HYSTER-YALE MATERIALS HANDLING, INC.
Form DEF 14A
March 24, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
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 þ

Filed by a Party other than the Registrant
Check the appropriate box:

o Preliminary Proxy Statement
o Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Under Rule 14a-12

HYSTER-YALE MATERIALS HANDLING, INC.
(Name of Registrant as Specified in Its Charter)
Payment of Filing Fee (Check the appropriate box):

þ No fee required.

o 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):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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5875 LANDERBROOK DRIVE, SUITE 300
CLEVELAND, OHIO 44124-4069

NOTICE OF ANNUAL MEETING

The Annual Meeting of stockholders of Hyster-Yale Materials Handling, Inc. (the "Company") will be held on Thursday, May 14, 2015 at 9:00 a.m., at 5875 Landerbrook Drive, Cleveland, Ohio, for the following purposes:

1. To elect ten directors for the ensuing year;
2. To confirm the appointment of the independent registered public accounting firm of the Company for 2015; and
3. To conduct any other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on March 16, 2015 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof. The 2015 Proxy Statement and related form of proxy are being mailed to stockholders commencing on or about March 24, 2015.

Charles A. Bittenbender
Secretary
March 24, 2015

Important Notice Regarding the Availability of Proxy Materials for the
Annual Meeting of Stockholders To Be Held on May 14, 2015

The 2015 Proxy Statement and 2014 Annual Report are available, free of charge, at http://www.hyster-yale.com by clicking on the “2015 Annual Meeting Materials” link and then clicking on either the “2015 Proxy Statement” link or the “2014 Annual Report” link, as appropriate.

If you wish to attend the meeting and vote in person, you may do so.

The Company's Annual Report for the year ended December 31, 2014 is being mailed to stockholders with the 2015 Proxy Statement. The 2014 Annual Report contains financial and other information about the Company, but is not incorporated into the 2015 Proxy Statement and is not deemed to be a part of the proxy soliciting material.

If you do not expect to be present at the Annual Meeting, please promptly fill out, sign, date and mail the enclosed form of proxy or, in the alternative, vote your shares electronically either over the internet (www.investorvote.com/HY) or by touch-tone telephone (1-800-652-8683). If you hold shares of both Class A Common Stock and Class B Common Stock, you only have to complete the single enclosed form of proxy or vote once via the internet or telephone. A self-addressed envelope is enclosed for your convenience. No postage is required if mailed in the United States.

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5875 LANDERBROOK DRIVE, SUITE 300
CLEVELAND, OHIO 44124-4069
PROXY STATEMENT — MARCH 24, 2015

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Hyster-Yale Materials Handling, Inc., a Delaware corporation, of proxies to be used at the annual meeting of stockholders of the Company to be held on May 14, 2015 (the "Annual Meeting"). The terms the “Company,” “Hyster-Yale,” “we,” “our” and “us” refer to Hyster-Yale Materials Handling, Inc. This Proxy Statement and the related form of proxy are being mailed to stockholders commencing on or about March 24, 2015.

If the enclosed form of proxy is executed, dated and returned or if you vote electronically, the shares represented by the proxy will be voted as directed on all matters properly coming before the Annual Meeting for a vote. Proxies that are properly signed without any indication of voting instructions will be voted as follows:

- for the election of each director nominee;
- for the confirmation of the appointment of the independent registered public accounting firm; and
- as recommended by our Board of Directors with regard to any other matters or, if no recommendation is given, in the proxy holders' own discretion.

The proxies may be revoked at any time prior to their exercise by giving notice to us in writing or by executing and delivering a later dated proxy. Attendance at the Annual Meeting will not automatically revoke a proxy, but a stockholder attending the Annual Meeting may request a ballot and vote in person, thereby revoking a previously granted proxy.

Stockholders of record at the close of business on March 16, 2015 will be entitled to notice of, and to vote at, the Annual Meeting. On that date, we had 12,352,490 outstanding shares of Class A Common Stock, par value $0.01 per share (the "Class A Common"), entitled to vote at the Annual Meeting and 3,959,793 outstanding shares of Class B Common Stock, par value $0.01 per share (the "Class B Common"), entitled to vote at the Annual Meeting. Each share of Class A Common is entitled to one vote for a nominee for each of the ten directorships to be filled and one vote on each other matter properly brought before the Annual Meeting. Each share of Class B Common is entitled to ten votes for each such nominee and ten votes on each other matter properly brought before the Annual Meeting. Class A Common and Class B Common will vote as a single class on all matters anticipated to be brought before the Annual Meeting.

At the Annual Meeting, in accordance with Delaware law and our Bylaws, the inspectors of election appointed by the Board of Directors for the Annual Meeting will determine the presence of a quorum and will tabulate the results of stockholder voting. As provided by Delaware law and our Bylaws, the holders of a majority of our stock, issued and outstanding, and entitled to vote at the Annual Meeting and present in person or by proxy at the Annual Meeting, will constitute a quorum for the Annual Meeting. The inspectors of election intend to treat properly executed proxies marked “abstain” as “present” for purposes of determining whether a quorum has been achieved at the Annual Meeting. The inspectors will also treat proxies held in “street name” by brokers that are voted on at least one, but not all, of the proposals to come before the Annual Meeting ("broker non-votes") as “present” for purposes of determining whether a quorum has been achieved at the Annual Meeting.

In accordance with Delaware law, the ten director nominees receiving the greatest number of votes will be elected directors.

In accordance with our Bylaws, the affirmative vote of the holders of a majority of the voting power of our stock that is present in person or represented by proxy and that is actually voted is required to approve all other proposals that are brought before the Annual Meeting. As a result, abstentions and broker non-votes in respect of any proposal will not be counted for purposes of determining whether a proposal has received the requisite approval by our stockholders.

In accordance with Delaware law and our Bylaws, we may, by a vote of the stockholders, in person or by proxy, adjourn the Annual Meeting to a later date or dates, without changing the record date. If we were to determine that an adjournment was desirable, the appointed proxies would use the discretionary authority granted pursuant to the proxy cards to vote in favor of such an adjournment.

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PART ONE - CORPORATE GOVERNANCE INFORMATION

Composition of the Board

Directors are elected at each annual meeting to serve for a one-year term and until their respective successors are duly elected and qualified, subject to their earlier death, resignation or removal. During fiscal year 2014, our Board of Directors consisted of 11 directors.

Directors' Meetings and Committees

The Board of Directors has an Audit Review Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, a Finance Committee and an Executive Committee. The members and responsibilities of such committees are as follows:

Name	Independent	Audit Review	Compensation	Nominating and Corporate Governance	Finance	Executive
J.C. Butler, Jr.	No				X	
Carolyn Corvi	Yes	X	X		Chair	
John P. Jumper	Yes	X	Chair	X		X
Dennis W. LaBarre	Yes			X	X	X
F. Joseph Loughrey	Yes	Chair		X		
Alfred M. Rankin, Jr.	No				X	Chair
Claiborne R. Rankin	No				X	
Michael E. Shannon	Yes	X	X	Chair		X
John M. Stropki	Yes		X	X		
Britton T. Taplin	Yes				X	
Eugene Wong	Yes	X	X			

Our Board of Directors held eight meetings in 2014. During their tenure in 2014, all of the directors attended at least 75 percent of the total meetings held by our Board of Directors and by the committees on which they served.

Our Board of Directors has determined that, based primarily on the ownership of Class A Common and Class B Common by the members of the Taplin and Rankin families and their voting history, we have the characteristics of, and may be, a “controlled company,” as defined in Section 303A of the New York Stock Exchange ("NYSE") listing standards. While our Board of Directors has determined that we could be characterized as a “controlled company, ” it has elected not to make use at the present time of any of the exceptions to the NYSE listing standards that are available to controlled companies.

In accordance with the rules of the NYSE, our non-management directors are scheduled to meet in executive session, without management, once a year. The Chairman of the Compensation Committee will preside at such meeting. Additional meetings of the non-management directors may be scheduled when the non-management directors believe such meetings are desirable. The determination of the director who should preside at such additional meetings will be made based upon the principal subject matter to be discussed at each such meeting. A meeting of the non-management directors was held on February 11, 2015.

We hold a regularly scheduled meeting of our Board of Directors in conjunction with our annual meeting of stockholders. Directors are expected to attend the annual meeting of stockholders absent an appropriate excuse. All of our directors who were directors on the date of our 2014 annual meeting of stockholders attended the meeting in person or by electronic means.

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Executive Committee 2014 Meetings: 0	
Members: John P. Jumper Dennis W. LaBarre Alfred M. Rankin, Jr. (Chair) Michael E. Shannon	Acts on behalf of the Board of Directors on matters requiring Board action between meetings of the full Board; and All members, except Mr. Rankin, are independent.
Audit Review Committee 2014 Meetings: 8	
Members: Carolyn Corvi John P. Jumper F. Joseph Loughrey (Chair) Michael E. Shannon Eugene Wong	The Audit Review Committee has the responsibilities set forth in its charter, including, among others: the quality and integrity of our financial statements; our compliance with legal and regulatory requirements; the adequacy of our internal controls; our guidelines and policies to monitor and control our major financial risk exposures; the qualifications, independence, selection and retention of the independent registered public accounting firm; the performance of our internal audit function and independent registered public accounting firm; assisting our Board of Directors and us in interpreting and applying our Corporate Compliance Program and other issues related to corporate and employee ethics; and preparing the Annual Report of the Audit Review Committee to be included in our Proxy Statement. No member of the Committee serves on more than three public company audit committees. All members have been determined to be independent and financially literate under current NYSE listing standards. The Board has determined Mr. Loughrey is an "audit committee financial expert" as defined by the Securities and Exchange Commission (the "SEC") and that he has accounting and related financial management expertise as required by NYSE listing standards.
Nominating and Corporate Governance Committee 2014 Meetings: 2	
Members: John P. Jumper Dennis W. LaBarre	The Nominating and Corporate Governance Committee (the "NCG Committee") has the responsibilities set forth in its charter, including, among others: the review and making of recommendations to our Board of Directors of the criteria

F. Joseph Loughrey Michael E. Shannon (Chair) John M. Stropki	for membership on our Board of Directors; the review and making of recommendations to our Board of Directors of the optimum number and qualifications of directors believed to be desirable; the establishment and monitoring of a system to receive suggestions for nominees to directorships of the Company; the identification and making of recommendations to our Board of Directors of specific candidates for membership on our Board of Directors; responsible for reviewing our Corporate Governance Guidelines and recommending changes as appropriate; overseeing evaluations of the Board of Directors' effectiveness; annually reporting to the Board of Directors its assessment of our Board's performance; and consider director candidates recommended by our stockholders, see "Procedures for Submission and Consideration of Director Candidates" on page 47. All members are independent, as defined by the listing standards of the NYSE. NCG Committee may consult with members of the Taplin and Rankin families, including Alfred M. Rankin, Jr., regarding the composition of our Board of Directors.

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Compensation Committee
2014 Meetings: 5

Members: Carolyn Corvi John P. Jumper (Chair) Michael E. Shannon John M. Stropki Eugene Wong	The Compensation Committee has the responsibilities set forth in its charter with respect to the administration of our policies, programs and procedures for compensating our employees, including our executive officers and directors. Among other things, the Compensation Committee responsibilities include: the review and approval of corporate goals and objectives relevant to compensation; the evaluation of the performance of the Chief Executive Officer, whom we refer to as our CEO, other executive officers and senior managers in light of these goals and objectives; the determination and approval of CEO, other executive officer and senior manager compensation levels; the establishment of guidelines for administering the Company's compensation policies and programs for all employees; the consideration of whether the risks arising from our employee compensation policies and practices are reasonably likely to have a material adverse effect on us; the making of recommendations to our Board of Directors, where appropriate or required, and the taking of other actions with respect to all other compensation matters, including incentive compensation plans and equity-based plans; the periodic review of the compensation of our Board of Directors; the review and approval of the Compensation Discussion and Analysis and the preparation of the annual Compensation Committee Report to be included in our Proxy Statement; and the discharge of other duties or responsibilities as delegated by the Board of Directors. All members have been determined to be independent as defined by the NYSE and SEC. The Compensation Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to one or more subcommittees of the Compensation Committee or, in appropriate cases, to our senior managers. The Compensation Committee retains and receives assistance in the performance of its responsibilities from an internationally recognized compensation consulting firm, discussed below under the heading "Compensation Consultants" on page 14.

Finance Committee
2014 Meetings: 4

Members:	The Finance Committee responsibilities include:
J.C. Butler, Jr.	the review of financing and financial risk management strategies for the Company and its
Carolyn Corvi (Chair)	principal operating subsidiary; and
Dennis W. LaBarre	making recommendations to the Board on matters concerning finance.
Alfred M. Rankin, Jr.	
Claiborne Rankin	
Britton T. Taplin	

Board Leadership Structure

The Board of Directors believes that it is prudent and in the best interests of stockholders that the CEO and Chairman positions be combined and that such combination has no negative effect on the operation or direction of the Company. Alfred M. Rankin, Jr., the Company's CEO, is the most appropriate person to serve as our Chairman because he possesses in-depth knowledge of the issues, opportunities and challenges facing our business. Because of this knowledge and insight, the Board of Directors believes that Mr. Rankin is in the best position to effectively identify strategic opportunities and priorities and to lead the discussion for the execution of the Company's strategies and achievement of its objectives. As Chairman, our CEO is able to:

- focus our Board of Directors on the most significant strategic goals and risks of our business;
- utilize the individual qualifications, skills and experience of the other members of the Board of Directors to maximize their contributions to our Board of Directors;

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- ensure that each other member of our Board of Directors has sufficient knowledge and understanding of our business to enable them to make informed judgments;
- provide a seamless flow of information to our Board of Directors;
- facilitate the flow of information between our Board of Directors and our management; and
- provide the perspective of a long-term stockholder.

In addition, Colin Wilson is the CEO of our principal operating subsidiary, NACCO Materials Handling Group, Inc., and as such is responsible for the day-to-day operations of the business. This arrangement allows Mr. Rankin to focus almost exclusively on the strategic opportunities and priorities of the overall business.

We do not assign a lead independent director but the Chairman of our Compensation Committee presides at the regularly scheduled meetings of non-management directors.

Board Oversight of Risk Management

The Board believes that strong and effective controls and risk management processes are essential components needed to achieve long-term stockholder value. The Board, directly and through its Committees, is responsible for overseeing risks that potentially affect the Company. Each Board Committee is responsible for oversight of risk categories related to the Committee's specific function, while our full Board exercises ultimate responsibility for overseeing the risk management as a whole. The respective areas of risk oversight exercised by our Board and its Committees is as follows:

Board/Committee	Primary Areas of Risk Oversight
Full Board	Oversees overall Company risk management procedures and regularly receives and evaluates reports and presentations from the Chairs of the Audit Review, Compensation, NCG, and Finance Committees on risk-related matters falling within each respective committee’s oversight responsibilities
Audit Review Committee	Oversees financial, operational, strategic, and legal risks by regularly reviewing reports and presentations given by management, including our Senior Vice President and General Counsel, Senior Vice President and Chief Financial Officer, and Director, Internal Audit, as well as other operational Company personnel, and evaluates potential related-person transactions Regularly reviews our risk management practices and risk-related policies (for example, the Company’s Code of Corporate Conduct and legal and regulatory reviews) and evaluates potential risks related to internal control over financial reporting
NCG Committee	Oversees potential risks related to our governance practices by, among other things, reviewing succession plans and performance evaluations of the Board and CEO
Compensation Committee	Oversees potential risks related to the design and administration of our compensation plans, policies and programs, including our performance-based compensation programs, to promote appropriate incentives which do not encourage unnecessary and excessive risk-taking by our executive officers or other employees
Finance Committee	Regularly reviews risks related to financing and other risk management strategies, including reviews of our insurance portfolios

Code of Conduct

We have adopted a code of ethics, entitled “Code of Corporate Conduct,” applicable to all of our personnel, including the principal executive officer, principal financial officer, principal accounting officer, and controller and other persons performing similar functions. Waivers of our Code of Corporate Conduct, if any, for our directors or executive officers may be disclosed on our website, by press release or by filing a Current Report on Form 8-K with the SEC. We have also adopted Corporate Governance Guidelines, which provide a framework for the conduct of our Board of Directors' business. The Code of Corporate Conduct, the Corporate Governance Guidelines and the Independence Standards for Directors, as well as each of the charters of the Audit Review, Compensation and NCG Committees, are available free of charge on our website at http://www.hyster-yale.com, under the heading “Corporate Governance.” The information contained on or accessible through our website is not incorporated by reference into this Proxy Statement and you should not consider such information to be part of this Proxy Statement.

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Review and Approval of Related Party Transactions

The Audit Review Committee reviews all relationships and transactions in which we and our directors and executive officers or their immediate family members are participants to determine whether such persons have a direct or indirect material interest in such transactions. Our legal department is primarily responsible for the development and implementation of processes and controls to obtain information from the directors and executive officers with respect to related person transactions in order to enable the Audit Review Committee to determine whether we have or a related person has a direct or indirect material interest in the transaction. In the course of the review of a potentially material related-person transaction, the Audit Review Committee considers:

- the nature of the related person's interest in the transaction;
- the material terms of the transaction, including, without limitation, the amount and type of transaction;
- the importance of the transaction to the related person;
- the importance of the transaction to us;
- whether the transaction would impair the judgment of a director or executive officer to act in our best interest; and
- any other matters the Audit Review Committee deems appropriate.

Based on this review, the Audit Review Committee will determine whether to approve or ratify any transaction that is directly or indirectly material to us or a related person.

Any member of the Audit Review Committee who is a related person with respect to a transaction under review may not participate in the deliberations or vote with respect to the approval or ratification of the transaction. However, such director may be counted in determining the presence of a quorum at a meeting of the Audit Review Committee that considers the transaction.

Communication with Directors

Our security holders and other interested parties may communicate with our Board of Directors as a group, with the non-management directors as a group, or with any individual director by sending written communications to Hyster-Yale Materials Handling, Inc., 5875 Landerbrook Drive, Suite 300, Cleveland, Ohio 44124-4069, Attention: Secretary. Complaints regarding accounting, internal accounting controls or auditing matters will be forwarded directly to the Chairman of the Audit Review Committee. All other communications will be provided to the individual director(s) or group of directors to whom they are addressed. Copies of all communications will be provided to all other directors; provided, however, that any such communications that are considered to be improper for submission to the intended recipients will not be provided to the directors. Examples of communications that would be considered improper for submission include, without limitation, customer complaints, solicitations, communications that do not relate, directly or indirectly, to our or our principal operating subsidiary's business or communications that relate to improper or irrelevant topics.

Report of the Audit Review Committee

The Audit Review Committee has reviewed and discussed with our management and Ernst & Young LLP, our independent registered public accounting firm, our audited consolidated financial statements contained in our Annual Report to Stockholders for the year ended December 31, 2014. The Audit Review Committee has also discussed with our independent registered public accounting firm the matters required to be discussed by the Statement on Auditing Standards No. 16, "Communications with Audit Committees," as adopted by the Public Company Accounting Oversight Board.

The Audit Review Committee has received and reviewed the written disclosures and the independence letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young LLP's communications with the Audit Review Committee concerning independence, and has discussed with Ernst & Young LLP its independence.

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Based on the review and discussions referred to above, the Audit Review Committee recommended to the Board of Directors (and the Board of Directors subsequently approved the recommendation) that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC.
F. JOSEPH LOUGHREY, CHAIR
CAROLYN CORVI
JOHN P. JUMPER
MICHAEL E. SHANNON
EUGENE WONG

PART TWO - PROPOSALS TO BE VOTED ON AT THE 2015 ANNUAL MEETING
Election of Directors (Proposal 1)
Director Nominee Information
It is intended that shares represented by proxies in the enclosed form will be voted for the election of the nominees named in the following table to serve as directors for a term until the next annual meeting and until their successors are elected, unless contrary instructions are received. The Board of Directors has fixed the total number of directors to be elected at the Annual Meeting at ten. All of the nominees listed below presently serve as our directors and were elected at our 2014 Annual Meeting of stockholders. Mr. Michael Shannon, who has served as a director of the Company since 2002, is retiring and will not stand for reelection when his current term expires at the Annual Meeting. If an unexpected occurrence should make it necessary, in the judgment of the proxy holders, to substitute another person for any of the nominees, shares represented by proxies will be voted for such other person as the proxy holders may select.
The disclosure below provides information as of the date of this Proxy Statement about each director nominee. The information presented is based upon information each director has given us about his or her age, all positions held, principal occupation and business experience for the past five years, and the names of other publicly-held companies for which he/she currently serves as a director or has served as a director during the past five years. We have also presented information regarding each nominee's specific experience, qualifications, attributes and skills that led our Board of Directors to the conclusion that he/she should serve as a director. We believe that the nomination of each of our director nominees is in the best long-term interests of our stockholders, as each individual possesses the highest personal and professional ethics, integrity and values, and has the judgment, skill, independence and experience required to serve as a member of our Board of Directors. Each individual has also demonstrated a strong commitment to service to the Company.

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Name	Age	Principal Occupation and Business Experience During Last Five Years and other Directorships in Public Companies	Director Since*
J.C. Butler, Jr.	54	Senior Vice President - Finance, Treasurer and Chief Administrative Officer of NACCO Industries, Inc. (our former parent company that is an operating holding company with subsidiaries in the mining, small appliance and specialty retail industries) ("NACCO") since 2012. From prior to 2010 to September 2012, Vice President - Corporate Development and Treasurer of NACCO. From July 2014, Senior Vice President - Project Development, Administration and Mississippi Operations of the North American Coal Corporation (referred to as NACoal). From January 2010 to June 2014, Senior Vice President - Project Development and Administration of NACoal. From August 2011 to September 2012, Treasurer of NACCO Materials Handling Group, Inc., our principal operating subsidiary, referred to as NMHG. From prior to 2010 to January 2010, Senior Vice President - Project Development of NACoal. With over 19 years of service as a member of management at NACCO while we were its wholly-owned subsidiary, Mr. Butler has extensive knowledge of the operations and strategies of our Company.	2012
Carolyn Corvi	63	Retired Vice President and General Manager - Airplane Programs of The Boeing Company (an aerospace company) since January 2009. Director of United Continental Holdings, Inc. and Allegheny Technologies, Inc. From June 2010 to July 2012, Director of Goodrich Corporation. Ms. Corvi's experience in general management, including her service as vice president and general manager of a major publicly-traded corporation, enables her to make significant contributions to our Board of Directors. Through this past employment experience and her past and current service on the boards of publicly-traded corporations, she offers the Board a comprehensive perspective for developing corporate strategies and managing risks of a major publicly-traded corporation.	2012
John P. Jumper	70	Chairman of the Board of Leidos Holdings, Inc. (an applied technology company) since 2013. From 2013 to July 2014, Chief Executive Officer of Leidos Holdings, Inc. Retired Chief of Staff, United States Air Force. From March 2012 to September 2013, Chairman and Chief Executive Officer of Science Applications International Corporation (a technology integrator providing full life cycle solutions). From prior to 2010, President, John P. Jumper & Associates (aerospace consulting). Also, Director of NACCO. From prior to 2010 to September 2013, Director of Science Applications International Corporation. From prior to 2010	2012

		until March 2012, Director of Wesco Aircraft Holding, Inc. From prior to 2010 to February 2012, Director of Jacobs Engineering, Inc. From prior to 2010 to 2012, Director of Goodrich Corporation. From prior to 2010 to 2010, Director of Somanectics Corp. Through his extensive military career, including as the highest-ranking officer in the U.S. Air Force, General Jumper developed valuable and proven leadership and management skills that make him a significant contributor to our Board. In addition, General Jumper's service on the boards of other publicly-traded corporations, as well as Chairman and Chief Executive Officer of two Fortune 500 companies, allow him to provide valuable insight to our Board on matters of corporate governance and executive compensation policies and practices.	
Dennis W. LaBarre	72	Retired Partner of the law firm of Jones Day since January 2015. From January 2014 to December 2014, Of Counsel at Jones Day. From prior to 2010 to December 2013, Partner at Jones Day. Mr. LaBarre also serves as a Director of NACCO. Mr. LaBarre is a lawyer with broad experience counseling boards and senior management of publicly-traded and private corporations regarding corporate governance, compliance and other domestic and international business and transactional issues. In addition, he has over 30 years of experience as a member of senior management of a major international law firm. These experiences enable him to provide our Board of Directors with an expansive view of legal and business issues, which is further enhanced by his extensive knowledge of us as a result of his many years of service on NACCO's board and through his involvement with its committees.	1985
F. Joseph Loughrey	65	Retired Vice Chairman, Cummins, Inc., (an engine manufacturing company) since April 2009. Chairperson of Hillenbrand, Inc. and Director of AB SKF and The Vanguard Group. Mr. Loughrey served as a Director of Sauer-Danfoss Inc. from prior to 2010 to 2010. Mr. Loughrey's experiences as a president and chief operating officer of a major public company allow him to make significant contributions to our Board. His over 35 years of experience in manufacturing at a global company have provided him with vast management and financial experience as well as important perspectives for running a global business.	2013

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Name	Age	Principal Occupation and Business Experience During Last Five Years and other Directorships in Public Companies	Director Since*
Alfred M. Rankin, Jr.	73	Chairman, President and Chief Executive Officer of the Company and Chairman of NMHG. Chairman, President and Chief Executive Officer of NACCO. Chairman of the Board of each of NACCO's principal subsidiaries: NACoal, Hamilton Beach Brands, Inc. and The Kitchen Collection, LLC from prior to 2010. From prior to 2010 to October 2014, Director of The Vanguard Group. From prior to 2010 to 2012, Director of the Board of Directors of the Federal Reserve Bank of Cleveland and from 2010 to 2012, Chairman of the Board of Directors of the Federal Reserve Bank of Cleveland. From prior to 2010 to 2012, Director of Goodrich Corporation. In over 40 years of service to NACCO, our former parent company, as a Director and over 25 years in senior management of NACCO, Mr. Rankin has amassed extensive knowledge of all of our strategies and operations. In addition to his extensive knowledge of the Company, he also brings to our Board unique insight resulting from his service on the boards of other publicly-traded corporations and the Federal Reserve Bank of Cleveland. Additionally, through his dedicated service to many of Cleveland's cultural institutions, he provides a valuable link between our Board, the Company and the community surrounding our corporate headquarters.	1985
Claiborne R. Rankin	64	Manager of NCAF Management, LLC, the managing member of North Coast Angel Fund, LLC (a private firm specializing in venture capital and investments) from prior to 2010. Managing Member of Sycamore Partners, LLC, the manager of NCAF Management II, LLC and managing member of North Coast Angel Fund II, LLC (private firms specializing in venture capital and investments) from prior to 2010. Since 2014, Executive Chairman and Acting President of SironRX Theraputics, Inc. (a privately-held biotechnology company). From prior to 2010, Director of NMHG. Mr. Rankin is the grandson of the founder of NACCO. As a member of the board of NMHG for more than 20 years, Mr. Rankin has extensive knowledge of the lift truck industry and the Company. This experience and knowledge, his venture capital experience and the perspective of a long-term stockholder enable him to contribute to our Board of Directors.	1994
John M. Stropki	64	Executive Chairman, Lincoln Electric Holding, Inc. (a welding products company) from December 2012 to	2013

		December 2013. Mr. Stropki retired in December 2013. From prior to 2010 to December 2012, Chairman, President and Chief Executive Officer of Lincoln Electric Holding, Inc. Also, Director of the Sherwin Williams Company and Rexnord Corporation. Mr. Stropki's experience as a president and chief executive officer of a publicly traded corporation allows him to make significant contributions to our Board of Directors. His 40 years of experience at Lincoln Electric have provided him vast management, manufacturing and leadership skills in an industrial company as well as important perspectives in operating a business in a global market.	
Britton T. Taplin	58	Self-employed (personal investments) from prior to 2010. Mr. Taplin also serves as a Director of NACCO. Mr. Taplin is the grandson of the founder of NACCO and brings the perspective of a long-term stockholder to our Board of Directors.	1992
Eugene Wong	80	Professor Emeritus of the University of California at Berkeley from prior to 2010. Dr. Wong formerly served as a Director of NACCO from prior to 2010 to September, 2012. Dr. Wong has broad experience in engineering, particularly in the areas of electrical engineering and software design, which are of significant value to the oversight of our information technology infrastructure, product development and general engineering. He has served as technical consultant to a number of leading and developing nations, which enables him to provide an up-to-date international perspective to our Board of Directors. Dr. Wong has also co-founded and managed several corporations, and has served as a chief executive officer of one, enabling him to contribute an administrative and management perspective of a corporate chief executive officer.	2005

*Includes time served as director of the predecessor to Hyster-Yale Materials Handling, Inc. Such predecessor was merged into the Company in connection with the spin-off of the Company from NACCO, its former parent company, on September 28, 2012.

J.C. Butler, Jr. is the son-in-law of Alfred M. Rankin, Jr. As indicated on the Director Compensation Table shown below, in 2014, Mr. Butler received $151,129 in total compensation from us as a director.

Claiborne R. Rankin is the brother of Alfred M. Rankin, Jr. As indicated on the Director Compensation Table shown below, in 2014, Mr. Claiborne R. Rankin received $146,237 in total compensation from us as a director.

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Director Compensation

The following table sets forth all compensation of each director for services as our directors and as directors of our operating company NMHG, other than Alfred M. Rankin, Jr. In addition to being a director, Mr. Rankin serves as Chairman, President and CEO of the Company and Chairman of NMHG. Mr. Rankin does not receive any compensation for his services as a director. Mr. Rankin's compensation for services as one of our executive officers is shown in the Summary Compensation Table on page 32.

For Fiscal Year Ended December 31, 2014

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	All Other Compensation ($)(3)	Total ($)
J.C. Butler, Jr.	$79,180	$67,598	$4,351	$151,129
Carolyn Corvi	$98,180	$67,598	$1,459	$167,237
John P. Jumper	$96,180	$67,598	$4,351	$168,129
Dennis W. LaBarre	$91,180	$67,598	$4,272	$163,050
F. Joseph Loughrey	$91,680	$67,598	$5,459	$164,737
Claiborne R. Rankin	$73,180	$67,598	$5,459	$146,237
Michael E. Shannon	$103,180	$67,598	$5,335	$176,113
John M. Stropki	$14,366	$132,243	$5,785	$152,394
Britton T. Taplin	$73,180	$67,598	$5,459	$146,237
Eugene Wong	$21,366	$132,243	$3,335	$156,944

(1) The amounts in this column reflect the annual retainers and other fees earned by our directors for services rendered in 2014. They also include payment for certain fractional shares of Class A Common that were earned and cashed out under the Hyster-Yale Materials Handling, Inc. Non-Employee Directors' Equity Compensation Plan (the "Non-Employee Directors' Plan"), described below.

(2) Under the Non-Employee Directors' Plan, the directors are required to receive a portion of their annual retainer in shares of Class A Common (the "Mandatory Shares"). They are also permitted to elect to receive all or part of the remainder of the retainer and all fees in the form of shares of Class A Common (the "Voluntary Shares"). Amounts in this column reflect the aggregate grant date fair value of the Mandatory Shares and Voluntary Shares that were granted to directors under the Non-Employee Directors' Plan, determined pursuant to the Financial Accounting Standards Board Accounting Standards Codification Topic 718, which we refer to as FASB ASC Topic 718. See Notes (2) and (5) of the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 for more information regarding the accounting treatment of our equity awards.

(3) The amount listed includes: (i) $126 for each director in Company-paid life-insurance premiums for the benefit of the directors; (ii) other Company-paid premiums for accidental death and dismemberment insurance for the directors and their spouses; and (iii) personal excess liability insurance premiums for the directors and immediate family members (other than Messrs. Butler, Jumper and LaBarre). The amount listed also includes charitable contributions made in our name on behalf of the director and spouse under our matching charitable gift program in the amount of $2,000 for Dr. Wong, $0 for Ms. Corvi and $4,000 for each of the remaining directors.

Description of Material Factors Relating to the Director Compensation Table

Each non-employee director is entitled to receive the following annual compensation for service on our Board of Directors and on NMHG's boards of directors:

- a retainer of $125,000 ($69,000 of which is required to be paid in the form of shares of Class A Common, as described below);
- attendance fees of $1,000 per day for each meeting attended (including telephonic meetings) of our Board of Directors or NMHG's board of directors;

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- attendance fees of $1,000 for all meetings attended (including telephonic meetings) of a committee of our Board of Directors on which the director served;
- a retainer of $5,000 for each committee of our Board of Directors on which the director served (other than the Executive Committee);
- an additional retainer of $5,000 for each committee of our Board of Directors on which the director served as chairman (other than the Audit Review Committee); and
- an additional retainer of $10,000 for the chairman of the Audit Review Committee of our Board of Directors.

The retainers are paid quarterly in arrears and the meeting fees are paid following each meeting. Each director is also reimbursed for expenses incurred as a result of attendance at meetings. We also occasionally make a private aircraft available to directors for attendance at meetings of our Board of Directors and NMHG's boards of directors.

Under the Non-Employee Directors' Plan, each director who was not an officer of the Company or one of our subsidiaries receives $69,000 of the $125,000 retainer in whole shares of Class A Common. Any fractional shares are paid in cash. The actual number of shares of Class A Common issued to a director is determined by the following formula:

the dollar value of the portion of the $69,000 retainer that was earned by the director each quarter
divided by
the average closing price of shares of Class A Common on the NYSE for each week during such quarter.

These shares are fully vested on the date of grant, and the director is entitled to all rights of a stockholder, including the right to vote and receive dividends. However, the shares cannot be assigned, pledged or otherwise transferred by the director other than:

- by will or the laws of descent and distribution;
- pursuant to a qualifying domestic relations order; or
- to a trust for the benefit of the director or his spouse, children or grandchildren.

These restrictions lapse on the earliest to occur of:

- ten years after the last day of the calendar quarter for which such shares were earned;
- the director's death or permanent disability;
- five years from the date of the director's retirement;
- the date that a director is both retired from our Board of Directors and has reached age 70; or
- at such other time as determined by the Board of Directors in its sole discretion.

In addition, each director may elect under the Non-Employee Directors' Plan to receive shares of Class A Common in lieu of cash for up to 100% of the balance of their retainers and meeting attendance fees. The number of shares issued is determined under the same formula stated above. However, these Voluntary Shares are not subject to the foregoing transfer restrictions.

Each director also receives (i) Company-paid life insurance in the amount of $50,000; (ii) Company-paid accidental death and dismemberment insurance for the director and spouse; (iii) personal excess liability insurance in the amount of $10 million for the director and immediate family members who reside with the director (other than Messrs. Butler, Jumper and LaBarre) and (iv) up to $4,000 per year in matching charitable contributions.

Director Compensation Program for 2015

The Compensation Committee periodically evaluates and recommends changes to our compensation program for directors. In 2014, the Compensation Committee used the Hay Group consulting firm to evaluate and provide recommendations regarding our director compensation program. Our Board of Directors adopted certain recommendations and made changes effective January 1, 2015.

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The revised director compensation program is structured in a similar manner to the 2014 program. However, the retainers paid to each non-employee director for service on our Board of Directors were increased effective January 1, 2015, from $125,000 ($69,000 of which is paid in the form of shares of Class A Common) to $150,000 ($94,000 of which will be paid in the form of shares of Class A Common). In addition, (i) the committee membership retainers were increased from $5,000 to $7,000, and (ii) the committee chair retainers were increased by $5,000 to $10,000, (except for the Audit Review Committee retainer which was increased to $15,000).

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership of such securities with the SEC and the NYSE. Officers, directors and greater than ten percent beneficial owners are required by applicable regulations to furnish us with copies of all Section 16(a) forms they file.

Based upon the review of the copies of Section 16(a) forms received by us, and upon written representations from reporting persons concerning the necessity of filing a Form 5 Annual Statement of Changes in Beneficial Ownership, we believe that, during 2014, all filing requirements applicable for reporting persons were met, except as follows: Ms. Taylor filed a late Form 5 related to two transactions involving the automatic reinvestment of dividends in her spouse’s retirement account. Due to an administrative error, Ms. Diahn Taplin filed a late Form 4 related to a sale by her husband.

Confirmation of Appointment of the Independent Registered Public Accounting Firm of the Company for the Current Fiscal Year (Proposal 2)

Ernst & Young LLP has been selected by the Audit Review Committee as the principal independent registered public accounting firm for the current fiscal year for us and certain of our subsidiaries. The appointment of Ernst & Young LLP as our independent registered public accounting firm is not required to be submitted to a vote of our stockholders for confirmation. However, our Board of Directors believes that obtaining stockholder confirmation is a sound governance practice.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE CONFIRMATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OF THE COMPANY FOR 2015.

It is expected that representatives of Ernst & Young LLP will attend the Annual Meeting, with the opportunity to make a statement if they so desire, and, if a representative is in attendance, the representative will be available to answer appropriate questions.

If our stockholders fail to vote on an advisory basis in favor of the confirmation of the appointment of Ernst & Young LLP, the Audit Review Committee will take such actions as it deems necessary as a result of such stockholder vote. Even if the appointment of Ernst & Young, LLP is confirmed, the Audit Review Committee may select a different independent registered public accounting firm at any time during fiscal 2015 if it determines that such a change would be in the best interests of the Company and its stockholders.

Audit Fees

2014 and 2013 - Ernst & Young LLP billed or will bill us in the aggregate $3.0 and $2.6 million, respectively, for professional services rendered by Ernst & Young LLP in each of 2014 and 2013 for the audit of our annual consolidated financial statements for the fiscal years ended December 31, 2014 and 2013 and the review of the interim consolidated financial statements included in our Quarterly Reports on Form 10-Q filed during the fiscal years ended December 31, 2014 and 2013, as well as for services provided in connection with statutory audits and regulatory filings with the SEC.

Audit-Related Fees

2014 and 2013 - Ernst & Young LLP billed us in the aggregate less than $0.1 million each year for assurance and related services rendered by Ernst & Young LLP in each of 2014 and 2013, primarily related to services for audits of certain employee benefit plans.

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Tax Fees

2014 and 2013 - Ernst & Young LLP did not provide services and has not billed us for professional tax services rendered in 2014. Ernst & Young LLP billed us less than $0.1 million in the aggregate in 2013 for professional tax services rendered.

All Other Fees

2014 and 2013 - Ernst & Young LLP did not provide services and has not billed us fees for services provided by Ernst & Young LLP, other than the services reported under “Audit Fees”, “Audit-Related Fees” and "Tax Fees" during the fiscal years ended December 31, 2014 and 2013.

Except as set forth above and approved by the Audit Review Committee pursuant to our pre-approval policies and procedures, no assurance or related services, tax compliance, tax advice or tax planning services were performed by the principal independent registered public accounting firm for us during the last two fiscal years.

Pre-Approval Policies and Procedures

Under our pre-approval policies and procedures, only audit, audit-related services and limited tax services may be performed by our principal independent registered public accounting firm. All audit, audit-related, tax and other accounting services to be performed for us must be pre-approved by our Audit Review Committee. In furtherance of this policy, for 2014, the Audit Review Committee authorized us to engage Ernst & Young LLP for specific audit and audit-related services up to specified fee levels. The Audit Review Committee has delegated to the Chairman of the Audit Review Committee together with one other Audit Review Committee member the authority to approve services other than audit, review or attest services, which approvals are reported to the Audit Review Committee at its next meeting. We provide a summary of approvals and commitments at each general meeting of the Audit Review Committee.

The Audit Review Committee has considered whether the providing of the non-audit services to us by Ernst & Young LLP is compatible with maintaining its independence. In addition, as a result of the recommendation of the Audit Review Committee, we have adopted policies limiting the services provided by our independent registered public accounting firm that are not audit or audit-related services.

PART THREE - OTHER IMPORTANT INFORMATION

Executive Compensation

Compensation Discussion and Analysis

The material elements of our 2014 compensation objectives and policies as they relate to the Named Executive Officers listed in the Summary Compensation Table on page 32, referred to as the NEOs, are described below. This discussion and analysis should be read in conjunction with all accompanying tables, footnotes and text in the Proxy Statement.

Executive Compensation Governance

The Compensation Committee establishes and oversees the administration of the policies, programs and procedures for compensating our NEOs. The members of the Compensation Committee consist solely of independent directors. The Compensation Committee's responsibilities are listed on page 4.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves or has served on the compensation committee of any entity that has one or more of its executive officers serving as a member of our Compensation Committee.

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Named Executive Officers for 2014

The NEOs for 2014 are (or were) all employed by the Company's U.S. operating subsidiary, NMHG, and are listed in the table below:

Name	Titles
Alfred M. Rankin, Jr.	Chairman, President and CEO – Hyster-Yale Chairman – NMHG
Kenneth C. Schilling	Senior Vice President and Chief Financial Officer – Hyster-Yale Senior Vice President and Chief Financial Officer – NMHG
Michael P. Brogan (1)	Former Vice Chairman and CEO of NMHG – Hyster-Yale Former Vice Chairman and CEO – NMHG
Colin Wilson (2)	President and CEO of NMHG – Hyster-Yale President and CEO – NMHG
Charles F. Pascarelli (3)	President of Sales & Marketing, Americas - NMHG
Rajiv K. Prasad (4)	Senior Vice President, Global Product Development, Manufacturing and Supply Chain Strategy – NMHG

(1) Mr. Brogan retired as an active employee from the Company effective August 31, 2014 and entered into a consulting agreement, as further described in "Other Compensation of Named Executive Officers" beginning on page 26.

(2) Mr. Wilson, who formerly served as President, Chief Operating Officer and President, Americas of NMHG, became President and Chief Executive Officer of NMHG effective September 1, 2014.

(3) Mr. Pascarelli, who formerly served as President of Sales & Marketing, Americas of NMHG, became President of Americas of NMHG effective January 1, 2015.

(4) Mr. Prasad, who formerly served as Vice President, Global Product Development & Manufacturing Strategy of NMHG, became Senior Vice President, Global Product Development, Manufacturing and Supply Chain Strategy of NMHG effective September 1, 2014.

Compensation Consultants

The Compensation Committee receives assistance and advice from the Hay Group, an internationally-recognized compensation consulting firm. The Hay Group is engaged by and reports to the Compensation Committee. The Hay Group also provides advice and discusses compensation issues directly with management.

The Hay Group makes recommendations regarding substantially all aspects of compensation for our directors and senior management employees, including the NEOs. For 2014, the Hay Group was engaged to make recommendations regarding:

- Director compensation levels;
- Hay point levels, salary midpoints and incentive targets for all new senior management positions and/or changes to current senior management positions;
- 2014 salary midpoints, short-term and long-term incentive compensation targets (calculated as a percentage of salary midpoint) and target total compensation for all senior management positions; and
- 2014 salary midpoint range movement for all other employee positions.

All Hay point recommendations are determined through the consistent application of the Hay point methodology, which is a proprietary method that takes into account the know-how, problem solving and accountability requirements of the position. A representative of the Hay Group attended one of the Compensation Committee meetings in 2014 and, during that meeting, consulted with the Compensation Committee in executive session without management present.

The Hay Group did not provide any other services to us or the Compensation Committee in 2014. The Compensation Committee has considered and assessed all relevant factors, including but not limited to those set forth in Rule

10C-1(b)(4)(i) through (vi) of the Exchange Act, that could give rise to a potential conflict of interest with respect to the Hay Group. Based on this review, we are not aware of any conflict of interest that has been raised by the work performed by the Hay Group.

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Hay Group's All Industrial Survey - Salary Midpoint

As a starting point for setting target total compensation, the Compensation Committee directed the Hay Group to use its proprietary survey of a broad group of domestic industrial organizations ranging in size from under $150 million to over $5 billion in annual revenues (the "All Industrial survey"). For 2014, participants in the All Industrial survey included 284 parent organizations and 381 independent operating units which satisfied the Hay Group's quality assurance controls and represented almost all segments of industry, including manufacturing. The Compensation Committee chose this particular survey as its benchmark for the following reasons:

- It provides relevant information regarding the compensation paid to employees, including senior management employees, with similar skill sets used in our industry and represents the talent pool from which we recruit.
- The use of a broad-based survey reduces volatility and lessens the impact of cyclical upswings or downturns in any one industry that could otherwise skew the survey results in any particular year.
- It provides a competitive framework for recruiting employees from outside of our industry.

Using its proprietary Hay point methodology, the Hay Group compares positions of similar scope and complexity with the data contained in the All Industrial survey. The Hay Group then derives a median salary level for each Hay point level, including those positions occupied by the NEOs, which is targeted at the 50th percentile of the All Industrial survey. We refer to the 50th percentile median target as the salary midpoint. For 2014, the Compensation Committee set the salary midpoints for each of the NEOs at 100% of the salary midpoints recommended by the Hay Group. The Compensation Committee believes that the use of salary midpoints ensures that our compensation program provides sufficient compensation to attract and retain talented executives and maintain internal pay equity, without overcompensating our employees. Because salary midpoints are based on each Hay point level, all of the employees at a particular Hay point level generally have the same salary midpoint, with some geographic differences. The salary midpoint provided by the Hay Group is then used to calculate the total target compensation of all senior management employees, including the NEOs.

Compensation Policies, Objectives and Methodology - Total Target Compensation

The guiding principle of our compensation program is the maintenance of a strong link between an employee's compensation, individual performance and the performance of the Company or the business unit for which the employee has responsibility. The primary objectives of our compensation program are to:

- attract, retain and motivate talented management;
- reward management with competitive total compensation for achievement of specific corporate and individual goals;
- make management long-term stakeholders in the Company; and
- ensure that management's interests are closely aligned with those of our Company's stockholders.

The Compensation Committee establishes comprehensively defined “target total compensation” for each senior management employee following rigorous evaluation standards to ensure internal equity. In this process, the Compensation Committee reviews “tally sheets” for the NEOs and other senior management employees that list each employee's title, Hay points and the following information for the current year, as well as that being proposed for the subsequent year:

- Salary midpoint, as determined by the Hay Group from the All Industrial survey;
- Cash in lieu of perquisites (if applicable);
- Short-term incentive target dollar amount (determined by multiplying salary midpoint by a specified percentage of that midpoint, as determined by the Compensation Committee, with advice from the Hay Group, for each salary grade);
- Long-term incentive target dollar amount (determined in the same manner as the short-term incentive target);
- Target total compensation which is the sum of the foregoing amounts; and
- Base salary.

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In November 2013, the Compensation Committee reviewed the tally sheets for each of our NEOs to decide whether it should make changes to the 2014 compensation program. The Compensation Committee determined that the overall program continued to be consistent with our compensation objectives and did not make any material changes for 2014.

The design of our compensation program provides employees with the opportunity to earn superior compensation for outstanding results. Base salaries are set at levels appropriate to allow our incentive plans to serve as significant motivating factors. Because our program provides significantly reduced compensation for results that do not meet or exceed the established performance targets for the year, it encourages NEOs to earn incentive pay greater than 100% of target over time by delivering outstanding managerial performance.

The Compensation Committee views the various components of compensation as related but distinct. While the Compensation Committee uses the information provided from the All Industrial survey to determine the salary midpoint, it sets the level of actual base salary generally between 80% and 120% of salary midpoint (up to 130% for Mr. Rankin). The Compensation Committee also obtains the total target incentive compensation amounts from the All Industrial survey but determines the mix of short-term and long-term incentives in its discretion, based on its decision regarding how best to motivate our employees.

The following table sets forth target total compensation for the NEOs, as recommended by the Hay Group and approved by the Compensation Committee for 2014:

Named Executive Officer	(A) Salary Midpoint ($)(%)		(B) Cash in Lieu of Perquisites ($)(%)(1)		(C) Short-Term Plan Target ($)(%)		(D) Long-Term Plan Target ($)(%)(2)		(A)+(B)+(C)+(D) Target Total Compensation ($)
Alfred M. Rankin, Jr. (3)	$640,500	17%	$30,000	1%	$704,550	18%	$2,430,698	64%	$3,805,748
Kenneth C. Schilling	$369,800	43%	$20,000	2%	$184,900	21%	$297,689	34%	$872,389
Michael P. Brogan (4)	$708,700	37%	$40,000	2%	$377,973	19%	$815,005	42%	$1,941,678
Colin Wilson (5)	$708,700	40%	$40,000	2%	$338,520	19%	$681,272	39%	$1,768,492
Charles F. Pascarelli	$369,800	43%	$20,000	2%	$184,900	21%	$297,689	34%	$872,389
Rajiv K. Prasad (5)	$433,800	45%	$20,000	2%	$196,350	20%	$316,124	33%	$966,274

(1) In addition to providing car allowances to senior employees outside the U.S. and other perquisites to a limited number of employees in unique circumstances, U.S. senior management employees are paid a fixed dollar amount of cash in lieu of perquisites. The applicable dollar amounts have been in effect since 2011 and were based on an analysis of the Hay Group's proprietary Benefits Report, which contains employee benefits data from a survey conducted by the Hay Group. For the 2010 Benefits Report, 852 organizations or operating units from substantially all areas of industry submitted information. The Compensation Committee used this information to set a defined perquisite allowance for each senior management employee, based on Hay point levels. These amounts are paid in cash ratably throughout the year. This approach satisfies our objective of providing competitive total compensation to our NEOs while recognizing that perquisites are largely just another form of compensation.

(2) The amounts shown include a 15% increase from the Hay-recommended long-term plan target awards that the Compensation Committee applies each year to account for the immediately taxable nature of the awards issued under the Hyster-Yale Materials Handling, Inc. Long-Term Equity Incentive Plan (the "Equity Long-Term Plan"). See "Long-Term Incentive Compensation" beginning on page 23.

(3) In addition to serving as Chairman, President and CEO of the Company, Mr. Rankin also served in 2014 as the Chairman, President and CEO of NACCO, our former parent company. Accordingly, consistent with the approach taken by the Compensation Committee in setting Mr. Rankin's compensation for the remainder of the 2012 calendar year following the spin-off from NACCO (the "Spin-Off"), and for the 2013 calendar year, the

Compensation Committee again adopted a compensation model for Mr. Rankin for 2014 based on the Hay-recommended aggregate compensation amounts for a hypothetical CEO of a "composite NACCO/Hyster-Yale" company. Based on Mr. Rankin's anticipated 2014 services being allocated 60% to Hyster-Yale and 40% to NACCO, and his stated desire that his total compensation not be increased as a result of the Spin-Off, our Compensation Committee then reduced the salary midpoint, perquisite allowance and short-term and long-term incentive targets to 60% of the levels recommended by the Hay Group to set Mr. Rankin's compensation for 2014.

(4) Mr. Brogan retired as an active employee from the Company effective August 31, 2014. His annualized salary midpoint and cash in lieu of perquisite amount are shown above. However, the Short-Term Plan and Long-Term Plan

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target amounts shown above reflect Mr. Brogan's employment for the first eight months of 2014 (i.e., 8/12 of his annualized targets).

(5) Messrs. Wilson and Prasad were promoted effective September 1, 2014 and their salary midpoints and perquisite allowances were increased on that date as a result of their promotions. The salary midpoints and cash in lieu of perquisite amounts shown above reflect their annualized post-promotion amounts. However, the Short-Term Plan and Long-Term Plan target amounts shown above reflect Messrs. Wilson's and Prasad's pre-promotion salary midpoints, consistent with Internal Revenue Code Section 162(m) ("Code Section 162(m)"). The amounts each actually received for 2014 are shown on the Summary Compensation Table on page 32.

Target total compensation is supplemented by health and welfare benefits and retirement benefits, which consist of (i) the tax-favored plans and (ii) the U.S. nonqualified deferred compensation arrangements described below (the "Excess Plans"). In addition, the Compensation Committee may award discretionary cash and equity bonuses to employees, including the NEOs.

Base Salary

The Compensation Committee fixes an annual base salary intended to be competitive in the marketplace to recruit and retain talented employees. Base salary is intended to provide employees with a set amount of money during the year with the expectation that they will perform their responsibilities to the best of their ability and in our best interests.

For 2014, the Compensation Committee determined the base salary for the NEOs by taking into account their individual performance for 2013 and the relationship of their 2013 base salary to the new 2014 salary midpoint for their Hay point level. The Compensation Committee also took into account other relevant information, including:

- general inflation, salary trends and economic forecasts provided by the Hay Group;
- general budget considerations and business forecasts provided by management; and
- any extraordinary personal accomplishments or corporate events that occurred during 2013.

The potential for larger salary increases exists for employees with lower base salaries relative to their salary midpoint and/or superior performance. The potential for smaller increases or even no increase exists for those employees with higher base salaries relative to their salary midpoint and/or who have performed less effectively during the performance period.

The following table sets forth the salary information for each NEO for 2014:

Named Executive Officer	Salary Midpoint Determined by the Hay Group ($)	Base Salary For 2014 and as a Percentage of Salary Midpoint ($)(%)		Change Compared to 2013 Base Salary (%)
Alfred M. Rankin, Jr. (1)	$640,500	$783,720	122%	5.0%
Kenneth C. Schilling	$369,800	$343,126	93%	5.0%
Michael P. Brogan (2)	$708,700	$432,459	N/A	N/A
Colin Wilson (3)	$708,700	$559,998	79%	12.2%
Charles F. Pascarelli	$369,800	$373,360	101%	4.0%
Rajiv K. Prasad (4)	$433,800	$385,084	89%	8.5%

(1) Mr. Rankin's salary midpoint is equal to 60% of the Hay-recommended amount for a hypothetical CEO of a "composite NACCO/Hyster-Yale" company in 2014. To determine his base salary for 2014, the Compensation Committee increased his initial composite 2013 base salary of $1,244,000 by 5.0% ($1,306,200) and multiplied it by 60%.

(2) Mr. Brogan retired as an active employee from the Company effective August 31, 2014. The base salary shown above and in the Summary Compensation Table is the amount actually received by Mr. Brogan for the first eight months of 2014.

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(3) Mr. Wilson's salary midpoint and base salary were increased effective September 1, 2014 when he became President and Chief Executive Officer of NMHG. The salary midpoint shown above is the 2014 annualized post-promotion amount. The base salary shown above and on the Summary Compensation Table is the blended amount actually received by Mr. Wilson in 2014. The percentage increase shown above is calculated based on a comparison of the blended base salary he received in 2014 to the base salary he received in 2013.

(4) Mr. Prasad's salary midpoint and base salary were increased effective September 1, 2014 when he became Senior Vice President, Global Product Development, Manufacturing and Supply Chain Strategy of NMHG. The salary midpoint shown above is the 2014 annualized post-promotion amount. The base salary shown above and on the Summary Compensation Table is the blended amount actually received by Mr. Prasad in 2014. The percentage increase shown above is calculated based on a comparison of the blended base salary he received in 2014 to the base salary he received in 2013.

Incentive Compensation

One of the principles of our compensation program is that senior management employees, including the NEOs, are compensated based on the performance of the business unit for which they are responsible. For 2014, the incentive compensation of Messrs. Rankin, Schilling, Brogan, Wilson and Prasad were based on the performance of the Company as a whole. Mr. Pascarelli's 2014 incentive compensation was based on the performance of the Company's Americas division. In 2014, all of the NEOs participated in (i) the NACCO Materials Handling Group, Inc. Annual Incentive Compensation Plan (the "Short-Term Plan"), and (ii) the Equity Long-Term Plan.

Overview. Our incentive compensation plans are designed to align the compensation interests of the senior management employees with our short-term and long-term interests. A significant portion of the NEOs' compensation is linked directly to the attainment of specific financial and operating targets. The Compensation Committee believes that a material percentage of the NEOs' compensation should be contingent on the performance of the Company and/or the business unit for which they are responsible. As illustrated on the target total compensation table on page 16, over 80% of Mr. Rankin's 2014 target compensation was variable or "at risk" and tied to Company performance and, as a group, over 55% of the NEOs' target compensation was tied to Company performance. For 2014, each of the NEO's incentive compensation targets exceeded the sum of his fixed payments (base salary plus perquisite allowance).

The performance criteria and target performance levels for the incentive plans are established annually by the Compensation Committee and are based upon management's recommendations as to our performance objectives for the year. Three types of performance targets are used in the incentive compensation plans:

•Targets Based on Annual Operating Plan. Certain performance targets are based on forecasts contained in the 2014 annual operating plan. With respect to these targets, there is an expectation that these performance targets will be met during the year. If they are not, the participants will not receive all or a portion of the award that is based on these performance criteria.

•Targets Based on Long-Term Goals. Other performance targets are not based on the 2014 annual operating plan. Rather, they are based on long-term goals established by the Compensation Committee. Because these targets are not based on the annual operating plan, it is possible in any given year that the level of expected performance may be above or below the specified performance target for that year. Certain operating profit percent targets are examples of targets that are based on long-term goals (see "Long-Term Incentive Compensation" beginning on page 23).

•Operating Profit Percent Over-Ride. In 2014, the Compensation Committee approved the addition of an operating profit percent over-ride feature to each of the Incentive Plans (as defined below). This feature provides for a reduction in payouts under the plans from the amounts otherwise determined under the pre-established performance targets unless a separate operating profit percent target is achieved, thus providing participants with additional motivation to deliver outstanding performance.

Each NEO is eligible to receive a short-term incentive award and a long-term incentive award based on a target incentive amount that is equal to a percentage of salary midpoint. However, the final payout may be higher or lower than the targeted amount.

Design of Incentive Program: Use of ROTCE to Determine Maximum Bonus Pool and Underlying Performance Metrics. Code Section 162(m), provides that we may not deduct compensation of more than $1 million that is paid to the NEOs (other than Messrs. Schilling and Brogan) unless that compensation is “qualified performance-based compensation.” The performance-based exception to Code Section 162(m) requires that deductible compensation be paid under a plan that has been approved by our stockholders. Stockholder approval was previously obtained for the following incentive compensation plans that provide benefits to the NEOs, which we collectively refer to as the Incentive Plans:

- The Short-Term Plan;
- The Equity Long-Term Plan; and
- The NACCO Materials Handling Group, Inc. Long-Term Incentive Compensation Plan (the "Cash Long-Term Plan").

None of the NEOs participated in the Cash Long-Term Plan during 2014. However, Messrs. Brogan, Wilson and Prasad were participants in the Cash Long-Term Plan in prior years and have outstanding awards under the Cash Long-Term Plan. Refer to note (8) of the "Nonqualified Deferred Compensation" table on page 38 and "Description of Nonqualified Deferred Compensation Plans" beginning on page 39 for additional information regarding the Cash Long-Term Plan.

For 2014, the Compensation Committee adopted minimum and maximum Return on Total Capital Employed ("ROTCE") performance targets under each of the Incentive Plans that were designed to meet the requirements of qualified performance-based compensation under Code Section 162(m). For each Incentive Plan, we establish a payment pool based on actual results against the ROTCE performance targets. A minimum ROTCE target of 2% must be met in order for any payment to be permitted under a particular Incentive Plan. A maximum ROTCE target of 8% is used to establish a maximum limit, and a maximum payment pool, for awards that can be paid to each covered employee under Code Section 162(m) under a particular Incentive Plan for the 2014 performance period.

The Compensation Committee then considered actual results against underlying financial and operating performance measures and exercised “negative discretion,” as permitted under Code Section 162(m), to determine the final incentive compensation payments for each participant. These underlying financial and operating performance measures are listed in the incentive compensation tables beginning on page 23 and reflect the achievement of specified business goals for 2014 or for future years.

See “Deductibility of Executive Compensation” on page 30 for additional information about our philosophy on structuring our incentive compensation plans for tax purposes.

ROTCE Methodology and Explanation. The 2014 ROTCE targets were used in the Incentive Plans to establish the minimum and maximum incentive payment pools for purposes of Code Section 162(m), as well as the underlying negative discretion ROTCE targets used to determine final payouts for participants under the Short-Term Plan.

The Compensation Committee reviews these factors annually and, unless it concludes that changes in these factors warrant an increase or decrease in the ROTCE performance targets, the ROTCE performance targets generally remain the same from year to year. The ROTCE performance targets have been adjusted in the past from time to time. When made, these periodic adjustments generally have reflected:

- management's expected ability to take advantage of anticipated changes in industry dynamics over the longer term;
- the anticipated impact of programs (such as layoffs and restructurings) on future profitability;
- the anticipated impact of economic conditions on our business;
- major accounting changes; and
- the anticipated impact over time of changes in our business model on our business.

After year-end financial results are computed, actual ROTCE performance is compared against the ROTCE performance targets and is used to determine both (i) the maximum payment pool under the Incentive Plans for the year and (ii) the final payouts under the Short-Term Plan for the year based on the pre-established formula. As a result, ROTCE serves as both a metric for tax deductibility to establish maximum potential incentive amounts and as a metric for underlying performance to determine final incentive compensation payout amounts. For 2014, all ROTCE results were at or above the applicable maximum ROTCE target and resulted in maximum payment pools of 150% of target under the Short-Term Plan and Cash Long-Term Plan and 200% of target under the Equity Long-Term Plan.

ROTCE is calculated for both of these purposes as follows:

Earnings Before Interest After-Tax after adjustments
divided by
Total Capital Employed after adjustments

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Earnings Before Interest After-Tax is equal to the sum of interest expense, net of interest income, less 38% for taxes, plus net income from continuing operations attributable to stockholders, which we refer to as net income. Total Capital Employed is equal to (i) the sum of the average debt and average stockholders' equity less (ii) average consolidated cash. Average debt, stockholders' equity and consolidated cash are calculated by taking the sum of the balance at the beginning of the year and the balance at the end of each of the next twelve months divided by thirteen. Consolidated ROTCE is calculated from the financial statements using average debt, average stockholders' equity and average cash based on the sum of the balance at the beginning of the year and the balance at the end of each quarter divided by five, which is then adjusted for any non-recurring or special items.

The same ROTCE targets were used under all three Incentive Plans for 2014. The following table contains the calculation of the Company's consolidated ROTCE for purposes of determining the minimum and maximum payment pools under the Incentive Plans for 2014:

2014 Net income	$109.8	
Plus: 2014 Interest expense, net	2.8	
Less: Income taxes on 2014 interest expense, net at 38%	(1.1	)
Earnings Before Interest After-Tax	$111.5	
2014 Average stockholders' equity (12/31/2013 and each of 2014's quarter ends)	$468.7	
2014 Average debt (12/31/2013 and each of 2014's quarter ends)	42.8	
Less: 2014 Average cash (12/31/2013 and each of 2014's quarter ends)	(118.2	)
Total Capital Employed	$393.3	
ROTCE (Before Adjustments)	28.3	%
Less: Adjustments to Earnings Before Interest After-Tax	$(8.1	)
Plus: Adjustments to Total Capital Employed	$6.0	
Adjusted Consolidated ROTCE	25.9	%

Adjustments to the ROTCE calculation under the Incentive Plans are non-recurring or special items that are established by the Compensation Committee at the time the ROTCE targets are set. During 2014, the anticipated gain on the sale of the Company's manufacturing facility in Brazil was excluded from the ROTCE target and Adjusted Consolidated ROTCE. In addition, for 2014, the ROTCE adjustments related to the after-tax impact of the following costs or expenses only if they were in excess of the amounts included in the 2014 annual operating plan:

- the post-acquisition impact of business acquisitions;
- expenses related to acquisitions;
- non-cash pension settlement accounting charges;
- valuation allowances provided against deferred tax assets; and
- environmental expenses.

The Compensation Committee determined that these items were incurred in connection with improving our operations and, as a result, these items should not adversely affect incentive compensation payments, as the actions or events were beneficial to us or were generally not within the employees' control.

Calculation and Payment Overview.   Awards under the Short-Term Plan and the Equity Long-Term Plan are determined as follows:

- Target awards for each executive are equal to a specified percentage of the executive's 2014 salary midpoint, based on the number of Hay points assigned to the position and the appropriate level of short-term and long-term incentive compensation targets recommended by the Hay Group and adopted by the Compensation Committee at that level. The Compensation Committee then increases the target amounts under the Equity Long-Term Plan by 15% to account for the immediately taxable nature of the awards.
- The plans have a one-year performance period.

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- Final awards are determined after year-end by comparing actual performance to the pre-established performance targets that were set by the Compensation Committee.
- The Compensation Committee, in its discretion, may decrease or eliminate awards.
- For participants other than the NEOs, the Compensation Committee, in its discretion, may also increase awards and may approve the payment of awards where performance would otherwise not meet the minimum criteria set for payment of awards, although it rarely does so.
- Short-Term Plan awards are paid annually in cash and Equity Long-Term Plan awards are paid annually in a combination of cash and restricted shares of Class A Common.
- All awards are immediately vested when granted.
- Refer to “ Employment and Severance Agreements and Change in Control Payments” on page 29 for a description of the impact of a change in control on Incentive Plan awards.

Incentive Compensation Tables. When reviewing the incentive compensation tables beginning below, the following factors should be considered:

- Selection of Performance Factors and Targets. The Compensation Committee considered the factors described under "Incentive Compensation - Overview" beginning on page 18 and adopted performance criteria and target performance levels to determine the 2014 incentive compensation awards. In calculating the various performance targets and results, adjustments were made for various items incurred in connection with improving our operations, similar to the adjustments listed for the ROTCE calculation above.
- Achievement Percentages. The achievement percentages are based on the formulas contained in performance guidelines adopted by the Compensation Committee. The formulas do not provide for straight-line interpolation from the performance target to the maximum payment target.
- Market Share Performance Factors. These tables do not disclose our market share targets or results due to the competitively sensitive nature of that information. The market share targets under the Short-Term Plan were based on our expected 2014 annual operating plan results, while the market share targets under the Equity Long-Term Plan were based on a combination of the Company's current market position and long-term strategic objectives. The Compensation Committee believed that, with strong management performance, it was reasonably possible for the Company to meet all market share targets in 2014.
- Operating Profit Percent Over-Ride. In 2014, the Compensation Committee approved the addition of an operating profit percent over-ride feature for each of the Incentive Plans. This feature provides for a reduction in payouts under the plans from the amounts otherwise determined under the pre-established performance targets unless a separate operating profit percent target of 4.0% is achieved, thus providing participants with additional motivation to deliver outstanding performance.

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Short-Term Incentive Compensation

For 2014, the Short-Term Plan was designed to provide target short-term incentive compensation to the NEOs of between 50% and 110% of salary midpoint, depending on the NEO's position. The table below shows the short-term target awards approved by the Compensation Committee under the Short-Term Plan for each NEO for 2014:

Named Executive Officer	(A) 2014 Salary Midpoint ($)	(B) Short-Term Plan Target as a % of Salary Midpoint (%)	(C) = (A) x (B) Short-Term Plan Target ($)	(D) 2014 Short-Term Plan Payout (%)	(E) = (C) x (D) Short-Term Plan Payout ($)	(F) = (E)/(A) Short-Term Plan Payout as a % of Salary Midpoint
Alfred M. Rankin, Jr. (1)	$640,500	110.0%	$704,550	76.5%	$538,981	84.15%
Kenneth C. Schilling	$369,800	50.0%	$184,900	76.5%	$141,449	38.25%
Michael P. Brogan (2)	$708,700	53.3%	$377,973	76.5%	$289,149	40.80%
Colin Wilson (3)	$708,700	47.8%	$338,520	93.7%	$317,220	44.76%
Charles F. Pascarelli (4)	$369,800	50.0%	$184,900	90.7%	$167,704	45.35%
Rajiv K. Prasad (3)	$433,800	45.3%	$196,350	82.0%	$160,979	37.11%

(1) Mr. Rankin's target award under the Short-Term Plan is equal to 60% of the Hay-recommended amount of $1,174,250 for a hypothetical CEO of a "composite NACCO/Hyster-Yale" company in 2014.

(2) Mr. Brogan retired effective August 31, 2014. His Short-Term Plan target for 2014 was set at 80% of his salary midpoint. Under the terms of the Short-Term Plan, Mr. Brogan was entitled to receive a pro-rata award for the period of time he worked during 2014. Therefore, the Short-Term Plan target amount shown above reflects Mr. Brogan's employment for the first eight months of 2014 (i.e., 8/12 of his annualized target).

(3) Messrs. Wilson and Prasad were each promoted effective September 1, 2014, effectively serving in their pre-promotion positions for the first eight months of 2014 (i.e., 8/12 of the year) and in their post-promotion positions for the last four months of 2014 (i.e., 4/12 of the year). Their salary midpoints were increased as a result of the promotion and the 2014 annualized post-promotion amounts are shown above. However, the incentive compensation targets under the Short-Term Plan for 2014 for Messrs. Wilson and Prasad were not increased, consistent with Section 162(m). Mr. Wilson's Short-Term Plan target for 2014 was set at 60% of his pre-promotion salary midpoint of $564,200 and Mr. Prasad's Short-Term Plan target for 2014 was set at 50% of his pre-promotion salary midpoint of $392,700.

Refer to "Short-Term Incentive Compensation for Messrs. Rankin, Schilling, Brogan, Wilson and Prasad" below for the calculation of the Short-Term Plan payouts for Messrs. Wilson and Prasad.

(4) Mr. Pascarelli's 2014 Short-Term Plan payout was based on the performance of the Company's Americas division.

The following tables show the performance criteria established by the Compensation Committee for 2014 under the Short-Term Plan to determine final incentive compensation payments for the NEOs. For 2014, incentive compensation under the Short-Term Plan was based on performance against specific business objectives, as identified in the Company's 2014 annual operating plan.

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Short-Term Incentive Compensation for Messrs. Rankin, Schilling, Brogan, Wilson and Prasad. The following table shows the performance criteria established by the Compensation Committee for 2014 under the Short-Term Plan to determine final incentive compensation payments for corporate executives in the U.S., including Messrs. Rankin, Schilling, Brogan, Wilson and Prasad:

Performance Criteria	(A) Weighting	Performance Target	Performance Result	(B) Achievement Percentage	(A) x (B) Payout Percentage
Adjusted Operating Profit Dollars - Global	20%	$146,534,779	$135,582,763	85.1%	17.0%
Adjusted Operating Profit Percent - Global	20%	5.2%	4.9%	93.7%	18.7%
Adjusted ROTCE - Global	20%	25.9%	25.9%	100.0%	20.0%
Market Share - Americas	17%	—	—	80.8%	13.7%
Market Share - Brazil	4%	—	—	0%	0%
Market Share - Europe, Middle East and Africa (EMEA)	10%	—			