GRAHAM CORP
Form 4
December 19, 2013

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MAZURKIEWICZ GERARD T

(Last) (First) (Middle)

C/O GRAHAM CORPORATION, 20 FLORENCE AVENUE

(Street)

BATAVIA, NY 14020

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
GRAHAM CORP [GHM]

3. Date of Earliest Transaction (Month/Day/Year)
12/05/2013

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/05/2013		G	V	330	D	$ 0	6,814	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. De Se (In
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option (Right to Buy)	$ 12.52 (1)							08/15/2011	08/15/2017	Common Stock	5,000 (1)	
Stock Option (Right to Buy)	$ 30.875 (1)							05/29/2012	05/29/2018	Common Stock	924 (1)	
Share Equivalent Unit	(2) (3)							(2)(3)	(2)(3)	Common Stock	672.57	
Share Equivalent Unit	(2) (3)							(2)(3)	(2)(3)	Common Stock	496.85	
Share Equivalent Unit	(2) (3)							(2)(3)	(2)(3)	Common Stock	546	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MAZURKIEWICZ GERARD T C/O GRAHAM CORPORATION 20 FLORENCE AVENUE BATAVIA, NY 14020	X			

Signatures

/s/ Gerard T. Mazurkiewicz	12/10/2013
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) This option was previously reported by Mr. Mazurkiewicz.

(2) This share equivalent unit was granted under the Graham Corporation Outside Directors' Long Term Incentive Plan, as amended. Under the LTIP, SEUs are credited to each non-employee director's account for each of the first five fiscal years during such director's term in which Graham produces consolidated net income in an amount at least equal to the consolidated net income specified in the budget for each such fiscal year. Such determinations are made annually. Each SEU is valued at the market value of one share of common stock on the valuation date, which is the last day of trading of the first quarter following the end of a fiscal year for which SEUs are to be credited. The number of SEUs to be credited annually is determined by dividing the value of one SEU into $10,000.

(3) Outstanding SEUs accrue dividends quarterly in accordance with Graham's regular dividend policy and such dividends are reflected in each director's account after the end of each fiscal year. Upon termination of a non-employee director's service, but not before, the non-employee director may redeem each SEU for one share of common stock or, alternatively and subject to Graham's discretion, for the cash equivalent at the closing price of the stock on the NYSE MKT on the date of termination of service, subject to certain limitations.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Options 03/28/2016 110,644 $4.35 $481,301 Performance Shares 03/28/2016 12,994 51,977 103,954 $0

Lawrence J. Weyers

STIP 03/01/2016 $0 $318,750 $637,500 Stock Options 03/28/2016 99,010 $4.35 $430,694 Performance Shares 03/28/2016 11,628 46,512 93,024 $0

Aaron H. Ravenscroft

STIP 03/01/2016 $0 $187,500 $375,000 Stock Options 03/28/2016 99,010 $4.35 $430,694 Performance Shares 03/28/2016 11,628 46,512 93,024 $0 Restricted Stock Units 03/28/2016 23,456 $0

Kenneth W. Krueger

Restricted Stock Units 03/28/2016 25,581 $0

Carl J. Laurino(3)

STIP 03/01/2016 $0 $0 $0 Stock Options 03/28/2016 195,792 $4.35 $851,695 Restricted Stock Units (Performance Shares) 03/28/2016 91,977 $0

(1) Reflects the grant date fair value of the awards granted in 2016 as computed under ASC 718. The options expire ten years from the grant date and vest in 25% increments annually beginning on the first anniversary of the grant date and continuing on each subsequent anniversary until the fourth anniversary.

(2) Reflects the grant date fair value of the awards granted in 2016 as computed under ASC 718: (i) performance shares granted to Messrs. Pennypacker, Antoniuk, Musial, Weyers, Ravenscroft and Laurino that vest based on a three-year performance period; (ii) restricted stock units granted to Messrs. Antoniuk and Ravenscroft that vest on the third anniversary of the grant date; and (iii) restricted stock units granted to Mr. Krueger in connection with the Company s director compensation program that vest on the second anniversary of the grant date.

(3) Mr. Laurino forfeited the equity awards granted in 2016 upon his departure from the Company. See Carl J. Laurino Severance Agreement below for more information regarding compensation and benefits received by Mr. Laurino connection with his departure from the Company.

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth the equity awards previously granted to the named executive officers, including equity awards of MFS that were received in connection with adjustments related to the Separation, that were outstanding at the end of 2016:

	Option Awards[1]					Stock Awards[2][3][4][5][6]	
Name	*Number of Securities Underlying Unexercised Options (#) Exercisable*	*Number of Securities Underlying Unexercised Options (#) Unexercisable*	*MTW Option Exercise Price ($)*	*MFS Option Exercise Price ($)*	*Option Expiration Date*	*Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)*	*Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)*
Barry L. Pennypacker	0	618,812	$4.3500	0	March 28, 2026	290,698[5]	$1,738,374[7]
David J. Antoniuk						86,311[3]	$516,140[7]
	0	87,401	$5.7000	0	May 31, 2026	39,876[4]	$238,458[7]
Thomas G. Musial				$23.4910		31,020[2]	$392,558[7]
		0					
				$31.1436		34,566[5]	$437,433[7]
	23,000	0					
	17,900			$15.7429		59,986[6]	$759,123[7]
	55,500	0	$6.0240	$12.9573	February 27, 2017	51,977[3]	$310,822[7]
			$7.9864		February 15, 2018		
	41,160	0	$4.0371		February 14, 2021		
	19,350		$3.3227	$14.4376	February 28, 2022		
		6,450	$3.7024		February 26, 2023		
	10,340	10,340	$5.9332	$23.1368	February 14, 2024		
	7,864	23,594	$4.4494	$17.3506	February 17, 2025		
	0	110,644	$4.3500	$0	March 28, 2026		
Lawrence J. Weyers	8,200	0	$6.0240	$23.4910	February 27, 2017	14,076[2]	$178,132[7]
	8,900	0	$7.9864	$31.1436	February 15, 2018	40,870[5]	$517,210[7]
	9,700	0	$0.9001	$3.5099	February 24, 2019	59,804[6]	$756,820[7]
	7,000	0	$2.3165	$9.0335	February 11, 2020	46,512[3]	$278,142[7]
	4,260	0	$4.0371	$15.7429	February 14, 2021		
	9,090	0	$3.3227	$12.9573	February 28, 2022		
	5,167	1,723	$3.7024	$14.4376	February 26, 2023		
	4,689	4,689	$5.9332	$23.1368	February 14, 2024		
	9,300	27,902	$4.4494	$17.3506	February 17, 2025		

	0	99,010	$4.3500	$0	March 28, 2026		
Aaron H. Ravenscroft						23,256[5]	$139,071[7]
	0	99,010	$4.3500	0	March 28, 2026	46,512[3]	$278,142[7]
Kenneth W. Krueger	4,200	0	$6.0240	$23.4910	February 27, 2017	10,092[4]	$127,712[7]
	2,600	0	$7.9864	$31.1436	February 15, 2018	25,581[4]	$152,974[7]
Carl J. Laurino	27,600	0		$23.4910		34,068[2]	$431,131[7]
	18,400	0	$6.0240	$31.1436	February 27, 2017	46,340[5]	$586,433[7]
			$7.9864		February 15, 2018		
	22,712	0	$5.9332	$23.1368	February 14, 2024		

(1) Consists of options to purchase common stock of the Company under the Company s 2013 Omnibus Incentive Plan and 2003 Incentive Stock and Awards Plan and those for MFS shares received in connection with the separation.

(2) Consists of the performance share awards granted in 2014 under the 2013 Omnibus Incentive Plan. These were issued after performance was certified by the Compensation Committee in February 2017. Actual performance for the 2014 grant was modified to pay at target in conjunction with the Separation and is reflected in the table for all officers.

(3) Consists of the performance share awards granted in 2016 under the 2013 Omnibus Incentive Plan. The performance period expires at the end of 2018. Current projected performance is above target; therefore, in projecting performance as of year-end, the number of shares reported is the number of shares that would be awarded assuming above target performance.

(4) Consists of restricted stock units granted in 2016 and 2015 under the 2013 Omnibus Incentive Plan, pursuant to the Company s non-employee director compensation program. The restrictions generally lapse on the second anniversary of the grant date.

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Explanation of Responses:

(5) Consists of restricted stock units granted in 2016 and 2015 under the 2013 Omnibus Incentive Plan. These restricted stock units vest on the third anniversary of the grant date.

(6) Consists of retention related restricted stock awards granted in 2015 under the 2013 Omnibus Incentive Plan. The restrictions lapse on the second anniversary of the Separation.

(7) The market value is calculated based on the unvested award amount in the preceding column multiplied by the closing stock price on December 30, 2016 of $5.98 for the Company and $19.33 for MFS.

OPTION EXERCISES AND STOCK VESTED

The following table presents, for each named executive officer, the stock options exercised and the stock awards vested during 2016. These awards were granted to the named executive officers prior to 2016; consequently, the value realized by the executives was actually earned over several years.

	Option Awards[1]		**Stock Awards[2]**	
	Number of Shares Acquired on Exercise (#)	*Value Realized on Exercise ($)*	*Number of Shares Acquired on Vesting (#)*	*Value Realized on Vesting ($)*
Barry L. Pennypacker	0	$0	0	$0
David J. Antoniuk	0	$0	0	$0
Thomas G. Musial	207,600	$731,846	15,248	$47,398
Lawrence J. Weyers	0	$0	4,062	$12,606
Aaron H. Ravenscroft	0	$0	0	$0
Kenneth W. Krueger	8,800	$3,898	70,043	$373,090
Carl J. Laurino	384,140	$1,093,417	50,634	$214,057

(1) The dollar value realized by stock option exercises in 2016 represents the total pre-tax value realized by the named executive officers upon exercise. The realized amount represents the fair market value of the shares on the date exercised minus the exercise price. The amounts in the table exclude any stock options over which a named executive officer did not have a pecuniary interest.

(2) The dollar value realized on vesting for stock awards represents the fair market value of the shares on the applicable vesting date.

RETIREMENT AND NON-QUALIFIED DEFERRED COMPENSATION PLANS

Pension Benefits

(Supplemental Executive Retirement Plan)

The following table sets forth information with respect to the Supplemental Executive Retirement Plan as of December 31, 2016:

Name	**Plan Name**	**Number of Years Credited Service[1] (#)**	**Present Value of Accumulated Benefit ($)**	**Payments During Last Fiscal Year ($)**
Thomas G. Musial	SERP	16.58	$7,416,098	$0
Carl J. Laurino	SERP	9.00	$2,217,807	$0

(1)

Reflects the number of years since the participant began participating in the plan. The plan was adopted by the Company in 2000. Currently an executive of the Company is not eligible to participate under the plan until the executive has at least five credited years of service with the Company and satisfies other criteria determined by the Compensation Committee. As of December 31, 2016, the named executive officers had the following actual years of service with the Company: Thomas G. Musial 40.42 years and Carl J. Laurino 15.99 years.

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Under the Company s Supplemental Executive Retirement Plan, eligible executives are entitled to receive retirement benefits which are intended to fund a life annuity equal to 55% of a participant s final average pay at the earlier of normal retirement (age 65) or the first of the month following the date on which the participant s attained age plus years of service with the Company equals eighty (80). A participant s final five-year average pay is computed by averaging the participant s projected base salary (including elective deferrals) and non-equity incentive plan compensation payable for each year for the five consecutive calendar year period when the participant receives or is projected to receive his or her highest average compensation prior to the earlier of normal retirement (age 65) or the first of the month following the date on which the participant s attained age plus years of service with the Company equals eighty (80). Benefits are computed using a straight-life annuity and are not reduced for social security or other offsets. Under the Plan, an account balance is maintained for each participant, which account reflects (a) an annual contribution credit that is determined by calculating the present value of the lump-sum actuarial equivalent of fifty-five percent (55%) of the participant s five-year final average pay payable as a life annuity, at the earlier of (i) normal retirement (age 65) or (ii) the first of the month following the date on which the participant s attained age plus years of service with the Company equals eighty (80); and (b) an annual increase in the account balance at the end of each year equal to nine percent (9%) of the account balance at the beginning of the year. When a participant becomes eligible for a distribution under the plan, the participant may elect to receive his/her account balance in a lump-sum or over a fixed number of years not to exceed ten (10) years. Currently, the Compensation Committee has determined that an executive will not be eligible to participate under the plan until the executive has at least five credited years of service with the Company and/or its subsidiaries and satisfies other criteria determined by the Compensation Committee. Additionally, for any executive who becomes a participant after 2008 and whose projected total service at his or her target retirement date is less than 25 years, the 55% target retirement benefit will be prorated based on the projected total service years divided by 25.

Non-Qualified Deferred Compensation

The following table sets forth information with respect to the Company s Deferred Compensation Plan, a non-qualified plan, as of December 31, 2016 (Mr. Krueger does not participate in this plan):

Name	Executive Contributions in Last FY(1)	Registrant Contributions in Last FY	Aggregate Earnings (loss) in Last FY	Aggregate Withdrawals / Distributions	Aggregate Balance at Last FYE(2)
Barry Pennypacker	$42,564	$0	$9,320	$0	$51,884
David Antoniuk	$13,676	$0	$379	$0	$14,055
Thomas G. Musial	$0	$0	$130,707	$0	$1,809,961
Lawrence Weyers	$0	$0	$4,613	$0	$104,211
Aaron Ravenscroft	$14,225	$0	$546	$0	$14,771
Carl J. Laurino	$13,737	$0	$20,063	$764,745	$0

(1) Reflects elective deferrals of compensation earned or payable in 2016. These amounts were also included in the Salary and Non-Equity Incentive Plan Compensation columns in the Summary Compensation Table.

(2) Of the amounts reported in the Aggregate Balance at Last Fiscal Year End column, the following amounts were previously reported in the Non-Qualified Deferred Compensation Table in the Company s Proxy Statements for its prior annual meetings of shareholders: Mr. Musial $1,609,524 and Mr. Laurino $681,513. Messrs. Pennypacker, Antoniuk, Weyers, and Ravenscroft are named executive officers for the first time in fiscal 2016 and, therefore, have not been included in previous Summary Compensation Table.

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Post-Employment Compensation

In 2015, the Company adopted a new form of Contingent Employment Agreement (the Contingent Employment Agreement) for its executive officers (and certain other key executives and employees of the Company and certain subsidiaries) to replace the previous similar agreement with such individuals. All of the Company s executive officers have executed the new Contingent Employment Agreement, although Mr. Krueger did not enter into a Contingent Employment Agreement while he served as Interim President and Chief Executive Officer.

The Contingent Employment Agreements provide generally that in the event of a change in control (as defined in the Agreements) of the Company, each executive will continue to be employed by the Company for a period of time (three years in the case of the Chief Executive Officer and two years in the case of the other named executive officers). Under the Contingent Employment Agreements, each executive will remain employed at the same position held as of the change in control date, and will receive a salary at least equal to the salary in effect as of such date, plus all bonuses, incentive compensation, and other benefits extended by the Company to its executive officers and key employees, provided that the plans and bonus opportunity are no less favorable than those that were available prior to a change in control. After a change in control, the executive s compensation would be subject to potential upward adjustment at least annually based upon the executive s contributions and the level of increases provided to other officers and employees. Each Contingent Employment Agreement terminates prior to the end of the applicable employment period if the executive voluntarily retires from the Company or is terminated by the Company for cause, as defined in the Contingent Employment Agreement.

In the event the executive is terminated by the Company without cause following a change in control, the executive is entitled to receive a monthly amount equal to the base salary and benefits the executive would have otherwise been paid but for the termination, and the amount of the target cash incentive bonus under all short-term and long-term cash bonus plans maintained by the Company in which the officer participates, through the applicable employment period. Upon the officer s termination of employment by the surviving entity without cause, or by the officer for good reason, in either case within 36 months following a change in control, all of the officer s equity-based awards that are in effect as of the date of such termination will be vested in full or deemed earned in full (as if the maximum performance goals provided under such award were met, if applicable) effective on the date of such termination (*i.e.,* a double trigger); if employment continues, the original vesting schedule will continue to apply. To the extent that equity-based awards are not assumed by the purchaser, successor or surviving entity, or a more favorable outcome is not provided in the applicable plan or award agreement, upon a change in control: (i) stock options, stock-appreciation rights and time-based restricted stock (including restricted stock units) will vest and may be paid out in cash; (ii) performance-based awards will be pro-rated and paid out in cash assuming the greater of target or projected actual performance (based on the assumption that the applicable performance goals continue to be achieved at the same rate through the end of the performance period as they have been at the time of the change in control); and (iii) each other type of equity-based award not mentioned above will be paid out in cash based on the value of the award as of the date of the change in control.

In the event the executive is terminated by the Company for cause, the executive is only entitled to the salary and benefits accrued and vested as of the effective date of the termination. Each Contingent Employment Agreement is terminable by either party at any time prior to a change in control.

If a named executive officer is terminated by the Company without cause within six months prior to a change in control and it is reasonably demonstrated by the employee that the termination (i) was at the request of a third party who has taken steps reasonably calculated to effect a change in control; or (ii) otherwise arose in connection with or in anticipation of a change in control, the employee will be entitled to the severance payment and benefits that he would have otherwise have received if he were terminated by the Company without cause following a change in control.

If any of the payments to a named executive officer would constitute an excess parachute payment under Section 280G of the Internal Revenue Code and would result in the imposition on the executive of an excise tax under Section 4999 of the Internal Revenue Code (the Excise Tax), the executive is not entitled to any tax gross up amount; however, the executive would be entitled to receive the best net treatment. Under the best net treatment, if the after-tax amount (taking into account all federal, state and local excise, income and other taxes) that would be retained by the executive is less than the after-tax amount that would be retained by the executive if the executive were instead to be paid or provided (as the case may be) the maximum amount that the executive could receive without being subject to the Excise Tax (the Reduced Amount), then the executive shall be entitled to receive the Reduced Amount instead of the full amount that would have been subject to the Excise Tax.

The Contingent Employment Agreements also provide that if the executive is terminated (i) by the Company without cause prior to the end of the employment period; or (ii) by the Company within six months prior to a change in control in anticipation of a change in control as explained above, the executive will be prohibited from competing with the Company for (y) the lesser of two years or the unexpired term of the employment period or (z) two years in the case of a termination from the Company within six months prior to a change in control in anticipation of a change in control as described above.

The employment agreement defines cause generally as any conviction for, or entry of a plea of guilty or nolo contendere with respect to, any felony or any crime involving an act of moral turpitude; engaging in any act involving fraud or theft; neglect or breach of duties or intentional misconduct in discharging such duties; continued absence from duties without consent after receipt of notification, other than absence due to bona fide illness or disability; failure or refusal to comply with the directions of the Chair of the board or with the policies, standards and regulations of the Company, provided that such directions, policies, standards or regulations do not require any action which is illegal or the omission of any action required by applicable law, regulations or licensing standards; conduct, actions, or performance that violates policies concerning ethics or employee conduct; or breach of the agreement.

The employment agreement defined good reason generally as a material diminution in position, authority or title, or the assignment of duties that are materially inconsistent with the executive s position or title as described in the agreement; a material diminution in base salary or incentive/bonus opportunities except for across-the-board temporary salary reductions of twenty percent (20%) or less similarly affecting other employees.

If the executive had been unable to perform his duties due to his disability, he would continue to receive his standard compensation, reduced by any disability payment to which he may be entitled in lieu of such compensation, until the last day of the term of the employment agreement. At the expiration of the term provided for in the agreement, payment of all compensation to the executive under the employment agreement would immediately cease (except for any payment of compensation accrued but unpaid through that date, COBRA benefits and other benefits to which the executive may be entitled notwithstanding the termination of his employment). If the executive had died during the term, all payments and rights to compensation and benefits under the employment agreement would immediately cease, except for any compensation and benefits accrued but unpaid through the date of his death.

Estimated Payments upon a Change in Control

The following table presents the estimated payouts that would be made upon a change in control coupled with an executive s termination of employment (other than for cause or retirement), assuming the change in control occurred as of December 31, 2016. Mr. Krueger was interim Chief Executive Officer until the Separation, March 4, 2016 at that time Mr. Pennypacker took over as Chief Executive Officer.

Name	Base Salary(1)	Annual Incentive-Based Compensation(2)	Stock Options(3)	Restricted Shares(4)	Performance Shares(5)	Benefits(6)	Excise Tax Gross Up(7)	Total
Barry Pennypacker	$2,850,000	$2,850,000	$1,008,664	$1,738,374	$579,462	$76,080	$0	$9,102,580
David Antoniuk	$980,000	$735,000	$24,472	$516,140	$79,486	$50,720	$0	$2,385,818
Thomas Musial	$852,600	$596,820	$231,637	$282,710	$196,359	$36,324	$0	$2,196,450
Lawrence Weyers	$850,000	$637,500	$208,237	$301,015	$134,801	$50,720	$0	$2,182,273
Aaron Ravenscroft	$750,000	$375,000	$161,386	$139,071	$92,714	$50,720	$0	$1,568,891

(1) Represents three times Mr. Pennypacker s and two times each of the other executive s base salary on December 31, 2016.

(2) Represents two times each of the executive s target cash incentive compensation for two years and three years for Mr. Pennypacker.

(3) Intrinsic value of unvested stock options based on the closing stock price on December 31, 2016, of $5.98.

(4) Represents the value of restricted stock units and restricted shares based on the closing stock price on December 31, 2016 of $5.98.

(5) Represents the value of unvested performance shares, prorated and based on performance at year-end, which for the 2014-2016 performance cycle is at 100%; and for the 2016-2018 performance cycle is projected at 100% of target. These values are based on the closing price ($5.98) of the Company s common stock on December 31, 2016.

(6) Represents three times in the case of Mr. Pennypacker s and two times in the case of each of the other executives, the value of the annual benefits provided to the executive.

(7) The Company does not provide officers excise tax gross-ups.

As stated in the Compensation Discussion and Analysis, the Company also has a formal severance pay plan that establishes a discretionary severance program across the Company whereby all severance benefits are provided at the Company s sole discretion and will be designed to meet the specific facts and circumstances of each termination. The Board of Directors has the sole authority to authorize any benefits under the plan to any elected officer of the Company. Other than this discretionary severance pay plan, the Company does not have a formal severance plan or generally provide for benefits related to employment termination except in the event of a change in control as described above.

Carl J. Laurino Severance Agreement

On June 30, 2016, the Company entered into a severance agreement and release (the Severance Agreement) with Mr. Laurino. Mr. Laurino was paid a total of $1,218,006 from July 2016 until January 2017. Mr. Laurino was eligible to receive a pro rata share of any STIP award earned based on actual 2016 performance factors equal to one-half of the award that he would have been eligible to receive if he remained employed by the Company. Vested stock options remained exercisable according to the terms of the applicable plan. The vesting of equity grants to Mr. Laurino was accelerated, other than equity awards granted to him in 2016, all of which were forfeited. Restricted stock units were transacted and paid out in cash, equal to the amount of the target award.

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Mr. Laurino is entitled to any vested retirement plan benefits previously accrued, and the Company is paying the balance of his account in its Deferred Compensation Plan and its Supplemental Executive Retirement Plan in accordance with the terms of those plans and in compliance with Section 409A of the Internal Revenue Code. The Company is also providing Mr. Laurino with the reimbursement of a portion of the monthly health and/or dental insurance coverage under COBRA through 2017, with the Company s reimbursement obligation subject to early termination if Mr. Laurino is offered health insurance from a new employer prior to the end of the time period designated in the Agreement.

The Severance Agreement also includes a release and customary covenants restricting Mr. Laurino from disclosing confidential information, from competing with the Company s business and from soliciting employees of the Company and its subsidiaries.

10. MISCELLANEOUS

Other Matters

Management knows of no business that will be presented for action at the 2017 Annual Meeting other than as set forth in the Notice of Annual Meeting accompanying this Proxy Statement. If other matters do properly come before the 2017 Annual Meeting, proxies will be voted in accordance with the best judgment of the person or persons exercising authority conferred by such proxies.

Shareholder Proposals

Shareholder proposals for the 2018 Annual Meeting of Shareholders must be received no later than November 17, 2017, at the Company s principal executive offices, 2400 South 44th Street, P.O. Box 66, Manitowoc, Wisconsin 54221-0066, directed to the attention of the Secretary, in order to be considered for inclusion in the 2018 Annual Meeting Proxy Materials under the Securities and Exchange Commission s proxy rules.

Under the Company s By-laws, written notice of shareholder proposals for the 2017 Annual Meeting of Shareholders of the Company that are not intended to be considered for inclusion in the 2018 Annual Meeting Proxy Materials (shareholder proposals submitted outside the processes of Rule 14a-8) must be received not less than 50 nor more than 75 days prior to March 18, 2018, directed to the attention of the Secretary, and such notice must contain the information specified in the Company s By-laws.

Annual Report

A copy (without exhibits) of the Company s Annual Report to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2016 is available online at www.proxydocs.com/mtw and also through the Company s website: www.manitowoc.com. In addition, the Company will provide to any shareholder, without charge, upon written request of such shareholder, an additional copy of such Annual Report and a copy of any other document referenced in this Proxy Statement as being available to a shareholder upon request. Such requests should be addressed to Louis F. Raymond, Vice President, General Counsel and Secretary, The Manitowoc Company, Inc., P.O. Box 66, Manitowoc, Wisconsin 54221-0066.

Householding Information

We have adopted a procedure approved by the SEC called householding. Under this procedure, shareholders of record who have the same address and last name and do not participate in electronic delivery of Proxy Materials will receive only one copy of our Annual Report and Proxy Statement unless one or more of these shareholders notifies us that they wish to continue receiving individual copies. This procedure will reduce our printing costs and postage fees. Shareholders who participate in householding will continue to receive separate proxy cards. Also, householding will not in any way affect dividend check mailings. If you and other shareholders of record with whom you share an address currently receive multiple copies of Annual Reports and/or Proxy Statements, or if you hold stock in more than one account and in either case, you wish to receive only a single copy of the Annual Report or Proxy Statement for your household, please contact Louis F. Raymond, Vice President, General Counsel and Secretary (in writing: The Manitowoc Company, Inc., 2400 South 44th Street, P. O. Box 66, Manitowoc, Wisconsin 54221-0066, by telephone: 920-652-1741) with the names in which all accounts are registered. If you participate in householding and wish to receive a separate copy of the 2016 Annual Report or this Proxy Statement, please contact Louis F. Raymond at the above address or phone number. We will deliver the requested documents to you promptly upon your request. Beneficial shareholders can request information about householding from their banks, brokers, or other holders of record.

It is important that proxies be returned promptly. Whether or not you expect to attend the 2017 Annual Meeting in person, you are requested to complete, date, sign, and return the proxy card as soon as possible.

By Order of the Board of Directors

LOUIS F. RAYMOND
Vice President, General Counsel and

Secretary

Manitowoc, Wisconsin, March 18, 2017

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ANNUAL MEETING OF THE MANITOWOC COMPANY, INC.

Date: Tuesday, May 2, 2017
Time: 9:00 A.M. (CDT)
Place: Holiday Inn, 4601 Calumet Avenue, Manitowoc, Wisconsin
Please make your marks like this: Use dark black pencil or pen only

Board of Directors Recommends a Vote FOR proposals 1 through 4.

1: Election of Directors				Directors Recommend
	For		**Withhold**	
01 José María Alapont				**For**
02 Robert G. Bohn				**For**
03 Donald M. Condon, Jr.				**For**
04 Anne M. Cooney				**For**
05 Kenneth W. Krueger				**For**
06 Jesse A. Lynn				**For**
07 C. David Myers				**For**
08 Barry L. Pennypacker				**For**
09 John C. Pfeifer				**For**
	For	**Against**	**Abstain**	
2: The ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2017.				**For**
3: An advisory vote to approve the compensation of the Company s named executive officers.				**For**

4: An advisory vote to hold future advisory votes **EVERY YEAR** to approve the compensation of the Company s named executive officers; and **For**

5: Such other business as may properly come before the Annual Meeting.

Comments: Please print your comments below.

To attend the meeting and vote your shares in person, please mark this box.

Authorized Signatures - This section must be completed for your Instructions to be executed.

Please Sign Here Please Date Above

Please Sign Here Please Date Above

Please sign exactly as your name(s) appears on your stock certificate. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy.

Annual Meeting of The Manitowoc Company, Inc.

to be held on Tuesday, May 2, 2017

for Holders as of February 28, 2017

This proxy is being solicited on behalf of the Board of Directors

VOTE BY:

INTERNET

Go To
www.proxypush.com/mtw
Cast your vote online.
View Meeting Documents.

OR

TELEPHONE

866-390-5369
Use any touch-tone telephone.
Have your Proxy Card/Voting Instruction Form ready.
Follow the simple recorded instructions.

OR

MAIL

Mark, sign and date your Proxy Card/Voting Instruction Form.
Detach your Proxy Card/Voting Instruction Form.
Return your Proxy Card/Voting Instruction Form in the postage-paid envelope provided.

The undersigned hereby appoints Barry L. Pennypacker and Louis F. Raymond, and each of them, as proxies for the undersigned, with full power of substitution and revocation, and authorizes them, and each of them, to vote all the shares of capital stock of The Manitowoc Company, Inc. that the undersigned is entitled to vote at the meeting and any adjournment of the meeting upon the matters specified and upon such other matters as may be properly brought before the meeting or any adjournment of the meeting, conferring authority upon such true and lawful proxies to vote in their discretion on such other matters as may properly come before the meeting and revoking any proxy previously given.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED, OR IF NO DIRECTION IS GIVEN, SHARES WILL BE VOTED FOR THE ELECTION OF DIRECTORS IN PROPOSAL 1, FOR THE PROPOSALS 2, 3 AND 4, AND AUTHORITY WILL BE DEEMED GRANTED UNDER PROPOSAL 5.

All votes must be received by 5:00 P.M., Eastern Time, May 1, 2017.

All votes for 401(k) participants must be received by 5:00 P.M., Eastern Time, April 26, 2016.

PROXY TABULATOR FOR

THE MANITOWOC COMPANY, INC.
P.O. BOX 8016
CARY, NC 27512-9903

EVENT #

CLIENT #

Proxy The Manitowoc Company, Inc.

Proxy/Voting Instructions Solicited on Behalf of the Board of Directors for the Annual Meeting of Shareholders on May 2, 2017.

The undersigned appoints Barry L. Pennypacker and Louis F. Raymond or either of them as proxies for the undersigned, with full power of substitution to vote the shares of stock of The Manitowoc Company, Inc. (the Company), of the undersigned at the Annual Meeting of Shareholders of the Company to be held at the Holiday Inn Manitowoc located at 4601 Calumet Ave., Manitowoc, Wisconsin on Tuesday, May 2, 2017 at 9:00 a.m. (CDT).

As set forth in the enclosed proxy materials, the following matters of business are scheduled to be acted upon at the meeting:

1. The election of nine directors;

2. The ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2017;

3. An advisory vote to approve the compensation of the Company s named executive officers;

4. An advisory vote to hold future advisory votes **EVERY YEAR** to approve the compensation of the Company s named executive officers; and

5. Such other business as may properly come before the Annual Meeting.

The Board of Directors of the Company recommends the following votes:

FOR election of the nine directors named in the enclosed proxy materials; if elected, each director will serve a one-year term expiring at the Annual Meeting of Shareholders in 2018;

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2017;

FOR approval of the compensation of the Company s named executive officers, as disclosed in the Compensation Discussion and Analysis and the Executive Compensation sections of the Proxy Statement; and

FOR holding future advisory votes **EVERY YEAR** to approve the compensation of the Company s named executive officers.

This proxy, when properly executed, will be voted in the manner directed herein. If no direction is made, this proxy will be voted FOR the election of directors in Proposal 1, FOR Proposals 2 and 3, FOR Proposal 4, and authority will be deemed granted under Proposal 5.

You are encouraged to specify your choice by marking the appropriate box (SEE REVERSE SIDE), but you need not mark any box if you wish to vote in accordance with the Board of Directors recommendation. The proxies cannot vote your shares unless you sign and return this card.