

TEREX CORP
Form DEF 14A
March 30, 2012

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

SCHEDULE 14A

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant: X

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))

 X

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

TEREX CORPORATION

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

X

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:

(2)

Aggregate number of securities to which transaction applies:

(3)

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

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Fee paid previously with preliminary materials.

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Form or Schedule and the date of its filing.

(1)

Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:

TEREX CORPORATION

200 Nyala Farm Road, Westport, Connecticut 06880

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 10, 2012

The Annual Meeting of Stockholders of Terex Corporation (Terex or the Company) will be held at the corporate offices of Terex Corporation, 200 Nyala Farm Road, Westport, Connecticut, on Thursday, May 10, 2012, at 10:00 a.m., local time. You may also attend the meeting virtually via the Internet at www.virtualshareholdermeeting.com/terex2012 where you will be able to vote electronically and submit questions during the meeting. At the Annual Meeting, the following items of business will be considered:

1)

To elect nine (9) directors of the Company to hold office for one year or until their successors are duly elected and qualified.

2)

To ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Company for 2012.

3)

To hold an advisory vote to approve the compensation of the Company's named executive officers.

4)

To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The foregoing items of business are described more fully in the Proxy Statement accompanying this Notice. The Board of Directors of the Company has fixed the close of business on March 16, 2012 as the record date for

determining the stockholders entitled to notice of, and to vote at, the Annual Meeting.

The United States Securities and Exchange Commission rules allow us to furnish proxy materials to our stockholders on the Internet. We are pleased to utilize these rules and believe that they enable us to provide our stockholders with the information that they need while lowering the cost of delivery and reducing the environmental impact of our Annual Meeting.

On or about March 30, 2012, we will be mailing our Notice of Internet Availability of Proxy Materials to most of our stockholders, which contains instructions for our stockholders' use of this process, including how to access our 2012 Proxy Statement and 2011 Annual Report and how to vote online. If you received only a Notice of Internet Availability of Proxy Materials this year, the Notice contains instructions on how you may receive a paper copy of the Proxy Statement and Annual Report.

EVERY STOCKHOLDER'S VOTE IS IMPORTANT. While all stockholders are invited to attend the Annual Meeting (in person or virtually via the Internet), we urge you to vote whether or not you will be present at the Annual Meeting. You may vote by telephone or via the Internet. If you received a paper copy of the proxy card by mail, you may complete, date and sign the proxy card and return it in the envelope provided. No postage is required if the proxy card is mailed in the United States. You may withdraw your proxy or change your vote at any time before your proxy is voted, either by voting in person at the Annual Meeting, by proxy, by telephone or via the Internet. Please vote promptly in order to avoid the additional expense of further solicitation.

By order of the Board of Directors,

Eric I Cohen

Secretary

March 30, 2012

Westport, Connecticut

TEREX CORPORATION

200 Nyala Farm Road

Westport, Connecticut 06880

Proxy Statement for the
Annual Meeting of Stockholders
to be held on May 10, 2012

This Proxy Statement is furnished to stockholders of Terex Corporation (Terex or the Company) in connection with the solicitation of proxies by and on behalf of the Company's Board of Directors (the Board) for use at the Annual Meeting of Stockholders of the Company to be held at 10:00 a.m., local time, on May 10, 2012, at the corporate offices of Terex Corporation, 200 Nyala Farm Road, Westport, Connecticut, virtually via the Internet at www.virtualshareholdermeeting.com/terex2012 and at any adjournments or postponements thereof (collectively, the Meeting), for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders (the Notice).

The Company will also be holding a stockholder forum on compensation matters (the Compensation Forum), immediately before the Meeting at 9:30 a.m., local time, on May 10, 2012, at the corporate offices of Terex Corporation, 200 Nyala Farm Road, Westport, Connecticut and virtually via the Internet at www.virtualshareholdermeeting.com/terex2012, in which stockholders will be given the opportunity to ask questions of the Company's Compensation Committee chairperson and provide feedback on the Company's executive compensation program. In addition, between March 30, 2012 and May 9, 2012, stockholders will be able to go to www.theinvestornetwork.com/forum/tex and post questions that they would like to have answered at the Compensation Forum.

As of March 16, 2012, the record date for determining the stockholders entitled to notice of, and to vote at, the Meeting, the Company had outstanding 110,283,641 shares of common stock, \$.01 par value per share (Common Stock).

Under rules and regulations of the United States Securities and Exchange Commission (SEC), instead of mailing a printed copy of our proxy materials to each stockholder of record or beneficial owner of our Common Stock, we are furnishing proxy materials, which include our Proxy Statement and Annual Report, to our stockholders over the

Internet and providing a Notice of Internet Availability of Proxy Materials (the Internet Notice) by mail to all of our stockholders, other than to stockholders who previously elected to receive a printed copy of the proxy materials. Those stockholders that previously elected to receive printed proxy materials will each receive such materials by mail. If you received an Internet Notice by mail, you will not receive a printed copy of the proxy materials unless you request to receive these materials in hard copy by following the instructions provided in the Internet Notice. Instead, the Internet Notice will instruct you how you may access and review all of the important information contained in the proxy materials over the Internet. The Internet Notice also instructs you how you may submit your proxy via telephone or the Internet. If you received an Internet Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Internet Notice.

We are mailing the Internet Notice to our stockholders on or about March 30, 2012.

Each share of Common Stock is entitled to one vote per share for each matter to be voted on at the Meeting. Nominees for the Board will be elected if more votes are cast in favor of the nominee than are withheld from the nominee by the holders of shares present in person or represented by proxy and entitled to vote at the Meeting. Each other matter to be voted upon at the meeting requires the affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy and entitled to vote is required for the approval of any matters voted upon at the Meeting.

A quorum of stockholders is constituted by the presence, in person or by proxy, of holders of record of Common Stock representing a majority of the aggregate number of votes entitled to be cast. Abstentions and broker non-votes will be considered present for purposes of determining the presence of a quorum. With respect to all matters to be voted upon at the Meeting, abstentions will have the effect of a negative vote and broker non-votes will not be considered as votes cast and thus will have no effect on the outcome of the vote.

Proxy solicitations by the Board will be made by mail, by phone, via the Internet or by personal interviews conducted by officers or employees of the Company. All costs of solicitations, including (a) printing and mailing of the Notice of Internet Availability of Proxy Materials, (b) the printing and mailing of this Proxy Statement and accompanying material, (c) the reimbursement of brokerage firms and others for their expenses in forwarding solicitation material to the beneficial owners of the Company's stock, and (d) supplementary solicitations to submit proxies, if any, will be borne by the Company.

How To Vote

In order that your shares of Common Stock may be represented at the Meeting, you are requested to vote your proxy using one of the following methods:

Via the Internet You can vote your shares via the Internet as instructed in the proxy card or in the Internet Notice. The Internet procedures are designed to authenticate your identity to allow you to vote your shares and confirm that your instructions have been properly recorded.

By Telephone The Internet Notice includes a toll-free number you can call to request printed copies of proxy materials and instructions on how to vote by telephone. The printed proxy materials include a different toll-free number you may call for voting.

By Mail Stockholders who receive a paper proxy card may elect to vote by mail and should complete, sign and date their proxy card and mail it in the pre-addressed envelope that accompanies the delivery of paper proxy cards. Proxy cards submitted by mail must be received by the time of the Meeting in order for your shares to be voted. Stockholders who hold shares beneficially in street name may vote by mail by requesting a paper proxy card according to the instructions contained in the Internet Notice received from your broker or other agent, and then completing, signing and dating the voting instruction card provided by the brokers or other agents and mailing it in the pre-addressed envelope provided.

Please note that the rules regarding how brokers may vote your shares have changed. Brokers may no longer vote your shares on the election of directors in the absence of your specific instructions as to how to vote. The Company encourages you to provide instructions to your broker regarding the voting of your shares.

If you vote via the Internet, by telephone or by mailing a proxy card, we will vote your shares as you direct. For the election of directors, you can specify whether your shares should be voted for all, some or none of the nominees for director listed. With respect to the other items being submitted for stockholder vote, you may vote for or against any proposal or you may abstain from voting on any proposal.

If you submit a proxy via the Internet, by telephone or by mailing a proxy card without indicating your instructions, we will vote your shares consistent with the recommendations of our Board as stated in this Proxy Statement and in the Internet Notice, specifically in favor of our nominees for directors, in favor of the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm and in favor of the compensation of our named executive officers. If any other matters are properly presented at the Meeting for

consideration, then our officers named on your proxy will have discretion to vote for you on those matters. As of the date of the Internet Notice, we knew of no other matters to be presented at the Meeting.

Revocation of Proxies Any stockholder giving a proxy has the right to attend the Meeting to vote his or her shares of Common Stock in person (thereby revoking any prior proxy). Any stockholder also has the right to revoke the proxy at any time by executing a later-dated proxy, by telephone, via the Internet or by written revocation received by the Secretary of the Company prior to the time the proxy is voted. All properly executed and unrevoked proxies delivered pursuant to this solicitation, if received at or prior to the Meeting, will be voted at the Meeting.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROXY STATEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THE DELIVERY OF THIS PROXY STATEMENT SHALL, UNDER NO CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE OF THIS PROXY STATEMENT.

PROPOSAL 1: ELECTION OF DIRECTORS

At the Meeting, nine directors of the Company are to be elected to hold office until the Company's next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified. Each director shall be elected by a majority of the votes of shares of Common Stock represented at the Meeting in person or by proxy cast with respect to such director. Unless marked to the contrary, the proxies received by the Company will be voted FOR the election of the nine nominees listed below, all of whom are presently members of the Board.

Each nominee has consented to being named in this Proxy Statement and to serve as a director if elected. However, should any of the nominees for director decline or become unable to accept nomination if elected, it is intended that the Board will vote for the election of such other person as director as it shall designate. The Company has no reason to believe that any nominee will decline or be unable to serve if elected.

In the event of an uncontested election, as is the case this year, any nominee for director who is a current director and receives less than a majority of the votes cast in person or by proxy at the Meeting shall offer to resign from the Board. While the Board does not believe that in each such case a director should necessarily leave the Board, this presents an opportunity for the Board, through its Governance and Nominating Committee, to consider the resignation offer.

The information set forth below has been furnished to the Company by the nominees and sets forth for each nominee, as of March 25, 2012, such nominee's name, business experience for at least the past five years, other directorships held and age. There is no family relationship between any nominee and any other nominee or executive officer of the Company. For information regarding the beneficial ownership of the Common Stock by the current directors of the Company, see Security Ownership of Certain Beneficial Owners and Management.

The Governance and Nominating Committee of the Board has nominated each of the following individuals based on various criteria, including, among others, a desire to maintain a balanced experience and knowledge base within the Board, the nominees' personal integrity, independence, diversity, experience, sound judgment and willingness to devote necessary time and attention to properly discharge the duties of director, and the ability of the nominees to make positive contributions to the leadership and governance of the Company.

The Board recommends that the stockholders vote FOR the following nominees for director.

<u>Name</u>	<u>Age</u>	<u>Positions and</u>	<u>First Year</u>
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		<u>Offices with Company</u>	<u>As Company Director</u>
Ronald M. De Feo	60	Chairman of the Board, Chief Executive	1993
		Officer and Director	
G. Chris Andersen	73	Lead Director	1992
Paula H. J. Cholmondeley	64	Director	2004
Donald DeFosset	63	Director	1999
Thomas J. Hansen	63	Director	2008
David A. Sachs	52	Director	1992
Oren G. Shaffer	69	Director	2007
David C. Wang	67	Director	2008
Scott W. Wine	45	Director	2011

Ronald M. De Feo

Business Experience: Ronald M. De Feo joined the Company on May 1, 1992, was appointed President and Chief Operating Officer of the Company on October 4, 1993, Chief Executive Officer (CEO) of the Company on March 24, 1995 and Chairman of the Board on March 4, 1998. Mr. De Feo relinquished the titles of President and Chief Operating Officer of the Company on January 3, 2007. Pursuant to an Amended and Restated Employment and Compensation Agreement between Mr. De Feo and the Company, dated as of October 14, 2008 (the De Feo Agreement), Mr. De Feo is to remain CEO of the Company through December 31, 2012 and the Company will use its best efforts, consistent with generally accepted best corporate governance standards, to have Mr. De Feo elected Chairman of the Board during this time. Prior to joining the Company, Mr. De Feo was a Senior Vice President of J.I. Case Company, the former Tenneco farm and construction equipment division, and also served as a Managing Director of Case Construction Equipment throughout Europe. While at J.I. Case, Mr. De Feo was also a Vice President of North American Construction Equipment Sales and General Manager of Retail Operations. Mr. De Feo serves as a director of Kennametal Inc. (a supplier of the Company). Mr. De Feo served as a director of United Rentals, Inc. (a customer of the Company) until June 2005.

Qualifications: Mr. De Feo has 20 years of management and operating experience with the Company. Mr. De Feo is well regarded in the equipment manufacturing industry. He has been named to the Association of Equipment Manufacturers (AEM) Hall of Fame and has served as the Chairman of AEM. Based on his current role as CEO of the Company and his history with the Company and the industry, Mr. De Feo provides the Board with skillful leadership, in-depth industry knowledge, insight into the Company s global operations and a thorough understanding of the Company s products and markets and the Company's dealings with its customers.

G. Chris Andersen

Business Experience: G. Chris Andersen has been an investment banker since the 1970s and is currently a partner of G. C. Andersen Partners, LLC, a private investment banking and advisory firm. Mr. Andersen also serves as a director of XPO Logistics, Inc. Previously, Mr. Andersen served as the non-executive Chairman of the Board of Directors of Millennium Cell Inc. from 1999 through 2008. Mr. Andersen also previously served on the boards of United Waste Systems Inc., United Artists Theater Company, Inc. and Sunshine Mining and Refining Company.

Qualifications: Mr. Andersen has an extensive knowledge of global capital markets, mergers and acquisitions transactions and investment community concerns. Mr. Andersen has been a member of the Board since 1992 and accordingly has an extensive knowledge of the Company. As a result, Mr. Andersen provides vital insight to the Board on many issues, including capital markets, mergers and acquisitions transactions and historical perspective of the Company.

Paula H. J. Cholmondeley

Business Experience: Paula H. J. Cholmondeley was a private consultant on strategic planning from 2004 through 2009. Ms. Cholmondeley served as Vice President and General Manager of Sappi Fine Paper, North America from 2000 through 2004, where she was responsible for their Specialty Products division. Ms. Cholmondeley held senior positions with various other companies from 1980 through 1998, including Owens Corning, The Faxon Company, Blue Cross of Greater Philadelphia, and Westinghouse Elevator Company, and also served as a White House Fellow assisting the U.S. Trade Representative during the Reagan administration. Ms. Cholmondeley, a former certified public accountant, is an alumnus of Howard University and received a Masters Degree in Accounting from the University of Pennsylvania, Wharton School of Finance. Ms. Cholmondeley is also a director of Dentsply International Inc., Albany International Corp. and Minerals Technologies Inc., and is an independent trustee of Nationwide Mutual Funds. Previously, Ms. Cholmondeley served as a director of Ultralife Corporation from 2004 through 2010.

Qualifications: Ms. Cholmondeley has significant financial and operations experience with several international manufacturing companies, held executive positions where she was responsible for leading strategic planning and involved in preparing financial statements as the chief financial officer of a large insurance company. Ms. Cholmondeley also currently serves as a part-time faculty member for the National Association of Corporate Directors. As a result of these professional and other experiences, and as Ms. Cholmondeley is an African American female raised in the Caribbean, she brings diverse perspectives and experiences, which provides the Board with greater insight into the Company's financial, operational and governance matters.

Donald DeFosset

Business Experience: Donald DeFosset retired in 2005 as Chairman, President and Chief Executive Officer of Walter Industries, Inc., a diversified company with principal operating businesses in homebuilding and home financing, water transmission products and energy services. Mr. DeFosset served since November 2000 as President and CEO, and since March 2002 as Chairman, of Walter Industries. Previously, he was Executive Vice President and Chief Operating Officer of Dura Automotive Systems, Inc. (Dura), a global supplier of engineered systems, from October 1999 through June 2000. Before joining Dura, Mr. DeFosset served as a Corporate Executive Vice President, President of the Truck Group and a member of the Office of Chief Executive Officer of Navistar International Corporation from October 1996 to August 1999. Mr. DeFosset also serves as a director of National Retail Properties Inc., Regions Financial Corporation and ITT Corporation. Previously, Mr. DeFosset served as a director of James Hardie Industries N.V. from 2006 through 2008 and Enpro Industries, Inc. from 2008 through 2011.

Qualifications: Mr. DeFosset has considerable experience as a chief executive of a large diversified industrial company and as a senior executive of an international machinery manufacturer. Mr. DeFosset has been a member of the Board since 1999 and accordingly has an extensive knowledge of the Company. As a result, Mr. DeFosset provides the Board with key knowledge and insights into the Company's manufacturing, operational and financial matters.

Thomas J. Hansen

Business Experience: Thomas J. Hansen retired in March 2012 as Vice Chairman of Illinois Tool Works Inc. (ITW), a manufacturer of fasteners and components, consumable systems and a variety of specialty products and equipment, and is responsible for ITW's worldwide Automotive Components and Fastener, Fluids and Polymers, Industrial Metal and Plastic and Construction businesses. He served as Vice Chairman from 2006 until March 2012. From 1998 until May 2006, Mr. Hansen served as Executive Vice President of ITW. Mr. Hansen joined ITW in 1980 as sales and marketing manager of the Shakeproof Industrial Products businesses and held several other positions of increasing responsibility with the company. Mr. Hansen is a member of the Northern Illinois University's Executive Club, a member of the Economics Club of Chicago, is Chairman of the ITW Better Government Council, and is a former member of the Board of Trustees of MAPI (Manufacturers Alliance). Mr. Hansen also serves as a director of Mueller Water Products, Inc. Previously, Mr. Hansen served as a director of CDW Corporation from 2005 through 2008.

Qualifications: Mr. Hansen recently served as a senior executive of a large diversified industrial manufacturing company facing the same set of external economic, social and governance issues as the Company. He also has significant experience in the area of mergers and acquisitions and operating a company consisting of many business units brought together by acquisitions. As a result, Mr. Hansen provides the Board with a deep understanding of the complexities of operating a large multi-national business.

David A. Sachs

Business Experience: David A. Sachs is a Senior Advisor in the Capital Markets Group and serves as an Investment Committee Member of Ares Management LLC (Ares), a firm he co-founded in 1997. Mr. Sachs has been an investment banker and investment manager since 1981.

Qualifications: Mr. Sachs has extensive knowledge of global capital markets and is valuable to the Board's discussions of the Company's capital and liquidity needs. Mr. Sachs has been a member of the Board since 1992 and accordingly has an extensive knowledge of the Company. As a result, Mr. Sachs provides vital insight to the Board on many issues, including capital markets, treasury and liquidity related matters.

Oren G. Shaffer

Business Experience: Oren G. Shaffer retired in 2007 as the Vice Chairman and Chief Financial Officer of Qwest Communications International Inc., a telecommunications provider, having served in that capacity from 2002 to 2007. From 2000 to 2002, Mr. Shaffer was President and Chief Operating Officer of Sorrento Networks, a company which develops intelligent optical networking solutions for telecommunication applications, and was a consultant for SBC Corp., a provider of wireless service technology. From October 1994 to January 2000, he served as Executive Vice President and Chief Financial Officer of Ameritech Corporation, a telecommunications company. He also held various senior executive positions in the areas of operations, finance and strategy in his 25 years with Goodyear Tire & Rubber Co. Mr. Shaffer also serves as a director of Belgacom SA, XPO Logistics, Inc. and Intermec, Inc.

Qualifications: Mr. Shaffer has chief financial officer experience at large international companies and operations experience at a large global manufacturing company. He has significant experience with European businesses and is currently a director of a Belgian-based telecommunications company. As a result, Mr. Shaffer provides the Board with knowledge and insight into overseeing the Company's financial, strategic and international matters.

David C. Wang

Business Experience: David C. Wang recently retired as Vice President of International Relations of The Boeing Company (Boeing), a large aerospace company and a manufacturer of commercial jetliners and military aircraft. He held this position from October 2002 until July 2011. Mr. Wang was also President of Boeing China Inc. from November 2002 until March 2011. Prior to joining Boeing, Mr. Wang served as Chairman and CEO of General Electric China from 1997 to 2001. Prior to that, Mr. Wang served in various positions of increasing responsibility with General Electric since 1980. Mr. Wang is also a director of KLA-Tencor Corporation.

Qualifications: Mr. Wang has substantial experience as a global manufacturing executive in the international and Chinese markets. Mr. Wang has extensive business experience in China, having lived and worked there from 1990 until 2011. As a result, he brings a unique perspective to the Board in a key developing market in which the Company has operations and hopes to further expand in the future.

Scott W. Wine

Business Experience: Scott W. Wine is the Chief Executive Officer of Polaris Industries Inc. Polaris designs, engineers, manufactures and markets innovative, high quality off-road vehicles, including all-terrain vehicles and the Polaris *RANGER*® for recreational and utility use, snowmobiles, motorcycles and on-road electric powered vehicles. He joined Polaris in September 2008 after serving as the President of Fire Safety Americas, a division of United Technologies Corporation from 2007 to August 2008. Prior to that, Mr. Wine held senior leadership positions at Danaher Corporation from 2003 to 2007, serving as President of its Jacob Vehicle Systems and Veeder-Root subsidiaries. From 1996 to 2003, Mr. Wine held various international and domestic posts with Honeywell's Aerospace Division.

Qualifications: Mr. Wine is a chief executive officer of a large international manufacturing company facing the same set of external economic, social and governance issues as the Company. Mr. Wine has substantial operations experience as a senior executive of large diversified international manufacturers. He has a proven track record of growing profitable industrial businesses, acquiring and integrating businesses and rapidly driving results. As a result, Mr. Wine provides the Board with a deep understanding of the complexities of operating a large multi-national business.

Director Emeritus Donald P. Jacobs

Business Experience: Dr. Donald P. Jacobs was a director of the Company from 1998 through 2010. Dr. Jacobs has continued his service as an advisor to the Company in the capacity of Director Emeritus since May 2010. Dr. Jacobs is Dean Emeritus and the Gaylord Freeman Distinguished Professor of Banking of the J.L. Kellogg School of Management at Northwestern University. Prior to that, Dr. Jacobs was Dean of the Kellogg School. He presently teaches corporate governance, strategy and international business. In his role as Director Emeritus, Dr. Jacobs is invited to attend and participate in all Board and Governance and Nominating Committee meetings, and is expected to attend at least one Board and Governance and Nominating Committee meeting in person annually. As Director Emeritus, Dr. Jacobs is not entitled to a vote at such meetings.

Qualifications: Dr. Jacobs is a well-respected member of the academic community and specifically focuses on the fields of corporate governance, strategy and international business. Dr. Jacobs was a member of the Board from 1998-2010 and accordingly has an extensive knowledge of the Company. As a result, Dr. Jacobs provides vital insight to the Board on many issues, including corporate governance and strategy related matters.

Board Meetings and Corporate Governance

The Board met nine times in 2011 at regularly scheduled and special meetings, including telephonic meetings. All of the directors in office during 2011 attended at least 75% of the meetings of the Board and all committees of the Board on which they served during 2011. It is the Company's policy, as stated in the Company's Governance Guidelines (the Guidelines), that each director is expected to attend the annual meeting of stockholders. All of the directors then in office attended the Company's previous annual meeting of stockholders held on May 12, 2011.

Director Independence

It is the Company's policy that the Board consists of a majority of directors who qualify as independent directors under the listing standards of the New York Stock Exchange (NYSE), the Securities Exchange Act of 1934, as amended (the Exchange Act), and the requirements of any other applicable regulatory authority, including the SEC. The Board annually reviews the relationship of each director with the Company, and only those directors who the Board affirmatively determines have no material relationship with the Company are deemed to be independent directors. The Guidelines specifically define what is deemed to be a material relationship between the Company and an independent director. The following are the relationships that the Board considers in making its independence determination:

(i)

whether the director or any of his or her immediate family members is or was within the past five years an officer of the Company;

(ii)

whether the director is or was within the past five years an employee of the Company;

(iii)

whether the director or any of his or her immediate family members is or was during the past five years affiliated with, or employed by, any past or present auditor of the Company (or an affiliate thereof);

(iv)

whether the director or any of his or her immediate family members is or was within the past five years part of an interlocking directorate in which an executive officer of the Company serves or served on the compensation committee of a company that concurrently employs or employed the director or any of his or her immediate family members;

(v)

whether the director is an executive officer, a partner, member, of counsel or beneficial owner of more than ten percent (10%) of the equity interest of a customer of, or a supplier of goods or services (including without limitation any investment banking firm or law firm) to, the Company where the amount involved in any of the last three fiscal years exceeds certain thresholds;

(vi)

whether the director is an executive officer, a partner or beneficial owner of more than ten percent (10%) of the equity interest of a company to which the Company was indebted at the end of any fiscal quarter during the Company's most recently completed fiscal year or current fiscal year in an amount in excess of five percent (5%) of the Company's total consolidated assets at the end of such fiscal year;

(vii)

whether the director is an executive officer, a partner or beneficial owner of more than ten percent (10%) of the equity interest of a company which was indebted to the Company;

(viii)

whether the director or any of his or her immediate family members was indebted to the Company, other than in the ordinary course of business of the Company and the business of the director or the member of his or her immediate family, as applicable, at the end of any fiscal quarter during the Company's most recently completed fiscal year or current fiscal year in an amount in excess of \$100,000 at the end of such fiscal year;

(ix)

whether the director is affiliated with a tax exempt entity that within the preceding three years received the greater of (x) \$1 million or (y) two percent (2%) of its consolidated gross revenues from the Company (based on the tax exempt entity's most recently completed fiscal year);

(x)

whether the director or any of his or her immediate family members is during the current fiscal year or was during the most recently completed fiscal year a party to a transaction or series of similar transactions with the Company or its subsidiaries (excluding director fees, stock options and other director compensation), other than on arm's-length terms where the amount involved is not material to either party;

(xi)

whether the director or any of his or her immediate family members received more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service within the past three years; and

(xii)

whether the director has any other relationships with the Company or the members of management of the Company that the Board has determined to be material and which are not described in (i) through (xi) above.

After consideration of all applicable matters, the Board determined, based on the above criteria, that none of the directors has a material relationship with the Company other than as a director or as a stockholder except for Mr. De Feo, who is not an independent director. The Board considered that Mr. Sachs was a member of Ares which in the ordinary course of business held a small amount of the Company's debt. It was noted that the amount of debt was less than 0.5% of the Company's total consolidated assets and approximately 1% of the Company's debt as of December 31, 2011. The Board also considered that Messrs. Hansen and Wang were officers of companies (ITW and Boeing, respectively) that the Company has conducted business with in the past and that Messrs. Hansen and Wang have both recently retired from their executive positions. It was noted that the dollar value of transactions between the Company and each of ITW and Boeing in 2011 was less than 0.1% of the Company's 2011 net sales. Accordingly, the Board has determined that all of the nominees for director are independent directors except for Mr. De Feo, who has been nominated to serve on the Board as a result of his position as Chief Executive Officer of the Company.

Director Compensation

Directors who are employees of the Company receive no additional compensation by virtue of being directors of the Company. Outside directors receive compensation for their service as directors and reimbursement of their expenses incurred as a result of their service as directors. See Director Compensation for a detailed description of director compensation, including the Company's Common Stock ownership objective for outside directors.

Board Leadership Structure

The Board believes that the Company's Chief Executive Officer is best situated to serve as Chairman because he is the director most familiar with the Company's business and industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. The Company's independent directors bring experience, oversight and expertise from outside the Company and industry, but the Company's Chief Executive Officer, based on his proximity to the business, is in the best position to identify areas of focus for the Board and set the Board's initial agenda. The Board believes that the combined role of Chairman and Chief Executive Officer facilitates information flow between management and the Board, which is essential to effective governance.

One of the key responsibilities of the Board is to approve management's strategic direction and hold management accountable for the execution of strategy once it is approved. The Board believes the combined role of Chairman and Chief Executive Officer, working collaboratively with an independent Lead Director having the duties described below, is in the best interest of stockholders because it provides the appropriate balance between strategy development and independent oversight of management.

Since 2003, the Board has determined that, because the offices of Chairman and Chief Executive Officer have been combined in Mr. De Feo, it has been desirable for the Company to have an independent director serve as Lead Director of the Board. The Lead Director provides independent leadership and guidance to the Board. The Lead Director acts as a liaison between senior management and the Board and provides guidance to senior management on issues that arise in between Board meetings. In addition, the Lead Director presides at all executive sessions of the non-management directors and consults with Mr. De Feo on the setting of the Board agenda. Mr. Andersen was appointed Lead Director in 2006 and the Board believes that Mr. Andersen's continued leadership would be beneficial to the Board and accordingly, the directors intend to nominate Mr. Andersen as the Lead Director in May 2012. The Board and the Governance and Nominating Committee have been considering Lead Director succession planning for the past 12 months and anticipate being in a position to announce a successor to Mr. Andersen as Lead Director prior to the Company's 2013 Annual Meeting.

Risk Oversight

Management is responsible for identification of key risks and for development and implementation of processes for the mitigation and monitoring of risks. Management provides a comprehensive enterprise risk management assessment to the Board annually that describes the most significant risks facing the Company, measures the relative magnitude of the risks, identifies the risk owners for each major risk and describes the improvement or monitoring plans surrounding each major risk. The Board has an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through direct presentations and committee reports about such risks. The Audit Committee oversees management of financial risks, financial controls, internal audit and potential conflicts of interest and receives regular internal audit and compliance risk updates from the Company's Vice President, Audit Services as well as the Company's Chief Ethics and Compliance Officer. The Company's Compensation Committee is responsible for overseeing the management of risks relating to the Company's human resources and executive compensation plans and arrangements. The Governance and Nominating Committee manages risks associated with the independence of the Board of Directors and receives regular updates from the Company's Chief Ethics and Compliance Officer on compliance risks. The Corporate Responsibility and Strategy Committee oversees management of risks associated with strategy, capital projects and environmental, health and safety matters.

The Board also reviews information regarding the Company's credit, liquidity and operations, as well as the risks associated with each, on a regular basis. In addition, management engages in an in-depth review and dialogue with the Board with respect to the most significant risks facing the Company on a rotating basis throughout the year.

Corporate Governance Principles

The Board and the Governance and Nominating Committee annually review the Company's corporate governance policies and practices and the Guidelines. The Board believes that the Guidelines effectively assist the Board in the exercise of its duties and responsibilities and serve the best interests of the Company. These Guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision making both at the Board and management levels, with a view to achieving strategic objectives of

the Company while enhancing stockholder value over the long term. The Board and the Governance and Nominating Committee will continue to review the Guidelines annually and may make changes as they determine are necessary and appropriate, including changes that may be necessary to comply with new or proposed laws, rules or regulations issued by the SEC and the NYSE. A copy of the Guidelines is available at the Company's website, www.terex.com, under About Terex Investor Relations Corporate Governance and in addition, a copy of the Guidelines is available in print, without charge, to any stockholder who requests these materials from the Company.

The Board believes that periodic assessment of director performance is an important governance principle. On an annual basis, directors conduct a survey and rate the performance of the Board and its committees. In addition, on a periodic basis, individual director evaluations are conducted by the Lead Director.

Directors have complete access to management and the Company's outside advisors, and senior officers and other members of management frequently attend Board and committee meetings at the discretion of the Board. It is the policy of the Board that non-management directors also meet privately in executive sessions without the presence of any members of management at each regularly scheduled meeting of the Board and at such other times as the Board shall determine. In addition, the Board may retain and have access to independent advisors of its choice with respect to any issue relating to its activities, and the Company pays the expenses of such advisors.

If you wish to communicate with the non-management directors of the Board, you may correspond by filing a report through Ethicspoint, 24 hours a day, 7 days a week, via the Internet at www.ethicspoint.com or by calling, toll free, (877) 584-8488 or 1-877-ETHICSP. Reports should be submitted under the category Director Communications. Ethicspoint is an independent third-party provider retained by the Company to offer a comprehensive, confidential and, upon request, anonymous reporting system for receiving communications, complaints and grievances. All communications received by Ethicspoint are relayed to the Board.

Board Committees

The Board has an Audit Committee, Compensation Committee, Corporate Responsibility and Strategy Committee, and Governance and Nominating Committee.

Audit Committee Meetings and Responsibilities

The Audit Committee of the Board consists of Messrs. DeFosset (chairperson), Hansen, Shaffer and Wine, each of whom is independent as defined in the listing standards of the NYSE and under the Exchange Act. The Audit Committee met 14 times during 2011.

Each member of the Audit Committee is required to be financially literate or must become financially literate within a reasonable time after appointment to the Audit Committee, and at least one member of the Audit Committee must have accounting or related financial management expertise.

The Board, in its business judgment, believes that each of the current members of the Audit Committee is financially literate and that each of its members has accounting or financial management expertise: Mr. DeFosset through his business experience as a corporate executive, his involvement in preparing financial statements at various public companies and particularly his experience as a Chief Executive Officer of a public company; Mr. Hansen through his business experience as a corporate executive and his involvement in preparing financial statements as a senior executive of a large multinational company; Mr. Shaffer through his extensive experience and involvement in preparing financial statements as the Chief Financial Officer of a large public company; Mr. Wine through his business experience as a corporate executive, his involvement in preparing financial statements at various public companies and particularly his experience as a Chief Executive Officer of a public company. The Board has determined that each of Messrs. DeFosset, Mr. Shaffer and Wine is an audit committee financial expert, as such term is defined under the regulations of the SEC.

The Audit Committee assists the Board in fulfilling its oversight responsibilities by meeting regularly with the Company's independent registered public accounting firm and operating and financial management personnel. The Audit Committee reviews the audit performed by the Company's independent registered public accounting firm and reports the results of such audit to the Board. The Audit Committee reviews the Company's annual financial statements and all material financial reports provided to the stockholders and reviews the Company's internal auditing, accounting and financial controls.

As stated in the Audit Committee Charter, the Audit Committee also reviews related party transactions and any other matters pertaining to potential conflicts of interest or adherence to the Company's standards of business conduct.

Related party transactions must be approved by the Audit Committee, who will approve the transaction only if they determine that it is in the best interests of the Company. In considering the transaction, the Audit Committee will consider all relevant factors, including, as applicable: (i) the Company's business rationale for entering into the transaction; (ii) the alternatives to entering into a related party transaction; (iii) whether the transaction is on terms comparable to those available to third parties, or in the case of employment relationships, to employees generally; (iv) the potential for the transaction to lead to an actual or apparent conflict of interest and any safeguards imposed to prevent such actual or apparent conflicts; and (v) the overall fairness of the transaction to the Company.

The Audit Committee is also responsible for appointing, setting compensation for, and overseeing the work of, the Company's independent registered public accounting firm. The Audit Committee has established a policy requiring its pre-approval of all audit and permissible non-audit services provided by the independent registered public accounting firm. On a periodic basis, the Chief Financial Officer of the Company provides the Audit Committee an estimate for the services needed and seeks pre-approval of such services from the Audit Committee. The Audit Committee considers whether such services are consistent with the rules of the SEC on auditor independence. The policy prohibits the Audit Committee from delegating to management the Audit Committee's responsibility to pre-approve permitted services of the independent registered public accounting firm.

Requests for pre-approval for services must be detailed as to the services to be provided and the estimated total cost and must be submitted to the Company's Chief Financial Officer. The Chief Financial Officer then determines whether the services requested fall within the guidance of the Audit Committee as to the services eligible for pre-approval. If the service was not of a type that was already pre-approved or the estimated cost would exceed the amount already pre-approved, then the Chief Financial Officer seeks pre-approval of the Audit Committee on a timely basis.

The Audit Committee operates under a written charter adopted by the Board that complies with all applicable requirements of the SEC and the NYSE. A copy of the Audit Committee Charter is available at the Company's website, www.terex.com, under About Terex Investor Relations Corporate Governance and Ethics, a copy of the charter is available in print, without charge, to any stockholder who requests this material from the Company. This charter sets out the responsibilities, authority and duties of the Audit Committee.

See Audit Committee Report for a discussion of the Audit Committee's review of the audited financial statements of the Company for the Company's fiscal year ended December 31, 2011.

Compensation Committee Meetings and Responsibilities

The Compensation Committee of the Board consists of Messrs. Sachs (chairperson), DeFosset, Shaffer, Wang and Wine, each of whom is independent as defined in the listing standards of the NYSE. Each member of the Compensation Committee must have a basic understanding of the components of executive compensation and the role of each component as part of a comprehensive program linking compensation to corporate and individual performance in support of the Company's objectives. The Compensation Committee met ten times during 2011.

The Compensation Committee assists the Board in its responsibilities regarding compensation of the Company's senior executives and outside directors, including overall responsibility for approving, evaluating and modifying the Company's plans, policies and programs for compensation of key management personnel. The Compensation Committee establishes compensation arrangements for executive officers and for certain other key management personnel.

The Compensation Committee operates under a written charter adopted by the Board that complies with all applicable requirements of the NYSE. A copy of the Compensation Committee Charter is available at the Company's website, www.terex.com, under About Terex Investor Relations Corporate Governance and a copy of the charter is available in print, without charge, to any stockholder who requests this material from the Company. This charter sets out the responsibilities, authority and duties of the Compensation Committee. The charter does not provide for any delegation of the Compensation Committee's duties.

See Compensation Discussion and Analysis for a description of the Company's executive compensation philosophy and executive compensation program, including a discussion of how the compensation of the Company's executive officers was determined.

Compensation Risk Assessment

The Company conducted a risk assessment of its compensation policies and practices for its employees, including those related to its executive compensation programs. The findings of the risk assessment were discussed with the Compensation Committee. Based upon the assessment, the Company believes that its compensation policies and practices do not encourage excessive or unnecessary risk-taking and are not reasonably likely to have a material adverse effect on the Company.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee served as one of the Company's officers or employees during 2011 or was formerly an officer of the Company. None of the Company's executive officers served as a member of the compensation committee of any other company that has an executive officer serving as a member of the Board or Compensation Committee during 2011. None of the Company's executive officers served as a member of the board of directors of any other company that has an executive officer serving as a member of the Compensation Committee during 2011.

Corporate Responsibility and Strategy Committee Meetings and Responsibilities

The Corporate Responsibility and Strategy Committee of the Board consists of Ms. Cholmondeley (chairperson), and Messrs. Sachs and Wang, each of whom is independent as defined in the listing standards of the NYSE. The Corporate Responsibility and Strategy Committee met five times during 2011.

The Corporate Responsibility and Strategy Committee assists the Board in fulfilling its oversight responsibility of the Company's citizenship responsibilities, as well as preliminarily reviewing management's long-term strategic planning, including potential acquisitions and divestitures. The Committee assesses policies and activities of the Company in light of the interests of the Company's stockholders and the ethical principles expected of a socially responsible corporation. The Committee also reviews the Company's employee health and safety performance, product safety function and the environmental impact of the Company's facilities.

The Corporate Responsibility and Strategy Committee operates under a written charter adopted by the Board. A copy of the Corporate Responsibility and Strategy Committee Charter is available at the Company's website, www.terex.com, under About Terex Investor Relations Corporate Governance. In addition, a copy of the charter is available in print, without charge, to any stockholder who requests this material from the Company. This charter sets out the responsibilities, authority and duties of the Corporate Responsibility and Strategy Committee.

Governance and Nominating Committee Meetings and Responsibilities

The Governance and Nominating Committee of the Board consists of Messrs. Andersen (chairperson), Hansen and Ms. Cholmondeley, each of whom is independent as defined in the listing standards of the NYSE. The Governance and Nominating Committee met six times during 2011.

The Governance and Nominating Committee plays a central role in planning the size and composition of the Board, developing criteria and implementing the process of identifying, screening and nominating candidates for election to the Board, recommending corporate governance guidelines and actions to improve corporate governance and evaluating individual director and full Board performance. The Governance and Nominating Committee is also responsible for overseeing a review and assessment of the performance of the Board and its committees at least annually, including establishing the evaluation criteria and implementing the process for evaluation. The Governance and Nominating Committee, as well as the Board as a whole, does a self-assessment of its performance annually, including with respect to the nomination process.

In considering whether to recommend any candidate for inclusion in the Board's slate of recommended director nominees, including candidates recommended by stockholders, the Governance and Nominating Committee applies the criteria set forth in the Guidelines and gives strong consideration to a wide range of diversity factors as a matter of practice when evaluating director nominees, such as race, gender, age, national origin, work experience and tenure with the Board. These criteria include the candidate's independence, integrity, diversity, experience, sound judgment in areas relevant to the Company's businesses, and willingness to commit sufficient time to the Board, all in the context of an assessment of the perceived needs of the Board at that point in time. Maintaining a balanced experience and knowledge base within the total Board includes considering whether the candidate: (i) is a CEO in companies engaged in capital and industrial goods industries; (ii) has significant executive management experience for multinational business operations; (iii) has extensive knowledge and experience in financial services and capital markets; (iv) has substantial knowledge of the Company and its business; and (v) has unique knowledge and experience and can provide significant contributions to the Board's effectiveness. The Board does not have a formal policy regarding director diversity, but considers how the differences in its directors' backgrounds broaden its business perspective. All candidates for director are reviewed in the same manner, regardless of the source of the recommendation. For details on how stockholders may submit nominations for directors, see [Other Matters](#).

The Governance and Nominating Committee operates under a written charter adopted by the Board that complies with all applicable requirements of the NYSE. A copy of the Governance and Nominating Committee Charter is available at the Company's website, www.terex.com, under [About Terex](#) [Investor Relations](#) [Corporate Governance](#). In addition, a copy of the charter is available in print, without charge, to any stockholder who requests this material from the Company. This charter sets out the responsibilities, authority and duties of the Governance and Nominating Committee.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS
AND MANAGEMENT**

The following table sets forth certain information regarding the beneficial ownership of the Common Stock by each person known by the Company to own beneficially more than 5% of the Company's Common Stock, by each director, by each director nominee, by each executive officer of the Company named in the summary compensation table below, and by all directors and executive officers as a group, as of March 1, 2012 (unless otherwise indicated below). Each person named in the following table has sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by such person, except as otherwise set forth in the notes to the table. Shares of Common Stock that any person has a right to acquire within 60 days after March 1, 2012, pursuant to an exercise of options or otherwise, are deemed to be outstanding for the purpose of computing the percentage ownership of such person, but are not deemed to be outstanding for computing the percentage ownership of any other person shown in the table.

NAME AND ADDRESS OF BENEFICIAL OWNER (1)	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP (2)	PERCENT OF CLASS
BlackRock, Inc. 40 East 52 nd Street New York, NY 10022	12,457,802 (3)	11.3%
Pennant Capital (as defined below) 26 Main Street, Suite 203 Chatham, NJ 07928	7,742,700 (4)	7.0%
Invesco Ltd. 1555 Peachtree Street NE Atlanta, GA 30309	5,806,260 (5)	5.3%
G. Chris Andersen	161,961 (6)	*
Paula H. J. Cholmondeley	14,860	*
Ronald M. De Feo	1,498,555 (7)	1.4%
Donald DeFosset	87,105 (8)	*
Thomas J. Hansen	18,686	*
David A. Sachs	407,425 (9)	*
Oren G. Shaffer	27,542	*
David C. Wang	16,590	*

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Scott W. Wine	8,981	*
Phillip C. Widman	375,879 (10)	*
Stoyan (Steve) Filipov	152,953 (11)	*
Kevin Bradley	142,504 (12)	*
Timothy A. Ford	177,698 (13)	*
All directors and executive officers as a group (21 persons)	4,184,580 (14)	3.8%

* Amount owned does not exceed one percent (1%) of the class so owned.

(1) Unless indicated otherwise, each person's principal address is c/o Terex Corporation, 200 Nyala Farm Road, Westport, CT 06880.

(2) Certain executive officers and directors maintain margin securities accounts, and the positions held in such margin accounts, which may from time to time include shares of Common Stock, are pledged as collateral security for the repayment of debit balances, if any, in the accounts. At March 1, 2012, no executive officer or director had a debit balance in such accounts.

- (3) BlackRock, Inc. (BlackRock) filed a Schedule 13G, dated January 6, 2012, disclosing the beneficial ownership of 12,457,802 shares of Common Stock. This includes BlackRock having sole voting power over 12,457,802 shares of Common Stock and sole dispositive power over 12,457,802 shares of Common Stock.
- (4) Pennant Capital Management L.L.C. and Alan Fournier (collectively, Pennant Capital) filed a Schedule 13G, dated February 14, 2012, disclosing the beneficial ownership of 7,742,700 shares of Common Stock. This includes Pennant having shared voting power over 7,742,700 shares of Common Stock and shared dispositive power over 7,742,700 shares of Common Stock.
- (5) Invesco Ltd. (Invesco) filed a Schedule 13G, dated February 14, 2012, disclosing the beneficial ownership of 5,806,260 shares of Common Stock. This includes Invesco having sole voting power over 5,800,345 shares of Common Stock and sole dispositive power over 5,806,260 shares of Common Stock.
- (6) Includes 5,174 shares of Common Stock issuable upon the exercise of options exercisable within 60 days.
- (7) Includes 81,039 shares that are owned indirectly by Mr. De Feo through a grantor retained annuity trust. Also includes 180,000 shares of Common Stock issuable upon the exercise of options exercisable within 60 days.
- (8) Includes 2,587 shares of Common Stock issuable upon the exercise of options exercisable within 60 days.
- (9) Includes 7,800 shares of Common Stock owned by Mr. Sachs wife. Mr. Sachs disclaims the beneficial ownership of such shares. Also includes 27,524 shares of Common Stock issuable upon the exercise of options exercisable within 60 days.
- (10) Includes 36,800 shares of Common Stock issuable upon the exercise of options exercisable within 60 days.
- (11) Includes 12,500 shares of Common Stock issuable upon the exercise of options exercisable within 60 days.
- (12) Includes 10,000 shares of Common Stock issuable upon the exercise of options exercisable within 60 days.
- (13) Includes 10,000 shares of Common Stock issuable upon the exercise of options exercisable within 60 days.
- (14) Includes 391,617 shares of Common Stock issuable upon the exercise of options exercisable within 60 days.

EXECUTIVE OFFICERS

The following table sets forth, as of March 25, 2012, the respective names and ages of the Company's executive officers, indicating all positions and offices held by each such person. Each officer is elected by the Board to hold office for one year or until his or her successor is duly elected and qualified.

<u>NAME</u>	<u>AGE</u>	<u>POSITIONS AND OFFICES WITH COMPANY</u>
Ronald M. De Feo	60	Chairman of the Board, Chief Executive Officer and Director
Phillip C. Widman	57	Senior Vice President and Chief Financial Officer
Eric I Cohen	53	Senior Vice President, Secretary and General Counsel
Brian J. Henry	53	Senior Vice President, Finance and Business Development
Kevin A. Barr	52	Senior Vice President, Human Resources
Douglas R. Friesen Jr.	54	Senior Vice President, Terex Business Systems
Timothy A. Ford	50	President, Terex Aerial Work Platforms
George Ellis	51	President, Terex Construction
Kevin Bradley	49	President, Terex Cranes
Kieran Hegarty	45	President, Terex Materials Processing
Aloysius Rauen	55	President, Terex Material Handling & Port Solutions
Stoyan (Steve) Filipov	43	President, Developing Markets and Strategic Accounts
Kenneth D. Lousberg	44	President, Terex China

For information regarding Mr. De Feo, refer to the section above titled Election of Directors.

Phillip C. Widman was appointed Senior Vice President and Chief Financial Officer of the Company on September 16, 2002. Prior to joining the Company, Mr. Widman served as Executive Vice President, Chief Financial Officer of Philip Services Corporation (Philip Services), an industrial outsourcing and metal services company, from 1998 to 2001, and as an independent consultant from 2001 to 2002. Prior to joining Philip Services, Mr. Widman worked at Asea Brown Boveri Ltd. (ABB) for 11 years in various financial and operational capacities in the transportation, power generation and power distribution businesses. During his last two years at ABB, he served as Vice President, Chief Financial Officer and Supply Management of its diverse businesses in the United States. Additionally, Mr. Widman's experience includes 12 years with Unisys Corporation in a variety of financial roles. Mr. Widman serves as a director of Sturm, Ruger & Co., Inc. and served as a director of The Lubrizol Corporation from December 2008 until September 2011.

Eric I Cohen became Senior Vice President, Secretary and General Counsel of the Company on January 1, 1998. Prior to joining the Company, Mr. Cohen was a partner with the New York City law firm of Robinson Silverman Pearce Aronsohn & Berman LLP (which firm has since merged with Bryan Cave LLP) since January 1992 and was an associate attorney with that firm from 1983 to 1992.

Brian J. Henry was appointed Senior Vice President, Finance and Business Development on October 18, 2002. Mr. Henry previously held the positions of Vice President, Finance and Business Development, Vice President-Finance and Treasurer, and Vice President-Corporate Development and Acquisitions. Mr. Henry also served as the Company's Director of Investor Relations. Mr. Henry has been employed by the Company since 1993. From 1990 to 1993, Mr. Henry was employed by KCS Industries, L.P. and its predecessor, KCS Industries, Inc., an entity that until December 31, 1993, provided administrative, financial, marketing, technical, real estate and legal services to the Company and its subsidiaries.

Kevin A. Barr was named Senior Vice President, Human Resources of the Company on January 3, 2006. Prior to that, Mr. Barr had been serving as Vice President, Human Resources of the Company since September 25, 2000. Prior to joining the Company, Mr. Barr served as Vice President-Human Resources at DBT Online since 1998. From 1995 to 1998, Mr. Barr was at Nabisco, Inc. as Vice President-Human Resources, Asia/Pacific. Prior to that, Mr. Barr served as Vice President-Human Resources, Asia/Pacific and Latin America with Dun and Bradstreet Corporation from 1990 to 1995, and in various human resources executive positions at Chase Manhattan Bank, N.A. from 1981 to 1990.

Douglas R. Friesen Jr. was named Senior Vice President, Terex Business System effective on April 1, 2011. Prior to that, Mr. Friesen led the Company's Cranes operations in Zweibrücken, Germany, as Vice President and Managing Director from September 2008 to March 2011. Mr. Friesen joined the Company in 2005 as Vice President and General Manager, North America, for Terex Cranes. Prior to joining the Company, Mr. Friesen held senior leadership roles with JCB Construction Equipment, General Motors Corporation and Toyota Corporation, and has extensive training and experience in implementing lean business processes.

Timothy A. Ford became President, Terex Aerial Work Platforms on October 2, 2006. Prior to joining the Company, since 2005, Mr. Ford was Executive Vice President of The Toro Company, a lawn care and turf maintenance product and service provider. Previous to that, Mr. Ford held various senior executive positions with The Toro Company since 2001. Prior to that, he held various senior management positions with Honeywell International Inc. from 1998 through 2001. Mr. Ford began his career at General Electric Company in 1985.

George Ellis became President, Terex Construction on October 1, 2009. At that time, Mr. Ellis had been serving as Senior Vice President, Terex Business System, with additional responsibilities leading the Company's Roadbuilding, Manufacturing Services and Health Safety & Environment organizations. Prior to that, he was Vice President and General Manager of the Terex Utility group. Mr. Ellis joined Genie Industries as a site director in 2000 and after the Terex acquisition of Genie Industries in 2002, he became General Manager of the Southaven operation of Terex Construction. Prior to joining Genie Industries, Mr. Ellis held leadership positions at General Electric Company, the Pratt & Whitney division of United Technologies Corporation and PPG Industries, Inc.

Kevin Bradley was named President, Terex Cranes on January 4, 2011. At that time, Mr. Bradley had been serving as President of Terex Financial Services since August 2005. Prior to joining the Company, Mr. Bradley spent nine years each at General Electric Capital Corporation and AT&T Capital Corporation, holding positions of increasing responsibility.

Kieran Hegarty was named President, Terex Material Processing in March 2010. Prior to that, Mr. Hegarty had been serving as Vice President, Terex Material Processing since January 2006. Previously, he held various general management positions within the Powerscreen group of companies since 1992.

Aloysius Rauen became President, Terex Material Handling & Port Solutions on December 8, 2011, following the Company's earlier acquisition of a majority stake in Demag Cranes AG, a manufacturer of industrial cranes and port technology. Mr. Rauen has been serving as Chief Executive Officer of Demag Cranes since May 1, 2009. Prior to joining Demag Cranes, Mr. Rauen served as the Chief Executive Officer of Eurofighter Jagdflugzeug GmbH since 2004. Previous to that, Mr. Rauen held various senior management positions with EADS Deutschland GmbH since 2000, including serving as its Chief Executive Officer beginning in 2003. Prior to that, he held various senior management positions at Daimler-Benz Aerospace AG and DaimlerChrysler AG from 1992 through 2000. Mr. Rauen began his career at MBB GmbH in 1983.

Stoyan (Steve) Filipov was named President, Developing Markets and Strategic Accounts on January 16, 2008. Prior to that, Mr. Filipov had been serving as President, Terex Cranes since January 1, 2004. At that time, Mr. Filipov had been serving as President of the international operations for Terex Cranes since July 1, 2002. Prior to that, Mr. Filipov held various other positions with a number of the Company's international businesses. Mr. Filipov started with the Company on September 1, 1995 as Export Manager for one of the Company's crane operations in France.

Kenneth D. Lousberg was named President, Terex China on January 4, 2011. At that time, Mr. Lousberg had been serving as President, China Operations and Business Transformation since November 2009. Prior to that, Mr. Lousberg had been serving as Vice President and General Manager of Terex Cranes Europe since 2007. Previous to that, Mr. Lousberg had been serving as Vice President, Terex Business Systems for Terex Cranes since 2005. Mr. Lousberg joined Genie Industries in 1997 as Plant Manager of the scissor lift business. Mr. Lousberg took on further expanding roles with Genie Industries both before and after the Terex acquisition of Genie Industries. Prior to joining Genie Industries, Mr. Lousberg was an engineering manager for the Trane Company and principal consultant of lean manufacturing for Delta Point Consulting.

Code of Ethics and Conduct

The Company has adopted a code of ethics and conduct that applies to all of its directors and employees, including the Company's principal executive officer, principal financial officer and principal accounting officer, among others. This code of ethics and conduct is a set of written standards reasonably designed to deter wrongdoing and to promote: honest and ethical conduct; full, fair, accurate, timely and understandable disclosure; compliance with applicable governmental laws, rules and regulations; prompt internal reporting of code violations; and accountability for adherence to the code. The Company periodically reviews, updates and revises its code of ethics and conduct when it considers appropriate. A copy of the current code of ethics and conduct is available at the Company's website, www.terex.com, under About Terex Investor Relations Corporate Governance, a copy of the code of ethics and conduct is available in print, without charge, to any stockholder who requests this material from the Company.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

The Compensation Committee of the Board (the Committee) continually reviews the compensation programs for the Named Executive Officers (as defined in the Executive Compensation section below) to ensure they achieve the desired goals of aligning the executive compensation structure with the Company's stockholders' interests and current market practices. The Company's executive compensation programs are based on the following core principles: (i) balance between short term and long term compensation and competitive with peers; (ii) pay for performance; (iii) stockholder alignment; and (iv) stockholder engagement.

The Company's results in 2011 and actions taken by the Committee since January 1, 2011 demonstrate the Committee's commitment to these principles and illustrate how the executive compensation program responds to business challenges and the marketplace. Key highlights include the following:

Strong correlation between the Company's after-tax return on invested capital (ROIC) and the compensation paid or provided to Mr. De Feo during the last five fiscal years.

* Total Compensation consists of base salary, non-equity incentive compensation, grant date fair values of equity awards and other compensation (as reported in the All Other Compensation column of the Summary Compensation Table). ROIC is the sum of the Company's net operating profit for continuing and discontinued operations after tax for each of the previous four quarters divided by the average of the sum of total stockholders' equity plus debt less cash

and cash equivalents for the previous five quarters. See Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operation in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for further detail on the Company's calculation of ROIC.

Strong correlation between the Company's total stockholder return and the total realized compensation of Mr. De Feo during the last five fiscal years.

* Total Realized Compensation represents: Total compensation, as determined under applicable SEC rules, minus (1) the aggregate grant date fair value of performance-based restricted stock awards that have either been forfeited or whose performance has not yet been achieved and (2) the year-over-year change in pension value and nonqualified deferred compensation earnings. The Committee believes it is important to compare the Company's performance with Mr. De Feo's total realized compensation because the total compensation amount included in the Summary Compensation Table includes several items that are driven by accounting and actuarial assumptions, which are not necessarily reflective of compensation actually realized.

While annual net sales in 2011 increased approximately \$2.1 billion versus 2010, or approximately 33% excluding acquisitions, and results from continuing operations improved by approximately \$250 million in 2011 versus 2010, as 2011 operating results were below the Company's expectations, bonus payouts for 2011 were below the bonus target amount.

The bonus payouts to the Named Executive Officers for 2009 and 2010 were below the 50th percentile of bonus target percentage ranges for the Benchmark Companies (as defined below) as a result of the Company's performance falling below the Committee's expectations for these time periods.

The long-term compensation awards granted in 2011 to the Named Executive Officers were granted exclusively in the Company's equity and the majority was performance-based, with Messrs. De Feo's and Widman's award being approximately 85% performance-based.

Approximately \$6.7 million in stock awards granted in 2008 and 2009 were forfeited in 2011 by Mr. De Feo and approximately \$4.2 million in stock awards granted in 2008 and 2009 were forfeited in 2011 by the other Named Executive Officers as a result of the Company's failure to achieve performance targets set by the Committee.

Approximately \$1.1 million in stock awards granted in 2009 and 2011 were forfeited in 2012 by Mr. De Feo and approximately \$0.7 million in stock awards granted in 2009 and 2011 were forfeited in 2012 by the other Named Executive Officers as a result of the Company's failure to achieve performance targets set by the Committee.

Mr. De Feo and the Committee agreed that his target bonus opportunity for 2012 would be reduced from 200% of base salary to 125% of base salary.

All of the Company's stockholders were given the opportunity to participate in a virtual stockholder forum on compensation matters prior to last year's annual meeting of stockholders and will be given that opportunity again this year before the Meeting to ask questions of the Committee's chairperson and provide feedback on the Company's executive compensation program.

Executive Compensation Program

The Committee is comprised solely of independent directors committed to applying sound governance practices to compensation decisions. The Committee considers a variety of reports and analyses, such as market survey data, compensation tally sheets and compensation data of peer companies, when making decisions regarding target compensation opportunities and the delivery of awards to the Company's executives, including the Named Executive Officers.

The Committee has the sole authority to hire and dismiss the outside compensation consultants to the Committee. For 2011, the Committee retained Meridian Compensation Partners, LLC (Meridian), an independent, outside consultant, to support it in determining the compensation of the Company's executive officers. Meridian was not given a narrow list of instructions, but rather was engaged to provide the Committee with any and all information and advice that might assist the Committee in performing its duties and analyzing executive pay packages. In accordance with the Guidelines, the Committee's compensation consultant did not provide the Company with any other services.

In 2011, Meridian performed a comprehensive analysis of the compensation practices of the Benchmark Companies and provided the Committee with compensation data, including updates regarding trends in executive compensation that the Committee utilized in making its decisions. The comprehensive analysis performed by Meridian indicated that the Committee's mix of target total compensation is in line with typical market practice. In addition, the target total cash, target long-term incentives and target total compensation provided to the Company's executives, in the aggregate, were within the range of competitive market practice.

Compensation Objectives and Principles: The objectives of the Company's executive compensation program are to: (i) attract and retain executives with the skills critical to the long-term success of the Company; (ii) motivate and reward individual and team performance in attaining business objectives and maximizing stockholder value; and (iii) link a significant portion of compensation to achieving performance goals and appreciation in the total stockholder return of the Company, so as to align the interests of the executives with those of the stockholders.

The Committee believes that its objectives of pay for performance and retention should be appropriately competitive with the Company's peers and competitors and balanced, so that successful, high-achieving executives will remain motivated and committed to the Company during all phases of the business cycle. The Committee also believes that generally more than half of an executive's total compensation opportunity should be aligned with the performance of the Company. As executives progress to higher levels in the Company, an increasing proportion of their pay is linked to Company performance and stockholder returns, because in these roles the executives have a greater ability to affect the Company's results. Annual and long-term incentive compensation opportunities should provide the appropriate focus on short- and long-term individual and corporate strategic business results. Long-term stock-based compensation opportunities should represent a larger proportion of total compensation for Named Executive Officers than short-term cash-based opportunities. Difficult but achievable annual objectives should be compatible with sustainable long-term performance. The allocation in compensation between current and long-term compensation is

based on employment market conditions with an emphasis on attraction and retention, as well as attempting to motivate executive officers to achieve excellent results.

Stockholder engagement: Engagement with its stockholders is a key component of the Company's corporate governance and the Committee believes stockholder engagement is of vital importance in the area of executive compensation as well. The Committee seeks and is open to input from its stockholders regarding the Company's executive compensation program. The Committee also believes it is important for all stockholders to have the ability to voice their comments or concerns on the Company's executive compensation practices. Accordingly, in 2011 the Company held a stockholder forum (live and via the Internet) on compensation matters prior to last year's annual meeting of stockholders giving all stockholders the ability to ask questions of the Committee's chairperson and provide feedback on the Company's executive compensation program. The Company held its first say-on-pay vote on the compensation of its Named Executive Officers in 2011 as required under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). In anticipation of the Company's second say-on-pay vote and in an effort to better understand the thoughts of the Company's stockholders, the Committee Chairman and one of the Committee members met with seven of the Company's largest stockholders (accounting for approximately 23% of the Company's outstanding shares) in the first quarter of 2012 to discuss the Company's executive compensation program. Based on these discussions, the Company learned that its stockholders generally approve of the Company's overall executive compensation program and generally understand the performance oriented nature of the Company's executive compensation program. The stockholders also offered comments and suggestions about some of the elements of and performance metrics used in the Company's executive compensation program. The Committee will take this feedback into consideration in its ongoing efforts to improve the Company's executive compensation program and the quality of its compensation disclosures. The Company will be hosting a stockholder forum on compensation again this year prior to the Meeting in a further effort to engage with its stockholders on compensation matters. See page 1 of this Proxy Statement for more information on the Compensation Forum.

Executive Compensation Practices

Peer Group: The Committee designs the Company's total compensation program to be motivational and competitive with the programs of other corporations of comparable revenue size, corporations in the same industry, corporations with which the Company competes for executives, and other manufacturing corporations that may not be in the same industry as the Company but that provide similar returns to their stockholders (the Benchmark Companies). In keeping with current best practices, when conducting its annual review of the Company's peer group, the Committee determined that the peer group should be comprised of companies whose revenues are between one-third and three times the Company's revenue. As a result of this criteria and based on the Committee's overall assessment of the Benchmark Companies, the following changes were made to the Benchmark Companies during 2011:

<u>Prior Peer Group</u>	<u>Removed</u>	<u>Added</u>	<u>Current Peer Group</u>
3M Company	3M Company		AGCO Corporation
AGCO Corporation	General Electric Company*	Carlisle Companies Inc.	Cameron International Corp.
Astec Industries, Inc.	Masco Corporation	Crane Company	Carlisle Companies Inc.
Bucyrus International, Inc.	Astec Industries, Inc.	Flowserve Corporation	Crane Company
Caterpillar Inc.	Honeywell International Inc.*	Hubbell Inc.	Cummins Inc.
Cameron International Corp.	Stanley Black & Decker, Inc.	Lennox International Inc.	Danaher Corporation
Cummins Inc.	Bucyrus International, Inc.	Meritor Inc.	Dover Corporation
Danaher Corporation	ITT Corporation	Nacco Industries Inc.	Eaton Corporation
Deere & Company	Sauer-Danfoss Inc.	Navistar International Corporation	Flowserve Corporation
Dover Corporation	Caterpillar Inc.	Pall Corporation	FMC Technologies, Inc.
Eaton Corporation	Johnson Controls, Inc.*	Roper Industries Inc.	Hubbell Inc.
FMC Technologies, Inc.	United Technologies Corp.*	SPX Corporation	Illinois Tool Works Inc.
General Electric Company*	Deere & Company	Thomas & Betts Corporation	Ingersoll-Rand plc
Honeywell International Inc.*	* The companies that are denoted with an asterisk are companies that previously were used to benchmark the compensation of the heads of	Timken Company	Lennox International Inc.
Illinois Tool Works Inc.			Meritor Inc.
Ingersoll-Rand plc			Nacco Industries Inc.

ITT Corporation	certain of the Company's business units.	Navistar International Corporation
Johnson Controls, Inc.*		Oshkosh Corporation
Joy Global Inc.		PACCAR Inc.
Masco Corporation		Pall Corporation
Oshkosh Corporation		Parker-Hannifin Corporation
PACCAR Inc.		Rockwell Automation, Inc.
Parker-Hannifin Corporation		Roper Industries Inc.
Rockwell Automation, Inc.		SPX Corporation
Stanley Black & Decker, Inc.		Textron Inc.
Sauer-Danfoss Inc.		The Manitowoc Company, Inc.
Textron Inc.		Thomas & Betts Corporation
The Manitowoc Company, Inc.		Timken Company
United Technologies Corp.*		

Compensation Recoupment Policy: The Board and Committee included a clawback provision in the Company's 2009 Omnibus Incentive Plan (the Omnibus Plan) that allows the Company to recover all or a portion of any award granted or paid to an executive in the event the award is affected by a restatement of the Company's financial results caused by errors, omissions or fraud.

Internal Pay Equity: As is the case with many companies, the Company relies more heavily on the management and leadership skills of its Chairman and CEO than its other named executive officers. Mr. De Feo has been with the Company since 1992, has been CEO since 1995 and Chairman since 1998, and has overseen the transformation of Terex during that time. As a result, Mr. De Feo receives a significantly greater amount of compensation than the other Named Executive Officers.

Stock Ownership Guidelines: The Company adopted stock ownership guidelines in March 2011 to encourage acquisition and retention of the Company's common stock, thereby aligning the executives' interests with the long-term interests of the Company's stockholders. These ownership guidelines are based on a multiple of each executive's base salary. The following table shows the named executive officers' ownership levels and their achievement of the relevant target levels as of January 31, 2012:

Named Executive Officer			Target Ownership Level	
	Total Stock Ownership (\$)	Annual Salary (\$)	Total Stock Ownership versus Annual Salary (#)	Guideline (# times base salary)
Ronald M. De Feo	\$18,374,657	\$1,250,000	14.7 times	6 times
Phillip C. Widman	\$4,624,468	\$618,000	7.5 times	3 times
Steve Filipov	\$1,585,426	\$493,370	3.2 times	2.5 times
Kevin Bradley	\$1,596,058	\$450,000	3.5 times	2.5 times
Timothy Ford	\$2,023,699	\$512,940	3.9 times	2.5 times

(1) Total Stock Ownership includes (i) shares owned outright and indirectly and (ii) shares that will vest as a result of time without further performance requirements.

Deductibility of Executive Compensation: Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), limits to \$1 million a year the deduction that a publicly held corporation may take for compensation paid to its chief executive officer and the three other most highly compensated employees other than the chief financial officer, unless the compensation is performance-based. Performance-based compensation must be based on the achievement of pre-established, objective performance goals under a plan approved by stockholders.

In order to reduce or eliminate the amount of compensation that would not qualify for a tax deduction should the compensation of the CEO or any other executive officer exceed \$1 million in any year, the Omnibus Plan and 2000 Incentive Plan (the 2000 Plan) were submitted to and previously approved by the Company's stockholders, so that amounts earned thereunder by certain employees will qualify as performance-based. Although the Committee attempts to establish and maintain compensation programs that optimize the tax deductibility of compensation, the Committee retains discretion to authorize payment of compensation that may not be fully tax deductible when it believes such payouts would be in the best interest of the Company.

Executive Compensation Components

The executive compensation program has three principal components: short-term compensation (salary and annual bonus), long-term incentive compensation and post-employment compensation, each of which is described below.

While the components of compensation are considered separately, the Committee takes into account the full compensation package afforded by the Company to the individual executive.

Base Salary: Base salary is determined by evaluating the responsibilities of the position held, the individual's past experience in his/her current position, current performance, future potential and the competitive marketplace for executive talent. The Company's objective is to provide its executive officers with competitive base salaries that are, on average, at the median of the Benchmark Companies (prior to 2012 the objective was to be at or slightly below the median). Base salaries are reviewed annually to ensure that strong performance is reflected in any increase in an executive's base salary level. In March 2011, the Committee approved the following annual base salary levels for the Named Executive Officers, effective April 1, 2011.

Named Executive Officer	Base Salary Effective April 1, 2011	Prior Base Salary
Ronald M. De Feo	\$1,250,000	\$1,250,000 (1)
Phillip C. Widman	\$618,000	\$600,000
Steve Filipov	\$493,370	\$479,000
Kevin Bradley	\$450,000	\$391,010
Timothy Ford	\$512,940	\$498,000

(1) Reflects salary restoration effective January 1, 2011 of 10% salary reduction implemented in 2009.

The Committee believed the 3% salary increases to Messrs. Widman, Ford and Filipov were appropriate as this increase was within the range of base salary increases provided by the Benchmark Companies. In addition, the Committee considered that they had not received a salary increase since April 2008. Mr. Bradley received a 15% salary increase as this increase also reflected his promotion to the position of President, Terex Cranes in January 2011. Mr. De Feo did not receive a salary increase.

The Committee believes that base salary ranges in 2011 for the Company's executive officers were, in the aggregate, at or slightly above the 50th percentile of the Benchmark Companies. In part, this was due to an adjustment in base salaries to adjust for the elimination of executive perquisites. Mr. De Feo's approximately 17 year tenure as CEO of the Company, significantly above the average tenure of a CEO, is also a principal cause of Mr. De Feo's base salary being above the 50th percentile of the Benchmark Companies.

Annual Cash Bonus: In addition to base salary, each executive officer is eligible for an annual cash bonus under the Omnibus Plan, which was adopted by the Board and the stockholders of Terex in 2009. The Committee's objective is to provide the Company's executive officers with a competitive bonus opportunity that is at the median of bonus target percentage ranges for the Benchmark Companies (prior to 2012 the objective was to be between the 50th and 75th percentiles). The goal of the management annual incentive bonus program is to provide bonus opportunity and reward executives when their actions drive the overall performance of the Company. While there is downside risk to the executive in having a performance component that can result in no bonus, there is also an upside opportunity if the Company and the individual both perform well. This meets the Committee's objective that superior performance that adds value to the Company should be rewarded and performance that does not meet expectations should have negative consequences. The Committee, in its sole discretion, may increase, decrease or eliminate the payment of a bonus to any executive officer who is not a Covered Employee (as defined in Section 162(m) of the Code) under certain extraordinary events in accordance with the bonus plan.

Bonus payouts are based upon the Company's performance and the executive's individual performance, both measured against previously determined targets. The individual targets include both financial and non-financial metrics, and contain individual and Company performance measures. The CEO's bonus target for 2011 was two times his base salary and the bonus targets of the other executive officers generally range from 50% - 75% of their base salary.

The Committee believes that bonus target percentage ranges for the Company's executive officers, excluding Mr. De Feo, were generally below the 50th percentile of bonus target percentage ranges for the Benchmark Companies. The Committee believes that the bonus target percentage for Mr. De Feo in 2011 was above the 75th percentile of bonus target percentage ranges for the Benchmark Companies. However, in an effort to more closely align Mr. De Feo's bonus target percentage with the bonus target percentage ranges for the Benchmark Companies, Mr. De Feo and the Committee agreed that his target bonus opportunity for 2012 would be reduced from 200% of base salary to 125% of base salary. Due to the Company's financial performance in 2011, the actual 2011 bonus payouts for each of the named executive officers, except for Mr. De Feo, were below the third quartile of bonus target percentage ranges for the Benchmark Companies. The Committee further believes that the bonus payouts in 2009 and 2010 are also consistent with its longstanding compensation philosophy of paying for performance, as the actual bonus payouts for 2009 and 2010 were below the 50th percentile of bonus target percentage ranges for the Benchmark Companies as a result of the Company's performance falling below the Committee's expectations for those time periods.

In 2011, 70% of the bonus target for each of the Named Executive Officers was based upon an ROIC measurement determined at the overall Terex level and the other 30% was based on individual performance areas. For 2011, the Committee determined to reduce the maximum possible payout for achievement of individual performance targets from 150% to 100% and increased the maximum possible payout for achievement of Company performance targets from 150% to 200%. This was done in an effort to increase the alignment of the executives' interests and the Company's stockholders. However, the Committee also determined that no bonuses would be paid if the Company did not have positive net income in 2011 so that an executive would not have received any bonus for 2011 even if he exceeded his individual performance targets.

Named Executive Officer (Other than CEO) Bonus Targets:

Quantitative Targets: The Committee historically has used ROIC as one of the primary measures to assess operational performance, as it measures how effectively the Company uses money invested in its operations, and the Committee believes this is a metric that is strongly aligned to stockholder interests. ROIC highlights the level of value creation when compared to the Company's cost of capital. The after tax measurement of ROIC is important because the Committee believes tax planning and management are important components of the Company's overall performance.

For 2011, the targeted ROIC value was 3.0%, which was based upon the 2011 budgeted operating forecast of the Company, approved by the Board in December 2010, as adjusted to reflect certain unusual and unforeseeable items. The following table indicates the correlation between the Company's ROIC and the payout percentage of the quantitative portion of the bonus target:

<u>2011 ROIC</u>	<u>Payout Percentage</u>
Below 1.0%	0%
1.0%	50%
2.0%	75%
3.0%	100%
4.0%	125%
5.0%	150%
6.0%	175%
7.0% or greater	200%

Qualitative Targets: Individual performance for each of the executive officers can include all or any combination of segment performance, business unit performance, personal goals, as well as other financial and non-financial measurements. The CEO is responsible for determining individual performance measurements for each of his direct reports. The individual performance calculation for the executive officers, other than the CEO, is done on a holistic basis in evaluating the achievement of such goals rather than based upon a rigid formula. The difficulty in achieving the targeted goals depends on a variety of factors, some of which are in the executive's control and some of which are not. These targets are established annually based on the business plan of the Company for the coming year and in conjunction with the executive's annual review by the CEO. If the Company achieves its business plan objectives for the year, the Committee believes the goals are attainable.

The Company's ROIC performance for 2011 was 1.9%, which resulted in a payout of 71.1% of the quantitative target. The following table shows the total 2011 bonus payout under the Omnibus Plan, and details the bonus amount that was earned for the quantitative and qualitative portions of the 2011 bonus for each of the Named Executive Officers other than the CEO.

Name	Bonus Amount for Achievement of Quantitative Targets	Bonus Amount for Achievement of Qualitative Targets	Total Bonus
Phillip C. Widman	\$229,027	\$124,246	\$353,273
Steve Filipov	\$182,840	\$110,211	\$293,051
Kevin Bradley	\$167,974	\$91,125	\$259,099
Timothy Ford	\$189,955	\$103,050	\$293,005

CEO Bonus Targets:

Quantitative Targets: Consistent with the other Named Executive Officers, the 2011 quantitative financial performance measure was ROIC for Mr. De Feo and represented 70% of his bonus target. Unlike the other Named Executive Officers, Mr. De Feo's maximum bonus opportunity for ROIC performance was capped at 150% of target instead of 200%. The Committee determined to limit the upside bonus opportunity related to the financial goal for Mr. De Feo since his target bonus opportunity was above the median of Benchmark Companies.

Qualitative Targets: The following table provides a detailed listing of the qualitative performance measures that were considered by the Committee and their percentage weighting:

Performance Measure	Weighting (%)	Goals
Management Development	12.0%	Continue succession planning efforts. Continue with diversity and inclusion target of having 75% of open management positions consider at least one non-majority candidate.
Marketing and Sales	6.0%	Grow global market share in the majority of the Company's product categories. Complete new product launches for skid steers and continue new product development in each segment per existing plans. Implement action plans to improve customer responsiveness.
Business Development	12.0%	Clarify and solidify joint ventures in China to accelerate market progress. Complete Russian and Brazilian transactions to enhance developing markets presence.

Continue to pursue transformative transactions.

The following tables detail the quantitative and qualitative portions of Mr. De Feo's 2011 bonus amount:

	Quantitative Bonus Goal	Quantitative Bonus Target Amount	Bonus Amount for Achievement of Quantitative Targets
ROIC		\$1,750,000	\$1,244,250
Total		\$1,750,000	\$1,244,250

	Qualitative Bonus Goal	Qualitative Bonus Target Amount	Bonus Amount for Achievement of Qualitative Targets
Management Development		\$300,000	\$225,000
Marketing and Sales		\$150,000	\$112,500
Business Development		\$300,000	\$255,000
Total		\$750,000	\$592,500

Benefits and Perquisites: The Company eliminated substantially all perquisites that applied only to its executive officers other than benefits which are also provided generally to all other U.S.-based salaried employees, such as Company-paid life insurance and matching contributions in the Company's 401(k) Plan and Employee Stock Purchase Plan, medical, dental and vision plans, flexible spending accounts, long and short-term disability coverage and relocation reimbursements and payments. In addition, executive officers, as well as certain other middle management team members of the Company, may elect to defer compensation and receive matching contributions in the Company's deferred compensation plan.

Long-Term Incentive Compensation: One of the primary components of the Company's long-term incentive compensation is the granting of restricted stock awards to executive officers, including awards which have a performance-based component. In this way, the stock awards have the dual objective of helping to build stockholder value while also serving to retain and motivate the Company's senior leadership. Long-term incentive compensation is designed to provide wealth creation for executives if stockholder value is created.

The Company's objective is to provide its executive officers with long-term incentive awards that are generally within the third quartile of the award level at the Benchmark Companies. Long-term incentive awards may include cash and non-cash components. When determining the size of equity awards, the Committee also believes that there is merit in taking into account the amount of equity that an executive owns in the Company, and the Committee undertook an extensive review in 2011 of the equity ownership in the Company of each of the executives. However, the overriding factor in determining the size and amount of equity grants is ensuring that grants are motivational and measurable, while providing competitive equity grants that are determined based on grant date economic value. In 2011, the long-term incentive awards to the Named Executive Officers were, in the aggregate, below the 50th percentile of the award level at the Benchmark Companies.

For each of the executive officers, other than Messrs. De Feo and Widman, the economic value of the time and performance based components of the restricted stock awards granted in 2011 were intended to each be approximately 50% of the total restricted stock award value. The restricted stock awards for Messrs. De Feo and Widman were more heavily performance-based than that of the other executives because the Committee believes that they are the two executives with the highest level of decision-making in the Company and, therefore, have the greatest potential impact on the Company's overall performance. As a result, the Committee believes their compensation should be more heavily weighted to the Company's overall performance than that of the other executive officers.

2011 Stock Awards: The Company's policy is to make grants of stock awards in the first quarter of each calendar year, which is soon after the Company's prior year's results are finalized and released publicly, as well as after the Company's budget has been finalized for the coming year.

Following that policy, in March 2011, the executive officers were granted restricted stock awards. The restricted stock grants for the executives contained both time-based awards and performance-based awards. Each time-based award will vest solely on the passage of time over a three-year period, with one-third of the time-based award vesting on March 22 of each of 2012, 2013 and 2014, to the extent the executive is still employed with the Company.

Each equity grant also included two performance-based awards. The first performance-based restricted stock award (the EPS Shares) is contingent upon the Company achieving a targeted EPS in each of 2011, 2012 and 2013 (the EPS Target). For each of 2011, 2012 and/or 2013, the proportionate target shares will be received if the Company achieves its EPS Target for such year, with the amount subject to increase or decrease for attainment above or below the EPS Target for such year. The EPS Target for 2011 was \$0.64 per share, as adjusted to reflect certain unusual and

unforeseeable events. As the Company's EPS was \$0.36 in 2011, the 2011 portion of the performance-based award was not earned. The EPS Target for 2012 is \$1.75 per share for the year, excluding any impact from restructuring or unusual items. The EPS Target for 2013 will be based upon the budget approved by the Board for that year. The executive will receive 100% of the EPS Shares for a particular year if the Company achieves the EPS Target for such year. For performance that fails to meet the EPS Target, less than 100% of the EPS Shares will be received, with the actual payment amount corresponding directly with the level of achievement under the target (e.g., 90% achievement would result in a 75% payment, 80% achievement would result in a 50% payment and less than 80% achievement would result in no payment). Alternatively, for performance that exceeds the EPS Target, greater than 100% of the EPS Shares will be received, with the actual payment amount corresponding directly with the level of achievement in excess of the target (e.g., 110% achievement would result in a 125% payment, 120% achievement would result in a 150% payment and greater than 120% achievement is capped at a payment of 150%).

The second performance-based restricted stock award (the TSR Shares) is contingent upon the Company achieving a percentile rank of 60th (the TSR Target) against the Benchmark Companies for three year annualized total stockholder return (TSR) for the period January 1, 2011 through December 31, 2013. TSR combines share price appreciation and dividends paid to measure the total return to shareholders. TSR is calculated by adding the change in a company's stock price during a specified time period to any dividends paid by such company during the time period and dividing that sum by the stock price of such company at the beginning of the period. The executive will receive 100% of the TSR Shares if the Company achieves the TSR Target. For each percentile increase or decrease in attainment above or below the TSR Target, the amount of shares to be received will increase or decrease by 2.5%. For attainment at or above the 80th percentile, the amount of shares to be received will be capped at 150% of the TSR Shares. If attainment is at the 40th percentile, the amount of shares to be received will be 50% of the TSR Shares. For performance below the 40th percentile, no shares will be received.

The Committee believes that the three year measurement period for these awards and these performance metrics helps motivate long-term decision making and better aligns the interests of the executives and the Company's stockholders.

Post-Employment Compensation

Retirement Plans and Life Insurance: The Company offers a variety of mechanisms for its executive officers to plan for their retirement. These plans are offered to attract and retain executive officers by offering them benefits similar to those offered by the Benchmark Companies. The retirement plans offered by the Company to its executive officers generally include a 401(k) plan, which is also offered to most of the Company's U.S. based employees, a deferred compensation plan, a defined benefit supplemental executive retirement plan (DB SERP), a defined contribution supplemental executive retirement plan (DC SERP), and together with the DB SERP, the SERPs) and, for the CEO, a defined benefit pension plan which has been frozen since 1993. The DB SERP is closed to new participants. A senior executive participating in the DB SERP is not eligible to participate in the DC SERP. See Pension Benefits for a description of the SERPs and Nonqualified Deferred Compensation for a description of the Company's deferred compensation plan.

In addition, each executive officer receives a life insurance benefit that provides his or her family with a core level of security in case of the premature death of the executive officer. The Company provides each executive officer with a group life insurance benefit that is approximately two times his or her base salary. In addition, the Company owns a universal life insurance policy on the life of Mr. De Feo in the amount of \$10,000,000. Pursuant to the terms of this arrangement, the Trustee of the Ronald M. De Feo 1996 Life Insurance Trust has the right to designate a beneficiary or beneficiaries to receive the insurance proceeds from this policy on Mr. De Feo's death, subject to the Company's right to first receive a certain portion of the insurance proceeds.

Termination of Employment and Change in Control Arrangements: Each of the Named Executive Officers, other than Mr. De Feo, was a party to a Change in Control and Severance Agreement with the Company that was entered into in April 2008 or June 2009 (collectively, the Executive Agreements). The Executive Agreements for Messrs. Widman, Bradley, Ford and Filipov were amended and restated in March 2011 to remove the provision providing for a gross up payment if an excise tax is imposed on the change of control payments and benefits under Sections 280G and 4999 of the Code. This change was consistent with the Committee's determination in December 2009 that any Change in Control and Severance Agreements that the Company enters into in the future will not contain any excise tax gross up payments. In addition, certain other minor changes were made including clarifying the calculation of payments for past service. The Company and Mr. De Feo entered into the De Feo Agreement that contains provisions regarding termination of employment and change in control circumstances.

These agreements provide the executive officers with a core level of assurance that their actions on behalf of the Company and its stockholders can proceed without the potential distraction of short-term issues that may affect the Company (e.g., merger, buyout, etc.) and helps ensure that they continue to act in the best interests of the Company. In addition, these agreements contain measures that protect the Company as well, such as confidentiality,

non-compete and non-solicitation provisions. The key terms of these agreements are generally customary provisions for agreements of this type and are described below in Potential Payments Upon Termination or Change in Control.

EXECUTIVE COMPENSATION

Summary Compensation Table

The Summary Compensation Table below shows the compensation for the three previous fiscal years of the Company's CEO, Chief Financial Officer and its three other highest paid executive officers who had 2011 total qualifying compensation in excess of \$100,000 (the Named Executive Officers).

Name and Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total (\$)	
Principal Position	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Ronald M. De Feo	2011	\$1,250,000	-0-	\$4,235,589	-0-	\$2,085,500	\$2,171,396	\$181,073	\$9,923,558
	2010	\$1,135,000	-0-	\$4,250,000	-0-	\$436,000	\$1,900,507	\$178,623	\$7,900,130
Chairman and Chief Executive Officer	2009	\$1,058,958	-0-	\$1,289,478	-0-	\$782,000	\$1,282,244	\$287,300	\$4,699,980
Phillip C. Widman	2011	\$613,500	-0-	\$1,781,537	-0-	\$446,557	\$511,382	\$18,810	\$3,371,786
	2010	\$600,000	-0-	\$1,716,581	-0-	\$136,530	\$218,289	\$16,360	\$2,687,760
Senior Vice President and Chief Financial Officer	2009	\$492,646	-0-	\$483,626	-0-	\$150,000	\$296,211	\$61,409	\$1,483,892
Steve Filipov	2011	\$489,777	-0-	\$867,511	-0-	\$321,668	\$595,774	\$84,740	\$2,359,470
	2010	\$479,000	-0-	\$929,810	-0-	\$108,996	\$137,161	\$380,239	\$2,035,206
President,									

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Developing 2009	\$414,375	-0-	\$137,286	-0-	\$87,750	\$363,300	\$351,049	\$1,353,760
Markets and								
Strategic								
Accounts								
Kevin P. 2011 Bradley	\$449,773	-0-	\$1,197,759	-0-	\$283,983	\$204,323	\$18,255	\$2,154,093
President,								
Terex Cranes								
Timothy A. 2011 Ford	\$508,918	-0-	\$1,000,937	-0-	\$350,222	\$1,796	\$77,934	\$1,939,807
President,								
Aerial Work								
Platforms								

(1) See Note P Stockholders Equity in the Company s Annual Report on Form 10-K for the year ended December 31, 2011 for a detailed description of the assumptions that the Company used in determining the dollar amounts recognized for financial statement reporting purposes of its stock awards.

(2) The amounts listed in the Stock Awards column are the aggregate grant date fair value amounts computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718. The amounts listed in the Stock Awards column include awards that are subject to performance conditions. For the 2011 awards, if the maximum performance is achieved, the stock award amounts for Messrs. De Feo, Widman, Filipov, Bradley, and Ford would be \$5,425,161, \$2,281,868, \$772,559, \$716,645, and \$891,405, respectively. Approximately \$6.7 million in stock awards granted in 2008 and 2009 were forfeited in 2011 by Mr. De Feo and approximately \$4.2 million in stock awards granted in 2008 and 2009 were forfeited in 2011 by the other Named Executive Officers as a result of the Company s failure to achieve performance targets set by the Committee. Approximately \$1.1 million in stock awards granted in 2009 and 2011 were forfeited in 2012 by Mr. De Feo and approximately \$0.7 million in stock awards granted in 2009 and 2011 were forfeited in 2012 by the other Named Executive Officers as a result of the Company s failure to achieve performance targets set by the Committee.

(3) The amounts in this column reflect annual incentive awards earned during fiscal years 2009 and 2010 under the Omnibus Plan. The amounts included in this column for 2011 are comprised of cash awards that were granted in 2009 under the Omnibus Plan and vested and became payable upon completion of the Company s Annual Report on Form 10-K for the year ended December 31, 2011 and the 2011 annual incentive award granted under the Omnibus Plan, as

detailed in the table below. The amount of the 2009 cash award that was earned by the executives was only 1/6 of the initial grant amount as the Company's performance in 2009, 2010 and 2011 were below the Committee's expectations.

Name	2009 Long-Term Cash Award	2011 Annual Incentive Plan Bonus	Total
Ronald M. De Feo	\$248,750	\$1,836,750	\$2,085,500
Phillip C. Widman	\$93,284	\$353,273	\$446,557
Steve Filipov	\$28,617	\$293,051	\$321,668
Kevin P. Bradley	\$24,884	\$259,099	\$283,983
Timothy A. Ford	\$57,217	\$293,005	\$350,222

(4) The amounts in this column for Messrs. De Feo, Widman, Filipov and Bradley reflect the actuarial increase in the present value of the Named Executive Officers' benefits under all defined benefit pension plans. No Named Executive Officer received preferential or above-market earnings on deferred compensation, except for Mr. Ford who received \$1,796 in earnings that were above-market or preferential.

(5) As part of its competitive compensation program, the Company in 2011 provided its Named Executive Officers with certain perquisites and other personal benefits. The amounts listed below are the aggregate incremental cost of the benefits and perquisites paid by the Company. The aggregate incremental cost to the Company is computed as the actual out-of-pocket cost to the Company of supplying such perquisite. For example, the amount listed under the Company Paid Life Insurance column is the amount that the Company paid to a third party as a result of providing the life insurance to the Named Executive Officer. As part of their compensation, each of the Named Executive Officers in 2011 received the benefits and perquisites listed in the table below:

Name	Disability Premiums	401(k) Matching Contributions	Employee Stock	Company	Other*	Total
			Purchase Plan Company Contributions	Paid Life Insurance		
Ronald M. De Feo	\$2,539	\$12,250	\$1,800	\$164,484	-0-	\$181,073
Phillip C. Widman	\$2,539	\$12,250	\$1,800	\$2,221	-0-	\$18,810
Steve Filipov	\$2,539	\$12,250	-0-	\$1,868	\$68,083	\$84,740
Kevin P. Bradley	\$2,539	\$12,250	\$1,598	\$1,868	-0-	\$18,255
Timothy A. Ford	\$2,539	\$12,250	\$975	\$1,038	\$61,132	\$77,934

* The amount shown for Mr. Filipov consists of \$66,709 for the reimbursement of Mr. Filipov's children's education and \$1,374 for payment of tax services, of which \$624 is for the reimbursement of taxes and the amount shown for Mr. Ford consists of the Company's contribution to the DC SERP.

Grants of Plan-Based Awards

The following table sets forth information on grants of awards under the Company's equity and non-equity incentive plans during 2011 to the Named Executive Officers. The amount of stock awards, option awards and non-equity incentive plan compensation recognized for financial reporting purposes by the Company for the Named Executive Officers during 2011 is also listed in the Summary Compensation Table.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards:	All Other Option Awards:	Exercise or Base Price of Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards
		Threshold	Target	Maximum	Threshold	Target	Maximum	Number of Shares of Stock or Units	Number of Securities Underlying Options		
		(\$)	(\$)	(\$)	(#)	(#)	(#)	(#)	(#)		
Ronald M. De Feo	03/22/2011				7,601	15,201	22,802				\$567,750
	03/22/2011				7,601	15,201	22,802				\$567,750
	03/22/2011				7,601	15,201	22,802				\$567,750
	03/22/2011				22,802	45,603	68,405				\$1,913,500
	03/22/2011							16,568			\$618,810
	N/A	\$75,000	\$2,500,000	\$3,375,000							
Phillip C. Widman	03/22/2011				3,197	6,393	9,590				\$238,770
	03/22/2011				3,197	6,394	9,590				\$238,810
	03/22/2011				3,197	6,394	9,590				\$238,810
	03/22/2011				9,591	19,181	28,772				\$804,830
	03/22/2011							6,969			\$260,290
	N/A	\$69,026	\$460,171	\$782,291							
Steve Filipov	03/22/2011				1,082	2,164	3,246				\$80,820
	03/22/2011				1,083	2,165	3,248				\$80,860
	03/22/2011				1,083	2,165	3,248				\$80,860
	03/22/2011				3,247	6,494	9,741				\$272,480
	03/22/2011							9,437			\$352,470
	N/A	\$55,106	\$367,370	\$624,529							
Kevin P. Bradley	03/22/2011				1,004	2,008	3,012				\$74,990
	03/22/2011				1,004	2,008	3,012				\$74,990
	03/22/2011				1,004	2,008	3,012				\$74,990

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	03/22/2011				3,012	6,024	9,036		\$252,76
	03/22/2011							19,277	\$719,99
	N/A	\$50,625	\$337,500	\$573,750					
Timothy									
A. Ford	03/22/2011				1,249	2,497	3,746		\$93,26
	03/22/2011				1,249	2,498	3,747		\$93,30
	03/22/2011				1,249	2,498	3,747		\$93,30
	03/22/2011				3,747	7,493	11,240		\$314,40
	03/22/2011							10,888	\$406,66
	N/A	\$57,250	\$381,666	\$648,832					

On March 22, 2011, grants of Common Stock subject to restrictions on transfer, conditions of forfeitability and other limitations and restrictions (Restricted Stock) with performance-based criteria (Performance Shares) were made under the Omnibus Plan to Mr. De Feo (45,603 shares), Mr. Widman (19,181 shares), Mr. Filipov (6,494 shares), Mr. Bradley (6,024 shares) and Mr. Ford (7,493 shares). The value of the Performance Shares set forth in the table above is based on the closing price on the NYSE of the Common Stock on the date of grant, which was \$37.35 per share on March 22, 2011. When performance targets are established for future years and the grant date established per ASC Topic 718, any incremental change will be reflected in the year in which such performance target is set. These Performance Shares will vest in full in 2014 if the Company achieves a targeted EPS in each of 2011, 2012 and 2013. The number of shares in this grant is subject to adjustment, up or down, based upon attainment above or below the targeted EPS measurement. No portion of the 2011 performance-based award was earned. See the Compensation Discussion & Analysis section above for a detailed description of the performance measures used in this grant. Upon the earliest to occur of a change in control of the Company or the death or disability of the recipient of the grant, any unvested portion of such Performance Shares shall vest immediately. Dividends, if any, are paid on vested Performance Shares at the same rate as paid to all stockholders.

In addition, on March 22, 2011, grants of Performance Shares were made under the Omnibus Plan to Mr. De Feo (45,603 shares), Mr. Widman (19,181 shares), Mr. Filipov (6,494 shares), Mr. Bradley (6,024 shares) and Mr. Ford (7,493 shares). The value of the Performance Shares granted to such Named Executive Officers set forth in the table above was not based on the closing stock price on the NYSE of the Common Stock on March 22, 2011, as the Performance Shares were based on a market condition. The Company used the Monte Carlo method to provide grant date fair value for these Performance Shares, determined to be \$41.96 per share. See Note P Stockholders Equity in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for a detailed description of the assumptions that the Company used to arrive at this valuation. These Performance Shares will vest in full in 2014 if the Company achieves a targeted percentile rank against a peer group of 29 companies for three year annualized TSR. The number of shares in this grant is subject to adjustment, up or down, based upon attainment above or below the targeted TSR measurement. See the Compensation Discussion & Analysis section above for a detailed description of the performance measures used in this grant. Upon the earliest to occur of a change in control of the Company or the death or disability of the recipient of the grant, any unvested portion of such Performance Shares shall vest immediately. Dividends, if any, are paid on vested Performance Shares at the same rate as paid to all stockholders.

In addition, on March 22, 2011, grants of Restricted Stock were made under the Omnibus Plan to Mr. De Feo (16,568 shares), Mr. Widman (6,969 shares), Mr. Filipov (9,437 shares), Mr. Bradley (19,277 shares) and Mr. Ford (10,888 shares). The value of the Restricted Stock granted to such Named Executive Officers set forth in the table above is based on the closing stock price on the NYSE of the Common Stock of \$37.35 per share on March 22, 2011. These shares of Restricted Stock will vest as follows: 1/3 on March 22, 2012, 1/3 on March 22, 2012 and 1/3 on March 22, 2013, to the extent the Named Executive Officer is still employed with the Company. Upon the earliest to occur of a change in control of the Company or the death or disability of the recipient of the grant, any unvested portion of such Restricted Stock shall vest immediately. Dividends, if any, are paid on Restricted Stock awards at the same rate as paid to all stockholders.

It is generally the Company's policy not to enter into employment contracts unless it is legally required or customary to do so in a particular country. However, the Board has determined that maintaining Mr. De Feo's services is important to the long-term strategy of the Company and that the loss of Mr. De Feo's services could have a significant, negative

impact on the Company's business. Therefore, the Company feels it is prudent to have an employment agreement with Mr. De Feo. Mr. De Feo's employment agreement expires on December 31, 2012. The Company relies on the management and leadership skills of its other Named Executive Officers, but not to the same extent that it relies on Mr. De Feo, and accordingly these executives are not bound by employment agreements. The Company's other executive officers are strictly at-will employees. Each of the Company's executive officers, including Mr. De Feo, have their compensation reviewed on an annual basis.

Under the De Feo Agreement, Mr. De Feo receives an annual base salary, subject to adjustment by the Board, as well as annual bonuses and long-term incentive compensation during his term of employment in accordance with any plan or plans established by the Company. The Company also agreed to use its best efforts to have Mr. De Feo elected as a member of the Board and, consistent with generally accepted best corporate governance standards, Chairman of the Board during the term of the De Feo Agreement. For additional information regarding Mr. De Feo's employment agreement, see Potential Payments Upon Termination or Change in Control.

Outstanding Equity Awards at Fiscal Year-End

The table below summarizes the amount of unexercised stock options, Restricted Stock that has not vested and equity incentive plan awards that have not yet vested for each of the Named Executive Officers as of December 31, 2011.

Name	Number of Securities Underlying Unexercised Options (#)	Option Awards			Stock Awards				
		Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
Ronald M. De Feo	150,000			\$11.18	3/19/2012				
	100,000			\$5.59	3/13/2013				
	80,000			\$16.35	5/7/2014				
						60,300 (2)	\$814,653		
								9,950 (3)	\$134,425
								19,900 (4)	\$268,849
								59,700 (5)	\$806,547
								125,000 (6)	\$1,688,750
								125,000 (7)	\$1,688,750
						16,568 (8)	\$223,834		
								15,201 (4)	\$205,366
								15,201 (9)	\$205,366
								15,201 (10)	\$205,366
								45,603 (11)	\$616,097
Phillip C. Widman	25,000			\$10.05	9/17/2012				
	12,000			\$17.35	3/11/2014				
	10,000			\$45.75	6/1/2016				

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22,600	\$305,326		
(2)			
		3,734 (3)	\$50,446
		7,467 (4)	\$100,879
		22,400 (5)	\$302,624
28,572	\$386,008		
(12)			
		26,288 (13)	\$355,151
		26,288 (14)	\$355,151
6,969 (8)	\$94,151		
		6,393 (4)	\$86,369
		6,394 (9)	\$86,383
		6,394 (10)	\$86,383
		19,181 (11)	\$259,135

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards			Stock Awards				
		Number of Securities Underlying Unexercisable Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units That Have Not Vested (#)	Market Value of Shares or Units That Have Not Vested (\$)	Equity Incentive Plan Awards: Unearned Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
Steve Filipov	2,500			\$17.35	3/11/2014				
	10,000			\$45.75	6/1/2016	17,400 (2)	\$235,074		
						15,477 (12)	\$209,094		
								14,239 (13)	\$192,369
								14,239 (14)	\$192,369
						9,437 (8)	\$127,494		
								2,165 (4)	\$29,249
								2,165 (9)	\$29,249
								2,164 (10)	\$29,236
								6,494 (11)	\$87,734
Kevin P. Bradley	10,000			\$45.75	06/01/2016				
						15,100 (2)	\$204,001		
						9,524 (12)	\$128,669		
								8,763 (13)	\$118,388
								8,763 (14)	\$118,388
						19,277 (8)	\$260,432		
								2,008 (4)	\$27,128
								2,008 (9)	\$27,128
							2,008 (10)	\$27,128	
	10,000			\$45.22	10/02/2016			6,024 (11)	\$81,384

Timothy
A. Ford

34,700	\$468,797		
(2)			
17,858	\$241,262		
(12)			
		16,430 (13)	\$221,969
		16,430 (14)	\$221,969
10,888	\$147,097		
(8)			
		2,498 (4)	\$33,748
		2,498 (9)	\$33,748
		2,497 (10)	\$33,734
		7,493 (11)	\$101,230

(1) Values based on the closing price of the Company's Common Stock on the NYSE on December 30, 2011 of \$13.51.

(2) The shares of Restricted Stock vested on February 26, 2012.

(3) The shares of Restricted Stock vested on February 29, 2012, after the Company's 2011 financial statements were completed and filed with the SEC.

(4) The shares of Restricted Stock vest if the Company achieves a targeted EPS in 2011. If the target is achieved, the shares will vest in full on the later of the third anniversary of the date of grant, or after the Company's 2011 financial statements are completed and filed with the SEC. The number of shares in this grant is subject to adjustment, up or down, based upon attainment above or below the targeted EPS. As the Company's EPS achievement for the year ended December 31, 2011 was below the threshold level for that time period, the Named Executive Officers did not receive any portion of the performance-based award.

(5) The shares of Restricted Stock vest if the Company achieves a targeted TSR percentile rank for the period January 1, 2009 through December 31, 2011. If this target is achieved, the shares will vest in full on the later of the third anniversary of the date of grant, or after the Company's 2011 financial statements are completed and filed with the SEC. The number of shares in this grant are subject to adjustment, up or down, based upon attainment above or below the targeted percentile rank. As the Company's TSR percentile rank for the period January 1, 2009 through December 31, 2011 was below the threshold of the 40th percentile for that time period, the Named Executive Officers did not receive any portion of the performance-based award.

(6) The shares of Restricted Stock will vest upon satisfaction of all of the following: (i) the Company's closing stock price is 25% above the closing stock price on the date of grant for 30 consecutive trading days; (ii) the Company's closing stock price equals or exceeds \$45.00 for ten consecutive trading days; and (iii) the fourth anniversary of the date of grant shall have occurred. If all of the above criteria are not satisfied on or prior to March 3, 2017, the performance award shall be forfeited.

(7) The shares of Restricted Stock will vest upon satisfaction of all of the following: (i) the Company's closing stock price is 25% above the closing stock price on the date of grant for 30 consecutive trading days; (ii) the Company's closing stock price equals or exceeds \$60.00 for ten consecutive trading days; and (iii) the fourth anniversary of the date of grant shall have occurred. If all of the above criteria are not satisfied on or prior to March 3, 2017, the performance award shall be forfeited.

(8) The shares of Restricted Stock will vest as follows: 1/3 on March 22, 2012; 1/3 on March 22, 2013; and 1/3 on March 22, 2014.

(9) The shares of Restricted Stock vest if the Company achieves a targeted EPS in 2012. If the target is achieved, the shares will vest in full on the later of the third anniversary of the date of grant, or after the Company's 2013 financial statements are completed and filed with the SEC. The number of shares in this grant is subject to adjustment, up or down, based upon attainment above or below the targeted EPS. The EPS target for 2012 is net income from continuing operations of \$1.75 per share for the year, excluding the impact of certain restructuring or unusual items.

(10) The shares of Restricted Stock vest if the Company achieves a targeted EPS in 2013. If the target is achieved, the shares will vest in full on the later of the third anniversary of the date of grant, or after the Company's 2013 financial statements are completed and filed with the SEC. The number of shares in this grant is subject to adjustment, up or down, based upon attainment above or below the targeted EPS. The EPS target for 2013 will be based upon the Company's budget for the 2013 fiscal year.

(11) The shares of Restricted Stock vest if the Company achieves a targeted TSR percentile rank for the period January 1, 2011 through December 31, 2013. If this target is achieved, the shares will vest in full on the later of the third anniversary of the date of grant, or after the Company's 2013 financial statements are completed and filed with the SEC. The number of shares in this grant are subject to adjustment, up or down, based upon attainment above or below the targeted percentile rank.

(12) The shares of Restricted Stock will vest as follows: 25% on March 3, 2012; 25% on March 3, 2013; 25% on March 3, 2014; and 25% on March 3, 2015.

(13) The shares of Restricted Stock will vest upon satisfaction of all of the following: (i) the Company's closing stock price is 25% above the closing stock price on the date of grant for 30 consecutive trading days; (ii) the Company's closing stock price equals or exceeds \$35.00 for ten consecutive trading days; and (iii) the fourth anniversary of the date of grant shall have occurred. As the above performance criteria were satisfied in February 2011, the performance

award shall vest on March 3, 2014.

(14) The shares of Restricted Stock will vest upon satisfaction of all of the following: (i) the Company's closing stock price is 25% above the closing stock price on the date of grant for 30 consecutive trading days; (ii) the Company's closing stock price equals or exceeds \$50.00 for ten consecutive trading days; and (iii) the fourth anniversary of the date of grant shall have occurred. If all of the above criteria are not satisfied on or prior to March 3, 2017, the performance award shall be forfeited.

Option Exercises and Stock Vested

The table below summarizes the stock options exercised and each vesting of Restricted Stock during 2011 for each of the Named Executive Officers.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise (\$) (#)	Number of Shares Acquired on Vesting	Value Realized on Vesting (\$) (#)
Ronald M. De Feo	3,230	\$93,605	24,830	\$879,856
Phillip C. Widman	-0-	-0-	15,384	\$530,471
Steve Filipov	-0-	-0-	15,429	\$538,932
Kevin P. Bradley	-0-	-0-	7,198	\$250,332
Timothy A. Ford	-0-	-0-	16,452	\$573,765

Pension Benefits

The table below provides information with respect to each of the Company's pension plans that provide for payments at, following, or in connection with the retirement of a Named Executive Officer.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
Ronald M. De Feo	Supplemental Executive Retirement Plan	20	\$11,799,615	-0-
	Terex Pension Plan	1 (1)	\$38,376	-0-
Phillip C. Widman	Supplemental Executive Retirement Plan	9 (2)	\$1,496,595	-0-
Steve Filipov	Supplemental Executive Retirement Plan	16	\$1,595,061	-0-
Kevin P. Bradley	Supplemental Executive Retirement Plan	6	\$442,459	-0-
Timothy A. Ford	Not Applicable	-0-	-0-	-0-

(1) Participation in the Terex Pension Plan was frozen as of May 7, 1993, and no participants, including Mr. De Feo, are credited with service for benefit purposes following such date.

(2) Upon completing ten years of service with the Company, Mr. Widman will be credited with an additional five years of service for benefit and vesting purposes.

The SERPs are intended to provide certain senior executives of the Company with retirement benefits in recognition of their contributions to the long-term growth of the Company. The DB SERP is closed to new participants. A senior executive participating in the DB SERP is not eligible to participate in the DC SERP.

Participants in the DB SERP with ten or more years of eligible service are vested and entitled to annual pension benefits beginning at a normal retirement age (NRA) of 65 or when age plus years of service first equal 90 (the Normal Retirement Benefit). The Board determined that for retention purposes, Mr. Widman would be credited with

additional years of service as described above. Participants in the DB SERP who are vested but terminate employment prior to NRA shall receive a retirement benefit that is equal to the actuarial equivalent of the Normal Retirement Benefit.

The compensation covered by the DB SERP is based on a participant's final five-year average of annual salary and bonus. Benefits are computed assuming an NRA of 65 or when age plus years of service first equal 90. Benefits accrue at 2% of average compensation per year of service, payable at the NRA, up to a maximum of 20 years of service. Benefits are payable monthly as a life annuity with 120 monthly payments guaranteed. Benefits are reduced by 50% for Social Security or similar payments and 100% for any other Company-paid defined benefit retirement benefits.

Participants in the DC SERP with ten or more years of eligible service are vested and entitled to contributions made by the Company to their DC SERP account. Annual contributions are based upon 10% of the participant's base salary and bonus earned. The Company credits contributions in the DC SERP with an interest rate equal to a bond fund that mirrors an investment strategy in corporate bonds of companies rated Baa or higher by Moody's. The annual rate of interest for 2011 was 5.31%. Benefits are payable in a lump sum payout following termination of employment.

Mr. De Feo participates in the Terex Corporation Retirement Program for Salaried Employees (the Retirement Plan) which has merged into the Terex Pension Plan. None of the other Named Executive Officers participate in the Retirement Plan. Participants in the Retirement Plan with five or more years of eligible service are fully vested and entitled to annual pension benefits beginning at age 65. Retirement benefits under the Retirement Plan for Mr. De Feo are equal to the product of (i) his years of service (as defined in the Retirement Plan) and (ii) 1.08% of final average earnings (as defined in the Retirement Plan) plus 0.65% of such compensation in excess of amounts shown on the applicable Social Security Integration Table. There is no offset for primary Social Security. Participation in the Retirement Plan was frozen as of May 7, 1993, and no participants, including Mr. De Feo, are credited with service for benefit purposes following such date. However, participants not currently fully vested will be credited with service for purposes of determining vesting only. The annual retirement benefits payable at normal retirement age under the Retirement Plan will be \$3,687 for Mr. De Feo.

See Note O Retirement Plans and Other Benefits in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for a detailed description of the assumptions that the Company uses in determining the present value of the accumulated benefit.

Nonqualified Deferred Compensation

The table below provides information for the Named Executive Officers with respect to the Company's Deferred Compensation Plan.

Name	Executive Contributions in Last FY	Registrant Contributions in Last FY	Aggregate Earnings in Last FY	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE
	(\$) (1)	(\$) (2)	(\$) (3)	(\$)	(\$)
Ronald M. De Feo	-0-	-0-	-0-	\$1,317,711	-0-
Phillip C. Widman	-0-	-0-	-0-	-0-	-0-
Steve Filipov	-0-	-0-	-0-	-0-	-0-
Kevin P. Bradley	-0-	-0-	\$(52,552)	-0-	\$40,501
Timothy A. Ford	-0-	\$61,132	\$9,755	-0-	\$205,914

(1) The amounts shown in the Executive Contributions in Last FY column are included in the Salary and Non-Equity Incentive Plan Compensation columns of the Summary Compensation table above.

(2) The amounts shown in the Registrant Contributions in Last FY column are included in the All Other Compensation column of the Summary Compensation table above.

(3) The amounts shown in the Aggregate Earnings in Last FY column include \$1,796 for Mr. Ford, which amount is included in the Summary Compensation Table above, as these earnings were above-market or preferential.

Under the Deferred Compensation Plan, a Named Executive Officer may defer up to (i) 20% of his/her salary and (ii) 100% of his/her bonus. The deferrals may be invested in Common Stock or in a bond index. The Company credits

the deferrals in the bond index with an interest rate equal to a bond fund that mirrors an investment strategy in corporate bonds of companies rated Baa or higher by Moody's. The annual rate of interest for 2011 was 5.31%. The Company makes a contribution of 25% of the Named Executive Officer's salary and/or bonus that is invested in Common Stock. The Company does not make a contribution with respect to any deferrals into the bond index. Participants in the Deferred Compensation Plan are always fully vested in their deferrals and any matching contributions received. See "Pension Benefits" above for details on the DC SERP, including its vesting schedule.

The Named Executive Officers may receive payments under the Deferred Compensation Plan after their employment terminates, upon their death or if they have an unforeseeable emergency (as defined in the Deferred Compensation Plan). In addition, they may elect to receive all or a portion of their deferral, including the Company's matching contribution, after the deferral has been in the Deferred Compensation Plan for at least three years. Furthermore, for deferrals made prior to December 31, 2004, if they elect to receive an accelerated distribution under the Deferred Compensation Plan, the Named Executive Officers shall (i) forfeit 10% of the amount of the distribution to the Company, (ii) forfeit any Company matching contribution that has not been in the plan for at least one year due to the accelerated distribution and (iii) be unable to make further deferrals into the plan for at least 12 months. In accordance with Section 409A of the Code, accelerated distributions are not allowed under the Deferred Compensation Plan for any deferrals made after December 31, 2004.

Potential Payments Upon Termination or Change in Control

If Mr. De Feo's employment with the Company is terminated for any reason, including for Cause (as such term is defined in the De Feo Agreement), due to Mr. De Feo's death or disability, or by Mr. De Feo voluntarily, or if Mr. De Feo elects not to extend the De Feo Agreement at the end of its term, Mr. De Feo or his beneficiary is to receive, in addition to his salary, bonus and other compensation earned through the time of such termination, (i) any deferred compensation then in effect, (ii) any other compensation or benefits that have vested through the date of termination or to which Mr. De Feo may then be entitled, including long-term incentive compensation awards, stock and stock option awards, and (iii) reimbursement of expenses incurred by Mr. De Feo through the date of termination but not yet reimbursed. If Mr. De Feo's employment with the Company is terminated as the result of Mr. De Feo's death or disability, then Mr. De Feo or his beneficiary would also be entitled to receive a prorated portion of his bonus for the fiscal year during which such termination occurs.

If Mr. De Feo's employment with the Company is terminated by the Company without Cause or by Mr. De Feo for Good Reason (as such terms are defined in the De Feo Agreement), or if the Company elects not to extend the De Feo Agreement at the end of its term, Mr. De Feo is to receive, in addition to his salary, bonus and other compensation earned through the time of such termination, (i) two times his base salary, (ii) two times the average of his annual bonuses for the two calendar years preceding termination, (iii) a prorated portion of his bonus for the fiscal year during which such termination occurs, (iv) continuing insurance coverage for up to two years from termination, (v) immediate vesting of non-performance based unvested stock options and stock grants with a period of one year following termination to exercise his options, and (vi) continuation of all other benefits in effect at the time of termination for up to two years from termination. The cash portion of this payment is spread over a 13-month period following the date of termination, except if such termination occurs within 24 months following a Change in Control (as such term is defined in the De Feo Agreement), in which event the cash portion is to be paid in a lump sum. In addition, if Mr. De Feo's employment is terminated by the Company without Cause or by Mr. De Feo for Good Reason within 24 months following a Change in Control, Mr. De Feo is entitled to (A) the greater of (1) the sum of (i), (ii) and (iii) above and (2) an amount equal to all compensation required to be paid to Mr. De Feo for the balance of the term of the De Feo Agreement, (B) the immediate vesting of any unvested performance stock options, stock grants, long-term incentive compensation awards and other similar awards, with a period of one year following termination to exercise any such options and (C) any amounts payable under the SERP for the number of years of service achieved by Mr. De Feo on the date of termination. The De Feo Agreement also provides for additional payments to Mr. De Feo in the event that any payments under the De Feo Agreement are subject to excise tax under the Code, such that Mr. De Feo retains an amount of such additional payments equal to the amount of such excise tax.

The De Feo Agreement requires Mr. De Feo to keep certain information of the Company confidential during his employment and thereafter. The De Feo Agreement also contains an agreement by Mr. De Feo not to compete with the business of the Company during his term of employment with the Company and for a period of 18 months thereafter (24 months thereafter, if the date of Mr. De Feo's termination is within 24 months following a Change in Control).

The following table describes the potential payments upon termination or a Change in Control of the Company for Mr. De Feo assuming that the triggering event took place on December 31, 2011 using the share price of Common Stock as of that day (both as required by the SEC). However, a termination or Change in Control did not occur on December 31, 2011 and Mr. De Feo was not terminated on that date. There can be no assurance that a termination or Change in Control would produce the same or similar results as those described if it occurs on any other date or when the Common Stock is trading at any other price.

Executive Benefits and Payments Upon Termination	Voluntary Termination	Early or Normal Retirement	Involuntary Not For Cause or Good Reason Termination	For Cause Termination	Involuntary Not For Cause or Good Reason Termination (CIC)	Death	Disability
Base Salary	-0-	-0-	\$2,500,000	-0-	\$2,500,000	-0-	-0-

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Annual Incentive	\$1,836,750	\$1,836,750	\$3,054,750	\$1,836,750	\$3,054,750	\$1,836,750	\$1,836,750
Restricted Shares (time-based)	-0-	-0-	\$1,038,487	-0-	\$1,038,487	\$1,038,487	\$1,038,487
Restricted Shares (performance-based)	-0-	-0-	-0-	-0-	\$4,130,764	\$4,130,764	\$4,130,764
Stock Options	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Cash Awards	-0-	-0-	-0-	-0-	\$3,376,166	\$3,376,166	\$3,376,166
Disability Premiums	-0-	-0-	\$5,000 (1)	-0-	\$5,000 (1)	-0-	-0-
Life Insurance Premiums	-0-	-0-	\$330,000 (1)	-0-	\$330,000 (1)	-0-	-0-
Retirement Plan Payments	\$12,550,000 (2)	\$12,550,000 (2)	\$12,550,000 (2)	\$12,550,000 (2)	\$12,550,000 (2)	\$12,550,000 (2)	\$12,550,000 (2)
Life Insurance Proceeds	-0-	-0-	-0-	-0-	-0-	\$12,160,000	-0-
Disability Benefits	-0-	-0-	-0-	-0-	-0-	-0-	\$800,000 (3)
Excise Tax Gross Up	-0-	-0-	-0-	-0-	-0-	-0-	-0-

(1) Reflects the estimated value of a benefit that Mr. De Feo would be entitled to receive.

(2) Reflects the estimated value of Mr. De Feo's qualified and non-qualified retirement plans on December 31, 2011.

(3) Reflects the estimated value of all future payments that Mr. De Feo would be entitled to receive under the Company's disability program.

Pursuant to the Executive Agreements as of December 31, 2011, if an executive's employment with the Company is terminated within six months of a Change in Control (as defined in the Executive Agreements) in anticipation of such Change in Control or within 24 months following a Change in Control, other than for Cause, by reason of death or Permanent Disability, or by the executive without Good Reason (each as defined in the Executive Agreements), the executive is to receive (i) two times his base salary (Mr. Bradley would receive one times his base salary), (ii) two times his annual bonus for the last calendar year preceding

termination (Mr. Bradley would receive one times his annual bonus), and (iii) any accrued vacation pay. This payment is to be paid in a lump sum simultaneously with the executive's termination or on a monthly basis. In addition, the executive also will receive (a) immediate vesting of unvested stock options, stock grants and cash performance awards, with a period of up to six months following termination to exercise such options, (b) continuing insurance coverage for 24 months from termination (Mr. Bradley would receive coverage for 12 months), (c) continuation of all other benefits in effect at the time of termination for 24 months from termination (Mr. Bradley would receive benefits for 12 months) and (d) outplacement services for a period of at least 12 months from termination.

In the event an executive's employment with the Company is terminated by the Company without Cause or by the executive for Good Reason (other than in connection with a Change in Control), the Company is to pay the executive (i) two times his base salary (Mr. Bradley would receive one times his base salary), (ii) two times his annual bonus for the last calendar year preceding termination (this is not applicable for Mr. Bradley) and (iii) any accrued vacation pay.

This amount is to be paid in 12 or 24 equal monthly payments, as applicable. In such event, the executive would also have the right to exercise any stock options, long-term incentive awards or similar awards for up to six months following termination, and would immediately vest in non-performance based options and stock awards granted under the Company's incentive plans that would vest in the 24 months following the date of termination (Mr. Bradley would immediately vest in the options and stock awards granted to him under the Company's incentive plans that would vest in the 12 months following the date of termination). In addition, the Company would also provide continuing insurance coverage, continuation of all other benefits in effect at the time of termination for 24 months from termination (Mr. Bradley would receive coverage and benefits for 12 months) and outplacement services for a period of at least 12 months from termination.

As part of the Executive Agreements, the executives agree to keep confidential certain Company information and not to disparage the Company. In addition, Messrs. Filipov and Ford agree that, for a period of 18 months, and Messrs. Widman and Bradley agree that, for a period of 12 months, following the date of termination (or 24 months for Messrs. Filipov and Ford following such termination, if such termination is within 24 months following a Change in Control), the executive will not, without the prior written consent of the Company, directly or indirectly engage in or render any services to any Competitive Business (as such term is defined in the Executive Agreements) nor solicit, induce or entice any employee of the Company to leave the Company.

Each Executive Agreement has an initial term of one year and automatically renews for an additional term of one year commencing on each anniversary of the date of the agreement until and unless either party sends written notice of non-renewal to the other party at least six months prior to a renewal date; provided, however, that if a Change in Control shall occur during the initial or renewed term of this Agreement, then the Executive Agreement remains in effect until the third anniversary of the date of the Change in Control.

The following table describes the potential payments upon termination or a Change in Control of the Company for Mr. Widman, assuming that the triggering event took place on December 31, 2011 using the share price of Common Stock as of that day (both as required by the SEC). However, a termination or Change in Control did not occur on December 31, 2011 and Mr. Widman was not terminated on that date. There can be no assurance that a termination or

Change in Control would produce the same or similar results as those described if it occurs on any other date or when the Common Stock is trading at any other price.

Executive Benefits and Payments Upon Termination	Voluntary Termination	Early or Normal Retirement	Involuntary Not For Cause or Good Reason Termination	For Cause Termination	Involuntary Not For Cause or Good Reason Termination (CIC)	Death	Disability
Base Salary	-0-	-0-	\$1,236,000	-0-	\$1,236,000	-0-	-0-
Annual Incentive	-0-	-0-	\$626,333	-0-	\$626,333	-0-	-0-
Restricted Shares (time-based)	-0-	-0-	\$561,097	-0-	\$785,485	\$785,485	\$785,485
Restricted Shares (performance-based)	-0-	-0-	-0-	-0-	\$1,682,522	\$1,682,522	\$1,682,522
Stock Options	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Cash Awards	-0-	-0-	-0-	-0-	\$839,551	\$839,551	\$839,551
Disability Premiums	-0-	-0-	\$5,000 (1)	-0-	\$5,000 (1)	-0-	-0-
Life Insurance Premiums	-0-	-0-	\$5,000 (1)	-0-	\$5,000 (1)	-0-	-0-
Retirement Plan Payments	\$400,000 (2)	\$400,000 (2)	\$1,900,000 (2)	\$400,000 (2)	\$1,900,000 (2)	\$400,000 (2)	\$400,000 (2)
Life Insurance Proceeds	-0-	-0-	-0-	-0-	-0-	\$1,070,000	-0-
Disability Benefits	-0-	-0-	-0-	-0-	-0-	-0-	\$1,200,000 (3)

(1) Reflects the estimated value of a benefit that Mr. Widman would be entitled to receive.

(2) Reflects the estimated value of Mr. Widman's qualified and non-qualified retirement plans on December 31, 2011.

(3) Reflects the estimated value of all future payments that Mr. Widman would be entitled to receive under the Company's disability program.

The following table describes the potential payments upon termination or a Change in Control of the Company for Mr. Filipov, assuming that the triggering event took place on December 31, 2011 using the share price of Common Stock as of that day (both as required by the SEC). However, a termination or Change in Control did not occur on December 31, 2011 and Mr. Filipov was not terminated on that date. There can be no assurance that a termination or Change in Control would produce the same or similar results as those described if it occurs on any other date or when the Common Stock is trading at any other price.

Executive Benefits and Payments Upon Termination	Voluntary Termination	Early or Normal Retirement	Involuntary Not For Cause or Good Reason Termination	For Cause Termination	Involuntary Not For Cause or Good Reason Termination (CIC)	Death	Disability
Base Salary	-0-	-0-	\$986,740	-0-	\$986,740	-0-	-0-
Annual Incentive	-0-	-0-	\$511,043	-0-	\$511,043	-0-	-0-
Restricted Shares (time-based)	-0-	-0-	\$424,606	-0-	\$571,662	\$571,662	\$571,662
Restricted Shares (performance-based)	-0-	-0-	-0-	-0-	\$560,206	\$560,206	\$560,206
Stock Options	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Cash Awards	-0-	-0-	-0-	-0-	\$257,551	\$257,551	\$257,551
Disability Premiums	-0-	-0-	\$5,000 (1)	-0-	\$5,000 (1)	-0-	-0-
Life Insurance Premiums	-0-	-0-	\$4,000 (1)	-0-	\$4,000 (1)	-0-	-0-
Retirement Plan Payments	\$1,900,000 (2)	\$1,900,000 (2)	\$1,900,000 (2)	\$1,900,000 (2)	\$1,900,000 (2)	\$1,900,000 (2)	\$1,900,000 (2)
Life Insurance Proceeds	-0-	-0-	-0-	-0-	-0-	\$900,000	-0-
Disability Benefits	-0-	-0-	-0-	-0-	-0-	-0-	\$2,600,000 (3)

(1) Reflects the estimated value of a benefit that Mr. Filipov would be entitled to receive.

(2) Reflects the estimated value of Mr. Filipov's qualified and non-qualified retirement plans on December 31, 2011.

(3) Reflects the estimated value of all future payments that Mr. Filipov would be entitled to receive under the Company's disability program.

The following table describes the potential payments upon termination or a Change in Control of the Company for Mr. Bradley, assuming that the triggering event took place on December 31, 2011 using the share price of Common Stock

as of that day (both as required by the SEC). However, a termination or Change in Control did not occur on December 31, 2011 and Mr. Bradley was not terminated on that date. There can be no assurance that a termination or Change in Control would produce the same or similar results as those described if it occurs on any other date or when the Common Stock is trading at any other price.

Executive Benefits and Payments Upon Termination	Voluntary Termination	Early or Normal Retirement	Involuntary Not For Cause or Good Reason Termination	For Cause Termination	Involuntary Not For Cause or Good Reason Termination (CIC)	Death	Disability
Base Salary	-0-	-0-	\$450,000	-0-	\$450,000	-0-	-0-
Annual Incentive	-0-	-0-	\$392,560	-0-	\$392,560	-0-	-0-
Restricted Shares (time-based)	-0-	-0-	\$322,984	-0-	\$593,103	\$593,103	\$593,103
Restricted Shares (performance-based)	-0-	-0-	-0-	-0-	\$399,545	\$399,545	\$399,545
Stock Options	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Cash Awards	-0-	-0-	-0-	-0-	\$223,951	\$223,951	\$223,951
Disability Premiums	-0-	-0-	\$2,500 (1)	-0-	\$2,500 (1)	-0-	-0-
Life Insurance Premiums	-0-	-0-	\$2,000 (1)	-0-	\$2,000 (1)	-0-	-0-
Retirement Plan Payments	\$150,000 (2)	\$150,000 (2)	\$600,000 (2)	\$150,000 (2)	\$600,000 (2)	\$150,000 (2)	\$150,000 (2)
Life Insurance Proceeds	-0-	-0-	-0-	-0-	-0-	\$900,000	-0-
Disability Benefits	-0-	-0-	-0-	-0-	-0-	-0-	\$2,100,000 (3)

(1) Reflects the estimated value of a benefit that Mr. Bradley would be entitled to receive.

(2) Reflects the estimated value of Mr. Bradley's qualified and non-qualified retirement plans on December 31, 2011.

(3) Reflects the estimated value of all future payments that Mr. Bradley would be entitled to receive under the Company's disability program.

The following table describes the potential payments upon termination or a Change in Control of the Company for Mr. Ford, assuming that the triggering event took place on December 31, 2011 using the share price of Common Stock as of that day (both as required by the SEC). However, a termination or Change in Control did not occur on December 31, 2011 and Mr. Ford was not terminated on that date. There can be no assurance that a termination or Change in Control would produce the same or similar results as those described if it occurs on any other date or when the Common Stock is trading at any other price.

Executive Benefits and Payments Upon Termination	Voluntary Termination	Early or Normal Retirement	Involuntary Not For Cause or Good Reason Termination	For Cause Termination	Involuntary Not For Cause or Good Reason Termination (CIC)	Death	Disability
Base Salary	-0-	-0-	\$1,025,880	-0-	\$1,025,880	-0-	-0-
Annual Incentive	-0-	-0-	\$519,645	-0-	\$519,645	-0-	-0-
Restricted Shares (time-based)	-0-	-0-	\$422,701	-0-	\$857,155	\$857,155	\$857,155
Restricted Shares (performance-based)	-0-	-0-	-0-	-0-	\$646,399	\$646,399	\$646,399
Stock Options	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Cash Awards	-0-	-0-	-0-	-0-	\$514,951	\$514,951	\$514,951
Disability Premiums	-0-	-0-	\$5,000 (1)	-0-	\$5,000 (1)	-0-	-0-
Life Insurance Premiums	-0-	-0-	\$2,000 (1)	-0-	\$2,000 (1)	-0-	-0-
Retirement Plan Payments	\$100,000 (2)	\$100,000 (2)	\$300,000 (2)	\$100,000 (2)	\$300,000 (2)	\$100,000 (2)	\$100,000 (2)
Life Insurance Proceeds	-0-	-0-	-0-	-0-	-0-	\$500,000	-0-
Disability Benefits	-0-	-0-	-0-	-0-	-0-	-0-	\$2,000,000 (3)

(1) Reflects the estimated value of a benefit that Mr. Ford would be entitled to receive.

(2) Reflects the estimated value of Mr. Ford's qualified and non-qualified retirement plans on December 31, 2011.

(3) Reflects the estimated value of all future payments that Mr. Ford would be entitled to receive under the Company's disability program.

DIRECTOR COMPENSATION

The objectives of the Company's compensation program for outside directors are to: (i) attract and retain independent, high caliber outside directors who are not affiliated with the Company and who provide a balanced experience and knowledge base within the Board; (ii) require a meaningful stock ownership in the Company to align the interests of the outside directors with those of the stockholders; and (iii) provide a total compensation opportunity that approximates the 50th percentile of the Benchmark Companies.

The compensation program for outside directors has three principal components: (i) an annual retainer for service as a Board member; (ii) an annual retainer for service on a committee or as Lead Director; and (iii) an initial stock award on becoming a director, each of which is described below. The program is designed to encourage outside directors to receive a significant portion of their annual retainer for Board service in the Company's Common Stock, to enable directors to defer receipt of their fees and to satisfy the Company's Common Stock ownership objective for outside directors. The program does not include the payment of additional fees per meeting, as each director is expected to prepare for and participate in all meetings during the year and provide a continuous year-round effort regardless of the formal meeting calendar.

Directors who are employees of the Company receive no additional compensation by virtue of their being directors of the Company. All directors of the Company are reimbursed for travel, lodging and related expenses incurred in attending Board meetings, committee meetings and other activities in furtherance of their responsibilities as members of the Company's Board.

Each outside director receives the equivalent of \$175,000 for service as a Board member (or a prorated amount if a director's service begins other than on the day of the Annual Meeting). Prior to 2011, directors received their fees on the first business day of the year. Beginning in 2011, the directors receive their annual retainers on the first business day following the Company's Annual Meeting and as a result, in 2011, directors received a pro-rated annual retainer for the period from January 1 through the Company's Annual Meeting. Each director may elect to receive their fee in (i) shares of Common Stock currently, which may be deferred into the stock fund of the Company's Deferred Compensation Plan, (ii) cash currently, (iii) cash deferred into the bond fund of the Company's Deferred Compensation Plan, or (iv) any two of the preceding alternatives in equal amounts. If a director elects to receive shares of Common Stock currently without deferral into the stock fund of the Company's Deferred Compensation Plan, then 40% of this amount is paid in cash to offset the tax liability related to such election. For purposes of calculating the number of shares of Common Stock into which any fixed sum translates, Common Stock is valued at its per share closing price on the NYSE on the day immediately preceding the grant date. The Company's director emeritus receives annually, on the day after the Annual Meeting, the equivalent of \$87,500 for service as a director emeritus. The director emeritus is invited to attend and participate in all Board and Governance and Nominating Committee meetings, and must attend at least one Board and Governance and Nominating Committee meeting in person annually.

In the first quarter of 2012, the Company revised its Common Stock ownership objective for its outside directors. Each director is expected to accumulate, within four years of the adoption of this objective (for a new director, over the first four years of Board service), the number of shares of Common Stock that is equal in market value to three times the annual retainer for Board service (\$525,000). Once this ownership objective is achieved, the director is expected to maintain such minimum ownership level. The intent is to encourage acquisition and retention of Common Stock by directors, evidencing the alignment of their interests with the interests of stockholders. To this end, each new director receives an award of shares of Common Stock having a market value of \$50,000 on the date of the award. Each new director must elect to defer receipt of this award into the stock fund of the Company's Deferred Compensation Plan. Until such time as a director achieves the ownership objective or if a director shall at any time fall below the ownership objective, directors are expected to invest at least \$87,500 per year (or such lesser amount necessary to achieve the ownership objective) in shares of Common Stock until the director has satisfied the ownership objective.

Each director who serves as Lead Director or on a committee of the Board receives an annual committee retainer, on the first business day after the Company's Annual Meeting, as set forth in the table below:

Committee/Board Position*	Retainer
Lead Director*	\$50,000
Audit Committee Chair	\$35,000
Compensation Committee Chair	\$35,000
Governance and Nominating Committee Chair	\$20,000
Corporate Responsibility and Strategy Committee Chair	\$20,000
Audit Committee Member	\$7,500
Compensation Committee Member	\$7,500
Governance and Nominating Committee Member	\$5,000
Corporate Responsibility and Strategy Committee Member	\$5,000

* A Committee Chair shall only receive a committee chair retainer and not a committee member retainer as a result of chairing a committee. In the event the Lead Director serves on any committees as either a committee chair or committee member, the Lead Director will not be eligible to receive any committee retainer other than the Lead Director retainer.

The retainers listed above are payable in cash, and may be deferred into the bond fund of the Company's Deferred Compensation Plan. For a director whose service begins other than on the day of the Annual Meeting, any retainer is prorated. If the Company does not hold an Annual Meeting by the end of May in any year, then any retainer that is scheduled to be paid following the Annual Meeting shall be paid on the last business day of May.

A director who leaves the Board at any time during the year, for any reason, will retain any retainer payments already received for such year. The Compensation Committee has discretion to authorize the payment of additional fees to any director under extraordinary circumstances. It is the expectation of the Compensation Committee that it will review this Outside Director Compensation Policy and the outside director compensation programs of the Benchmark Companies every two to four years, although it may review them more frequently as circumstances warrant.

The compensation paid to the Company's outside directors in 2011 is summarized in the following table:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$ (1) (2))	Option Awards (\$ (3))	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$ (4))	Total (\$)
G. Chris Andersen	\$131,360	\$175,000	-0-	-0-	-0-	\$250	\$306,610
Paula H. J. Cholmondeley	\$272,320	-0-					