief Financial Officer of Cintas. Mr. Buck presently serves as a director of Kendle International, Inc. and Multi-Color Corporation, both of which are Nasdaq-traded companies.

*David R. Grace*, Chief Financial Officer. Mr. Grace is responsible for financial management of our Company and each of our regional subsidiaries. Mr. Grace began his career as a CPA in public accounting with Baril and Smith CPA. He joined Beacon Sales Company as an accountant in 1987. He served in positions of increasing responsibility until he was named CFO at the time that we acquired Beacon Sales Company. Mr. Grace has a degree in accounting from Bentley College in Waltham, Massachusetts.

*C. Eric Swank*, Senior Vice President, Sales & Marketing. Mr. Swank is responsible for our company-wide marketing. Prior to joining us in October 2004, Mr. Swank was Assistant Group Vice President from 2003 to 2004 for Cintas Corporation. He also served as Assistant to the Group Vice President from 1998 to 1999 and Director of Training and Development from 2000 to 2002 for Cintas. While at Cintas, Mr. Swank had profit and loss responsibilities for a region which had \$215 million in annual revenue and he expanded sales territories through the opening of new locations and strategic acquisitions. Mr. Swank is a graduate of Miami University of Ohio.

*H. Arthur Bellows, Jr.*, Director. Mr. Bellows became a director in January 2005. Mr. Bellows serves on the Board of Directors of Hexcel Corporation and as their Chair of the audit committee and a member of their nominating and corporate governance and compensation committees. He has served as Chairman of Braeburn Associates, a merchant banking firm, since 1999, and Chairman of The Finance Network, a private financial services firm, since 1999. Mr. Bellows was President, Chief Operating Officer and a director of Audits & Surveys Worldwide, Inc., an international market research firm, from 1995 to March 1999 and continued to serve as a director until March 2002.

*James J. Gaffney*, Director. Mr. Gaffney became a director in July 2004. From 1997 through 2004, Mr. Gaffney served as Vice Chairman of the Board of Viking Pacific Holdings, Ltd. and Chairman of the Board of Vermont Investments, Ltd., a New Zealand-based conglomerate, and provided consulting services to GS Capital Partners II, L.P. (a private investment fund affiliated with Water Street Corporate Recovery Fund I, L.P. and Goldman, Sachs & Co.), and other affiliated investment funds. Mr. Gaffney presently serves on public boards as Chairman of the Board of Directors of Imperial Sugar Company and as a director of SCP Pool Corporation and Carmike Cinemas, Inc.

*Peter M. Gotsch*, Director. Mr. Gotsch has served as director since 1997. Mr. Gotsch has been a member of Code Hennessy & Simmons LLC since 1997 and employed by its affiliates since 1989. Mr. Gotsch holds a B.A. degree from St. Olaf College and an M.B.A. from Northwestern University. Mr. Gotsch presently serves as the Chairman of the Board of The Hillman Companies, Inc.

*Stuart A. Randle*, Director Nominee. Since 2001, Mr. Randle has served as Entrepreneur-in-Residence for Advanced Technology Ventures, a healthcare and IT venture capital firm. From 1998 to 2001, he was President and CEO and a director of Act Medical, Inc. Mr. Randle currently serves as President and CEO and as a director of GI Dynamics, Inc. Mr. Randle also currently serves as a director of Specialized Health Products, International, a Nasdaq-traded company.

*Wilson B. Sexton*, Director. Mr. Sexton has been the Chairman of the Board and a director of SCP Pool Corporation since 1993. From January 1999 to May 2001, Mr. Sexton also served as Chief Executive Officer of SCP Pool Corporation. Mr. Sexton is a Certified Public Accountant and holds a B.B.A. degree from Southern Methodist University.

**BOARD OF DIRECTORS MEETINGS,  
COMMITTEES OF THE BOARD AND RELATED MATTERS**

***How often did the Board meet during fiscal 2005?***

During the fiscal year ended September 24, 2005, our Board of Directors held six meetings. During fiscal 2005, no incumbent director attended fewer than 75 percent of the aggregate of (i) the number of meetings of the Board of Directors held during the period he or she served on the Board and (ii) the number of meetings of committees of the Board of Directors held during the period he or she served on these committees. In addition, all of the directors attended last year's annual meeting of shareholders. It is our policy for all directors to attend the annual meeting of shareholders.

***What committees has the Board established?***

The Board of Directors has established three committees: (1) the audit committee, (2) the compensation committee and (3) the nominating and corporate governance committee.

***Audit Committee***

The audit committee held 11 meetings in fiscal 2005. The audit committee selects the independent registered public accounting firm and reviews the independence of such firm, approves the scope of the annual audit activities of the independent registered public accounting firm, approves the audit fee payable to the independent registered public accounting firm and reviews audit results with the independent registered public accounting firm. The audit committee currently is comprised of H. Arthur Bellows, Jr., James J. Gaffney and Wilson B. Sexton, each of whom meets the independence criteria prescribed by applicable law and the rules of the SEC for audit committee membership and is an independent director as defined in Nasdaq Marketplace Rule 4200(a)(15). The board has also determined that Messrs. Bellows and Gaffney are audit committee financial experts as such term is defined in Item 401(h) of Regulation S-K promulgated by the SEC. Each of Messrs. Bellows, Gaffney and Sexton meet Nasdaq's financial knowledge requirements. Ernst & Young LLP currently serves as our independent registered public accounting firm.

The audit committee operates under a formal charter that governs its duties and conduct. The audit committee charter complies with applicable Nasdaq and SEC rules and regulations. A copy of the charter is available on our web site at [www.beaconroofingsupply.com](http://www.beaconroofingsupply.com). In addition, the charter is available in print to any shareholder who requests it in writing to our Corporate Controller at Beacon Roofing Supply, Inc., One Lakeland Park Drive, Peabody, MA 01960.

Ernst & Young LLP, our independent registered public accounting firm, reports directly to the audit committee.

Please refer to the Audit Committee Report, which is set forth in this proxy statement, for a further description of our audit committee's responsibilities and its recommendation with respect to our audited consolidated financial statements for the year ended September 24, 2005.

#### ***Compensation Committee***

The compensation committee held two meetings in fiscal 2005. The duties of the compensation committee are to provide a general review of our compensation and benefit plans to ensure that they meet our objectives. In addition, the compensation committee reviews the chief executive officer's recommendations on compensation of our executive officers and makes recommendations for adopting and changing major compensation policies and practices. The compensation committee reports its recommendations to the full board of directors for approval and authorization. It also makes recommendations to the board with respect to the compensation of the chief executive officer and administers our stock plans. The compensation committee is comprised of three directors who are independent under Nasdaq listing standards, who are non-employee directors (as defined in Rule 16b-3 under the Securities Exchange Act) and who do not have interlocking or other relationships with us that would detract from their independence as committee members. At all times, at least two members of the committee shall be outside directors (as defined in Section 162(m) of the Internal Revenue Code). The current members of the compensation committee are James J. Gaffney, Wilson B. Sexton and Peter M. Gotsch.

The compensation committee operates under a formal charter that governs its duties and conduct. The compensation committee complies with applicable Nasdaq rules and regulations. A copy of the charter is available on our web site at [www.beaconroofingsupply.com](http://www.beaconroofingsupply.com). In addition, the charter is available in print to any shareholder who requests it in writing to our Corporate Controller at Beacon Roofing Supply, Inc., One Lakeland Park Drive, Peabody, Massachusetts 01960.

Please refer to the Compensation Committee Report which is set forth in this proxy statement, for a further description of our compensation committee's responsibilities and its compensation philosophy and a description of considerations underlying each component of compensation paid to Beacon's executive officers for 2005.

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

The nominating and corporate governance committee held one meeting in fiscal 2005. The nominating and corporate governance committee is responsible for identifying and recommending potential candidates qualified to become board members and recommending directors for appointment to board committees. The nominating and corporate governance committee is currently comprised of James J. Gaffney, Wilson B. Sexton and Peter M. Gotsch, each of whom is independent under Nasdaq listing standards.

When identifying, evaluating and considering potential candidates for membership on our board, including those who might be recommended or nominated by shareholders, the nominating and corporate governance committee considers among other factors, relevant business and financial experience, integrity and willingness to devote the necessary time and energy. The nominating and corporate governance committee will consider nominees for our board of directors recommended by shareholders, using the

same criteria as for other candidates. Recommendations should be submitted in writing to David Grace, our secretary, at our principal executive offices. The recommendation should include the name and address of the shareholder making the recommendation and evidence of his or her ownership of our common stock, including the number of shares and period of ownership, the name and address of the director candidate, and his or her resume or listing of qualifications, and the candidate's signed consent to serve as a director if elected and to be named in the Proxy Statement. To be considered, the recommendation must be received by the secretary not less than 90 days and not more than 120 days before the one-year anniversary date of our most recent annual meeting of shareholders. The nominating and corporate governance committee may consider advice and recommendations from others, including search firms as it deems appropriate.

Stuart Randle, who has been nominated to fill a vacancy on the board of directors, was recommended to the committee by a former board member.

Further information related to the nominating and corporate governance committee is included in the nominating and corporate governance committee charter, available on our website at [www.beaconroofingsupply.com](http://www.beaconroofingsupply.com). In addition, the charter is available in print to any shareholder who requests it in writing to our Corporate Controller at Beacon Roofing Supply, Inc., One Lakeland Park Drive, Peabody, Massachusetts 01960.

***How may the Board be contacted?***

Shareholders or other interested parties wishing to communicate confidentially with our board of directors can call 800-891-4945 in the United States and leave a message for the Chair of the audit committee, the board of directors or an individual director. In the alternative, shareholders and other interested parties may communicate with the board of directors or an individual director in writing by mailing such communication to Beacon Roofing Supply, Inc., One Lakeland Park Drive, Peabody, Massachusetts 10960, Attn: Corporate Controller. Each communication intended for members of the board of directors and received by the Corporate Controller will be reviewed by the Corporate Controller. Communications related to the operation of the Company which are not sales solicitations or of a similar commercial nature will be forwarded to the specified party or parties.

***How are directors compensated?***

Independent members of the board of directors receive an annual retainer of \$35,000. All independent directors are also entitled to receive \$1,500 for each board meeting attended (\$1,000 if via conference call) and \$1,000 for each committee meeting attended (\$750 if via conference call). The chairman of each of the audit committee and compensation committee is entitled to receive an additional \$10,000 per year. All fees may be paid in cash or shares of stock, at the choice of the director.

In addition, upon election to the board, each independent director will receive a one-time grant of an option exercisable for 20,000 shares of our common stock. Upon reelection, independent directors will also receive an annual grant of an option exercisable for 7,500 shares. All options become exercisable one year after the date of grant. Exercise prices will be set at fair market value at the date of grant. During fiscal 2005, Wilson Sexton and Arthur Bellows received grants of options exercisable for 20,000 shares and James Gaffney, Wilson Sexton and Arthur Bellows received grants of options exercisable for 7,500 shares.

We reimburse members of our board of directors for any out-of-pocket expenses they incur in connection with services provided as directors.

## AUDIT COMMITTEE MATTERS

### *Audit Committee's Pre-Approval and Procedures*

The audit committee is responsible for the appointment, compensation, retention and oversight of the work of Ernst & Young LLP, our independent registered public accounting firm. The independent registered public accounting firm reports directly to the audit committee. As part of their responsibility, the Committee established a policy requiring the pre-approval of all audit and permissible non-audit services performed by the registered public accounting firm. In pre-approving services, the audit committee considers whether such services are consistent with the SEC's rules on auditor independence.

Prior to the engagement of the registered public accounting firm for an upcoming audit/non-audit service period, defined as a twelve-month timeframe, Ernst & Young LLP submits a detailed list of services expected to be rendered during that period as well as an estimate of the associated fees for each of the following four categories of services to the Audit Committee for approval.

**Audit Services** consist of services rendered by an external auditor for the audit of our annual consolidated financial statements (including tax services performed to fulfill the auditor's responsibility under generally accepted auditing standards) and internal controls and reviews of financial statements included in Form 10-Qs, and includes services that generally only an external auditor can reasonably provide, such as comfort letters, statutory audits, attest services, consents and assistance with and review of documents filed with the Securities and Exchange Commission.

**Audit-Related Services** consist of assurance and related services (e.g. due diligence) by an external auditor that are reasonably related to audit or review of financial statements, including employee benefit plan audits, due diligence related to mergers and acquisitions, and accounting consultations.

**Tax Services** consist of services not included in Audit Services above, rendered by an external auditor for tax compliance, tax consulting and tax planning.

**Other Non-Audit Services** are any other permissible work that is not an Audit, Audit-Related or Tax Service.

Circumstances may arise during the twelve-month period when it may become necessary to engage the independent auditor for additional services not contemplated in the original pre-approval. In those instances, the audit committee requires specific pre-approval before engaging the independent auditor. The chairman of the audit committee, acting pursuant to delegated authority, may pre-approve such services.

***Audit and Non-Audit Fees***

The table below summarizes the fees billed by our independent registered public accounting firm, Ernst & Young LLP, for the fiscal years ended September 24, 2005 and September 25, 2004.

<b>Year</b>	<b>Audit</b>	<b>Audit-Related</b>	<b>Tax</b>	<b>All Other</b>	<b>Total</b>
2005	\$ 928,600	\$	\$ 107,000	\$	\$ 1,035,600
2004	\$ 1,419,200	\$	\$ 75,000	\$	\$ 1,494,200

Audit fees include fees for professional services rendered for the audit of our annual consolidated financial statements and, beginning in fiscal 2005, the audit of our internal controls and the reviews of the interim financial statements included in our Forms 10-Q. For 2005, the audit fees include \$107,600 for services performed in connection with the filings of our Forms S-3 and S-8. For 2004, the audit fees include fees of \$995,200 associated with Ernst & Young LLP's work on our initial public offering and the related filings with the SEC.

There were no audit-related fees for fiscal 2005 and 2004.

Tax fees represent professional services related to tax compliance and consulting.

The audit committee has considered the compatibility of the provision of services covered by the preceding paragraph with the maintenance of the principal accountant's independence from the Company and has determined that the provision of such services is not incompatible with the maintenance of such independence.

The audit committee annually reviews the performance of the independent registered public accounting firm and the fees charged for their services.

**Report of the Audit Committee**

The role of the audit committee is to assist the board of directors in its oversight of the integrity of the Company's financial reporting process and compliance with legal and regulatory requirements. The audit committee reviews the Company's financial reporting process on behalf of the Company's board of directors. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls.

In this context, the audit committee has met and held discussions with management and the Company's independent registered public accounting firm. The audit committee has reviewed and discussed the audited financial statements with management and the independent registered public accounting firm. The audit committee discussed with the independent registered public accounting firm matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*. In addition, the audit committee has discussed with the independent registered public accounting firm the auditor's independence from the Company and management, including matters in the written disclosures provided by the independent registered public accounting firm to the audit committee as required by the Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*.



Management and the independent registered public accounting firm recently completed their first assessment of the Company's internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002. Management's assessment, as of September 24, 2005, that the Company's internal control over financial reporting is effective, and our independent registered public accounting firm's opinions that management's assessment is fairly stated in all material respects and that the Company maintained, in all material respects, effective internal control over financial reporting, may be found in our Annual Report on Form 10-K for the year ended September 24, 2005.

The audit committee has discussed with the Company's independent registered public accounting firm the overall scope and plan for their audit. The audit committee has met with the independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the audit committee approved that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended September 24, 2005.

**AUDIT COMMITTEE:**

Arthur Bellows, Chairman

James Gaffney

Wilson Sexton

**EXECUTIVE COMPENSATION**

The following table sets forth for the fiscal years ended September 24, 2005, September 25, 2004 and September 27, 2003, information concerning the compensation earned by our Chairman, President and Chief Executive Officer, Chief Financial Officer and Senior Vice President (our Named Executive Officers ) who were serving at the end of our last fiscal year.

**SUMMARY COMPENSATION TABLE**

Name and Principal Position	Fiscal Year	Annual Compensation			Long-Term Compensation		All Other Compensation(4)
		Salary	Bonus	Other Annual Compensation(3)	Restricted Stock Awards	Securities Underlying Stock Options	
Andrew R. Logie Chairman	2005	\$ 113,921	\$	\$ 1,618			\$ 8,984
	2004	\$ 180,556	\$	\$ 2,039			\$ 17,752
	2003	\$ 193,092	\$				\$ 22,782
Robert R. Buck(1) President and Chief Executive Officer	2005	\$ 457,016	\$ 445,000	\$ 267,291			\$ 24,555
	2004	\$ 407,923	\$ 430,000	\$ 69,510		408,245	\$
David R. Grace Chief Financial Officer	2005	\$ 312,039	\$ 150,000	\$ 3,517		22,000	\$ 20,456
	2004	\$ 242,022	\$ 135,000	\$ 2,306		27,755	\$ 18,662
	2003	\$ 221,040	\$ 90,000	\$		50,050	\$ 22,782
C. Eric Swank(2) Senior Vice President, Sales & Marketing	2005	\$ 237,400	\$ 60,000	\$ 89,257		6,000	\$

(1) Robert Buck was hired in October 2003.

(2) Eric Swank was hired in October 2004.

(3) Represents Company payments for certain vehicle costs. For Robert Buck and Eric Swank, 2005 also includes commuting airfare and housing costs paid by us, as well as relocation cost reimbursements of \$140,356 and \$60,898, respectively, and associated gross-up payroll tax reimbursements of \$87,691 and \$21,910, respectively. For Robert Buck, 2004 also includes commuting airfare of \$27,014 and housing of \$30,254.

(4) Represents contributions made by us to a 401(k) plan and a profit-sharing distribution.

**OPTION GRANTS IN LAST FISCAL YEAR**

The following table sets forth certain information concerning grants of stock options made during fiscal year 2005 to the Named Executive Officers. The options were granted at exercise prices equal to fair market value of the underlying stock at the date of the grant.

Name	Number of Securities Underlying Options Granted(1)	% of Total Options Granted to Exercise Employees in 2005(2)	Price Per Share	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(3)	
					5%	10%
Andrew R. Logie						
Robert R. Buck						
David R. Grace	22,000	6.3 %	\$ 17.80	11/3/2014	\$ 246,275	\$ 624,110
C. Eric Swank	6,000	1.7 %	\$ 17.80	11/3/2014	\$ 67,166	\$ 170,212

(1) Represents options to purchase common stock.

(2) In 2005, total options granted to employees were 346,500 shares of common stock.

(3) The dollar amounts set forth in these columns are the result of calculations at the five percent and ten percent rates set forth by the SEC and, therefore, are not intended to forecast possible future appreciation, if any, of the market price of the common stock.

The following table sets forth certain information concerning stock options exercised in 2005 by the Named Executive Officers and unexercised stock options held by them as of September 24, 2005.

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

Name	Number of Shares Acquired on Exercise	Value Realized	Number of Securities Underlying Unexercised Options Held at Fiscal Year End		Value of Unexercised In-the-Money Options at Fiscal Year End \$(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Andrew R. Logie		\$	192,010		\$ 5,860,218	\$
Robert R. Buck		\$	408,245		\$ 11,541,058	\$
David R. Grace		\$	229,828	14,667	\$ 5,826,802	\$ 1,091,629
C. Eric Swank		\$	2,000	4,000	\$	\$ 83,760

(1) The closing price of our common stock on September 24, 2005 was \$31.76. Value is calculated by multiplying (a) the difference between the closing sales price and the option exercise price by (b) the number of shares of common stock underlying the option.

***What other compensation arrangements does the Company have with its executive officers?***

***Employment Agreement***

We entered into an employment agreement with Robert Buck, our President and CEO, with a term that extends through November 19, 2006. It provided for a base salary of \$430,000 for fiscal year 2004 and \$445,000 for fiscal year 2005. After fiscal year 2005, our board reviews his base salary annually and may increase (but not decrease) it. Mr. Buck's base salary for 2006 was set by the board at \$500,000. Mr. Buck's employment agreement also entitles him to an annual bonus of up to 100% of base salary, depending on whether we reach the performance target that the board sets near the beginning of each fiscal year. The performance target for 2006 is based on EBITDA. The bonus varies from 0% of base salary (if we achieve 85% or less of the target for that fiscal year) to 100% of base salary (if we achieve 115% or more of the target for that year). In between 85% of the target and 115% of the target, the bonus varies on a straight line basis. The employment agreement also provided that if Mr. Buck relocated his residence at our request before September 30, 2005, we would reimburse him for all expenses incurred for the relocation. Mr. Buck relocated to the Reston, Virginia area where we now have a corporate office. For the period before he relocated his residence, we agreed to rent an apartment for his use in the Boston area and reimburse him for travel expenses for up to two round trips per month for him and his wife between their primary residence and the Boston area. Mr. Buck also receives a \$1,000 per month car allowance that is included in his reported annual salary amount in the compensation table above. Under his employment agreement, Mr. Buck is entitled to severance equal to 12 months base salary if we terminate his employment without cause, as that term is defined in his employment agreement, or if we are not willing to renew his employment agreement at the end of the term. The employment agreement limits Mr. Buck's ability to compete with us for 18 months after his employment ends.

***Were there any issues regarding compensation committee interlocks and insider participation during 2005?***

The Compensation Committee consists of James Gaffney, Peter Gotsch and Wilson Sexton. Prior to our initial public offering, Mr. Gotsch was a non-employee officer of the Company. There are no Compensation Committee interlocks.

***Report of the Compensation Committee on Compensation of Executive Officers of the Company***

The Company's executive compensation programs are based on three components: base salary, annual incentives and long-term compensation; each is intended as an important piece of the overall compensation philosophy.

Base salary is used to attract and retain the Company's key executives and is calculated using comparisons with the Company's industry competitors and/or companies of similar market value. Salaries are reviewed by the Compensation Committee on an annual basis.

Annual incentives are a significant component of executive compensation, reflecting the Company's belief that management's contribution to long-term shareholder returns (via increasing stock prices) comes from maximizing earnings and the potential of the Company. The Company's Chief Executive Officer has an annual incentive opportunity based upon the Company's meeting or exceeding certain established performance targets. In 2005, these performance targets were based on budgeted EBITDA. By its reliance on this incentive compensation system, the Company links a substantial portion of the Chief Executive Officer's annual pay directly to profitability. As a result of this approach, the Company's Chief Executive Officer's total compensation is likely to vary from year to year, perhaps more significantly than the pay of

executives of many of the Company's competitors. Certain other executive officers and employees have their pay levels set primarily in relation to comparisons to similar executives of competitors, with additional annual incentives based on the attainment of specific objectives supporting the overall goals of the Company.

Mr. Buck and other key executives of the Company received a significant portion of their fiscal 2005 total compensation through incentive and other forms of long-term compensation. In order to promote an increase in net worth of the Company, maximize the return to shareholders and effectively motivate senior management, the executive compensation philosophy of the Company has been to link compensation with Company performance. Therefore, Mr. Buck received 37% of his aggregate cash compensation during fiscal 2005 from incentives. The committee believes that this represents evidence of the strong and explicit link between executive compensation and the creation of long-term shareholder value.

In terms of long-term compensation, management incentives generally are provided to the Company's executives through grants of stock options to retain and motivate executives to improve the Company's stock value. Since the Company's initial public offering, stock options have been granted at an exercise price equal to the closing price of the Company's common stock as reported by Nasdaq. Accordingly, grants of stock options will produce value only if there are increases in the underlying stock price. Stock option grants are made by the compensation committee. The Company provides no defined benefit pension plan or supplemental executive retirement plan but does provide a 401(k) plan, with profit-sharing contributions when feasible, for all of its employees employed for at least one year.

Recommendations with regard to compensation of the Company's executives are made to the board by the members of the compensation committee, which holds meetings at least once a year and more often when the need arises. Each member of the compensation committee is a non-employee director. The executive compensation practices of the Company are constantly re-evaluated to ensure their relevance, their support of the strategic goals of the Company and their contribution to the creation of long-term shareholder value.

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally disallows a public company's deduction for compensation to a Named Executive Officer in excess of \$1 million per year unless the compensation meets the definition of performance-based compensation. The committee does not anticipate that this limit will affect the deductibility of compensation paid by the company in 2005.

**COMPENSATION COMMITTEE:**

James J. Gaffney, Chairman

Peter M. Gotsch

Wilson B. Sexton

The Report of the Compensation Committee and the Report of the Audit Committee included in this proxy statement do not constitute soliciting material and should not be deemed filed or incorporated by reference into any of our other filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate the reports by reference in that filing.

**BEACON ROOFING SUPPLY, INC. COMMON STOCK PRICE PERFORMANCE**

The following graph compares the cumulative total shareholder return (including reinvestment of dividends) of Beacon Roofing Supply, Inc. common stock based on its market prices, beginning with the date our stock first traded and each quarter ended thereafter, with (i) the Nasdaq Index and (ii) the S&P 1500 Building Products Index.

Company / Index	9/23/04	9/25/04	12/31/04	03/31/05	06/30/05	9/24/05
BEACON ROOFING SUPPLY, INC	\$ 100	\$ 111.93	\$ 139.37	\$ 153.58	\$ 184.56	\$ 222.88
NASDAQ INDEX	\$ 100	\$ 99.63	\$ 115.32	\$ 105.98	\$ 109.04	\$ 112.21
S&P 1500 BUILDING PRODUCTS INDEX	\$ 100	\$ 100.76	\$ 111.55	\$ 112.99	\$ 104.86	\$ 111.90

The line graph assumes that \$100 was invested on September 23, 2004 in our common stock, the Nasdaq Index and the S&P 1500 Building Products Index.

The closing price of our common stock on September 24, 2005 was \$31.76. As of the record date, the closing price of our common stock was \$29.23. The stock price performance of Beacon Roofing Supply, Inc. common stock depicted in the graph above represents past performance only and is not necessarily indicative of future performance.

## **CORPORATE GOVERNANCE**

We operate within a comprehensive plan of corporate governance for the purpose of defining responsibilities, setting high standards of professional and personal conduct and assuring compliance with such responsibilities and standards. We regularly monitor developments in the area of corporate governance. In July 2002, Congress passed the Sarbanes-Oxley Act of 2002 which, among other things, establishes, or provides the basis for, a number of new corporate governance standards and disclosure requirements. We are following the requirements of the Sarbanes-Oxley Act and SEC rules as they relate to us.

## **EMPLOYEE CODE OF BUSINESS ETHICS AND CONDUCT**

We have adopted the Beacon Roofing Supply, Inc. Code of Conduct, a code of ethics that applies to all of our directors, officers and employees, including our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, Controller, and any other persons performing similar functions. This code of conduct is available on our website at [www.beaconroofingsupply.com](http://www.beaconroofingsupply.com). If we make any substantive amendments to this code of conduct or grant any waiver, including any implicit waiver, from a provision of the code to our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, Controller, or any other persons performing similar functions, we will disclose the nature of such amendment or waiver on our website within four business days.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

The following is a summary of certain agreements and transactions among related parties and us.

### ***Executive officers and directors***

William Logie, son of Andrew Logie, is employed by us. His 2005 salary and bonus totaled \$270,060.

We lease three buildings for \$0.5 million per year from a limited liability company in which Andrew Logie is a member. We believe that the terms of these leases approximate those we would negotiate in arms-length transactions with unrelated third parties.

### ***Relationship with Code Hennessy***

In connection with our initial public offering, we entered into a registration rights agreement with Code, Hennessy & Simmons III, L.P. The agreement provides that, at the request of Code Hennessy, we will register under the Securities Act any shares of common stock currently held or later acquired by Code Hennessy for sale in accordance with Code Hennessy's intended method of disposition. Code Hennessy also has the right to include the shares of our common stock that it holds in registrations of common stock that we initiate on our own behalf or on behalf of other stockholders. In connection with the Registration Statement on Form S-3 (Registration No. 333-128919), we paid the fees and expenses (other than underwriting discounts) associated with the sale of shares of common stock by the selling stockholders, including Code, Hennessy & Simmons III, L.P.

***Redemption of 12% subordinated notes payable to related parties***

Upon completion of our initial public offering, we used a portion of the proceeds to redeem the 12% subordinated notes payable to related parties and the associated accrued interest. The following affiliate, director and executive officers owned and had notes redeemed having the principal amounts and accrued interest set forth opposite the names.

Code, Hennessy & Simmons III, L.P.	\$16,235,357
Andrew Logie	\$3,131,992
David Grace	\$224,750

***Redemption of warrants***

Upon completion of our initial public offering, we used a portion of the proceeds to redeem warrants for a net aggregate purchase price of \$34.3 million. The following affiliate, director and executive officers owned and had warrants redeemed for the amounts set forth opposite the names.

Code, Hennessy & Simmons III, L.P.	\$2,891,134
Andrew Logie	\$831,524
David Grace	\$94,011



**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The firm of Ernst & Young LLP, registered public accounting firm, has been our auditor since 1997 and has advised us that the firm does not have any direct financial interest or indirect financial interest in the Company or any of its subsidiaries. It is expected that a representative of such firm will (i) attend the 2006 annual meeting, (ii) have an opportunity to make a statement if they desire to do so, and (iii) be available to respond to appropriate questions.

**OTHER BUSINESS**

The board of directors knows of no other business to be brought before the annual meeting. If, however, any other business should properly come before the annual meeting, the persons named in the accompanying proxy will vote proxies as in their discretion they may deem appropriate, unless they are directed by a proxy to do otherwise.

A copy of our annual report on Form 10-K for the fiscal year ended September 24, 2005, including the financial statements and schedules but excluding exhibits, will be made available without charge to interested shareholders upon written request to us.

**INFORMATION CONCERNING SHAREHOLDER PROPOSALS**

Shareholders interested in presenting a proposal for consideration at our 2007 annual meeting of shareholders may do so by following the procedures prescribed in Rule 14a-8 promulgated by the Securities and Exchange Act of 1934. To be eligible for inclusion in the proxy statement and form of proxy relating to the meeting, shareholder proposals must be received by our Corporate Secretary no later than September 15, 2006. In accordance with our Bylaws, any shareholder proposal submitted other than for inclusion in the proxy materials for that meeting must be delivered to us no earlier than September 15, 2006 and no later than October 15, 2006, or such proposal will be considered untimely. This notice must contain the information required by our Bylaws.

By Order of the Board of Directors

DAVID R. GRACE, *Secretary*  
Peabody, Massachusetts  
January 13, 2006

**BEACON ROOFING SUPPLY, INC.**

**One Lakeland Park Drive**

**Peabody, Massachusetts 01960**

**PROXY FOR COMMON STOCK**

**2006 ANNUAL MEETING OF SHAREHOLDERS**

**THIS PROXY IS SOLICITED ON**

**BEHALF OF THE BOARD OF DIRECTORS**

The undersigned hereby appoints **Robert R. Buck** and **David R. Grace**, and each of them, the proxy and true and lawful attorneys and agents for and in the name of the undersigned, with full power of substitution for and in the name of the undersigned, to vote all shares of common stock, par value \$.01, of BEACON ROOFING SUPPLY, INC., a Delaware corporation (the Company), the undersigned is entitled to vote at the 2006 Annual Meeting of Shareholders of the Company to be held at the headquarters of our new Shelter Distribution region at 1602 Lavon Drive, McKinney, Texas 75069 on Wednesday, February 15, 2006 at 8:00am local time, and at any and all adjournments thereof.

**THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE PROPOSAL.**

Please vote, date and sign this proxy on the other side and return promptly in the enclosed envelope.

Has your address changed?

Do you have any comments?

*(SEE REVERSE SIDE)*

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(CONTINUED FROM OTHER SIDE)

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE PROPOSAL SET FORTH BELOW.**

The undersigned hereby instructs said proxies or their substitutes:

- |     |   |   |   |
|-----|---|---|---|
| (1) | <b>FOR ALL<br/>NOMINEES</b> <input type="radio"/> | <b>WITHHOLD VOTE<br/>FOR ALL<br/>NOMINEES</b> <input type="radio"/> | To elect the following nominees as directors to serve until the 2007 annual meeting of shareholders or until their successors are duly elected and qualified. |
|-----|---|---|---|

Nominees: Robert R. Buck, Andrew R. Logie, H. Arthur Bellows, Jr., James J. Gaffney, Peter M. Gotsch, Stuart A. Randle and Wilson B. Sexton.

- FOR ALL NOMINEES EXCEPT AS NOTED ABOVE**

(2) In their discretion, on any other matters which may properly come before the Annual Meeting or any adjournment(s) or postponement(s) thereof.

The undersigned hereby acknowledges receipt of (i) the Company's 2005 Annual Report to Shareholders, (ii) the Proxy Statement and (iii) the Notice of Annual Meeting dated January 13, 2006.

Signature:

**Please sign exactly as your name appears hereon. If stock is registered in more than one name, each holder should sign. When signing as an attorney, administrator, executor, guardian or trustee, please add your title as such. If executed by a corporation or partnership, the proxy should be signed in full corporate or partnership name by a duly authorized officer or partner as applicable. No postage is required if**

Date:

Mark box at right if you plan to  attend the Annual Meeting.

Mark box at right if an address change or comment has been noted  on the reverse side of this card.

**mailed within the United States.**

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