

CHASE CORP  
Form DEF 14A  
December 23, 2011

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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

**Chase Corporation**

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(Name of Registrant as Specified In Its Charter)

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    - (3) Filing Party:
    - (4) Date Filed:
-

**CHASE CORPORATION**  
**26 Summer Street**  
**Bridgewater, MA 02324**  
**Telephone (508) 819-4200**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

Notice is hereby given that the annual meeting of shareholders of Chase Corporation will be held at 9:30 a.m. on Monday, February 6, 2012 at Chase Corporation's Global Operations Center, 295 University Avenue, Westwood, Massachusetts 02090 for the following purposes:

- (1) To elect eight members of the Board of Directors of the corporation, each to serve until the 2013 annual meeting of shareholders or until his or her successor is duly elected and qualified;
- (2) To conduct a non-binding advisory vote on the compensation of our named executive officers;
- (3) To conduct a non-binding vote to determine the frequency of conducting future advisory votes on executive compensation;
- (4) To ratify the appointment of PricewaterhouseCoopers LLP as the corporation's independent registered public accounting firm for the fiscal year ending August 31, 2012; and
- (5) To transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

Only shareholders of record on the books of Chase Corporation at the close of business on November 30, 2011 are entitled to notice of and to vote at the meeting.

The Board of Directors hopes that all shareholders who can conveniently do so will personally attend the meeting.

By order of the Board of Directors,

GEORGE M. HUGHES  
*Corporate Secretary*

December 21, 2011

**SHAREHOLDERS ARE REQUESTED TO SIGN AND DATE THE ACCOMPANYING  
PROXY CARD AND PROMPTLY RETURN IT IN THE ENCLOSED ENVELOPE**

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**CHASE CORPORATION**  
**26 Summer Street**  
**Bridgewater, MA 02324**  
**Telephone (508) 819-4200**

**PROXY STATEMENT**  
**December 21, 2011**

The enclosed proxy is solicited by and on behalf of the Board of Directors of Chase Corporation (the "Company") for the annual meeting of the Company's shareholders to be held on February 6, 2012 at 9:30 a.m., and at any adjournment thereof (the "Meeting"). The cost of solicitation will be borne by the Company. In addition to solicitation by mail, directors, officers and regular employees of the Company may solicit proxies personally or by telephone.

The authority granted by a duly executed proxy may be revoked at any time before it is exercised by filing with the Secretary of the Company a written revocation or a duly executed proxy bearing a later date or by voting in person at the Meeting. Shareholders who attend the Meeting in person will not be deemed thereby to have revoked their proxies unless they affirmatively indicate at the meeting their intention to vote their shares in person. Unless a proxy is revoked, the shares represented thereby will be voted as directed. If no specifications are made, then proxies will be voted "for" the election of the directors nominated by the Board of Directors, "for" the approval, on an advisory and non-binding basis, of the compensation of the Company's named executive officers, for the "every three years" option for the frequency, on an advisory and non-binding basis, of future advisory votes on executive compensation, "for" the ratification of the appointment of the Company's independent registered public accounting firm, and in accordance with the judgment of the proxy holders as to any other matter that may be properly brought before the Meeting or any adjournment or postponement thereof.

On November 30, 2011, there were 9,042,153 outstanding shares of the Company's Common Stock, \$0.10 par value per share (the "Common Stock"), which is the only class of voting stock outstanding. Shareholders of record at the close of business on November 30, 2011 are entitled to vote at the Meeting. With respect to all matters that will come before the Meeting, each shareholder may cast one vote for each share of Common Stock registered in his or her name on the record date.

A majority in interest of the Company's Common Stock outstanding and entitled to vote represented at the Meeting in person or by proxy will constitute a quorum for the transaction of business at the Meeting. Directions to withhold authority, abstentions, and broker non-votes will be counted for purposes of determining the existence of a quorum at the Meeting. A "broker non-vote" occurs when a registered broker holding a customer's shares in the name of the broker has not received voting instructions on a matter from the customer and is barred by applicable rules from exercising discretionary authority to vote on the matter and so indicates on the proxy.

The approximate date on which this proxy statement and accompanying proxy card will be first sent or given to shareholders is December 26, 2011. The Company's annual report for the fiscal year ended August 31, 2011 will be sent to shareholders on the same date.

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on February 6, 2012:**

The Notice of Annual Meeting of Shareholders, this proxy statement, and the Company's annual report to shareholders are available at <https://materials.proxyvote.com/16150R>.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding ownership of the Company's Common Stock as of November 30, 2011 by (i) all persons known to the Company to be beneficial owners of more than 5% of the Company's outstanding Common Stock, (ii) each of our directors or nominees for director, (iii) each of the executive officers named in our summary compensation table, and (iv) all of our directors and officers as a group.

Name	Nature and Amount of Beneficial Ownership			Percentage of Outstanding Shares
	Number of Shares Owned(a)	Shares Subject to Options(b)	Total Shares Beneficially Owned(c)	
Edward L. Chase Revocable Trust(d) 39 Nichols Road Cohasset, MA 02025	1,057,512		1,057,512	11.70%
FMR LLC(e) 82 Devonshire Street Boston, MA 02109	894,586		894,586	9.89%
Royce & Associates, LLC(f) 1414 Avenue of the Americas New York, NY 10019	773,974		773,974	8.56%
Peter R. Chase(g) 26 Summer Street Bridgewater, MA 02324	1,273,778	50,568	1,324,346	14.56%
Adam P. Chase(h)	170,699	30,035	200,734	2.21%
Kenneth L. Dumas(i)	64,445	15,205	79,650	*
Mary Claire Chase	3,475		3,475	*
J. Brooks Fenno	12,891		12,891	*
Lewis P. Gack	14,850		14,850	*
George M. Hughes	4,756		4,756	*
Ronald Levy	21,350		21,350	*
Thomas Wroe, Jr.	7,177		7,177	*
All executive officers and directors as a group (9 persons)	1,573,421	95,808	1,669,229	18.27%

\*  
Less than one percent

(a)  
Excludes shares that may be acquired through stock option exercises.

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- (b) Pursuant to Rule 13d-3(d) (1) of the Exchange Act, includes shares that may be acquired through stock option exercises within the 60-day period following November 30, 2011. Excludes shares underlying stock options that have not vested and will not vest within such 60-day period.
- (c) The beneficial owners of these shares have sole voting power and sole investment power over such shares, except as otherwise indicated.
- (d) These shares are deemed to be beneficially owned by the Edward L. Chase Revocable Trust. The trustees have voting and investment power with respect to the shares. Ownership information is based upon the Form 4 filed by the trust on November 9, 2010. The trustees of the trust are Andrew Chase, Claire Chase, Sarah Chase, E. Stephen Chase, and Janet Gibson, each of whom has a business address c/o Edward L. Chase Revocable Trust, 39 Nichols Road, Cohasset, MA 02025. Under a voting agreement with the Company, the trust has agreed to vote its shares for the persons nominated to the Board of Directors by the Company's Nominating and Corporate Governance Committee until our annual meeting of shareholders in 2013 or, if earlier, such time as the trust ceases to own 10% of our common stock. Under the terms of the voting agreement, Mary Claire Chase has been nominated for election as a director of the Company at the Meeting.
- (e) These shares are deemed to be beneficially owned by FMR LLC (formerly FMR Corp.), Edward C. Johnson, Fidelity Management & Research Company, and Fidelity Low Priced Stock Fund, a registered investment company, each of which has sole investment power over the shares. Fidelity Low Priced Stock Fund has sole voting power over the shares. This information is based upon the Schedule 13G/A filed on February 14, 2011 by FMR LLC.
- (f) These shares are deemed to be beneficially owned by Royce & Associates, LLC which has sole voting and investment power over the shares. This information is based upon the Schedule 13G/A filed on January 12, 2011 by Royce & Associates, LLC.
- (g) Of the total shares beneficially owned, 168,347 represent shares of restricted stock, subject to forfeiture under time-based vesting provisions, with respect to which the executive has the right to vote and receive dividends. Of this amount 21,226 shares of restricted stock are further subject to forfeiture under performance vesting provisions.
- (h) Of the total shares beneficially owned, 64,551 represent shares of restricted stock, subject to forfeiture under time-based vesting provisions, with respect to which the executive has the right to vote and receive dividends. Of this amount 8,178 shares of restricted stock are further subject to forfeiture under performance vesting provisions.
- (i) Of the total shares beneficially owned, 34,686 represent shares of restricted stock, subject to forfeiture under time-based vesting provisions, with respect to which the executive has the right to vote and receive dividends. Of this amount 4,394 shares of restricted stock are further subject to forfeiture under performance vesting provisions.

### Certain Transactions

The Trustees of the Edward L. Chase Revocable Trust (the "Trust") have the power to vote the 1,057,512 shares of the Company's Common Stock held of record by the Trust on November 30, 2011 at the Meeting. Under a voting agreement with the Company, the Trust has agreed to vote its shares for the persons nominated to the Board of Directors by the Company's Nominating and Corporate Governance Committee until our annual meeting of shareholders in 2013 or, if earlier, such time as the

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Trust ceases to own 10% of our Common Stock. Under the terms of the voting agreement, Mary Claire Chase has been nominated for election as a director of the Company at the Meeting.

Consistent with the requirements of the NYSE Amex, the Audit Committee of the Board of Directors of the Company reviews and oversees any transactions with a "related person" within the scope of the SEC's rules on disclosure of such transactions. From time to time, the Board of Directors has formed a special independent committee of the Board comprised of independent and non-interested directors to review and oversee proposals relating to specific transactions with related persons on an ad hoc basis. The Company does not have a written policy relating to such review. Other than as described above, and other than the compensation and severance arrangements with the Company's named executive officers and the director compensation arrangements described in "Executive Officer and Director Compensation," the Company is not a participant in any transaction since the beginning of its last completed fiscal year, or any presently proposed transaction, involving more than \$120,000 in which any shareholder holding more than 5% of the Company's Common Stock, any of its executive officers or directors or their immediate family members, or any other "related person" (as such term is defined in the rules of the Securities and Exchange Commission) has or will have a direct or indirect material interest.

### **Compensation Committee Interlocks and Insider Participation**

The current members of the committee are Messrs. Levy (Chairman), Wroe and Gack. None of the Company's executive officers serves as a member of the board of directors or compensation committee of any other company that has one or more executive officers serving as a member of the Company's Board of Directors or Compensation and Management Development Committee.

**PROPOSAL 1  
ELECTION OF DIRECTORS**

Eight directors are to be elected at the Meeting. The Board of Directors recommends that the eight nominees named below be elected as directors. The directors elected at the Meeting will hold office until the next annual meeting and until their successors are elected and qualified. When a proxy in the accompanying form is properly executed and returned, unless marked to the contrary, all shares represented by such proxy will be voted for the election of the persons named below. If any nominee should become unable or unwilling to serve as director, then the persons voting the accompanying proxy may in their discretion vote for a substitute. The Board of Directors is not presently aware of any reason that would prevent any nominee from serving as a director if elected.

**Vote Required**

As long as a quorum is present, the nominees for director shall be elected by a plurality of the votes cast at the Meeting by the holders of shares entitled to vote at the Meeting. Votes may be cast in favor of the election of the nominees for director or withheld; votes that are withheld and broker non-votes will have no effect on the outcome of the election of directors.

**Nominees**

The following table contains certain information about the nominees for director, as of the record date, including their business experience, qualifications, and other directorships. In addition to the qualifications and other attributes presented below, the Company also believes that each of the nominees has demonstrated the personal and professional integrity, good business judgment, adherence to high ethical standards, and commitment to service to the Company that are required of all directors. All of the directors' present terms expire in 2012.

Name	Age	Business Experience During Past Five Years, Other Directorships and Qualifications	Has Been a Director Since
Adam P. Chase	39	President of the Company since January 2008, Chief Operating Officer of the Company since February 2007, Vice President Operations from February 2006 through February 2007, and Vice President Chase Coating & Laminating Division March 2003 through February 2007.  Adam Chase has thirteen years experience at Chase Corporation in various capacities including finance and operations as well as five years as an executive officer of the Company. His background in the day-to-day management of sales and operations as well as his present-day perspective gives him insight into the critical components that will help grow the Company.	2010
Peter R. Chase	63	Chairman of the Board of the Company since February 2007. Chief Executive Officer of the Company since September 1993. He is also a director of Bridgewater Savings Bank and AIM Mutual Insurance Company.	1993



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Name	Age	Business Experience During Past Five Years, Other Directorships and Qualifications	Has Been a Director Since
Mary Claire Chase	56	<p>Peter Chase has two decades experience as an executive officer of the Company, and more than 35 years in various positions since starting with Chase Corporation. He has extensive knowledge of both the day to day operations of the Company and its strategic vision. The Board believes that it is important to have the insight of the Chief Executive Officer of the Company reflected in its strategic thinking.</p> <p>President of Chase Partners, LTD., an executive search firm specializing in financial services and management consulting, since August 2000.</p> <p>Mary Claire Chase has an extensive background in human resources. Her experience with evaluating executive talent gives her insight into organizational structure which is critical to executing strategic plans. Mary Claire Chase has been nominated for election as a director of the Company pursuant to a Voting Agreement dated December 26, 2002, as amended December 10, 2003, between the Company and the Edward L. Chase Revocable Trust.</p>	2005
J. Brooks Fenno	77	<p>Founder and former President of Salesmark, a sales and marketing management consulting firm. Former director and current Board of Advisors for Bixby International Corporation and Acorn Manufacturing Company.</p> <p>The Board believes that Mr. Fenno's extensive experience in marketing and new product development, and his active involvement in mergers and acquisitions with other firms, will contribute to Chase's successful growth strategy.</p>	2006
Lewis P. Gack	67	<p>Principal of LPG Consulting, an accounting and business consulting firm. Previously Treasurer and Chief Financial Officer of the United Group Operating Companies, Inc., a wholesale liquor distributor, from 1998 to October 2007.</p> <p>Mr. Gack offers financial, accounting and legal experience as well executive experience to the Board. He has a background in public accounting in addition to operations and management expertise including a focus on inventory management and distribution.</p>	2002
George M. Hughes	72	<p>Founder and Principal of the law firm, Hughes &amp; Associates since May 1996.</p>	1984

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Name	Age	Business Experience During Past Five Years, Other Directorships and Qualifications	Has Been a Director Since
		Mr. Hughes is a business lawyer and has been a director of the Company for 28 years. The Board believes that his legal background, together with his extensive knowledge of the Company's operations and history, offer a valuable contribution to the Board, particularly on matters relating to corporate governance, board oversight, and strategic acquisitions.	
Ronald Levy	73	Retired. Consultant at Navigant Consulting, Inc., from April 2002 through April 2006. Previously, Consultant with Arthur D. Little, Inc. from June 1969 to April 2002 and Vice President from 1987 to April 2002.  Mr. Levy has extensive experience as a strategic consultant to the international building products, wire and cable and construction industries. Mr. Levy offers a perspective drawn from decades of experience and exposure to a wide variety of other businesses and industries.	1994
Thomas Wroe, Jr.	61	Chairman of the Board and Chief Executive Officer of Sensata Technologies, formerly the Sensors & Controls business of Texas Instruments, since 2000.  Mr. Wroe's strong executive experience, including as chief executive of a large public company, provides a well-rounded global perspective. He has experience in the oversight of complex operations and engineering, acquisitions and integration, manufacturing and customer relations, and offers additional business development expertise to the Board.	2008

Adam P. Chase, President and Chief Operating Officer of the Company, is the son of Peter R. Chase, grandson of Edward L. Chase (deceased) and nephew of Mary Claire Chase.

Peter R. Chase, Chairman and Chief Executive Officer of the Company, is the father of Adam P. Chase, the son of Edward L. Chase (deceased) and the brother of Mary Claire Chase.

Mary Claire Chase is the daughter of Edward L. Chase (deceased), and the sister of Peter R. Chase.

### Corporate Governance

The Company has long believed that good corporate governance and high corporate ethics are important to ensure that the Company is managed for the long-term benefit of its shareholders.

The Company's Board of Directors held five meetings during the fiscal year ended August 31, 2011. Each director attended at least 75% of the aggregate of all meetings of the Board of Directors and all meetings held by committees of the Board on which he or she served. The Company does not have a formal policy with respect to director attendance at annual shareholders meetings; however it does

encourage all directors to attend. Six out of eight directors attended last year's annual shareholders meeting held in January 2011.

The Company has adopted the Chase Corporation Code of Ethics, which is applicable to all of our employees, including our Chief Executive Officer, President, Chief Financial Officer and Corporate Controller and other employees with important roles in the financial reporting process. The Company has also adopted a Code of Business Conduct and Ethics for Directors of Chase Corporation, which is applicable to members of our Board of Directors. The Chase Corporation Code of Ethics and the Code of Business Conduct and Ethics for Directors of Chase Corporation are both available on the Chase Corporation web site [www.chasecorp.com](http://www.chasecorp.com). It is the Company's intent to disclose any amendment to these codes of ethics, as they apply to our directors and executive officers, and to disclose any waiver, including an implicit waiver, from the provisions of these codes of ethics as they relate to such directors and officers, on its web site.

Shareholders may contact an individual director, the Board as a group, or a specified Board committee or group, including the non-employee directors as a group, by writing to: Chase Corporation, 26 Summer Street, Bridgewater, Massachusetts 02324, Attn: Board of Directors.

The Board undertakes a review of director independence annually. As a result of its most recent review, the Board has determined that the following directors are independent, as defined in the listing standards of the NYSE Amex: J. Brooks Fenno, Lewis P. Gack, George M. Hughes, Ronald Levy and Thomas Wroe, Jr. In making this decision, the Board considered all relationships between the Company and the directors, including Mr. Hughes' role as (and compensation related to) outside general counsel to the Company. The Board determined each such relationship, and the aggregate of such relationships, to be immaterial to the applicable director's ability to exercise independent judgment.

### **Board Leadership Structure**

The Company currently combines the offices of Chairman and Chief Executive Officer. The Board believes that it is in the best interests of the Company's shareholders to combine these offices because it puts the Company's senior-most executive officer in a position to guide the Board in setting its policies, priorities and strategies, while ensuring that key business issues and risks are brought to the Board's or Audit Committee's attention. The Chairman and Chief Executive Officer has a long history with the Company, and the Board believes that its current leadership structure makes the best use of his extensive knowledge of the Company and its industry, and enables clear communication between management and the Board.

While the independent directors meet regularly in executive session, the Board currently has elected not to have a designated lead independent director to chair meetings at which only independent directors are present. The Board's view is that given the relatively small size of the Board, the appointment of a lead independent director is not necessary at this time. The standing committees of the Board all have one or more overlapping members, and the Board feels that communication among committees is relatively efficient in light of this cross-fertilization of membership. The Board believes that it is appropriate to choose the director to lead a particular discussion on a case by case basis, depending on the matter to be discussed, and that the existing structure fosters collaboration among independent directors.

### **Board's Role in Risk Oversight**

The Board is responsible for monitoring the risks that affect the Company, including operational, legal, regulatory, strategic and financial risks. As part of the regular Board meetings, management presents the Board with updates regarding key facets of the Company's operations. The Board is responsible for assessing risks based on its working knowledge of the Company and the risks inherent in the Company's business. As discussed below, the Audit Committee monitors the Company's financial and audit-related risks. The Compensation and Management Development Committee monitors any risks that may arise from the Company's compensation policies and practices.

### **Committees of the Board of Directors**

The Board has the following standing committees: (a) Audit, (b) Compensation and Management Development, and (c) Nominating and Governance. All members of the committees serve at the pleasure of the Board of Directors. The functions and current membership of each committee are as follows:

***Audit Committee.*** The Audit Committee recommends to the Board of Directors the engagement of the Company's registered public accounting firm, reviews the scope and extent of its audit of the Company's financial statements, reviews the annual financial statements with the registered public accounting firm and with management, and makes recommendations to the Board of Directors regarding the Company's policies and procedures as to internal accounting and financial controls. The members of the Audit Committee are Lewis P. Gack, Chairman, J. Brooks Fenno and Thomas Wroe, Jr. Each member of the committee is independent, as independence for audit committee members is defined in the listing standards of the NYSE Amex and the applicable regulations of the Securities and Exchange Commission. The Board has determined that Lewis P. Gack is an audit committee financial expert as defined in the Securities and Exchange Commission regulations. The Audit Committee held six meetings during the fiscal year ended August 31, 2011. The Audit Committee operates under a written charter that is available through the Company's website at [www.chasecorp.com](http://www.chasecorp.com).

***Compensation and Management Development Committee.*** The Compensation and Management Development Committee advises the Board of Directors on matters of management, organization, and succession, recommends persons for appointments to key employee positions, and makes the final decisions regarding compensation for directors, officers and key employees. The committee administers the Company's equity incentive plans. The role of our Chief Executive Officer in reporting his evaluations of our other executive officers and making recommendations as to their compensation, as well as the committee's use of compensation consultants from time to time in benchmarking base salaries and providing other industry data, are described in more detail in the Compensation Discussion and Analysis presented elsewhere in this proxy statement. The members of the committee are Ronald Levy, Chairman, Lewis P. Gack and Thomas Wroe, Jr. Each member of the committee is independent, as independence for compensation committee members is defined under the listing standards of the NYSE Amex. The committee held four meetings during the fiscal year ended August 31, 2011. The Compensation and Management Development Committee operates under a written charter that is available through the Company's website at [www.chasecorp.com](http://www.chasecorp.com).

***Nominating and Governance Committee.*** The Nominating and Governance Committee recommends persons for election as directors of the Company, and makes recommendations to the Board of Directors regarding the structure and membership of the various committees of the Board of Directors, including the Nominating and Governance Committee itself. The members of the Nominating

and Governance Committee are J. Brooks Fenno, Chairman, George M. Hughes, and Ronald Levy. Each member of the committee is independent, as independence for nominating committee members is defined in the listing standards of the NYSE Amex. The Nominating and Governance Committee held two meetings during the fiscal year ended August 31, 2011. The Nominating and Governance Committee operates under a written charter that is available through the Company's website at [www.chasecorp.com](http://www.chasecorp.com).

#### **Director Nomination Process**

The Nominating and Governance Committee identifies individuals believed to be qualified to become Board members and recommends individuals to fill vacancies. In nominating candidates, the Committee takes into consideration such factors as it deems appropriate, including judgment, experience, skills and personal character, as well as the needs of the Company. The Nominating and Governance Committee will consider nominees recommended by shareholders if such recommendations are made in writing to the committee. The Nominating and Governance Committee does not plan to change the manner in which the committee evaluates nominees for election as a director based on whether the nominee has been recommended by a shareholder or otherwise.

Mary Claire Chase has been nominated for election as a director of the Company pursuant to a Voting Agreement dated December 26, 2002, as amended December 10, 2003, between the Company and the Edward L. Chase Revocable Trust.

The Company's Bylaws provide that the Nominating and Governance Committee shall recommend for the election to the Board (i) a lineal descendant or spouse of Edward L. Chase (so long as the spouse of Edward L. Chase, his issue, a trust for the benefit of his spouse and/or his issue, or his estate owns 10% or more of the outstanding voting stock of the Company) and (ii) the Chief Executive Officer of the Company.

The Company's Bylaws also provide that the Nominating and Governance Committee shall recommend to the Board of Directors any individual or individuals for election to the Board of Directors if, after such election, a majority of the Board of Directors shall consist of "non-affiliated directors." "Non-affiliated directors" are directors (i) who are not lineal descendants of Edward L. Chase (whether by blood or adoption); (ii) who are not the spouse of Edward L. Chase or of any of such spouse's lineal descendants; (iii) who are not at the time of determination, and shall not have been at any time within three years preceding such time, officers or employees of the Company (or its predecessor) or any of its subsidiaries, affiliates or divisions; (iv) who are not at the time of determination the beneficial owners of more than 10% of the issued and outstanding shares of any class of the Company's stock; and (v) who are not officers, employees, directors or partners of any person who at the time of determination is a holder of more than 10% of the issued and outstanding shares of any class of the Company's stock.

The Nominating and Governance Committee does not have a formal policy relating to diversity among directors. In considering new nominees and whether to re-nominate existing members of the Board, the committee examines each person's specific skills and attributes in the context of the skill sets represented on the Board as a whole, and seeks to achieve a Board with strengths in its collective knowledge and a broad diversity of perspectives, skills and business and professional experience. Among other items, the committee looks for a range of experience in strategic planning, sales, finance, executive leadership, legal and similar attributes.

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In addition to the requirements relating to "non-affiliated directors" summarized above, at least a majority of the directors on the Board must be independent directors as defined in the rules of the NYSE Amex.

### Audit Committee Report

The Audit Committee of the Board of Directors is appointed by the Board of Directors. The members of the Audit Committee meet the independence requirements of the NYSE Amex. The Audit Committee, in accordance with its written charter, oversees the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited financial statements for the fiscal year ended August 31, 2011 with management including a discussion of the quality, not just the acceptability, of the Company's accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee has discussed with PricewaterhouseCoopers LLP, the Company's Independent Registered Public Accounting Firm, the matters required to be discussed by Statement of Auditing Standards No. 61, *Communication with Audit Committees*, as amended, as adopted by PCAOB, which provides that certain matters related to the conduct of the audit of the Company's financial statements are to be communicated to the Audit Committee. The Audit Committee has also received the written disclosures and letter from PricewaterhouseCoopers LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding PricewaterhouseCoopers LLP's communications with the audit committee concerning independence, and has discussed with PricewaterhouseCoopers LLP its independence from the Company.

The Audit Committee discussed with PricewaterhouseCoopers LLP, the overall scope and plans for its audit. The Audit Committee met with PricewaterhouseCoopers LLP, with and without management present, to discuss the results of its examination, its evaluation of the Company's internal controls and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board approved) that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended August 31, 2011 for filing with the Securities and Exchange Commission. The Audit Committee has selected PricewaterhouseCoopers LLP to serve as the Company's Independent Registered Public Accounting Firm for fiscal year 2012.

By the Chase Corporation Audit  
Committee

Lewis P. Gack, (Chairman)  
J. Brooks Fenno  
Thomas Wroe, Jr.

**EXECUTIVE OFFICER AND DIRECTOR COMPENSATION**  
**Compensation Discussion and Analysis**

**Introduction**

This Compensation Discussion and Analysis is intended to provide a context for the disclosures contained in this proxy statement with respect to the compensation paid to our chief executive officer, Peter R. Chase, our chief financial officer, Kenneth L. Dumas, and our chief operating officer, Adam P. Chase. Together, these officers are referred to as the "named executive officers," and their compensation is detailed in the tables that follow this Compensation Discussion and Analysis. Specifically, this Compensation Discussion and Analysis will explain the objectives and material elements of the compensation of the named executive officers during the fiscal year ended August 31, 2011.

The Compensation and Management Development Committee of our Board of Directors has the responsibility of developing and overseeing a comprehensive compensation philosophy, with strategies and principles that have the support of the Board of Directors and management, and that ensure the fair and consistent administration of our compensation program. The Compensation and Management Development Committee makes recommendations to the full Board for approval relating to the total compensation to be paid to the named executive officers, including salary, performance bonus, equity awards, long-term awards, benefits and perquisites.

In this analysis, we refer to the Compensation and Management Development Committee as "the committee" or "the compensation committee." The committee operates under a written charter which is available on our corporate web site, *www.chasecorp.com*, under "Corporate Governance."

**Philosophy and Objectives of Our Compensation Program**

The primary objectives of the compensation committee are to ensure that our executive compensation and benefits programs:

retain executive talent by offering compensation that is commensurate with pay at other companies of a similar size in the same or similar industries in the region, as adjusted for individual factors, and considering the complexity of the Company's business;

safeguard our interests and the interests of our shareholders;

are effective in driving executive performance by having pay at risk, so actual pay is tied to company-wide goal achievements and superior performance is rewarded;

foster teamwork on the part of management;

are cost-efficient and fair to employees, management and shareholders; and

are well-communicated to and understood by program participants.

Our compensation committee believes that the most effective compensation program is one that will provide incentives that are directly linked to the achievement of company strategies through easily measured, company-wide performance targets, while providing a reasonable level of income security to the named executive officers through competitive base salaries and retirement benefits. To this end, our executive compensation reflects a balance of cash and non-cash compensation, and a mix of currently paid compensation and long-term incentives. The compensation committee does not set a rigid target for these mixes, and the mix will necessarily vary from year to year based upon our underlying financial

performance. Our incentive plans combine financial targets to reward performance with time-based vesting to assist retention.

### **Committee Purposes and Responsibilities**

One of the primary purposes of the compensation committee is to determine the total target compensation levels for the senior executive officers of the company and to establish and annually review the programs that will determine the actual rewards against those targets.

The committee is charged with ensuring that the target compensation levels and the allocation of short term and long term components are sufficient to attract, motivate and retain seasoned professional managers, while at the same time ensuring that the pay is reasonable and fair to our shareholders in light of the company's financial performance and when compared to executive officers of similar position and responsibility at other businesses.

The committee is also responsible for reviewing the annual compensation for service on our Board of Directors or for service as a member or chair of any of the various committees of our Board of Directors, and, if appropriate, for recommending to the Board for approval any changes to those programs.

The committee has the authority to retain and terminate any legal counsel or any compensation or other consultant to be used to assist in the evaluation of director or executive compensation and has sole authority to approve the consultant's fees or other retention terms.

It also reviews and administers our equity compensation plans, and reviews any existing or proposed employment agreement, change in control or severance agreement, or any special or supplemental benefits not offered as part of a broad-based plan that are made available to our named executive officers. Where appropriate, it recommends adoption, amendment, or termination of such programs or agreements to the full Board of Directors.

### **Role of Executive Officers in Compensation Decisions**

Our compensation committee makes all determinations affecting the compensation for our named executive officers, including our Chief Executive Officer, and recommends those determinations to the full Board of Directors for approval. Our Chief Executive Officer attends meetings of the committee as a non-voting advisory member, except that he is not present for any discussion of his own compensation. The compensation committee receives and carefully considers our Chief Executive Officer's evaluations of all named executive officers other than himself, as well as his recommendations with respect to all components of compensation of the other named executive officers. In reviewing and considering the evaluations and recommendations of the Chief Executive Officer, the committee takes into account the familial relationship between the Chief Executive Officer and Adam Chase, the President and Chief Operating Officer, and satisfies itself that the recommendations are based solely on merit and performance. The committee expressly reserves the right to exercise its discretion in modifying any adjustments or awards recommended by our Chief Executive Officer, although historically the committee has given significant weight to the recommendations of our Chief Executive Officer with respect to the other named executive officers.



### Use of Compensation Consultants and Benchmarking Data

A description of the extent to which we benchmark our base salary levels against other companies is described below under "Base Salary." The committee has taken advice from expert compensation consultants engaged both by the committee and by management to set up the position values and salary ranges for executive officers and continues to adjust base salaries annually in order for the Company to be competitive with respect to executive compensation. Consultants used by the committee and management in the past have included among others James F. Reda & Associates, LLC ("Reda") and Thomas Warren Associates. The compensation consultants have used similar benchmarking data in recommending the performance based components of the executive compensation package. In 2010, as noted in more detail below, the committee engaged Reda to perform a competitive review of overall executive pay levels in comparison to market levels and to recommend appropriate changes to our long term incentive plans. After considering their recommendations, the committee adopted certain changes to the performance metrics used in our cash and equity incentive plans and the thresholds and pro ration curves used under those plans. Reda was engaged directly by the committee. It advised solely on executive compensation and offered no other services which might cause a conflict of interest. The committee did not use the services of a compensation consultant during 2011.

### Principal Elements of our 2011 Compensation Program

There were three principal elements of compensation for our named executive officers during fiscal 2011. These were:

base salary;

a cash bonus component based on the performance of our business against corporate objectives under our annual cash incentive plan;

long term incentive compensation in the form of equity awards including:

restricted stock award based on the performance of our business against different corporate objectives (comprising 50% of the total equity component target value);

time-based vesting restricted stock award (25% of the total equity component target value); and

stock options (25% of the total equity component target value).

The financial measurement metrics and targets used in the annual cash incentive plan and the annual equity award plan are subject to annual review by the committee, which reserves the right to set different objectives on either the cash incentive plan or equity award program as it feels appropriate in light of the annual and long term objectives of the Company. As discussed in more detail below, in fiscal 2009 and prior years the cash and equity incentive plans both used the same performance measurement to determine actual payouts to the named executive officers, but beginning in 2010 the committee adopted differing financial performance targets for the two programs. The cash incentive plan and the equity awards program also differ in the dollar value of the target awards and in their vesting provisions, since payments under the cash incentive plan are made after the end of each fiscal year, and the equity awards, both those with performance-based vesting criteria and those without, vest over a period of three years from the time of grant. The total compensation package thus provides a mix of (1) current cash payments in the form of salary, independent of year-to-year financial performance;

(2) annual cash payments determined by reference to the Company's actual results of operations for the year compared to a target; and (3) equity awards, half of the target value of which is subject to vesting provisions relating to the Company's financial results, together with restricted stock and stock options that are not specifically tied to financial performance, all of which are subject to time-based vesting provisions in order to foster our retention objectives. In addition, we maintain a pension plan and other retirement benefits for our executives.

The cash incentive plan for 2011 sets compensation levels with respect to earnings before interest, taxes, depreciation and amortization ("EBITDA") for the fiscal year in question, as adjusted at the discretion of the committee. The equity award program sets compensation levels with respect to our earnings per share ("EPS") for the fiscal year in question, as adjusted at the discretion of the committee. As a result, a substantial proportion of our named executive officers' total compensation is tied to our earnings in each fiscal year. The committee determined for 2011 that EBITDA is the most appropriate tool for measuring the underlying performance of the company and its management team for the annual incentive plan while EPS is used for the equity plan as it is a more common and consistent measure for longer term incentive programs and aligns with how shareholders are rewarded. In addition, the committee has chosen to emphasize company-wide achievement of financial objectives in this manner, as opposed to emphasizing more subjective individual performance criteria or measurements based upon business units or other operating data, because it believes it is important to use a metric that is easily measured and understood from the beginning of the year, that fosters teamwork among the management team, and that most directly aligns the interest of the named executive officers with those of all shareholders. The committee does retain discretion to adjust or supplement the cash incentive awards paid, either upward or downward, but these individual adjustments based on qualitative or subjective factors have historically had a relatively small impact on total compensation compared to the objective components.

The following discussion seeks to explain why the compensation committee has chosen to pay each compensation element, how it determines the amount of each element, and how the element and the committee's decisions regarding that element in fiscal 2011 fit into the Company's overall compensation objectives and affect decisions regarding other elements.

*Base Salary.* We pay a base salary to each of our named executive officers. The objective is to provide base compensation to the executive that is competitive with base compensation that the executive could earn in a similar position at other companies and which will provide a reasonable level of income security for the executive without regard to year-to-year fluctuations in our financial condition. A range of base salary levels for key positions in the Company was established most recently in 2010 upon the recommendation of a compensation consultant, Reda, which was engaged by the committee to provide analysis and input on executive pay and incentive plan design for the top three executive officers.

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The ranges for these key positions were established taking into account benchmarking data provided by the compensation consultant which included a survey of the following 20 companies:

Optical Cable Corporation	Nortech Systems, Inc.
SatCon Technology Corporation	SigmaTron International, Inc.
Omega Flex, Inc.	Eastern Company
Spire Corporation	Zoltek Companies, Inc.
BTU International, Inc.	Sterling Chemicals, Inc.
Transcat Inc.	NL Industries, Inc.
Magnetek, Inc.	Material Sciences Corporation
Met-Pro Corporation	KMG Chemicals, Inc.
CORE Molding Technologies	American Pacific Corporation
SurModics, Inc.	Balchem Corporation

The companies surveyed had median revenues in fiscal 2008 and 2009 of approximately \$121 million (putting us at the 39<sup>th</sup> percentile), median full time employees of 347 (putting us at the 54<sup>th</sup> percentile) and median market capitalization of approximately \$54 million (putting us at the 63<sup>rd</sup> percentile). Our pre-tax profit growth was at the 63<sup>rd</sup> percentile relative to the companies surveyed. In comparison to the peer group, Reda reported that our executive officers' total compensation was in line with market rates. Our Chief Executive Officer's compensation was above the median with respect to both salary and total compensation, representing in part his long tenure at the Company, while our Chief Operating Officer's total compensation and salary were approximately at market, and our Chief Financial Officer's compensation was below the median with respect to both salary and total compensation. Additionally, management has previously engaged Thomas Warren Associates, to ensure salary ranges were and remained appropriate throughout the Company, not just at the management level. Individual executives' base salaries are set initially upon hiring or promotion to a position within the established range, taking into account each executive's experience in the role and other subjective factors, and are reviewed annually thereafter. As outlined above, the Chief Executive Officer makes salary adjustment recommendations to the committee with respect to the named executive officers other than himself. Historically, salary increases have been in the range of 3% to 6% per year, or higher in circumstances where executives are promoted to substantially increased responsibilities. The committee intends from time to time, but not necessarily annually, to revisit the salary ranges used by reference to updated benchmark data, in order to ensure that salaries remain competitive but not excessive. For fiscal 2011, the committee increased the base salaries of Peter R. Chase, our Chief Executive Officer, by 4%, of Adam P. Chase, our President, by 5%, and of Kenneth L. Dumas, our Chief Financial Officer, by 5%, over the prior year.

*Cash Incentive Plan.* At the beginning of each fiscal year, following the annual budget presentation by management to the Board of Directors, the committee sets a corporate performance target for the upcoming fiscal year to be used in connection with the company's incentive compensation programs. As noted above, for fiscal 2011 this financial target was set at a certain level of EBITDA with respect to the cash incentive plan. The EBITDA target was set by the committee with reference to both historical performance and expected future performance. The committee believes that the targets set as a general matter should be reasonably attainable through consistent performance as compared to recent years, and it is the committee's expectation that the actual awards granted under the relevant plan will exceed the "target" awards where management achieves growth over historical annual EBITDA levels. The corporate EBITDA targets are set in a way that tends to reflect

improvement over historical results

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generally, at least during periods of multi-year growth in EBITDA, but do not always reflect improvement over the most immediately preceding fiscal year. For fiscal 2011, the corporate EBITDA target set by the committee was \$19.4 million. In fiscal 2011 actual results exceeded the target.

At the end of the fiscal year, actual results are compared to the target established at the beginning of the year. In establishing the compensation program, it was the Board's intent to exclude from actual performance measurements the effect of unusual or nonrecurring events, income or expenses from the calculations. The committee consequently has the discretion to decide to exclude certain items or to make other adjustments in order to fairly reflect our underlying operating performance for the year. For fiscal 2009, for example, it made net upward adjustments of approximately \$0.5 million to our actual results used to calculate payments under the plan in order to reflect unanticipated and unusual charges. For periods prior to fiscal 2010, earnings before tax, or EBT, was the metric used for both the annual cash incentive and equity incentive plans before changing to an EBITDA based target and an EPS target in fiscal 2010 for the cash and equity incentive plans, respectively. No adjustments were made for fiscal 2011 or 2010.

In order for any amounts to be payable under the plan, the Company must meet a threshold level of 90% of the target EBITDA. Actual payments are made under the plan by reference to the target awards established by the committee for each of the named executive officers as a percentage of their base salaries, although they are subject to adjustment as described below. The maximum award under the cash incentive plan is reached at 120% of the target performance measure. The actual EBITDA of \$21.3 million for fiscal 2011 represented achievement at approximately 110% of the target amount. Amounts potentially payable under the cash incentive plan, as a percentage of salary, and amounts actually paid are reflected in the table below for fiscal year 2011.

Name of executive	Cash Awards Payable for 2011			Actual FY 2011 Payments	
	At 90% of target	At 100% of target	At 120% of target	Award as percentage of annual salary	Final payments made(1)
	(as percentage of base salary)				
Peter R. Chase	25%	50%	100%	74%	\$ 389,319
Adam P. Chase	20%	40%	80%	69%	\$ 175,000
Kenneth L. Dumas	15%	30%	60%	50%	\$ 90,000

(1)

The compensation committee retains the discretion to make adjustments based upon subjective factors and the recommendation of the Chief Executive Officer. In fiscal 2011, based upon the recommendation of the Chief Executive Officer, additional discretionary amounts of \$25,000 and \$9,400 were paid to Adam P. Chase and Kenneth L. Dumas, respectively. These adjustments are reflected in the final payments made in the table above.

A similar cash incentive program was approved by the committee and maintained and paid out of a bonus pool, with payments determined by reference to our EBITDA, for other key employees at the Company. In fiscal 2011, approximately 40 employees participated in that program (with most payments at the discretion of the Chief Executive Officer and the other executive officers).

*Equity Incentive Plan.* The third element of our compensation program is our equity-based long-term incentive plan. In 2011 our equity incentive plan used a combination of three types of equity awards: performance-based restricted stock, time-vesting restricted stock and stock options.

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The performance-based element measured annual performance against an earnings per share ("EPS") target for fiscal 2011 and represented 50% of the total target equity award for each of the named executive officers. The other half of the total target equity award to each named executive officer was split evenly between time-based restricted stock and stock options.

The following table shows, for each of the named executive officers, the total target equity awards for each officer as determined at the beginning of the fiscal year, and the final equity incentive awards with respect to the performance based restricted stock as calculated at the end of the fiscal year.

Name	Target Equity Award as % of Salary	Value at Grant Date	Performance Shares at Grant Date(1)	Time Vesting Shares at Grant Date(2)	Stock Options at Grant Date(2)	Actual Payout for 2011 Performance shares (# of shares)
Peter R. Chase	100%	\$ 523,770	20,621	10,310	39,204	41,242
Adam P. Chase	80%	\$ 201,802	7,945	3,972	15,105	15,890
Kenneth L. Dumas	60%	\$ 108,436	4,269	2,135	8,116	8,538

- (1) Value represents 50% of the total equity award assuming achievement at 100% of the performance targets, using the closing share price on the last day of the prior fiscal year.
- (2) Value represents 25% of the total equity award using the closing share price on the last day of the prior fiscal year, in the case of time-based restricted stock awards, and the Black-Scholes value of the options on such date, in the case of the option awards.

In the event of a named executive officer's retirement, death or disability or dismissal without cause before the scheduled vesting date, then the awards will vest pro rata to the date of the termination of employment. In the event of a named executive officer's voluntary termination of employment or termination for cause, all of the award will be forfeited. Upon a change of control of the Company, any unvested awards will automatically vest.

Each of the three types of equity awards that collectively comprise our equity incentive plan are described in more detail below:

*Performance-based restricted stock.* The performance-based restricted stock awards are made at the beginning of the year based upon the target performance levels, with the target number of shares being determined by dividing the target equity award value by our stock price on the grant date. For fiscal 2011, the corporate EPS target set by the committee was \$0.98. The final award amounts are determined after the end of the fiscal year by reference to our actual performance for the year. In order for any payments to be made under the equity incentive plan, the Company must achieve at least 90% of the EPS target. If the Company achieves less than 90% of the performance target, the full award would be forfeited. If the Company achieves 90% of that target, then the actual payment would be 50% of the target shares (with the other 50% being forfeited). If the Company achieves 100% of the target, then the actual payment would be 100% of the targeted share amount. Achievement between 90% and 100% would be pro-rated. If the Company achieves 120% of the target then the executive's equity award would be 200% of the targeted share amount. Achievement between 100% and 120% will be pro-rated. The total opportunity is capped at 200% of the targeted share amount. Accordingly, there is no incremental award at performance levels above 120% of the earnings per share target. Actual EPS in fiscal

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2011 as defined in the Chase Corporation Long Term Incentive Plan was \$1.23, or approximately 126% of the target, so that the maximum award level was achieved for 2011. Note that EPS as defined in the plan may differ from earnings per share as calculated under generally accepted accounting principles, since the plan uses the fully diluted number of shares outstanding as of the first day of the fiscal year. Our basic and diluted EPS as reported under U.S. generally accepted accounting principles for fiscal 2011 was \$1.22 per share.

The final share amounts are calculated and approved by the compensation committee upon finalization of our financial results for the fiscal year. Equity awards made for fiscal 2011 exceeded the target levels because of the strong earnings achieved by the Company during that year. The committee made no adjustments to the final share awards calculated under the plan. The restricted stock will not vest, however, until the last day of the second fiscal year following the fiscal year that is used as the performance period. In other words, the performance-based equity awards for fiscal 2011 will vest on August 31, 2013.

The committee believes that the combination of performance measures to determine the number of shares of common stock underlying each award, and the "cliff" vesting of the award two years after the end of the performance period, is useful in accomplishing the dual objectives of rewarding superior performance and encouraging retention of its qualified executives.

*Time-based vesting restricted stock.* Starting in fiscal 2011, the committee determined that time-based vesting shares should be incorporated into our long-term incentive plan for the executive officers. The purpose of the time vesting restricted stock grant was to provide a long term incentive in the form of a fixed award that was not subject to a performance measurement target. The number of shares is determined by reference to the value of the award (25% of the total target equity award value) divided by the closing market price of the Common Stock on the last day of the prior fiscal year. The shares vest in three years from their grant, or on August 31, 2013.

*Stock options.* Starting in fiscal 2011, the committee determined that stock option grants should be incorporated into our long-term incentive plan on a more formulaic basis as part of the overall long term incentive plan for the executive officers, as compared to prior years when option awards had been made on a more *ad hoc* basis outside of our annual equity incentive plan. Thus, 25% of the total target value of the equity plan awards for 2011 was made in options to purchase common stock, although the total target value of the equity plan awards did not increase, as a percentage of salary, compared to 2010. The purpose of the option grant was to further align management's interests with that of the shareholders, to encourage equity participation among management team members and provide a long-term incentive for their future commitment as key members of the executive management team. The grants in fiscal 2011 were made effective as of the first day of the fiscal year, with an exercise price equal to the fair market value of the common stock on that date. The committee made option awards to Peter R. Chase (39,204), Adam P. Chase (15,105), and Kenneth L. Dumas (8,116). The number of shares of common stock subject to these option grants was determined by taking 25% of the total equity award opportunity for each individual named executive officer and dividing it by the Black-Scholes value of an individual option on the date of grant. The options granted in fiscal 2011 will vest in three equal annual installments, beginning on August 31, 2011.

*Discretionary Bonuses.* The committee does not typically pay discretionary cash bonuses as a routine component of the executive compensation program, separately from the cash incentive plan described above. As noted above, the committee has the discretion to adjust an award determined under the cash incentive plan upward or downward, and has exercised that discretion in the past in a manner that has historically had a small impact on total compensation compared to the objective components.

*Voting and Dividends on Stock Awards.* Beginning in fiscal 2008, the compensation committee decided to use restricted stock awards with both performance and time vesting provisions in lieu of the restricted stock units previously used. The primary difference is that the participants in the equity award program are now able to vote and receive dividends upon their restricted shares before the vesting period. The committee determined that permitting the participants to vote and receive dividends prior to the vesting of the awards was appropriate and consistent with the committee's retention and pay for performance objectives. The committee took into account the fact that dividends on such unvested awards would typically represent a small percentage of the executives' total compensation. Dividends paid on unvested awards are not required to be repaid if the vesting provisions are not met, but the underlying shares themselves remain subject to forfeiture through the vesting date, putting the bulk of the economic value of the award at risk and subject to the performance and time-based vesting conditions.

## **Retirement Programs**

In addition to the primary components of executive pay described above, we maintain certain retirement plans and benefits for our executive officers. Many of these plans are available to larger groups of employees. The committee feels that the opportunity to participate in programs that assist the executives and other employees in saving for retirement is an important part of those employees' compensation package.

Our named executive officers may elect to make contributions to a retirement account in our 401(k) plan, which is available to substantially all of our employees and under which we made a matching contribution to each participant in each of the last three fiscal years. The matching contribution under the 401(k) plan is the equivalent of 100% of the first percent of the employees' pre-tax contribution to the plan plus 50% thereafter, up to an amount equal to three and one half percent of the employee's annual salary. Our matching contributions to the accounts of the named executive officers are shown in the "All Other Compensation" column in the Summary Compensation Table.

We also maintain a non-qualified Supplemental Savings Plan covering selected employees, including our named executive officers. Participants may elect to defer a portion of their compensation for future payment in accordance with the terms of the plan.

We maintain a tax-qualified defined benefit pension plan and a non-qualified Supplemental Pension Plan. The Supplemental Pension Plan covers those of our employees who from time to time may be designated by our Board of Directors. Currently, our Chairman & Chief Executive Officer, Peter R. Chase; our President & Chief Operating Officer, Adam P. Chase; and our Chief Financial Officer & Treasurer, Kenneth L. Dumas have been designated as being covered. These plans are described in more detail under "Executive Compensation Other Executive Plans Pension Plan". As noted in that section, benefits are paid at a higher rate to employees who became employed prior to May 1, 1995 or who are covered by certain collective bargaining



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agreements and meet certain other qualifications, as compared to those who were employed after that date. Of our named executive officers, only our Chief Executive Officer was employed prior to May 1, 1995, and therefore only he accrues benefits at the higher rate.

### Other Benefits

In 1997, we structured a split dollar life insurance program for our Chief Executive Officer, Peter R. Chase. The program was restructured in 2005 following the enactment of the Sarbanes-Oxley Act of 2002 and the issuance by the Internal Revenue Service of regulations relating to the treatment of so-called "equity" split dollar arrangements. As part of this restructuring, we agreed to provide Mr. Chase an annual bonus payment in an amount sufficient for the after-tax portion to be used to pay the premium on a life insurance policy in his own name. These premiums (and consequently our obligation to make these payments) are spread over nine years beginning in January 2005. Our obligations will cease if Mr. Chase terminates his employment with us, unless the termination is the result of a disability, without cause or within one year of a change in control. We pay Mr. Chase \$309,210 annually under this agreement. This benefit is unrelated to Mr. Chase's salary or other compensation, and the committee does not consider the value of this benefit in setting the other components of Mr. Chase's compensation. The Company entered into this agreement in recognition of Mr. Chase's valuable services to the Company and the voluntary transfer as part of the restructuring program by Mr. Chase to the Company of life insurance policies, which were owned by him and subject to a collateral assignment split dollar agreement with the Company.

We also own a life insurance policy on the life of Peter Chase as a mechanism to fund our obligations under the unfunded, nonqualified excess benefit plan described above.

We also provide Peter Chase with a company car and a golf club membership. We provide our other named executive officers a car allowance of \$1,000 per month. We provide each of our named executive officers reimbursement for certain financial planning and tax services up to \$5,000 per year. Our compensation committee considers these arrangements to be fair and reasonable in light of the relatively low cost to the Company. These amounts are reported as income to the executive for tax purposes.

Named executive officers may also participate in our medical and dental insurance offerings by electing to make payroll deductions designed to cover approximately 25% of the cost of these programs (with the company covering the other 75% of the cost). We also provide disability and life insurance coverage for our named executive officers and pay a portion of the related premiums.

### Named Executive Agreements

In prior years, as any of our named executives were hired by us, promoted or have taken on additional responsibilities, we entered into agreements with them pursuant to which they would be entitled to receive severance benefits upon termination by us without cause, or upon the occurrence of certain enumerated events during the two years following a change in control. The events that trigger payment are generally those related to termination of employment without cause or detrimental changes in the executive's terms and conditions of employment. See "Payments Upon Termination or Change of Control" below for a more detailed description of these triggering events and the resulting benefits. We believe that this structure will help: (i) assure that the named executive officers can give their full attention and dedication to us, free from distractions caused by personal uncertainties and risks related to a pending or threatened change in control, (ii) assure the named executives' objectivity in considering

shareholders' interests, (iii) assure the named executives of fair treatment in case of involuntary termination following a change in control, and (iv) attract and retain key executive talent in a competitive market.

### **Compensation Risks**

The Compensation and Management Development Committee has considered the components of the Company's compensation policies and practices. We believe that risks arising from our compensation policies and practices for our employees, including our executive officers, are not likely to have a material adverse effect on us. In addition, although a significant portion of executive compensation is performance based and "at-risk," the committee believes that the mix and design of the elements of executive compensation do not encourage management to assume excessive risk.

The committee has reviewed the elements of executive compensation to determine whether any portion of executive compensation encouraged excessive risk taking. It concluded that:

the Company's significant weighting toward long-term incentive compensation, including performance targets and time-based vesting provisions used in tandem, discourages excessive risk taking;

the Company's performance goals are appropriately set in order to avoid targets that, if not met, result in a large percentage loss of compensation;

assuming achievement of at least a minimum level of performance, payouts under the Company's performance-based plans result in some compensation at levels below full target achievement, rather than an "all or nothing" approach; and

as a manufacturing company, the Company is not generally subject to the types of risks that may be present in a corporation involved in financial services, trading or investment activities.

### **Impact of Tax and Accounting Issues**

Section 162(m) of the Internal Revenue Code denies a tax deduction to a public corporation for annual compensation in excess of one million dollars paid to its Chief Executive Officer and certain of its other most highly compensated officers, unless such compensation is paid pursuant to one of the enumerated exceptions set forth in Section 162(m) of the Code, which include an exception for "performance based" compensation meeting certain requirements. Where possible, the committee attempts to structure its compensation programs such that compensation paid will be tax deductible whenever it is consistent with our compensation philosophy. However, the committee has not adopted a policy requiring all compensation to be deductible. Our compensation committee believes that factors other than tax deductibility are more important in determining the forms and levels of executive compensation most appropriate and in the best interests of our shareholders. Our compensation committee believes that it is important to retain the flexibility to design compensation programs consistent with our executive compensation philosophy, even if some executive compensation is not fully deductible. Also, the deductibility of some types of compensation payments will depend on the timing of an executive's vesting or exercise of previously granted rights. Accordingly, our compensation committee may from time to time approve elements of compensation for certain executives that are not fully deductible.

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In addition, the compensation committee considers the impact of Section 409A of the Internal Revenue Code, which imposes certain requirements on "nonqualified deferred compensation plans." These may be particularly relevant in the case of compensation paid after termination of a named executive officer's employment under the change in control and severance agreements discussed above. We believe that this compensation is in compliance with the applicable requirements of Section 409A.

### **Report of the Compensation and Management Development Committee**

The Compensation and Management Development Committee of the Chase Corporation Board of Directors has reviewed and discussed the foregoing Compensation Discussion and Analysis with management of the Company and, based on such review and discussion, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

By the Compensation and  
Management  
Development Committee

Ronald Levy (Chairman)  
Lewis P. Gack  
Thomas Wroe, Jr.

## Executive Compensation

The following table contains a summary of the compensation paid or accrued during the fiscal years ended August 31, 2011, 2010 and 2009 to our Chief Executive Officer, Chief Operating Officer and Chief Financial Officer.

## Summary Compensation Table

Name and Principal Position	Fiscal Year	Salary (\$)(1)	Bonus (\$)(2)	Stock Awards (\$)(3)	Option Awards (\$)(3)	Non-Equity Incentive Plan (\$)(4)	Change in Pension Value and Non-Qualified Incentive Deferred Compensation Earnings (\$)(5)	All Other Compensation (\$)(6)	Total (\$)
Peter R. Chase Chairman & Chief Executive Officer	2011	523,770	309,210	392,827	130,942	389,319	399,584	165,541	2,311,193
	2010	499,780	309,210	484,254	268,500	503,624	498,898	96,474	2,660,740
	2009	484,254	398,353	484,254		165,857	838,689	102,213	2,473,620
Adam P. Chase President & Chief Operating Officer	2011	252,252	25,000	151,352	50,450	150,000	(10,596)	39,493	657,951
	2010	235,405		184,800	179,000	192,192	8,949	33,222	833,568
	2009	231,000	46,706	184,800		63,294	25,609	34,508	585,917
Kenneth L. Dumas Chief Financial Officer & Treasurer	2011	180,726	9,400	81,325	27,109	80,600	(2,992)	29,691	405,859
	2010	168,656		99,300	89,500	103,272	6,585	25,478	492,791
	2009	165,500	35,990	99,300		34,010	12,287	30,381	377,468

- (1) Salary includes amounts earned in the fiscal year, whether or not deferred.
- (2) The bonus for Peter R. Chase in each year reflects the annual reimbursement of \$309,210 to Mr. Chase by the Company for the cost of premiums incurred by him for certain life insurance policies owned by him. The Company agreed in January 2005 to make these premium payments on behalf of Mr. Chase for a nine year period in connection with his restructuring of previously existing split dollar arrangements as a result of the enactment of the Sarbanes-Oxley Act of 2002 and the issuance by the Internal Revenue Service of regulations relating to the treatment of so-called "equity" split dollar arrangements. The additional amounts paid to Mr. Chase in fiscal 2009 and the amounts paid to our other named executive officers in the same year represent discretionary adjustments to the calculated amount under the annual cash incentive program. The amounts for Mr. Adam Chase and Mr. Dumas in fiscal 2011 represent discretionary adjustments to the calculated amount under the annual cash incentive program based on their involvement in several important strategic initiatives during that year.
- (3) Amounts under "Stock Awards" reflect the grant date fair value of the stock-based incentive awards granted under our equity incentive program in that fiscal year, based on the estimated probable outcome of the award as of the grant date. Amounts under "Option Awards" reflect the grant date fair value of stock options awarded during the fiscal year. In each case, amounts are reported whether or not the award had vested and was recorded as compensation expense in accordance with the accounting for stock based compensation guidance during the year. Assumptions made in the valuation are described in more detail in Note 1 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended August 31, 2011. The amounts reported have been adjusted to eliminate service-based forfeiture assumptions used for financial reporting purposes. Assuming the maximum performance target under the stock-based incentive plan were met or exceeded, the amounts reported under "Stock Awards" for 2011 would have been \$654,710 for Peter R. Chase, \$252,247 for Adam P. Chase, and \$135,547 for Kenneth L. Dumas. The total compensation column for such officers in 2011 would have correspondingly been increased by \$261,887, \$100,902, and \$54,216, respectively. These maximum amounts were achieved for 2011 based on our financial results for the year.
- (4) These amounts reflect incentive payments made under our Annual Cash Incentive Program earned during fiscal 2011, 2010 and 2009 and paid in November following the respective fiscal year period. The incentive program is described in the Compensation Discussion and Analysis under the heading "Principal Elements of our 2011 Compensation Program Cash Incentive Plan".
- (5) Represents the current year benefit increase of the present value of the qualified defined benefit plan as well as the supplemental pension plan as described under "Other Executive Plans Pension Plan".

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(6)

These amounts include all other compensation as described in the following table:

Name	Fiscal Year	Qualified 401(k) and Supplemental Retirement Plan Contributions (a)	Life & Long-Term Disability Insurance Premiums (b)	Automobile Allowance or Use of Company Car (c)	Other (d)	Total
Peter R. Chase	2011	\$ 18,332	\$ 15,882	\$ 24,888	\$ 106,439	\$ 165,541
	2010	17,272	16,541	24,888	37,773	96,474
	2009	15,875	17,088	24,888	44,362	102,213
Adam P. Chase	2011	6,792	2,620	12,000	18,081	39,493
	2010	6,632	2,374	12,000	12,216	33,222
	2009	6,065	2,389	12,000	14,054	34,508
Kenneth L. Dumas	2011	6,082	1,893	12,000	9,716	29,691
	2010	5,681	1,747	12,000	6,050	25,478
	2009	5,392	1,712	12,000	11,277	30,381

(a)

This amount represents the contribution by the Company on behalf of the named executive officers to the Chase Corporation Retirement Savings Plans.

(b)

These amounts include the portions of premiums paid by us for: (i) life insurance coverage exceeding \$50,000 and (ii) long term disability premiums. Peter R. Chase is the only named executive officer who has supplemental long-term disability insurance. The premiums for this insurance totaled \$7,650 in 2011, 2010 and 2009 and are included above.

(c)

These amounts represent automobile allowances or personal use of a company leased car.

(d)

These amounts represent payment of dividends on restricted stock, country club membership and all other compensation (consisting of reimbursement for financial planning and tax services) as follows:

Name	Fiscal Year	Dividends on Restricted Stock	Country Club Membership(i)	All Other	Total
Peter R. Chase	2011	\$ 47,274	\$ 59,165	\$	\$ 106,439
	2010	28,608	4,165	5,000	37,773
	2009	35,197	4,165	5,000	44,362
Adam P. Chase	2011	18,081			18,081
	2010	10,416		1,800	12,216
	2009	12,554		1,500	14,054
Kenneth L. Dumas	2011	9,716			9,716
	2010	5,836		214	6,050
	2009	7,164		4,113	11,277

(i)

In 2011 Peter Chase received \$55,000 for country club membership initiation fees. In exchange for this compensation, his 2012 equity award will be reduced by the same amount.

## Grants of Plan-Based Awards for Fiscal 2011

The following table sets forth information relating to potential payments to each of our named executive officers under our fiscal 2011 cash and equity-based incentive award programs. The actual amounts that we paid under each of these programs are reflected in the Summary Compensation Table and its footnotes and are described in more detail under our Compensation Discussion and Analysis under the heading "Principal Elements of our 2011 Compensation Program Cash Incentive Plan" and "Equity Incentive Program".

Name & Award	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Option Awards		Grant Date Fair Value of Stock Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	Exercise or Base Price of Underlying Option Awards (\$/Share)		
Peter R. Chase										
Cash award	9/1/2010	\$ 130,943	\$ 261,885	\$ 523,770						
Performance restricted stock grant	9/1/2010				10,310	20,621	41,242			\$ 261,874
Time vesting restricted stock grant	9/1/2010				N/A	10,310	N/A			130,937
Option award	9/1/2010							39,204	\$ 12.70	130,941
Adam P. Chase										
Cash award	9/1/2010	\$ 50,450	\$ 100,901	\$ 201,802						
Performance restricted stock grant	9/1/2010				3,972	7,945	15,890			\$ 100,889
Time vesting restricted stock grant	9/1/2010				N/A	3,972	N/A			50,444
Option award	9/1/2010							15,105	\$ 12.70	50,451
Kenneth L. Dumas										
Cash award	9/1/2010	\$ 27,109	\$ 54,218	\$ 108,436						
Performance restricted stock grant	9/1/2010				2,135	4,269	8,538			\$ 54,229
Time vesting restricted stock grant	9/1/2010				N/A	2,135	N/A			27,115
Option award	9/1/2010							8,116	\$ 12.70	27,107

The grant date reflected in the table above is the beginning of the fiscal year which coincides with the effective date of the award for each both the non-equity (cash) incentive plan, and the long-term equity incentive program. Amounts in the table above under "Threshold" represent amounts payable under the cash incentive plan if 90% of the corporate EBITDA performance target is achieved, representing a specified percentage of the named executive officers' base salaries, and amounts payable under the performance based equity incentive program if 90% of the corporate EPS performance target is achieved. Below those performance levels, no payments would be made under the respective plans. Amounts under "Target" represent 100% of the target payout under each of those plans, which is set in each case as a specified percentage of the named executive officer's base salary. The maximum payout under either the cash incentive plan or the performance based equity award program is 200% of the target award. The grant date fair value of the possible equity awards reflects the fair value of our common stock on September 1, 2010 multiplied by the total number of shares of restricted stock to be awarded assuming the target was met (assumed to be the probable outcome of the performance conditions at the grant date). The awards were actually paid in accordance with the plans upon finalization of our annual financial results and certification of the awards by the compensation committee in November 2011. The actual payments for fiscal year 2011 reflected the achievement of the maximum payout for the participating officers in the case of the performance-based equity award, and achievement of an amount between the target and the maximum in the case of the cash incentive plan.

## Outstanding Equity Awards at Fiscal Year-End 2011

The following table sets forth information relating to options and unvested restricted stock outstanding as of August 31, 2011 that were granted pursuant to our 2005 Equity Incentive Plan or predecessor plans to our named executive officers.

Name	Option Awards				Stock Awards				
	Number of Securities Underlying Unexercised Options # Exercisable	Number of Securities Underlying Unexercised Options # Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
Peter R. Chase	37,500	37,500		\$ 11.15	8/31/2019	115,887	\$ 1,479,877		
	13,068	26,136		\$ 12.70	8/31/2020				
Adam P. Chase		150,000		\$ 16.53	7/8/2018	44,339	\$ 566,209		
	25,000	25,000		\$ 11.15	8/31/2019				
	5,035	10,070		\$ 12.70	8/31/2020				
Kenneth L. Dumas		100,000		\$ 16.53	7/8/2018	23,826	\$ 304,258		
	12,500	12,500		\$ 11.15	8/31/2019				
	2,705	5,411		\$ 12.70	8/31/2020				

The stock option awards noted in the table above with August 2020 expiration dates vest in three equal annual tranches beginning August 31, 2011 through August 31, 2013. The stock option awards noted in the table above with August 2019 expiration dates vest in four equal annual tranches beginning August 31, 2010 through August 31, 2013. The stock option awards granted to Adam P. Chase and Kenneth L. Dumas with July 2018 expiration dates are scheduled to cliff vest on July 8, 2013.

Amounts under the "Stock Awards" columns reflect restricted stock issued under our equity incentive programs for fiscal 2011 and 2010. The columns include the value of the share amounts issued during fiscal 2011 and 2010, even though the final number of shares comprising the 2011 award was not certified until after the fiscal year end and remained subject to increase or decrease as of August 31, 2011. The market value of all restricted stock is based on the closing price of our common stock on the last trading day in the fiscal year. The closing price as reported by the NYSE Amex on August 31, 2011 was \$12.77.

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Stock awards for fiscal 2010 will vest on August 31, 2012 and awards for fiscal 2011 will vest on August 31, 2013 as outlined in the table below:

Name	Vesting of Stock Awards	
	August 31, 2012	August 31, 2013
Peter R. Chase	84,956	30,932
Adam P. Chase	32,422	11,918
Kenneth L. Dumas	17,423	6,404

As noted above, subsequent to August 31, 2011, the additional stock awards to be granted under our equity incentive program for fiscal 2011 under the financial performance measures applicable to that plan (and vesting August 31, 2013) were determined to be 20,621 for Peter R. Chase, 7,945 for Adam P. Chase, and 4,269 for Kenneth L. Dumas. See the discussion under "Principal Elements of our 2011 Compensation Program Equity Incentive Plan" in our Compensation Discussion and Analysis above.

### Option Exercises and Stock Vested for 2011

The following table sets forth information relating to options exercised in the year ended August 31, 2011 that were granted pursuant to our 2005 or 2001 Equity Incentive Plans (or outstanding with respect to options granted under predecessor plans) by each of our named executive officers. The table also reflects stock vesting during fiscal 2011, which represented the equity incentive awards made during fiscal 2009.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized Upon Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Peter R. Chase			19,182	\$ 243,611
Adam P. Chase			7,320	\$ 92,964
Kenneth L. Dumas			3,933	\$ 49,949

### Payments Upon Termination or Change of Control

**Executive Severance and Change in Control Agreement.** In July 2006, we entered into severance agreements with Peter R. Chase, Adam P. Chase and Kenneth L. Dumas. In the case of Peter R. Chase, our Chief Executive Officer, the agreement superseded a previous severance agreement from October 1994. In the case of the other named executive officers, the agreements were new. In October 2008, to reflect his new responsibilities as president, the severance agreement for Adam P. Chase was superseded by a new agreement. Under the terms of the agreements, if the named executive's employment is terminated by the Company without cause, or terminated by the executive within 24 months after the occurrence of a change in control of the Company for good reason, then the named executive will receive the following benefits:

Severance pay in an amount equal to a multiple (2.0x in the case of Peter R. Chase, 1.5x in the case of Adam P. Chase and 1.0x in the case of Kenneth L. Dumas) of the greater of the named



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executive's annual salary in effect prior to the change in control or his annual salary in effect immediately prior to termination.

Health insurance, dental insurance and group term life insurance for a period ending on the earlier of the commencement date of equivalent benefits from a new employer or one year from his termination date, provided the named executive continues to pay an amount equal to the employee's share of contributions.

If terminated for cause, the named executive shall be entitled to his salary through the period ending with the date of such termination and any accrued benefits. In case of death, disability or retirement, the named executive shall be entitled to such benefits as may be provided to him pursuant to the Company's employee benefit plans.

Amounts that would have been owed to the executive officers upon termination or a change of control assuming a triggering event took place on August 31, 2011, the last day of the Company's most recently completed fiscal year, are presented below.

Name	Benefit	Voluntary or For Cause	Before Change in Control Termination without Cause	After Change in Control Termination without Cause or by the Executive for Good Reason	Disability	Death or Retirement	Change in Control
Peter R. Chase	Salary		\$ 1,047,540	\$ 1,047,540			
	Non-Equity Incentive Plan Compensation		892,943	892,943			
	Medical Benefits		12,862	12,862			
	Executive Bonus		618,432	618,432	\$ 618,432		
	All Other Compensation		34,214	34,214			
	Acceleration of Stock Options				62,580		\$ 62,580
	Acceleration of Restricted Stock		942,698	1,743,207	942,698	\$ 942,698	1,743,207
	<b>Total</b>			<b>\$ 3,548,689</b>	<b>\$ 4,411,778</b>	<b>\$ 1,561,130</b>	<b>\$ 942,698</b>
Adam P. Chase	Salary		\$ 378,378	\$ 378,378			
	Non-Equity Incentive Plan Compensation		275,394	275,394			
	Medical Benefits		14,742	14,742			
	Executive Bonus						
	All Other Compensation		21,412	21,412			
	Acceleration of Stock Options				41,205		\$ 41,205
	Acceleration of Restricted Stock		360,565	667,667	\$ 360,565	\$ 360,565	667,667
	<b>Total</b>			<b>\$ 1,050,491</b>	<b>\$ 1,398,798</b>	<b>\$ 360,565</b>	<b>\$ 360,565</b>
Kenneth L. Dumas	Salary		\$ 180,726	\$ 180,726			
	Non-Equity Incentive Plan Compensation		96,636	96,636			
	Medical Benefits		16,659	16,659			
	Executive Bonus						
	All Other Compensation		19,975	19,975			
	Acceleration of Stock Options				20,629		\$ 20,629
	Acceleration of Restricted Stock		193,751	358,773	\$ 193,751	\$ 193,751	358,773
	<b>Total</b>			<b>\$ 507,747</b>	<b>\$ 693,398</b>	<b>\$ 193,751</b>	<b>\$ 193,751</b>

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If the named executive officer is terminated without cause, or for good reason within 24 months of a change of control, the Company will also pay, at the request of the executive, for an outplacement service for a period of up to one year. These services are not reflected in the table above, as the amount cannot be determined.

**Other Executive Plans**

**2005 Incentive Plan.** The 2005 Incentive Plan (the "2005 Plan") provides for the grant of stock options (both non-statutory options or "NSOs" and, in the case of employees, incentive stock options or "ISOs"), restricted stock, performance awards (including cash), dividend equivalents, deferred stock and unrestricted stock. Unless otherwise determined by the Committee, awards may not be transferred except by will or by the laws of descent and distribution, until the award has been exercised and all restrictions have lapsed, as applicable. The number of shares subject to grant under the 2005 Plan is 1,000,000. The maximum number of awards that may be issued to any person in any calendar year is 200,000 shares. The maximum annual cash award that may be issued to any person is \$2,000,000. As of August 31, 2011 there were 290,005 shares of the Company's Common Stock available for future issuance under the 2005 Plan.

**2001 Senior Management Stock Plan.** The 2001 Senior Management Stock Plan (the "Management Plan") reserved 1,500,000 shares of the Company's Common Stock for equity awards to senior management, including named executive officers. Under the terms of the Management Plan, awards may be granted in the form of incentive stock options, non-qualified stock options and restricted stock. Options granted under the Management Plan generally vest over a period ranging from three to five years and expire after ten years. As of August 31, 2011 there were no shares of the Company's Common Stock available for future issuance under the Management Plan.

**Non-Qualified Retirement Savings Plan.** The Company maintains a non-qualified Supplemental Savings Plan covering selected employees, including the named executive officers. The Supplemental Savings Plan covers those employees of the Company who from time to time may be designated by the Board of Directors and who meet other eligibility and salary criteria. Currently, the Company's Chief Executive Officer, President, and Chief Financial Officer have been designated by the Board of Directors as being covered by the Supplemental Savings Plan, although only the Company's Chief Executive Officer participated during 2011. Participants may elect to defer a portion of their compensation for future payment in accordance with the terms of the plan. The following table gives details relating to our named executive officers' participation in this plan.

**Non-Qualified Deferred Compensation for 2011**

Name	Fiscal Year	Executive Contributions	Registrant Contributions	Aggregate Earnings (Loss) in	Aggregate Balance
		in Fiscal Year (\$)(1)	in Fiscal Year (\$)(2)	Fiscal Year (\$)(3)	at Fiscal Year End (\$)(4)
Peter R. Chase	2011	\$ 16,923	\$ 9,871	\$ 40,717	\$ 410,866

- (1) Amounts in this column are included in the "Salary" column in the Summary Compensation Table.
- (2) Amounts in this column are included in the "All Other Compensation" column in the Summary Compensation Table.
- (3) Amounts in this column are not included in the Summary Compensation Table.
- (4) This column includes amounts in each named executive officer's total deferred compensation account as of the last day of the fiscal year. In addition to the contribution for fiscal 2011, this column reports the portion of the aggregate balance that was reported as compensation in the

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Summary Compensation Table in each of the Company's previous proxy statements and also includes aggregate earnings on previously contributed amounts.

All payments under the Supplemental Savings Plan to participants or their designated beneficiaries will be made in a lump sum. Distribution of these amounts will commence no later than the end of the year in which the participant has separated from service with the Company.

**Pension Plan.** The Company maintains a tax-qualified defined benefit pension plan and a non-qualified excess benefit plan ("Supplemental Pension Plan"). The qualified pension plan covers substantially all employees of certain businesses of the Company who have attained the age of 21 and have completed six months of service. The Supplemental Pension Plan covers those employees of the Company who from time to time may be designated by the Board of Directors and who meet other eligibility and salary criteria. Currently, the Company's Chief Executive Officer, President, and Chief Financial Officer have been designated by the Board of Directors as being covered by the excess benefit plan. Benefits under the qualified pension plan are determined based on final average base earnings (subject to Code-imposed limits on compensation and excluding bonuses, overtime, and other extraordinary amounts) and total years service with the Company (up to a maximum of 40 years). Benefits under the Supplemental Pension Plan are determined based on final average earnings (including base salary and incentive based bonuses) and total years of service with the Company. Benefits are payable upon the retirement of a participant at age 65, or upon the fifth anniversary of employment, if later, or earlier if the participant is at least 55 years old and has completed at least five years of service. The Supplemental Pension Plan is to be paid out on a monthly basis over ten years for all participants except for Peter R. Chase who may be paid in a lump sum, at his election.

The following table shows the actuarial present value of the accumulated benefits for each named executive officers at the end of fiscal 2011. The change in this present value between each fiscal year is reflected in the summary compensation table above.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
Peter R. Chase	Pension Plan for Employees of Chase Corporation	40	\$ 1,431,000	
	Supplemental Pension Plan	40	\$ 4,371,000	
Adam P. Chase	Pension Plan for Employees of Chase Corporation	13	\$ 46,000	
	Supplemental Pension Plan	13	\$ 40,000	
Kenneth L. Dumas	Pension Plan for Employees of Chase Corporation	9	\$ 20,000	
	Supplemental Pension Plan	9	\$ 18,000	

See the Notes to financial statements found in Item 8 of the Company's Annual Report on Form 10-K for more information about the Company's pension plans. For participants who were employed prior to May 1, 1995 or are covered by a collective bargaining agreement, the monthly benefit is equal to the excess of (a) over (b) plus (c), where:

- (a) is 1.5% of the participant's final average compensation multiplied by credited service up to a maximum of 35 years;

- (b) is 0.6% of the participant's final average covered compensation multiplied by credited service up to a maximum of 35 years; and
- (c) is 0.8% of the participant's average monthly compensation multiplied by credited service in excess of 35 years to a maximum of 40 years.

For participants who were employed on or after May 1, 1995 and before December 1, 2008, and are not covered by a collective bargaining agreement, the monthly benefit is equal to the excess of (a) over (b) plus (c), where:

- (a) is 0.75% of the participant's final average compensation multiplied by credited service up to a maximum of 35 years;
- (b) is 0.3% of the participant's final average covered compensation multiplied by credited service up to a maximum of 35 years; and
- (c) is 0.4% of the participant's average monthly compensation multiplied by credited service in excess of 35 years to a maximum of 40 years.

Effective December 1, 2008, we adopted a soft freeze in the qualified pension plan whereby no new employees hired will be admitted to the plan, with the exception of the International Association of Machinists and Aerospace Workers Union. All participants admitted to the plan prior to December 1, 2008 will continue to accrue benefits as detailed in the plan agreements.

Of our named executive officers, only our Chief Executive Officer was employed prior to May 1, 1995, and therefore only he accrues benefits at the higher rate.

### Compensation of Directors

Directors who are not employees of the Company are paid an annual cash retainer of \$22,000. In addition, directors who serve on a Board committee receive an annual cash retainer of \$3,500 for each committee on which they serve. Non-employee directors also receive \$25,000 of Chase Corporation common stock annually, in the form of restricted stock or restricted stock units valued at the closing price on the day preceding the first day of the new year of Board service. The stock awards vest one year from the date of grant. The annual retainer covers all meetings.

In addition to the cash and stock retainer, committee chairperson annual fees will be paid in the form of restricted stock or restricted stock units valued at the closing price on the day preceding the first day of the new year of Board Service. This award also vests one year from the date of grant. The annual fees for committee chairpersons are as follows: Audit \$9,000; Compensation and Management Development \$6,000; Nominating and Governance \$4,000.

Under the compensation policy noted above, the Compensation & Management Development Committee authorized a grant of an aggregate of 11,031 shares of restricted stock to non-employee members of the Board of Directors as compensation for their service to be performed for the period ending January 31, 2012. This restricted stock will vest on February 1, 2012, at which time the shares of common stock will be issued. The number of shares granted to each Director is equal to \$25,000 divided by the closing price of the Company's common stock at the time of grant, except that it additionally takes into consideration each Director's involvement as chairperson of any of the various committees of the Board as outlined above. If a Director notifies the Company of his or her election prior to January 1 of the relevant year, any portion of the cash retainer may be taken in shares of stock.

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*Non-Qualified Retirement Savings Plan for the Board of Directors.* The Company maintains the Non-Qualified Retirement Savings Plan for the Board of Directors. Participants may elect to defer a portion of their compensation for future payment in accordance with the terms of the plan.

The following table summarizes the total compensation paid to the directors who are not employees of the Company:

Name	Fiscal Year	Fees Earned or Paid in Cash (\$)(a)	Stock Awards (\$)(a)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)(b)	Total (\$)
Mary Claire Chase	2011	\$ 20,333	\$ 25,000					\$ 45,333
J. Brooks Fenno	2011	27,333	29,000					56,333
Lewis P. Gack	2011	27,333	34,000					61,333
George M. Hughes	2011	23,833	25,000				\$ 84,000	132,833
Ronald Levy	2011	27,333	31,000					58,333
Thomas Wroe, Jr.	2011	12,833	39,500					52,333

- (a) The stock awards reflect the restricted stock issued on February 1, 2011 with a grant date fair value of \$15.32 per share. In addition, beginning with the March 2011 quarterly payment, Mr. Wroe elected to have his annual cash retainer converted to equity in the form of a common stock issuance at an equal value. These additional shares were issued to Mr. Wroe in quarterly installments valued at \$7,250 as of April 1, 2011 and July 1, 2011. Accordingly Mr. Wroe's cash retainer was reduced by the same amount.
- (b) Represents compensation George M. Hughes received for his services as outside general counsel to the Company.

As of August 31, 2011, none of the non-employee directors held outstanding stock options.

**PROPOSAL 2**  
**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

The Company is seeking the approval of its shareholders of an advisory resolution regarding the compensation of our named executive officers, as disclosed in this proxy statement under the section titled "Executive Officer and Director Compensation Compensation Discussion and Analysis" and " Executive Compensation." While this shareholder vote on executive compensation is only an advisory vote that is not binding on the Company or the Board of Directors, the Company values the opinions of its shareholders and will consider the outcome of the vote when making future compensation decisions.

As described more fully in the Compensation Discussion and Analysis section, the primary objective of our executive compensation program is to attract, retain and reward executive officers who contribute to our long-term success. We believe this requires a competitive compensation structure as compared to companies of a similar size in the same or similar industries in the region. Additionally, we seek to align a significant portion of executive officer compensation to the achievement of specified Company performance goals. Incentive cash bonuses are included to drive executive performance by having pay at risk so that a significant portion of potential annual cash compensation is tied to EBITDA targets. We also include performance-based equity grants with an additional time-based vesting component as a significant element of prospective executive compensation (one-half of our equity incentive program) so that the value of a portion of an executive's compensation is both dependent upon company-wide performance measures and tied directly to the performance of our Common Stock through an earnings per share target. Restricted stock awards and stock option grants, each with time-based vesting provisions, collectively represent the remaining half of our equity incentive program, and are designed to align executive incentives with long-term shareholder interests.

We urge shareholders to read the Compensation Discussion and Analysis section above, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and the related compensation tables and narrative above which provide detailed information on the compensation of our named executive officers.

In light of the above, the Compensation and Management Development Committee and the Board of Directors believe that the policies and procedures articulated in the Compensation Discussion and Analysis section above are effective in achieving our goals and that the compensation of our named executive officers reported in this proxy statement has supported and contributed to the Company's success.

**Principal Effects of Approval or Non-Approval of the Proposal**

The approval of the compensation of the named executive officers, commonly known as a "say-on-pay" resolution, is non-binding on the Board of Directors. As stated above, although the vote is non-binding, the Board and the Compensation and Management Development Committee will review and consider the voting results when making future decisions regarding our executive compensation program.

**Vote Required**

The non-binding approval of the compensation of the named executive officers by the shareholders requires the approval of a majority of the votes cast by the shareholders entitled to vote on this proposal at the meeting. Abstentions, broker non-votes, and votes withheld will not be treated as votes cast for this purpose and will not affect the outcome of the election. Proxies solicited by the Board will be voted to approve the compensation of the named executive officers unless a shareholder has indicated otherwise in the proxy.

OUR BOARD RECOMMENDS A VOTE FOR THE NON-BINDING, ADVISORY PROPOSAL TO APPROVE THE EXECUTIVE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT.

**PROPOSAL 3**

**ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION**

Pursuant to Section 14A of the Exchange Act, we are asking our shareholders to cast a non-binding advisory vote regarding how frequently the Company should seek from its shareholders a non-binding advisory vote (similar to Proposal 2 above) on executive compensation. By voting on this frequency proposal, shareholders may indicate whether they would prefer that the advisory vote on the compensation of our named executive officers occur every year, every two years or every three years. The Board recommends that such a vote occur every three years, but shareholders are not voting to approve or disapprove the Board's recommendation. Shareholders may also abstain from voting on the proposal.

After consideration of this proposal, the Compensation and Management Development Committee has recommended to the Board of Directors that future advisory votes on executive compensation that occur every three years would be the most appropriate policy for Chase Corporation at this time. Therefore, the Board recommends that you vote for future advisory votes on executive compensation to occur triennially. In coming to this decision, the Board recognized that our executive compensation programs are designed to promote a long-term alignment of pay and performance over multi-year periods. The Board believes that an advisory vote on a three-year cycle will provide shareholders and advisory firms sufficient time to evaluate the effectiveness of our executive compensation philosophy, policies and practices in the context of our long-term business results.

In addition, the Board believes that an annual vote on executive compensation will not allow sufficient time for shareholders to meaningfully evaluate any changes to our executive compensation policies and practices, including changes made in response to the outcome of a prior advisory vote on executive compensation. For example, if our evaluation of the executive compensation vote in January 2012 causes us to make changes to our executive compensation program in September 2012 (around the beginning of our fiscal year, when executive compensation decisions are customarily made by our Compensation and Management Development Committee based on Company and individual performance during the previous fiscal year), those changes may only be in place for a few months before the next vote would take place in January 2013. A triennial vote also provides the Company with additional time to engage with shareholders and meaningfully and thoughtfully respond to shareholders' views.

The option of one year, two years or three years that receives the highest number of votes cast by shareholders will be considered the frequency for the advisory vote on executive compensation that has been selected by shareholders. However, this advisory vote is not binding on the Company or our Board of Directors. Our Board of Directors will take into account the result of the vote when determining the frequency of future advisory votes on executive compensation. Because this vote is advisory and not binding on the Company or our Board of Directors, the Board of Directors may decide that it is in the best interests of the Company and our shareholders to hold an advisory vote on executive compensation more or less frequently than the option considered approved by our shareholders.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR CONDUCTING FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION EVERY THREE YEARS.**

Proxies received in response to this solicitation will be voted for the **THREE YEARS** option of this proposal unless otherwise specified in the proxy.



**PROPOSAL 4  
RATIFICATION OF THE APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Company's Audit Committee has selected PricewaterhouseCoopers LLP ("PwC"), to serve as the Company's independent registered public accounting firm for its current fiscal year (which ends August 31, 2012). PwC served as the Company's Independent Registered Public Accounting Firm in connection with the audit for the fiscal year ended August 31, 2011. Representatives of PwC will attend the Meeting, have the opportunity to make a statement if they so desire, and be available to respond to appropriate questions.

**Vote Required**

The ratification of the selection of the Company's independent registered public accounting firm requires the affirmative vote of a majority of the votes cast on the matter at the Meeting. As a result, abstentions, broker non-votes and the failure to submit a proxy or vote in person at the Meeting will have no effect on the outcome. If the Company's shareholders do not ratify the selection of PwC as the Company's independent registered public accounting firm, the Audit Committee will reconsider its selection.

**Audit and Non-Audit Fees**

The following table sets forth fees for services provided by the Company's independent registered public accounting firm, PricewaterhouseCoopers LLP, during fiscal years 2011 and 2010:

	2011	2010
Audit Fees(1)	\$ 571,000	\$ 583,000
Audit-related fees(2)		
Tax fees(3)	140,000	133,500
All other fees(4)		
<b>Total</b>	<b>\$ 711,000</b>	<b>\$ 716,500</b>

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- (1) Represents fees for professional services provided in connection with the audit of our annual financial statements and review of our quarterly financial statements. Audit fees in both fiscal years include services related to the review of the Company's internal control over financial reporting.
- (2) Represents fees, if any, for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported in footnote (1) above.
- (3) Represents fees for services provided in connection with the Company's tax compliance and tax consulting including preparation of the Company's federal and state tax returns.
- (4) Represents fees, if any, for services provided to the Company not otherwise included in the categories above.

In accordance with its charter, the Audit Committee approves in advance any non-audit services provided by the independent registered public accounting firm, including tax planning services which will exceed \$20,000 per project, before the services are rendered. In some cases, the Chairman of the Audit Committee has the delegated authority from the Audit Committee to pre-approve certain services, and such pre-approvals are communicated to the full Audit Committee at its next meeting. During fiscal year

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2011 and 2010, all services were approved by the Audit Committee in accordance with this policy and applicable SEC regulations.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP, INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTANTS AS AUDITORS OF THE COMPANY FOR THE FISCAL YEAR ENDING AUGUST 31, 2012.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

The Company's directors and executive officers file reports with the SEC indicating the number of shares of any class of the Company's equity securities that they owned when they became a director or an executive officer and, after that, any changes in their ownership of the Company's equity securities. On April 27, 2009, Lewis Gack sold 2,000 shares for which a Form 4 was filed late, on March 2, 2011. Other than as noted above, and based solely upon a review of these reports on Forms 3, 4 and 5 and amendments thereto furnished to the Company with respect to its most recent fiscal year, the Company believes that all reporting persons filed on a timely basis the reports required by Section 16(a) of the Securities Exchange Act of 1934, as amended, during the most recent fiscal year.

### **Deadlines for Submitting Shareholder Proposals**

Any shareholder proposals to be presented for consideration at next year's annual meeting must be received at the Company's executive offices not later than August 28, 2012 to be included in the Company's proxy statement and form of proxy for that meeting. If the Company does not have notice of a shareholder proposal at least 45 days before the mailing date of the proxy statement for the prior year's annual meeting, then your proxy will confer discretionary authority to vote on the proposal if it is properly presented for consideration at a meeting.

### **Annual Report on Form 10-K**

**The Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2011, filed with the Securities and Exchange Commission, may be obtained, without charge, by writing to Chase Corporation, Attn: Paula Myers, 26 Summer Street, Bridgewater, Massachusetts 02324. The Company's Annual Report on Form 10-K is also available free of charge through the Company's website at [www.chasecorp.com](http://www.chasecorp.com).**

### **Householding of Annual Meeting Materials**

Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy statements and annual reports. This means that only one copy of our proxy statement or annual report may have been sent to multiple shareholders in your household. We will promptly deliver a separate copy of either document to you if you write or call us at the following address or telephone number: Chase Corporation, Attn: Paula Myers, 26 Summer Street, Bridgewater, Massachusetts 02324 (telephone 508-819-4219). If you wish to receive separate copies of our annual report and proxy statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and telephone number.

### **Miscellaneous**

The Company's management does not know of any business that will come before the Meeting except the matters described in the notice. If other business is properly presented for consideration at the Meeting, then your proxy will confer discretionary authority to vote on such business. It is intended

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that the proxies will be voted by the persons named therein in accordance with their judgment on such matters.

The telephone number of Chase Corporation's Global Operations Center is 781-332-0700. For directions to the Global Operations Center, please contact Paula Myers at 508-819-4219.

In the event that a quorum is not present when the Meeting is convened, it is intended to vote the proxies in favor of adjourning from time to time until a quorum is obtained.

By order of the Board of Directors,  
George M. Hughes  
*Corporate Secretary*  
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