

SUPERIOR INDUSTRIES INTERNATIONAL INC  
Form PRRN14A  
July 14, 2014

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

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

(Amendment No. 2)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

SUPERIOR INDUSTRIES INTERNATIONAL, INC.  
(Name of Registrant as Specified in Its Charter)

GAMCO ASSET MANAGEMENT INC.

MARIO J. GABELLI

PHILIP T. BLAZEK

RYAN J. MORRIS

WALTER M. SCHENKER

(Name of Persons(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.



(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(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):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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(1) Amount previously paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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PRELIMINARY COPY SUBJECT TO COMPLETION

DATED JULY 14, 2014

GAMCO ASSET MANAGEMENT INC.

\_\_\_\_\_, 2014

Dear Fellow Shareholder:

GAMCO Asset Management Inc. (“GAMCO Asset Management”) and the other participants in this solicitation (collectively, “GAMCO” or “we”) are the beneficial owners of an aggregate of 3,563,228 shares of common stock, no par value per share (the “Common Stock”), of Superior Industries International, Inc., a California corporation (“Superior Industries” or the “Company”), representing approximately 13.24% of the outstanding shares of Common Stock. For the reasons set forth in the attached Proxy Statement, we are seeking representation on the Board of Directors of the Company (the “Board”). We are seeking your support at the annual meeting of shareholders scheduled to be held at the Airtel Plaza Hotel located at 7277 Valjean Avenue, Van Nuys, California 91406 on Friday, August 15, 2014 at 10:00 a.m. Pacific Time, including any adjournments or postponements thereof and any meeting which may be called in lieu thereof (the “Annual Meeting”), for the following:

1. To elect GAMCO’s three (3) director nominees, Philip T. Blazek, Ryan J. Morris and Walter M. Schenker (each a “Nominee” and, collectively, the “Nominees”), to the Board to serve until the 2015 annual meeting of shareholders and until their respective successors are duly elected and qualified;
2. To approve, in a non-binding advisory vote, executive compensation;
3. To ratify the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 28, 2014; and
4. To transact such other business as may properly come before the Annual Meeting or any postponements or adjournments thereof.

We believe that the Company is in urgent need of fresh perspective and a focus on enhancing shareholder value, which, we believe, the Nominees will provide.

We are seeking to add three representatives on the Board to ensure that the interests of the shareholders, the true owners of the Company, are appropriately represented in the boardroom. There are currently seven directors serving on the Board, four of whose terms expire at the Annual Meeting and three of whose terms expire at the 2015 Annual Meeting after shareholders approved an amendment and restatement of the Company’s Amended and Restated Articles of Incorporation to declassify the Board at the 2013 Annual Meeting over a two-year period and provide for the annual election of all directors beginning with the 2015 Annual Meeting. Through the attached Proxy Statement and enclosed BLUE proxy card, we are soliciting proxies to elect the Nominees. By voting on the BLUE proxy card, a stockholder will be voting for GAMCO’s Nominees only. GAMCO does not have the power to exercise discretionary authority to fill the other Board positions. The BLUE proxy card does not confer voting power with respect to any of the Company’s director nominees. Stockholders voting for GAMCO’s Nominees on the BLUE proxy will be deprived with respect to the election of one other director. There is no assurance that any of the Company’s nominees will serve as directors if all or some of our Nominees are elected.

We urge you to carefully consider the information contained in the attached Proxy Statement and then support our efforts by signing, dating and returning the enclosed BLUE proxy card today. The attached Proxy Statement and the enclosed BLUE proxy card are first being furnished to the shareholders on or about \_\_\_\_\_, 2014.



If you have already voted for the incumbent management slate, you have every right to change your vote by signing, dating and returning a later dated proxy or by voting in person at the Annual Meeting.

If you have any questions or require any assistance with your vote, please contact Morrow & Co., LLC, which is assisting us, at its address and toll-free numbers listed below.

Thank you for your support.

/s/ Mario J. Gabelli

Mario J. Gabelli  
GAMCO Asset Management Inc.

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Sign, date and return the BLUE proxy card today.

**Important!**

1. Regardless of how many shares you own, your vote is very important. Please sign, date and mail the enclosed BLUE proxy card. You may also vote via the Internet or by telephone by following the voting instructions on the BLUE proxy card.

Please vote each BLUE proxy card you receive since each account must be voted separately. Only your latest dated proxy counts.

2. We urge you NOT to sign any white proxy card sent to you by Superior Industries.

3. Even if you have sent a white proxy card to Superior Industries, you have every right to change your vote. You may revoke that proxy by signing, dating and mailing the enclosed BLUE proxy card in the enclosed envelope.

If you have any questions on how to vote your shares, or need additional copies of GAMCO's proxy materials, please call our proxy solicitor:

MORROW & CO., LLC at (800) 573-4370



PRELIMINARY COPY SUBJECT TO COMPLETION  
DATED JULY 14, 2014

2014 ANNUAL MEETING OF SHAREHOLDERS  
OF  
SUPERIOR INDUSTRIES INTERNATIONAL, INC.

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PROXY STATEMENT  
OF  
GAMCO ASSET MANAGEMENT INC.

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PLEASE SIGN, DATE AND MAIL THE ENCLOSED BLUE PROXY CARD TODAY

GAMCO Asset Management Inc., Mario J. Gabelli and certain of their affiliates (collectively, “GAMCO” or “we”) are significant shareholders of Superior Industries International, Inc., a California corporation (“Superior Industries” or the “Company”), owning in the aggregate approximately 13.24% of the outstanding shares of common stock, no par value per share (the “Common Stock”), of the Company. We are seeking to add three representatives on the Board of Directors of the Company (the “Board”) because we believe that the Board could be improved by the addition of directors who have strong, relevant background and who are committed to fully exploring all opportunities to enhance shareholder value. We are seeking your support at the annual meeting of shareholders scheduled to be held at the Airtel Plaza Hotel located at 7277 Valjean Avenue, Van Nuys, California 91406 on Friday, August 15, 2014 at 10:00 a.m. Pacific Time, including any adjournments or postponements thereof and any meeting which may be called in lieu thereof (the “Annual Meeting”), for the following:

1. To elect GAMCO’s three (3) director nominees, Philip T. Blazek, Ryan J. Morris and Walter M. Schenker (each a “Nominee” and, collectively, the “Nominees”), to the Board to serve until the 2015 annual meeting of shareholders and until their respective successors are duly elected and qualified;
2. To approve, in a non-binding advisory vote, executive compensation (commonly known as “Say-on-Pay”);
3. To ratify the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 28, 2014; and
4. To transact such other business as may properly come before the Annual Meeting or any postponements or adjournments thereof.

As of the date hereof, GAMCO and its affiliates collectively own 3,563,228 shares of Common Stock, constituting approximately 13.24% of the outstanding shares of Common Stock. We intend to vote such shares of Common Stock FOR the election of the Nominees, ABSTAIN on the approval of the Say-on-Pay Proposal, and FOR the ratification of Deloitte & Touche LLP as the Company’s independent registered public accounting firm, as described herein.

The Company has set the close of business on June 26, 2014 as the record date for determining shareholders entitled to notice of and to vote at the Annual Meeting (the “Record Date”). The mailing address of the principal executive offices of the Company is 7800 Woodley Avenue, Van Nuys, California 91406. Shareholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting. According to the Company, as of the Record Date, there were 26,912,102 shares of Common Stock outstanding.



THIS SOLICITATION IS BEING MADE BY GAMCO AND NOT ON BEHALF OF THE BOARD OF DIRECTORS OR MANAGEMENT OF THE COMPANY. WE ARE NOT AWARE OF ANY OTHER MATTERS TO BE BROUGHT BEFORE THE ANNUAL MEETING OTHER THAN AS SET FORTH IN THIS PROXY STATEMENT. SHOULD OTHER MATTERS, WHICH GAMCO IS NOT AWARE OF A REASONABLE TIME BEFORE THIS SOLICITATION, BE BROUGHT BEFORE THE ANNUAL MEETING, THE PERSONS NAMED AS PROXIES IN THE ENCLOSED BLUE PROXY CARD WILL VOTE ON SUCH MATTERS IN OUR DISCRETION.

GAMCO URGES YOU TO SIGN, DATE AND RETURN THE BLUE PROXY CARD IN FAVOR OF THE ELECTION OF THE NOMINEES.

IF YOU HAVE ALREADY SENT A PROXY CARD FURNISHED BY COMPANY MANAGEMENT OR THE BOARD, YOU MAY REVOKE THAT PROXY AND VOTE ON EACH OF THE PROPOSALS DESCRIBED IN THIS PROXY STATEMENT BY SIGNING, DATING AND RETURNING THE ENCLOSED BLUE PROXY CARD. THE LATEST DATED PROXY IS THE ONLY ONE THAT COUNTS. ANY PROXY MAY BE REVOKED AT ANY TIME PRIOR TO THE ANNUAL MEETING BY DELIVERING A WRITTEN NOTICE OF REVOCATION OR A LATER DATED PROXY FOR THE ANNUAL MEETING OR BY VOTING IN PERSON AT THE ANNUAL MEETING.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting—This Proxy Statement and our BLUE proxy card are available at

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IMPORTANT

Your vote is important, no matter how few shares of Common Stock you own. GAMCO urges you to sign, date, and return the enclosed BLUE proxy card today to vote FOR the election of the Nominees and in accordance with GAMCO's recommendations on the other proposals on the agenda for the Annual Meeting.

- If your shares of Common Stock are registered in your own name, please sign and date the enclosed BLUE proxy card and return it to GAMCO, c/o Morrow & Co., LLC ("Morrow") in the enclosed postage-paid envelope today.
- If your shares of Common Stock are held in a brokerage account or bank, you are considered the beneficial owner of the shares of Common Stock, and these proxy materials, together with a BLUE voting form, are being forwarded to you by your broker or bank. As a beneficial owner, you must instruct your broker, trustee or other representative how to vote. Your broker cannot vote your shares of Common Stock on your behalf without your instructions.
- Depending upon your broker or custodian, you may be able to vote either by toll-free telephone or by the Internet. Please refer to the enclosed voting form for instructions on how to vote electronically. You may also vote by signing, dating and returning the enclosed voting form.

Since only your latest dated proxy card will count, we urge you not to return any proxy card you receive from the Company. Even if you return the management proxy card marked "withhold" as a protest against the incumbent directors, it will revoke any proxy card you may have previously sent to us. Remember, you can vote for our Nominees only on our BLUE proxy card. So please make certain that the latest dated proxy card you return is the BLUE proxy card.

MORROW & CO., LLC  
470 West Avenue  
Stamford, CT 06902  
(800) 573-4370

### Background to the Solicitation

The following is a chronology of material events leading up to this proxy solicitation.

- GAMCO has been a major shareholder of the Common Stock of Superior Industries on behalf of our clients for many years. GAMCO and certain of its affiliates initially filed a Schedule 13D with respect to their ownership of securities of the Company on May 25, 2011.
- On November 30, 2012, GAMCO delivered a letter to the Company advising it of its intention to nominate one or more individuals for election as director of the Company at the 2013 Annual Meeting.
- On January 16, 2013, GAMCO delivered a nomination letter to the Company, in accordance with the requirements of the Company's Restated Bylaws (the "Bylaws") with respect to its nomination of Mr. Schenker for election as director of the Company at the 2013 Annual Meeting. GAMCO believed that because of the significant underperformance of the Company, Mr. Schenker's addition to the Board would be extremely valuable and after the Board declined to invite Mr. Schenker to join, GAMCO determined to pursue an election contest seeking Mr. Schenker's election to the Board.
- On May 17, 2013, the Company held the 2013 Annual Meeting at which Mr. Schenker was not elected as a director. Also at the 2013 Annual Meeting, the Company's shareholders approved a proposal relating to the declassification of the Board, which GAMCO supported.
- In November 2013, GAMCO met with Steven Borick, the Company's former Chairman and CEO, and Margaret S. Dano, the Company's current Chairman, who was serving as lead independent director at the time. During the meeting, GAMCO expressed its views regarding capital allocation, the Company's management and the Board.
- On November 25, 2013, GAMCO delivered a letter to the Company stating that GAMCO is currently evaluating all options available to it, including the submission of a proposal regarding the repurchase of the Company's Common Stock.
- On December 5, 2013, GAMCO submitted a shareholder proposal ("GAMCO's Proposal") for inclusion in the Company's proxy and proxy statement for the Annual Meeting, pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") requesting that the Board authorize a "Dutch Auction" tender offer to repurchase at least \$40 million of the Company's outstanding Common Stock. Also on December 5, 2013, GAMCO filed Amendment No. 14 to the Schedule 13D in which it disclosed its intention to nominate up to four individuals for election as directors of the Company at the Annual Meeting.
- On January 13, 2014, GAMCO delivered a nomination letter to the Company, in accordance with the requirements of the Bylaws, with respect to its nomination of Messrs. Blazek, Morris and Schenker for election as directors of the Company at the Annual Meeting.
- On February 12, 2014, GAMCO met with directors James McElya and Philip Colburn. During the discussion, Messrs. McElya and Colburn indicated that the Company would be open to adding one of the Nominees, Mr. Blazek, to the Board and a mutually agreeable second candidate. In order to ensure that the best interests of shareholders are appropriately represented in the boardroom, GAMCO responded with its belief that adding two of its Nominees to the Board could be an agreeable solution to avoid a proxy contest. GAMCO continued such discussions with Company representatives, including Ms. Dano, through early June of 2014 in an effort to avoid a proxy contest.



- On March 10, 2014, Paula Winner Barnett, the Company's Corporate Counsel and Corporate Secretary, sent a letter to GAMCO acknowledging the Company's receipt of GAMCO's nomination letter and stating that the Nominating and Corporate Governance Committee of the Board would like to interview the Nominees. The letter further requested that the Nominees complete the Company's director and officer questionnaire.
- On March 17, 2014, GAMCO responded on behalf of the Nominees that it has provided all required information with respect to the Nominees under the Company's Bylaws, and that it will be happy to make the Nominees available once the Company has shown commitment to a productive change on the Board by agreeing to a mutually-agreeable framework on Board composition.
- On April 30, 2014, the Company appointed Donald J. Stebbins as its President and CEO and as a member of the Board, effective May 5, 2014.
- On June 2, 2014, Ms. Barnett sent a letter to GAMCO informing GAMCO that the Company intends to include GAMCO's Proposal in the Company's proxy statement for the Annual Meeting.
  - On June 6, 2014, the Company filed its preliminary proxy statement.
  - On June 27, GAMCO delivered a letter to the Company withdrawing GAMCO's Proposal.

## REASONS FOR THE SOLICITATION

We believe that change is needed on the Board of Superior Industries. Therefore, we are soliciting your support to elect our Nominees at the Annual Meeting, who we believe would bring significant and relevant experience, new insight and fresh perspective to the Board.

### We Believe the Board Needs More Than Reactive Changes to Realize the Full Value of the Company's Assets

While the Company has admittedly improved its corporate governance since GAMCO's initial involvement and has taken certain actions to enhance operations, including the change in management, we firmly believe that these changes were largely the result of GAMCO's engagement and would likely not have been proactively made otherwise. Further, while we are pleased that our election contest last year and the constructive criticism we provided in its course have driven positive changes at Superior Industries, we firmly believe that there is much more to be done. Superior Industries' Total Shareholder Return (TSR) over the last -1, -3, -5 and -10-year periods on an absolute basis and relative to the S&P 500 Index have been very poor.

Our concern, based on the Company's past track record, is that without the shareholder activism, the current Board and senior management will not implement actions to enhance shareholder value. We believe that shareholder representatives in the boardroom are critically important to ensure that the shareholders' interests remain center row in all decision-making.

### OUR THREE NOMINEES HAVE THE EXPERIENCE, QUALIFICATIONS AND OBJECTIVITY NECESSARY TO FULLY EXPLORE AVAILABLE OPPORTUNITIES TO ENHANCE VALUE FOR SHAREHOLDERS

On behalf of our clients, GAMCO is one of the largest shareholders of Superior Industries. We are concerned that the Board lacks the objectivity and commitment necessary to act in the best interests of shareholders. We have identified three highly qualified, independent directors who we believe will bring a fresh perspective and commitment to shareholder value into the boardroom and would be extremely helpful in evaluating and executing on initiatives to enhance value at the Company. Our Nominees do not have any specific plans for the Company and, if elected, will review objectively all opportunities to enhance value for shareholders.

Philip T. Blazek. Mr. Blazek has vast financial, strategic and investment experience working with companies in a wide range of industries. GAMCO believes that Mr. Blazek brings extensive investment experience and will be an invaluable addition to the Board that will help improve effective oversight of the Company and strengthen the Board's focus on enhancing shareholder value.



Ryan J. Morris. Mr. Morris has extensive experience serving on the boards of directors of public companies, including as the Chairman of the Board of InFuSystem Holdings, Inc., Chairman of the Board of Lucas Energy, Inc. and a director of Sevcon, Inc. Mr. Morris has significant public company finance and investment management experience. GAMCO believes that Mr. Morris will be an invaluable addition to the Board that will help improve effective oversight of the Company and strengthen the Board's focus on enhancing shareholder value.

Walter M. Schenker. Mr. Schenker has extensive investment expertise built over more than 40 years of experience in the investment business. Mr. Schenker brings deep knowledge of many aspects of public company investing including accounting, financial reporting, capital allocation, strategic transactions and investor relations. Further, Mr. Schenker has followed the automotive parts industry since the mid-1970's and is the author of over 200 pieces of published research on the industry. GAMCO believes that the Board will greatly benefit from Mr. Schenker's public company investment experience and that his addition will help the Board surface shareholder value.

## PROPOSALS NO. 1

### ELECTION OF DIRECTORS

The Board is currently composed of seven directors, four of whose terms expire at the Annual Meeting. We are seeking your support at the Annual Meeting to elect our three Nominees, Philip T. Blazek, Ryan J. Morris and Walter M. Schenker. Your vote to elect the Nominees will have the legal effect of replacing three incumbent directors of the Company with the Nominees. If elected, the Nominees will represent a minority of the members of the Board and therefore it is not guaranteed that they will have the ability to enhance shareholder value.

#### THE NOMINEES

The following information sets forth the name, age, business address, present principal occupation, and employment and material occupations, positions, offices, or employments for the past five years of the Nominees. The nomination was made in a timely manner and in compliance with the applicable provisions of the Company's governing instruments. The specific experience, qualifications, attributes and skills that led us to conclude that the Nominees should serve as director of the Company is set forth above in the section entitled "Reasons for the Solicitation." This information has been furnished to us by the Nominees. All of the Nominees are citizens of the United States of America.

Philip T. Blazek, age 46, has served as the President and Principal Executive Officer of Special Diversified Opportunities Inc. (OTC Markets: SDOI) leading this public company through the sale of its former operating business and the strategic alternatives process to deploy its cash, since May 2013. Mr. Blazek served as Managing Director at Korenvaes Management LLC, a family office firm focused on deep value debt and equity investments, from February 2012 until the firm's founder closed the fund for personal reasons in July 2012. From 2008 through January 2012, Mr. Blazek was President and Chief Investment Officer of Blazek Crow Holdings Capital, LP, an equity small-cap value investment fund he founded with the Crow Holdings Family Office. From 2005 to 2008, he served as a Partner of Greenway Capital, LP, an investment firm focused on providing new capital and actively working with managements of small-cap public companies. Mr. Blazek's investment banking advisory tenure included the Mergers & Acquisitions Group of Wasserstein Perella (and successor Dresdner Kleinwort Wasserstein) from 1996 to 2004 and the Telecom/Media/Technology Group in the Investment Banking Division of Goldman Sachs from 1991 to 1994. He previously served on the board of directors of State Wide Aluminum, an Elkhart, Indiana supplier to the auto industry, from January 2000 to December 2001. Mr. Blazek received an Economics degree at Harvard University in 1990 and MBA degree at Harvard Business School in 1996. He is a Chartered Financial Analyst.

GAMCO believes the Board will benefit from Mr. Blazek's breadth of experience working with management teams, of both larger mature and smaller growth companies, regarding corporate strategy, allocation of capital, financial and strategic transactions, and business model improvements and transformations.

Ryan J. Morris, age 29, serves as the Managing Member of Meson Capital Partners LLC ("Meson LLC"), a San Francisco-based investment partnership, which he founded in February 2009. Prior to founding Meson LLC, in July 2008 he co-founded VideoNote LLC, a small and profitable educational software company with customers including Cornell University and The World Bank, and he continues to serve as its Chief Executive Officer. Mr. Morris has served as the Chairman of the board of InfuSystem Holdings, Inc., (NYSE-MKT: INFU) since April 2012. He has also served as a director of Lucas Energy, Inc. (NYSE-MKT: LEI) since October 2012, and as its Chairman from December 2012 through November 2013. Mr. Morris has also served as a director of Sevcon, Inc. (NasdaqCM: SEV) ("Sevcon") since December 2013. From June 2011 through July 2012, Mr. Morris served as a member of the equity committee responsible for maximizing value to the stockholders of Hear USA, Inc. Mr. Morris has a Bachelor's of Science and Masters of Engineering degree in Operations Research & Information Engineering from Cornell

University. Mr. Morris is a Chartered Financial Analyst.

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GAMCO believes that Mr. Morris' significant public company board experience and extensive investment experience will enable him to identify opportunities to enhance shareholder value.

Walter M. Schenker, age 67, is the sole Principal of MAZ Capital Advisors, LLC, a firm he founded in June 2010, which manages a hedge fund that largely invests on a long term basis in small-cap and mid-cap companies. Mr. Schenker has served as a director of Sevcon, Inc. (NasdaqCM: SEV) since December 2013, where he also serves as a member of its board's compensation committee. In 1999, Mr. Schenker co-founded Titan Capital Management, LLC, a registered investment advisor and hedge fund, where he remained until his partner's retirement in June 2010. In 2007, Titan Capital Management, LLC, TCMP3 Partners, L.P., its general partner, TCMP3 Capital, LLC, its investment manager, and portfolio managers Steven E. Slawson and Mr. Schenker agreed to a settlement with the SEC in connection with unregistered securities offerings, which are commonly referred to as "PIPEs" (Private Investment in Public Equity), without admitting or denying the allegations. During the 1970's and early 1980's, Mr. Schenker was a sell side analyst for a number of brokerage firms including Lehman Brothers, Drexel Burnham Lambert and Bear Stearns. Throughout this period he consistently followed the auto parts industry (both manufacturers and distributors) and regularly published written research on the industry and specific companies in the industry. He published in excess of 200 research pieces on topics relating to the industry or companies therein. He was also interviewed and quoted in publications, including among others, The Wall Street Journal. Mr. Schenker has continued to follow the industry and companies. Mr. Schenker was also previously employed by the following additional leading brokerage/investment banks and money management firms: Steinhardt Partners, Gabelli & Company, Inc., and Glickenhau & Company. Mr. Schenker has worked in the investment business for over 40 years. In the course of his career, Mr. Schenker has worked with public and private companies to advise and assist with raising capital. Mr. Schenker has been the lead plaintiff in securities class actions, and is knowledgeable on corporate governance issues. Mr. Schenker graduated from Cornell University, with a Bachelor of Arts degree, and received a Masters in Business Administration from Columbia University.

GAMCO believes that Mr. Schenker's vast experience in finance, capital allocation, strategic transactions and investor relations from more than 40 years of experience in the investment business, including as the principal of hedge funds and a registered investment adviser and at a number of leading brokerage/investment banks as well as money management firms, will improve the Board's ability to enhance shareholder value.

The principal business address of Mr. Blazek is c/o Special Diversified Opportunities Inc., 500 Crescent Court, Suite 230, Dallas, TX, 75201. The principal business address of Mr. Morris is c/o Meson Capital Partners LLC 2687 California Street, San Francisco, CA, 94115. The principal business address of Mr. Schenker is c/o MAZ Capital Advisors, LLC, 1130 Route 46, Suite 22, Parsippany, NJ, 07054.

As of the date hereof, Mr. Schenker directly owns 1,100 shares of Common Stock in his personal IRA account. As of the date hereof, neither of Messrs. Blazek or Morris own beneficially or of record any securities of the Company, nor have they made any purchases or sales of any securities of the Company in the past two years. Depending on market conditions and other factors, if elected, Messrs. Blazek and Morris intend to acquire shares of Common Stock, and Mr. Schenker intends to acquire additional shares of Common Stock. For information regarding purchases and sales of securities of the Company during the past two years by the Nominees, see Schedule I.

There are no arrangements or understandings between GAMCO or any of its affiliates of clients and the Nominees or any other person or persons pursuant to which the nomination of the Nominees described herein is to be made, other than the consent by the Nominees to be named in this Proxy Statement and to serve as a director of the Company if elected as such at the Annual Meeting. None of the Nominees is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries in any material pending legal proceedings.



Each Nominee presently is, and if elected as a director of the Company would be, an “independent director” within the meaning of (i) applicable NYSE listing standards applicable to board composition, including Rule 5605(a)(2) and (ii) Section 301 of the Sarbanes-Oxley Act of 2002. No Nominee is a member of the Company’s compensation, nominating or audit committee that is not independent under any such committee’s applicable independence standards.

We do not expect that the Nominees will be unable to stand for election, but, in the event that any Nominee is unable to serve or for good cause will not serve, the shares of Common Stock represented by the enclosed BLUE proxy card will be voted for substitute nominee(s), to the extent this is not prohibited under the Bylaws and applicable law. In addition, we reserve the right to nominate substitute person(s) if the Company makes or announces any changes to its Bylaws or takes or announces any other action that has, or if consummated would have, the effect of disqualifying any Nominee, to the extent this is not prohibited under the Bylaws and applicable law. In any such case, shares of Common Stock represented by the enclosed BLUE proxy card will be voted for such substitute nominee(s). We reserve the right to nominate additional person(s), to the extent this is not prohibited under the Bylaws and applicable law, if the Company increases the size of the Board above its existing size or increases the number of directors whose terms expire at the Annual Meeting. Additional nominations made pursuant to the preceding sentence are without prejudice to the position of GAMCO that any attempt to increase the size of the current Board constitutes an unlawful manipulation of the Company’s corporate machinery.

**WE URGE YOU TO VOTE FOR THE ELECTION OF THE NOMINEES ON THE ENCLOSED BLUE PROXY CARD.**

PROPOSAL NO. 2

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

As discussed in further detail in the Company's proxy statement, the Company is asking shareholders to indicate their support for the compensation of the Company's named executive officers. This proposal, commonly known as a "Say-on-Pay" proposal, is not intended to address any specific item of compensation, but rather the overall compensation of the Company's named executive officers and the philosophy, policies and practices described in the Company's proxy statement. Accordingly, the Company is asking shareholders to vote for the following resolution:

"RESOLVED, that the shareholders approve the compensation of Superior's named executive officers as disclosed pursuant to the SEC's compensation disclosure rules, including the Compensation Discussion & Analysis, the compensation tables and narrative discussion."

According to the Company's proxy statement, the Say-on-Pay vote is advisory only and not binding on the Company, the Compensation and Benefits Committee of the Board or the Board, but the results will be taken into consideration when making future compensation decisions for the Company's named executive officers.

WE RECOMMEND A VOTE TO "ABSTAIN" ON THE APPROVAL OF THE NON-BINDING RESOLUTION REGARDING EXECUTIVE COMPENSATION AND INTEND TO VOTE OUR SHARES "ABSTAIN" ON THIS PROPOSAL.

PROPOSAL NO. 3

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

As discussed in further detail in the Company's proxy statement, the Audit Committee of the Board has preliminarily selected Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 28, 2014 and is proposing that shareholders ratify such appointment.

As disclosed in the Company's proxy statement, this vote is an advisory vote only, and therefore it will not bind the Company, the Board or the Audit Committee. The Company is not required to obtain shareholder ratification of the selection of Deloitte & Touche LLP as its independent registered public accounting firm by its Bylaws or otherwise. However, according to the Company's proxy statement, should the shareholders fail to ratify the selection of Deloitte & Touch