

DOUGLAS DYNAMICS, INC  
Form 8-K  
June 20, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

---

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

---

Date of Report  
(Date of earliest  
event reported): **June 15, 2016**

**DOUGLAS DYNAMICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other  
jurisdiction of  
incorporation)

**001-34728**  
(Commission File  
Number)

**134275891**  
(IRS Employer  
Identification No.)

**7777 North 73rd Street, Milwaukee, Wisconsin 53223**

(Address of principal executive offices, including zip code)

Edgar Filing: DOUGLAS DYNAMICS, INC - Form 8-K

(414) 354-2310

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report)

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01.

Entry into a Material Definitive Agreement.

On June 15, 2016, Acquisition Delta LLC ( Buyer ), a newly-formed, wholly-owned subsidiary of Douglas Dynamics, Inc. (the Company ), entered into an Asset Purchase Agreement (the Agreement ) with Dejana Truck & Utility Equipment Company, Inc. ( DTUENY ), Peter Paul Dejana Family Trust Dated 12/31/98 (the Trust ) and, solely in the capacity of appointed agent, Andrew Dejana ( Appointed Agent ). Pursuant to the Agreement, Buyer has agreed, subject to the terms and conditions set forth in the Agreement, to acquire substantially all of the assets of DTUENY and specified entities directly or indirectly owned by the Trust (the Transaction ).

Buyer will pay cash consideration of \$180.0 million, subject to working capital and other adjustments (the Transaction Consideration ). The Agreement also provides for potential earnout payments of up to \$26.0 million in the aggregate, contingent on the financial performance of the acquired business for each of the fiscal years ending December 31, 2016, 2017 and 2018. Of the Transaction Consideration, \$18.0 million will be deposited in escrow to secure the indemnification obligations of DTUENY and the Trust under the Agreement.

The Agreement includes customary representations, warranties and covenants of DTUENY, the Trust and Buyer. The consummation of the Transaction is subject to applicable regulatory approvals and other customary closing conditions. The Agreement also contains certain termination rights for both Buyer and Appointed Agent.

The foregoing description of the Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Agreement, which is filed as Exhibit 2.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The Agreement has been filed herewith to provide investors and security holders with information regarding the terms of the Agreement. It is not intended to provide any other information about the Company or the parties to the Agreement.

The Agreement includes representations and warranties the parties thereto made to, and solely for the benefit of, the other parties thereto. Certain representations and warranties were made as of a specific date, may be subject to a contractual standard of materiality different from those generally applicable to stockholders and investors, or may have been used for purposes of allocating risk between the respective parties rather than establishing matters as facts. Investors should not rely on the representations, warranties or other statements in the Agreement as characterizations of the actual state of facts at the time they were made or otherwise, and investors should not rely on the representations, warranties or other statements in the Agreement for any other purpose. In addition, the Agreement is modified by the underlying disclosure schedules and exhibits. Information concerning the subject matter of the representations and warranties may change after the date of the Agreement, and such change may or may not be fully reflected in the Company's public disclosures.

Item 9.01.      Financial Statements and Exhibits.

(a)      Not applicable.

(b)      Not applicable.

(c)      Not applicable.

(d)      Exhibits. The following exhibit is being filed herewith:

(2.1)      Asset Purchase Agreement, dated June 15, 2016, among Acquisition Delta LLC, Peter Paul Dejana Family Trust Dated 12/31/98, Dejana Truck & Utility Equipment Company, Inc. and Andrew Dejana (as Appointed Agent).\*

---

\*      Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant agrees to furnish supplementally a copy of any omitted schedule to the Securities and Exchange Commission upon request.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**DOUGLAS DYNAMICS, INC.**

Date: June 20, 2016

By:

/s/Robert McCormick  
Robert McCormick  
Executive Vice President, Chief Financial Officer  
and Secretary

DOUGLAS DYNAMICS, INC.

Exhibit Index to Current Report on Form 8-K

**Exhibit  
Number**

(2.1) Asset Purchase Agreement, dated June 15, 2016, among Acquisition Delta LLC, Peter Paul Dejana Family Trust Dated 12/31/98, Dejana Truck & Utility Equipment Company, Inc. and Andrew Dejana (as Appointed Agent).\*

---

\* Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant agrees to furnish supplementally a copy of any omitted schedule to the Securities and Exchange Commission upon request.

ize:10pt;">

(a)  
851,849

(a)  
851,849

(a)  
851,849

(a)  
425,925

(b)  
851,849

(a)  
SERP  
49,696

(a)  
83,872

(d)  
49,696

(a)  
49,696

(a)  
49,696

(a)  
24,848

(b)  
191,771

(d)  
Excise Tax Gross Up

—

—

—

—

—

—

889,900

Insurance Continuation

—

23,431

—

—

—

—

46,862

Total

\$

901,545

\$1,553,452

\$

901,545

\$901,545

\$

901,545

\$450,773

\$3,131,382

Michelle Harrison



Salary

\$ -

\$  
468,000

\$ -

\$ -

\$ -

\$ -

\$  
468,000

Bonus

-

315,900

-

-

-

(c)

-

(c)  
495,000

Qualified Retirement Benefits

260,783

(a)

260,783

(a)

260,783

(a)

260,783

(a)

260,783

(a)

130,392

(b)

260,783

(a)

SERP

46,715

(a)

60,666

(d)

46,715

(a)

46,715

(a)

46,715

(a)

23,358

(b)

96,586

(d)

Excise Tax Gross Up

—

—

—

—

—

—

517,182

Insurance Continuation

—

41,252

—

—

—

—

41,252

Total

\$

307,498

\$1,146,601

\$

307,498

\$307,498

\$

307,498

\$153,750

\$1,878,803

(2011 Potential Payments upon Termination or Change in Control Tables continued on the next page)

38

---

Table of Contents

(2011 Potential Payments upon Termination or Change in Control Tables continued from the previous page)

Name	Type of Termination						
	Voluntary	By Company without Cause or Good Reason	By Officer with Cause	Retirement	Disability	Death	Following a Change in Control
Logan W. Kruger (e)							
Qualified Retirement Benefits	\$784,928	(a) \$ –	\$ –	\$ –	\$ –	\$ –	\$ –
SERP	1,383,809	(a) –	–	–	–	–	–
SERP with Enhancement	6,901,769	(a) –	–	–	–	–	–
Total	\$9,070,506	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Wayne R. Hale (f)							
SERP	\$745,404	(a) \$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Total	\$745,404	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –

- (a) Amount shown will not be paid to the named executive as a lump sum. Rather, the amount represents the actuarial calculated present value of benefits that will be received upon obtaining normal retirement age (62). Amount shown will not be paid to the named executive as a lump sum. Rather, amount represents the actuarial calculated present value of benefits that will be paid to a surviving spouse as an annuity upon the named executive's death.
- (b) Final award determination will be made by the Committee under the Company's Annual Incentive Plan. Represents the amount the named executive will receive as a lump sum payment of the actuarial equivalent of the difference between the retirement benefits the named executive is currently entitled to receive under our qualified pension plan and a "recalculated" retirement benefit that includes additional 24, 30 or 36 months, as applicable, of credited service. In addition, the named executive is entitled to the remainder of the retirement benefits upon reaching normal retirement age.
- (c) Mr. Kruger terminated his employment with the Company and resigned as a member of the Board of Directors of the Company effective November 14, 2011. Mr. Kruger has filed a lawsuit against the Company alleging breach of contract and wrongful termination in violation of public policy. The lawsuit alleges that Century anticipatorily breached the employment and severance protection agreements between Century and Mr. Kruger and that Century is obligated to make various severance payments in excess of \$20 million to Mr. Kruger under such agreements. In addition, the complaint seeks unspecified damages, including exemplary and punitive damages, for wrongful termination, as well as costs and attorneys' fees. The trial court has transferred the matter to an arbitration panel for resolution. We believe these claims are without merit and intend to vigorously defend ourselves against them. The matter is in a preliminary stage, and we cannot predict the ultimate outcome of this action or estimate a range of possible losses related to this matter at this time. We do not expect that the ultimate costs to resolve this action will have a material adverse effect on our consolidated financial condition, results of operations or liquidity, regardless of the ultimate outcome.
- (d) On May 11, 2011, the Company entered into a Separation Agreement and General Release (the "Separation Agreement") with Mr. Hale. Pursuant to the Separation Agreement, Mr. Hale resigned as an executive officer of the Company and as a director, officer or employee, as applicable, of the Company's subsidiaries and affiliates effective May 11, 2011 (the "Separation Date"). In order to ensure a smooth transition of his duties, Mr. Hale entered into a consulting agreement with the Company effective through December 31, 2011, pursuant to which Mr. Hale was paid \$811,280 in 2011. Under the terms of the Separation Agreement, Mr. Hale agreed to a

general release of claims with respect to the Company (including any claims arising under Mr. Hale's existing employment agreement or severance protection agreement with the Company) and is subject to non-disparagement, cooperation and confidentiality provisions. In consideration for his agreement to the general release and these restrictive covenants, the Company agreed to pay Mr. Hale \$2,255,192 in substantially equal installments following the Separation Date through December 31, 2013. In addition, Mr. Hale received a pro-rata target annual bonus payment of \$122,164 and (i) all time-vested performance share units and a pro-rata portion of all unvested cash-settled performance units held by Mr. Hale vested on the Separation Date and had a total value on such date of \$129,751 and (ii) a pro-rata portion of Mr. Hale's outstanding awards under the Century Aluminum Long-Term Transformational Incentive Plan vested on the Separation Date having a total value on such date of \$80,055.

See "Deferred Compensation" for additional information with respect to performance-units and time-vested performance shares that have already vested, but for which settlement may be accelerated upon certain subsequent events.

\*

\*\*

Messrs. Kruger and Hale have only been included under the voluntary termination column in the forgoing table as such individuals had voluntarily terminated their employment with the Company prior to December 31, 2011.

## Table of Contents

### Severance Compensation Arrangements

#### Severance Protection Agreements

As discussed under the heading “Post-Termination Compensation and Benefits,” we have entered into severance compensation agreements with each of Messrs. Bless, Schneider and Leatherberry and Mrs. Harrison. The agreements generally provide that if within 36 months after we experience a change in control the executive’s employment is terminated either (i) by us for other than cause or disability, or (ii) by such executive for good reason, then such executive will receive a lump sum payment equal to three times for Mr. Bless, and two times for Messrs. Schneider and Leatherberry and Mrs. Harrison, the aggregate of the highest base salary and the highest annual cash bonus or bonuses received by such executive in any of the most recent five years. Also, upon a change in control, unvested stock options and performance shares held by such executives will vest assuming that all performance targets were achieved at the 100% level. The agreements also provide that we will continue to provide benefits to each executive for a period of three years for Mr. Bless and two years for Messrs. Schneider and Leatherberry and Mrs. Harrison, after the date of his termination. In addition, the executive will be credited for pension purposes, a period of two to three years, as the case may be, beyond the termination date, at that executive’s highest base salary and highest bonus level, and Century will pay to the executive in a single lump sum the difference between the actuarial equivalent of (a) what the executive would have been entitled to under our retirement plans and (b) what he is entitled to taking into account the terms of the severance protection agreement, assuming the executive is 100% vested in the increase benefit under the retirement plans. The agreements are for a set period of time, but are subject to automatic one-year extensions on each January 1, unless the executive’s employment is terminated prior to a change in control.

#### Employment Agreements

Our employment agreement with Mr. Bless provides that upon termination of employment for any reason other than voluntary resignation without cause, death, disability or “for cause”, Mr. Bless will be entitled to receive termination payments equal to (i) 100% of his base salary and bonus (based on the highest annual bonus payment within the prior three years) for the remainder of the term of the agreement (with a minimum of one year’s salary plus bonus), (ii) his pro-rated target annual bonus for the period prior to his termination and (iii) an amount equal to his target long-term cash incentive compensation award (assuming achievement at target level of performance goals for the performance period).

Our employment agreement with Mr. Leatherberry provides that upon termination of employment for any reason other than voluntary resignation without cause, death, disability or “for cause”, Mr. Leatherberry will be entitled to receive (a) lump sum termination payment equal to 250% of his base salary, (b) 250% of the greater of (i) his target annual bonus on his termination date and (ii) his target annual bonus for the most recently completed fiscal year and (c) the sum of (i) his pro-rated target annual bonus for the period prior to his termination and (ii) his pro-rated target long-term cash incentive compensation award (assuming achievement at target level of performance goals for the performance period) for the period prior to his termination.

If the executive is terminated as a result of the executive’s disability, the payments due to the executive will be reduced by any payments he receives under our disability plans. Also, any termination payments under the employment agreements may not be duplicated under the severance protection agreements described above.

#### Executive Severance Plan

Mr. Schneider and Mrs. Harrison are participants in our Executive Severance Plan. The Executive Severance Plan provides that upon a termination of employment for any reason other than voluntary resignation without cause, death, disability or “for cause”, (I) Mr. Schneider will be entitled to receive termination payments equal to (i) 100% of his base salary, (ii) 100% of the greater of (x) his target annual bonus on his termination date and (y) his target annual bonus

for the most recently completed fiscal year and (iii) his pro-rated target annual bonus for the period prior to his termination and (II) Mrs. Harrison will be entitled to receive termination payments equal to (i) 200% of her base salary, (ii) 200% of the greater of (x) her target annual bonus on her termination date and (y) her target annual bonus for the most recently completed fiscal year and (iii) her pro-rated target annual bonus for the period prior to his termination.

409A and other tax considerations

Any amounts payable to each officer by reason of his termination of employment that are determined to constitute payments of “nonqualified deferred compensation,” as that term is used for purposes of Section 409A of the Internal Revenue Code, shall be payable, together with interest thereon, on the first business day of the seventh month following his termination of employment; and, for our officers that have employment agreements, require that the executive receive any severance at the same



Table of Contents

time and in the same form as required under the executive's employment agreement in lieu of single lump sum severance payments under certain circumstances and added a covenant on the part of the executive to maintain the confidentiality of information the executive received in the course of his employment.

The Code imposes certain excise taxes on, and limits the deductibility of, certain compensatory payments made by a corporation to or for the benefit of certain individuals if such payments are contingent upon certain changes in the ownership or effective control of the corporation or the ownership of a substantial portion of the assets of the corporation, provided that such payments to the individual have an aggregate present value in excess of three times the individual's annualized includible compensation for the base period, as defined in the Code. The severance compensation agreements provide for additional payments to the executives in order to fully offset any excise taxes payable by an executive as a result of the payments and benefits provided in the agreements. All benefits afforded the named executive officers under the severance compensation agreements are included in the amounts set forth in the "Potential Payments upon Termination or Change of Control" table above.

## Equity Compensation Plan Information

## Equity Compensation Plan Information(a)

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by shareholders	979,526	\$24.51(b)	7,429,267

(a) As of December 31, 2011

(b) Represents the weighted-average exercise price of 632,334 options outstanding under the 1996 Plan. There is no exercise price associated with 347,192 time-vested performance share units also outstanding under the 1996 Plan.

Table of Contents

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Related Person Transaction Policy

We have a written policy and written procedures for the review, approval and monitoring of transactions involving Century or its subsidiaries and “related persons.” For the purposes of the policy, “related persons” include executive officers, directors and director nominees and their immediate family members, and stockholders owning five percent or greater of our outstanding stock and their family members. Certain transactions are to be approved by the independent directors acting as a separate body. A copy of our Related Person Transaction Policy is available in the Investor section of our website, [www.centuryaluminum.com](http://www.centuryaluminum.com), under the tab “Corporate Governance.”

Our Related Person Transaction Policy is administered by the Audit Committee and applies to all related person transactions entered into after its adoption. This policy applies, subject to certain specific exclusions, to any transaction, arrangement or relationship or any series of similar transactions, arrangements or relationships in which Century or any of its subsidiaries was or is to be a participant and where any related person had or will have a direct or indirect interest. Transactions involving less than \$50,000 are not subject to review and approval under the policy. In addition, the policy defines certain ordinary course transactions with Glencore that are not material and not subject to review and approval under the policy, although those transactions are otherwise reviewed and approved by our Audit Committee. Pursuant to the policy, the Audit Committee is responsible for reviewing qualifying related person transactions. However, all transactions with Glencore for new long-term supply agreements are subject to review under the policy and any other transaction the Audit Committee Chair determines is material is reviewed by the independent directors, acting as a separate body of our Board of Directors. Based on its consideration of all relevant facts and circumstances, whether the transaction is on terms that are fair and reasonable to Century and whether the transaction is in the business interests of Century, the Audit Committee or independent directors, as the case may be, will decide whether or not to approve or ratify such transaction. If a related person transaction is submitted to the Audit Committee after the commencement of the transaction, the Audit Committee or independent directors, as the case may be, will evaluate all options available, including the ratification, rescission or termination of such transaction.

Recent Related Party Transactions with Glencore

Approval of Transactions with Glencore

All transactions with Glencore, subject to our approval policy described above, were approved by the Audit Committee or by a special committee comprised solely of independent directors.

Hedging with Glencore

We have entered into primary aluminum put option contracts with Glencore that settle monthly based on LME prices. The option contract volumes account for a portion of our domestic production, with a strike price around our domestic facilities’ average cash basis break-even price. These options were purchased to partially mitigate the risk of a future decline in aluminum prices. We paid a cash premium to enter into these contracts which we believe approximated the market price at the time of purchase. We determine the fair value of the put options using a Black Scholes pricing model with inputs obtained from an independent source and account for the put options as derivative financial instruments with gains and losses in the fair value of the contracts recorded on the consolidated statements of operations in net gains and (losses) on forward contracts. As of April 1, 2012, we have outstanding put options with Glencore with respect to an aggregate of 9,000 metric tons of primary aluminum.

Purchases from Glencore

In 2011, we purchased alumina from Glencore on both a spot and long-term contract basis. We believe that all of the alumina purchased under these long-term contracts was purchased at prices which approximated market. For alumina purchased from Glencore on a spot basis, we determined the market price for the spot alumina we purchased based on a survey of suppliers at the time that had the ability to deliver spot alumina on the specified terms. Based on this survey, we believe that all of the alumina purchased on a spot basis from Glencore was purchased at prices that approximate market prices.

Alumina contract and amendments. We are party to a long-term alumina supply agreement with Glencore. Glencore agreed to supply us with alumina through 2014 at prices indexed to the LME price of primary aluminum.

Table of Contents

## Sales to Glencore

In 2011, we sold primary aluminum and alumina to Glencore both at spot and long-term contract basis.

In 2011, we sold primary aluminum under our long-term sales contracts with Glencore at prices based on the LME price for primary aluminum, as adjusted to reflect the Midwest Premium (a premium typically added for deliveries of aluminum within the U.S.). In addition, we received tolling fees from Glencore under tolling agreements that provide for delivery of primary aluminum produced at Grundartangi. The fee paid by Glencore under these tolling agreements is based on the LME price for primary aluminum, as adjusted to reflect the reduced European Union import duty paid on Icelandic primary aluminum. We believe that all of the transactions with Glencore under these contracts were at prices that approximate market prices.

We have a long-term contract to sell Glencore primary aluminum, at a variable price based on the LME, adjusted by a negotiated U.S. Midwest market premium with a cap and floor as applied to the current U.S. Midwest Premium. In addition, we have entered into contracts to sell Glencore all of our U.S. produced primary aluminum in 2011 and 2012, less existing sales agreements and high-purity metal sales. The term of the contract may be extended upon mutual agreement.

## Other Transactions with Glencore

As of December 31, 2011, we believe that Glencore beneficially owned, through its common stock, approximately 41.6% of our issued and outstanding common stock and, through its ownership of common and preferred stock, an overall 46.4% economic ownership of Century.

## Summary

A summary of the aforementioned related party transactions for the three months ended March 31, 2012 and the year ended December 31, 2011 is as follows:

	Three months ended March 31, 2012	Year ended December 31, 2011
Net sales to Glencore	\$ 137,351,000	\$ 564,431,000
Purchases from Glencore	\$ 43,919,000	\$ 187,691,000
Cash premium to Glencore for put option contracts	\$ -	\$ 2,106,000

## Director Independence

For a discussion of the independence of our directors, see "Corporate Governance and Other Board Matters" above.

## OTHER MATTERS

As of the date of this proxy statement, the Board of Directors does not know of any other matters which may come before the Annual Meeting, nor have we received notice of any matter by the deadline prescribed by Rule 14a-4 under the Exchange Act. If any other matters properly come before the meeting, the accompanying proxy confers discretionary authority with respect to any such matters, and the persons named in the accompanying proxy intend to vote in accordance with their best judgment on such matters. All expenses in connection with the solicitation of proxies will be borne by us. In addition to this solicitation, officers, directors and regular employees of Century, without any additional compensation, may solicit proxies by mail, telephone or personal contact. Morrow & Co., Inc. has been retained to assist in the solicitation of proxies for a fee of \$4,000 plus reasonable out-of-pocket expenses. We will, upon request, reimburse brokerage houses and other nominees for their reasonable expenses in sending proxy

materials to their principals.

43

---

Table of Contents

STOCKHOLDER PROPOSALS FOR THE 2013 ANNUAL MEETING

Stockholder proposals for inclusion in the proxy materials for the Annual Meeting in 2013 should be addressed to our Corporate Secretary, 2511 Garden Road, Building A, Suite 200, Monterey, California 93940 and must be received by the deadline prescribed by Rule 14a-8 under the Exchange Act (provided that the 2013 Annual Meeting is not held more than 30 days from the first anniversary of the 2012 Annual Meeting, the applicable deadline will be April 1, 2013). In addition, our Bylaws currently require that for business to be properly brought before an Annual Meeting by a stockholder, regardless of whether included in our proxy statement, the stockholder must give written notice of his or her intention to propose such business to our Corporate Secretary, which notice must be delivered to, or mailed and received at, our principal executive offices no later than the close of business on the sixtieth (60) day prior to the first anniversary of our prior year's Annual Meeting (which cut-off date is expected to be July 20, 2013 in the case of the 2013 Annual Meeting). Upon certain circumstances, different notice periods may apply and anyone seeking to bring business at an Annual Meeting should carefully review our Bylaws and comply with all rules and procedures included therein.

Notice of stockholder proposals must set forth as to each matter the stockholder proposes to bring before the Annual Meeting the information required by our Bylaws, which includes, among other things: (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and address of the stockholder proposing such business, (iii) the class and number of shares which are beneficially owned by the stockholder (including any derivatives, short interests or other similar instruments held by the stockholder), (iv) any material interest of the stockholder in such proposal or any arrangements entered into with third parties with respect to such proposal and (v) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies. The Bylaws further provide that the chairman of the Annual Meeting may refuse to permit any business to be brought before an Annual Meeting that does not comply with the foregoing procedures. Any stockholder seeking to bring business at an Annual Meeting should carefully review our Bylaws and comply with all rules and procedures included therein.

By Order of the Board of Directors,  
William J. Leatherberry  
Executive Vice President, Chief Legal Officer, General Counsel and Secretary

Monterey, California  
July 23, 2012

We will provide without charge to each person solicited hereby, upon the written request of any such person, a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as filed with the Securities and Exchange Commission (without exhibits). Requests should be made to Office of the General Counsel, 2511 Garden Road, Building A, Suite 200, Monterey, California 93940.

Table of Contents

Appendix A

PROPOSED AMENDMENT TO ARTICLE FIFTH  
OF OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
TO DECLASSIFY OUR BOARD OF DIRECTORS AND PROVIDE FOR THE  
ANNUAL ELECTION OF DIRECTORS

(1) The business and affairs of the Corporation shall be managed under the direction of the Board of Directors consisting of not less than three (3) nor more than eleven (11) directors. The exact number of directors within the minimum and maximum limitations specified in the preceding sentence shall be fixed and determined from time to time by resolution adopted by the vote of a majority of the total number of directors.

(1)The Board of Directors shall be divided into three classes: Class I, Class II and Class III, which shall be as nearly equal in number as possible. Each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting at which such director was elected; provided, however, that each initial director in Class I shall hold office until the annual meeting of stockholders in 1997; each initial director in Class II shall hold office until the annual meeting of stockholders in 1998; and each initial director in Class III shall hold office until the annual meeting of stockholders in 1999. At the 2012 annual meeting of stockholders, the successors of the directors whose terms expire at that meeting shall be elected for a term expiring at the 2013 annual meeting of stockholders and shall hold office until the next succeeding annual meeting; at the 2013 annual meeting of stockholders, the successors of the directors whose terms expire at that meeting shall be elected for a term expiring at the 2014 annual meeting of stockholders and shall hold office until the next succeeding annual meeting; and at each annual meeting of stockholders thereafter, all directors shall be elected for terms expiring at the next annual meeting of stockholders and shall hold office until the next succeeding annual meeting.

(2)In the event of any increase or decrease in the authorized number of directors, (a) each director then serving as such shall nevertheless continue as a director of the class of which he is a member until the expiration of his current term, or his earlier resignation, retirement, removal from office, disqualification or death, and (b) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the three classes of directors so as to maintain such classes as nearly equal as possible.

(3)Notwithstanding any of the foregoing provisions of this Article FIFTH, each director shall serve until his successor is elected and qualified or until his earlier resignation, retirement, removal from office, disqualification or death.

(4)Should a vacancy occur or be created, whether arising through resignation, retirement, removal from office, disqualification or death or through an increase in the number of directors, such vacancy shall be filled by the affirmative vote of at least a majority of the directors remaining in office, though they constitute less than a quorum of the Board of Directors and directors so chosen shall hold office for a term expiring at the next succeeding annual meeting of stockholders at which the term of the class to which they have been elected expires.

(5)Any director or the entire Board of Directors may be removed from office at any time, but only for with or without cause and, but only by the affirmative vote of the holders of at least 66-2/3% a majority of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors.

(6)Notwithstanding any other provision of this Restated Certificate of Incorporation or any other provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock of the Corporation required by law, this Restated Certificate of Incorporation or any designation of Preferred Stock, the affirmative vote of the holders of at least 66-2/3% of the combined voting power of the Corporation's outstanding voting securities, voting together as a single class, shall be required to alter, amend or repeal this Article FIFTH.

Table of Contents

Appendix B

PROPOSED AMENDMENT TO ARTICLE SEVENTH  
OF OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
GRANTING STOCKHOLDERS OWNING NOT LESS THAN 10% OF OUR OUTSTANDING COMMON STOCK  
THE RIGHT TO CALL A SPECIAL MEETING OF STOCKHOLDERS

.Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, (A) any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders and (B) special meetings of stockholders of the Corporation may be called only by (i) the Board of Directors of the Corporation or, (ii) the Executive Committee of the Board of Directors or (iii) the Secretary of the Corporation upon the written request of stockholders of record who have owned, or are acting on behalf of beneficial owners who have owned, in the aggregate, not less than 10% of all outstanding shares of Common Stock of the Corporation (the "Requisite Percentage") continuously for at least one year preceding such written request and who continue to own the Requisite Percentage through the date of the conclusion of the special meeting, in each case in accordance with the applicable requirements and procedures set forth in the Bylaws of the Corporation, as amended from time to time. The stockholders of the Corporation may not call a special meeting of stockholders of the Corporation or require the Board of Directors or Executive Committee of the Board of Directors to call a special meeting of the stockholders of the Corporation. The Board of Directors or the Executive Committee of the Board of Directors may call a A special meeting of stockholders of the Corporation may only be called by giving written notice to the stockholders of the Corporation. Such notice must specify the purpose or purposes for which the meeting is called. The stockholders of the Corporation may not submit any matters or proposals for consideration at any special meeting. The Board of Directors of the Corporation shall have the sole authority to interpret the provisions of this Article SEVENTH and the Bylaws relating to special meetings of stockholders and to determine whether such provisions have been complied with. Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock of the Corporation required by law, this Amended and Restated Certificate of Incorporation or any designation of Preferred Stock, the affirmative vote of the holders of at least 66-2/3% of the combined voting power of the Corporation's outstanding voting securities, voting together as a single class, shall be required to alter, amend or repeal this Article SEVENTH.



Table of Contents

\*\*\* Exercise Your Right to Vote \*\*\*

Important Notice Regarding the Availability of Proxy Materials for the  
Stockholder Meeting to Be Held on September 18, 2012

CENTURY ALUMINUM COMPANY      Meeting Information  
Meeting Type:                      Annual Meeting  
For holders as of:                July 24, 2012  
Date: September 18, 2012      Time: 8:30 a.m., Local Time  
Location: Hyatt Regency Monterey Hotel  
   One Old Golf Course Road  
   Monterey, California

You are receiving this communication because you held shares  
in Century Aluminum Company common stock on July 24,  
2012.

CENTURY ALUMINUM COMPANY  
2511 GARDEN ROAD  
BUILDING A, SUITE 200  
MONTEREY, CA 93940

This is not a ballot. You cannot use this notice to vote these  
shares. This communication presents only an overview of the  
more complete proxy materials that are available to you on the  
Internet. You may view the proxy materials online at  
[www.proxyvote.com](http://www.proxyvote.com) or request a paper copy (see reverse side  
for additional information).

We encourage you to access and review all of the important  
information contained in the proxy materials before voting.  
See the reverse side of this notice to obtain proxy materials and  
voting instructions.

Table of Contents

----- Before You Vote -----

How to Access the Proxy Materials

Proxy Materials Available to VIEW or RECIEVE:

1. Century's 2012 Notice and Proxy Statement
2. Century's Form 10-K for the year ended December 31, 2011
3. Century's Annual Report for the year ended December 31, 2011

How to View Online:

Have the information that is printed in the box marked by XXXX XXXXX (located on the arrow à XXXX following page) and visit: [www.proxyvote.com](http://www.proxyvote.com).

How to Request and Receive a PAPER or E-MAIL Copy:

If you want to receive a paper or e-mail copy of these documents, you must request one. There is NO charge for

requesting a copy. Please choose one of the following methods to make your request:

- 1) BY INTERNET: [www.proxyvote.com](http://www.proxyvote.com)
- 2) BY TELEPHONE: 1-800-579-1639
- 3) BY E-MAIL\*: [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com)

\* If requesting materials by e-mail, please send a blank e-mail with the information that is printed in the box marked

by the arrow XXXX XXXX available and follow the instructions.  
à XXXX

Vote By Mail: You can vote by mail by requesting a paper copy of the materials, which will include a proxy card.

Table of Contents

Voting Items

THE BOARD RECOMMENDS A VOTE "FOR" ITEMS 1, 2, 3, 4 AND 5.

1. Proposal to adopt and approve an amendment to our Amended and Restated Certificate of Incorporation to declassify our Board of Directors and provide for the annual election of Directors.
2. Proposal to adopt and approve an amendment to our Amended and Restated Certificate of Incorporation granting stockholders owning not less than 10% of our outstanding Common Stock the right to call a special meeting of stockholders.
3. Election of Directors

Nominee

3a. Jarl Berntzen

4. Proposal to ratify the appointment of Deloitte and Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012.
5. Proposal to approve, on an advisory basis, a resolution on executive compensation.

Table of Contents

CENTURY ALUMINUM COMPANY

2511 GARDEN ROAD

BUILDING A, SUITE 200

MONTEREY, CA 93940

VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AN RETURN THIS PORTION ONLY

THIS CARD IS VALID ONLY WHEN SIGNED AND DATED

CENTURY ALUMINUM COMPANY

THE BOARD RECOMMENDS A

VOTE "FOR" ITEMS 1, 2, 3, 4 AND 5. For Against Abstain

For Against Abstain

- |  |  |
|--|--|
| <p>Proposal to adopt and approve an amendment to our Amended and Restated Certificate of Incorporation to declassify our Board of Directors and provide for the annual election of Directors.</p> <p>1. <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Proposal to adopt and approve an amendment to our Amended and Restated Certificate of Incorporation granting stockholders owning not less than 10% of our outstanding Common Stock the right to call a special meeting of stockholders.</p> <p>2. <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>3. Election of Directors Nominee</p> <p>3a. Jarl Berntzen <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> | <p>4. Proposal to ratify the appointment of Deloitte &amp; Touche LLP as the Company's independent registered accounting firm for the fiscal year ending December 31, 2012. <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>5. Proposal to approve, on an advisory basis, a resolution on executive compensation. <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>NOTE: By execution of this Proxy Card, the undersigned hereby authorizes the proxies to vote, in their discretion, on any other business that may properly be brought before the meeting or any postponement or adjournment thereof.</p> |
|--|--|

For address changes and/or comments, please check this box and write them on the back where indicated.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date
------------------------------------	------	--------------------------	------

Table of Contents

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:  
Century's 2012 Proxy Statement, Form 10-K and Annual Report for the year ended December 31, 2011; and  
any amendments to the foregoing materials are available at [www.proxyvote.com](http://www.proxyvote.com)

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS  
OF CENTURY ALUMINUM COMPANY  
ANNUAL MEETING OF STOCKHOLDERS  
SEPTEMBER 18, 2012

The stockholders hereby appoint William J. Leatherberry and Jesse E. Gary, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and vote, as designated on the reverse side of this ballot, all of the shares of common stock of Century Aluminum Company that the stockholder is entitled to vote at the Annual Meeting of Stockholders to be held at 8:30 a.m., local time on Tuesday, September 18, 2012, at the Hyatt Regency Monterey Hotel, One Old Golf Course Road, Monterey, California, and any adjournments or postponements thereof.

THIS PROXY CARD, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED. IF NO DIRECTION IS MADE BUT THE CARD IS SIGNED, THIS PROXY CARD WILL BE VOTED FOR PROPOSAL 1, FOR PROPOSAL 2, FOR THE ELECTION OF THE NOMINEE UNDER PROPOSAL 3, FOR PROPOSAL 4 AND FOR PROPOSAL 5 AND IN THE DISCRETION OF THE PROXIES WITH RESPECT TO SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING.

Address

Changes/Comments:

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side