

LYDALL INC /DE/
Form DEF 14A
March 14, 2019

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

SCHEDULE 14A INFORMATION

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
- Soliciting Material Pursuant to §240.14a-12

Lydall, Inc.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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(1) Amount Previously Paid:

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

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NOTICE OF ANNUAL MEETING

To: The Owners of Lydall, Inc. Common Stock

You are cordially invited to attend the Annual Meeting of Stockholders.

Location: Hilton Hartford, 315 Trumbull Street, Hartford, CT 06103

Date: Friday, April 26, 2019

Time: 9:00 a.m.

The Annual Meeting of Stockholders will be held for the purposes of:

1. Electing the nine (9) nominees named in the proxy statement to serve as Directors until the annual meeting of stockholders to be held in 2020 and until their successors are elected and qualified;
2. Holding an advisory vote on executive compensation;
3. Ratifying the appointment of PricewaterhouseCoopers LLP as independent auditor for fiscal year 2019; and
4. Transacting any other business that may properly come before the Annual Meeting.

All stockholders are invited to attend the Annual Meeting; however, whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the Annual Meeting. Therefore, we urge you to vote promptly and submit your proxy by telephone, via the Internet, or by signing, dating and returning the enclosed proxy card in the enclosed prepaid envelope. If you decide to attend the Annual Meeting, you have the right to vote in person even if you have previously submitted your proxy. If you hold your stock in street name, you should follow the voting instructions provided by your bank, broker or other nominee.

Sincerely,

Chad A. McDaniel
*Senior Vice President, General Counsel, and
Chief Administrative Officer*

Manchester, CT
March 14, 2019

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON APRIL 26, 2019.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF

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This proxy statement, along with the Lydall, Inc. 2018 Annual Report and Form 10-K, are available free of charge on our website at: www.lydall.com and by clicking on [Investor Relations](#).

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Lydall, Inc.
One Colonial Road
Manchester, CT 06042-2378

PROXY STATEMENT

Lydall, Inc. (we , Lydall or the Company) is providing these proxy materials in connection with the solicitation by our Board of Directors (the Board) of proxies to be voted at our 2019 Annual Meeting of Stockholders (the Annual Meeting) to be held on Friday, April 26, 2019 beginning at 9:00 a.m. at the Hilton Hartford, 315 Trumbull Street, Hartford, Connecticut and at any postponements or adjournments thereof. This Proxy Statement is being mailed or otherwise furnished to stockholders on or about March 14, 2019. You should review this information together with our 2018 Annual Report to Stockholders, which accompanies this Proxy Statement.

Information about the Annual Meeting

Why did you send me this Proxy Statement?

We sent you this Proxy Statement and the enclosed proxy card because the Board is soliciting your proxy to vote at the Annual Meeting to be held on Friday, April 26, 2019 or any postponements or adjournments thereof. This Proxy Statement summarizes information that is intended to assist you in making an informed vote on the proposals described in this Proxy Statement.

Who can vote at the Annual Meeting?

Only stockholders of record of Lydall s Common Stock at the close of business on Friday, March 1, 2019 (the Record Date) are entitled to vote at the Annual Meeting and any postponement or adjournment thereof. As of the Record Date, there were 17,504,397 shares of Common Stock issued and outstanding, the holders of which are entitled to one vote per share.

How many shares must be present to conduct the Annual Meeting?

We must have a quorum present in person or by proxy to hold the Annual Meeting. A quorum is a majority of the

outstanding shares entitled to vote. Votes withheld from any nominee, abstentions and broker non-votes (defined below) will be counted as present or represented for the purpose of determining the presence or absence of a quorum for the Annual Meeting.

What matters are to be voted upon at the Annual Meeting?

Three proposals are scheduled for a vote:

Election of the nine (9) nominees as Directors, each as named in this Proxy Statement, to serve until the annual meeting of stockholders to be held in 2020 and until their successors are elected and qualified;

Approval, on an advisory basis, of the compensation of the Company's Named Executive Officers; and
Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent auditor for the fiscal year ending December 31, 2019.

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How does the Board recommend that I vote?

The Board recommends that you vote:

FOR the election of each of the nominees for Director named in this Proxy Statement;

FOR the proposal to approve, on an advisory basis, the compensation of the Company's Named Executive Officers; and

FOR the proposal to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent auditor for fiscal year 2019.

How do I vote before the Annual Meeting?

With respect to each of (a) the election of directors, (b) the advisory vote on the compensation of the Company's Named Executive Officers and (c) the ratification of the selection of PricewaterhouseCoopers LLP as our independent auditor, you may vote FOR or AGAINST or abstain from voting.

If you hold your shares in your own name, you may vote as follows:

Telephone To vote by telephone, please follow the instructions on the enclosed proxy card. If you vote by telephone, it is not necessary to mail your proxy card.

Internet To vote over the Internet, please follow the instructions on the enclosed proxy card. If you vote on line, it is not necessary to mail your proxy card.

Mail To vote by mail, please complete, sign and date your proxy card and return it in the enclosed postage-paid envelope.

In Person If you wish to vote in person, written ballots will be available at the Annual Meeting.

How do I vote if my broker holds my shares in street name ?

If you hold your shares beneficially in street name, you may vote by submitting voting instructions to your broker, bank or other nominee. For directions on how to vote shares held beneficially in street name, please refer to the voting instructions provided by your broker, bank or other nominee.

May I vote at the Annual Meeting?

Yes, if you hold your shares in your own name, you may vote your shares at the Annual Meeting if you attend in person. Even if you plan to attend the Annual Meeting in person, we recommend that you also submit your proxy or voting instructions as described above so that your vote will be counted if you later decide not to attend the Annual Meeting in person. If you hold your shares in street name, in order to vote in person at the Annual Meeting, you must request a proxy from your broker, bank or other nominee.

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What should I do if I receive more than one set of proxy materials?

You may receive more than one set of these proxy materials, including multiple copies of this Proxy Statement and multiple proxy cards or voting instruction forms. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction form for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction form that you receive to ensure that all your shares are voted.

How many votes do I have?

Each share of Common Stock that you own as of the close of business on the Record Date entitles you to one vote on each nominee and on each other matter voted upon at the Annual Meeting.

May I change my vote?

Yes, if you own shares in your own name, you may change your vote or revoke your proxy at any time before the vote at the Annual Meeting by executing a valid proxy bearing a later date and delivering it to us prior to the Annual Meeting at Lydall, Inc., One Colonial Road, Manchester, Connecticut 06042, Attn: Secretary. You may withdraw your vote at the Annual Meeting and vote in person by giving written notice to our Secretary. You may also revoke your vote without voting by sending written notice of revocation to our Secretary at the above address. However, if you are a beneficial owner whose shares are held of record by a broker, bank or other nominee, you must contact your broker, bank or other nominee to change your vote.

How are my shares voted if I submit a proxy but do not specify how I want to vote?

If you submit a properly executed and signed proxy card and return it without indicating how you would like to vote your shares, the persons named in the proxy card (or, if applicable, their substitutes) will vote your shares as the Board recommends, which is:

FOR the election of each of the nominees for Director named in this Proxy Statement;

FOR the proposal to approve, on an advisory basis, the compensation of the Company's Named Executive Officers; and

FOR the proposal to ratify the selection of PricewaterhouseCoopers LLC as our independent auditor for fiscal year 2019.

What is a broker non-vote?

If you are a beneficial owner whose shares are held of record by a broker, bank or other nominee, you must instruct the broker, bank or other nominee how to vote your shares. If you do not provide voting instructions, your shares will not be voted on any proposal on which the broker, bank or other nominee does not have discretionary authority to vote. This is called a broker non-vote. In particular, brokers will not be able to vote on those matters for which specific authorization is required under the rules of the New York Stock Exchange (NYSE). If you are a beneficial

owner whose shares are held of record by a broker, your broker has discretionary voting authority under NYSE rules to vote your shares on the proposal to ratify the appointment of PricewaterhouseCoopers LLP even if the broker does not receive voting instructions from you. However, your broker does not have discretionary authority under NYSE rules to vote on the election of directors or on the advisory vote on executive compensation without instructions from you, and in the absence of instructions from you, a broker non-vote will occur and your shares will not be voted on these matters.

Your vote is important, and we strongly encourage you to vote your shares by following the instructions provided on the voting instruction form. Please return your voting instructions to your broker, bank or other nominee and contact the person responsible for your account to ensure that your shares are voted on your behalf.

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What vote is required to elect directors?

At prior annual meetings, our Bylaws provided that Directors were elected by a plurality of the votes cast by stockholders entitled to vote at the Annual Meeting. This meant that the nominees receiving the highest number of votes, whether or not a majority of the total number of votes cast, would be elected. Neither votes that were withheld nor broker non-votes will affect the outcome of the election of Directors.

In December 2018, the Board amended our Bylaws to provide for a majority vote standard which applies to the 2019 Annual Meeting. Under this revised standard, a nominee shall be elected as a Director if the votes cast FOR such nominee's election exceed the votes cast AGAINST such nominee's election (with abstentions and broker non-votes counted as a vote for or against such nominee's election).

In contested elections (defined below), Directors would be elected by a plurality of the votes cast by stockholders entitled to vote at the Annual Meeting as described above. A contested election is any meeting on the election of directors for which a stockholder has properly nominated a person for election to the Board in compliance with the advance notice requirements and such nomination has not been timely withdrawn by such stockholder.

What happens in an uncontested election if an incumbent director does not receive a majority of the votes cast on his or her election?