

AMERICAN VANGUARD CORP
Form DEF 14A
May 11, 2004

SCHEDULE 14A INFORMATION

(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**

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 Rule 14a-11(c) or Rule 14a-12

AMERICAN VANGUARD CORPORATION

(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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Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

AMERICAN VANGUARD CORPORATION

4695 MacArthur Court, Suite 1250

Newport Beach, California 92660

May 5, 2004

Dear Stockholder:

It is our pleasure to invite you to American Vanguard's Annual Meeting of Stockholders in Newport Beach, California on June 4, 2004. In the following pages you will find information about the meeting plus a Proxy Statement.

If you cannot be with us in person, please be sure to vote your shares by proxy. Just mark, sign and date the enclosed proxy card and return it in the postage-paid envelope.

We are grateful for your continuing interest in the Company. In person or by proxy, your vote is important. Thank you.

Sincerely,

AMERICAN VANGUARD CORPORATION

Eric G. Wintemute

President and Chief Executive Officer

AMERICAN VANGUARD CORPORATION

4695 MacArthur Blvd., Suite 1250

Newport Beach, CA 92660

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held June 4, 2004

To the Stockholders of American Vanguard Corporation:

The Annual Meeting of the Stockholders (the Annual Meeting) of American Vanguard Corporation, a Delaware corporation, will be held at the Sutton Place Hotel, 4500 MacArthur Boulevard, Newport Beach, California, on Friday, June 4, 2004. The meeting will begin promptly at 10:00 a.m. local time. Matters to be voted on at the meeting are:

1. Elect seven directors for the ensuing year;
2. Ratify the appointment of BDO Seidman, LLP as independent auditors for the year ended December 31, 2004;
3. Act upon a proposal to amend the Company's Amended and Restated Certificate of Incorporation to increase the number of shares of Common Stock authorized from 10,000,000 shares to 40,000,000 shares;
4. Act upon a proposal to approve the Fourth Amended and Restated 1994 Stock Incentive Plan, which materially modifies the Company's current Third Amended and Restated 1994 Stock Incentive Plan (previously approved by the stockholders during last year's annual meeting) as follows: (i) to increase the number of shares of Common Stock reserved for issuance under the plan from 1,311,000 to 1,611,000 and (ii) to provide that any repricing of a previously granted award under the plan or cancellation of a previously granted award and the issuance of a new substituted award requires stockholder approval.
5. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Stockholders of record at the close of business on May 5, 2004 are entitled to notice of and to vote at the Annual Meeting and any adjournments thereof. A copy of the Company's Annual Report, including financial statements for the year ended December 31, 2003, is enclosed with this Notice.

It is important that your shares be represented whether or not you plan to attend the Annual Meeting. Please sign, date, and return the enclosed proxy in the enclosed postage-paid return envelope. All shares represented by the enclosed proxy, if the proxy is properly executed and returned, will be voted as you direct. If you attend the meeting, you may withdraw your proxy at that time and vote your shares in person.

By Order of the Board of Directors

James A. Barry

Senior Vice President, Chief Financial Officer,

Treasurer and Secretary

Newport Beach, California

May 5, 2004

AMERICAN VANGUARD CORPORATION

4695 MacArthur Court

Newport Beach, CA 92660

PROXY STATEMENT

Annual Meeting of Stockholders to be held June 4, 2004

Proxy Solicitation by the Board of Directors

This statement is furnished in connection with the Annual Meeting of Stockholders to be held at the Sutton Place Hotel, 4500 MacArthur Boulevard, Newport Beach, California, at 10:00 a.m. local time on June 4, 2004. Stockholders of record at the close of business on May 5, 2004 will be entitled to vote at the meeting.

Proxies are being solicited by the Board of Directors of the Company. The Company will bear all costs of the solicitation. The Company does not intend to solicit proxies otherwise than by use of the mail, but certain officers and other employees of the Company or its subsidiaries, without additional compensation, may use their personal efforts, by telephone, telecommunication, or other similar means to obtain proxies. If the enclosed proxy is executed and returned, the shares represented by the proxy will be voted as specified therein. If a proxy is signed and returned without specifying choices, the shares will be voted FOR the election of each nominee for director as set forth in the Notice of Annual Meeting, FOR the proposal to ratify the appointment of BDO Seidman, LLP as independent auditors for 2004, FOR the proposal to amend the Company's Amended and Restated Certificate of Incorporation to increase the number of shares of Common Stock authorized from 10,000,000 shares to 40,000,000 shares, FOR the proposal to approve the Fourth Amended and Restated 1994 Stock Incentive Plan and in the proxies discretion as to other matters that may properly come before the Annual Meeting.

Any stockholder has the power to revoke his or her proxy at any time prior to the voting thereof at the Annual Meeting by (i) filing with the Company's Secretary written revocation of his or her proxy, (ii) giving a duly executed proxy bearing a later date, or (iii) voting in person at the Annual Meeting. Attendance by a stockholder at the Annual Meeting will not in itself revoke his or her proxy. This Proxy Statement is being mailed to stockholders on or about May 5, 2004.

The Board of Directors has fixed the close of business on May 5, 2004, as the record date for the purpose of determining the stockholders entitled to notice of and to vote at the Annual Meeting. The Company has only two authorized classes of shares, Preferred Stock and Common Stock, each with a par value of \$0.10 per share. There are 400,000 shares of Preferred Stock authorized, none of which have been issued. There are 10,000,000 shares of Common Stock authorized and, as of May 5, 2004, 8,964,263 are outstanding. Each stockholder will be entitled to one vote, in person or by proxy, for each share standing in his or her name on the Company's books as of the record date.

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The seven directors to be elected by the holders of Common Stock shall be the seven candidates receiving the highest number of votes cast by holders of Common Stock.

Shares represented by proxies which are marked "withhold authority" or to deny discretionary authority on any matter will be counted as shares present for purposes of determining the presence of a quorum; such shares will also be treated as shares present and entitled to vote, which will have the same effect as a vote against any such matter. Proxies relating to "street name" shares which are not voted by brokers on one or more matters will not be treated as shares present for purposes of determining the presence of a quorum unless they are voted by the broker on at least one matter. Such non-voted shares will not be treated as shares represented at the meeting as to any matter for which non-vote is indicated on the broker's proxy.

CORPORATE GOVERNANCE OF THE COMPANY

Strong corporate governance is an integral part of the Company's core values, supporting the Company's sustainable growth mission. American Vanguard Corporation is committed to having sound corporate governance principles and practices. Please visit the Company's website at www.american-vanguard.com for the Company's current Audit Committee Charter, Compensation Committee Charter, Nominating and Corporate Governance Committee Charter, the Code of Ethics and Conduct and the Employee Complaint Procedures for Accounting and Auditing Matters.

THE INDEPENDENCE OF DIRECTORS

It is the expectation and practice of the Board that, in their roles as members of the Board, all members will exercise their independent judgment diligently and in good faith and in the best interests of the Company and its stockholders as a whole, notwithstanding any member's other activities or affiliations.

The Board has determined that a majority of its members are independent in accordance with the applicable rules and listing standards currently prescribed by the American Stock Exchange (AMEX). The Board will re-examine the independence of each of its members at least once per year and more frequently during the year if there is any change in a member's material relationship with the company that would interfere with the member's exercise of independent judgment.

COMMITTEES OF THE BOARD

Audit Committee

The responsibilities of the Audit Committee are set forth in the current Audit Committee Charter, which is attached at Appendix B to this Proxy Statement and is available on the Company's website (www.american-vanguard.com). These responsibilities include:

Employs the independent auditors, subject to stockholder ratification, to audit the Company's consolidated financial statements.

Pre-approves all services performed by the independent auditors.

Provides oversight on the external reporting process and the adequacy of the Company's internal controls.

Reviews the scope of the audit activities of the independent auditors and appraises audit efforts.

Reviews services provided by the independent auditors and other disclosed relationships as they bear on the independence of the independent auditors.

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Establishes procedures for the receipt, retention and resolution of complaints, if any, regarding accounting, internal controls or auditing matters.

The Board has determined that all members of the Audit Committee are independent directors under applicable rules and regulations currently prescribed by the Securities Exchange Commission (SEC) and the applicable rules and listing standards currently prescribed by AMEX. The Board has determined that Irving J. Thau is an audit committee financial expert within the meaning of applicable SEC rules and regulations.

Please also see the Audit Committee Report contained in this Proxy Statement.

Compensation Committee

The responsibilities of the Compensation Committee are set forth in the current Compensation Committee Charter, which is available on the Company's website (www.american-vanguard.com). These responsibilities include:

Establishes executive compensation policy consistent with corporate objectives and stockholder interest.

Oversees process for evaluating CEO performance against Board-approved goals and objectives and recommends to the Board compensation for the CEO.

Administers grants under the Company's compensation plan(s).

The Board has determined that all members of the Compensation Committee are independent directors under the applicable rules and listing standards currently prescribed by AMEX. The Board has also determined that at least two members of the Compensation Committee, who will administer the Company's compensation plan(s), are non-employee directors under Rule 16b-3 of the Securities Exchange Act of 1934 and are outside directors under Section 162(m) of the Internal Revenue Code of 1986.

Please also see the Compensation Committee Report contained in this Proxy Statement.

Nominating and Corporate Governance Committee

The responsibilities of the Nominating and Corporate Governance Committee are set forth in the current Nominating and Corporate Governance Committee Charter, which is available on the Company's website (www.american-vanguard.com). These responsibilities include:

Recommends to the Board nominees for election to the Board of Directors.

Reviews principles, policies and procedures affecting directors and the Board's operation and effectiveness.

Oversees evaluation of the Board and its effectiveness.

The Board has determined that all members of the Nominating and Corporate Governance Committee are independent directors under the applicable rules and listing standards currently prescribed by AMEX.

REPORT OF THE AUDIT COMMITTEE

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The responsibilities of the Audit Committee, which are set forth in the Audit Committee Charter, include providing oversight to the Company's financial reporting process through periodic meetings with the Company's independent auditors and management to review accounting, auditing, internal controls and financial reporting matters. The management of the Company is responsible for the preparation and integrity of the financial reporting information and related systems of internal controls. The Audit Committee, in carrying out its role, relies on the Company's senior management, including senior financial management, and its independent auditors.

We have reviewed and discussed with senior management the Company's audited financial statements included in the 2003 Annual Report to Stockholders. Management has confirmed to us that such financial statements (i) have been prepared with integrity and objectivity and are the responsibility of management and (ii) have been prepared in conformity with generally accepted accounting principles.

We have discussed with BDO Seidman, LLP, the Company's independent auditors, the matters required to be discussed by SAS 61 (Communications with Audit Committee). SAS 61 requires our independent auditors to provide us with additional information regarding the scope and results of their audit of the Company's financial statements, including with respect to (i) their responsibility under generally accepted auditing standards,

(ii) significant accounting policies, (iii) management judgments and estimates, (iv) any significant audit adjustments, (v) any disagreements with management, and (vi) any difficulties encountered in performing the audit.

We have received from BDO Seidman, LLP, a letter providing the disclosures required by Independence Standards Board Standard No. 1. (Independence Discussions with Audit Committees) with respect to any relationships between BDO Seidman, LLP and the Company that in their professional judgment may reasonably be thought to bear on independence. BDO Seidman, LLP has discussed its independence with us, and has confirmed in such letter that, in its professional judgment, it is independent of the Company within the meaning of the federal securities laws.

Based on the review and discussions described above with respect to the Company's audited financial statements included in the Company's 2003 Annual Report to Stockholders, we have recommended to the Board of Directors that such financial statements be included in the Company's Annual Report on Form 10-K for filing with the Securities and Exchange Commission.

As specified in the Audit Committee Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with generally accepted accounting principles. That is the responsibility of management and the Company's independent auditors. In addition, it is not the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditors, or to assure compliance with laws and regulations and the Company's Code of Conduct and Ethics. In giving our recommendation to the Board of Directors, we have relied on (i) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with generally accepted accounting principles, and (ii) the report of the Company's independent auditors with respect to such financial statements.

AUDIT COMMITTEE

Irving J. Thau, Chair

Jay R. Harris

Carl R. Soderlind

March 12, 2004

PROPOSAL 1 ELECTION OF DIRECTORS

The Board of Directors of the Company is elected annually. The Certificate of Incorporation and Bylaws, as each have been previously amended and restated, of the Company currently provide that the number of directors of the Board shall not be more than nine nor less than three. The Board has determined by resolution that it shall consist of seven members. Seven directors are to be elected at the Annual Meeting and will hold office from the time of the election until the next Annual Meeting and until their respective successors are duly elected and qualified, or until their earlier resignation or removal.

The following sets forth the names and certain information with respect to the persons nominated for election as directors, all of whom have had the same principal occupation for more than the past five years, except as otherwise noted. All such nominees have consented to serve, and all nominees are now directors, and were elected by the stockholders at the 2003 Annual Meeting of Stockholders (except where noted).

REQUIRED VOTE AND RECOMMENDATION

The seven directors to be elected by the holders of Common Stock shall be the seven candidates receiving the highest number of votes cast by holders of Common Stock.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** THE NOMINEES IDENTIFIED BELOW.

NOMINEES FOR ELECTION AS DIRECTORS

Herbert A. Kraft has served as Co-Chairman of the Board since July 1994. Mr. Kraft served as Chairman of the Board and Chief Executive Officer from 1969 to July 1994. Age 80.

Glenn A. Wintemute has served as Co-Chairman of the Board since July 1994. Mr. Wintemute served as President of the Company and all operating subsidiaries from 1984 to July 1994 and was elected a director in 1971. He served as President of Amvac Chemical Corporation (AMVAC) from 1963 to July 1994. He is also the father of Eric G. Wintemute, the Company's President and Chief Executive Officer. Age 79.

Eric G. Wintemute has served as a director of the Company since 1994. Mr. Wintemute has also served as President and Chief Executive Officer since July 1994. He was appointed Executive Vice President and Chief Operating Officer of the Company in January 1994. He is also the son of Glenn A. Wintemute, the Company's Co-Chairman. Age 48.

Jay R. Harris has served as director of the Company since March 2000. Mr. Harris is President and Founder of Goldsmith & Harris, a broker dealer providing investment research to institutional and professional investors. He has held this position since 1982, the year Goldsmith & Harris (or its predecessors) was founded. Age 69.

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John B. Miles has served as director of the Company since 1999. Mr. Miles is a Partner with the law firm McDermott Will & Emery and has held the position of partner since 1987. (McDermott Will & Emery provides legal services to the Company.) Prior to 1987, Mr. Miles was a partner with Kadison Pfaelzer Woodward Quinn & Rossi. Mr. Miles has previously served on boards of directors for public and private corporations. Age 60.

Carl R. Soderlind has served as director since June 2000. Mr. Soderlind served as Chairman and Chief Executive Officer of Golden Bear Oil Specialties, a producer of niche specialty oil and chemical products used in a variety of industrial applications from 1997 through 2001. From 1961 to 1996 he served in various capacities of Witco Corporation, with the most recent position being Senior Executive Vice President and member of the Management Committee. Age 70.

Irving J. Thau was appointed by the Board as a director in September 2003. From 1962 to 1995, he held various positions with Ernst & Young LLP, where his primary responsibilities were directing and providing accounting, auditing, and business advisory services to publicly held and privately owned organizations. He was admitted to partnership in 1974, and most recently served as Ernst & Young's West Region Director of Financial Advisory Services. In 1995, Mr. Thau founded Thau and Associates, Inc., a financial consulting company of which he currently serves as President. Age 64.

DIRECTORS FEES AND OTHER ARRANGEMENTS

Non-employee directors each received \$2,500 for each regular or special Board meeting attended and a fee of \$1,200 for each Committee meeting attended, unless the director served as Chairperson of the meeting, in which case the Chairperson received \$1,700 per meeting. Effective January 1, 2004, each non-employee director receives \$5,000 per quarter in lieu of the per \$2,500 meeting attendance fees. The fee for each Committee meeting remains at \$1,200 with the Chairperson receiving \$1,700 except for the Audit Committee. Effective January 1, 2004, each member of the Audit Committee receives a fee of \$1,500 for each meeting attended with the Chairperson receiving a fee of \$2,500.

Effective with a non-employee director's first election to the Board, he or she receives an option to purchase 9,075 shares⁽¹⁾ of the Company's Common Stock. Additionally, should any non-employee member of the Board be re-elected to a succeeding term, an additional option for 3,630 shares⁽¹⁾ will be granted on or about the date of the Board member's re-election. The options are awarded as non-qualified stock options under the Company's 1994 Stock Incentive Plan, as amended and restated. The terms and conditions of the options are set forth in a written agreement with each non-employee director. The exercise price per share shall be 100% of the Fair Market Value of a share of Common Stock as determined in accordance with the plan. The options may be exercised in whole or in part from time to time, within five years from the date of grant, provided that such option shall terminate and cease to be exercisable upon twelve months following the termination of the director's service on the Board due to resignation, failure to be re-elected, death, or disability. There were 7,259⁽¹⁾ stock options exercised by non-employee directors during the year ended December 31, 2003.

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors met five times during the year ended December 31, 2003. The Board of Directors has Audit, Compensation and Nominating/Governance Committees.

The Compensation Committee is composed of Messrs. Carl R. Soderlind (Chairperson), Jay R. Harris and John B. Miles. The Compensation Committee held six meetings during the year ended December 31, 2003.

The Audit Committee is composed of Messrs. Irving J. Thau (Chairperson), Jay R. Harris and Carl R. Soderlind. The Audit Committee held five meetings during fiscal year 2003.

The Nominating and Corporate Governance Committee is composed of Messrs. John B. Miles (Chairperson), Carl R. Soderlind and Irving J. Thau.

⁽¹⁾ This figure is adjusted for stock splits and stock dividends distributed to date.

BENEFICIAL OWNERSHIP

To the knowledge of the Company, the ownership of the Company's outstanding Common Stock as of May 5, 2004, by persons who are directors and nominees for directors, beneficial owners of 5% or more of the outstanding Common Stock, the executive officers of the Company named in the Summary Compensation Table and by all directors and officers as a group is set forth below. Unless otherwise indicated the Company believes that each of the persons set forth below has the sole power to vote and to dispose of the shares listed opposite his name.

<u>Office (if any)</u>	<u>Name and Address</u>	<u>Amount and Nature of Beneficial Ownership(1)</u>	<u>Percent of Class</u>
Co-Chairman	Herbert A. Kraft 4695 MacArthur Court Newport Beach, CA 92660	1,517,468(2)	16.9%
Co-Chairman	Glenn A. Wintemute 4695 MacArthur Court Newport Beach, CA 92660	1,188,640(9)	13.2%
	T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	816,077	9.1%
Director, President & CEO	Eric G. Wintemute 4695 MacArthur Court Newport Beach, CA 92660	471,581(3)	5.2%
Director	Jay R. Harris 4695 MacArthur Court Newport Beach, CA 92660	474,740(12)	5.3%
	Goldsmith & Harris et. al. 80 Pine Street New York, NY 10005	312,618(4)	3.5%
President (GEMCHEM)	Bob Gilbane 4695 MacArthur Court	184,094(5)	2.1%

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	Newport Beach, CA 92660		
Senior Vice	Glen D. Johnson		
President (AMVAC)	4695 MacArthur Court		
	Newport Beach, CA 92660	94,147(6)	1.0%
Director	Carl R. Soderlind		
	4695 MacArthur Court		
	Newport Beach, CA 92660	35,499(13)	(14)
Director	John B. Miles		
	4695 MacArthur Court		
	Newport Beach, CA 92660	27,508(7)	(14)
Director,	James A. Barry		
Sr. V.P., CFO &	4695 MacArthur Court		
Secretary/Treasurer	Newport Beach, CA 92660	18,918(8)	(14)

<u>Office (if any)</u>	<u>Name and Address</u>	<u>Amount and Nature of Beneficial Ownership(1)</u>	<u>Percent of Class</u>
Senior Vice	Christopher K. Hildreth		
President (AMVAC)	4695 MacArthur Court Newport Beach, CA 92660	22,500(10)	(14)
Director	Irving J. Thau 4695 MacArthur Court Newport Beach, CA 92660	9,075(11)	(14)
<u>Directors and Officers as a group</u>		4,086,501	44.2%

- (1) Beneficial ownership figures are adjusted for stock splits and stock dividends distributed to date, including the 3 for 2 stock split distributed on April 16, 2004.
- (2) The shares are held in a family trust for which Mr. Kraft and his spouse are co-trustees, except as to 5,188 shares held in an Individual Retirement Account. This figure includes 7,260 shares of Common Stock Mr. Kraft is entitled to acquire pursuant to stock options exercisable within sixty days of the filing of this Proxy Statement, but excludes stock options for 3,630 shares of Common Stock to be granted and exercisable at the time of grant if he is re-elected as a director.
- (3) Mr. Wintemute shares with his spouse the power to vote and dispose of 249,861 shares of Common Stock. This figure includes 67,500 shares of Common Stock Mr. Wintemute is entitled to acquire pursuant to stock options exercisable within sixty days of the filing of this Proxy Statement. This figure also includes 52,252 shares of Common Stock owned by Mr. Wintemute's minor children for which Mr. Wintemute and/or his spouse act as trustee or custodian.
- (4) This figure does not include shares beneficially owned by Jay R. Harris. Mr. Harris shares with Goldsmith & Harris et. al. the power to direct the disposition of 312,618 shares of the security.
- (5) This figure includes 12,000 shares of Common Stock Mr. Gilbane is entitled to acquire pursuant to stock options exercisable within sixty days of the filing of this Proxy Statement.
- (6) This figure represents 91,450 shares of Common Stock Mr. Johnson is entitled to acquire pursuant to stock options exercisable within sixty days of the filing of this Proxy Statement.
- (7) This figure includes 14,520 shares of Common Stock Mr. Miles is entitled to acquire pursuant to stock options exercisable within sixty days of the filing of this Proxy Statement, but excludes stock options for 3,630 shares of Common Stock to be granted and exercisable at the time of grant if he is re-elected as a director.
- (8) This figure includes 17,400 shares of Common Stock Mr. Barry is entitled to acquire pursuant to stock options exercisable within sixty days of the filing of this Proxy Statement.
- (9) The shares are held in a family trust for which Mr. Wintemute and his spouse are co-trustees. This figure includes 7,260 shares of Common Stock Mr. Wintemute is entitled to acquire pursuant to stock options exercisable within sixty days of the filing of this Proxy Statement, but excludes stock options for 3,630 shares of Common Stock to be granted and exercisable at the time of grant if he is re-elected as a director. This figure also includes 167,982 shares of Common Stock owned by Mr. Wintemute's children who share his residence.
- (10) This figure represents 22,500 shares of Common Stock Mr. Hildreth is entitled to acquire pursuant to stock options exercisable within sixty days of the filing of this Proxy Statement.
- (11) This figure represents 9,075 shares of Common Stock Mr. Thau is entitled to acquire pursuant to stock options exercisable within sixty days of the filing of this Proxy Statement, but excludes stock options for 3,630 shares of Common Stock to be granted and exercisable at the time of grant if he is re-elected as a director.
- (12) This figure includes 3,630 shares of Common Stock Mr. Harris is entitled to acquire pursuant to stock options exercisable within sixty days of the filing of this Proxy Statement, but excludes stock options for 3,630 shares of Common Stock to be granted and exercisable at the time of grant if he is re-elected as a director. This figure also includes 2,400 shares of Common Stock held in his mother's trust for which he is a trustee and 261,319 shares of common stock held by a partnership in which he is a general partner, but excludes shares of common stock held by others for which he has voting or investment power but no pecuniary interest.
- (13) This figure excludes stock options for 3,630 shares of Common Stock to be granted and exercisable at the time of grant if Mr. Soderlind is re-elected as a director.

(14) Under 1% of class.

SECTION 16(A) REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers, directors, and persons who own more than ten percent of a registered class of the Company's equity securities to file reports of ownership and changes in ownership with the SEC.

Based solely on the Company's review of the copies of such forms received by the Company, or representations obtained from certain reporting persons, the Company believes that during the year ended December 31, 2003 all Section 16(a) filing requirements applicable to its executive officers, directors, and greater than ten percent beneficial stockholders were complied with except the following: Christopher K. Hildreth did not timely file a Form 3 after joining AMVAC in February 2003 and a Form 4 with respect to certain options (not yet exercised) granted to him in February 2003; James A. Barry did not timely file a Form 4 with respect to certain options (not yet exercised) granted to him in March 2003; and Carl R. Soderlind did not timely file a Form 4 with respect to certain options exercised in December 2003. Messrs. Hildreth's, Barry's and Soderlind's filings have all been filed as of the filing of this Proxy Statement.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

The following table sets forth the aggregate cash and other compensation for services rendered for the years ended December 31, 2003, 2002 and 2001 paid or awarded by the Company and its subsidiaries to the Company's Chief Executive Officer and each of the four highly compensated executive officers of the Company or its subsidiaries, whose aggregate remuneration exceeded \$100,000 (the named executive officers).

Summary Compensation Table

(a)	Annual Compensation(1)			Long-Term Compensation				
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year	Salary (\$)	Bonus (\$)(3)	Other Annual Compensation (\$)	Re- stricted Stock Award(s) (\$)	Underlying Options/ SARs (#)	LTIP Payouts (\$)	Other Compensation (\$)
Eric G. Wintemute	2003	620,293				168,750(5)		6,140(2)
President and Chief Executive Officer	2002	532,518						5,380(2)
	2001	480,918						5,360(2)
James A. Barry	2003	226,242				42,000(5)		5,563(2)
Senior V.P., CFO & Secretary/Treasurer	2002	210,542						5,380(2)
	2001	191,134				30,000(5)		5,360(2)

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Glen D. Johnson				
Sr. Vice President (AMVAC)	2003	285,966	22,500(5)	2,515(2)
	2002	246,356		260(2)
	2001	236,853		892(2)
Christopher K. Hildreth (4)				
Sr. Vice President (AMVAC)	2003	199,778	67,500(5)	3,434(2)
	2002			(2)
	2001			(2)
Robert F. Gilbane				
President (GemChem)	2003	237,242	15,000(5)	6,140(2)
	2002	226,143		5,380(2)
	2001	215,442	30,000(5)	5,360(2)

- (1) No executive officer enjoys perquisites that exceed the lesser of \$50,000, or 10% of such officer's salary.
- (2) These amounts represent the Company's contribution to the Company's Retirement Savings Plan, a qualified plan under Internal Revenue Code Section 401(k).

- (3) Included in salary column.
- (4) Mr. Hildreth joined AMVAC Chemical Corporation as Senior Vice President in February, 2003.
- (5) Represents options to purchase Common Stock of the Company in accordance with the terms and conditions of stock option agreements (as adjusted for stock dividends and splits).

Employment Agreements

On January 15, 2003, the Company entered into an employment agreement which expires December 31, 2007, with Mr. Eric G. Wintemute. Mr. Wintemute serves as President and Chief Executive Officer of the Company. Mr. Wintemute's base annual compensation is set by this employment agreement. The agreement also provides Mr. Wintemute with certain additional benefits which are customary for executives at this level in the industry.

On February 3, 2003, the Company entered into an employment agreement which expires February 3, 2006, with Mr. Christopher K. Hildreth. Mr. Hildreth serves as Senior Vice President, Director of Sales for AMVAC Chemical Corporation. Mr. Hildreth's beginning annual salary was set to contract with such annual increases as may be determined by the Compensation Committee, in its sole discretion. The agreement also provides Mr. Hildreth with certain additional benefits which are customary for executives at this level in the industry.

OPTION GRANTS 2003

Name	Number of Securities Underlying Options/SAR s Granted(1)(6)	% of Total Options/SAR s Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Share) (1)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation For Option Term (7)	
					5% (\$)	10% (\$)
Eric G. Wintemute	168,750(2)	37.4				