

SNAP-ON Inc
Form DEF 14A
March 09, 2011
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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 under §240.14a-12

SNAP-ON INCORPORATED

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(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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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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NOTICE OF 2011 ANNUAL MEETING OF SHAREHOLDERS

AND PROXY STATEMENT

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HELP US REDUCE COSTS

If you receive more than one set of proxy materials, it means your shares are held in more than one account. You should vote the shares on all of your Proxy Cards. You may help us reduce costs by consolidating your accounts so that you receive only one set of proxy materials in the future. To consolidate your accounts, please contact our transfer agent, Computershare Trust Company, N.A., toll-free at 1-800-446-2617.

ADMISSION TO THE ANNUAL MEETING

All shareholders of record as of the close of business on February 28, 2011, can attend the meeting. Seating, however, is limited and will be on a first arrival basis.

To attend the Annual Meeting, please follow these instructions:

To enter the Annual Meeting, bring proof of ownership of Snap-on stock and a form of identification; or

If a broker or other nominee holds your shares, bring proof of ownership of Snap-on stock through such broker or nominee and a form of identification.

HOW TO VOTE

We offer four methods for you to vote your shares at the Annual Meeting. **While we offer four methods, we encourage you to vote through the Internet as it is the most cost-effective method.** We also recommend that you vote as soon as possible, even if you are planning to attend the Annual Meeting, so that the vote count will not be delayed. Both the Internet and the telephone provide convenient, cost-effective alternatives to returning your Proxy Card by mail. If you vote your shares through the Internet, you may incur costs associated with electronic access, such as usage charges from Internet access providers. If you choose to vote your shares through the Internet or by telephone, there is no need for you to mail back your Proxy Card.

You may (i) vote in person at the Annual Meeting or (ii) authorize the persons named as proxies on the enclosed Proxy Card to vote your shares by returning the enclosed Proxy Card by mail, through the Internet or by telephone.

To Vote Over the Internet:

Log on to the Internet and go to the Website www.investorvote.com/sna. Have your Proxy Card available when you access the Website. You will need the control number from your Proxy Card to vote.

To Vote By Telephone:

On a touch-tone telephone, call **1-800-652-VOTE** (1-800-652-8683) 24 hours a day, 7 days a week. Have your Proxy Card available when you make the call. You will need the control number from your Proxy Card to vote.

To Vote By Proxy Card:

Complete, sign and return the Proxy Card to the address indicated on the Proxy Card.

If your shares are not registered in your name, then you vote by giving instructions to the firm that holds your shares rather than using any of these four methods. Please check the voting form of the firm that holds your shares to see if it offers Internet or telephone voting procedures.

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2801 80th Street

Kenosha, WI 53143

Notice of the 2011 Annual Meeting of Shareholders

March 9, 2011

Dear Shareholder:

Snap-on Incorporated will hold its 2011 Annual Meeting of Shareholders on Thursday, April 28, 2011, at 10:00 a.m. (Central Time), at the Radisson Hotel & Conference Center Kenosha, 11800 108th Street, Pleasant Prairie, Wisconsin 53158. This year's meeting is being held for the following purposes:

1. to elect three directors to serve for the next three years;
 2. to ratify the Audit Committee's selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2011;
 3. to consider and approve the Snap-on Incorporated 2011 Incentive Stock and Awards Plan;
 4. to amend and restate the Snap-on Incorporated Employee Stock Ownership Plan;
 5. to hold an advisory vote on the compensation of the Company's named executive officers as disclosed in Compensation Discussion and Analysis and Executive Compensation Information herein;
 6. to hold an advisory vote on the frequency of future advisory votes on executive compensation; and
 7. to transact any other business that may properly come before the Annual Meeting or any adjournment or postponement thereof.
- In addition to the formal business, there will be a short presentation on Snap-on's performance.

Only shareholders who had shares registered in their names at the close of business on February 28, 2011, will be able to vote at the Annual Meeting. If you are a shareholder and plan to attend the Annual Meeting in person, then please refer to the section of this Proxy Statement titled Commonly Asked Questions and Answers about the Annual Meeting.

If you have any questions or comments, please direct them to Snap-on Incorporated, Investor Relations, 2801 80th Street, Kenosha, Wisconsin 53143. Please also contact Investor Relations if you would like directions to the Annual Meeting. If you prefer, you may e-mail questions or comments to shareholders@snapon.com. We always appreciate your interest in Snap-on and thank you for your continued support.

Your vote is important. Thank you for voting.

Sincerely,

Irwin M. Shur

Vice President, General Counsel and Secretary

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Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 28, 2011. The proxy statement and annual report to security holders are available at www.snapon.com/SNA.

The Board of Directors recommends the following votes:

FOR each of the Board's nominees for election;

FOR the ratification of the Audit Committee's selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2011;

FOR approval of the Snap-on Incorporated 2011 Incentive Stock and Awards Plan;

FOR approval of the amendment to, and restatement of, the Snap-on Incorporated Employee Stock Ownership Plan;

FOR approval of the compensation of the Company's named executive officers; and

For the holding of future advisory votes on executive compensation EVERY YEAR.

To vote in person at the Annual Meeting, you will need to request a ballot to vote your shares. If you vote by proxy, either by Internet, telephone, or mail, and later find that you will be present at the Annual Meeting or for any other reason desire to revoke your proxy, you may do so at any time before it is voted.

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COMMONLY ASKED QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

Q: WHEN WILL THIS PROXY STATEMENT FIRST BE MAILED TO SHAREHOLDERS?

A: We expect to begin mailing this Proxy Statement to shareholders on or about March 9, 2011. The proxy material is also being made available to shareholders by Internet posting on or about March 9, 2011.

Q: WHAT AM I VOTING ON?

A: At the 2011 Annual Meeting you will be voting on six proposals:

1. The election of three directors to serve terms of three years each. This year's Board nominees are:

Roxanne J. Decyk

Gregg M. Sherrill

Nicholas T. Pinchuk

2. A proposal to ratify the Audit Committee's selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2011.
3. A proposal to adopt the Snap-on Incorporated 2011 Incentive Stock and Awards Plan (the 2011 Stock and Incentive Plan).
4. A proposal to amend and restate the Snap-on Incorporated Employee Stock Ownership Plan (the Ownership Plan).
5. An advisory proposal to approve the compensation of the Company's named executive officers, as disclosed in Compensation Discussion and Analysis and Executive Compensation Information herein.
6. An advisory proposal to approve the frequency of future advisory votes on executive compensation.

Q: WHAT ARE THE BOARD'S VOTING RECOMMENDATIONS?

A: The Board of Directors is soliciting this proxy and recommends the following votes:

FOR each of the Board's nominees for election;

FOR the ratification of the Audit Committee's selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2011;

FOR approval of the 2011 Stock and Incentive Plan;

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FOR approval of the amendment to, and restatement of, the Ownership Plan;

FOR approval of the compensation of the Company's named executive officers; and

For the holding of future advisory votes on executive compensation EVERY YEAR.

Q: WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL?

A: To conduct the Annual Meeting, more than 50% of the shares entitled to vote must be present in person or by proxy. This is referred to as a quorum. Assuming a quorum is present, directors are

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electd by a majority of the votes cast in person or by proxy at the meeting, and entitled to vote on the election of directors. Assuming a quorum is present, an affirmative vote of a majority of the shares represented at the meeting is required for the ratification of the Audit Committee's selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2011.

Approval of both the 2011 Stock and Incentive Plan, as well as the amendment to, and restatement of, the Ownership Plan, require the affirmative vote of a majority of the votes cast on these proposals, provided that shareholders holding a majority of the Company's outstanding shares cast votes on these proposals. Abstentions and broker non-votes will have no impact on these votes, so long as shareholders holding over 50% in interest of the Company's outstanding shares cast votes on these proposals.

The plurality of votes cast will be used to determine the results of the advisory votes to approve the compensation of the Company's named executive officers and the future frequency of such votes. Abstentions and broker non-votes will also not affect these votes, except insofar as they reduce the number of shares that are voted.

Q: WHAT IF I DO NOT VOTE?

A: The effect of not voting will depend on how your share ownership is registered. If you own shares as a registered holder and you do not vote, then your unvoted shares will not be represented at the meeting and will not count toward the quorum requirement. If a quorum is obtained, then your unvoted shares will not affect whether a proposal is approved or rejected.

If you are a shareholder whose shares are not registered in your name and you do not vote, then your bank, broker or other holder of record may still represent your shares at the meeting for purposes of obtaining a quorum. In the absence of your voting instructions, your bank, broker or other holder of record may not be able to vote your shares in its discretion depending on the proposal before the meeting. As a result of rules applicable to director elections after January 1, 2010, your broker may no longer vote your shares in its discretion in the election of directors; therefore, you must vote your shares if you want them to be counted in the election of directors. In addition, your broker is also not permitted to vote your shares in its discretion regarding matters related to executive compensation, including the advisory votes on executive compensation and the future frequency of such advisory votes. However, your broker may vote your shares in its discretion on routine matters such as the ratification of the Company's independent registered public accounting firm.

Q: WHO MAY VOTE?

A: You may vote at the Annual Meeting if you were a shareholder of record as of the close of business on February 28, 2011, which is the Record Date. Each outstanding share of common stock is entitled to one vote. As of the Record Date, Snap-on had 58,446,516 shares of common stock outstanding.

Q: HOW DO I VOTE?

A: We offer four methods for you to vote your shares at the Annual Meeting. **While we offer four methods, we encourage you to vote through the Internet as it is the most cost-effective method.** We also recommend that you vote as soon as possible, even if you are planning to attend the Annual Meeting, so that the vote count will not be delayed. Both the Internet and the telephone provide convenient, cost-effective alternatives to returning your Proxy Card by mail. If you vote your shares through the Internet, you may incur costs associated with electronic access, such as usage charges from Internet access providers. If you choose to vote your shares through the Internet or by telephone, there is no need for you to mail back your Proxy Card.

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You may (i) vote in person at the Annual Meeting or (ii) authorize the persons named as proxies on the enclosed Proxy Card, Mr. Pinchuk and Mr. Shur, to vote your shares by returning the enclosed Proxy Card by mail, through the Internet or by telephone.

To Vote Over the Internet:

Log on to the Internet and go to the Website www.investorvote.com/sna. Have your Proxy Card available when you access the Website. You will need the control number from your Proxy Card to vote.

To Vote By Telephone:

On a touch-tone telephone, call **1-800-652-VOTE** (1-800-652-8683) 24 hours a day, 7 days a week. Have your Proxy Card available when you make the call. You will need the control number from your Proxy Card to vote.

To Vote By Proxy Card:

Complete, sign and return the Proxy Card to the address indicated on the Proxy Card.

If your shares are not registered in your name, then you vote by giving instructions to the firm that holds your shares rather than using any of these four methods. Please check the voting form of the firm that holds your shares to see if it offers Internet or telephone voting procedures.

Q: WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE PROXY CARD?

A: It means your shares are held in more than one account. You should vote the shares on all of your Proxy Cards. You may help us reduce costs by consolidating your accounts so that you receive only one set of proxy materials in the future. To consolidate your accounts, please contact our transfer agent, Computershare Trust Company, N.A. (Computershare), toll-free at 1-800-446-2617, or as otherwise provided in our annual report.

Q: WHO WILL COUNT THE VOTE?

A: Computershare, our transfer agent, will use an automated system to tabulate the votes. Its representatives will also serve as the election inspectors.

Q: WHO CAN ATTEND THE ANNUAL MEETING?

A: All shareholders of record as of the close of business on February 28, 2011, can attend the Annual Meeting. Seating, however, is limited and will be on a first arrival basis.

To attend the Annual Meeting, please follow these instructions:

To enter the Annual Meeting, bring proof of ownership of Snap-on stock and a form of identification; or

If a broker or other nominee holds your shares, bring proof of ownership of Snap-on stock through such broker or nominee and a form of identification.

Q: CAN I CHANGE MY VOTE AFTER I RETURN MY PROXY CARD?

A: Yes. Even after you have submitted your proxy, you can revoke your proxy or change your vote at any time before the proxy is exercised by appointing a new proxy or by providing written notice to the Corporate Secretary and voting in person at the Annual Meeting. Presence at the Annual Meeting of a shareholder who has appointed a proxy does not in itself revoke a proxy.

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Q: MAY I VOTE AT THE ANNUAL MEETING?

A: If you complete a Proxy Card, or vote through the Internet or by telephone, then you may still vote in person at the Annual Meeting. To vote at the meeting, please give written notice that you would like to revoke your original proxy to one of the following:

the Corporate Secretary, in advance of the Annual Meeting; or

the authorized representatives at the Annual Meeting.

Street name holders who wish to vote in person at the meeting will not be permitted to vote in person at the meeting unless they first obtain a proxy issued in their name from the bank, broker or other holder of record.

Q: WHAT IF I OWN SHARES AS PART OF SNAP-ON S 401(k) SAVINGS PLAN?

A: Shares held by the Snap-on Incorporated 401(k) Savings Plan for which participant designations are received will be voted in accordance with those designations. Those shares for which designations are not received will be voted proportionally, based on the votes for which voting directions have been received from participants as of April 25, 2011.

Q: WHO IS MAKING THIS SOLICITATION AND HOW MUCH DOES IT COST?

A: This solicitation is being made on behalf of Snap-on Incorporated by its Board of Directors. Our officers and employees may make solicitations by mail, telephone, facsimile or in person. We have retained Georgeson Inc., for \$10,500 plus expenses, to assist us in the solicitation of proxies. This assistance will include requesting that brokerage houses, depositories, custodians, nominees and fiduciaries forward proxy soliciting material to the beneficial owners of the stock they hold; such assistance will also include the preparation of an institutional shareholder contact list that contains these shareholders' voting guidelines. We will bear the cost of this solicitation and reimburse Georgeson Inc. for these expenses.

Q: WHEN ARE SHAREHOLDER PROPOSALS DUE FOR THE 2012 ANNUAL MEETING?

A: The Corporate Secretary must receive a shareholder proposal no later than November 10, 2011, for the proposal to be considered for inclusion in our proxy materials for the 2012 Annual Meeting. To otherwise bring a proposal or nomination before the 2012 Annual Meeting, you must comply with our Bylaws. Currently, our Bylaws require written notice to the Corporate Secretary between January 29, 2012, and February 28, 2012. If we receive your notice after February 28, 2012, then your proposal or nomination will be untimely. In addition, your proposal or nomination must comply with the procedural provisions of our Bylaws. If you do not comply with these procedural provisions, your proposal or nomination can be excluded. Should the Board nevertheless choose to present your proposal, the named Proxies will be able to vote on the proposal using their best judgment.

Q: WHAT IS THE ADDRESS OF THE CORPORATE SECRETARY?

A: The address of the Corporate Secretary is:

Corporate Secretary

Snap-on Incorporated

2801 80th Street

Kenosha, WI 53143

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Q: WILL THERE BE OTHER MATTERS TO VOTE ON AT THIS ANNUAL MEETING?

A: We are not aware of any other matters that you will be asked to vote on at the Annual Meeting. Other matters may be voted on if they are properly brought before the Annual Meeting in accordance with our Bylaws. If other matters are properly brought before the Annual Meeting, then the named Proxies will vote the proxies they hold in their discretion on such matters.

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ITEM 1: ELECTION OF DIRECTORS

Nominees for Election

The Board of Directors currently has 12 directors, although it will have 11 directors after the 2011 Annual Meeting. The directors are divided into three classes. This year's Board nominees for election for terms expiring at the 2014 Annual Meeting are Roxanne J. Decyk, Nicholas T. Pinchuk and Gregg M. Sherrill.

Richard F. Teerlink, a director since 1997, is not standing for re-election at the 2011 Annual Meeting pursuant to the Company's Corporate Governance Guidelines, which provide that individuals age 72 or older are not eligible to be re-nominated for Board service. The Board of Directors would like to thank Mr. Teerlink for his many valuable contributions and years of dedicated service as a member of Snap-on's Board.

It is our policy that the Board of Directors should reflect a broad variety of experience and talents. When the Corporate Governance and Nominating Committee of the Board determines which directors to nominate for election at any meeting of shareholders, or appoints a new director between meetings, it reviews our director selection criteria and seeks to choose individuals who bring a variety of expertise to the Board within these criteria. For further information about the criteria used to evaluate Board membership, see Corporate Governance Practices and Board Information Nomination of Directors below.

The following is information about the experience and attributes of the nominees and Snap-on's other directors. Together, the experience and attributes included below provide the reasons that these individuals were selected for Board membership and/or nominated for re-election, as well as why they continue to serve on the Board. Pursuant to the Company's Restated Certificate of Incorporation and Bylaws, the Board must be comprised of three approximately equal classes. At the Annual Meeting each year, one class is nominated for election to a three-year term. Mr. Sherrill was elected to the Board effective December 1, 2010, between meetings of shareholders. While Mr. Sherrill was not placed into a class at that time, in accordance with our Bylaws, it was determined thereafter that he would stand for election with the class whose terms would, upon re-election at the 2011 Annual Meeting, then expire in 2014.

Nominees for Election for Terms Expiring at the 2014 Annual Meeting

Roxanne J. Decyk

Director since 1993

Ms. Decyk, age 58, retired as Executive Vice President of Global Government Relations for Royal Dutch Shell plc, an oil, gas, chemical and refined petroleum products company, in December 2010, after serving in that position since June 2009. From 2008 until June 2009, Ms. Decyk served as Corporate Affairs and Sustainable Development Director of Royal Dutch Shell plc and from 2005 to 2008, she served as Corporate Affairs Director. Prior thereto, Ms. Decyk was Director International of Shell International B.V., Senior Vice President Corporate Affairs and Human Resources of Shell Oil Company and Vice President of Corporate Strategy of Shell International Limited. Ms. Decyk also serves as a Director of Alliant Techsystems Inc. and became a Director of Petrofac on March 1, 2011. Ms. Decyk was last re-nominated as a Director because, among her other qualifications, she possesses experience and/or expertise in the following areas: Snap-on business knowledge, knowledge of Snap-on's industry/market, international business, sales, marketing, mergers and acquisitions, strategy development, executive compensation and leadership development. Ms. Decyk earned a Bachelor of Arts degree from the University of Illinois at Urbana-Champaign in English literature and a Juris Doctorate from Marquette University Law School.

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Nicholas T. Pinchuk

Director since 2007

Mr. Pinchuk, age 64, has been Snap-on's President and Chief Executive Officer since December 2007 and Chairman of the Board since April 2009. Prior to his appointment as President and CEO, Mr. Pinchuk served as Snap-on's President and Chief Operating Officer since April 2007, and as Snap-on's Senior Vice President and President Worldwide Commercial & Industrial Group from 2002 to 2007. Before joining Snap-on, Mr. Pinchuk served in several executive operational and financial management positions at United Technologies Corporation and held various financial and engineering positions at Ford Motor Company. Mr. Pinchuk also serves as a Director of Columbus McKinnon Corporation. In addition to his other experience and expertise, Mr. Pinchuk was last re-nominated as a Director because it is the Company's traditional practice to have its Chief Executive Officer serve as a member of the Board. Mr. Pinchuk earned Master and Bachelor of Science degrees in engineering from Rensselaer Polytechnic Institute and a Master of Business Administration degree from Harvard Business School.

Gregg M. Sherrill

Director since 2010

Mr. Sherrill, age 58, has served as Chairman and Chief Executive Officer of Tenneco Inc., a producer of automotive emission control and ride control products and systems, since January 2007. Previously, Mr. Sherrill was Corporate Vice President and President, Power Solutions of Johnson Controls Inc., a global diversified technology and industrial company, from 2004 to 2007. Prior to joining Johnson Controls in 1998, Mr. Sherrill held various engineering and manufacturing positions during his 22 years at Ford Motor Company. Mr. Sherrill is being nominated as a director because, among his other qualifications, he possesses experience and/or expertise in the following areas: international business, manufacturing, product innovation/development, operations, mergers and acquisitions, strategy development, executive compensation and leadership development. Mr. Sherrill earned a Bachelor of Science degree in mechanical engineering from Texas A&M University and a Master of Business Administration degree from Indiana University's Graduate School of Business.

THE BOARD RECOMMENDS THAT YOU VOTE FOR EACH OF THE THREE NOMINEES.

Shares represented by proxies will be voted according to instructions on the Proxy Card. Only cards clearly indicating a vote against will be considered as a vote against the nominee. If the Board learns prior to the Annual Meeting that a nominee is unable to serve, then the Board may name a replacement, in which case the shares represented by proxies will be voted for the substitute nominee.

Directors Not Standing for Election at this Meeting

Directors Continuing to Serve Until the 2012 Annual Meeting

Bruce S. Chelberg

Director since 1993

Mr. Chelberg, age 76, retired as Chairman of the Board and Chief Executive Officer of Whitman Corporation, a consumer goods company, in 2000. He served as its Chairman and Chief Executive Officer since 1992 and served on Whitman's Board since 1988. Mr. Chelberg serves as a Director of First Midwest Bancorp, Inc. and was a Director of Northfield Laboratories, Inc. prior to 2009 and Actuant Corporation prior to 2005. Mr. Chelberg was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, manufacturing, operations, accounting/finance, mergers and acquisitions, strategy development, executive compensation, leadership development and franchising. He was re-nominated in 2009 when the mandatory Board retirement age policy was suspended due to global economic conditions and the Board's re-evaluation of that policy. Mr. Chelberg earned a Bachelor of Science degree in commerce from the University of Illinois at Urbana-Champaign and a Bachelor of Laws degree from the University of Illinois College of Law.

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Karen L. Daniel

Director since 2005

Ms. Daniel, age 53, has served as Division President and the Chief Financial Officer for Black & Veatch Corporation, a leading global engineering, construction and consulting company specializing in infrastructure development in the areas of energy, water and information, since 2000. Ms. Daniel was last re-nominated as a Director because, among her other qualifications, she possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, accounting/finance (including as a chief financial officer), mergers and acquisitions and strategy development; in addition, Ms. Daniel is a Certified Public Accountant. Ms. Daniel earned a Bachelor of Science degree in accounting from Northwest Missouri State University and a Master of Science degree in accounting from the University of Missouri-Kansas City.

Nathan J. Jones

Director since 2008

Mr. Jones, age 54, retired in 2007 from Deere & Company, a manufacturer of agricultural, commercial and consumer equipment, where he most recently served as President, Worldwide Commercial & Consumer Equipment Division since 2006. Prior thereto, he was Deere & Company's Senior Vice President and Chief Financial Officer from 1997 through 2006, and previously served as its Vice President and Treasurer. Mr. Jones was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, information technology, operations, accounting/finance (including as a chief financial officer), mergers and acquisitions, strategy development, executive compensation and leadership development. Mr. Jones earned a Bachelor of Business Administration degree in accounting from the University of Wisconsin-Eau Claire and a Master of Business Administration degree from the University of Chicago.

Arthur L. Kelly

Director since 1978

Mr. Kelly, age 73, has been the Managing Partner of KEL Enterprises L.P., a holding and investment company, since 1982. He served as a Director of Northern Trust Corporation until April 2010, Deere & Company prior to 2009, BASF Aktiengesellschaft prior to 2008, and Bayerische Motoren Werke (BMW) A.G. prior to 2008. Mr. Kelly was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, manufacturing, operations, accounting/finance, mergers and acquisitions, strategy development and executive compensation. Mr. Kelly earned a Bachelor of Science degree in engineering from Yale University and a Master of Business Administration degree from the University of Chicago.

Directors Continuing to Serve Until the 2013 Annual Meeting

John F. Fiedler

Director since 2004

Mr. Fiedler, age 72, was the Chairman of the Board of BorgWarner Inc., a supplier of engineered systems and components primarily for automotive powertrain applications, from 1996 until 2003. He was also the Chief Executive Officer of BorgWarner from 1995 until 2003. Mr. Fiedler serves as a Director of AirTran Holdings, Inc., Mohawk Industries, Inc. and WABCO Holdings Inc., and was a Director of YRC Worldwide Inc. prior to 2007. Mr. Fiedler was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, manufacturing, marketing, product innovation/development, operations, accounting/finance, mergers and acquisitions, strategy development, executive compensation, leadership development and franchising. Mr. Fiedler earned a Bachelor of Science degree in chemistry from Kent State University and a Master of Business Administration degree from the Massachusetts Institute of Technology.

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James P. Holden

Director since 2007

Mr. Holden, age 59, has been our Lead Director since February 2009. He served 27 years in the automotive industry, including 19 years with DaimlerChrysler and its predecessor, Chrysler Corporation. Most recently, he was President and Chief Executive Officer of DaimlerChrysler Corporation, a U.S. subsidiary of DaimlerChrysler AG, until 2000. From March 2007 until June 2009, he served as non-executive Chairman of Meridian Automotive Systems. Mr. Holden also serves as a Director of Speedway Motorsports, Inc., SIRIUS XM Radio Inc. and Motors Liquidation Company, and was a Director of SMobile Systems until July 2010. Mr. Holden was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, manufacturing, sales, marketing, product innovation/development, information technology, operations, accounting/finance, strategy development, executive compensation, leadership development and franchising. Mr. Holden earned a Bachelor of Science degree in political science from Western Michigan University and a Master of Business Administration degree from Michigan State University.

W. Dudley Lehman

Director since 2003

Mr. Lehman, age 59, retired in 2006 as Group President for Kimberly-Clark Corporation, a manufacturer and marketer of a wide range of consumer and business-to-business products from natural fibers, which position he held since 2005. From 2004 to 2005 he served as Group President Business to Business for Kimberly-Clark and from 1995 to 2004 he served as Group President Infant and Child Care Sectors for Kimberly-Clark. Mr. Lehman was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, manufacturing, sales, marketing, product innovation/development, operations, strategy development, executive compensation and leadership development. Mr. Lehman earned a Bachelor of Arts degree in political science from the University of North Carolina at Chapel Hill and a Master of Business Administration degree from Wake Forest University.

Edward H. Rensi

Director since 1992

Mr. Rensi, age 66, is a founder of America's Better Burger, LLC, d/b/a Tom & Eddie's, and has served as its President and Chief Executive Officer since 2009. He has been an owner and Chief Executive Officer of Team Rensi Motorsports, which competes in the NASCAR Nationwide Series, since 1998. Mr. Rensi was President and Chief Executive Officer of McDonald's U.S.A., a food service organization, from 1991 to 1997. Mr. Rensi also serves as a Director of Great Wolf Resorts, Inc., International Speedway Corporation and Freedom Group, Inc., and was a Director of American Consolidated Management Group, Inc. prior to 2006. Mr. Rensi was last re-nominated as a Director because, among his other qualifications, he possesses experience and/or expertise in the following areas: knowledge of Snap-on's industry/market, international business, sales, marketing, product innovation/development, operations, accounting/finance, executive compensation, leadership development and franchising. Mr. Rensi earned a Bachelor of Science degree in business education from The Ohio State University.

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CORPORATE GOVERNANCE PRACTICES AND BOARD INFORMATION

Nomination of Directors

The Corporate Governance and Nominating Committee fulfills the role of a nominating committee. The material terms of the Committee's role are included in its charter. You may find the Committee's charter on the Company's Website at www.snapon.com. This charter requires that all members of the Committee meet the independence requirements of applicable laws and regulations, including, without limitation, the requirements imposed by the listing standards of the New York Stock Exchange.

The Committee uses a variety of means to identify prospective Board members, including the Committee's contacts and recommendations from other sources. In addition, it may also retain a professional search firm to identify candidates. Pursuant to its charter, the Committee has the sole authority to retain and terminate any search firm to be used to identify director candidates and has the sole authority to approve the search firm's fees and other retention items.

The Committee will consider director candidates recommended by shareholders provided that the shareholders submitting recommendations follow the procedures set forth below. The Committee does not intend to alter the manner in which it evaluates candidates based on whether the candidate was recommended by a shareholder or not. If a shareholder wishes to suggest an individual for consideration as a nominee for election to the Board at the 2012 Annual Meeting, and possible inclusion in the Proxy Statement, we recommend that you submit your suggestion in writing to the Corporate Secretary before October 1, 2011, for forwarding to the Committee.

To bring a nomination before the 2012 Annual Meeting from the floor during the meeting, you must comply with our Bylaws. Our Bylaws require written notice to the Corporate Secretary between January 29, 2012, and February 28, 2012. If we receive your notice after February 28, 2012, then your proposal or nomination will be untimely. The notice must also meet the requirements set forth in our Bylaws. If you do not comply with these requirements, your nomination can be excluded.

The Committee has a procedure under which all director candidates are evaluated. As noted above, the Company's Corporate Governance Guidelines provide that the Board will not nominate individuals for election or re-election as directors after they have attained age 72, although directors may continue to serve out any then current term after reaching that age. When evaluating a candidate's capabilities to serve as a member of the Board, the Committee uses the following criteria: independence, the relationships that the candidate has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company), conflicts of interest, ability to contribute to the oversight and governance of the Company, the candidate's skill sets and positions held at other companies, existing time commitments and diversity. Further, the Committee reviews the qualifications of any candidate with those of its current directors to augment and complement the skill sets of its current Board members. The Company believes that it is important for its Board to be comprised of individuals with diverse backgrounds, skills and experiences. The composition of the Board and the experience, as well as the qualities, brought to the Board by our directors are reviewed annually. While the Committee does not have a formal diversity policy and identifies qualified potential candidates without regard to any candidate's race, color, disability, gender, national origin, religion or creed, it does seek to ensure the fair representation of all shareholder interests on the Board. The Board believes that the use of these general criteria, along with a non-discriminatory policy, will best result in a Board that evidences that diversity in many respects. The Board believes that it currently maintains that diversity.

Mr. Sherrill, who was elected to the Board of Directors effective December 1, 2010, is an independent director. Mr. Sherrill was initially identified as a director candidate to the Board of Directors by Mr. Pinchuk, our Chief Executive Officer.

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Communications with the Board

Shareholders and other interested parties who wish to communicate with the Board of Directors, individually or as a group, should send their communications to the Corporate Secretary at the address listed below. The Corporate Secretary is responsible for forwarding communications to the appropriate Board members and screens these communications for security purposes.

Name of Director

c/o Corporate Secretary

Snap-on Incorporated

2801 80th Street

Kenosha, WI 53143

Annual Meeting Attendance

All directors may attend the Annual Meeting of Shareholders either in person or by telephone. If a director attends by phone, he or she is also able to answer questions asked at the Annual Meeting. However, incumbent directors that are not standing for re-election at the Annual Meeting are not required to attend. All directors attended the 2010 Annual Meeting of Shareholders in person with the exception of Mr. Sherrill, who was not a director at the time.

Board Information

The primary responsibility of the Board is to oversee the business and affairs of the Company. The Board met eight times in 2010. All directors attended at least 75% of the total meetings of the Board and committees of which they were members in 2010; for Mr. Sherrill, this refers to the period he served as a director. The Board conducts executive sessions of non-management directors at every regular Board meeting. At these executive sessions, our Lead Director presides. Interested persons may communicate about appropriate subject matter with our Lead Director, as described above under the section titled Communications with the Board.

The Board has reviewed the independence of its members, considering the independence tests promulgated by the New York Stock Exchange and has adopted categorical standards to assist it in making its determination of director independence. These categorical standards are attached to this Proxy Statement as Appendix C. The Board has affirmatively determined that each of Messrs. Chelberg, Fiedler, Holden, Jones, Kelly, Lehman, Rensi, Sherrill, Teerlink and Ms. Daniel and Ms. Decyk are independent on the basis that they had no relationships with the Company that would be prohibited under the independence standards of the New York Stock Exchange or in the categorical standards. Mr. Pinchuk, our Chairman, President and Chief Executive Officer, is not considered independent. Team Rensi Motorsports (Team Rensi) competes in the NASCAR Nationwide Series. One of our directors, Mr. Rensi, is an owner of Team Rensi. In 2010, the Company had an agreement with Team Rensi to provide approximately \$50,000 worth of tools valued at list prices; the actual cost to the Company was less than this amount. The Board has determined that this relationship did not affect Mr. Rensi's independence as it was a relationship permitted by the categorical standards and was customary for Snap-on to enter into agreements of this type. In addition, Mr. Kelly was a director of Northern Trust Corporation until April 2010, and Ms. Decyk was an officer of Royal Dutch Shell plc until her retirement in December 2010. An affiliate of Northern Trust Corporation performs administrative functions for several Snap-on benefit plans; Snap-on occasionally purchases petroleum products produced by affiliates of Royal Dutch Shell. However, the amounts of those transactions are extremely modest as compared to Snap-on's, Northern Trust's and Shell's total revenues. An immediate family member of Mr. Holden's is an employee of the Company, but is not an executive officer nor is that individual compensated in an amount requiring disclosure under SEC rules. These relationships are permitted by the categorical standards, and it was determined that they did not affect Mr. Holden's, Mr. Kelly's and Ms. Decyk's independence. See Other Information Transactions with the Company for information about Snap-on's policies and practices regarding transactions with members of the Board.

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The Board is organized so that its committees focus on issues that may require more in-depth scrutiny. The present committee structure consists of the (i) Audit, (ii) Corporate Governance and Nominating, and (iii) Organization and Executive Compensation Committees. Committee reports are presented to the full Board for discussion and review.

The Board has adopted Corporate Governance Guidelines. These Guidelines are located on the Company's Website at www.snapon.com.

Board's Role in Oversight of Risk

The Audit Committee is primarily responsible for evaluating the Company's policies with respect to risk assessment and risk management. The Audit Committee reviews and discusses the Company's major financial risk exposures and the steps management has taken to monitor and control such risks. The Organization and Executive Compensation Committee oversees risks related to our compensation policies and practices. The Organization and Executive Compensation Committee receives reports and discusses whether the Company's compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company. The Corporate Governance and Nominating Committee is responsible for the oversight of risks associated with corporate governance and compliance. Periodically, the full Board itself conducts a review of risk management at the Company.

Board Leadership Structure

The Board has established the position of Lead Director to assist in overseeing the affairs of both the Company and the Board. The Lead Director is appointed by the Board and must be an independent director. The Lead Director's responsibilities include: (i) presiding at Board meetings when the Chairman is not present; (ii) providing input to the Chairman regarding the agendas for Board and Committee meetings; (iii) presiding at all meetings of the independent directors; (iv) acting as the principal liaison between the independent directors and the Chairman on sensitive issues; and (v) being available for meetings with shareholders upon the request of the Chairman. Mr. Holden, an independent director, was appointed as our Lead Director in February 2009.

Our Chairman is also our Chief Executive Officer and thus is not an independent director. The Company believes that having one person serve as chairman and chief executive officer allows that individual to leverage the substantial amount of information gained from both roles to lead the Company most effectively and to act as a unified spokesperson on behalf of the Company. Further, the Company believes that the designation of an independent Lead Director provides essentially the same benefits as having an independent chairman in terms of access and an independent voice with significant input into corporate governance, while maintaining Snap-on's historical practice of generally having its chief executive officer also serve as chairman (other than at times when providing for an orderly transition of chief executive officers).

Audit Committee

The Audit Committee is composed entirely of non-employee directors who meet the independence and accounting or financial management expertise standards and requirements of the New York Stock Exchange and the Securities and Exchange Commission (the "SEC"). The Audit Committee assists the Board's oversight of the integrity of the Company's financial statements, the Company's independent public accounting firm's qualifications and independence, the performance of the Company's independent registered public accounting firm, the Company's internal audit function, and the Company's compliance with legal and regulatory requirements. During fiscal 2010 the Committee met eight times. The Board has adopted a written charter for the Audit Committee, which is located on the Company's Website at www.snapon.com. The Committee's duties and responsibilities are discussed in greater detail in the charter. Currently, Ms. Daniel (Chair) and Messrs. Holden and Jones serve on the Audit Committee. The Board has determined that each of the Audit Committee members qualifies as an audit committee financial expert within the meaning of regulations promulgated by the SEC pursuant to the Sarbanes-Oxley Act of 2002.

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Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is composed entirely of non-employee directors who meet the independence requirements of the New York Stock Exchange. This Committee makes recommendations to the Board regarding Board policies and structure including size and composition of the Board, corporate governance, number and responsibilities of committees, tenure policy, qualifications of potential Board nominees, including nominees recommended by shareholders, and director compensation. Currently, Messrs. Lehman (Chair), Chelberg, Fiedler and Sherrill serve on the Corporate Governance and Nominating Committee. During fiscal 2010 the Committee met four times. The Board has adopted a written charter for the Corporate Governance and Nominating Committee, which is located on the Company's Website at www.snapon.com. The Committee's duties and responsibilities are discussed in greater detail in the charter. See the section titled "Nomination of Directors" for more information regarding recommending and nominating directors.

Organization and Executive Compensation Committee

The Organization and Executive Compensation Committee is composed entirely of non-employee directors who meet the independence requirements of the New York Stock Exchange and the SEC. This Committee oversees our corporate organization, executive succession and executive compensation programs. It recommends to the Board the appropriate level of compensation for our Chief Executive Officer and, after consulting with the Chief Executive Officer, approves the compensation of other officers. This Committee also administers our incentive stock and compensation plans and the employee stock ownership and franchised dealer stock ownership plans. This Committee has also been designated by the Board to consider and conduct succession planning for the chief executive officer position with the oversight of the Board. Currently Ms. Decyk (Chair) and Messrs. Kelly, Rensi and Teerlink serve on the Organization and Executive Compensation Committee. As noted above, Mr. Teerlink is not standing for re-election to the Board at the 2011 Annual Meeting and will, therefore, not be a member of this Committee after the Annual Meeting. During fiscal 2010, the Committee met six times. The Board has adopted a written charter for the Organization and Executive Compensation Committee, which is located on the Company's Website at www.snapon.com. The Committee's duties and responsibilities are discussed in greater detail in the charter. The Committee's processes and procedures are discussed in the section titled "Compensation Discussion and Analysis."

Availability of Certain Corporate Governance Documents

The Board has adopted Corporate Governance Guidelines, a Code of Business Conduct and Ethics, and a written charter for each of the Audit Committee, Corporate Governance and Nominating Committee and the Organization and Executive Compensation Committee. The Corporate Governance Guidelines, Code of Business Conduct and Ethics (and information about any waivers from the Code that are granted to directors or executive officers) and the charters are available on the Company's Website at www.snapon.com.

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Board Compensation

Employee Directors

Directors who are employees do not receive additional compensation for serving on the Board or its Committees.

Non-employee Directors

In fiscal 2010, our non-employee directors each received an annual cash retainer of \$75,000. Non-employee directors who were also committee chairs received an annual chair fee of \$10,000, except for the Audit Committee Chair who received an annual chair fee of \$15,000. Audit Committee members, except for the Audit Committee Chair, received an additional annual fee of \$7,500. Our Lead Director received an additional annual fee of \$25,000 for services in that role.

On April 22, 2010, the Board of Directors approved a grant of \$100,000 worth of restricted stock units (RSUs) to non-employee directors under our 2001 Incentive Stock and Awards Plan, as amended (the 2001 Stock and Incentive Plan). The number of RSUs granted was based on the average closing price for the Company s stock for the 30 business days prior to the grant date. Therefore, in fiscal 2010, each non-employee director, other than Mr. Sherrill, received 2,261 RSUs. Mr. Sherrill received a prorated grant of 807 RSUs, worth approximately \$41,667, when he joined the Board in December 2010. The restrictions on the RSUs lapse upon the earliest of retirement from the Board, death or in the event of a change in control, as defined in the 2001 Stock and Incentive Plan. The directors are entitled to receive cash payments for dividend equivalents on the RSUs at the same rate as the dividends paid to our shareholders, and will not have voting rights with respect to the RSUs. If shareholders approve the 2011 Stock and Incentive Plan at the 2011 Annual Meeting, grants of RSUs to our non-employee directors will be made under that plan beginning in 2012. Prior to fiscal 2009, each non-employee director received an annual award consisting of shares of restricted stock, which, in essence, operated as RSUs.

Directors have the option to receive up to 100% of their fees, including the annual retainer, in cash or shares of common stock under the Amended and Restated Directors 1993 Fee Plan, which we refer to as the Directors Fee Plan. Under this plan, non-employee directors receive shares of our common stock based on the fair market value of a share of our common stock on the last day of the month in which the fees are paid. Under the Directors Fee Plan, directors may choose to defer the receipt of all or part of their shares and fees to a deferral account. The Directors Fee Plan credits deferred cash amounts with earnings based on market rates of return. Earnings on deferred cash amounts were based on the applicable market rates, which from January 1, 2010, to December 31, 2010, averaged 1.87%. Dividends on deferred shares of common stock are automatically reinvested at the same rate as the dividends paid to our shareholders.

Directors also are entitled to reimbursement for reasonable out-of-pocket expenses they incur in connection with their travel to and attendance at meetings of the Board or committees thereof. In addition, non-employee directors, who are not eligible to participate in another group health plan, may participate in our medical plans on the same basis as our employees; however, non-employee directors must pay the full premium at their own expense. Eligibility to participate in our medical plans ceases upon termination of service as a director.

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Set forth below is a summary of the compensation paid to each non-employee director in fiscal 2010:

Table 1: Director Compensation

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾⁽³⁾	All Other Compensation (\$) ⁽⁴⁾	Total (\$)
Bruce S. Chelberg	\$ 75,000	\$ 100,000	\$ 6,592	\$ 181,592
Karen L. Daniel	90,000	100,000	6,592	196,592
Roxanne J. Decyk	85,000	100,000	6,592	191,592
John F. Fiedler	75,000	100,000	6,592	181,592
James P. Holden	107,500	100,000	6,592	214,092
Nathan J. Jones	82,500	100,000	6,592	189,092
Arthur L. Kelly	75,000	100,000	6,592	181,592
W. Dudley Lehman	85,000	100,000	6,592	191,592
Edward H. Rensi	75,000	100,000	6,592	181,592
Gregg M. Sherrill ⁽⁵⁾		41,667		41,667
Richard F. Teerlink	75,000	100,000	6,592	181,592

(1) Includes annual retainer, committee and chair fees.

(2) Amounts shown represent the grant date fair value of RSUs granted in fiscal 2010. The Financial Accounting Standards Board's Accounting Standards Codification Topic 718 (ASC 718) requires us to recognize compensation expense for stock options and other stock-related awards granted to our employees and directors based on the estimated fair value of the equity awards at the time of grant. The compensation expense for such awards is expensed at the time of grant. There was no option expense in fiscal 2010 for directors' options since no options were granted to directors during the fiscal year. The assumptions used to determine the valuation of the awards are discussed in note 13 to our consolidated financial statements.

(3) Each non-employee director had the following equity awards outstanding as of the end of fiscal 2010:

Name	Option Awards Number of Securities Underlying Unexercised Options (#) ⁽⁶⁾	Stock Awards Number of Shares of Stock That Have Not Vested (#)
Bruce S. Chelberg	15,000	11,689
Karen L. Daniel		11,689
Roxanne J. Decyk	6,000	11,689
John F. Fiedler		11,689
James P. Holden		9,330
Nathan J. Jones		7,394
Arthur L. Kelly	12,000	11,689
W. Dudley Lehman		11,689
Edward H. Rensi	15,000	11,689
Gregg M. Sherrill		807
Richard F. Teerlink		11,689

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The options are fully vested and expire on the earlier of (i) ten years from the date of grant, or (ii) a stated period after termination of service as a director. The restrictions on the stock awards lapse upon the earliest of retirement from the Board, death or in the event of a change in control, as defined in the 2001 Stock and Incentive Plan.

- (4) Includes dividend equivalents with respect to the number of shares of common stock represented by the RSUs granted in fiscal 2010 and fiscal 2009.

- (5) Mr. Sherrill was elected to the Board effective December 1, 2010.

- (6) Prior to fiscal 2006, each non-employee director received an annual grant of stock options to purchase 3,000 shares of our common stock at an exercise price equal to the fair market value of our common stock on the grant date.

Stock Ownership Guidelines for Directors

Snap-on believes that it is important for directors to maintain an equity stake in Snap-on to further align their interests with those of our shareholders. Directors must comply with stock ownership guidelines as determined from time to time by our Board. Effective January 1, 2009, the ownership guidelines for directors require that each director must own Snap-on shares equal to three times the director's annual base cash retainer within five years of that date or, for any director initially elected or appointed thereafter, within five years from the start of the next calendar year after such director's initial election or appointment. Unvested stock options, vested stock options not in the money as of the date of calculation and unvested restricted stock subject to performance conditions, if any, are not counted toward satisfaction of the guidelines. Currently, ten of the eleven non-employee directors have met the ownership guidelines; Mr. Sherrill, who joined the Board in December 2010, has until January 1, 2016 to comply with these guidelines. The Company believes that all directors will have met their stock ownership guidelines within the five year window.

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ITEM 2: RATIFY THE AUDIT COMMITTEE S SELECTION OF DELOITTE & TOUCHE LLP AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2011

The Board of Directors proposes that the shareholders ratify the selection by the Audit Committee of Deloitte & Touche LLP (D&T) to serve as the Company s independent registered public accounting firm for the 2011 fiscal year. Pursuant to the Sarbanes-Oxley Act of 2002 and regulations promulgated by the SEC thereunder, the Audit Committee is directly responsible for the appointment of the independent registered public accounting firm. Although shareholder ratification of the Audit Committee s selection of the independent registered public accounting firm is not required by our Bylaws or otherwise, we are submitting the selection of D&T to our shareholders for ratification to permit shareholders to participate in this important decision. If the shareholders fail to ratify the Audit Committee s selection of D&T as the Company s independent registered public accounting firm for 2011 at the Annual Meeting, the Audit Committee will reconsider the selection, although the Audit Committee will not be required to select a different independent registered public accounting firm. Representatives of D&T will be at the Annual Meeting to answer your questions and to make a statement if they so desire.

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE AUDIT COMMITTEE S SELECTION OF DELOITTE & TOUCHE LLP AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2011.

AUDIT COMMITTEE REPORT

The duties and responsibilities of the Audit Committee are set forth in a written charter adopted by the Board, which is located on the Company s Website at www.snapon.com. The Audit Committee reviews and reassesses this charter annually and recommends any changes to the Board for approval.

During fiscal 2010, the Audit Committee met eight times. In the exercise of its duties and responsibilities, the Committee members reviewed and discussed the audited financial statements for fiscal 2010 with management and the independent registered public accounting firm. In addition, the Audit Committee members met to discuss the earnings press releases and interim financial information contained in each earnings press release with the Chairman, President and Chief Executive Officer, the Senior Vice President-Finance and Chief Financial Officer, the Vice President and Controller, and the independent registered public accounting firm prior to public release.

The Audit Committee also discussed with the independent registered public accounting firm those matters required to be discussed by AU Section 380 of the Public Company Accounting Oversight Board (PCAOB), Communication with Audit Committees, and Rule 2-07 of SEC Regulation S-X. In addition, the independent registered public accounting firm provided to the Audit Committee the written disclosures required by Public Company Accounting Oversight Board (PCAOB) Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence, and the Audit Committee discussed with the independent registered public accounting firm their independence. Based on their review and discussions and subject to the limitations on the role and responsibilities of the Audit Committee in its charter, the Audit Committee recommended to the Board that the audited financial statements be included in Snap-on s Annual Report to shareholders on Form 10-K to be filed with the Securities and Exchange Commission.

Karen L. Daniel, Chair

James P. Holden

Nathan J. Jones

Table of Contents**DELOITTE & TOUCHE LLP FEE DISCLOSURE**

The Audit Committee selects our independent registered public accounting firm for each fiscal year. During the fiscal year ended January 1, 2011, Deloitte & Touche LLP (D&T) was employed principally to perform the annual audit, including audit services related to the Company's Sarbanes-Oxley Section 404 compliance, and to render tax advice and compliance services. The following table sets forth the amount of fees for professional services rendered by D&T as of and for the fiscal years ended January 1, 2011 (fiscal 2010), and January 2, 2010 (fiscal 2009).

	Fiscal 2010	Fiscal 2009
Audit ⁽¹⁾	\$ 3,502,863	\$ 3,717,938
Audit Related		
Tax ⁽²⁾	1,521,434	1,616,943
All Other Fees		
Total Fees	\$ 5,024,297	\$ 5,334,881

⁽¹⁾ Includes fees related to the issuance of the audit opinions, including Sarbanes-Oxley 404, and timely quarterly reports on Form 10-Q, statutory audits and consents for other SEC filings.

⁽²⁾ Includes U.S. and international tax advice and compliance services.

The Audit Committee has adopted a policy for pre-approving all audit and non-audit services provided by the independent registered public accounting firm. These procedures include reviewing a budget for audit and permitted non-audit services. The budget includes a description of, and a budgeted amount for, particular categories of non-audit services that are recurring in nature or anticipated at the time the budget is submitted. Audit Committee pre-approval is required to exceed the budgeted amount for a particular category of services and to engage the independent registered public accounting firm for any service that was not pre-approved. The Audit Committee considers whether the provision of such services are consistent with the SEC's rules on auditor independence and whether the independent registered public accounting firm is best positioned to provide the most effective and efficient service. The Audit Committee considered the non-audit services provided by D&T in fiscal 2009 and 2010 and determined that the provision of those services is compatible with maintaining auditor independence. The Audit Committee has also delegated pre-approval authority to the Committee Chair, provided that any pre-approval by the Committee Chair is reported to the Audit Committee at its next regularly scheduled meeting. The Audit Committee periodically receives a report from members of management and the independent registered public accounting firm on the services rendered and fees paid to the independent registered public accounting firm to ensure that such services are within the pre-approved amounts.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table shows the number of shares of Snap-on common stock beneficially owned by each non-employee director or nominee for director, Messrs. Kassouf, Pagliari, Pinchuk and Ward, and Ms. Moreno (the named executive officers or NEOs), and all current directors and executive officers as a group, as well as each person or entity known to us to be the beneficial owner of more than 5% of our common stock, as of February 28, 2011 (the Record Date). In addition, we also include information regarding one former executive officer, Mr. Ellen, who is included in the Summary Compensation Table and is also considered a named executive officer. Beneficial owners include the directors and executive officers, their spouses, minor children and family trusts. Unless otherwise indicated in the footnotes, the individuals and entities listed below have sole voting and investment power over their shares.

Table 2: Security Ownership of Certain Beneficial Owners and Management

Name	Shares Beneficially Owned ⁽¹⁾	Percentage
		of Shares Outstanding
Bruce S. Chelberg	52,827	*
Karen L. Daniel	8,786	*
Roxanne J. Decyk	40,955	*
John F. Fiedler	9,007	*
James P. Holden	7,891	*
Nathan J. Jones	1,435	*
Thomas L. Kassouf	54,332	*
Arthur L. Kelly	83,453 ⁽²⁾	*
W. Dudley Lehman	5,730	*
Jeanne M. Moreno	52,486	*
Aldo J. Pagliari	48,730	*
Nicholas T. Pinchuk	500,741	*
Edward H. Rensi	17,453	*
Gregg M. Sherrill		*
Richard F. Teerlink	44,748	*
Thomas J. Ward	176,527	*
All current directors and executive officers as a group (19 persons)	1,165,141	2.0%
<i>Former Executive Officer</i>		
Martin M. Ellen	128,879 ⁽³⁾	*
Harris Associates L.P. ⁽⁴⁾	4,338,850	7.4%
BlackRock, Inc. ⁽⁵⁾	3,303,997	5.7%
The Vanguard Group, Inc. ⁽⁶⁾	3,262,930	5.6%
Invesco Ltd. ⁽⁷⁾	3,198,946	5.5%

* Less than 1%

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- (1) Amounts for directors, executive officers and a former executive officer include deferred share units payable in shares of common stock on a one-for-one basis. Amounts also include shares subject to options granted under Snap-on's option plans that are exercisable currently or within 60 days of the Record Date. The options include those held by the following individuals for the indicated number of shares: Mr. Chelberg (15,000), Ms. Decyk (6,000), Mr. Ellen (108,000), Mr. Kassouf (48,314), Mr. Kelly (12,000), Ms. Moreno (42,500), Mr. Pagliari (42,340), Mr. Pinchuk (457,000), and Mr. Ward (164,011), and all current executive officers and directors as a group (843,432).
- (2) This figure includes 20,000 shares held by trusts for the benefit of Mr. Kelly and his family.
- (3) This figure includes 11,000 shares held by Mr. Ellen's limited partnership. In addition, Mr. Ellen's total reported in the table above also includes 3,081 restricted stock units (RSUs) that were earned based on Company performance during fiscal 2009 and vested upon his departure from the Company on March 31, 2010, since he satisfied the early retirement age and service provisions of the Company's retirement policy at that time; these RSUs will be paid out at a later date.
- (4) Harris Associates L.P., Two North LaSalle Street, Suite 500, Chicago, IL 60602, has reported on Schedule 13G/A, filed on February 8, 2011, the beneficial ownership of 4,338,850 shares of common stock as of December 31, 2010, representing approximately 7.4% of the shares outstanding. Harris reports sole voting power and sole dispositive power as to all of these shares.
- (5) BlackRock, Inc., 40 East 52nd Street, New York, NY 10022, has reported on Schedule 13G/A, filed on February 8, 2011, the beneficial ownership of 3,303,997 shares of common stock as of December 31, 2010, representing approximately 5.7% of the shares outstanding. BlackRock reports sole voting power and sole dispositive power as to all of these shares.
- (6) The Vanguard Group, Inc., 100 Vanguard Boulevard, Malvern, PA 19355, has reported on Schedule 13G/A, filed on February 10, 2011, the beneficial ownership of 3,262,930 shares of common stock as of December 31, 2010, representing approximately 5.6% of the shares outstanding. Vanguard reports sole voting power as to 72,844 of these shares and sole dispositive power as to 3,190,086 of these shares.
- (7) Invesco Ltd., 1555 Peachtree Street NE, Atlanta, GA 30309, has reported on Schedule 13G, filed on February 14, 2011, the beneficial ownership of 3,198,946 shares of common stock as of December 31, 2010, representing approximately 5.5% of the shares outstanding. The Schedule 13G aggregates the holdings of the following subsidiaries of Invesco Ltd.: Invesco Advisers, Inc., Van Kampen Asset Management, Invesco Powershares Capital Management and Invesco Powershares Capital Management Ireland Ltd. Invesco Ltd. reports sole voting power and sole dispositive power as to all of these shares.

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EXECUTIVE COMPENSATION