

MONRO MUFFLER BRAKE INC
Form DEF 14A
July 08, 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

Monro Muffler Brake, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of filing fee (Check the appropriate box):

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(4) Date Filed

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MONRO MUFFLER BRAKE, INC.

200 Holleder Parkway

Rochester, New York 14615

Notice of Annual Meeting of

Shareholders to be Held

August 9, 2011

Important Notice Regarding the Availability of Proxy Materials

for the Annual Shareholders Meeting to be Held on August 9, 2011:

This Proxy Statement and the 2011 Annual Report are available on the Company's

website at http://www.monro.com/site/corporate_investor.cfm

To the Shareholders of

MONRO MUFFLER BRAKE, INC.

The Annual Meeting of Shareholders of Monro Muffler Brake, Inc. (the Company) will be held at the Hyatt Regency Rochester, 125 East Main Street, Rochester, N.Y. 14604, on Tuesday, August 9, 2011, commencing at 10 a.m., for the following purposes:

1. to elect four directors to Class 2 of the Board of Directors to serve a two-year term, and until their successors are duly elected and qualified at the 2013 annual meeting of shareholders;
2. to approve, on a non-binding basis, the compensation paid to the Company's Named Executive Officers;
3. to approve, on a non-binding basis, the frequency of future advisory votes on executive compensation;
4. to ratify the re-appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company for the fiscal year ending March 31, 2012; and

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5. to consider such other business as may properly be brought before the meeting or any adjournment or postponement thereof. Only shareholders of record at the close of business on June 21, 2011, will be entitled to vote at the meeting.

This communication is not a form of voting and presents only an overview of the more complete proxy materials, which are available on the internet or by mail. The Company encourages you to access and review the complete proxy material before voting.

By Order of the Board of Directors

/s/ John W. Van Heel

John W. Van Heel

Secretary

Rochester, New York

July 8, 2011

PLEASE SIGN, DATE AND RETURN YOUR PROXY PROMPTLY IN THE ENCLOSED, SELF-ADDRESSED ENVELOPE WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

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PROXY STATEMENT

MONRO MUFFLER BRAKE, INC.

200 Holleder Parkway

Rochester, New York 14615

Annual Meeting of Shareholders

August 9, 2011

SOLICITATION OF PROXIES

The accompanying proxy is solicited by the Board of Directors of Monroe Muffler Brake, Inc., a New York corporation (the "Company" or "Monro"), for use at the Annual Meeting of Shareholders (the "Annual Meeting") to be held at the Hyatt Regency Rochester, 125 East Main Street, Rochester, N.Y. 14604, on Tuesday, August 9, 2011 commencing at 10 a.m., or at any adjournment or postponement thereof.

A shareholder who executes a proxy may revoke it at any time before it is voted. Attendance at the meeting shall not have the effect of revoking a proxy unless the shareholder so attending shall, in writing, so notify the secretary of the meeting at any time prior to the voting of the proxy. A proxy which is properly signed and not revoked will be voted for the nominees for election as directors listed herein; for the approval, on a non-binding basis, of the compensation paid to the Company's Named Executive Officers; for the approval, on a non-binding basis, for a frequency of one year with respect to future advisory votes on executive compensation; and for ratifying the re-appointment of PricewaterhouseCoopers as the independent public accountants of the Company for the fiscal year-ending March 31, 2012 as proposed herein, unless contrary instructions are given, and such proxy may be voted by the persons named in the proxy in their discretion upon such other business as may be properly brought before the meeting.

The cost of soliciting proxies will be borne by the Company. In addition to solicitation by mail, directors, officers and employees of the Company may solicit proxies by telephone or otherwise. The Company has also retained the firm of D. F. King & Co., Inc. to assist it with the solicitation of proxies for a fee of approximately \$12,500, plus reimbursement of reasonable out-of-pocket expenses. This fee does not include the costs of printing and mailing the proxy materials. The Company will reimburse brokers or other persons holding shares in their names or in the names of their nominees for their charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. It is anticipated that the mailing of this Proxy Statement will commence on or about July 8, 2011.

In accordance with rules issued by the Securities and Exchange Commission, the Company is providing access to its proxy materials both by sending shareholders this full set of proxy materials, including a Proxy Card, and by notifying shareholders of the availability of its proxy materials on the Internet.

VOTING SECURITIES

Only shareholders of record at the close of business on Tuesday, June 21, 2011, the record date, will be entitled to vote. At May 27, 2011, the Company had outstanding 30,522,156 shares of Common Stock, par value \$.01 per share ("Common Stock"). All share numbers and related information in this proxy statement have been adjusted for the three-for-two stock split that became effective on December 23, 2010. Each share of Common Stock is entitled to one vote on each matter as may properly be brought before the meeting.

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The voting rights of holders of Common Stock are subject to the voting rights of the holders of 32,500 shares outstanding of the Company's Class C Convertible Preferred Stock, par value \$1.50 per share (Class C Preferred Stock). The vote of the holders of at least 60% of the shares of Class C Preferred Stock at the time outstanding, voting as a separate class, or, alternatively, the written consent of

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the holders of all outstanding shares of Class C Preferred Stock, is needed to effect or validate any action approved by a vote of the holders of shares of Common Stock. Therefore, such preferred shareholders have an effective veto over all matters put to a vote of common shareholders, and such veto power could be used, among other things, to block the election of directors, the non-binding approval of the compensation paid to the Company's Named Executive Officers, the ratification of the re-appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company or any other matter that the holders of the Common Stock might otherwise approve at the Annual Meeting. Such preferred shareholders could also approve, on a non-binding basis, a frequency of their own choosing with respect to future advisory votes on executive compensation. It is expected that the holders of the Class C Preferred Stock will approve, by unanimous written consent, all matters currently proposed to be put to a vote of common shareholders at the Annual Meeting.

With regard to the election of directors, votes may be cast in favor of or withheld from each nominee. A director nominee must receive a majority of the votes cast at the meeting to be elected. Votes cast include votes that are withheld from any nominee. Abstentions may be specified on proposals other than the election of directors, which proposals require a majority of the votes cast at the meeting for approval. Abstentions will be counted as present for purposes of determining the existence of a quorum but are not deemed cast at the meeting and, thus, have no effect on the determination of a majority. With respect to shares of Common Stock held in street name, where no vote is indicated on a matter because the nominee or broker lacks authority to vote such shares without specific instructions from the beneficial owner, and the nominee or broker has received no such instructions (a broker non-vote), such shares are not counted as present for the purpose of determining the existence of a quorum unless such shares can be voted on another matter and are not counted as votes cast with respect to any matter for which a broker non-vote exists.

Finally, shares of Common Stock held by shareholders who do not return a signed and dated proxy and who do not attend the meeting in person will not be considered present at the Annual Meeting, will not be counted towards a quorum and will not be entitled to vote on any matter.

ELECTION OF DIRECTORS

The Board of Directors of the Company is divided into two classes having terms which expire at the Annual Meeting (Class 2) and at the 2012 annual meeting of shareholders (Class 1). Four Class 2 directors are proposed for re-election at the Annual Meeting.

Each of the Company's directors brings extensive management and leadership experience gained through their service to diverse businesses. In these roles, they have taken hands-on, day-to-day responsibility for strategy and operations, including management of capital. In addition, most current directors bring board experience acquired by either significant experience on other boards or long service on the Company's board that broadens their knowledge of board policies and processes, rules and regulations, issues and solutions. The Nominating and Corporate Governance Committee's process to recommend qualified director candidates is described under Meetings of the Board of Directors and Committees. The paragraphs below describe specific individual qualifications and skills of the Company's directors that contribute to the overall effectiveness of the Company's Board of Directors and its committees.

Current Nominees

It is proposed to elect, at the Annual Meeting, four persons to Class 2 of the Board of Directors to serve (subject to the Company's by-laws) until the election and qualification of their successors at the 2013 annual meeting of shareholders. If any such person should be unwilling or unable to serve as a director of the Company (which is not anticipated), the persons named in the proxy will vote the proxy for substitute nominees selected by the Board of Directors unless the number of directors to be elected has been reduced to the number of nominees willing and able to serve.

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The following summarizes biographical information for the Class 2 directors who are nominated for re-election:

Frederick M. Danziger, 71, was elected to the Board of Directors in July 1984. He is President and a Director of Griffin Land & Nurseries, Inc. Mr. Danziger was previously Of Counsel in the law firm of Latham & Watkins from 1995 to 1997, and was a partner of the law firm of Mudge Rose Guthrie Alexander & Ferdon from 1974 to 1995. Mr. Danziger is a director of Bloomingdale Properties, Inc. As a result of these and other professional experiences, as well as his educational background, Mr. Danziger possesses particular knowledge in law and regulatory matters, risk management, strategic planning, accounting and finance, and board practices of other major corporations, as well as demonstrating significant leadership skills as a senior partner in a prominent law firm that strengthen the Board's collective qualifications, skills and experiences.

Robert G. Gross, 53, was elected to the Board of Directors in February 1999, and was appointed Chairman of the Board in August 2007. He has been Chief Executive Officer since January 1, 1999 and served as President from 1999 to March 31, 2008. Prior to joining the Company, Mr. Gross was Chairman and Chief Executive Officer of Tops Appliance City, Inc., a consumer electronics and appliance store chain based in Edison, New Jersey, from 1995 to 1998. Mr. Gross also held various management positions with Eye Care Centers of America, Inc., a San Antonio, Texas based optometry company owned by Sears, Roebuck & Co., including President and Chief Operating Officer from 1992 through 1994, Executive Vice President and Chief Operating Officer from 1991 through 1992 and Senior Vice President from 1990 through 1991. As a result of these and other professional experiences, as well as his educational background, Mr. Gross possesses particular knowledge in marketing/branded consumer products, sales and distribution, strategic planning, accounting and finance, capital markets, cost control and restructuring, mergers and acquisitions and risk management, as well as demonstrating significant leadership skills as the president or chief executive officer of several different companies that strengthen the Board's collective qualifications, skills and experiences.

Robert E. Mellor, 67, was elected to the Board of Directors in August 2010. He was originally appointed to the Board of Directors in April 2010 to fill a vacancy created by the retirement of a Class 2 Director. Mr. Mellor was elected Lead Independent Director by the Board in April 2011. Mr. Mellor previously served as a director of the Company from November 2002 until August 2007 when he resigned due to other public company board commitments. Mr. Mellor was previously Of Counsel with the law firm of Gibson, Dunn & Crutcher LLP from 1990 through February 1997. From March 1997 until January 2010, Mr. Mellor was the Chairman of the Board and Chief Executive Officer of Building Materials Holding Corporation (BMHC), and where he had served as a director since 1991. BMHC filed a petition under Chapter 11 of the federal bankruptcy laws on June 16, 2009. Such company reorganized in January 2010, and is no longer operating under Chapter 11. Mr. Mellor also serves as lead director of Coeur d'Alene Mines Corporation and as a director of The Ryland Group, Inc. As a result of these and other professional experiences, as well as his educational background, Mr. Mellor possesses particular knowledge in law and regulatory matters, mergers and acquisitions, real estate, strategic planning, and accounting and finance that strengthen the Board's collective qualifications, skills and experiences.

Peter J. Solomon, 72, was elected to the Board of Directors in July 1984. He has been Chairman of Peter J. Solomon Company, L.P., an investment banking firm, since May 1989. From 1985 to May 1989, he was a Vice Chairman and a member of the Board of Directors of Shearson Lehman Hutton, Inc. Mr. Solomon previously served as Director of BFK Capital Group Inc. from April 2000 through January 2006. As a result of these and other professional experiences, as well as his educational background, Mr. Solomon possesses particular knowledge in board practices of other major corporations, banking and financial services, capital markets, government regulations, mergers and acquisitions, strategic planning and risk management, as well as demonstrating significant leadership skills throughout his business career and government service that strengthen the Board's collective qualifications, skills and experiences.

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The Board of Directors recommends a vote FOR all of the nominees for director.

In addition to the Class 2 directors who have been nominated for re-election, Francis R. Strawbridge, 73, was elected to the Board of Directors in August 2002, and retired from the Board immediately following the April 1, 2010 Board meeting. He was Chairman of Strawbridge & Clothier, a regional general merchandise retailer of Philadelphia, Pennsylvania from 1984 to 1997, when he retired. From 1961 through 1983, Mr. Strawbridge served in various other capacities in the family-managed, publicly traded retail chain. As a result of these and other professional experiences, as well as his educational background, Mr. Strawbridge possesses particular knowledge in finance, risk management and strategic planning, as well as demonstrating significant leadership as the chief executive officer and chairman of a large corporation that strengthened the Board's collective qualifications, skills and experience.

The following summarizes biographical information for each of the continuing Class 1 directors:

Richard A. Berenson, 75, was appointed to the Board of Directors in November 2002 to fill a vacancy created by the resignation of a Class 1 Director. Mr. Berenson has been a member of the firm of Berenson LLP, a public accounting firm, since 1960, most recently serving as managing partner. He also serves as a Board member and Chairman of the Audit Committee for Lazare Kaplan International Inc. As a result of these and other professional experiences, as well as his educational background, Mr. Berenson possesses particular knowledge in finance, risk management, and financial reporting, accounting and controls that strengthen the Board's collective qualifications, skills and experiences.

Donald Glickman, 78, was elected to the Board of Directors in July 1984. He is a private investor and has been an executive of J.F. Lehman & Company since June 1992. Mr. Glickman is a trustee of MassMutual Corporate Investors and MassMutual Participation Investors. Mr. Glickman formerly served as lead director of MSC Software Corporation until September 2009. As a result of these and other professional experiences, as well as his educational background, Mr. Glickman possesses particular knowledge in banking and financial services, accounting and finance, capital markets, government regulations, mergers and acquisitions, board practices of other major corporations and risk management, as well as demonstrating significant leadership skills as a senior officer in various investment banking firms, all of which strengthen the Board's collective qualifications, skills and experiences.

James R. Wilen, 56, was elected to the Board of Directors in August 2010 to fill a vacancy created by a retiring Class 1 director. Mr. Wilen is Chief Executive Officer and President of Wilen Management, an investment advisory firm with \$200 million under management. Mr. Wilen founded the firm in 1984. Prior to 1984, Mr. Wilen served as an investment manager in various other firms. As a result of these and other professional experiences, as well as his educational background, Mr. Wilen possesses particular knowledge in strategic planning, accounting, finance and corporate governance that strengthen the Board's collective qualifications, skills and experiences.

Elizabeth A. Wolszon, 57, was elected to the Board of Directors in August 2008. She was originally appointed to the Board of Directors in August 2007 to fill a vacancy created by the resignation of a Class 1 Director. From 1992 to 2005, Ms. Wolszon served as Senior Vice President of Marketing, Human Resources and Strategic Planning for the Safelite Group, Inc., the nation's largest provider of auto glass repair and replacement services. Ms. Wolszon also served as Senior Vice President of Marketing for Western Auto retail automotive stores from 1991 to 1992. Prior to that, Ms. Wolszon was a consultant in the consumer practice of McKinsey & Company and worked in beauty care marketing for The Procter & Gamble Company. Ms. Wolszon is retired from full-time corporate work, but provides strategy, marketing and human resources consulting services for various companies. As a result of these and other professional experiences, as well as her educational background, Ms. Wolszon possesses particular knowledge in retail and consumer products marketing/brands, human resources and strategic planning that strengthen the Board's collective qualifications, skills and experiences.

In addition to the continuing Class 1 directors, Lionel B. Spiro, 71, served as a Class 1 Director from August 1992 until August 10, 2010, when he retired immediately following the 2010 Annual Share-

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holders Meeting. Mr. Spiro was the Chairman and President of Charrette Corporation of Woburn, Massachusetts, a distributor of design supplies and imaging services, until July 1997, when he retired. Mr. Spiro co-founded Charrette Corporation in 1964. As a result of these and other professional experiences, as well as his educational background, Mr. Spiro possesses particular knowledge in finance, risk management, accounting and controls, as well as demonstrating significant leadership as the president and chairman of a large corporation that strengthened the Board's collective qualifications, skills and experiences.

EXECUTIVE OFFICERS

The name and business experience of each of the executive officers of the Company, as of May 28, 2010, is set forth below to the extent not provided above:

Catherine D. Amico, 55, has been Executive Vice President-Finance since May 2002 and Chief Financial Officer and Treasurer since August 1993. Prior to May 2002, Ms. D. Amico was Senior Vice President-Finance. Ms. D. Amico, a certified public accountant, was previously a Senior Audit Manager with Price Waterhouse (PricewaterhouseCoopers LLP) in Rochester, New York and was affiliated with such firm from 1978 to 1993.

Christopher R. Hoornbeck, 60, has been Divisional Vice President - Western Operations since December 1998. Prior to that, Mr. Hoornbeck served as Zone Manager from 1996 to 1998, Vice President - Operations from 1992 to 1994 and Zone Manager from 1986 to 1992, and has worked for Monro in various other capacities since 1973.

Craig L. Hoyle, 57, has been Divisional Vice President - Southern Operations since October 2002. From October 1999 through September 2002, Mr. Hoyle was a Zone Manager and worked for Monro in various other capacities since January 1998. Prior to joining the Company, Mr. Hoyle managed several districts for Bridgestone/Firestone, Inc. and also held various marketing and other operational positions with them from 1981 through 1997.

Joseph Tomarchio Jr., 55, was promoted to Executive Vice President - Store Operations in October 2006. From May 2006 to October 2006, Mr. Tomarchio was President - Tire Group. Prior to May 2006, Mr. Tomarchio was Divisional Vice President - Tire Stores since joining the Company in March 2004. Prior to joining the Company, Mr. Tomarchio was Executive Vice President and Chief Operating Officer of Mr. Tire, Inc., which he co-founded in 1970.

John W. Van Heel, 45, was promoted to President in March 2008 and has been Secretary of the Company since October 2004. From October 2006 to April 2008, Mr. Van Heel served as Executive Vice President - Store Support and Chief Administrative Officer. From June 2005 to October 2006, Mr. Van Heel was Senior Vice President - Store Support. From October 2002 to May 2005, Mr. Van Heel served as Vice President - Finance to the Company. From May 2000 to September 2002, Mr. Van Heel served as Vice President - Finance and Chief Financial Officer of RCG Companies, Inc., a publicly held, diversified holding company, and its subsidiary companies. Prior to May 2000, Mr. Van Heel was a Director in the Transaction Services (acquisition consulting) practice at PricewaterhouseCoopers LLP, serving the firm's New York City; Milan, Italy; and Rochester, New York offices from 1989.

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The following table shows the number of shares of Common Stock and Common Stock equivalents beneficially owned as of May 27, 2011 by (i) each person or entity known to the Company to be the beneficial owner of more than five percent of the Common Stock, (ii) the four Class 2 directors who are nominated for re-election, (iii) each continuing Class 1 director, (iv) the executive officers named in the Summary Compensation Table and (v) all directors and executive officers as a group. Unless otherwise indicated, (i) each of the named individuals and each member of the group have sole voting power and sole investment power with respect to the shares shown and (ii) the address for each of the named beneficial owners is 200 Holleder Parkway, Rochester, NY 14615.

	Common Stock Beneficially Owned	Option Shares Exercisable Within 60 Days	Percent of Class Including Options
5% Shareholders, Directors and Executive Officers	Excluding Options		
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	3,631,105 ⁽¹⁾		11.9
BlackRock Inc. 40 East 52 nd Street New York, NY 10022	2,255,675 ⁽²⁾		7.4
Peter J. Solomon 520 Madison Avenue New York, NY 10022	1,260,181 ⁽³⁾	51,299	4.2
Robert G. Gross	514,855	562,500	3.5
Donald Glickman 2001 Jefferson Davis Highway Arlington, VA 22202	368,375 ⁽⁴⁾	71,817	1.4
John W. Van Heel	44,887	177,000	*
Catherine D. Amico	121,531	101,382	*
Joseph Tomarchio Jr.	59,971	122,250	*
Frederick M. Danziger	105,307	20,520	*
Craig L. Hoyle	26,325	67,500	*
Richard A. Berenson	13,856	61,558	*
Elizabeth A. Wolszon	24,756	41,040	*
Robert E. Mellor	13,250	10,260	*
James R. Wilen	2,277	10,260	*
All directors and executive officers as a group (13 persons)			12.0 ⁽⁵⁾

* Less than 1% of the shares deemed outstanding.

(1) Beneficial ownership reported as of April 30, 2011, according to a statement on Schedule 13G, dated May 10, 2011, of T. Rowe Price Associates, Inc., a registered investment adviser. These securities are owned by various individual and institutional investors for which T. Rowe Price Associates, Inc. (Price Associates) serves as investment advisor with power to direct investments and/or sole power to vote securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be beneficial owner of such securities; however, Price Associates expressly disclaims it is, in fact, the beneficial owner of such securities.

(2)

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Beneficial ownership reported as of December 31, 2010, according to a statement on Schedule 13G, dated January 21, 2011, by BlackRock, Inc., a registered investment adviser.

- (3) Includes 32,500 shares of Class C Preferred Stock (including 22,500 shares held in trusts for the benefit of Mr. Solomon's children for which Mr. Solomon is trustee) presently convertible into 760,133 shares of Common Stock. Also includes 157,106 shares of Common Stock held in trusts for the benefit of Mr. Solomon's children for which Mr. Solomon is the trustee. Additionally, includes 23,500 shares of Common Stock held in the Joshua N. Solomon Foundations for which Mr. Solomon is

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trustee. Mr. Solomon disclaims beneficial ownership of all such shares held in trusts and by the charitable foundations. Mr. Solomon is a Class 2 director.

- (4) Excludes shares of Common Stock owned by Mr. Glickman's children. Mr. Glickman disclaims beneficial ownership of such shares. Mr. Glickman is a Class 1 director.
- (5) Exclusive of shares as to which beneficial ownership has been disclaimed, executive officers and directors of the Company as a group owned beneficially approximately 9.9% of Common Stock deemed outstanding on May 27, 2011.

Stock Ownership Guidelines

On December 2, 2010, the Board of Directors revised the Monro Muffler Brake, Inc. Stock Ownership Guidelines, increasing the requirement for stock ownership for certain individuals affiliated with the Company. The purpose of the guidelines was to further engage certain senior executives and the members of the Board in the long-term success of the Company.

The guidelines require each affected executive to maintain ownership of Monro's Common Stock in an amount equal to a multiple of such executive's annual base salary. Specifically, Mr. Gross, as Monro's Chief Executive Officer, is required under the guidelines to maintain ownership of an amount of stock equal in value to four times his annual base salary. In addition, each of the four next most highly-compensated employees of the Company, Ms. D'Amico and Messrs. Van Heel, Tomarchio and Hoyle, is required to maintain ownership of an amount of Monro Common Stock equal in value to three times his or her respective annual base salary. Each affected executive is required to achieve his or her required ownership level within four years of the commencement date of his or her employment or promotion, or, in the case of the executives identified above, except for Mr. Van Heel who was promoted in March 2008, within four years of the November 2006 adoption of the initial guidelines by the Board. As of March 26, 2011, Messrs. Gross, Tomarchio and Hoyle and Ms. D'Amico are in full compliance with the ownership levels required by the guidelines. Under the guidelines Mr. Van Heel has until March 30, 2012 to achieve his required ownership level.

In addition, the guidelines require that each non-employee director maintain an ownership level in Monro's Common Stock in an amount equal to three times the annual cash retainer (currently \$20,000). Each affected director is required to achieve his/her required ownership level within four years of his/her joining the Board. As of March 26, 2011, all of the Company's non-employee directors are in full compliance with the ownership levels required by the guidelines.

CORPORATE GOVERNANCE

Director Independence

For a director to be considered independent, the director must meet the bright-line independence standards under the listing standards of the NASDAQ Stock Market Inc. (NASDAQ) and the Board must affirmatively determine that the director has no material relationship with the Company. The Board determines director independence based on an analysis of the independence requirements in the NASDAQ listing standards. In addition, the Board will consider all relevant facts and circumstances in making an independence determination. The Board also considers all commercial, industrial, banking, consulting, legal, accounting, charitable, familial or other business relationships any director may have with the Company. The Board has determined that the following six current directors satisfy the independence requirements of NASDAQ: Richard A. Berenson, Frederick M. Danziger, Peter J. Solomon, Elizabeth A. Wolszon, James R. Wilen and Robert E. Mellor.

Meetings of the Board of Directors and Committees

The Board of Directors held six meetings during fiscal 2011⁽¹⁾. During the fiscal year, each director attended at least 75% of the aggregate number of all meetings of the Board of Directors and committees on which he or she served. All attended last year's Annual Meeting.

⁽¹⁾ References in this Proxy Statement to fiscal years are to the Company's fiscal years ending or ended fiscal March of each year (e.g., references to fiscal 2011 are to the Company's fiscal year ended March 26, 2011).

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At least annually, the Board of Directors meets to review management succession planning, as well as overall executive resources for the Company. Additionally, non-management directors regularly meet in executive sessions, including at times, without Mr. Glickman, who is not considered an independent director. Beginning in fiscal 2012, Mr. Mellor, as Lead Independent Director, presides over these executive sessions.

The Board of Directors does not have a policy on whether or not the roles of Chief Executive Officer and Chairman of the Board should be separate and, if they are to be separate, whether the Chairman of the Board should be selected from the non-employee directors or be an employee. The Board of Directors believes that it should be free to make a choice from time to time in any manner that is in the best interests of the Company and its shareholders. In fiscal 2011, Robert G. Gross served as the Chairman of the Board and as Chief Executive Officer. Under the Company's By-Laws, the Board of Directors may elect a Chairperson of the Board to preside at all meetings of the shareholders and directors and to perform such other duties as the Board may elect. The Board of Directors believes this is the most appropriate structure for the Company at this time because it provides flexibility to the Board and makes the best use of Mr. Gross's skills and experience with the Company.

However, the Board does recognize the need for independence in corporate governance, and accordingly, established the position of Lead Independent Director in April 2011, with the independent directors designating Robert E. Mellor to serve as the Board's Lead Independent Director.

The independent directors (acting by a vote of the majority of independent directors then serving on the Board) are responsible for approving and appointing the Lead Independent Director. The Lead Independent Director is elected at least once on an annual basis, generally at the Board meeting in conjunction with each annual meeting of shareholders and such election and service will occur and continue during any period of time, and only so long as the Chairman of the Board is not an independent Board member under NASDAQ regulations. A written charter adopted by the Board establishes the authority and responsibilities of the Lead Independent Director. They include:

advise and consult with the Chief Executive Officer, senior management and the Chairperson of each committee of the Board, as to the appropriate information, agendas and schedules of Board and committee meetings;

advise and consult with the Chief Executive Officer and senior management as to the quality, quantity and timeliness of the information submitted by management to the independent directors;

recommend to the Chief Executive Officer and the Board the retention of advisers and consultants to report directly to the Board;

call meetings of the Board or executive sessions of the independent directors;

develop the agendas for and preside over executive sessions of the Board's independent directors;

serve as principal liaison between the independent directors, and the Chief Executive Officer and senior management, on sensitive issues, including the review and evaluation of the Chief Executive Officer;

coordinate with the independent directors in respect of each of the foregoing; and

preside over meetings of the Board at which the Chairman is not present.

The Lead Independent Director Description is publicly available in the Investor Information - Corporate Governance section of the Company's website at www.monro.com.

The Board of Directors has created four standing committees: a three-member Executive Committee, a three-member Audit Committee, a three-member Compensation Committee and a three-member Nominating and Corporate Governance Committee. The Board has adopted a

formal charter for

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each of the Committees, under which each respective Committee operates. The charters can be found in the Investor Information-Corporate Governance section of the Company's website at www.monro.com.

The Executive Committee has and may exercise, between meetings of the Board of Directors, all the power and authority of the full Board of Directors, subject to certain exceptions. During fiscal 2011, the Executive Committee held one meeting. Its members are Donald Glickman, Robert G. Gross and Peter J. Solomon.

The Audit Committee has the power and authority to select and engage independent auditors for the Company and reviews with the auditors and with the Company's management all matters relating to the annual audit of the Company. The Audit Committee held nine meetings in fiscal 2011. In fiscal 2011, it consisted of three members: Richard A. Berenson, Chairman, Frederick M. Danziger and Robert E. Mellor, each of whom is an independent director.

The Compensation Committee has the power and authority to review and approve the remuneration arrangements for executive officers and employees of the Company and to select participants, approve awards under, interpret and administer the employee benefit plans of the Company. The Compensation Committee has the power and authority to form, and delegate authority to, subcommittees. The Compensation Committee held three meetings in fiscal 2011. In fiscal 2011, it consisted of three members: Frederick M. Danziger, Chairman, and Robert E. Mellor for the entire fiscal year. Lionel B. Spiro served on the Committee through August 8, 2011 when his Board and Committee service ended, and he was immediately succeeded by James R. Wilen who continues on the Committee. Each current and former Committee member is/was (respectively) an independent director.

The Nominating and Corporate Governance Committee held three meetings during fiscal year 2011. In fiscal 2011, the Nominating and Corporate Governance Committee consisted of three members: Elizabeth A. Wolszon, Chairman, Richard A. Berenson and James R. Wilen (beginning in August 2010).

The Nominating and Corporate Governance Committee is responsible for identifying, screening and recommending candidates for membership on the Board pursuant to written guidelines approved by the Board. The Nominating and Corporate Governance Committee does not have a diversity policy; however, the Nominating and Corporate Governance Committee's goal is to nominate candidates from a broad range of experiences and backgrounds who can contribute to the Board of Directors' overall effectiveness in meeting its mission. In assessing potential new directors, the Committee considers individuals from various disciplines and diverse backgrounds. The selection of qualified directors is complex and crucial to Monro's long-term success. Board candidates are considered based upon various criteria, such as their broad-based business skills and experiences, a global business perspective, concern for the long-term interests of the shareholders, and personal integrity and judgment. In addition, directors must have time available to devote to Board activities and to enhance their knowledge of Monro and the automotive service industry.

The Nominating and Corporate Governance Committee will consider recommendations from shareholders of potential candidates for the Board of Directors. Pursuant to the Company's Certificate of Incorporation, a shareholder wishing to recommend a potential candidate must submit the recommendation in writing, addressed to the Secretary, Monro Muffler Brake, Inc., 200 Holleder Parkway, Rochester, NY 14615, Attention: Nominating and Corporate Governance Committee, so that the Secretary receives the recommendation not less than 120 days (nor more than 180 days) prior to the meeting. Each recommendation must set forth the information required by the Certificate of Incorporation for shareholders submitting a nomination. Additional information and a copy of the Certificate of Incorporation may be obtained by submitting a written request to the Secretary of the Company.

Each year, prior to the annual meeting of shareholders, the Nominating and Corporate Governance Committee recommends the Board's nominees to serve as Monro's directors for the next two years. The Board is soliciting proxies to elect these individuals. All candidates nominated by the Board of Directors for election at the 2011 Annual Meeting of Shareholders, except for Mr. Gross, have been determined to be independent directors.

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The Nominating and Corporate Governance Committee of the Board is also responsible for recommending a candidate for the position of Lead Independent Director from the independent members of the Board.

BOARD'S ROLE IN RISK OVERSIGHT

The Board as a whole has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant Board Committees that report on their deliberations to the Board. The oversight responsibility of the Board and its Committees is enabled by management reporting processes that are designed to provide visibility to the Board about the identification, assessment and management of critical risks and management's risk mitigation strategies. These areas of focus include competitive, economic, operational, financial (accounting, credit, liquidity, and tax), legal, regulatory, compliance, health, safety and environment, political, and reputational risks. The Board and its Committees oversee risks associated with their respective principal areas of focus, as summarized below. Each Committee meets with key management personnel and representatives of outside advisors (for example, the Manager of Internal Audit meets with the Audit Committee).

Board/Committee	Primary Areas of Risk Oversight
Full Board	Strategic, financial and execution risks and exposures associated with the annual operating plan; major litigation and regulatory exposures and other current matters that may present material risk to the Company's operations, plans, prospects or reputation; acquisitions and divestitures (including through post-closing reviews); senior management succession planning; and Monroe's employee pension and savings plans, including their relative investment performance and funded status.
Audit Committee	Risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosure, internal control over financial reporting and assets, financial policies, credit and liquidity matters and compliance with legal and regulatory matters including environmental matters.
Nominating and Corporate Governance Committee	Risks and exposures relating to director succession planning and compliance with corporate governance matters.
Compensation Committee	Risks and exposures associated with leadership assessment, management succession planning and executive compensation programs and arrangements, including incentive plans.

Communications with Directors

Shareholders wishing to communicate with the non-management directors may send a letter to the Secretary, Monro Muffler Brake, Inc., 200 Holleder Parkway, Rochester, NY 14615, Attention: Non-Management Directors. All correspondence sent to that address will be delivered to the appropriate directors on a quarterly basis, unless the Secretary determines by individual case that it should be sent more promptly. Any concerns relating to accounting, internal controls, auditing or officer conduct will be sent promptly to the Chair of the Audit Committee. All correspondence to non-management directors will be acknowledged by the Secretary and may also be forwarded within Monro to the subject matter expert for investigation. Alternatively, communication with non-management directors may occur as outlined in Monro's Corporate Code of Ethics which is posted on its website at www.monro.com.

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Compensation Committee Interlocks and Insider Participation

In fiscal 2011, the members of the Compensation Committee were Frederick M. Danziger and Robert E. Mellor for the entire fiscal year. Lionel B. Spiro served on the Committee through August 8, 2011 when his Board and Committee service ended, and he was immediately succeeded by James R. Wilen,