

GIBRALTAR INDUSTRIES, INC.

Form DEF 14A

April 06, 2010

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934 (Amendment No.)**

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

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

Gibraltar Industries, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
 - (1) Title of each class of securities to which transaction applies:
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 - (1) Amount Previously Paid:
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GIBRALTAR INDUSTRIES, INC.
3556 Lake Shore Road
PO Box 2028
Buffalo, New York 14219-0228

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 6, 2010

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Gibraltar Industries, Inc., a Delaware corporation (the Company), will be held at the Gateway Building, 3556 Lake Shore Road, Buffalo, New York, on May 6, 2010, at 11:00 a.m., local time, for the following purposes:

1. To elect two Class II Directors to hold office until the 2013 Annual Meeting and until their successors have been elected and qualified.
2. To ratify the selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2010.
3. To take action upon and transact such other business as may be properly brought before the meeting or any adjournment or adjournments thereof.

The Board of Directors has fixed the close of business on March 19, 2010, as the record date for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting.

Stockholders who do not expect to attend the meeting in person are urged to vote, sign, and date the enclosed proxy and return it promptly in the envelope enclosed for that purpose. Returning the proxy card does not deprive you of your right to attend the Annual Meeting and to vote your shares in person for matters acted upon at the Annual Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Timothy J. Heasley
Secretary

Dated: April 6, 2010

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**GIBRALTAR INDUSTRIES, INC.
3556 Lake Shore Road
PO Box 2028
Buffalo, New York 14219-0228**

DEFINITIVE PROXY STATEMENT

April 6, 2010

Date, Time and Place of Annual Meeting

This Definitive Proxy Statement and the accompanying form of proxy are being furnished in connection with the solicitation by the Board of Directors of Gibraltar Industries, Inc., a Delaware corporation (the Company), of proxies to be voted at the Annual Meeting of Stockholders to be held at the Gateway Building, 3556 Lake Shore Road, Buffalo, New York, on May 6, 2010 at 11:00 a.m., local time, and at any adjournment or adjournments thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The Board of Directors has fixed the close of business on March 19, 2010, as the record date for the determination of stockholders entitled to receive notice of and to vote at the meeting. At the close of business on March 19, 2010 the Company had outstanding and entitled to vote at the Annual Meeting 30,238,310 shares of common stock, \$0.01 par value per share (Common Stock). Each share is entitled to one vote on each matter properly brought before the Annual Meeting. This Definitive Proxy Statement and the accompanying form of proxy will first be sent or given to stockholders on or about April 6, 2010.

Record Date and Related Information

The cost of solicitation of proxies in the accompanying form will be borne by the Company, including expenses in connection with preparing and mailing this Definitive Proxy Statement. In addition to the use of the mail, proxies may be solicited by personal interviews and by telephone by directors, officers, and employees of the Company. Arrangements will be made with brokerage houses, banks and other custodians, nominees, and fiduciaries for the forwarding of solicitation material to the beneficial owners of Common Stock, and the Company will reimburse them for reasonable out-of-pocket expenses incurred in connection therewith.

If the enclosed proxy is properly executed, returned, and received in time for the Annual Meeting, the shares represented thereby will be voted in accordance with the specifications, if any, made on the proxy card. If no specification is made, the proxies will be voted as recommended by the Board of Directors FOR the nominees for directors named in this Definitive Proxy Statement and FOR the ratification of Ernst & Young LLP as the Company's independent registered public accounting firm.

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Common Stock entitled to vote at the Annual Meeting will constitute a quorum. Each nominee for election as a director requires a plurality of the votes cast in order to be elected. A plurality means that the nominees with the largest number of votes are elected as director up to the maximum number of directors to be elected at the Annual Meeting. Each other proposal submitted to the stockholders requires the affirmative vote of holders of a majority of the shares present at the meeting, in person or by proxy, entitled to vote. With respect to the election of directors, only shares that are voted in favor of a particular nominee will be counted towards achievement of a plurality and where a stockholder properly withholds authority to vote for a particular nominee, such shares will not be counted towards such nominee's or any other nominee's achievement of a plurality. With respect to the other proposals to be voted upon: (i) if a stockholder

specifies an abstention from voting on a proposal, such shares are considered present at the meeting for such proposal but, since they are not affirmative votes for the proposal, they will have the same effect as votes against the proposal and (ii) shares registered in the names of brokers or other street name nominees for which proxies are voted on some but not all matters will be considered to be voted only as to those matters actually voted, and will not have the effect of either an affirmative or negative vote as to the matters with respect to which a beneficial holder has not provided voting instructions.

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Revocability of Proxy

The execution of a proxy will not affect a stockholder's right to attend the Annual Meeting and to vote in person. A stockholder who executes a proxy may revoke it at any time before it is exercised by giving written notice to the Secretary, by appearing at the Annual Meeting and so stating, or by submitting another duly executed proxy bearing a later date.

**PROPOSAL 1
ELECTION OF DIRECTORS**

The Certificate of Incorporation of the Company provides that the Board of Directors shall consist of not less than three nor more than fifteen directors who shall be divided into three classes, with the term of one class expiring each year. The Board of Directors is presently comprised of seven members: William J. Colombo and Gerald S. Lippes, Class II Directors whose terms expire in 2010, Brian J. Lipke, William P. Montague, and Arthur A. Russ, Jr., Class I Directors whose terms expire in 2011, and David N. Campbell and Robert E. Sadler, Jr., Class III Directors whose terms expire in 2012. At the Annual Meeting of Stockholders in 2010, two Class II Directors shall be elected to hold office for a term expiring in 2013. William J. Colombo and Gerald S. Lippes have been nominated by the Board of Directors for election as such Class II Directors. Mr. Colombo is an independent director under the independence standards provided by Rule 5605(a)(2) of the National Association of Securities Dealers, Inc. (NASDAQ) listing standards.

Unless instructions to the contrary are received, it is intended that the shares represented by proxies will be voted for the election of William J. Colombo and Gerald S. Lippes as directors. Mr. Colombo has been a director of the Company since 2003 and has been previously elected by the Company's stockholders. Mr. Lippes has been a director of the Company since the consummation of the Company's initial public offering in 1993 and has been previously elected by the Company's stockholders. If either Mr. Colombo or Mr. Lippes becomes unavailable for election for any reason, it is intended that the shares represented by the proxies solicited herewith will be voted for such other person or persons as the Board of Directors shall designate. Each of Messrs. Colombo and Lippes have consented to being named in this Definitive Proxy Statement and to serve if elected to office.

The following information is provided concerning the directors and the nominees for election as Class II Directors:

Brian J. Lipke has been Chairman of the Board since 1992 and Chief Executive Officer since 1987 and a director of the Company since its formation. He also served as President of the Company through 1999. From 1972 to 1987, Mr. Lipke held various positions with the Company in production, purchasing, and divisional management. He is also a director of Merchants Mutual Insurance Company and Moog Inc. Mr. Lipke's qualifications to serve on the Company's Board include his demonstrated leadership skills and extensive operating executive experience acquired over his career with the Company. He has extensive experience in driving operational excellence, targeting growth opportunities, and attaining financial objectives under a variety of economic and competitive conditions. These experiences are valuable to the Company which strives for excellence, has grown historically through acquisitions, as well as internally, and regularly faces diverse and often challenging economic and competitive conditions.

William P. Montague has served as a director of the Company since the consummation of the Company's initial public offering in 1993. He served as Executive Vice President and Chief Financial Officer of Mark IV Industries, Inc. (Mark IV), a manufacturer of engineered systems and components from 1986 to February 1996, President and Director from March 1996 through October 2004, and as Chief Executive Officer and Director of that company from November 2004 until his retirement in July 2008. In April 2009, subsequent to Mr. Montague's retirement, Mark IV filed for bankruptcy protection. Mr. Montague also serves on the Board of Directors of Endo Pharmaceuticals Holding Inc. Mr. Montague's qualifications to serve on the Company's Board include his ability to offer the perspectives of a former

Chief Executive Officer along with his extensive financial and accounting experience acquired during his career with Mark IV. His experience as a director, chief financial officer, and chief executive officer at another public company with complicated capital resource requirements and diverse geographical operations similar to the Company provides significant value to the Board.

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Arthur A. Russ, Jr. has served as a director of the Company since 1993. He has been engaged in the private practice of law since 1969 and is a partner in the firm of Phillips Lytle LLP, located in Buffalo, New York. Mr. Russ is also a director of several private companies and nonprofit entities. Mr. Russ's qualifications to serve on the Company's Board include his legal expertise in the areas of corporations, taxation, securities, and general business and finance. He is able to provide the Board insights on a broad range of general business and financial issues as a result of his diverse legal experience.

William J. Colombo has served as a director of the Company since his appointment by the Board of Directors in August 2003. He served as Chief Operating Officer and Executive Vice President of Dick's Sporting Goods, Inc. (Dick's) from 1995 to 1998 and as President of dsports.com LLC, the Internet commerce subsidiary of Dick's from 1998 to 2001. From 2002 through February 2008, Mr. Colombo served as President, Chief Operating Officer, and a Director of Dick's. Mr. Colombo currently serves as Vice Chairman of the Board of Dick's. Mr. Colombo's qualifications for election to the Company's Board include his ability to provide the perspective of an executive and board member of a large, public company and national retailer similar to some of the Company's largest customers.

Gerald S. Lippes has served as a director of the Company since 1993 and was Secretary of the Company from December 2002 through November 2003. He has been engaged in the private practice of law since 1965 and is a partner in the firm of Lippes Mathias Wexler Friedman LLP, located in Buffalo, New York. Mr. Lippes is also a director of several private companies. Mr. Lippes's qualifications for election to the Company's Board include his more-than 40 years of legal experience representing large businesses in corporate matters, securities, and other financial transactions enable him to provide insights on a broad range of corporate governance, securities, transactional, and management issues the Company faces.

David N. Campbell has served as a director of the Company since the consummation of the Company's initial public offering in 1993. He is Executive Director of Hands on Worldwide, a not-for-profit volunteer-based disaster response organization. He has also been a Managing Director of Innovation Advisors, a strategic advisory firm focused on merger and acquisition transactions in the information technology software and services industry, since November 2001. He served as President and Chief Executive Officer of Xpedior, a provider of information technology solutions, from September 1999 to October 2000. Subsequent to Mr. Campbell's departure, Xpedior filed for bankruptcy protection in April 2001. Prior to that he served as President of the GTE Technology Organization and from July 1995 to September 1999 he served as President of BBN Technologies, a business unit of GTE Corporation. From March 1983 until September 1994 he served as Chairman of the Board and Chief Executive Officer of Computer Task Group, Incorporated. During the past five years, Mr. Campbell also served on the Board of Directors of Tektronix Inc. (prior to its acquisition by Danaher Corporation) and MRO Software Inc. (prior to its acquisition by IBM Corporation). Mr. Campbell's qualifications to serve on the Company's Board include his ability to provide the perspective of a Chief Executive Officer and Director of public companies along with his leadership experience at organizations with international operations which the Company also has. In addition, he qualifies as an audit committee financial expert under the standards established by the Securities Exchange Act of 1934, as amended.

Robert E. Sadler, Jr. has served as a director of the Company since his appointment by the Board of Directors in January 2004. He served as President of M&T Bank from 1996 to 2003, as Chairman of M&T Bank from July 2003 to June 2005, and from June 2005 to January 2007 as President and Chief Executive Officer of M&T Bank Corporation, one of the 20 largest banks in the U.S. Mr. Sadler currently serves as Vice Chairman of both M&T Bank and M&T Bank Corporation. Mr. Sadler is also a director of several private companies and nonprofit entities, including Delaware North Companies, Inc. and Security Mutual Life Insurance Company of New York. Mr. Sadler's qualifications to serve on the Company's Board include his extensive experience as a financial services executive, particularly during his career with M&T Bank, which allows him to provide the Board with the perspective of lenders and investment bankers, which the Company deals with regularly. Other qualifications include his experience as a director on the board of directors of other large companies and his financial literacy.

Vote Required

The affirmative vote of a plurality of the shares of Common Stock present, in person or by proxy, is required for the election of the directors, assuming a quorum is present or represented at the meeting.

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**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE
NOMINEES FOR CLASS II DIRECTORS IN PROPOSAL 1.**

THE BOARD OF DIRECTORS AND ITS COMMITTEES

Our Board of Directors has three standing committees consisting of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Copies of the charters of these committees are available on the Company's website at: www.gibraltar1.com. During the year ended December 31, 2009, the Board of Directors held seven (7) meetings. Each director attended at least 75% of the aggregate number of meetings of the Board of Directors and committees on which he served during the period.

Audit Committee

The Audit Committee is comprised of Messrs. Campbell, Sadler, and Montague, each of whom is independent as required by the rules of the NASDAQ as applicable to such Committee. The Audit Committee assists the Board of Directors in its oversight of matters relating to the financial reporting process, the system of internal accounting control and management of financial risks, the audit process, compliance with laws and regulations, and the Company's code of business conduct. The Audit Committee held four (4) meetings in 2009. The Board of Directors has made a determination that Mr. Campbell, an independent director, is an audit committee financial expert under the standards established by Item 407(d)(5)(ii) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended. Mr. Campbell's business experience is set forth above under Election of Directors.

Compensation Committee

The Compensation Committee is composed of Messrs. Colombo, Montague, and Sadler, each of whom is independent as required by the rules of the NASDAQ as applicable to such Committee. The Compensation Committee held three (3) meetings in 2009. The Compensation Committee acts in accordance with its charter to make recommendations concerning the salaries and incentive compensation packages for executive officers and directors of the Company which includes meeting in executive session to determine compensation package recommendations for the Company's executive officers. Salary and incentive compensation package recommendations of the Compensation Committee are approved by the Board of Directors. The Compensation Committee is responsible for ensuring their recommendations are in line with market conditions and enhance the Company's ability to attract, retain, and motivate highly qualified individuals to serve as executive officers and directors. To fulfill its responsibilities, the Compensation Committee employs a nationally recognized compensation consultant, Towers Watson, to perform market studies of compensation packages offered by a peer group of companies. The Compensation Committee works with Towers Watson and the Company's executive management team to make final recommendations to the Board of Directors regarding the design of the programs used to compensate the Company's executive officers and directors in a manner which is consistent with the Company's compensation objectives. The Compensation Committee is also responsible for the administration of the Company's cash and equity based incentive compensation plans and authorization of grants of equity based awards pursuant to such plans.

Compensation Committee Interlocks and Insider Participation

During 2009, Messrs. Colombo, Montague, and Sadler served as members of the Compensation Committee. None of Mr. Colombo, Mr. Montague or Mr. Sadler was an executive officer or employee of the Company or any of its subsidiaries during 2009 or prior thereto. In 2009, none of the executive officers of the Company or members of the Compensation Committee served on the compensation committee or on any other committee performing similar functions for any other entity's board of directors, any of whose officers or directors served on the Company's Board of Directors or Compensation Committee.

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Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is comprised of Messrs. Campbell, Colombo, and Montague, each of whom is independent as required by the rules of the NASDAQ as applicable to such Committee. The purpose of the Committee is to identify and nominate individuals qualified to become Board and committee members, to establish and implement policies and procedures relating to the nominations of qualified candidates, to develop and recommend to the Board a set of corporate governance guidelines for the Company, to oversee, review and make periodic recommendations to the Board concerning the Company's corporate governance guidelines and policies, and to oversee, review and approve related party transactions. The Nominating and Corporate Governance Committee held one (1) meeting in 2009. The current nominees for director were recommended for election to the Board at a meeting of the Nominating and Corporate Governance Committee held March 24, 2010. Mr. Colombo did not participate in his recommendation for election to the Board.

When a Board vacancy arises, the Committee seeks to identify candidates for nomination who are highly qualified, willing to serve as a member of the Company's Board, and will be able to serve the best interests of all stockholders. The Committee believes that, given the size and complexity of the Company's operations, the best interests of the Company's stockholders will be served by a Board which is composed of individuals with a wide variety of business experience. Accordingly, the Committee seeks to identify candidates for nomination who will contribute to the diversity of business perspectives present in Board deliberations. During the nomination process, the Committee considers whether the Board's composition reflects an appropriately diverse mix of skills and experience, in relation to the needs of the Company.

The Company does not have a fixed policy on whether the roles of Chairman of the Board and Chief Executive Officer should be separate or combined. Currently, these roles are combined with Brian J. Lipke serving as both the Chairman of the Board and the Chief Executive Officer. The Board has not appointed a lead independent director. Given the Company's strong financial performance over extended periods, the Board considers that the Company has been well-served by its leadership structure over the years. The Board also considers that in the context of the Company's diverse operations, the Company's combined leadership structure provides important benefits through effective internal and external communication of critical strategies and business priorities.

Stockholder Recommendations of Nominees

The Company has adopted a policy regarding stockholder recommendations to the Nominating and Corporate Governance Committee of nominees for director. A stockholder may recommend a nominee for consideration by the Nominating and Corporate Governance Committee by sending a recommendation, in writing, to the Secretary of the Company or any member of the Nominating and Corporate Governance Committee, together with such supporting material as the stockholder deems appropriate. Any person recommended by a stockholder in accordance with this policy will be considered by the Nominating and Corporate Governance Committee in the same manner and by the same criteria as other potential nominees. The Nominating and Corporate Governance Committee did not receive any nomination recommendations from stockholders during 2009.

Board Oversight of Risk Management

The Board of Directors is actively engaged in the oversight of strategies adopted by management for addressing risks faced by the Company. These risks may arise in many different areas, including business strategy; financial condition; competition for talent; operational efficiency; quality assurance; environmental, health, and safety; supply chain management; reputation; customer spending patterns; and intellectual property, among many others. The Board of Directors believes that, in light of the interrelated nature of the Company's risks, oversight of risk management is ultimately the responsibility of the full Board and has not divided the responsibility for oversight of risk management

among its committees. In carrying out this critical responsibility, the Board of Directors reviews with management their assessment of significant risks faced by the Company as well as the policies implemented to manage these risks. The Board of Directors also receives quarterly reports on aspects of the Company's risk management from senior representatives of the Company's independent auditors.

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Communication with the Board of Directors

The Board of Directors has established a policy with respect to stockholder communication with the directors. Stockholders may send communications to the Board of Directors in care of the Secretary of the Company at its headquarters located at 3556 Lake Shore Road, PO Box 2028, Buffalo, NY 14219-0228. All mail will be opened and logged. All communication, other than trivial communication or obscene material, will be forwarded promptly to the directors. Trivial material will be delivered at the next meeting of the Board of Directors. Mail addressed to a particular member of the Board of Directors will be forwarded to that member. Mail addressed to Outside Directors or Non-Management Directors or similar addressees will be sent to the chairman of the Audit Committee.

The Company does not have a policy regarding director attendance at the annual meeting. Last year's annual meeting was attended by David N. Campbell, William J. Colombo, Brian J. Lipke, Gerald S. Lippes, William P. Montague, Arthur A. Russ, Jr., and Robert E. Sadler, Jr. constituting the entire Board of Directors.

Independent Directors

The Board of Directors has determined that each of David N. Campbell, William J. Colombo, William P. Montague, Arthur A. Russ, Jr., and Robert E. Sadler, Jr. is an independent director as defined in Rule 5605(a)(2) of the NASDAQ listing standards, which the Board has adopted as the standards by which it will determine independence.

DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

Directors and Executive Officers

The following table sets forth certain information regarding the Directors and executive officers of the Company as of April 3, 2009:

Name	Age	Position(s) Held
Brian J. Lipke	58	Chairman of the Board and Chief Executive Officer
Henning N. Kornbrekke	65	President and Chief Operating Officer
Kenneth W. Smith	59	Senior Vice President and Chief Financial Officer
Timothy J. Heasley	56	Senior Vice President, Corporate Controller, and Secretary
Paul M. Murray	57	Senior Vice President of Human Resources and Organizational Development
David N. Campbell	68	Director
William J. Colombo	54	Director
Gerald S. Lippes	70	Director
William P. Montague	63	Director
Arthur A. Russ, Jr.	67	Director
Robert E. Sadler, Jr.	64	Director

The recent business experience of the directors is set forth above under Election of Directors. The recent business experience of the executive officers who are not also directors is as follows:

Henning N. Kornbrekke has served as Chief Operating Officer of the Company since December 2004 and President of the Company since February 2004. Mr. Kornbrekke served as Vice President of the Company and President of its Building Products Group from January 2002 to January 2004. Prior thereto, Mr. Kornbrekke served as the Chief

Executive Officer of a division of Rexam, PLC and before that as President and General Manager of the hardware division of the Stanley Works. Mr. Kornbrekke also serves as a director of a private company.

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Kenneth W. Smith has been Senior Vice President and Chief Financial Officer of the Company since joining the Company in March 2008. Prior thereto, he served as Chief Financial Officer of Circor International, a global manufacturer of flow control components from 2000 through February 2008, for the period from 1996 to 2000 as Vice President of Finance for North Safety Products, a manufacturer of personal protection equipment for employees of industrial companies, and before that as Finance Director of Digital Equipment Corporation, a manufacturer of computer hardware and software and a provider of integration services.

Timothy J. Heasley has been Senior Vice President, Corporate Controller, and Secretary of the Company since joining the Company in October 2005. Prior to joining the Company, Mr. Heasley served as Chief Financial Officer for MRC Industrial Group, Inc. from 2003 to 2005, and, before that as Controller of the Engineered Products Group of SPS Technologies, Inc. Subsequent to Mr Heasley's departure, MRC Industrial Group, Inc. filed for bankruptcy protection in the first quarter of 2006.

Paul M. Murray has been Senior Vice President of Human Resources and Organizational Development of the Company since May 2004 and was Vice President of Administration from 1997 to May 2004. Prior thereto, Mr. Murray held Human Resource management positions at The Sherwin Williams Company and Pratt & Lambert.

COMPENSATION OF DIRECTORS

Watson Wyatt (now combined with Towers Perrin and known as Towers Watson), a nationally recognized compensation consultant provides survey information and advice to the Compensation Committee with respect to compensation related matters. In 2006, Towers Watson provided the Compensation Committee survey data and other publicly available information relating to non-employee director compensation for a peer group of companies. The peer group of companies used for this purpose by Towers Watson included Carpenter Technology, Simpson Manufacturing, Curtis Wright, Smith (A.O.), Gardner Denver, Steel Dynamics, Quanex, and Reliance Steel.

Using this information our Board of Directors approved a compensation program for non-employee directors consisting of an annual retainer of \$24,000 per year, meeting fees of \$2,000 for each meeting of the Board of Directors or committee meeting attended and an additional fee to the Chairmen of the Compensation Committee, the Nominating and Corporate Governance Committee, and the Audit Committee of \$5,000 per year, respectively for serving as Chairman. As a result of difficult economic conditions facing the Company in March 2009, the Board of Directors agreed to voluntarily relinquish 10% of the fees they would have otherwise been entitled to receive for service in 2009. No other changes to these amounts have been made since 2006.

In addition, the Board of Directors, in consultation with the Compensation Committee, approved annual grants of 1,000 shares of restricted stock to non-employee directors and awards of 2,000 shares of restricted stock to new directors upon their election to the Board. Restrictions on these shares of restricted stock will expire three years following the grant date. Pursuant to this approval, in May 2009, each non-employee director received awards of 1,000 shares of restricted stock.

Our Management Stock Purchase Plan (MSPP) permits non-employee directors to elect to defer their receipt of payment of a portion of their retainer, chair, and meeting fees to an account established for the director and credited with restricted stock units equal in number to the number of shares of the Company's stock which could have been purchased using the amount of director fees deferred (see the discussion of the MSPP under the caption *Non-Qualified Deferred Compensation* in the Compensation Discussion and Analysis below). The Company allocates additional restricted stock units to the accounts of non-employee directors who defer the receipt of retainer fees to match the amount of restricted stock units allocated to reflect deferred retainer fees of non-employee directors.

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Name	Fees Earned Or Paid in Cash (1)	Stock Awards (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (3)	Total
David N. Campbell	\$ 47,700	\$ 7,920	\$ (35,270)	\$ 20,350
William J. Colombo	\$ 53,100	\$ 7,920	\$ (14,586)	\$ 46,434
Gerald S. Lippes	\$ 43,200	\$ 7,920	\$ (33,270)	\$ 17,850
William P. Montague	\$ 51,300	\$ 7,920	\$ (34,980)	\$ 24,240
Arthur A. Russ, Jr.	\$ 41,400	\$ 7,920	\$ (29,292)	\$ 20,028
Robert E. Sadler, Jr.	\$ 46,800	\$ 7,920	\$ (24,483)	\$ 30,237

- (1) Consists of annual retainer fees of \$21,600; \$4,500 for each of Messrs. Campbell, Montague, and Colombo, to reflect their respective positions as Chairman of the Audit Committee, Chairman of the Nominating and Corporate Governance Committee, and Chairman of the Compensation Committee; and additional fees of \$1,800 for attendance at each meeting of the Board of Directors and any committee. Messrs. Campbell, Lippes, Montague, and Russ deferred all of their fees into the MSPP. Mr. Colombo deferred his retainer into the MSPP.
- (2) This column represents the grant-date fair value of restricted stock granted in 2009. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. The fair value of restricted stock is calculated using the closing price of Gibraltar Industries, Inc. common stock on the date of grant.
- (3) This column represents the Company match on the deferred retainer and the earnings or losses on the deferred fees in each respective director's account under the MSPP.

Outstanding Equity Awards at Fiscal Year End

The following chart summarizes the aggregate number of stock awards outstanding at December 31, 2009 for each director:

Name	Restricted Shares (1)	Restricted Stock Units (RSUs) (2)	Aggregated Number of Stock Awards Outstanding
David N. Campbell	5,000	15,536	20,536
William J. Colombo	9,000	9,048	18,048
Gerald S. Lippes	5,000	15,120	20,120
William P. Montague	5,000	15,815	20,815
Arthur A. Russ, Jr.	5,000	14,001	19,001
Robert E. Sadler, Jr.	9,000	5,814	14,814

- (1) Restricted shares generally vest over three (3) years. Messrs. Campbell, Lippes, Montague, and Russ hold 2,000 restricted shares and Messrs. Colombo and Sadler hold 6,000 restricted shares that will vest upon retirement from the Board.
- (2) Represents RSUs deferred in the MSPP that will be converted to cash and paid out over five (5) years upon retirement from the Board. Includes 4,186 unvested RSUs for the benefit of Mr. Colombo that will be forfeited if his service as a member of the Company's Board of Directors is terminated prior to age sixty (60).

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS****Overview**

We have designed our compensation program to attract, retain, and motivate highly qualified individuals to serve as our executive officers and to align the financial interests of our executive officers with those of our stockholders.

To achieve these objectives, the Compensation Committee of our Board of Directors engaged Towers Watson, a nationally recognized compensation consultant, to provide survey information and assistance in the development of a compensation program for our executive officers which has a strong emphasis on performance and long-term incentives and which is competitive within our industry in terms of base salaries, annual incentives, and long-term incentives.

In 2004, the Company's Board of Directors, on the recommendation of the Compensation Committee, established a compensation program which compensates our executive officers through a mix of base salary, annual incentive payments, and long-term equity based incentives. This structure, including the percentages of base salary which are targeted for annual incentive payments and long-term equity based incentives was developed by the Compensation Committee in consultation with Towers Watson using information supplied by Towers Watson with respect to compensation practices of peer companies. The group of companies used for comparative data in establishing compensation of our executive officers was Actuant Corporation, Barnes Group, Carlisle Companies, Kennametal, NCI Building Systems, Quanex Building Products Corporation, Simpson Manufacturing, Steel Dynamics, and Worthington Industries. These peers were chosen due to their size, technologies, business dynamics, and industries.

Based on the analysis described above, the program adopted by the Board in 2004 set the targeted annual incentive compensation and long-term equity based incentive compensation components of each executive officer's total compensation at the percentages of each executive officer's base salary set forth in the following table.

Position	Targeted Annual Incentive Compensation as a Percentage of Base Salary	Long-term Equity Based
		Incentive Compensation as a Percentage of Base Salary
Chief Executive Officer	90%	180%
Chief Operating Officer	75%	133%
Chief Financial Officer	60%	75%
Senior Vice President	35%	35%

By structuring our compensation to provide that a substantial portion of each executive officer's total compensation is based on annual incentives and equity based long-term incentives, we reward our executive officers for achieving clearly defined annually established financial goals and long-term appreciation in the value of our stock. Additionally, the link between the amount of an executive officers' base salary and the annual and long-term equity incentive compensation reduces the need for the Compensation Committee to exercise discretion in the determination of the amount of an executive officers' incentive compensation. This provides the executive officers a level of certainty as to the level of incentive compensation which they will be entitled to receive upon attainment of a specified level of performance.

Each year, management provides recommendations on executive officer annual base salaries to the Compensation Committee. These recommendations are based on management's evaluation of each executive officer's performance, length of service to the Company, experience, level of responsibility, and the degree to which their efforts have contributed to the implementation of the Company's strategies and goals. This information is then, following consultation by the Compensation Committee with its consultant, used by the Compensation Committee to make recommendations to the Board of Directors concerning base salaries of executive officers.

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Final authority for the establishment of annual base salaries of our executive officers resides with the Board of Directors. Once base salaries are established, the formula-driven components of our compensation program are applied to determine the amount of the total compensation which our executive officers will be entitled to receive based upon the degree to which the Company's annual goals have been achieved. As a result of the difficult financial conditions facing the Company in March 2009, the Chief Executive Officer and Chief Operating Officer voluntarily reduced their base salaries by 10% during the year ended December 31, 2009. In addition, the Company suspended salary increases as well as the Company's matching contribution to the Gibraltar 401(k) Plan during 2009 for all employees, including the executive officers.

With respect to the long-term equity based incentive compensation described in the table above, the rights of executive officers to payment of this award generally vests at a rate of 25% per year. This long-term equity based incentive program was to be effective for five (5) years. However, due to the timing of the Board's approval of this program, no long-term equity based incentive compensation was awarded to executive officers in 2004 and the first annual long-term equity based incentive award made to executive officers was granted in April 2005 with the final installment awarded in January 2009.

In connection with the pending expiration of the Board's 2004 authorization of the long-term equity based incentive compensation described above (with the last award being made in January 2009) in December 2008, the Compensation Committee engaged Towers Watson to assist in the development of a new long-term equity based incentive compensation program for 2009 and future years. In this regard, it was the desire of both the Compensation Committee and management to develop a long-term equity based incentive program which would be more aligned with the interests of the Company's stockholders than an equity based incentive program that provided for payment solely on the expiration of time. As a result, the Compensation Committee, in consultation with Towers Watson, determined that it was appropriate for a portion of an executive officer's long-term equity based incentive compensation to be based on the achievement of performance objectives. Long-term equity based incentive compensation based on the achievement of performance objectives would then be coupled with a reduction in long-term equity based incentive compensation which is earned through the passage of time.

After consulting with Towers Watson, the Compensation Committee recommended and the Board approved a new long-term equity based incentive compensation program which provides executive officers the ability to earn long-term equity based incentive compensation which is based, in part, on the passage of time and, in part, on a comparison of the total shareholder return achieved by the Company to the total shareholder return of a peer group of companies consisting of Actuant Corporation, Beacon Roofing Supply, BlueLinx Holdings, Builders FirstSource, Griffon Corporation, The Home Depot, Masco Corporation, NCI Building Systems, Owens Corning, Qualex Building Products Corporation, Valmont Industries, and Worthington Industries. These peer companies were chosen because they are affected by the same external factors as the Company and because differences in returns from this group of companies are expected to be driven by management actions rather than external economic factors. Total shareholder return of the Company and each company in the peer group for any annual performance period is defined in each award as a fraction whereas the numerator is equal to the sum of the trailing 20-day average closing price per share of one share of common stock ending with December 31 and the aggregate amount of the dividends paid on each share during the calendar year ending December 31 and the denominator is equal to the trailing 20-day average closing price per share of one share of common stock beginning with the January 1.

Under the performance based portion of the long-term equity based incentive compensation, executive officers were granted an award of performance stock units (PSUs) which, based on information provided by Towers Watson, were designed to approximate 75% of the executive officer's base salary for achievement of a targeted performance goal. For purposes of the PSUs, the targeted performance goal is total shareholder return for the Company which is equal to the median total shareholder return of the peer group of companies described above.

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These PSUs are earned by executive officers based on a comparison of the Company's total shareholder return for three annual performance periods consisting of the years ending December 31, 2009, 2010 and 2011 against the total shareholder return of the Company's peer group for each performance period. Final payment of the performance units awarded is to be made in January 2012 and is to be an amount equal to the number of performance stock units earned for each performance period, multiplied by the average closing price of the Company's common stock during the period beginning October 1, 2011 and ending December 31, 2011.

If the Company's total shareholder return for a performance period is equal to the median total shareholder return for the Company's peer group, the executive officers will earn PSUs equal to the targeted award. If the Company's total shareholder return for the applicable performance period is less than the median total shareholder return of the Company's peer group, the number of PSUs earned by executive officers will be less than the targeted number of performance share units with the possibility of not earning any PSUs. Conversely, if the Company's total shareholder return for a performance period is more than the median total shareholder return of the Company's peer group, the number of performance units earned by the executive officers will be increased up to a maximum of two hundred percent of the targeted performance unit award. For the year ended December 31, 2009, the first of three annual performance periods, the executive officers earned 34% of the targeted award based on the Company's performance compared to the peer group.

The Compensation Committee believes that the new long-term equity based incentive compensation structure described above promotes the interests of the Company's stockholders by providing an incentive to executive officers to continue their employment with the Company as well as an incentive to improve total shareholder return. Furthermore, executive officers are provided an incentive to improve the Company's share price over the long term because final payment of this long-term equity based incentive compensation program is based on the price of the Company's stock at the time for payment.

Elements of Our Compensation Program

Our compensation program for executive officers and senior management contains the following elements:

Base Salary

Annual Management Incentive Compensation Plan (MICP)

Equity-based Incentive Compensation (Omnibus Plan)

Non-qualified Deferred Compensation Plan (MSPP)

Long-term Incentive Compensation Plan (LTIP)

Restricted Stock Units

Performance Stock Units

Chief Executive Officer's Discretionary Bonus

Retirement Plans

Change in Control Benefits

Perquisites and Other Benefits

Generally Available Benefit Programs

Base Salaries. As noted above, the Company provides executive officers with a base salary recommended by the Compensation Committee and approved by our Board of Directors, which reflects the level of responsibility held by our executive officers, rewards them for the day to day performance of their duties and is competitive within our industry. Our competitive analysis includes a review of the base salaries and total compensation paid by our peer group companies to their executive officers. For our Chief Executive Officer, a base salary of \$680,000 was established during 2008. The Chief Executive Officer voluntarily reduced his base salary by 10% during 2009 as a result of the difficult financial conditions facing the Company.

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Under our internal management structure, our CEO and COO work closely and collaboratively in the development of strategy, goals, objectives, and execution tactics. We believe this fosters team unity and results in better strategic decision making. Due to this structure, we believe it is appropriate for the difference between the base salary of the CEO and the COO to be relatively small. As a result, the base salary for the COO for 2009 was established at \$577,500 during 2008. The Chief Operating Officer also voluntarily reduced his base salary by 10% during 2009 as a result of the difficult financial conditions facing the Company. Both salaries are within industry targeted base salary ranges and were established based upon comparison to the peer companies and the individual's performance.

We establish the base salaries of our other executive officers using the same process of analyzing the level of their responsibility and contribution to the Company's overall objectives and taking into consideration the range of base salaries paid to these officers by our peer group companies. The base salaries of the other executive officers were established using these criteria. During 2009, the Company suspended salary increases for all employees. As a result, the annual base salaries of all executive officers remained unchanged from December 31, 2008. Our executive officers, except Kenneth W. Smith who was hired in March 2008, received salary increases in July 2008. Therefore, the salaries shown in the summary compensation table for 2008 reflect one half of the year at their respective 2007 salaries and one half of the year at the salaries established in 2008.

Annual Management Incentive Compensation Plan. Our annual Management Incentive Compensation Plan (MICP) provides alignment between executive management's cash compensation and stockholder interests by rewarding management for achievement of performance goals that the Board of Directors believes will enhance stockholder value.

MICP targets in 2009 were income from continuing operations as a percent of sales, net sales growth year-over-year, and days of working capital. The targets for 100% achievement of MICP awards were 3.5% income from continuing operations as a percentage of sales (NI), 2.5% net sales growth from the preceding year (NSG), and 83 days of working capital (DWC). The MICP payout is adjusted for performance above or below targeted levels. The MICP includes minimum thresholds for 2009 of 1.5% NI, prior year net sales, and 96 days of working capital. Targeted annual incentive compensation under the MICP as a percentage of executive officer base salaries are as outlined in the table on page 7.

The net income and sales growth targets and thresholds referred to above were established in 2005, through an analysis of historic performance of the Company, benchmarking to its peer group, and stretch performance criteria. These targets and thresholds are reviewed on an annual basis and were amended in 2008 to add days of working capital targets to better align incentive compensation to the Company's goals of reducing working capital and maximizing liquidity. The targets and thresholds for NI and NSG were developed based on the Company's historical performance and market conditions in the residential housing and domestic automotive manufacturing industries which showed that these levels of profitability and growth would provide a strong return for our stockholders. The target and threshold developed for DWC was based on management's goal to reduce working capital and maximize cash flows from operations in an effort to reduce the level of debt outstanding and increase liquidity.

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Forty percent (40%) of the MICP is based upon NI, twenty percent (20%) is based upon NSG, and forty percent (40%) is based upon DWC. Maximum achievement for NSG is four hundred percent (400%). Each of NI and DWC have no maximum limit because an excessive payout is not possible due to the nature of the measurement and the operating characteristics of the Company. In addition, adjustments are made to the performance levels achieved by the Company with respect to the applicable performance criteria to eliminate the effect of restructuring charges and other non-routine transactions. Due to the Company's operating performance in 2009, MICP payments were 61.5% of the targeted level as calculated below (dollar amounts in thousands):

	NI	NSG	DWC	Total
2009 loss from continuing operations as reported	\$ (51,872)			
Intangible asset impairment charges, net of taxes	40,437			
Exit activity costs and asset impairments, net of taxes	2,881			
Deferred financing costs, net of taxes	1,118			
Adjusted net income for year ended December 31, 2009	\$ (7,436)			
Net sales for year ended December 31, 2009 as reported	\$ 834,218	\$ 834,218		
Net sales for year ended December 31, 2008 as reported		\$ 1,232,299		
Average net working capital during 2009 (1)			\$ 175,869	
Net sales for year ended December 31, 2009 as reported			\$ 834,218	
360 days			360	
Average daily sales			\$ 2,317	
Actual results	(0.89)%	(32.30)%	76	
MICP targets	3.50%	2.50%	83	
Payout factor minimum threshold	1.50%	0.00%	96	
Payout factor (2)	0.00	0.00	1.54	
Weighting	40%	20%	40%	
MICP payout percentage	0.0%	0.0%	61.5%	61.5%

(1) Average net working capital is based on the 13 month average of accounts receivable and inventory less accounts payable for each month end between December 31, 2008 and December 31, 2009.

(2)

The payout factor for NI and NSG is calculated by comparing the difference between actual results and the minimum threshold to the difference between the target and the minimum threshold. The payout factor for DWC is calculated by dividing the difference between the actual days of working capital and the targeted days of working capital by 13 and adding this factor to 1.00.

Non-Qualified Deferred Compensation. We maintain an equity incentive compensation plan known as the Gibraltar Industries, Inc. 2005 Equity Incentive Plan (the Omnibus Plan). Our Omnibus Plan is an integral component of our overall compensation structure and provides the Company a vehicle through which we make awards of equity based compensation to our executive officers and other senior management employees. The forms of equity based compensation which the Company has the authority to grant under the terms of our Omnibus Plan are options, shares of restricted stock, restricted stock units (RSUs), performance shares, performance stock units (PSUs), and stock appreciation rights.

One of the features of our Omnibus Plan is the Management Stock Purchase Plan (MSPP), a non-qualified deferred compensation arrangement. The MSPP provides our executive officers the right to defer their receipt of the annual incentive compensation payment they are entitled to receive under the MICP and up to 25% of their salary. Our non-employee directors are also entitled to defer their receipt of their director fees under the MSPP.

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If, and to the extent that an executive officer defers any portion of his MICP payment or salary, an account is established for his benefit under the MSPP and credited with RSUs equal in number to the number of shares of the Company's stock which could have been purchased using the amount of the MICP payment or salary which was deferred. If, and to the extent a non-employee director defers his retainer, chair, and meeting fees, an account is established for his benefit under the MSPP and credited with RSUs equal in number of shares of the Company's stock which could have been purchased using the amount of such fees deferred. The price used to determine the number of RSUs credited to an executive officer or non-employee directors' account is the 200-day closing average price per share of the Company's stock determined one day prior to the date in which the compensation was earned and deferred. The Company's use of a 200-day closing average price for valuing RSUs is intended to eliminate the effect of short-term market fluctuations on the number of RSUs awarded under our MSPP.

In addition to RSUs which are credited to the accounts of executive officers that elect to defer a portion of their MICP payment or salary, the Company credits an additional number of RSUs (Matching RSUs) to the account of the executive officer. These Matching RSUs are forfeited if the executive officer's employment is terminated, for any reason other than a change in control transaction, before the executive officer reaches age sixty (60). The Company also credits the accounts of non-employee directors that defer their retainer fees with Matching RSUs equal in number to the RSUs allocated to the director's account and attributable to their deferred retainer fees. The directors forfeit their Matching RSUs if they terminate Board service prior to reaching age sixty (60) for any reason other than a change in control transaction.

RSUs credited to the account of an executive officer or non-employee director to reflect amounts deferred under MSPP are paid to the participant upon a termination of their employment or service on the Board. In addition, if the executive officer's employment is terminated, or a non-employee director's Board service is terminated, after age sixty (60), the participant will be entitled to receive payment for Matching RSUs.

The amount to be paid to a participant upon termination of his employment or service on the Board is equal to the number of RSUs credited to his account (including Matching RSUs, if applicable) multiplied by the 200-day rolling average price per share of the Company's stock, determined as of the day immediately preceding the participant's termination.

Payment of the amount determined above is made to the participant in five (5) substantially equal annual installments beginning the first January following six months after the date of termination. During the period of the installment payments, the undistributed value of the participant's account will earn interest at a rate equal to the average annualized rate of interest payable on ten (10) year US Treasury Notes plus two percent (2%).

We believe the MSPP furthers our compensation objectives of aligning the interests of our executive officers and non-employee directors with stockholder interests by providing the executive officers and non-employee directors an opportunity to increase post-termination compensation as a result of increases in the Company's share price over their careers.

Long-term Equity Incentive Plan. Our Omnibus Plan (described above) provides us with a vehicle to grant our executive officers equity based compensation. In 2004, our Board approved a plan to grant annual equity based incentive compensation awards to our executive officers (LTIP) each year for a period of five (5) years. These long-term equity based awards have a value, at the time the award is made, equal to the percentage of the executive officer's base salary as identified in the table on page 7.

In 2009, our executive officers received awards of RSUs having a fair market value equal to the percentages of their base salaries identified in the table on page 7. The fair market value of the RSUs awarded in 2009 was determined using a 200-day rolling average price per share of the Company's stock. Under the terms of these 2009 awards, vesting

occurs at a rate of 25% per year for the Chief Executive Officer, Chief Financial Officer, Corporate Controller, and Senior Vice President of Human Resources and Organization Development and at 100% in one (1) year for the Chief Operating Officer, with issuance of shares at vesting.

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In addition to the RSUs granted as a part of the long-term equity incentive plan, the Compensation Committee determined that it was in the interest of the Company to award an additional 100,000 RSUs to the Chief Operating Officer as an incentive to continue his employment with the Company. In making this determination, the Compensation Committee consulted with Towers Watson both as to the commercial reasonableness of the award to achieve the Company's objective of extending the Chief Operating Officer's commitment to the Company and as to the size of the award. Accordingly, upon recommendation of the Compensation Committee, the Board of Directors approved an award of 100,000 RSUs to the Chief Operating Officer in January 2009. Under the terms of this award, the RSUs vest at a rate of 33.3% per year.

During 2009, our Board approved a plan to replace the LTIP put in place in 2004. The new long-term equity incentive plan was designed to award the executive officers with long-term equity compensation based on the performance of the Company compared to a peer group as described on page 8 above. In September 2009, the Board approved the award of performance stock units (PSUs) that vest on December 31, 2011. The targeted compensation from the awards approximated 75% of each executive officer's annual salary based on the 90-day average stock price as of the September 2009 grant date. The final number of PSUs earned by the executive officers will be determined based on the total shareholder returns generated by the Company relative to a peer group for three separate performance periods consisting of the years ended December 31, 2009, 2010, and 2011. During the first performance period, the year ended December 31, 2009, the executive officers earned 34% of the targeted compensation based on the Company's performance compared to the group of peer companies. The PSUs will be converted to cash based on the trailing 90-day closing price of the Company's common stock as of the last day of the third performance period and the executive officers will be paid in January 2012. The Board of Directors believes this compensation program more closely aligns executive officer compensation with the interest of the Company's stockholders by emphasizing total shareholder return compared to a peer group of companies and retention of the Company's executive management team. As a result of the grant of performance based awards, beginning in 2010 and thereafter, the executive officers will receive a reduced amount of RSUs that solely vest with the passage of time as shown in the table below:

Position	RSUs Awarded Annually From 2005 to 2009 as a Percentage of Base Salary	RSUs to be Awarded Annually During 2010 and Thereafter as a Percentage of Base Salary
Chief Executive Officer	180%	100%
Chief Operating Officer	133%	80%
Chief Financial Officer	75%	40%
Senior Vice President	35%	20%

Chief Executive Officer's Discretionary Bonus. The Company has in the past, approved bonuses over and above those provided for by established Company incentive programs upon a review and approval by the Compensation Committee of recommendations made by the Company's Chief Executive Officer. Those discretionary bonuses have only been approved on a limited basis and are based on the determination by the Chief Executive Officer that bonus recipients have made outstanding contributions to the Company. No discretionary bonuses were awarded for services performed by our executive officers in 2009.

Retirement Plans. All of our executive officers are entitled to participate in our Gibraltar 401(k) Plan. Prior to 2009, our executive officers were also entitled to participate in the Gibraltar 401(k) Restoration Plan (the "Restoration Plan"). The purpose of the Restoration Plan was to allow those employees who are considered "highly compensated" under IRS

regulations to defer up to the IRS limit for 401(k) contributions allowed to non-highly compensated employees, with the Company providing a 50% match of up to 6% of compensation deferred both in the Gibraltar 401(k) Plan and the Restoration Plan. In November 2008, the Company increased its match under the Gibraltar 401(k) Plan and obtained safe harbor status, as a result of which highly compensated employees are no longer prohibited from deferring the maximum amount of compensation which is permitted to be deferred under the Internal Revenue Code. Effective January 1, 2009, the Restoration Plan was merged into the Gibraltar Deferred Compensation Plan (the Deferred Compensation Plan), and the ability of the executive officers to defer additional compensation was revoked.

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The Deferred Compensation Plan is an unfunded plan of deferred compensation. As a result, all amounts previously deferred by our executive officers under the Deferred Compensation Plan are allocated to unfunded accounts for the executive officers. The amounts deferred by our executive officers under our Deferred Compensation Plan are paid in one lump sum. However, if the value of the unfunded account of any of our executive officers under the Deferred Compensation Plan exceeds \$25,000, payment of the amount credited to their account in the Deferred Compensation Plan may be made in substantially equal annual installments over a period of no less than five (5) years and not more than ten (10) years if the officer makes an election to receive payment in installments. All amounts allocated to the account of our executive officers in the Deferred Compensation Plan are credited with interest annually at a rate equal to the average of the rate payable on ten (10) year U.S. Treasury Notes for the first week in January, April, July, and October, plus 1.5%.

Effective April 18, 2009, the Company suspended its 401(k) matching contribution indefinitely for all employees including the executive officers in an effort to reduce costs in response to the downturn in the economy. As of April 6, 2010, the Company match remains suspended for all employees.

When we review the targeted overall compensation of our executive officers, we factor in benefits to be received under the Gibraltar 401(k) Plan.

In 2004, our compensation consultant reported to our Compensation Committee that the retirement benefits provided for our Chief Executive Officer and our Chief Operating Officer were not competitive with our peers. As a result, in 2004 our Board approved a recommendation of our Compensation Committee to make a one time award of 150,000 RSUs to our Chief Executive Officer and 45,000 RSUs to our Chief Operating Officer to make the amount of the benefits they are entitled to receive at retirement more comparable to the retirement benefits provided to these executives by our peer group companies. These retirement-based RSUs were awarded in April 2005 and are reflected in the Outstanding Equity Awards at Fiscal Year End Table below. Payment under the terms of these awards is made in shares of Company stock equal in number to the RSUs contained in the Award. However, no shares of Company stock will be issued to our Chief Executive Officer pursuant to this award if he terminates his employment with the Company prior to age sixty (60).

Change in Control Benefits. Our executive officers have been a key ingredient in building our Company into the successful enterprise that it is today. We believe that it is important to protect our executive officers in the context of a change in control transaction to allow them to focus on the transaction. Further, it is our belief that the interests of our stockholders will be best served if the interests of our executive management are aligned with them. We believe that change in control benefits should eliminate, or at least reduce, the reluctance of our executive officers to pursue potential change in control transactions that may be in the best interest of our stockholders.

Our Change in Control benefits provide for the protection of previously granted equity based incentive compensation and, in the case of our Chairman and Chief Executive Officer and our President and Chief Operating Officer, provide for a cash payment upon the consummation of the Change in Control transaction. Our Change in Control benefits were expanded on February 20, 2009 to provide for a cash payment to the Chief Financial Officer, Corporate Controller, and Senior Vice President of Human Resources and Organizational Development upon the consummation of a Change in Control transaction and termination of employment for these officers. The cash components of any change in control benefits are paid in one lump sum.

For more information concerning amounts our executive officers would be entitled to receive upon a termination of employment or change in control, see Potential Payments Upon Termination or Change in Control below.

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Perquisites and Other Benefits. We annually review the perquisites that executive management receives. The Chief Executive Officer receives a tax gross up for income attributable to vesting of restricted stock issued in 2002, in accordance with the Company's policy in effect when the restricted stock was issued. The executive officers are eligible to receive country club memberships and the Chief Executive Officer and Chief Operating Officer also receive business club memberships. Since our compensation plan provides for equity compensation to our executives which could lead to complicated tax issues, and because we believe that good financial and tax planning by experts reduces the amount of time and attention that senior management must spend on this topic, the executive officers are eligible to receive a payment for financial and tax planning. All of the executives also receive tax gross up payments for any of the following types of perquisites that they may receive: personal use of Company auto, the taxable portion of life insurance and business travel accident insurance, and the cost of executive physical examinations.

Generally Available Benefit Programs. The executive officers also participate in the Company's other generally available benefit plans on the same terms as other employees at the Company's headquarters. These plans include the pay in lieu of time off, medical and dental insurance, life insurance, a supplemental salary continuation plan providing supplemental short-term disability benefits, and to the extent resumed, the Company's matching contribution to Gibraltar 401(k) Plan. Relocation benefits also are reimbursed but are individually negotiated when they occur.

Employment Agreements

CEO Employment Agreement. On August 21, 2007, the Company and its Chief Executive Officer entered into an Amended and Restated Employment Agreement, which provides for the following: (1) the term of the Chief Executive Officer's employment will be one year with automatic annual renewals on January 1 of each year unless the Chief Executive Officer is provided with notice from the Company that it is electing not to renew his employment on or before the preceding September 1; (2) the Chief Executive Officer's annual base salary will be \$650,000, as adjusted, from time to time, by the Compensation Committee (adjusted to \$680,000 during 2008); (3) the Chief Executive Officer will be eligible to receive an annual bonus under the MICP and long-term incentive compensation as determined under the LTIP; (4) the Chief Executive Officer will be entitled to participate in all other employee benefit plans and programs in effect for salaried employees employed at the Company's headquarters; (5) upon a termination of the Chief Executive Officer's employment by the Company, without cause, or by the Chief Executive Officer for a good reason, the Chief Executive Officer will be entitled to a severance benefit paid in one lump sum in an amount equal to two and one half times the sum of his base salary and bonuses paid during the preceding twelve months; and (6) the Chief Executive Officer's right to receive shares of common stock of the Company pursuant to RSU awards made under the terms of the Omnibus Plan cannot be forfeited after the Chief Executive Officer's right to receive such shares has become vested.

COO Employment Agreement. On August 21, 2007, the Company also entered into an employment agreement with the Company's President and Chief Operating Officer, which provides for the following: (1) the term of the Chief Operating Officer's employment will be three years with automatic annual renewals beginning on January 1, 2011 unless the Company provides the Chief Operating Officer notice that it is electing not to renew the Chief Operating Officer's employment on or before the preceding September 1; (2) the Chief Operating Officer's annual base salary will be \$550,000, as adjusted, from time to time, by the Compensation Committee (adjusted to \$577,500 during 2008); (3) the Chief Operating Officer will be eligible to receive an annual bonus under the MICP and long-term incentive compensation as determined under the LTIP; (4) the Chief Operating Officer will be entitled to participate in all other employee benefit plans and programs in effect for salaried employees employed at the Company's headquarters; (5) upon a termination of the Chief Operating Officer's employment by the Company, without cause, or by the Chief Operating Officer for a good reason, the Chief Operating Officer will be entitled to a severance benefit paid in one lump sum in an amount equal to two and one half times the sum of the Chief Operating Officer's base salary and bonuses paid during the preceding twelve months; and (6) the Chief Operating Officer's right to receive shares of common stock of the Company pursuant to RSU awards made under the terms of the Omnibus Plan cannot be

forfeited after the Chief Operating Officer's right to receive such shares has become vested.

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Tax Considerations

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation in excess of \$1,000,000 paid to a company's chief executive officer and any one of the four other most highly paid executive officers during its taxable year. Qualifying performance-based compensation is not subject to the deduction limit if certain requirements are met. Based upon the compensation paid to Mr. Lipke and the Company's other executive officers, the Section 162(m) limitation resulted in a disallowance of approximately \$1,173,000 in compensation expense in 2009. The Compensation Committee plans to monitor this matter periodically and to take such actions as are appropriate to minimize the impact of this statute, to the extent that there is no adverse effect on the Company's ability to provide incentive compensation based on the Company's financial performance. Section 409A of the Internal Revenue Code generally imposes a tax on non-qualified deferred compensation arrangements which do not meet guidelines established by regulations under the Internal Revenue Code. During 2008, the Company modified the structure of its non-qualified deferred compensation arrangements to comply with Section 409A.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the above Compensation Discussion and Analysis section of this Definitive Proxy Statement with management. Based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's annual report on Form 10-K filed February 25, 2010 and in this Definitive Proxy Statement.

**COMPENSATION COMMITTEE OF THE
BOARD OF DIRECTORS OF GIBRALTAR
INDUSTRIES, INC.**

William J. Colombo
William P. Montague
Robert E. Sadler, Jr.

Table of Contents**COMPENSATION OF EXECUTIVE OFFICERS****Summary Compensation Table**

Name	Year	Salary (2)	Stock Awards			Change in	All Other	Total
			Restricted	Performance	Non-Equity	Pension		
						Value		
						and		
Awards	Awards	Incentive	Nonquali-	Deferred	Compensation			
(3)	(4)	Plan	fied	Earnings				
(5)	(6)	Compensation	(7)					
Brian J. Lipke	2009	\$ 612,000	\$ 782,433	\$ 2,514,600	\$ 376,615	\$ 77,240	\$ 88,671	\$ 4,451,559
	2008	\$ 665,000	\$ 762,940		\$ 732,329	\$ 72,248	\$ 168,883	\$ 2,401,400
	2007	\$ 650,000	\$ 917,717		\$ 391,073	\$ 30,920	\$ 173,288	\$ 2,162,998