

GEORGIA GULF CORP /DE/  
Form PRE 14A  
August 12, 2009

[QuickLinks](#) -- Click here to rapidly navigate through this document

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Georgia Gulf 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):

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):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Edgar Filing: GEORGIA GULF CORP /DE/ - Form PRE 14A

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the 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:

---

## GEORGIA GULF CORPORATION

115 Perimeter Center Place  
Suite 460  
Atlanta, Georgia 30346

### NOTICE OF SPECIAL MEETING OF STOCKHOLDERS To Be Held September 29, 2009

To the Stockholders:

A Special Meeting of Stockholders of Georgia Gulf Corporation will be held in the Conference Center at the South Terraces, 115 Perimeter Center Place, Atlanta, Georgia 30346, on September 29, 2009 at 10:00 a.m. local time for the following purposes:

- (1) to consider and vote upon an amendment to our certificate of incorporation to increase the number of authorized shares of common stock from 3 million to 100 million and
- (2) to consider and vote upon the 2009 equity and performance incentive plan providing for the issuance of up to 3,033,000 shares of our common stock.

The Board of Directors has fixed the close of business on August 17, 2009 as the record date for the determination of stockholders entitled to notice of and to vote at the meeting. Please vote before the meeting in one of the following ways:

- (1) use the toll-free number shown on your proxy card;
- (2) visit the website shown on your proxy card to vote via the Internet; or
- (3) complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

You are cordially invited to attend the meeting. However, whether or not you plan to be personally present at the meeting, please complete, date and sign the enclosed proxy and return it promptly in the enclosed postage-prepaid envelope or submit your proxy by telephone or the Internet so that your shares may be represented at the meeting.

#### **Important Notice Regarding the Availability of Proxy Materials for the Special Meeting of Stockholders to be Held on September 29, 2009**

The proxy statement is available at  
[www.edocumentview.com/GGC2009](http://www.edocumentview.com/GGC2009)

By Order of the Board of Directors

Joel I. Beerman  
Vice President, General Counsel  
and Secretary

Dated: August \_\_\_\_, 2009

---

## Georgia Gulf Corporation

115 Perimeter Center Place  
Suite 460  
Atlanta, Georgia 30346

### PROXY STATEMENT SPECIAL MEETING OF STOCKHOLDERS

To Be Held September 29, 2009

#### GENERAL

This proxy statement and the accompanying form of proxy are being furnished to the stockholders of Georgia Gulf Corporation on or about August \_\_, 2009 in connection with the solicitation of proxies by our Board of Directors for use at the special meeting of stockholders to be held on September 29, 2009 at 10:00 a.m. local time in the Conference Center at the South Terraces, 115 Perimeter Center Place, Atlanta, Georgia 30346, and any adjournment of the meeting. You may revoke your proxy at any time before it is voted at the special meeting by:

- (1) voting over the telephone or Internet if eligible to do so your latest dated vote before the special meeting will be the vote counted;
- (2) delivering to our Corporate Secretary a signed notice of revocation or a new proxy card with a later date; or
- (3) voting in person at the special meeting.

The enclosed proxy card provides instructions for eligible stockholders. Stockholders not wishing to vote through the Internet or by telephone or whose proxy card does not mention information about Internet or telephone voting should complete the enclosed paper proxy card and return it in the enclosed postage-paid envelope. Signing and returning the proxy card or submitting the proxy via the Internet or by telephone does not affect your right to revoke your proxy or to vote in person at the special meeting.

If your shares are held in "street name" by a broker or other nominee, you should check the voting form used by that firm to determine whether you may provide voting instructions to the broker or other nominee by telephone or the Internet.

Unless otherwise specified, all shares represented by effective proxies will be voted in favor of:

the amendment to our certificate of incorporation (or "charter") to increase the number of authorized shares of common stock from 3 million to 100 million and

the 2009 equity and performance incentive plan providing for the issuance of up to 3,033,000 shares of our common stock.

We will pay the cost of soliciting proxies. In addition to use of the mails, proxies may be solicited in person or by telephone or facsimile by our directors and officers, who will not receive additional compensation for these services. We have retained Laurel Hill Advisory Group, LLC to assist in the solicitation of proxies for a fee not to exceed \$6,500, plus reasonable out of pocket expenses. Brokerage houses, nominees, custodians and fiduciaries will be requested to forward soliciting material to beneficial owners of stock held of record by them, and we will reimburse those persons for their reasonable expenses in doing so.

Only holders of record of outstanding shares of our common stock and convertible preferred stock at the close of business on August 17, 2009 are entitled to notice of, and to vote at, the meeting. Each

## Edgar Filing: GEORGIA GULF CORP /DE/ - Form PRE 14A

stockholder is entitled to one vote for each share of common stock and convertible preferred stock held on the record date. There were [2,712,952] shares of common stock and [29,761,540] shares of convertible preferred stock outstanding and entitled to vote on August 17, 2009. When the holders of a majority of the common stock and the convertible preferred stock, considered as a single class and referred to as a quorum, are represented at the meeting, the vote of the holders of a majority of those shares present in person or represented by proxy will decide whether the new equity incentive plan will be approved, and the charter amendment will require approval by holders of a majority of the outstanding common stock in addition to holders of a majority of the outstanding common stock and convertible preferred stock voting as a single class. Abstentions and broker "non-votes" will be counted as present in determining whether the quorum requirement is satisfied. A "non-vote" occurs when a nominee holding shares for a beneficial owner votes on one proposal pursuant to discretionary authority or instructions from the beneficial owner, but does not vote on another proposal because the nominee has not received instruction from the beneficial owner and does not have discretionary power to vote on that proposal. The aggregate number of votes entitled to be cast by all stockholders present in person or represented by proxy at the meeting, whether those stockholders vote for or against the proposals or abstain from voting, will be counted for purposes of determining the minimum number of affirmative votes required for approval of each of the proposals, and the total number of votes cast for each of these proposals will be counted for purposes of determining whether sufficient affirmative votes have been cast. An abstention from voting by a stockholder on a proposal has the same effect as a vote against the proposal. Broker "non-votes" are not counted for purposes of determining whether a proposal has been approved. Holders of an aggregate of 1,138,775 shares of common stock and 24,622,511 shares of convertible preferred stock have entered into agreements that require them to vote in favor of the two proposals. All share-related information included herein has been adjusted to give effect to the 1-for-25 reverse stock split effected July 28, 2009.

To attend the meeting, you will need to bring an admission ticket (or legal proxy) and valid picture identification. If your shares are registered in your name and you received proxy materials by mail, your admission ticket is attached to your proxy card. If you hold shares through an account with a bank or broker, you will need to contact your bank or broker and request a legal proxy, which will serve as your admission ticket. Cell phones must be turned off prior to entering the meeting. Cameras and video, audio or any other electronic recording devices will not be allowed in the meeting room during the annual meeting, other than for Georgia Gulf Corporation purposes.

**PROPOSAL I**  
**AMENDMENT TO THE CERTIFICATE OF INCORPORATION TO INCREASE**  
**THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK**

**Proposed Amendment**

The Board of Directors has adopted, subject to stockholder approval, a resolution recommending that the Company's certificate of incorporation be amended and restated to increase the number of authorized shares of the Company's common stock from 3 million shares to 100 million shares. Such increase in the number of authorized shares of common stock would be effected by amending the first paragraph of the current fourth article of the certificate of incorporation in substantially the form attached to this Proxy Statement as Annex A.

**Background and Purpose of the Proposed Amendment**

On July 29, 2009, the Company substantially restructured its indebtedness by amending its senior secured credit agreement and its asset securitization agreement to provide greater financial flexibility and by exchanging equity securities for \$736 million of the \$800 million then-outstanding principal amount of its notes. The Company initially had offered to exchange the notes for new second lien notes and about 20% of the Company's common stock. After lengthy negotiations and numerous extensions of the exchange offers, the exchange offers were consummated whereby the Company issued approximately 1.3 million shares of its common stock (representing substantially all of its unissued and unreserved common stock) and approximately 29.8 million shares of its convertible preferred stock, which are convertible into shares of common stock. In connection with the issuance of such shares, the Company relied on the exception to the stockholder-approval policy of the New York Stock Exchange (the "NYSE"), as delay would have seriously jeopardized the Company's financial viability, and the NYSE accepted the Company's reliance on such exception. The Company also agreed to call the special meeting of stockholders to seek approval of the charter amendment to increase the authorized shares of common stock to permit conversion of the convertible preferred stock into common stock.

The convertible preferred stock, by its terms, will automatically convert into shares of common stock, on a share-for-share basis, subject to adjustment, upon the effectiveness of the charter amendment. The Board of Directors believes it is in the Company's best interest to increase the number of authorized shares of common stock to 100 million in order to accommodate the conversion of the convertible preferred stock issued pursuant to the exchange offers and to assure that additional shares of common stock are available for general corporate purposes, which may include raising additional capital, issuances under employee benefit plans, acquisitions of other companies, stock dividends, stock splits and other distributions. The Company does not have any current intention or plan to issue common stock for any purpose except for the issuance of shares upon conversion of the convertible preferred stock and in connection with the 2009 equity and performance incentive plan described in Proposal II; but, the Board nevertheless believes the additional authorized shares of common stock should be available for corporate purposes from time to time, without the potential expense and delay incident to obtaining stockholder approval for a particular issuance.

The convertible preferred stock ranks senior to our common stock upon a sale or liquidation of the Company. More specifically, should our convertible preferred stock remain outstanding (i.e., should Proposal I not be approved and our convertible preferred stock not convert to common stock), then upon a sale of substantially all of our assets, a transaction comprising a change of control of our Company, or a liquidation, the holders of our convertible preferred stock would be entitled to a preference, before any payments are made to holders of our common stock, and the amount of that preference would be approximately \$712 million, plus accrued dividends on such preferred stock. Commencing November 1, 2009, the convertible preferred stock will accrue dividends at a per annum rate of 10% of the stated value per share (which stated value currently is \$23.89), which rate will increase by 1% per quarter commencing on the first day of the quarter beginning January 1, 2010, up

to a maximum per annum rate of 18%. Thus, by 2012, after the dividend rate reaches the maximum 18% per annum rate of accrual, the preference to which the holders of our convertible preferred stock would be entitled should Proposal I not be approved and these shares not convert to common stock, would increase annually by over \$128 million per year. Prior to 2012, the preference of the convertible preferred stock would increase each quarter from initially about \$18 million per quarter to approximately \$30 million per quarter, prior to this dividend accrual reaching its maximum rate. The Board believes it to be in the best interests of the Company to approve Proposal I to eliminate the substantial sale or liquidation preference of our convertible preferred stock.

Further, so long as any shares of convertible preferred stock are outstanding, unless we obtain the consent of the holders of at least two-thirds of such shares, we cannot amend our charter or bylaws in certain respects, purchase or redeem any other of our equity securities, authorize or issue any shares senior or pari passu to the convertible preferred stock, or declare or pay any dividends on our common stock. Should Proposal I not be approved, and the convertible preferred stock remain outstanding and not convert to common stock, the Company's ability to raise equity capital would be substantially diminished, given the foregoing restrictions and the substantial sale and liquidation preference described above, and the Company would also be limited in its ability to redeem equity securities and pay dividends by the requirement for approval of such actions by at least two-thirds of the holders of convertible preferred stock. For these additional reasons, the Board has approved Proposal I and has recommended that the stockholders approve such proposal at the special meeting of stockholders.

### **Effects of the Proposed Amendment**

The additional shares of authorized common stock would be identical to the shares of common stock now authorized and outstanding, and this proposed amendment would not affect the rights of current holders of common stock. Any issuances of additional shares of common stock, however, could adversely affect the existing holders of shares of common stock by diluting their ownership, voting power and earnings per share with respect to such shares. The current holders of the Company's common stock do not have preemptive rights to purchase any shares of common stock of the Company that may be issued. The Company is currently authorized to issue up to 75 million shares of preferred stock, par value \$.01 per share, including the 32,050,000 shares of convertible preferred stock presently authorized. The proposed amendment to the certificate of incorporation will not affect this authorization.

### **Possible Anti-Takeover Effects of the Amendment**

The Board of Directors is unaware of any specific effort to obtain control of the Company and has no present intention of using the proposed increase in the number of authorized shares of common stock as an anti-takeover device. However, the Company's authorized but unissued common stock could (within the limits imposed by applicable law, regulation and the NYSE rules) be issued in one or more transactions that could make a change of control much more difficult and therefore more unlikely. The additional authorized shares of common stock could be used to discourage persons from attempting to gain control of the Company by diluting the voting power of shares then outstanding or increasing the voting power of persons who would support the Board in a potential takeover situation, including preventing or delaying a proposed business combination that is opposed by the Board, although perceived to be desirable by some stockholders.

### **No Appraisal Rights**

Stockholders will not have dissenters' or appraisal rights under Delaware corporate law or under the Company's certificate of incorporation in connection with the proposed amendment to the certificate of incorporation.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE *FOR* APPROVAL OF THE AMENDMENT TO THE CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK.**

**PROPOSAL II  
APPROVAL AND ADOPTION  
OF THE  
GEORGIA GULF CORPORATION 2009 EQUITY AND PERFORMANCE INCENTIVE PLAN**

**General**

The Board of Directors approved the Georgia Gulf Corporation 2009 Equity and Performance Incentive Plan (the "Plan") on July 27, 2009, subject to the approval of our stockholders. The Plan, if approved by our stockholders, will expire in 2019.

The Plan is intended to attract and retain officers, employees, consultants and directors for us and our subsidiaries and to motivate these persons to achieve performance objectives related to our overall goal of increasing stockholder value.

The Plan was adopted in connection with the completion of our private exchange offers described in Proposal I. On the date of acceptance of notes in the exchange offers, pursuant to agreements with certain noteholders, restricted share units for 2,274,745 shares in the aggregate were granted, subject to stockholder approval of the Plan.

The Plan authorizes the Board to provide equity-based compensation in the form of (1) stock options, including incentive stock options ("ISOs") entitling the optionee to favorable tax treatment under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), (2) appreciation rights, (3) restricted shares, (4) restricted share units and (5) performance shares and performance units. Each type of award is described below under "Types of Awards Under the Plan." Each of the awards will be evidenced by an award document setting forth the terms and conditions of the award.

The Plan is designed to comply with the requirements of applicable federal and state securities laws and the Code, including, but not limited to, the performance-based exclusion from the deduction limitations under Section 162(m) of the Code for qualifying awards.

The Board believes that it is in our best interests and the best interests of our stockholders to provide for an equity incentive plan under which certain equity-based compensation awards made to our named executive officers can qualify for deductibility for federal income tax purposes. Accordingly, the Plan has been structured in a manner such that certain awards under it can satisfy the requirements for the performance-based exclusion from the deduction limitations under Section 162(m) of the Code. In order for awards to satisfy the requirements for the performance-based exclusion from the deduction limitations under Section 162(m) of the Code, the Plan (which includes performance measures) must be approved by our stockholders by a majority of the votes cast.

A summary description of the Plan is set forth below. The summary is not intended to be exhaustive and is qualified in its entirety by reference to the terms of the Plan, a copy of which is attached to this proxy statement as Annex B.

**Summary of the Plan**

**General.** Under the Plan, a committee designated by the Board of Directors consisting solely of not less than two non-employee directors (the "Committee") is authorized to make awards under the Plan. The Board has designated the Compensation Committee as the Committee.

**Shares Available Under the Plan.** Subject to adjustment as provided in the Plan, the number of shares of common stock that may be issued or transferred pursuant to awards, or in payment of dividend equivalents paid with respect to awards made under the Plan, assuming stockholder approval of this proposal, may not exceed 3,033,000 in the aggregate, plus any shares of common stock relating to awards that expire, are forfeited or are cancelled under the Plan. These shares of common stock may be shares of original issuance or treasury shares or a combination of both. Shares of common

stock covered by an award under the Plan will not be counted as used unless and until they are actually issued and delivered. As of August [11], 2009, the market value of our common stock was \$[33.62] per share.

**Eligibility.** Officers, employees or consultants of Georgia Gulf or any subsidiary and non-employee directors of Georgia Gulf may be selected by the Committee to receive benefits under the Plan. There were approximately 3,985 persons, including 9 officers, 3,936 non-officer employees, 30 consultants and 2 non-employee directors eligible to participate in the Plan as of July 31, 2009.

**Limitations on Specific Kinds of Awards.** In addition to the general limitation on the number of shares of common stock available under the Plan, the Plan provides for specific limits and other requirements for certain awards. No participant may be granted (i) option rights or appreciation rights, in the aggregate, for more than 750,000 shares of common stock during any calendar year; (ii) an award of restricted shares, restricted share units, or performance shares or performance units intended to qualify for exemption under Section 162(m) of the Code, for more than 750,000 shares of common stock in the aggregate during any calendar year; or (iii) an award of performance units intended to qualify for exemption under Section 162(m) of the Code having an aggregate maximum value as of their respective dates of grant of more than \$10,000,000 in any calendar year. In addition, the aggregate number of shares of common stock actually issued or transferred upon the exercise of incentive stock options, within the meaning of Section 422 of the Code, may not exceed 3,033,000.

**Option Rights.** The Committee may grant option rights, which entitle the holder to purchase shares of common stock at a price equal to or greater than the market value of the shares on the date of grant. For purposes of the Plan, market value means the closing price of a share as reported on the New York Stock Exchange, or other exchange on which the common stock is traded unless the Committee adopts another pricing method, which must be stated in the evidence of the grant and comply with Section 409A of the Code. The option price is payable (1) in cash or check, (2) by the transfer to us of shares of common stock then owned by the option holder, (3) by a combination of these payment methods or (4) by any other method approved by the Committee. To the extent permitted by law, any grant may provide for deferred payment of the option price from the proceeds of sale through a broker on a date satisfactory to us of some or all of the shares of common stock to which the exercise relates. Option rights granted under the Plan may be option rights that are intended to qualify as incentive stock options, option rights that are not intended to so qualify or combinations of incentive stock options and non-qualified stock options. Incentive stock options may only be granted to participants who meet the definition of "employees" under Section 3401(e) of the Code. Option rights must be evidenced by an award document, which, among other terms, must specify the period of employment required before the option rights or portions thereof will become exercisable. In addition, the exercise of the grant may be conditioned on the achievement of performance objectives, called "Management Objectives," as described below. No option right may be exercisable more than ten years from the date of grant.

**Appreciation Rights.** A tandem appreciation right is a right to receive up to 100% of the spread between the option price and the current value of the shares of common stock underlying the option. A free-standing appreciation right is the right to receive up to 100% of the spread between the base price and the current value of a share of common stock at the time of exercise. When computing the spread for a free-standing appreciation right, the base price must be equal to or greater than the market value of the underlying common stock on the date of grant. Any grant may specify that the amount payable on exercise of an appreciation right may be paid by us in cash, in common shares, or in any combination thereof, and may either grant to the participant or retain in the Board the right to elect among those alternatives. Any grant may specify waiting periods before exercise and permissible exercise dates or periods. Appreciation rights will be evidenced by an award document containing such terms and provisions, consistent with the Plan, as the Committee may approve, and the exercise of

appreciation rights may generally be conditioned on the achievement of Management Objectives. No free-standing appreciation right may be exercised more than ten years after the date of grant.

**Restricted Shares.** An award of restricted shares involves the immediate transfer to a participant of ownership of a specific number of shares of common stock in consideration of the performance of services. The participant is entitled immediately to voting, dividend and other ownership rights in the restricted shares. The transfer may be made without additional consideration or in consideration of a payment by the participant that is less than current market value. Restricted shares that vest upon the passage of time must be subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Code for a period to be determined by the Committee. If the elimination of restrictions is based only on the passage of time rather than on the achievement of Management Objectives, the restrictions will remain for a minimum of three years, except that the restrictions may be removed ratably during the three year period, on an annual basis, as determined by the Committee at the date of grant. In order to enforce these forfeiture provisions, the transferability of restricted shares will be prohibited or restricted in a manner and to the extent prescribed by the Committee for the period during which the forfeiture provisions are to continue. Any grant may provide for early termination of the forfeiture restrictions in the event of the death or disability of the grantee, or a change of control of the Company.

Any grant of restricted shares may specify Management Objectives that, if achieved, will result in termination or early termination of the restrictions applicable to such shares; however, restrictions relating to restricted shares that vest upon the achievement of Management Objectives may not terminate sooner than one year from the date of grant. Any such grant may specify in respect of such specified Management Objectives, a minimum acceptable level of achievement and may set forth a formula for determining the number of shares of restricted stock on which restrictions will terminate if performance is at or above the minimum level or threshold level or levels, or is at or above the target level or levels, but falls short of maximum achievement of the specified Management Objectives. Restricted shares will be evidenced by an award document containing such terms and provisions, consistent with the Plan, as the Committee may approve.

**Restricted Share Units.** An award of restricted share units constitutes an agreement to deliver shares of common stock to the participant in the future in consideration of the performance of services, but subject to the fulfillment of specified conditions (which may include the achievement of Management Objectives) during the deferral period as the Committee may specify. During the deferral period, the participant has no right to transfer any rights under and has no rights of ownership or voting rights in the restricted share units, but the Committee may authorize the payment of dividend equivalents on such restricted share units on either a current, deferred or contingent basis, either in cash or in additional shares of common stock. Awards of restricted share units may be made without additional consideration or in consideration of a payment by the participant that is less than the market value per share on the date of grant. The Committee may provide for early termination of the deferral period in the event of the death or disability of the grantee, or a change of control of the Company. Any grant of restricted share units may specify Management Objectives which, if achieved, will result in termination of the deferral period; however, if the deferral period terminates upon the achievement of Management Objectives, the deferral period may not terminate sooner than one year from the date of grant. Each grant may specify in respect of these Management Objectives a minimum level of achievement and may set forth a formula for determining the number of restricted share units on which the deferral period will lapse if performance is at or above the minimum level, but below the maximum achievement of the Management Objectives. If the deferral period lapses only by the passage of time rather than on the achievement of Management Objectives, the deferral period must be for a minimum of three years, except that the deferral period may lapse ratably during the three year period, on an annual basis, as determined by the Committee at the date of grant. If the participant has elected to give up the right to receive compensation in exchange for restricted share units, the three-year deferral

period requirement does not apply. Restricted share units will be evidenced by an award document containing such terms and provisions, consistent with the Plan, as the Committee may approve.

**Performance Shares and Performance Units.** A performance share is the equivalent of one share of common stock, and a performance unit is the equivalent of \$1.00 or such other value as determined by the Committee. Each grant of performance shares or performance units will specify one or more Management Objectives the participant must meet within a specified period that is not less than one year (the "Performance Period") to earn the performance shares or performance units. The Committee may provide for early termination of the Performance Period in the event of the death or disability of the grantee, or a change of control of the Company. Each grant of performance shares or performance units may specify in respect of the relevant Management Objective(s) a level or levels of achievement and may set forth a formula for determining the number of performance shares or performance units that will be earned if performance is at or above the minimum or threshold level or levels, or is at or above the target level or levels, but falls short of maximum achievement of the specified Management Objective(s). Any grant may specify that the amount payable with respect thereto may be paid by us in cash, common shares or any combination thereof and may either grant to the participant or retain in the Committee the right to elect among those alternatives. Performance shares and performance units will be evidenced by an award document containing such terms and provisions, consistent with the Plan, as the Committee may approve.

**Management Objectives.** Management Objectives may be described either in terms of company-wide objectives or objectives that are related to performance of the individual participant or of the division, subsidiary, department, region, function or other organizational unit in which the participant is employed. The Management Objectives applicable to any award to a participant who is or is likely to become a "covered employee," within the meaning of Section 162(m) of the Code, will be based on specified and pre-established levels of, or growth in, one or more of the following criteria: (i) increases in the price of our common stock; (ii) market share; (iii) sales; (iv) return on equity, assets, capital or sales; (v) economic profit; (vi) total stockholder return; (vii) costs; (viii) margins; (ix) earnings or earnings per share; (x) cash flow; (xi) customer satisfaction; (xii) pre-tax profit; (xiii) earnings before interest and taxes; (xiv) earnings before interest, taxes, depreciation and amortization; (xv) debt to capital ratio; (xvi) compliance with covenants under our principal debt agreements; and (xvii) any combination of the foregoing.

If the Committee determines that a change in our business, operations, corporate structure or capital structure, or the manner in which we conduct our business, or other events or circumstances render the Management Objectives unsuitable, the Committee may modify the Management Objectives or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable, except in the case of a covered employee where such an action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code.

**Transferability.** Except as otherwise determined by the Committee or as described below, no award under the Plan is transferable by a participant other than by will or the laws of descent and distribution. Except as otherwise determined by the Committee, only the participant, or the participant's guardian or legal representative in the event of the participant's legal incapacity, may exercise option rights or appreciation rights during the participant's lifetime.

Subject to the prior approval of the Committee, awards, other than incentive stock options, are transferable by a participant to members of the participant's immediate family, or certain trusts or partnerships, without payment by the transferee, if reasonable prior notice of the transfer is given to us and the transfer is made according to the terms and conditions specified by the Committee or us. Any transferee will be subject to the same terms and conditions under the Plan as the participant.

**Adjustments.** The number, kind and price of shares covered by outstanding awards are subject to adjustment by the Committee in its discretion in the event of stock dividends, splits and combinations, changes in our capital structure, mergers, spin-offs, partial or complete liquidation and similar events. The Committee may also make or provide for adjustments in the numbers of shares available under the Plan and available for specific kinds of awards under the Plan as the Committee may determine appropriate to reflect such a transaction or event. Moreover, in such event the Committee, in its discretion, may provide in substitution for any or all outstanding awards under the Plan, such alternate consideration (including cash), if any, as it determines equitable and in connection therewith, the surrender of all awards so replaced in a manner that complies with Section 409A of the Code. In addition, for each option right or appreciation right with an option price or base price greater than the consideration offered in connection with any such transaction, the Committee may in its sole discretion cancel the option right or appreciation right without any payment to the participant.

**Change in Control.** A definition of change in control is specifically included in the Plan, the full text of which is attached to this proxy statement as Annex B. Generally, a change in control includes the acquisition by a person of 33% or more of our voting securities, specified changes in the Board and specified business combination transactions and similar events. Awards may provide for acceleration of exercisability or early termination of restrictions in the event of a change in control. Additionally, to the extent a grant or award provides for the early lapse of restrictions if a change in control occurs, Management Objectives specified in connection with the grant need not be achieved upon the change in control.

**Acceleration.** Awards may provide for acceleration of exercisability or early termination of restrictions in the event of the death, disability or retirement of a participant, a change of control or, solely in the case of awards of restricted share units, a refinancing of our principal debt agreements.

**Withholding Taxes.** To the extent that we are required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a participant or other person under the Plan, and the amounts available to us for such withholding are insufficient, it will be a condition to the receipt of the payment or the realization of the benefit that the participant or the other person make arrangements satisfactory to us for payment of the balance of taxes required to be withheld. These arrangements, in the discretion of the Committee, may include relinquishment of a portion of the benefit. Participants must also make such arrangements as we may require for the payment of any withholding tax obligations that may arise in connection with the disposition of shares acquired upon the exercise of option rights. In the discretion of the Committee, a participant or other person may surrender shares of common stock owned for more than six months to satisfy any resulting tax obligations, provided, however, in no event may we accept shares of common stock for the payment of taxes in excess of required tax withholding rates.

**Detrimental Activity.** Any evidence of an award under the Plan may provide that if a participant, if an employee either during employment or within a specified period after termination of employment, and if a consultant, during the period of consulting with us or a subsidiary or within a specified period thereafter, engages in any detrimental activity, as defined in the Plan, and the Committee so finds, forthwith upon notice of the Committee's finding, the participant must:

return to us, in exchange for payment by us of any amount actually paid by the participant for the shares of common stock, all shares of common stock that the participant has not disposed of that were offered under the Plan within a specified period prior to the date of the commencement of the detrimental activity; and

with respect to any shares of common stock so acquired that the participant has disposed of, pay to us in cash the difference between:

any amount actually paid for the shares of common stock by the participant; and

the market value per share of the shares of common stock on the date of the disposition.

To the extent that these amounts are not paid to us, we may set off these amounts against any amounts (but only to the extent that such amounts would not be considered "nonqualified deferred compensation" within the meaning of Section 409A of the Code) that may be owing from time to time by us or one of our subsidiaries to the participant, whether as wages, deferred compensation or vacation pay, consulting fees or in the form of any other benefit or for any other reason.

Generally, a detrimental activity includes competing with our business, soliciting our employees, disclosing of confidential information and other specified conduct detrimental to our business.

**Administration and Amendments.** The Plan is administered by the Committee, except that the Committee has the authority under the Plan to delegate such administrative duties or powers as it may deem advisable under the Plan to one or more of its members or to one or more of our officers, or to one or more agents and advisors. Awards intended to qualify under Section 162(m) of the Code and determinations in connection with those awards must be made only by a committee of the Board consisting solely of not less than two outside directors within the meaning of such section. The Committee may, by resolution, authorize one or more officers of the company to do one or both of the following on the same basis as the Committee: (i) designate employees to be recipients of awards under the Plan; (ii) determine the size of any such awards; provided, however, that (A) the Committee shall not delegate such responsibilities to any such officer for awards granted to an employee who is an officer, director, or more than 10% beneficial owner of our common stock; (B) the resolution providing for such authorization sets forth the total number of shares of common stock such officer(s) may grant; and (C) the officer(s) shall report periodically to the Committee regarding the nature and scope of the awards granted pursuant to the authority delegated.

The Committee's interpretation of the Plan and related agreements and documents is final and conclusive. The Plan may be amended from time to time by the Board, provided that if an amendment to the Plan (i) would materially increase the benefits accruing to participants under the Plan, (ii) would materially increase the number of securities that may be issued under the Plan, (iii) would materially modify the requirements for participation in the Plan or (iv) must otherwise be approved by the stockholders in order to comply with applicable law or the rules of any national securities exchange upon which the shares of common stock are traded or quoted, the amendment will not be effective until such stockholder approval has been obtained.

Except in connection with a corporate transaction or event described in "Adjustments" above, the terms of outstanding awards may not be amended to reduce the option price of outstanding option rights or the base price of outstanding appreciation rights, or cancel outstanding option rights or appreciation rights in exchange for cash, other awards or option rights or appreciation rights with an option price or base price, as applicable, that is less than the option price of the original option rights or base price of the original appreciation rights, as applicable, without stockholder approval.

**Termination.** No grant under the Plan may be made more than ten years after July 27, 2009, but all grants made on or before that date will continue in effect after that date subject to the terms of those grants and the Plan. No grants will be made on or after July 27, 2009 under our Second Amended and Restated 2002 Equity and Performance Incentive Plan, as amended (the "2002 Plan"), provided, however, that outstanding awards granted under the 2002 Plan will continue unaffected.

#### **Plan Benefits**

On July 27, 2009, restricted share units for a total of 2,274,745 shares of common stock were awarded to the persons indicated in the table below. The awards are subject to stockholder approval. Other than the award to Mr. Carrico, which was made by the full Board (except for Mr. Carrico, who did not participate in the decision about his award), the awards were made by the Committee. On July 27, 2009, the closing price per share of the common stock was \$8.75. Awards in respect of the remaining shares available under the Plan will be made by the Committee in its discretion and

accordingly cannot be determined at this time. One-half of the restricted stock units will vest in equal installments on July 27, 2010, 2011 and 2012, or earlier in the event of a change of control. One-third of the remaining one-half of the restricted stock units will vest on each of July 27, 2010, 2011 and 2012 if the Company is in compliance with the financial covenants in its senior secured credit facility and, notwithstanding such provisions, all of such remaining one-half will vest immediately if such facility is refinanced before July 27, 2012.

Name and Position	Dollar Value (\$)(1)	Number of Units
Paul Carrico President and Chief Executive Officer	\$ 5,031,259	575,001
Gregory C. Thompson Chief Financial Officer	\$ 1,837,500	210,000
William H. Doherty Vice President PVC Compounds	\$ 831,259	95,001
Mark J. Seal Vice President Aromatics	\$ 831,259	95,001
Joel I. Beerman Vice President, General Counsel, and Secretary	\$ 918,750	105,000
Mark E. Buckis Vice President Corporate Controller	\$ 350,018	40,002
Current Executive Officer Group (including those listed above)	\$ 12,600,052	1,440,006
Non-Executive Director Group		0
Non-Executive Officer Employee Group	\$ 7,303,966	834,739

(1)

Based on the market value of the award on the date of grant of \$8.75.

### Federal Income Tax Consequences

The following is a brief summary of the federal income tax consequences of certain transactions under the Plan based on federal income tax laws in effect on August 1, 2009. This summary is not intended to be complete and does not describe state or local tax consequences. It is not intended as tax guidance to participants in the Plan.

### Tax Consequences to Participants

**Non-Qualified Stock Options.** In general, (i) no income will be recognized by an option holder at the time a non-qualified stock option is granted; (ii) at the time of exercise of a non-qualified stock option, ordinary income will be recognized by the option holder in an amount equal to the difference between the option price paid for the shares and the fair market value of the shares, if unrestricted, on the date of exercise; and (iii) at the time of sale of shares acquired pursuant to the exercise of a non-qualified stock option, appreciation (or depreciation) in value of the shares after the date of exercise will be treated as either a short-term or long-term capital gain (or capital loss) depending on how long the shares have been held.

**Incentive Stock Options.** No income generally will be recognized by an option holder upon the grant or exercise of an incentive stock option. The exercise of an incentive stock option, however, may result in alternative minimum tax liability. If shares of common stock are issued to the option holder pursuant to the exercise of an incentive stock option, and if no disqualifying disposition of those shares

is made by the option holder within two years after the date of grant or within one year after the transfer of those shares to the option holder, then upon sale of those shares, any amount realized in excess of the option price will be taxed to the option holder as a long-term capital gain and any loss sustained will be a long-term capital loss.

If shares of common stock acquired upon the exercise of an incentive stock option are disposed of prior to the expiration of either holding period described above, the option holder generally will recognize ordinary income in the year of disposition in an amount equal to the excess, if any, of the fair market value of those shares at the time of exercise, or, if less, the amount realized on the disposition of those shares in a sale or exchange, over the option price paid for those shares. Any further gain (or loss) realized by the participant generally will be taxed as short-term or long-term capital gain (or loss) depending on the holding period.

**Appreciation Rights.** No income will be recognized by a participant in connection with the grant of an appreciation right. When the appreciation right is exercised, the participant normally will be required to include as taxable ordinary income in the year of exercise an amount equal to the amount of cash received and the fair market value of any nonrestricted shares of common stock received upon exercise.

**Restricted Shares.** The recipient of restricted shares generally will be subject to tax at ordinary income rates on the fair market value of the restricted shares, reduced by any amount paid by the participant for those restricted shares, at such time as the shares are no longer subject to forfeiture or restrictions on transfer for purposes of Section 83 of the Code. However, a recipient who so elects under Section 83(b) of the Code within 30 days of the date of transfer of the shares will have taxable ordinary income on the date of transfer of the shares equal to the excess of the fair market value of those shares, determined without regard to the forfeiture restrictions and restrictions on transfer, over the purchase price, if any, of those restricted shares. If a Section 83(b) election has not been made, any dividends received with respect to restricted shares that are subject to the forfeiture restrictions and restrictions on transfer generally will be treated as compensation that is taxable as ordinary income to the participant.

**Restricted Share Units.** No income generally will be recognized upon the award of restricted share units. The recipient of a restricted share unit award generally will be subject to tax at ordinary income rates on the fair market value of nonrestricted shares of common stock on the date that those shares are transferred to the participant under the award, reduced by any amount paid by the participant for the restricted share units, and the capital gain/loss holding period for those shares will also start on that date.

**Performance Shares and Performance Units.** No income generally will be recognized upon the grant of performance shares or performance units. Upon payment in respect of the earn-out of performance shares or performance units, the recipient generally will be required to include as taxable ordinary income in the year of receipt an amount equal to the amount of cash received and the fair market value of any nonrestricted shares of common stock received.

#### **Section 409A of the Internal Revenue Code**

To the extent applicable, it is intended that the Plan and any grants made under the Plan comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the participants. The Plan and any grants made under the Plan shall be administered in a manner consistent with this intent. Any reference in the Plan to Section 409A of the Code will also include any regulations or any other formal guidance promulgated with respect to such section by the U.S. Department of the Treasury or the Internal Revenue Service.

**Tax Consequences to Georgia Gulf or Its Subsidiaries**

To the extent that a participant recognizes ordinary income in the circumstances described above, we or the subsidiary for which the participant performs services will be entitled to a corresponding deduction provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an "excess parachute payment" within the meaning of Section 280G of the Code and is not disallowed by the \$1,000,000 limitation on certain executive compensation under Section 162(m) of the Code.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE GEORGIA GULF CORPORATION 2009 EQUITY AND PERFORMANCE INCENTIVE PLAN.**

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table provides information with respect to compensation plans under which our equity securities were authorized for issuance to employees as of June 30, 2009:

<b>Plan Category</b>	<b>Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)</b>
Equity compensation plans approved by security holders	181,233	\$ 350.97	13,390
Equity compensation plans not approved by security holders	0	\$ 0.00	0
<b>Total</b>	<b>181,233</b>	<b>\$ 350.97</b>	<b>13,390</b>

**SECURITY OWNERSHIP OF  
PRINCIPAL STOCKHOLDERS AND MANAGEMENT**

The following table lists information as of July 31, 2009 about the number of shares owned by each incumbent director, each executive officer listed on the summary compensation table included later in this proxy statement who is currently employed by the Company, and all of our incumbent directors and currently-employed executive officers as a group and each person or group known by us to own more than 5% of any class of our stock. The address of each of our directors and executive officers is c/o Corporate Secretary, Georgia Gulf Corporation, 115 Perimeter Center Place, Suite 460, Atlanta, Georgia 30346.

Name and Address of Beneficial Owner*(1)(2)	Common Stock		Convertible Preferred Stock	
	Number of Shares	Percentage	Number of Shares	Percentage
Jerry R. Satrum(3)	27,971	1.0%		
Paul D. Carrico(4)	10,419	*		
Mark J. Seal(5)	9,585	*		
Joel I. Beerman(6)	8,120	*		
William H. Doherty(7)	7,185	*		
Gregory C. Thompson(8)	3,975	*		
Mark E. Buckis(9)	1,789	*		
Patrick J. Fleming(10)	965	*		
Wayne C. Sales				
All incumbent directors and currently-employed executive officers as a group (12 persons)(11)	83,682	3.1%		
FMR LLC				
82 Devonshire Street Boston, MA 02109	429,599	15.8%	8,730,719	29.3%
Capital World Investors				
333 South Hope Street Los Angeles, CA 90071	374,550(12)	13.8%	8,395,751	28.2%
Pioneer Investment Management Inc.				
60 State Street Boston, MA 02109	226,339	8.3%	5,072,813	17.0%
Western Asset Management Company(13)				
385 E. Colorado Boulevard Pasadena, CA 91101	108,236	4.0%	2,423,228	8.1%

\*

Represents less than 1%.

(1)

Beneficial ownership as reported in the table has been determined in accordance with the rules of the SEC. Unless otherwise indicated, each person has sole voting and dispositive power with respect to all shares listed opposite his name.

(2)

The number of shares of common stock and convertible preferred stock for each institutional holder is based upon information provided by the holder and related entities, including in a lock-up and consent agreement with the Company, dated on or around July 2, 2009, as amended July 23, 2009.

Edgar Filing: GEORGIA GULF CORP /DE/ - Form PRE 14A

- (3) Includes 2,000 shares owned by Mr. Satrum's wife; 1,200 shares held in trust for the Satrum Foundation, of which Mr. Satrum serves as trustee; and 642 shares that may be acquired upon exercise of options by Mr. Satrum.
- (4) Includes 4,642 shares that may be acquired upon exercise of options by Mr. Carrico.
- (5) Includes 6,272 shares that may be acquired upon exercise of options by Mr. Seal.
- (6) Includes 800 shares owned by Mr. Beerman's wife and 4,939 shares that may be acquired upon exercise of options by Mr. Beerman.
- (7) Includes 5,223 shares that may be acquired upon exercise of options by Mr. Doherty.
- (8) Includes 1,355 shares that may be acquired upon exercise of options by Mr. Thompson.
- (9) Includes 1,010 shares that may be acquired upon exercise of options by Mr. Buckis.
- (10) Includes 582 shares that may be acquired upon exercise of options by Mr. Fleming.
- (11) Includes shares that may be acquired upon exercise of options.
- (12) According to the Schedule 13G dated August 10, 2009, Capital World Investors has sole voting power with respect to 260,990 shares and sole dispositive power with respect to all shares.
- (13) We have been advised that Western Asset Management does not directly own any of these shares. All such shares are held in various client accounts, for which Western Asset Management is the investment manager and may be deemed the beneficial owner thereof. Western Asset Management disclaims beneficial ownership of such shares for purposes of Section 16(a) of the Securities Exchange Act of 1934, as amended, or otherwise.

**EXECUTIVE COMPENSATION**

**Compensation Committee Report**

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on that review and discussions, the compensation committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's proxy statement.

Wayne C. Sales, Chairman  
Patrick J. Fleming  
Charles L. Henry (Resigned  
July 27, 2009)  
Yoshi Kawashima (Resigned  
July 27, 2009)

**Compensation Discussion and Analysis**