

Koppers Holdings Inc.  
Form DEF 14A  
March 30, 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**

x 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))**  
x Definitive Proxy Statement  
.. Definitive Additional Materials  
.. Soliciting Material Pursuant to § 240.14a-12

**Koppers Holdings Inc.**

(Name of Registrant as Specified In Its Charter)

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

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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Notice of 2011

Annual Meeting

and

Proxy Statement

Koppers Holdings Inc.

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March 30, 2011

Dear Fellow Shareholder:

You are cordially invited to attend the 2011 Annual Meeting of Shareholders of Koppers Holdings Inc. (Koppers). The meeting will be held at the Pittsburgh Airport Marriott, 777 Aten Road, Coraopolis, Pennsylvania 15108 on Wednesday, May 4, 2011, beginning at 10:00 a.m. Eastern Daylight Time.

The purpose of the meeting will be to elect three directors, to hold an advisory vote on executive compensation, to hold an advisory vote on the frequency of future advisory votes on executive compensation and to ratify the Audit Committee's appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011.

This booklet includes the Notice of Annual Meeting and Proxy Statement. The Proxy Statement describes the business we will conduct at the meeting and provides information about Koppers that you should consider when you vote your shares. Also enclosed is our Annual Report, which includes our consolidated financial statements for 2010.

Your vote is important regardless of how many shares you own and I urge you to vote your shares. Whether or not you plan to attend the annual meeting, please sign, date and return the proxy form in the enclosed envelope to make sure that your shares are voted at the meeting. Voting your shares by proxy does not limit your right to be present at the meeting and vote your shares in person.

I appreciate your continued confidence in Koppers and look forward to seeing you at the meeting.

Sincerely,

Walter W. Turner

President and Chief Executive Officer

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**Date:** Wednesday, May 4, 2011

**Time:** 10:00 a.m. Eastern Daylight Time

**Place:** Pittsburgh Airport Marriott  
777 Aten Road, Coraopolis, Pennsylvania 15108

**Proposals:**

1. To elect three members of our board of directors.
2. To hold an advisory vote on executive compensation.
3. To hold an advisory vote on the frequency of future advisory votes on executive compensation.
4. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011.

We will also transact any other business that is properly raised at the meeting or any adjournment of the meeting.

**Record Date:** You can vote if you were a shareholder of record on March 15, 2011.  
By Order of the Board of Directors

Steven R. Lacy

Senior Vice President, Administration,

General Counsel and Secretary

March 30, 2011

**Your Vote Is Important**

**Whether or not you plan to attend the meeting, please complete, date, sign and return the accompanying proxy card promptly so that we can be assured of having a quorum present at the meeting and so that your shares may be voted in accordance with your wishes.**

**Important Notice Regarding the Availability of Proxy**

**Materials for the Shareholder Meeting to Be Held on May 4, 2011**

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A complete copy of this proxy statement and our annual report for the year ended December 31, 2010 are also available at [www.rrdezproxy.com/2011/KoppersHoldings/](http://www.rrdezproxy.com/2011/KoppersHoldings/).

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**Koppers Holdings Inc.**

**436 Seventh Avenue**

**Pittsburgh, PA 15219**

**PROXY STATEMENT**

**What is the purpose of this annual meeting?**

The shareholders will act on the following matters:

The election of three members to our board of directors;

The holding of an advisory vote on executive compensation;

The holding of an advisory vote on the frequency of future advisory votes on executive compensation; and

The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011. In addition, our management will report on our performance in 2010 and will answer appropriate questions from shareholders. We will also transact any other business that is properly raised at the meeting or any adjournment of the meeting.

**Why did I receive these proxy materials?**

We are providing these proxy materials in connection with the solicitation by the board of directors of Koppers Holdings Inc., a Pennsylvania corporation, of proxies to be voted at our 2011 annual meeting of shareholders and at any adjournment of such meeting. We refer to Koppers Holdings Inc. as the company, Koppers, we, our and us.

You are invited to attend our annual meeting of shareholders on Wednesday, May 4, 2011, beginning at 10:00 a.m. Eastern Daylight Time at the Pittsburgh Airport Marriott, 777 Aten Road, Coraopolis, Pennsylvania 15108.

Shareholders will be admitted to the annual meeting beginning at 9:30 a.m. Eastern Daylight Time. Seating will be limited.

We began distributing the proxy materials contained in this package on or about March 30, 2011.

**Who may vote at the annual meeting?**

If you owned shares of our common stock at the close of business on March 15, 2011, which we refer to as the record date, you may vote your shares at the meeting.

**How many shares of common stock were outstanding on the record date?**

On the record date, 20,603,049 shares of our common stock were outstanding and entitled to vote.

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### **What is the difference between holding shares as a shareholder of record and as a beneficial owner?**

If your shares are registered directly in your name with our transfer agent, BNY Mellon Shareowner Services, you are considered the shareholder of record with respect to those shares. We have sent the notice of annual meeting, proxy statement, proxy card and 2010 annual report directly to you.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in the street name. The notice of annual meeting, proxy statement, proxy card and 2010 annual report have been forwarded to you by your broker, bank or other holder of record who is considered the shareholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by following the instructions included in the package from the broker, bank or other holder of record.

### **How do I vote?**

You may vote your shares by proxy or in person.

***By proxy.*** If you are a shareholder of record, to vote your shares by proxy, you must complete, sign and date the proxy card and return it in the prepaid envelope. If you are a beneficial owner, you must complete, sign and date the voting instructions included in the package from your broker, bank or other record holder and return those instructions to the broker, bank or other holder of record.

***In person.*** All shareholders may vote in person at the annual meeting. If you are a shareholder of record, you may vote your shares directly at the meeting by casting a ballot in person. In addition, you may also be represented by another person at the annual meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the meeting.

Your vote is important. Please vote your shares promptly. We recommend you vote by proxy even if you plan to attend the meeting. You can always revoke your proxy before it is exercised by voting in person at the meeting.

### **How does a proxy work?**

If you complete the enclosed proxy, that means that you authorize the persons appointed as proxies to vote your shares at the annual meeting in accordance with your directions. When you vote by proxy, you should direct how your shares should be voted for each proposal. If you do not tell us how to vote your shares for any proposal, then your shares will be voted in accordance with the recommendations of our board of directors. Unless you tell us otherwise, the persons appointed proxies to vote at our annual meeting may vote your shares in accordance with their judgment on any other matters properly presented for action at the meeting or at any adjournment of the meeting that are not described on the proxy form.

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### **What if I receive more than one proxy card?**

You may receive more than one proxy or voting card depending on how you hold your shares. Shares registered in your name are generally covered by one card. If you beneficially hold shares through someone else (such as a broker, bank or other record holder), you may get voting instructions and related materials from that person asking how you want to vote.

If you receive more than one proxy card for shares registered in your name, you have shares registered differently in more than one account. We encourage you to have all accounts registered in the same name and address whenever possible. You can do this by contacting our transfer agent, BNY Mellon Shareowner Services at Newport Office Center VII, 480 Washington Boulevard, Jersey City, NJ 07310, at its toll-free number (866-293-5637) or on its website at [www.bnymellon.com/shareowner/isd](http://www.bnymellon.com/shareowner/isd) with the names in which all accounts are registered and the name of the account for which you wish to receive mailings.

### **What are broker non-votes?**

The New York Stock Exchange (the stock exchange on which our common shares are listed and which we refer to as the NYSE) permits brokers to vote their customers' shares on routine matters when brokers have not received voting instructions from their customers. Routine matters include the ratification of independent registered public accountants. Brokers may not vote their customers' shares on non-routine matters such as the election of directors, shareholder advisory votes on executive compensation, shareholder advisory votes on the frequency of future shareholder advisory votes on executive compensation, mergers, employee compensation plans and contested matters unless the brokers have received instructions from their customers. Non-voted shares on non-routine matters are called broker non-votes. If you are a beneficial owner of shares of our common stock, we encourage you to direct your broker, bank or other holder of record on how to vote your shares by following the instructions included in the package from the broker, bank or other holder of record.

### **What can I do if I change my mind after I vote my shares?**

If you are a shareholder of record, you may revoke your proxy before it is exercised by:

Written notice to our corporate secretary;

Timely delivery of a valid, later-dated proxy; or

Voting by ballot at the annual meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your broker, bank or other holder of record. You may also vote in person at the annual meeting if you obtain a legal proxy as described previously in the answer to the question "How do I vote?" .

All shares that have been properly voted and not revoked will be voted at the annual meeting.

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### **How do I contact Koppers corporate secretary?**

You may contact our corporate secretary by sending correspondence to our principal executive offices at Koppers Holdings Inc., Attention: Corporate Secretary's Office, 436 Seventh Avenue, Suite 1550, Pittsburgh, Pennsylvania 15219.

### **Is there a list of shareholders entitled to vote at the annual meeting?**

Yes. The names of shareholders of record entitled to vote at the annual meeting will be available at the annual meeting.

### **What is a quorum?**

In order to conduct the business of the meeting, we must have a quorum. This means at least a majority of our common shares must be represented at the meeting, either in person or by proxy. You are considered a part of the quorum if you submit a properly signed proxy card. Votes withheld, abstentions and broker non-votes will be considered to be represented at the meeting in determining the presence of a quorum.

### **What are the voting requirements to elect the directors, approve by advisory vote executive compensation, approve by advisory vote the frequency of future advisory votes on executive compensation and approve the proposal to ratify the appointment of Ernst & Young LLP?**

You have one vote for each share that you held on the record date for each proposal.

For the election of directors, the three director nominees receiving the highest number of votes cast **FOR** their election will be elected. This is called plurality voting. You are not permitted to accumulate your shares when you vote your shares in favor of our nominees for election as directors.

The advisory vote on executive compensation and the advisory vote on the frequency of future advisory votes on executive compensation require support from a majority of votes cast on the proposal, assuming the presence of a quorum. With respect to the vote on frequency of future advisory votes on executive compensation, you are asked to express your preference for one of three choices – every year, every other year, or every three years. Abstentions have the same effect as not expressing a preference.

To be approved, the proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011 requires a majority of votes cast on the proposal to be in favor of the appointment, assuming the presence of a quorum.

Pennsylvania law provides that abstentions and votes withheld are not votes cast. Abstentions, votes withheld and broker non-votes do not count either for or against a proposal.

### **Does Koppers have a recommendation on voting?**

Yes. The board of directors recommends a vote **FOR** the election of all nominees as directors, **FOR** the advisory resolution approving executive compensation, for a

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frequency of ONE YEAR for future advisory votes on executive compensation and FOR the ratification of Ernst & Young LLP as our independent registered public accounting firm for 2011.

**Who counts the votes cast at the annual meeting?**

Representatives of BNY Mellon Shareowner Services will tabulate the votes and act as inspectors of election at the annual meeting.

**Who will pay for the cost of this proxy solicitation?**

We will pay the cost of soliciting proxies. We may make arrangements with brokerage houses and other custodians, nominees and fiduciaries for them to forward proxy materials to the beneficial owners of the shares they hold of record and we may reimburse them for doing so. Proxies may be solicited on our behalf by directors, officers or employees, for no additional compensation, in person or by telephone, electronic transmission and facsimile transmission. We have hired BNY Mellon Shareowner Services, our transfer agent, to distribute and solicit proxies. We will pay BNY Mellon Shareowner Services an estimated fee of \$5,000, plus its reasonable expenses, for these services.

**Will my vote be confidential?**

Shareholder voting records will be permanently kept confidential except as may be necessary to meet legal requirements.

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**PROXY ITEM 1 PROPOSAL FOR ELECTION OF DIRECTORS**

**General**

The nominees for election to Class I of the board of directors have been nominated by our nominating and corporate governance committee for election to the board of directors, and our board has approved these nominees.

The number of directors on our board is currently fixed at eight members, divided into three classes, with each class as nearly equal in number as possible. Class I and Class II of the board each consist of three directors and Class III of the board consists of two directors.

Directors are elected for three-year terms on a staggered term basis. This means that each year the term of office of one class will expire and the terms of office of the other two classes will extend for additional periods of one and two years, as applicable. At this year's annual meeting we are asking you to elect the nominees for director in Class I whose term of office will expire in 2014.

The board has nominated Cynthia A. Baldwin, Albert J. Neupaver and Walter W. Turner for election as Class I directors. Ms. Baldwin, Mr. Neupaver and Mr. Turner are all standing for re-election.

Each nominee in Class I who is elected as a director will hold office for three years or until the director's death, resignation, incapacity or until the director's successor shall be elected and shall qualify. Vacancies on the board of directors, including vacancies resulting from an increase in the number of directors, will be filled by a majority vote of the directors then in office, even if less than a quorum.

It is the board's policy as set forth in our corporate governance guidelines not to set a limit on the number of terms for which a director may serve. Setting term limits may prevent the contribution of directors who have been able to develop, over a period of time, increasing insight into our business and therefore provide an increasing contribution to the board. Also, management accountability may be undermined by frequent turnover of directors. A non-employee director will not be re-nominated as a director after the individual's 7<sup>th</sup> birthday. Employee directors must resign from the board upon their retirement with us.

**Vote Required**

Nominees for directors will be elected by a plurality vote by the shares present (in person or by proxy) at the meeting. This means that the three directors receiving the highest number of votes cast FOR their election at the annual meeting will be elected for a three-year term.

Your proxy will be voted FOR the election of these nominees unless you withhold authority to vote for one or more of them. If any nominee is unable or unwilling to stand for election, your proxy authorizes us to vote for a replacement nominee if the board names one. We will only count votes FOR a candidate in the election of directors.

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### **Board Recommendation**

**With respect to the election of directors (Proxy Item 1), the board of directors recommends a vote FOR the election of all three nominees.**

### **Biographical Summaries of Nominees and Directors**

There are no specific minimum qualifications a nominee must meet in order to be recommended for the board. However, our nominating and corporate governance committee seeks to establish, as required by the committee's charter, a board that consists of individuals from diverse educational and professional experiences and backgrounds, that, when taken as a whole, provide meaningful counsel to management. Board candidates are considered based upon various criteria, such as their broad-based business skills and experiences, prominence and reputation in their profession, a global business perspective, concern for the long-term interests of our shareholders and personal integrity, values and judgment—all in the context of an assessment of the perceived needs of the board. In addition, directors must have significant time available to devote to board activities and to enhance their knowledge of our business. Although we do not have a formal policy with respect to diversity, our nominating and corporate governance committee considers the diversity of our board as a whole, including the skills, background and experience of our directors.

Our nominating and corporate governance committee believes each member of our board of directors possesses the individual qualities necessary to serve on the company's board of directors, including high personal and professional ethical standards and integrity, honesty and good values. Our directors are highly educated and have diverse backgrounds and extensive track records of success in what we believe are highly relevant positions with large international companies, firms and major private and public institutions. They have each demonstrated an ability to exercise sound judgment and have exhibited a commitment of service to the company and to the board, and each of our directors possesses strong communication skills. In addition, we believe that each director brings the skills, experience and perspective that, when taken as a whole, creates a board that possesses the requirements necessary to oversee the company's business. Each director's and nominee's particular experience, qualifications, attributes and skills that led the board to conclude that such director or nominee should serve as a director for the company are set forth below. The committee reviews the board membership criteria and modifies them as necessary each year.

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The following information relates to the three nominees for election at this year's annual meeting:

**CLASS I DIRECTORS WITH A TERM EXPIRING 2014**

Cynthia A. Baldwin

Age: 66

Ms. Baldwin became a member of our board of directors on February 1, 2008. Since February 2010, Ms. Baldwin has been the Vice President and General Counsel of The Pennsylvania State University, a major public research university. An experienced board member, Ms. Baldwin was chair of the board of trustees of The Pennsylvania State University from 2004 to 2007, and a board member for 15 years before taking her position as Vice President and General Counsel.

Ms. Baldwin also brings a wealth of knowledge and experience to the board from the legal field and public sector, having served as a partner at Duane Morris LLP, a large international law firm, from March 2008 to February 1, 2010, as a former Pennsylvania Supreme Court Justice from 2006 to 2008, and as Judge on the Allegheny County Court of Common Pleas for 16 years. Prior to serving in the judiciary, Ms. Baldwin practiced law in various areas, including real estate law and commercial litigation. Through her role as chair of our nominating and corporate governance committee, Ms. Baldwin has demonstrated a depth of knowledge and a high regard for compliance and an appreciation of governance principals. Her experience gives her particular insight into assessing risks associated with the independence of the board, potential conflicts of interest and litigation risk.

Albert J. Neupaver

Age: 60

Mr. Neupaver became a member of our board of directors on August 5, 2009. Since February 2006, Mr. Neupaver has been the president and chief executive officer of Westinghouse Air Brake Technologies Corporation, a public company and one of the world's largest providers of value-added, technology-based equipment and services for the global rail industry. His business acumen and leadership skills are further demonstrated by his additional public company experience at AMETEK, Inc., a leading global manufacturer of electronic instruments and electromechanical devices, where he served as the president of the electromechanical group from 1998 to February 2006.

Mr. Neupaver is also an experienced board member, having served as a director of Westinghouse Air Brake Technologies Corporation since 2006, and a director of



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Robbins & Myers, Inc., a public company and leading supplier of engineered equipment and systems, since January 1, 2009. His other affiliations include service on the board of directors of the Carnegie Science Center and the board of trustees of the Carnegie Museums of Pittsburgh. Mr. Neupaver's experience as a chief executive officer allows him to better assess our operational risks and growth opportunities.

Walter W. Turner

Age: 64

Mr. Turner was elected president and chief executive officer of the company in, and has been a director since, November 2004. He has been president and chief executive officer and director of Koppers Inc., our wholly-owned subsidiary, since February 1998. Prior to 1998, Mr. Turner held various senior management positions within the company since its inception in 1988, including Vice President and General Manager, Carbon Materials & Chemicals of Koppers Inc., Vice President and Manager, Marketing & Development, Industrial Pitches and Related Products of Koppers Inc. and Marketing Manager, Industrial Pitches and Creosote Oils of Koppers Inc.

Mr. Turner has over 40 years of experience with the company and Koppers Company, Inc., which has provided him with a depth of experience in the company's industry and insights into the company's business, operations and risk exposure. As the only management representative on our board, Mr. Turner enhances board discussions by providing an insider's perspective about the company's business, operations and strategic direction and insight into all aspects of the company's business.

Mr. Turner's board experience includes his current service as a trustee of the Carnegie Museums of Pittsburgh and as a member of the board of directors of the Allegheny Conference on Community Development.

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The following information relates to the continuing directors with terms expiring in 2012 and 2013.

**CONTINUING CLASS II DIRECTORS WITH A TERM EXPIRING 2012**

Sharon Feng, Ph.D.

Age: 52

Dr. Feng became a member of our board of directors on May 6, 2009. Since February 2010, Dr. Feng has been the Vice President of Business Development of the Coatings, Adhesives and Specialties Division of Bayer MaterialScience LLC, a global supplier of specialty chemicals. Prior to that, Dr. Feng was the Vice President, Industrial and Environmental Affairs/Logistics Management of Lanxess Corporation, a global manufacturer of high-quality products for the chemical, synthetic rubber and plastics industries, from January 2009 through January 2010 and the Vice President, Technical Services/Industrial and Environmental Affairs of Lanxess Corporation from August 2006 through December 2008, with responsibility for that company's risk management and regulatory compliance. From February 2005 to August 2006, Dr. Feng served as the Vice President of Business Development, Coatings and Adhesives, Asia Pacific Region for Bayer MaterialScience LLC and from January 2004 to January 2005, Dr. Feng was the Director of Polyurethane Research, North America, for Bayer MaterialScience LLC.

Dr. Feng holds a Ph.D. in inorganic chemistry, which has provided her with a technical background and a strong expertise in the specialty chemicals industry. Dr. Feng's technical and industry experience, her experience in risk management and regulatory compliance, and her knowledge of environmental risks and best practices, developed through her leadership positions with Bayer MaterialScience LLC and Lanxess Corporation, provide an invaluable perspective to the board's discussions. In addition, her insights into international business development, particularly in Asian markets, contribute to the board's consideration of strategic growth in that region.

Stephen R. Tritch

Age: 59

Mr. Tritch became a member of our board of directors on May 6, 2009. Mr. Tritch retired from his position at Westinghouse Electric Company, a global provider of fuel, services, technology, plant design, and equipment for the commercial nuclear electric power industry, in June 2008, where he was the chief executive officer since June 2002. While serving in that role, Mr. Tritch had oversight of that company's operations, financial reporting and risk analysis. During his 37 years with Westinghouse Electric Company,

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Mr. Tritch held a number of management positions, including Senior Vice President Fuel Business Unit, Senior Vice President Integration and Senior Vice President Services Business Unit. His business acumen and proven leadership skills developed through years of managing this international organization provide the board with an executive and leadership perspective on the management and operations of a large company with global operations.

An experienced board member, Mr. Tritch served as the chairman of the board of Westinghouse Electric Company from June 2002 until his retirement in June 2010. He also served as chairman of the audit committee of Westinghouse Electric Company. Mr. Tritch is currently a director of The Shaw Group, Inc., a public company and a global provider of pumping systems, engineering procurement and construction services. His additional leadership roles include service as the chairman of the board of trustees at the University of Pittsburgh and as a member of the board of trustees of the John Heinz History Center.

T. Michael Young

Mr. Young became a member of our board of directors in May 2006. Mr. Young is an executive officer of, and since July 2006 has been a managing partner of, The CapStreet Group, LLC, a private equity firm that invests in lower-tier middle market companies.

Age: 66

A proven leader with business acumen, Mr. Young brings executive management experience and a strong financial background to our board. Mr. Young is a former partner of Arthur Andersen, LLP, formerly one of the largest international accountancy and professional services firms. He was also formerly the chief financial officer of Weatherford International Inc., a public company and one of the largest global providers of mechanical solutions, technology applications, and services for oil and gas developments. Mr. Young was the president and chief executive officer of Metal Supermarkets International, a leading global supplier of small quantity metals, from December 2002 to December 2005. Mr. Young also served as the chief executive officer of a number of other companies including Hi-Lo Automotive, Inc., a supplier of automotive parts, which was acquired by O'Reilly Automotive, Inc., and Transportation Components, Inc., a distributor of replacement parts for commercial trucks and trailers. Mr. Young served as the president and chief executive officer of Transportation Components, Inc. when it and its affiliates filed petitions for relief under Chapter 11 of the United States Bankruptcy Code in 2001.

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Mr. Young also has extensive service as a member of several private and public company boards. He was the chairman of the board of Metal Supermarkets International, a private company, from December 2005 through October 2007, a member of the board of directors of Emeritus Corporation, a public company and a national operator of assisted living residential communities from April 2004 to November 2008 and a member of the board of directors of Restoration Hardware, a public company and a specialty retailer of high quality home furnishings, hardware and related merchandise from March 2005 to June 2008. Mr. Young's skills are particularly suited to helping us assess financial and operational risks and the strategic direction of the company.

**CONTINUING CLASS III DIRECTORS WITH A TERM EXPIRING 2013**

David M. Hillenbrand, Ph.D.

Age: 63

Dr. Hillenbrand has been a director of Koppers Holdings Inc. since November 2004 and has been a director of Koppers Inc. since February 1999. From July 2005 through his retirement in February 2011, Dr. Hillenbrand served as president and chief executive officer of the Carnegie Museums of Pittsburgh, a non-profit organization.

Dr. Hillenbrand has proven business acumen and leadership skills, having served in a number of senior management positions during his 27-year career with Bayer AG, a global enterprise providing products and services in the fields of health care, nutrition, high-tech materials and specialty chemicals. Dr. Hillenbrand retired from his most recent position with Bayer AG in August 2003, where he was executive vice president and a member of the executive committee and labor director of Bayer Polymers. Dr. Hillenbrand had previously served as the president and chief executive officer of Bayer AG's Canadian operations for eight years.

Dr. Hillenbrand has a depth of experience with our industry and our company, having served on our board for 12 years. The board benefits from his intimate knowledge of our operations and corporate philosophy. Dr. Hillenbrand was born in Germany and holds a Ph.D. in Germanics, which combined with his experience at Bayer AG, gives him an international perspective on the company's operations and growth strategy.

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James C. Stalder

Age: 70

Mr. Stalder became a member of our board of directors in November 2006. He is currently the vice chair of the audit committee of Carnegie Mellon University, chair of its finance committee and a member of its investment committee. A proven leader, Mr. Stalder was formerly the dean of the graduate and undergraduate Schools of Business of Duquesne University, a private university, from July 2000 to June 2005.

Mr. Stalder is an audit committee financial expert who brings to the board and audit committee an extensive business and financial background, having been the former managing partner of the Pittsburgh office of PricewaterhouseCoopers LLP, one of the world's largest international accountancy and professional services firms. Mr. Stalder's financial background offers the board a key perspective and depth on financial and accounting matters and has proven to be invaluable in assessing financial risks, while his experience as dean has provided him with extensive managerial, strategic and operational expertise.

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**Board Meetings and Committees*****Meetings in 2010***

During 2010, the board held seven meetings. The average attendance at meetings of our board and committees of our board during 2010 was 93 percent, and each director, other than Dr. Hillenbrand who was unable to attend several meetings due to personal illness, attended at least 75 percent of the total number of meetings of the board and committees of the board on which such director served and at the time at which such director served.

Our board of directors currently has four standing committees: an audit committee, a management development and compensation committee, a nominating and corporate governance committee, and a safety, health and environmental committee. Descriptions of the audit committee, management development and compensation committee, nominating and corporate governance committee and safety, health and environmental committee are set forth below. Each of our committees operates under a charter adopted by our board of directors. The charters of our committees are available on our website at [www.koppers.com](http://www.koppers.com). You may also request a printed copy of any committee charter at no cost by writing to our corporate secretary at Koppers Holdings Inc., Attention: Corporate Secretary's Office, 436 Seventh Avenue, Suite 1550, Pittsburgh, Pennsylvania 15219.

We expect each director to attend the meetings of the board, the board committees on which the director serves and the annual meeting of shareholders. All of the members of our board at the time of our annual meeting of shareholders in 2010 attended the meeting.

***Membership of Committees***

The following table shows the membership of each committee as of March 30, 2011.

<b>Committee</b>	<b>Members</b>
Audit	James C. Stalder (Chair) Cynthia A. Baldwin Albert J. Neupaver Stephen R. Tritch T. Michael Young
Nominating and Corporate Governance	Cynthia A. Baldwin (Chair) Sharon Feng James C. Stalder T. Michael Young
Management	T. Michael Young (Chair)
Development and Compensation	Albert J. Neupaver James C. Stalder Stephen R. Tritch
Safety, Health and	Sharon Feng (Chair)

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Environmental

David M. Hillenbrand

Walter W. Turner

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### ***Independence of Committee Members***

We are subject to the NYSE corporate governance rules and certain rules of the Securities and Exchange Commission, which we also refer to as the SEC, including the rules relating to independent members on our board committees. The SEC rules set forth the independence requirements for our audit committee and require that all members of our audit committee be independent. The NYSE rules require that all of the members of our audit, nominating and corporate governance, and management development and compensation committees be independent. All of the members of our audit, nominating and corporate governance, and management development and compensation committees are independent as required by the SEC and the NYSE rules.

### ***Audit Committee***

The audit committee is required pursuant to its charter to hold at least four regularly scheduled meetings each year and held seven meetings in 2010. The board has determined that Mr. Stalder is our financial expert as such term is defined under the SEC rules.

The audit committee's responsibilities include oversight of the integrity of our financial statements, the appointment, compensation and supervision of our independent registered public accounting firm, which we also refer to as our independent auditor, review of the independence of our independent auditor, resolution of disagreements between our management and our independent auditor and oversight of our internal audit function.

In connection with oversight of the integrity of our financial statements, the audit committee's responsibilities include:

Reviewing, prior to the audit, the scope and procedures to be utilized in the audit with the independent auditor;

Receiving reports from the independent auditor regarding our critical accounting policies and practices;

Meeting with the independent auditor, without our management, to discuss the audit or other issues deemed relevant by the audit committee, including, but not limited to any audit problems or difficulties and management's response;

Reviewing management's assessment of the effectiveness of internal controls over financial reporting, including any significant deficiencies or material weaknesses identified by management or the independent auditor;

Meeting with management and the independent auditor to review significant reporting issues and practices, including changes in or adoption of accounting principles and disclosure practices; and

Reviewing disclosures in our periodic reports filed with the SEC, including the Management's Discussion and Analysis section.



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In connection with the appointment and supervision of our independent auditor, the audit committee's responsibilities include, among other things:

Receiving annual written communication from the independent auditor delineating all relationships with and proposed professional services to us;

Reviewing all non-audit services proposed to be provided by the independent auditor;

Receiving and reviewing, on an annual basis, reports from the independent auditor regarding its internal quality control procedures and results of most recent peer review or any inquiry or investigation by any governmental or professional authorities within the preceding five years;

Reviewing the qualifications of the lead partner of the independent auditor and making certain that a replacement is named to the lead partner position every five years; and

Reviewing and approving, as appropriate, the compensation of the independent auditor.

The board has established, and the audit committee has reviewed, procedures for the receipt and treatment of complaints we receive concerning, among other things, accounting, internal controls or auditing matters, as well as confidential anonymous submissions by our employees regarding accounting or auditing matters. The audit committee also reviews our process for communicating these procedures to our employees.

The audit committee has the authority to engage independent counsel or other outside advisors and experts as necessary to advise the committee in the performance of its duties.

### ***Management Development and Compensation Committee***

The management development and compensation committee is required pursuant to its charter to meet at least four times a year and held six meetings in 2010. The management development and compensation committee is responsible, among other things, for establishing and reviewing compensation criteria at the board and executive levels. The committee seeks to ensure that our compensation practices are in compliance with the law and with our Code of Business Conduct and Ethics and are commensurate with the high standards of performance expected of our directors and officers.

The committee will periodically review and propose to the full board the compensation for non-employee directors. Such review must occur at least once a year. In addition, the management development and compensation committee annually approves and recommends to the board for ratification our chief executive officer's compensation. The committee also annually reviews and makes recommendations to the board with respect to the compensation structure for all other officers and key executives, including the adoption of cash-based and equity-based incentive and bonus compensation plans.

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The management development and compensation committee is charged with administering our cash-based and equity-based incentive and bonus compensation plans, which we refer to as incentive and bonus compensation plans. Among other things, the management development and compensation committee will determine which eligible employees receive awards under such plans, determine the types of awards to be received and the conditions thereof, and will make any other determination or take any other action that it deems necessary or desirable to administer each incentive and bonus compensation plan. From time to time, the management development and compensation committee will also review and recommend medical, retirement, insurance and other benefit packages for officers and eligible employees.

At least annually, the management development and compensation committee will make recommendations to the board regarding a succession plan, including succession in the event of an emergency or crisis, for our chief executive officer and other officers and key employees, after considering recommendations of management. The committee must also review and make recommendations to the board regarding revisions of its charter.

The management development and compensation committee has the sole power to retain and terminate consulting firms to assist it in performing its responsibilities, including the authority to approve the firm's fees and retention terms. The committee has the authority to obtain advice and assistance from internal or external legal, accounting, human resource or other advisors and to have direct access to such advisors without the presence of our management or other employees. In addition, the committee has the power to form and delegate authority to subcommittees.

### ***Nominating and Corporate Governance Committee***

The nominating and corporate governance committee is required pursuant to its charter to meet at least four times each year and held four meetings in 2010. The nominating and corporate governance committee's goals and responsibilities include identifying individuals qualified to serve as members of the board of directors consistent with criteria approved by the board of directors and using such criteria in its recommendation of new directors. The committee identifies candidates for the board of directors by soliciting recommendations from committee members and incumbent directors and considering recommendations from employees and shareholders. The committee also has sole authority to retain and terminate search firms, which will report directly to the committee, to assist in identifying director candidates.

The committee is responsible for the oversight of the evaluation of the board of directors and our management. In doing so, the nominating and corporate governance committee (i) evaluates, and reports to the board of directors, the performance and effectiveness of the board of directors as a whole and each committee of the board as a whole (including an evaluation of itself and the effectiveness of the management development and compensation committee in its process of establishing goals and objectives for, and evaluating the performance of, our chief executive officer and our other officers) and (ii) reviews the performance, qualifications and other related issues concerning board members at least once every three years.

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The nominating and corporate governance committee charter provides that the committee will ensure that the nominees for membership on the board of directors are of a high caliber and are able to provide insightful, intelligent and effective guidance to our management. The committee is also committed to ensuring that our corporate governance is in full compliance with the law, reflects generally accepted principles of good corporate governance, encourages flexible and dynamic management without undue burdens and effectively manages the risks of our business and our operations. To accomplish this, the nominating and corporate governance committee developed and recommended to the board of directors a set of corporate governance guidelines.

The nominating and corporate governance committee must review and, if appropriate, recommend to the board appropriate changes to the corporate governance guidelines at least once every year and the articles of incorporation, by-laws, the Code of Business Conduct and Ethics and the Code of Ethics Applicable to Senior Officers at least once every two years. The nominating and corporate governance committee is charged with investigating and advising the board with respect to any violations of the Code of Ethics Applicable to Senior Officers and, to the extent involving directors or officers, the Code of Business Conduct and Ethics, including conflicts of interest between directors or officers and us, and including a review of the outside activities of directors and officers. It is the obligation of each director and officer to bring to the attention of the nominating and corporate governance committee any actual, apparent or possible conflict of interest.

The nominating and corporate governance committee may obtain advice and assistance from internal or external legal, accounting or other advisors, without the presence of our officers and may interview and meet with our employees without the presence of our management.

### ***Safety, Health and Environmental Committee***

Our safety, health and environmental committee held four meetings in 2010 and is responsible for reviewing our policies and practices that address safety, health and environmental concerns and significant legislative and regulatory trends and developments concerning safety, health and environmental issues. The committee reviews management practices and results to ensure that our managers are promoting proper and government-mandated practices in the areas of safety, health and the environment and that we have written procedures and an audit program in place to ensure proper training, safeguards and controls in these areas. The safety, health and environmental committee's charter requires the committee to meet regularly with the relevant executive officers and senior operations managers accountable for product and process safety, health and environmental programs.

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**CORPORATE GOVERNANCE MATTERS**

**Corporate Governance Guidelines**

Our board of directors has adopted corporate governance guidelines to ensure we are fully compliant with the law and engaging in corporate governance best practices. These guidelines, among other things, assist our board in determining whether a director is independent under the NYSE rules.

Our corporate governance guidelines address matters such as the selection and composition of the board, board leadership, board performance, the board's relationship to senior management, meeting procedures and committee matters.

A copy of our corporate governance guidelines is available on our website at [www.koppers.com](http://www.koppers.com). You may also request a printed copy at no cost by writing to our corporate secretary at Koppers Holdings Inc., Attention: Corporate Secretary's Office, 436 Seventh Avenue, Suite 1550, Pittsburgh, Pennsylvania 15219.

**Director Independence**

Our board of directors reviewed the independence of each of our current directors and nominees, in accordance with our corporate governance guidelines and the NYSE rules. Based on its review, the board of directors determined that a majority of our current directors and each of our nominees (other than Mr. Turner) have no material relationship with us (either directly or as a partner, shareholder or an officer of an organization that has a relationship with us) and are independent under the independence criteria for directors established by the NYSE and in accordance with our corporate governance guidelines. Based on this evaluation, our board has determined that Ms. Baldwin, Dr. Feng, Dr. Hillenbrand, Mr. Neupaver, Mr. Tritch, Mr. Stalder and Mr. Young each satisfy the independence standards. In addition, based on its evaluation, the board determined that Mr. Turner is not independent.

In reaching this determination, the board reviewed the independence guidelines that are part of our corporate governance guidelines, the corporate governance rules of the NYSE and the individual circumstances of each director.

The following is a summary of the guidelines established by our board in our corporate governance guidelines and which are used by the board to determine the independence of each director. In general, the board will determine that a director will not be independent if, within the preceding three years:

the director was or is currently also our employee;

an immediate family member of the director was or is currently employed by us as an executive officer;

the director was (but is no longer) a partner in or employed by a firm that is our internal or external independent auditor and personally worked on our audit within that time;

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an immediate family member of the director was (but is no longer) a partner in or employed by a firm that is our internal or external independent auditor and personally worked on our audit within that time;

one of our current executive officers was or is currently on the compensation committee of a company which employed our director, or which employed an immediate family member of the director as an executive officer at the same time; or

the director or an immediate family member of the director received in any twelve-month period during such three-year period direct compensation from us and our consolidated subsidiaries in excess of \$120,000 other than director compensation (including committee fees) and pensions or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

In addition, the board will determine that a director is not independent if:

the director or the immediate family member of the director is a current partner of a firm that is our internal or external independent auditor;

the director is a current employee of such internal or external independent auditing firm; or

the director has an immediate family member who is a current employee of such internal or external independent auditing firm and who personally works on our audit.

When the board reviews the independence of its members, the board considers the following commercial or charitable relationships to be material relationships that would impair a director's independence:

the director is a current employee of, or has an immediate family member who is a current executive officer of, another company that has made payments to, or received payments from, us in any of the last three fiscal years that exceed the greater of \$1.0 million or two percent of the annual revenues of the company with which he or she is so associated.

the director is an executive officer of another company which is indebted to us, or to which we are indebted, and the total amount of either company's indebtedness to the other is two percent or more of the total consolidated assets of the company he or she serves as an executive officer; or

the director serves as an officer, director or trustee of a charitable organization, and our discretionary charitable contributions to the organization are two percent or more of that organization's total annual charitable receipts (excluding for this purpose our automatic matching, if any, of employee and director charitable contributions).

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Each independent director is required to notify the chair of the nominating and corporate governance committee of any event, situation or condition that may affect the board's evaluation of the director's independence.

### **Board Leadership and Executive Sessions**

Dr. Hillenbrand, one of our independent directors, is currently the chairman of our board and the lead independent director for executive sessions. Our current practice is that the roles of the chairman of the board and the chief executive officer should be separate because our board believes separating the roles allows the chairman to serve as a check on the chief executive officer and to independently assess the overall performance of the company on behalf of the shareholders. In addition, our board believes it is important to separate the roles of the chief executive officer and the chairman of the board due to the differences between the two roles and the time-intensive responsibilities of each. Our chief executive officer is the officer through whom the board delegates authority to corporate management. He is responsible for setting our strategic direction and the day-to-day leadership and performance of the company, while ensuring that all orders and resolutions of the board are carried into effect. The chairman of the board, on the other hand, provides guidance to our chief executive officer, presides over meetings of the full board, calls meetings of the board and board committees when he deems them necessary and performs all duties assigned to him by the board. Our chairman of the board is also responsible for acting as chairman at all meetings of our shareholders.

Our independent directors meet at regularly scheduled executive sessions without management. Our corporate governance guidelines provide that when the roles of the chairman of the board of directors and the chief executive officer are separate and the chairman of the board of directors is not an employee, then the chairman of the board of directors also serves as the lead independent director. The lead independent director presides over the executive sessions of the independent directors and, together with the members of the nominating and corporate governance committee, develops the agendas for the executive sessions and periodically reviews and proposes revisions to the board's procedures and the corporate governance guidelines. The lead independent director is also responsible for communicating the board's annual evaluation of the chief executive officer.

### **Risk Oversight**

Our board as a whole has an active role in overseeing the company's management of risks. Our board regularly assesses the major risks facing the company and reviews options for their mitigation by reviewing information regarding accounting, operational, legal and regulatory, and strategic and reputational risks based on reports from senior management, including by our chief compliance officer, and our independent auditor. In addition, our board has established a formal risk management process that involves regular and systematic identification and evaluation of risks. Our board delegates the oversight of specific risk areas to board committees. Our audit committee is primarily responsible to review with management and our independent auditor the significant risks to the company, assess the steps management has taken to

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minimize these risks and discuss policies with respect to risk assessment and risk management. Our management, development and compensation committee is responsible for reviewing risks associated with human capital, employee benefits and executive compensation. Our nominating and corporate governance committee manages risks associated with the independence of the board, potential conflicts of interest, reputation and ethics and corporate governance. Our safety, health and environmental committee is charged with assessing regulatory and compliance risks associated with the company's safety, health and environmental performance.

### **Code of Ethics**

Our board of directors has adopted a Code of Business Conduct and Ethics for all directors, officers and employees and a Code of Ethics Applicable to Senior Officers. A copy of each code is available on our website at [www.koppers.com](http://www.koppers.com). You may also request a written copy at no cost by writing to our corporate secretary at Koppers Holdings Inc., Attention: Corporate Secretary's Office, 436 Seventh Avenue, Suite 1550, Pittsburgh, Pennsylvania 15219. The Code of Business Conduct and Ethics covers such matters as conflicts of interest, insider trading, misuse of confidential information, compliance with laws and protection and proper use of corporate assets. Directors are expected to comply with the Code of Business Conduct and Ethics and report any violations of the code, including any potential conflicts of interest, as outlined in the code. All directors must remove themselves from any discussion or decision affecting their business or personal interests.

### **Communications with the Board**

The board of directors welcomes the input and suggestions of shareholders and other interested parties. Shareholders and other interested parties wishing to contact the chairman of the board or the non-management directors as a group may do so by sending a written communication to the attention of the chairman of the board, c/o Koppers Holdings Inc., Corporate Secretary's Office, 436 Seventh Avenue, Suite 1550, Pittsburgh, Pennsylvania 15219. Issues or complaints regarding questionable accounting, internal accounting controls or auditing matters may be sent in writing to the attention of the audit committee chairman, c/o Koppers Holdings Inc., Corporate Secretary's Office, 436 Seventh Avenue, Suite 1550, Pittsburgh, Pennsylvania 15219. Our corporate secretary will forward all written communications unopened to the director to whom it is addressed. Alternatively, you may place an anonymous, confidential, toll-free call in the United States to our Compliance Line at 800-385-4406.

### **Nomination Procedures**

The nominating and corporate governance committee will consider nominees for director recommended by the committee, other directors, employees and shareholders and evaluate such nominees against the same criteria used to evaluate all candidates for director. Any shareholder wishing to recommend a candidate for director to the nominating and corporate governance committee should submit the recommendation in writing to our corporate secretary at Koppers Holdings Inc., Attention: Corporate Secretary's Office, 436 Seventh Avenue, Suite 1550, Pittsburgh, Pennsylvania 15219. Your

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recommendation to the nominating and corporate governance committee must be received by our corporate secretary on or before December 1, 2011. Under our current bylaws, no shareholder will be permitted to nominate a director at our annual meeting unless advance notice of such nomination is received by our corporate secretary no later than ten days after the meeting is first publicly announced. The advance notice must include the name and address of the shareholder recommending the individual and proof of share ownership, as well as the individual's name and address; a description of all arrangements or understandings (if any) between the shareholder and the individual being recommended as a potential director; such information about the individual being recommended as would be required for inclusion in a proxy statement filed under then-current SEC rules; and a written indication of the individual's willingness to serve as a director of the company.

## **Committee Reports to Shareholders**

### ***Audit Committee Report***

As set forth in the charter, our management is responsible for the preparation, presentation and integrity of our financial statements, and for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to provide reasonable assurance of compliance with accounting standards and related laws and regulations. Our internal auditors are responsible for providing reliable and timely information to the board of directors and senior management concerning the quality and effectiveness of, and the level of adherence to, our control and compliance procedures and risk management systems. Our independent auditor is responsible for planning and carrying out an integrated audit of our consolidated annual financial statements and the effectiveness of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board and reviewing our quarterly financial statements and auditing our annual financial statements prior to the filing of each of our quarterly reports on Form 10-Q and annual reports on Form 10-K, respectively.

In the performance of its oversight function, the audit committee has reviewed and discussed the audited financial statements for the year ended December 31, 2010, with management and with Ernst & Young LLP, our independent auditor for 2010. The audit committee has discussed with our independent auditor the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The audit committee has received the written disclosures and the letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the audit committee concerning independence. Also, in the performance of its oversight function, during 2010 the audit committee received frequent reports from our manager of internal audit.

At various times the audit committee has considered whether the provision of non-audit services by the independent auditor to us is compatible with maintaining the independent auditor's independence and has discussed with Ernst & Young LLP their independence. As a result of the enactment of the Sarbanes-Oxley Act of 2002, the audit



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committee or its chairman (acting pursuant to delegated authority) pre-approves all new non-audit services (as defined in the Sarbanes-Oxley Act) proposed to be performed by our independent auditor.

Based upon the review and discussions described in this report, and subject to the limitations on the role and responsibilities of the audit committee referred to above and in the charter, the audit committee recommended to the board of directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2010, for filing with the SEC.

The audit committee of the board of directors presents the foregoing report.

James C. Stalder (Chairman)  
Cynthia A. Baldwin  
Albert J. Neupaver

Stephen R. Tritch  
T. Michael Young

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***Management Development and Compensation Committee Report***

The management development and compensation committee has reviewed and discussed the Compensation Discussion and Analysis with our management. Based on our review and discussions, the committee has recommended to our board of directors that the Compensation Discussion and Analysis be included in this proxy statement.

The management development and compensation committee of the board of directors presents the foregoing report.

T. Michael Young (Chairman)  
Albert J. Neupaver

James C. Stalder  
Stephen R. Tritch

**Table of Contents****COMMON STOCK OWNERSHIP****Director, Director Nominee and Executive Officer Stock Ownership**

Set forth below is certain information with respect to the beneficial ownership of shares of our common stock as of March 15, 2011, by directors, director nominees, the named executive officers, who are included in the Summary Compensation Table, and all directors and executive officers as a group. Except as otherwise indicated, sole voting power and sole investment power with respect to the shares shown in the table are held either by the individual alone or by the individual together with his or her spouse.

Name of Beneficial Owner	Shares of Beneficially Owned Common Stock	
	Amount of Beneficially Owned Common Stock (1)	Percent of Class
Cynthia A. Baldwin	9,500	*
Sharon Feng	6,000	*
David M. Hillenbrand	11,048	*
Albert J. Neupaver	6,000	*
James C. Stalder	8,750	*
Stephen R. Tritch	7,000	*
T. Michael Young	15,000	*
Walter W. Turner	283,983	1.4%
Brian H. McCurrie	48,636	*
Leroy M. Ball	3,500(2)	*
Steven R. Lacy	44,904	*
James T. Dietz	24,735	*
Mark R. McCormack	43,782	*
All Directors and Executive Officers as a Group (20 in total)	571,019(2)	2.8%

\* Less than one percent

(1) Includes the following amounts of common stock that the following individuals and the group have the right to acquire through the exercise of stock options: Mr. Turner, 29,770; Mr. McCurrie, 11,864; Mr. Lacy, 13,214; Mr. Dietz, 5,558; and Mr. McCormack, 7,320; and all directors and executive officers as a group, 90,817.

(2) Includes 3,500 shares that are pledged as security in a brokerage margin account.

**Table of Contents****Beneficial Owners Of More Than Five Percent**

The following table shows shareholders whom we know were beneficial owners of more than five percent of our common stock as of March 15, 2011.

Name and Address of Beneficial Owner	Amount and Nature of Beneficially Owned Common Stock	Percent of Class
T. Rowe Price Associates, Inc. (1)  100 E. Pratt Street  Baltimore, Maryland 21202	2,727,810	13.2%
Michael W. Cook Asset Management, Inc. d/b/a SouthernSun Asset Management (2)  6000 Poplar Avenue, Suite 220  Memphis, Tennessee 38119	2,385,242	11.61%
Lord, Abnett & Co. LLC (3)  90 Hudson Street  Jersey City, New Jersey 07302	2,254,141	10.96%
Keeley Asset Management Corp. (4)  401 South LaSalle Street  Chicago, Illinois 60605	1,445,890	7.0%
BlackRock Inc. (5)  40 East 52 <sup>nd</sup> Street  New York, NY 10022	1,085,363	5.28%

(1) According to the Schedule 13G filed February 9, 2011, 2,727,810 shares of our common stock are owned by various individual and institutional investors, for which T. Rowe Price Associates, Inc. serves as an investment adviser with power to direct investments and/or sole power to vote 424,810 shares and sole dispositive power over 2,727,810 shares. For purposes of the reporting requirements of the Securities Exchange Act of 1934, T. Rowe Price Associates, Inc. is deemed to be a beneficial owner of such securities; however, T. Rowe Price Associates, Inc. expressly disclaims that it is, in fact, the beneficial owner of such securities.

(2) According to the Schedule 13G filed February 14, 2011, Michael W. Cook Asset Management, Inc. d/b/a SouthernSun Asset Management beneficially owns 2,385,242 shares of our common stock and has sole dispositive power over such shares. Michael W. Cook Asset Management, Inc. d/b/a SouthernSun Asset Management has sole voting power over 2,039,552 shares.

(3) According to the Schedule 13G filed January 10, 2011, Lord, Abnett & Co. LLC beneficially owns 2,254,141 shares of our common stock and has sole dispositive power over such shares. Lord, Abnett & Co. LLC has sole voting power over 1,999,666 shares. Lord Abnett

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Research Fund, Inc. Small-Cap Value Series (the Research Fund ) is an investment company registered under the Investment Company Act of 1940 for which Lord, Abnett & Co. LLC serves as investment adviser. The Research Fund beneficially owns 1,358,800 shares of our common stock. All shares held by the Research Fund are included as shares held by Lord, Abnett & Co. LLC by virtue of its authority to vote and direct the disposition of such shares.

- (4) According to the Schedule 13G filed February 7, 2011, Keeley Asset Management Corp. beneficially owns 1,445,890 shares of our common stock and has sole dispositive power over such shares and sole voting power over 1,433,040 shares. Keeley Asset Management Corp. shares beneficial ownership of 1,277,000 with Keeley Small Cap Value Fund, a series of Keeley Funds, Inc., which does not have sole voting nor sole dispositive power over any such shares.
- (5) According to the Schedule 13G filed February 7, 2011, BlackRock, Inc. beneficially owns 1,085,363 shares of our common stock and has sole voting and sole dispositive power over such shares.

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**EXECUTIVE COMPENSATION**

The independent management development and compensation committee (which we refer to as the committee) of our board of directors oversees the compensation program for Walter W. Turner (our president and chief executive officer) Brian H. McCurrie (our senior vice president, global carbon materials & chemicals), Leroy M. Ball (our vice president and chief financial officer), Steven R. Lacy (our senior vice president, administration, general counsel and secretary), Mark R. McCormack (our vice president, Australian operations) and James T. Dietz (our vice president, European operations), who are our named executive officers.

The committee believes that the company's compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the company. The committee has designed a total compensation package with features that it believes will mitigate the risks associated with compensation policies and practices including:

Our compensation programs provide a reasonable balance between annual and long-term performance, with a significant portion of compensation being delivered in the form of long-term incentives;

Annual cash incentives are determined based on the company's and the individual's performance;

The committee has the ability to modify annual cash incentives earned to reflect the quality of the company's financial performance, individual performance and other factors that should influence compensation;

The long-term incentive program focuses participants on longer-term operating performance, as well as stock price appreciation; and

Executives are subject to stock ownership requirements that encourage a long-term perspective and ensure that the interests of directors and executive officers are closely aligned with shareholders.

**Compensation Discussion and Analysis**

***Executive Summary***

***Overview of Our Compensation Program.*** The committee makes compensation decisions in a manner it believes will best serve the long-term interests of our shareholders. The committee believes the interests of shareholders are best served by attracting and retaining a talented team of executives who will be inspired to meet and exceed the company's goals and whose interests will be aligned with the interests of our shareholders thereby maximizing shareholder return. To accomplish these objectives, the committee has implemented a strong pay-for-performance compensation program, while striving to pay our executives competitively and align our compensation program with our business strategies, as highlighted below and set forth in more detail in the following pages:

Our named executive officers' total compensation consists primarily of a cash base salary, an annual cash bonus/incentive and long-term incentives.

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Our annual cash bonus/incentive is awarded based on a combination of the company's actual consolidated earnings per share and value creation, which means payment of the annual cash bonus/incentive is performance driven. The annual cash bonus/incentive plans in which our named executive officers participate are funded based on a combination of our actual consolidated earnings per share, which we call EPS, and value creation measured at the consolidated company level and at business unit levels compared to targeted levels established at the beginning of each year. EPS is calculated in accordance with generally accepted accounting principles and is adjusted by the committee in its discretion to account for certain extraordinary items. Value creation, which is not a financial measure defined under generally accepted accounting principles, is defined as the amount of our earnings (before interest and taxes), adjusted by the committee in its discretion to account for certain extraordinary items, that exceeds a pre-defined level of return on invested capital. The committee selected EPS as a performance measure because it believes that EPS is an important measure of our success as it incorporates elements of growth, profitability and capital efficiency and is monitored by our shareholders, and selected value creation as a performance measure because it believes that this is an important indicator of the quality of our earnings.

Long term incentive awards comprise a significant portion of our named executive officers' total compensation package and 50 percent of the awards each year is in the form of performance-based restricted stock units. The remaining portion of the long term incentive awards is comprised of stock options (30 percent of the total award) and time-based restricted stock units (20 percent of the total award). Performance-based restricted stock units granted in 2010 are earned based on cumulative value creation over a two-year period, and earned shares are subject to an additional one-year service vesting period until the third anniversary of the grant date, during which time our named executive officers continue to be exposed to changes in our stock price.

Our named executive officers receive only limited perquisites, all of which are for business-related purposes or are in connection with an overseas assignment.

Based on the results of competitive assessments conducted each year since 2006 by Frederic W. Cook & Co., Inc., which have shown that our named executive officers' compensation levels have generally ranged below the median compensation levels of our peers, the committee has taken actions over the past few years to bring compensation of our named executive officers to median levels consistent with our compensation philosophy. Frederic W. Cook & Co., Inc. is retained directly by the committee and performs no other consulting or other services for the company or management.

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***Changes Made in 2010 to Our Executive Compensation Program.*** In 2010 the committee made several changes to our executive compensation program:

In 2009, none of the named executive officers received an increase in salary due to the difficult economic conditions experienced that year. In 2010, the committee approved an increase in salary for all of our named executive officers (other than Mr. Ball, who became our vice president and chief financial officer on September 1, 2010) in the range from two to ten percent and management implemented these increases in light of the strengthening economy.

The committee implemented a two-year performance period during which to measure cumulative value creation for awards of performance-based restricted stock units granted in 2010 under the company's amended and restated 2005 long term incentive plan. For awards granted in prior years the committee measured cumulative value creation over a three-year period. The committee selected a two-year performance measurement period for the 2010 performance-based restricted stock unit awards because the committee believes that despite improvement in the global economy, continued volatility and uncertainty in both the global economy and global markets makes the selection of a meaningful value creation target over a three-year period less appropriate as a measure.

***Overview of 2010 Operating Performance and Summary of Compensation Actions.*** Due to the diligent efforts of management in guiding the company through a difficult economic environment, our revenues for 2010 increased by 11 percent over 2009, resulting in the company's third best year in its twenty-two-year history. Our total shareholder return (including reinvested dividends) for the one-year period ending December 31, 2010 was 21.5 percent. Management's accomplishments in 2010 included the following:

Acquired Cindu Chemicals B.V., which increased our revenues in 2010 by approximately \$48 million.

Acquired a portion of the refined tar business of Stella Jones Inc. to increase our revenue and market share for refined tar in the Midwestern United States.

Strengthened our product portfolio offerings to the existing customers of our Railroad and Utility Products business in the United States through the purchase of the rail joint bar business of Portec Rail Products, Inc. located in Huntington, West Virginia in December 2010 and expanded our crosstie procurement business through an asset purchase from Barham-Sevier Tie Company, Inc. in February 2010.

Became the number one supplier in North America of petroleum pitch products for the target shooting market in late 2009 and 2010 and continued to be the number one producer of petroleum pitch in North America in 2010.



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As a result of these accomplishments in 2010 and the resulting favorable financial accomplishments achieved in 2010, our annual bonus/cash incentive plans in which our named executive officers participate were all funded at target levels and above because the company's performance in 2010 met and exceeded, respectively, target EPS and target value creation applicable to each particular plan. For 2010, EPS measured in accordance with our annual bonus/cash incentive plan increased 28 percent over EPS measured in accordance with the plan in 2009 and was 103 percent of target EPS for 2010. Value creation measured at the consolidated company level increased 15 percent in 2010 over value creation measured at the consolidated company level in 2009 and was 104 percent of target value creation measured at the consolidated company level for 2010. Actual bonus/cash incentive amounts paid to our named executive officers were also dependent upon individual performance measured against certain pre-established goals, which are communicated to our named executive officers at the beginning of each year. Based on our strong financial performance, our annual bonus/cash incentive plans generally funded above target, and when combined with strong individual performance, our named executive officers' actual bonuses ranged from 95 to 136 percent of their respective individual target amounts (other than Mr. Ball, who became our vice president and chief financial officer on September 1, 2010).

Our strong financial performance in 2010 was also the driving factor in the increase in our chief executive officer's total direct compensation for 2010 as compared to 2009 as described further in the following table:

Compensation Element	2009	2010	Comments
Base Salary	\$640,000	\$685,000	Base salary increased by seven percent in order to move our chief executive officer's base salary towards market median. This marks the first increase in our chief executive officer's base salary since 2008.
Annual Cash Bonus/Incentive	\$360,000	\$525,000	Increase in the annual cash bonus/incentive payment reflects the funding of the corporate plan bonus pool in accordance with the company's strong financial performance in 2010, which resulted in the company achieving above target results, including with respect to the financial measures used to determine our chief executive officer's annual cash bonus/incentive, and achievement of individual objectives.
Grant Date Fair Value of Long Term Incentives	\$960,459	\$959,702	No increase in long-term incentive opportunity. Fifty percent of value of long term incentives is delivered in performance-based restricted stock awards
Total Direct Compensation	\$1,960,459	\$2,169,702	

**Corporate Governance Best Practices.** Our board of directors has implemented a number of best practices to ensure that the company's governance is in full compliance with the law and reflects generally accepted principles of good corporate governance, including the following:

Certain members of our management team, including our named executive officers, are subject to stock ownership requirements, which are intended

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to demonstrate our commitment to and confidence in our long-term prospects, align management's interests with those of our shareholders, support a long-term focus and quantify our expectations with regard to ownership of our stock.

Our named executive officers are prohibited from trading in options, warrants, puts, and calls of our common stock. Short sales of our common stock are also prohibited and any hedging transactions with respect to our common stock require advance clearance by our corporate secretary.

Our named executive officers are not entitled to an excise tax gross-up.

In the event of a change in control, there is no accelerated vesting of the performance-based restricted stock units, time-based restricted stock units and option awards under our amended and restated 2005 long term incentive plan at the time of the change in control (if such awards are assumed or continued by the successor company), unless the named executive officer is involuntarily terminated for reasons other than misconduct within 24 months following the change in control.

### ***Executive Compensation Program Principles***

The committee considers the following principles when it makes compensation decisions:

**Pay for Performance** A significant portion of the total compensation of our named executive officers should be based on our performance. We will pay our named executive officers higher compensation when they exceed our goals and lower compensation when they do not meet our goals.

**Support Business Strategy** Our compensation programs should be aligned with our short-term and long-term business strategies.

**Pay Competitively** We believe that total compensation for our named executive officers should approximate the market median. Market is defined as individuals holding comparable positions and producing similar results at companies that the committee selects as our peers based on similar industry, revenue, and complexity. The companies our committee has selected as our peer group are listed below in the section called Companies Used for Defining Competitive Compensation.

### ***Executive Compensation Objectives***

Consistent with these overall principles, the committee has established the following objectives for its executive compensation programs, which are critical to our long-term success:

**Attract** We want our compensation programs to be comparable to market in terms of level of pay and form of award so that we can attract talented executives.

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**Retain** We want to retain talented leaders whose continued employment is a key component of our overall success.

**Engage** We want to inspire our executives to meet or exceed our goals and generate superior returns for our shareholders.

**Align** We want to align the financial interests of our executives with those of our shareholders.

***Key Objectives of Compensation Programs***

The compensation objectives for our named executive officers are achieved through the following ongoing programs, which are discussed in more detail later in this Compensation Discussion and Analysis.

<b>Compensation Program</b>	<b>Description</b>	<b>Objectives Achieved</b>
Base Salary	Fixed cash compensation payable monthly.	Attract
	Base salaries are set to recognize different levels of responsibility within the company. Base salaries also serve as the basis for establishing the target payouts for annual bonuses and long-term incentives as well as the basis for retirement benefits and certain perquisites.	Retain
Annual Cash Bonus/Incentive	Variable annual cash award, where payments can be higher or lower than target based on comparison of EPS and value creation to target performance.	Attract
		Retain
	Purpose is to stimulate creativity and entrepreneurial thinking; and to enhance our business growth and profitability by providing those executives charged with leadership roles an opportunity for additional compensation based upon their contributions to our overall performance.	Engage Align
Long Term Equity Incentives	Designed to align the interests of management with those of our shareholders; focus key employees on the achievement of longer-term operational goals; tie realized compensation to the	Attract
		Retain
		Engage Align

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<b>Compensation Program</b>	<b>Description</b>	<b>Objectives Achieved</b>
	achievement of long-term financial objectives; strengthen the retention value of our compensation program for both the named executive officers and for the next generation of our leaders; and provide an industry-competitive long term incentive program that is consistent with practices among companies in our peer group.	
Retirement Benefits	401(k) plan	Attract
	Benefit Restoration Plan	Retain
Perquisites and other benefits	Club dues	Attract
	Survivor Benefit Plan	Retain

## Standard salaried benefit plans

In 2010, our named executive officers were paid a total compensation package consisting of a cash base salary (representing on average 39 percent of the total annual compensation package), an annual cash bonus/incentive (representing on average 19 percent of the total annual compensation package), long-term incentives (with a targeted value representing on average 31 percent of the total annual compensation package) and perquisites and other personal benefits (representing on average 11 percent of the total compensation package). The amounts reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column in the Summary Compensation Table are not included in these amounts because the committee does not view these amounts as being part of our total annual compensation package.

***Role of Consultants***

In accordance with its authority to retain advisors, the committee engaged Frederic W. Cook & Co., Inc., which we refer to as FW Cook, as outside consultants to advise the committee during 2010. FW Cook does not advise our management, and receives no other compensation from us. In its role as independent advisor to the committee, FW Cook has provided advice to the committee from time to time since 2006 on various executive compensation matters including conducting an ongoing competitive compensation analysis, which FW Cook prepared for the committee again early in 2010. FW Cook also provided guidance to the committee early in 2010 on revisions to our 2005 long term incentive plan and early in 2011 on the 2010 annual cash bonus/incentive payments. FW Cook attended certain of the committee meetings in 2010 and in early 2011.

***Role of CEO and Committee***

For each named executive officer (other than himself), our chief executive officer makes recommendations to the committee on compensation levels including recommending

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levels of base salary and payments of cash bonus/incentive awards based on his judgment regarding an executive's overall performance and performance against certain written pre-established goals, which are communicated to our named executive officers at the beginning of each year. The committee reviews the recommendations of the chief executive officer and recommends the levels of base salary to the board for approval. The committee approves all other compensation for each named executive officer (other than the chief executive officer), including performance-based compensation, and recommends such compensation to the board of directors for ratification.

For the chief executive officer, the committee reviews all compensation matters relating to the chief executive officer, including his performance during the year, and approves his base salary and all other compensation, including performance-based compensation, and recommends such compensation to the board of directors for ratification.

***Committee Discretion***

The committee has the discretion to supplement, reduce or modify at any time the compensation intended to be paid or awarded to the named executive officers, with the exception of the annual cash bonus/incentive of Mr. Turner, Mr. Lacy and Mr. McCurrie, for which the committee only has the discretion to reduce the compensation. The committee exercises discretion as the committee may determine is in the best interest of the company and its shareholders. The exercise of discretion is an important feature of the company's compensation philosophy and provides the committee with sufficient flexibility to respond to specific circumstances facing the company. The committee also believes that it is in the best interest of the company and its shareholders that the committee have sufficient discretion to recognize and reward superior performance, which is important to attract and retain talented executives, and to adjust awards to reflect the quality of the company's financial performance.

***Companies Used for Defining Competitive Compensation***

As stated above, one of the committee's principles is to try to compensate our named executive officers at market median of our peer companies that were selected based on comparability in terms of industry, revenue and complexity. For 2010, based on FW Cook's recommendation, the committee selected the following peer group, which includes eight of the companies used in the 2008 and 2009 analyses of the competitiveness of our executive compensation levels and practices:

American Railcar Industries, Inc.	H.B. Fuller Company*	OM Group, Inc.
Arch Chemicals, Inc.	Georgia Gulf Corporation	Quaker Chemical Corporation*
Cabot Corporation*	The Greenbrier Companies, Inc.	Rockwood Holdings, Inc.*
L. B. Foster Company*	Minerals Technologies Inc.	Trinity Industries, Inc.*
FreightCar America, Inc.	Olin Corporation*	Westlake Chemical Corporation

\* New to our peer group in 2010. The following companies were removed from our peer group for 2010 because the committee believes the companies listed above are more closely aligned with our industry, revenue, products, customer base and location of operation: A. Schulman, Inc., NewMarket Corporation, Sensient Technologies Corporation, Spartech Corporation and Westinghouse Air Brake Technologies.

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The factors considered in selecting the peer group early in 2010 included industry, revenue, products, customer base and location of operations. In terms of size, our revenue approximated the median of our peer group and our market capitalization as of December 31, 2009 was between the 25<sup>th</sup> percentile and median of our peer group.

The committee uses information relating to the peer group to determine what forms of compensation are market as well as determining whether the amounts of each element of compensation and the total amount of compensation are at market median.

### ***Setting the Level of Compensation***

The committee reviews the compensation structure for the named executive officers and other key executives, including incentive compensation plans and bonus plans, on an annual basis. Early each year, the committee approves targeted amounts of annual cash bonus/incentive awards and related performance measures for those awards, recommends base salaries to the board of directors for approval (other than the base salary of the chief executive officer, which the committee approves and recommends to the board for ratification) and approves various long term equity incentive awards. After the end of each year, the committee approves the level at which the performance measures with respect to the annual cash bonus/incentive awards were satisfied, reviews the calculation of the incentive pools, approves the amount of the incentive pools and determines whether, and the extent to which, to exercise its discretion and approves the amount of the annual cash bonus/incentive award payable to each executive officer.

### ***Trends in Compensation Since 2006***

FW Cook has conducted an ongoing competitive compensation analysis at the request of the committee since 2006. Historically, our actual competitive positioning has been below our targeted competitive positioning of market median.

As part of this ongoing analysis, FW Cook prepared a competitive assessment in early 2010 of the company's senior executive compensation levels relative to compensation levels disclosed in the proxy statements of our peer group companies, as well as proprietary general industry surveys. The committee used this assessment to establish compensation levels and annual cash bonus/ incentive and long-term incentive opportunities for 2010. Through its competitive assessment in early 2010, FW Cook determined that the aggregate target total direct compensation for our named executive officers fell between the 25<sup>th</sup> percentile and median of the proxy data and approximated the median of the survey data. The difference between the total direct compensation levels and market median practice has narrowed over the past couple of years and the committee believes this demonstrates that the changes to base salary levels over the years (with the exception of 2009, during which management determined that no employees, including the named executive officers, should receive a salary increase due to the difficult economic conditions) and the increase in long-term incentive opportunities for Mr. Turner in 2009 have had the intended effect. However, the total direct compensation levels are still somewhat below the company's stated compensation strategy of providing median compensation levels and opportunities. Based on their assessment, FW Cook advised the committee to consider increases in 2010

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to the base salaries of the company's senior executives (subject to affordability) to bring total direct compensation in line with the market median. The committee considered the FW Cook study and guidance and approved an increase in salary for all of our named executive officers (other than Mr. Ball, who became our vice president and chief financial officer on September 1, 2010) in the range from two to ten percent.

***2010 Compensation***

The following is a description of the committee's actions and decisions with respect to 2010 compensation matters.

**Base Salary.** The committee reviews base salaries annually and adjustments are typically effective in April. As noted above, the committee approved an increase in salary for all of our named executive officers (other than Mr. Ball, who became our vice president and chief financial officer on September 1, 2010) in the range from two percent to ten percent.

**Annual Cash Bonus/Incentive.** On May 5, 2010, the company's shareholders approved the amended and restated 2005 long term incentive plan, which we refer to as the LTIP and which authorizes the committee to grant, among other things described below, cash bonus/incentive awards under the LTIP for participants designated by the committee at the beginning of the program year. We call this our 2010 Cash Bonus Program. Our 2010 Cash Bonus Program is intended to ensure that amounts paid to certain named executive officers are tax deductible by the company. The committee designated Mr. Turner, Mr. Lacy and Mr. McCurrie as participants in the 2010 Cash Bonus Program and set the performance objective for 2010 at \$1.62 of diluted EPS of the company's common stock. The committee also determined the maximum bonus for each participant in the event that the performance objective was obtained as set forth in the following table:

Participant	Maximum Bonus
Mr. Turner	\$1,500,000
Mr. Lacy	\$1,000,000
Mr. McCurrie	\$1,000,000

If the performance objective is achieved, maximum bonuses are funded and the committee determines the actual amount of the award under the 2010 Cash Bonus Program by reference to the company's performance in relation to the EPS and value creation targets contained in the senior management corporate incentive plan described below, the participant's performance and any other factors it considers relevant. The committee does not have the discretion to increase the amount of any bonus to be paid under the 2010 Cash Bonus Program above the maximum bonus. For 2010, the performance objective was achieved and the maximum bonuses were funded and the committee exercised its discretion to reduce bonuses from the maximum bonus amounts based on company financial and individual performance.

In addition to the 2010 Cash Bonus Program established pursuant to the LTIP, the committee has approved and the board has ratified cash/bonus incentive plans for the company, including a senior management corporate incentive plan, which we refer to as

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our corporate plan, and value creation plans, which we refer to as our business unit plans. Mr. Dietz and Mr. McCormack each participate in our corporate plan and our business unit plans. Mr. Ball participates in our corporate plan.

Our corporate plan and our business unit plans are funded based on a combination of the company's actual consolidated EPS and value creation measured at the consolidated company level and at business unit levels compared to targeted levels established at the beginning of each year. EPS is calculated in accordance with generally accepted accounting principles and is adjusted by the committee in its discretion to account for certain extraordinary items. Value creation, which is not a financial measure defined under generally accepted accounting principles, is defined as the amount of our earnings (before interest and taxes), adjusted by the committee in its discretion to account for certain extraordinary items, that exceeds a pre-defined level of return on invested capital. To calculate the predefined level, we multiply the value of the assets invested in the business unit by 15 percent, which is our assumed cost of capital. In 2010, EPS and value creation goals were developed using the 2010 budget targets approved by the company's board of directors at the beginning of 2010. The committee selected EPS as a performance measure because it believes that EPS is an important measure of our success as it incorporates elements of growth, profitability and capital efficiency and is monitored by our shareholders, and selected value creation as a performance measure because it believes that this is an important indicator of the quality of our earnings.

Mr. Dietz and Mr. McCormack have 25 percent of their annual cash bonus/incentive potential allocated to EPS results as measured under our corporate plan and 75 percent of their cash bonus/incentive potential allocated to value creation under certain business unit plans that relate to their respective business units. This approach holds Messrs. Dietz and McCormack accountable for respective business unit performance, while encouraging teamwork among the business units. In addition, Mr. Dietz also participated in the Uithoorn integration bonus plan in 2010.

### ***Funding of Annual Cash Incentive/Bonus Pools***

At the beginning of the year, the committee approves a threshold, target and maximum performance level for EPS and value creation for the corporate plan and a threshold, target and maximum performance level for value creation for each of the business unit plans. The threshold, target and maximum levels are used in determining the funded pool in each of the plans. Actual results achieved in between the threshold and target and the target and maximum are interpolated.



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For 2010, the corporate plan provided that for Mr. Turner, Mr. McCurrie, Mr. Ball and Mr. Lacy, 60 percent of the pool would be funded by EPS performance, and 40 percent would be funded by corporate value creation. The committee selected this allocation because the EPS performance measure more closely aligns the interests of our named executive officers with the interests of our shareholders. The total amount of the pool potentially available for cash bonus/incentive distribution for 2010 performance was established early in 2010 based on a range of EPS and value creation as set forth in the following table:

EPS	Performance		Funded Pool		Value Creation	Performance		Funded Pool	
Maximum	\$ 2.70	120%	\$ 1,206,350	150%	Maximum	\$ 61,939,200	120%	\$ 590,019	150%
Actual	\$ 2.32	103%	\$ 774,060	108%	Actual	\$ 53,667,000	104%	\$ 527,000	110%
Target	\$ 2.25	100%	\$ 718,547	100%	Target	\$ 51,616,000	100%	\$ 479,032	100%
Threshold	\$ 1.80	80%	\$ 402,117	50%	Threshold	\$ 41,292,800	80%	\$ 196,673	50%

For 2010, the company actually achieved EPS of \$2.32 per share and value creation of \$53.7 million. Therefore, the corporate plan achieved 103 percent of target performance EPS and 104 percent of target value creation. Based on these results, the pool for the corporate plan would have been funded at \$1,301,060 (109 percent of target), however, the committee considered other financial and operational metrics on a corporate basis not directly considered in the plan and exercised its discretion to reduce the pool to \$1,299,000, which includes \$915,000 allocated to Messrs. Turner, Lacy and McCurrie in accordance with the 2010 Cash Bonus Program.

Mr. Dietz and Mr. McCormack have 25 percent of their annual cash bonus/incentive potential allocated to our global carbon materials and chemicals business unit plan. The total amount of the pool potentially available for distribution under the global carbon materials and chemicals business unit plan was established early in 2010 based on a range of value creation as set forth in the following table:

Value Creation	Performance		Funded Pool	
Maximum	\$ 54,245,600	121%	\$ 544,608	150%
Actual	\$ 47,048,000	105%	\$ 409,454	113%
Target	\$ 44,795,000	100%	\$ 363,072	100%
Threshold	\$ 35,344,400	79%	\$ 181,536	50%

In 2010, the global carbon materials and chemicals business unit plan actually achieved value creation of \$47.1 million. Therefore, the global carbon materials and chemicals business unit plan achieved 105 percent of target performance value creation, and the pool for the global carbon materials and chemicals business unit plan was funded at \$409,454 (113 percent of target).

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Mr. McCormack has 50 percent of his annual cash bonus/incentive potential allocated to our Koppers Australia business unit plan. The total amount of the pool potentially available for distribution under the Koppers Australia business unit plan was established early in 2010 based on a range of value creation as set forth in the following table:

<b>Value</b>				
<b>Creation</b>	<b>Performance</b>		<b>Funded Pool</b>	
Maximum	\$ 12,612,000	120%	\$ 612,243	150%
Actual	\$ 11,400,000	108%	\$ 494,571	121%
Target	\$ 10,510,000	100%	\$ 408,162	100%
Threshold	\$ 8,408,000	80%	\$ 204,081	50%

In 2010, the Koppers Australia business unit plan actually achieved value creation of \$11.4 million. Therefore, the Koppers Australia business unit plan achieved 108 percent of target performance value creation. Based on this result, the pool for the Koppers Australia business unit plan would have been funded at \$494,571 (121 percent of target), however the committee considered other financial and operational metrics related to our Australian operations not directly considered in the plan and exercised its discretion to reduce the pool to \$408,000.

Mr. Dietz has 50 percent of his annual cash bonus/incentive potential allocated to our Koppers Europe business unit plan. The total amount of the pool potentially available for distribution under the Koppers Europe business unit plan was established early in 2010 based on a range of value creation as set forth in the following table:

<b>Value</b>				
<b>Creation</b>	<b>Performance</b>		<b>Funded Pool</b>	
Actual	\$ 14,373,000	122%	\$ 540,134	150%
Maximum	\$ 14,084,400	120%	\$ 540,134	150%
Target	\$ 11,737,000	100%	\$ 360,089	100%
Threshold	\$ 9,389,600	80%	\$ 180,045	50%

In 2010, the Koppers Europe business unit plan actually achieved value creation of \$14.4 million. Therefore, the Koppers Europe business unit plan achieved 122 percent of target performance value creation. Based on this result, the pool for the Koppers Europe business unit plan would have been funded at \$540,134 (150 percent of target), however the committee considered other financial and operational metrics related to our European operations not directly considered in the plan and exercised its discretion to reduce the pool to \$450,000.

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Mr. Dietz also participated in our Uithoorn integration bonus plan, which was recommended by the committee and approved by the board in 2010. As vice president of our European operations, Mr. Dietz played an instrumental role in the integration of the facility we acquired in Uithoorn, Netherlands through the acquisition of Cindu Chemicals B.V. The amount of the pool potentially available for distribution under the Uithoorn integration bonus plan was established early in 2010 based on EBITDA performance of Koppers Netherlands B.V. (formerly known as Cindu Chemicals B.V.) as set forth in the following table:

**Koppers Netherlands**

<b>EBITDA</b>	<b>Performance</b>	<b>Funded Pool</b>	
Maximum	\$ 3,180,000	\$ 240,000	150%
Target	\$ 2,650,000	\$ 160,000	100%
Actual	\$ 2,114,000	\$ 113,595	71%
Threshold	\$ 1,325,000	\$ 80,000	50%

In 2010, EBITDA for Koppers Netherlands B.V. was \$2.1 million. Therefore, the Uithoorn integration bonus plan pool was funded at \$113,595 (71 percent of target).

***Determination of Payouts***

Once the amount of each pool was determined, 40 percent of each funded pool was distributed automatically on a pro rata basis to each participant in the relevant plan, including but not limited to the named executive officers, in accordance with each participant's salary level and target bonus percentage.

The remaining 60 percent of the each funded pool was allocated to the participants of that plan by the chief executive officer (with respect to the participants other than himself, including but not limited to the named executive officers) and by the committee (with respect to the chief executive officer) based on subjective review of the participants' individual performance against certain pre-established goals, including safety, health and environmental performance, business results, quality and productivity improvement, customer satisfaction and strategic growth objectives, as further discussed below. The committee reviewed and approved the allocations made by the chief executive officer with respect to the named executive officers other than the chief executive officer. The committee did not assign a specific weight to any of the factors. Rather the committee evaluated the factors as a whole and made a subjective determination of the amount of bonus to pay. The following is a discussion of how these amounts were determined.

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***Subjective Portion of Mr. Turner's 2010 Annual Cash Bonus/Incentive.***

As our chief executive officer, Mr. Turner is a corporate level employee and as a result, the committee considered the metrics established under the corporate plan in determining Mr. Turner's actual bonus paid under the 2010 Cash Bonus Program. The committee met in executive session at the beginning of 2010 to discuss and agree upon the goals and objectives for Mr. Turner, our president and chief executive officer. After the end of the year, the committee met in executive session again to review Mr. Turner's performance compared to his pre-established goals, his contributions to the company's performance and other leadership accomplishments. The factors considered by the committee in determining the amount of the annual cash bonus/incentive awarded to Mr. Turner for 2010 performance included his:

strong leadership of the company through the continued global economic downturn in 2010, which was evidenced by the continued strong financial performance of the company: the 2010 financial results were the company's third best of its 22-year history;

role in keeping the company's overall financial performance in-line with end-market demand and in meeting the quantitative goals set for the year;

leadership in providing the highest standards of continuous improvement on safety, health and environmental performance throughout the company while maintaining a strong focus on compliance and the company's code of ethics;

achievement of continuous growth initiatives in 2010, including the transitioning of the Cindu Chemicals B.V. acquisition in the Netherlands, the acquisition of a portion of the refined tar business of Stella Jones Inc. in the fourth quarter of 2010 to increase our revenue and market share for refined tar in the Midwestern United States, the purchase of assets from Barham-Sevier Tie Company, Inc. in February 2010 and the purchase of the rail joint bar business of Portec Rail Products, Inc. located in Huntington, West Virginia in December 2010;

ability to retain an excellent management team with a strong global business culture.

Based on the company's financial performance and Mr. Turner's individual performance, the committee approved the amount of cash bonus/incentive to pay to Mr. Turner.

***Subjective Portion of Mr. McCurrie's 2010 Annual Cash Bonus/Incentive.***

Mr. McCurrie, as chief financial officer until August 31, 2010 and senior vice president, global carbon materials and chemicals beginning May 1, 2010, is a corporate level employee and as a result, the committee considered the metrics established under the corporate plan in determining Mr. McCurrie's actual bonus paid under the 2010 Cash Bonus Program.

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The individual factors considered by our chief executive officer in recommending and the committee in approving the amount of Mr. McCurrie's 2010 annual cash bonus/incentive included Mr. McCurrie's:

promotion to senior vice president of the global carbon materials and chemicals business unit effective May 1, 2010, prior to which, Mr. McCurrie was instrumental in finalizing the acquisition of Cindu Chemicals B.V. in early 2010 and took the initiative to organize a strong transition team to implement numerous cost savings synergies, which helped enable the newly acquired business to increase our revenues in 2010 by approximately \$48 million;

strong leadership of global operations in the carbon materials and chemicals business unit, which exceeded financial expectations for 2010;

role in improving safety, health and environmental performance in the carbon materials and chemicals business for 2010;

efforts in acquiring a portion of the refined tar business of Stella Jones Inc. to increase our revenue and market share for refined tar in the Midwestern United States in the fourth quarter of 2010.

Based on the company's financial performance and Mr. McCurrie's individual performance, our chief executive officer recommended the amount of the cash bonus/incentive to pay to Mr. McCurrie and the committee approved the recommended amount.

***Subjective Portion of Mr. Ball's 2010 Annual Cash Bonus/Incentive***

As chief financial officer, Mr. Ball is a corporate level employee and participates only in the corporate plan. Mr. Ball received a portion of the potential cash bonus/incentive amount because he was hired on September 1, 2011.

The individual factors considered by our chief executive officer in recommending and the committee in approving the amount of the annual cash bonus/incentive award for Mr. Ball, our chief financial officer, included his:

successful negotiation during his short time as the company's chief financial officer of the company's new insurance program in 2010, which will better control the company's risks, particularly its environmental and pollution risks;

role in strengthening the company's cash position and balance sheet in 2010;

efforts in managing our investor relations in 2010;

successful leadership in transitioning our railroad and utility products and services business unit to a new enterprise resource planning system in late 2010.

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Based on the company's financial performance and Mr. Ball's individual performance, our chief executive officer recommended the amount of the cash bonus/incentive to pay to Mr. Ball and the committee approved the recommended amount.

***Subjective Portion of Mr. Lacy's 2010 Annual Cash Bonus/Incentive.***

Mr. Lacy, as senior vice president, administration, general counsel and secretary, is a corporate level employee and as a result, the committee considered the metrics established under the corporate plan in determining Mr. Lacy's actual bonus paid under the 2010 Cash Bonus Program.

The individual factors considered by our chief executive officer in recommending and the committee in approving the amount of Mr. Lacy's 2010 annual cash bonus/incentive included his:

continuing ability to manage the legal organization in 2010 to mitigate legal exposure and reduce regulatory risks faced by the company and to resolve major lawsuits in an effective manner, including the successful negotiation of a favorable insurance recovery and a tentative settlement involving another significant legal matter;

leadership in building a strong culture of compliance in 2010;

involvement in the successful negotiation of six labor contracts;

leadership and guidance in the successful completion of the acquisition of Cindu Chemicals B.V in early 2010, the acquisition of a portion of the refined tar business of Stella Jones Inc. in the fourth quarter of 2010 to increase our revenue and market share for refined tar in the Midwestern United States, the purchase of assets from Barham-Sevier Tie Company, Inc. in February 2010 and the purchase of the rail joint bar business of Portec Rail Products, Inc. located in Huntington, West Virginia in December 2010, along with his efforts in integrating each of the acquired businesses with our business.

Based on the company's financial performance and Mr. Lacy's individual performance, our chief executive officer recommended the amount of the cash bonus/incentive to pay to Mr. Lacy and the committee approved the recommended amount.

***Subjective Portion of Mr. Dietz's 2010 Annual Cash Bonus/Incentive***

As vice president of our European operations, Mr. Dietz was eligible to receive an annual cash bonus/incentive under the corporate plan, the global carbon materials and chemicals business unit plan and the Koppers Europe business unit plan. In 2010, Mr. Dietz's annual cash bonus/incentive potential was based 25 percent on EPS results as measured in the corporate plan, 25 percent on value creation results as measured by the global carbon materials and chemicals business unit plan and 50 percent on value creation results as measured by the Koppers Europe business unit plan.

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With respect to Mr. Dietz's award made pursuant to the Uithoorn integration bonus plan, our chief executive officer and the committee took into consideration individual performance relative to personal integration-related goals established when the plan was adopted, including integration of safety, health and environmental management and key management of the new facility with existing Koppers European operations, development and support of marketing opportunities and other strategic goals. The individual factors considered by our chief executive officer in recommending and the committee in approving the amount of the annual cash bonus/incentive award for Mr. Dietz included his:

strong leadership of the company's European operations, which exceeded financial expectations for 2010;

management of the successful completion of the acquisition in early 2010 of Cindu Chemicals B.V., which increased our revenues by approximately \$48 million and his efforts in successfully integrating the acquired business with our existing European operations;

leadership of the acquisition synergy implementation team for the purpose of achieving the company's financial goals for the newly acquired Cindu Chemicals B.V. business;

efforts in reorganizing the management structure for our entire European operations.

Based on the company's financial performance and Mr. Dietz's individual performance, our chief executive officer recommended the amount of the cash bonus/incentive to pay to Mr. Dietz and the committee approved the recommended amount.

***Subjective Portion of Mr. McCormack's 2010 Annual Cash Bonus/Incentive***

As vice president of our Australian operations, Mr. McCormack was eligible to receive an annual cash bonus/incentive under the corporate plan, the global carbon materials and chemicals business unit plan and the Koppers Australia business unit plan. In 2010, Mr. McCormack's annual cash bonus/incentive potential was based 25 percent on EPS results as measured in the corporate plan, 25 percent on value creation results as measured by the global carbon materials and chemicals business unit plan and 50 percent on value creation results as measured by the Koppers Australia business unit plan.

The individual factors considered by our chief executive officer in recommending and the committee in approving the amount of the annual cash bonus/incentive award for Mr. McCormack included his:

strong leadership of the company's Australian operations, which exceeded financial expectations for 2010;

role in improving the safety, health and environmental performance of our Australian operations in 2010;

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successful negotiation of a favorable environmental agreement in 2010 relating to our tar distillation facility in Australia;

ability to maintain product volumes in Australia during 2010 despite a challenging business climate.

Based on the company's financial performance and Mr. McCormack's individual performance, our chief executive officer recommended the amount of the cash bonus/incentive to pay to Mr. McCormack and the committee approved the recommended amount.

The board of directors ratified the total amounts of the pool for each plan, the amount of the cash bonus/incentive paid to the chief executive officer and the amounts to be distributed from the pools.

For the corporate plan, the business unit plans and the Uithoorn integration bonus plan, the full amount of the annual cash bonus/incentive for each named executive officer as described above is reported in the nonequity incentive plan compensation column of the Summary Compensation Table.

***Long-Term Equity Incentives.*** In February 2010, the committee granted performance-based restricted stock units, stock options, and time-based restricted stock units to certain key executives, including the named executive officers, other than Mr. Ball, who became our chief financial officer on September 1, 2010. Each long-term incentive vehicle is intended to serve a different purpose, and, when combined, we believe that the total mix will result in a balanced long-term equity incentive program.

Performance-based restricted stock units are intended to focus participants on long-term operating performance, as measured by cumulative value creation typically over a three-year period, however, the committee elected to base the awards granted in 2010 on a two-year performance period and a three-year vesting period. The performance-based restricted stock units granted in 2010 will vest, if at all, on February 22, 2013 provided the participant continues in service until that date and the cumulative value creation target of \$105.8 million is achieved over the performance period from January 1, 2010 to December 31, 2011. The number of performance-based shares ultimately earned and issued can vary from zero percent to 150 percent of the target share amount based upon actual performance. The aggregate grant date fair value of the performance-based restricted stock units for all participants at target is equal to \$1.9 million for the awards granted in 2010.

Stock options are intended to align shareholder and management interests by providing a reward based solely on stock price appreciation. In February 2010, the committee approved stock options to be granted to the named executive officers three business days after the fiscal year 2009 earnings release (February 22, 2010) with an exercise price set at the closing price of our common stock on the NYSE on that day. The aggregate grant date fair value of the stock option awards granted in 2010 to all participants is equal to \$0.8 million.



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Time-based restricted stock units are intended to help to retain participants (some of whom are currently eligible for retirement), as well as to help attract the next generation of our senior management. The time-based restricted stock units granted in 2010 will vest on February 22, 2013, if the named executive officer to whom they were granted is still employed by us at that time. The aggregate grant date fair value of the time-based restricted stock units for all participants is equal to \$0.9 million for awards granted in 2010.

The committee awards stock options, time-based restricted stock units and performance-based restricted stock units to each of the named executive officers in accordance with a pre-determined formula based on each named executive officer's base salary. Pursuant to that formula, in 2010, Mr. Turner received awards having a total dollar value of approximately 150 percent of his annual base salary in effect in February 2010; Mr. McCurrie and Mr. Lacy received awards having a total dollar value of approximately 100 percent of their respective annual base salaries in effect in February 2010; and Mr. Dietz and Mr. McCormack received awards having a total dollar value of approximately 67 percent of their respective annual base salaries in effect in February 2010. Mr. Ball did not receive any stock options, time-based restricted stock units or performance-based restricted stock units in February 2010 because he was not hired until September 2010. The committee awarded Mr. Ball 2,500 stock options on September 1, 2010 and 1,500 shares of restricted stock on November 9, 2010, which vested immediately to compensate Mr. Ball for awards made by his prior employer that had been earned but had not yet vested, under our amended and restated 2005 long term incentive plan, as more fully described in the Grants of Plan Based Awards table below.

Once the total dollar value of the awards was determined for each named executive officer, the actual number of performance-based restricted stock units, stock options and time-based restricted stock units was determined as follows: 30 percent was allocated to the stock option portion of the award, 20 percent was allocated to the time-based restricted stock unit portion of the award and 50 percent of the total dollar value was allocated to the performance-based restricted stock unit portion of the award. The committee then used the closing price of our common stock on the NYSE on the grant date to determine the number of performance-based restricted stock units awarded and the number of time-based restricted stock units awarded. To determine the number of stock options awarded, the committee divided the total dollar value attributed to the stock option portion of the award by the estimated fair value of the stock options on the date of grant, which was determined in accordance with the Black-Scholes valuation method.

The granting of a combination of stock options, restricted stock units and performance stock units falls within the range of peer group practices and has a strong performance orientation. Our long-term incentive mix is more heavily weighted towards performance-based incentive awards than peer group average practice: our long-term mix for our named executive officers as noted above was 30 percent stock options, 20 percent time-based restricted stock units and 50 percent performance-based restricted stock units, compared to our peer group average for the named executive officers of 35 percent stock options, 30 percent time-based restricted stock units and 35 percent performance-based restricted stock units and cash awards.

**Table of Contents*****Payout of the 2008-2010 Performance-Based Restricted Stock Units***

On December 31, 2010, the three-year performance period ended for the performance-based restricted stock units awarded in 2008. The cumulative value creation threshold for these awards was \$219 million over the three-year period. The actual cumulative value creation certified by the committee for the three-year period was \$186 million, which meant that the threshold was not met. Therefore, none of the performance-based restricted stock units awarded in 2008 vested.

***Retirement Benefits.*** Prior to 2007, we maintained a qualified defined benefit pension plan for U.S. salaried employees that provided for a retirement benefit annuity based on final average pay and years of service. We also maintain a defined contribution plan that permits U.S. salaried employees to contribute up to 20 percent of pay, subject to applicable limits for 401(k) plans. We match 50 percent of salaried employee contributions up to six percent. In addition, we maintain two non-qualified excess defined benefit plans for certain U.S. highly-paid employees, which are described on page 58 below. Effective December 31, 2006, we made significant changes in our retirement benefits for our U.S. employees by freezing the qualified and non-qualified defined benefit plans in which U.S. salaried employees and certain highly-paid U.S. employees, respectively, participate. No new salaried participants are permitted in these plans after December 31, 2006, and no further benefits will accrue for U.S. salaried employees after December 31, 2006. In 2007, in light of the freezing of benefits under our qualified defined benefit plan, we decided to provide a uniform non-elective employer contribution to U.S. salaried employees, which is also described in detail in the 2006 Freeze of Pension Plan, SERP I and SERP II section below. In addition, in 2007, we approved a supplemental benefit plan, which we refer to as the benefit restoration plan, to restore employer non-elective contributions lost by certain U.S. highly-paid employees, including the named executive officers other than Mr. McCormack, in our defined contribution plan under U.S. tax law. Beginning in 2009, we amended our defined contribution plan and our benefit restoration plan to remove the automatic employer non-elective contribution feature. Instead, we may decide each plan year whether to make employer discretionary contributions for the plan year and the amount of any such contribution. Employer discretionary contributions were made for 2010 and are included in the tables below. We maintain a superannuation pension plan for certain employees of our Australian subsidiary, including Mr. McCormack. This plan, which is described in more detail on page 60 below is currently closed to new members.

***Perquisites and Other Benefits.*** We provide a limited number of perquisites and other benefits to certain of our named executive officers, which include club dues, executive physicals, parking expenses, certain amounts attributable to our survivor benefit plan and gross-ups in the case of three of our named executive officers in the amounts of \$3,042, \$1,550 and \$1,502 relating to our supplemental executive retirement plan. For our named executive officer working in Australia, we also provide an automobile allowance, which may be used for automobile and related expenses at the named executive officer's option, payment of certain fringe benefit taxes, leave loading and life insurance. For our named executive officer on an overseas assignment, we provide additional personal benefits including airfare tickets to the U.S., living expenses, automobile expenses, tax preparation, foreign income tax payments, U.S. personal

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income tax equalization payments and tax gross-ups relating to the tax equalization payments and social security tax. Additional details of the perquisites and other benefits we provide are more fully described in the footnotes to the Summary Compensation Table below.

We provide these perquisites and other benefits to promote a healthy work/life balance and provide opportunities for developing business relationships. We believe they are important to our ability to attract and retain top-quality executive talent and are consistent with those provided to executives at other companies comparable to us, in the geographical areas in which we operate and for executives on overseas assignments. The costs associated with providing these benefits for our named executive officers are reflected in the All Other Compensation column of the Summary Compensation Table below on page 52.

Our named executive officers other than Mr. McCormack also participate in the same standard salaried benefit plans as our other U.S. salaried employees. This includes a basic welfare benefits package consisting of medical, dental, vision, life and disability insurance and accident insurance plans, as well as flexible spending arrangements for health care, dependent care and transportation expenses. Mr. McCormack receives a life insurance benefit, but does not participate in any company sponsored welfare benefit plans.

**Contracts.** We generally use contractual arrangements where appropriate to assist in our recruitment and retention of our named executive officers. We have entered into employment agreements with Mr. Lacy and Mr. McCurrie and an international assignment agreement with Mr. Dietz. Mr. McCormack agreed to a summary of terms and conditions of employment. In addition, we have entered into change in control agreements with each of Mr. Turner, Mr. Ball, Mr. McCormack and Mr. Dietz. Each of these agreements is described in the Potential Payments upon Termination or Change in Control section beginning on page 61 below.

### ***Stock Ownership Requirements for Our Named Executive Officers***

The committee and our board of directors have approved stock ownership requirements. The requirements apply to selected members of the management team, including all of the named executive officers. The committee and our board of directors have also approved stock ownership guidelines, which apply to our non-employee directors, as described more fully below under Stock Ownership Guidelines for Non-Employee Directors. The stock ownership requirements were designed to achieve the following objectives:

demonstrate our commitment to and confidence in the company's long-term prospects;

align our interests with those of our shareholders;

support a long-term focus; and

quantify our expectations with regard to ownership of our stock.

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Our ownership requirements as applied to members of the senior management team were revised by the committee in 2011. The revised stock ownership requirements require members of the management team to accumulate a specified number of shares expressed as the value of stock ownership as a percentage of base salary. The required stock ownership level is converted into a number of shares that is recalculated annually until the ownership requirement is achieved. Until the stock ownership level is achieved, members of the management team are required to retain 75 percent of the net profit shares received from exercising stock options, the vesting of time-based restricted stock units and performance-based restricted stock units (excluding shares used for the payment of taxes).

<b>Position</b>	<b>Ownership Requirement Multiple of Base Salary</b>
Chief Executive Officer	5x
Senior Vice President	3x
Chief Financial Officer	
Specially Designated Vice President	
Other Elected Officers	2x

Shares owned outright by the executives and/or their spouses count toward meeting the requirements. Unvested restricted stock, unvested time-based restricted stock units, unvested performance-based restricted stock units and unexercised stock options do not count toward meeting the requirements.

All of our named executive officers are in compliance with the terms and provisions of the revised stock ownership requirements. Four of our named executive officers have achieved the target ownership level and the remaining two named executive officers continue to be subject to the 75 percent ratio.

Our policy is that our employees, officers and directors are prohibited from trading in options, warrants, puts, and calls of our common stock; short sales of our common stock are also prohibited. Any hedging transactions contemplated by our employees, officers and directors with respect to our common stock require advance clearance by our corporate secretary.

***Tax Considerations***

Cash compensation, such as base salary or annual bonus/incentive, is taxable as ordinary income when earned, unless deferred under a company-sponsored deferral plan. Deferrals under tax-qualified plans, such as a 401(k) plan, do not affect the timing of our tax deduction. Deferrals under non-qualified plans, the adoption of which have been approved by the board of directors, will result in the deferral of our compensation deduction until such time as the cash compensation is paid to the employee.

The committee is aware of Section 162(m) of the tax code, which generally limits the deductibility of executive pay in excess of \$1 million, and which specifies the requirements for the performance-based exemption from this limit. The committee generally tries to preserve the deductibility of compensation paid to the named

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executive officers when appropriate; for example, our stock option awards and performance-based restricted stock unit awards will generally qualify for the performance-based exemption and would therefore be deductible. The committee nevertheless may authorize other compensation that might not be deductible if it believes doing so is in the best interests of our shareholders; for example time-based restricted stock units. Therefore, a portion of compensation may not be deductible under Section 162(m) of the tax code.

*Accounting Considerations*

When reviewing preliminary recommendations and in connection with approving the terms of a given incentive plan period, management and the committee review and consider the accounting implications of a given award, including the estimated expense.

**Table of Contents****Summary Compensation Table**

The following table shows the compensation of all individuals who served at any time during 2010 as either our principal executive or principal financial officers, together with our three most highly compensated officers, who were serving as executive officers as of December 31, 2010 (other than our principal executive or principal financial officers). We refer to the six executives below as our named executive officers. In accordance with SEC rules, we have not included compensation for 2008 or 2009 for Mr. Dietz or Mr. McCormack because each of them first became a named executive officer in 2010 and we have not included compensation for 2008 or 2009 for Mr. Ball because he first became our principal financial officer on September 1, 2010.

Name and Principal Position	Year	Salary	Bonus	Stock Awards (1)	Option Awards (1)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings (2)	All Other Compensation (3)	Total
Walter W. Turner President and Chief Executive Officer	2010	\$ 685,000	\$	\$ 672,012	\$ 287,690	\$ 525,000	\$ 199,023	\$ 204,355(4)	\$ 2,573,080
	2009	640,000	250,411	672,005	288,454	109,589	130,791	101,857	2,193,107
	2008	615,000	440,000	502,754	199,221		271	174,085	1,931,331
Brian H. McCurrie Vice President and Chief Financial Officer (through August 31, 2010) and Senior Vice President, Global Carbon Materials & Chemicals, Koppers Inc. (beginning May 1, 2010)	2010	\$ 330,252	\$	\$ 221,203	\$ 94,695	\$ 195,000	\$ 13,674	\$ 58,062(5)	\$ 912,886
	2009	315,996	110,320	221,194	94,948	39,680	8,163	42,028	832,329
	2008	308,496	185,000	200,190	79,334		5,482	48,468	826,970
Leroy M. Ball Vice President and Chief Financial Officer (beginning September 1, 2010)	2010	\$ 105,000(6)	\$	\$ 45,720	\$ 24,550	\$ 26,000	\$	\$ 3,150(7)	\$ 204,420
Steven R. Lacy Senior Vice President, Administration, General Counsel and Secretary	2010	\$ 336,537	\$	\$ 228,313	\$ 97,747	\$ 195,000	\$ 40,137	\$ 61,792(8)	\$ 959,526
	2009	326,160	109,044	228,320	98,000	40,956	27,120	44,513	874,113
	2008	322,119	188,000	216,986	85,989		14,846	50,180	878,120
James T. Dietz Vice President European Operations, Koppers Inc.	2010	\$ 319,140	\$	\$ 105,825	\$ 45,297	\$ 168,914	\$ 24,256	\$ 338,510(9)	\$ 1,001,942
Mark R. McCormack Vice President Australian Operations, Koppers Inc.	2010	\$ 319,418(10)	\$	\$ 117,627	\$ 50,351	\$ 151,420(10)	\$ 116,850(10)	\$ 68,949(10)(11)	\$ 824,615

(1) The amounts shown in this column represents the aggregate grant date fair value of time-based restricted stock units and stock options granted to our named executive officers in 2010 computed in accordance with FASB ASC Topic 718 and the value of performance-based restricted stock units granted to our named executive officers in 2010 based upon the probable outcome of the performance conditions as of the grant date. The maximum value of the performance-based restricted stock units assuming the highest level of performance conditions is \$720,006 for Mr. Turner, \$237,009 for Mr. McCurrie, \$0 for Mr. Ball, \$244,639 for Mr. Lacy, \$113,384 for Mr. Dietz and \$126,029 for Mr. McCormack. These award grant date fair values have been determined using the assumptions underlying the valuation of equity awards set forth in note 6 of the consolidated financial statements in our annual reports on Form 10-K for the years ended December 31, 2010, December 31, 2009 and December 31, 2008.

- (2) The amount disclosed in this column represents (i) the amount of increase in the present value of the executive's accumulated pension benefit and (ii) the portion of interest accrued (but not currently paid or payable) on deferred compensation above

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percent of the applicable federal long-term rate at the maximum rate payable under our Benefit Restoration Plan. The total amount disclosed for each named executive officer is divided as follows: Mr. Turner: the increase in present value of accumulated benefit is \$198,954 and above-market nonqualified deferred compensation earnings, \$69; Mr. McCurrie: increase in present value of accumulated benefit, \$13,667 and above-market nonqualified deferred compensation earnings, \$7; Mr. Ball: the increase in present value of accumulated benefit is \$0 and above-market nonqualified deferred compensation earnings, \$0; Mr. Lacy: increase in present value of accumulated benefit, \$40,128 and above-market nonqualified deferred compensation earnings, \$9; Mr. Dietz: increase in present value of accumulated benefit, \$24,254 and above-market nonqualified deferred compensation earnings, \$2; and Mr. McCormack: increase in present value of accumulated benefit, \$116,850 and above-market nonqualified deferred compensation earnings, \$0.

- (3) The full amount of all other compensation disclosed for each named executive officer other than Mr. Ball and Mr. McCormack includes an amount based on accrued accounts attributed to such named executive officer's benefit pursuant to the Survivor Benefit Plan rather than our out-of-pocket expenses attributed to the plan.
- (4) The full amount of all other compensation disclosed for Mr. Turner in 2010 (\$204,355) includes perquisites and other personal benefits in the amount of \$32,998 consisting of club dues, parking, home internet service, a physical and an amount attributed to the Survivor Benefit Plan; qualified defined contribution plan contributions for 2010 in the amount of \$101,400; and \$66,915, which represents the value of dividend equivalents earned in 2010 on Mr. Turner's unvested time-based restricted stock units and performance-based restricted stock units.
- (5) The full amount of all other compensation disclosed for Mr. McCurrie in 2010 (\$58,062) includes perquisites and other personal benefits in the amount of \$11,974, consisting of club dues, a physical and an amount attributed to the Survivor Benefit Plan; qualified defined contribution plan contributions for 2010 in the amount of \$21,758; and \$22,828, which represents the value of dividend equivalents earned in 2010 on Mr. McCurrie's unvested time-based restricted stock units and performance-based restricted stock units.
- (6) Represents Mr. Ball's salary for the period beginning September 1, 2010, Mr. Ball's hire date, through December 31, 2010.
- (7) The full amount of all other compensation disclosed for Mr. Ball in 2010 (\$3,150) represents qualified defined contribution plan contributions for 2010.
- (8) The full amount of all other compensation disclosed for Mr. Lacy in 2010 (\$61,792) includes perquisites and other personal benefits in the amount of \$14,494 consisting of club dues, a physical and an amount attributed to the Survivor Benefit Plan; qualified defined contribution plan contributions for 2010 in the amount of \$21,946; and \$23,802, which represents the value of dividend equivalents earned in 2010 on Mr. Lacy's unvested time-based restricted stock units and performance-based restricted stock units.
- (9) The full amount of all other compensation disclosed for Mr. Dietz in 2010 (\$338,510) includes perquisites and other personal benefits in the amount of \$86,481, consisting of club dues, housing rent, tax and utilities, automobile expenses, airfare tickets to the U.S., tax preparation, storage costs and an amount attributed to the Survivor Benefit Plan; foreign income tax payments in the amount of \$188,131; qualified defined contribution plan contributions for 2010 in the amount of \$31,086; and \$10,828, which represents the value of dividend equivalents earned in 2010 on Mr. Dietz's unvested time-based restricted stock units and performance-based restricted stock units.
- (10) Amount shown was converted from Australian dollars to U.S. dollars using the average exchange rate during 2010, which was AUD 1 = USD 0.9183.
- (11) The full amount of all other compensation disclosed for Mr. McCormack in 2010 (\$68,949) includes perquisites and other personal benefits in the amount of \$42,369 consisting of automobile expenses and a related fringe benefits tax (\$15,359) and parking; and \$12,915, which represents the value of dividend equivalents earned in 2010 on Mr. McCormack's unvested time-based restricted stock units and performance-based restricted stock units.



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**Grants of Plan Based Awards Table**

As further described in the Compensation Discussion and Analysis section above, the following table shows the details concerning the potential amounts payable to each named executive officer during 2010 under the pools established pursuant to our annual cash bonus/incentive plans. The table below also reflects performance-based restricted stock unit awards, stock option awards and time-based restricted stock unit awards granted to each named executive officer during 2010 under our amended and restated 2005 Long Term Incentive Plan. The actual amounts paid to each named executive officer for 2010 are included in the Summary Compensation Table above.

	Form of Award (1)	Grant Date	Date Management, Development and Compensation Committee Took Action to Grant Award	Estimated Potential 2010 Payouts Under Non-Equity Incentive Plan Awards (2)			Estimated Future Payouts Under Equity Incentive Plan Awards (3)			All Other Stock Awards: Number of Shares of Stock or Units (3)	All Other Awards: Number of Securities Underlying Options (4)	Exercise or Base Price of Option Awards (\$/Sh) (4)	Grant Date Fair Value of Stock and Options Awarded (\$)
				Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Mr. W. Turner	Annual Cash Bonus/Incentive Award			\$ 240,000	\$ 480,000	\$ 720,000							
	Performance-based RSU Award	2/22/2010	2/2/2010				8,541	17,082	25,623				\$ 480
	Time-based RSU Award	2/22/2010	2/2/2010							6,833			192
	Option Award	2/22/2010	2/2/2010								20,832	\$ 28.10	287
H. McCurrie	Annual Cash Bonus/Incentive Award			\$ 86,899	\$ 173,798	\$ 260,697							
	Performance-based RSU Award	2/22/2010	2/2/2010				2,812	5,623	8,435				\$ 158
	Time-based RSU Award	2/22/2010	2/2/2010							2,249			63
	Option Award	2/22/2010	2/2/2010								6,857	\$ 28.10	94
M. Ball	Annual Cash Bonus/Incentive Award			\$ 28,875(6)	\$ 57,750(6)	\$ 86,625(6)							
	Restricted Stock Award	11/4/2010	8/3/2010							1,500			\$ 45
	Option Award	8/31/2010	8/3/2010								2,500	\$ 20.00	24
Mr. R. Lacy	Annual Cash Bonus/Incentive Award			\$ 89,694	\$ 179,388	\$ 269,082							
	Performance-based RSU Award	2/22/2010	2/2/2010				2,902	5,804	8,706				\$ 163
	Time-based RSU Award	2/22/2010	2/2/2010							2,321			65
	Option Award	2/22/2010	2/2/2010								7,078	\$ 28.10	97
S. T. Dietz	Annual Cash Bonus/Incentive Award			\$ 62,040	\$ 124,080	\$ 186,120							
	Uithoorn Integration Plan			12,500	25,000	37,500							
	Performance-based RSU Award	2/22/2010	2/2/2010				1,345	2,690	4,035				\$ 75
	Time-based RSU Award	2/22/2010	2/2/2010							1,076			30
	Option Award	2/22/2010	2/2/2010								3,280	\$ 28.10	45
Mr. R. Ormack	Annual Cash Bonus/Incentive Award			\$ 79,720	\$ 159,441	\$ 239,162							
	Performance-based RSU Award	2/22/2010	2/2/2010				1,495	2,990	4,485				\$ 84
	Time-based RSU Award	2/22/2010	2/2/2010							1,196			33
	Option Award	2/22/2010	2/2/2010								3,646	\$ 28.10	50

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- (1) The material terms of the awards reflected in this column are provided in the Compensation, Discussion and Analysis 2010 Compensation section above under the heading Annual Cash Bonus/Incentive and Long-Term Equity Incentives.
- (2) The amounts shown in these columns represent the threshold, target and maximum payouts in 2010 pursuant to our senior management corporate incentive plan or the applicable business unit plan with respect to each named executive officer. The committee has the discretion to supplement, reduce or modify the actual amounts awarded, as further described in -Committee Discretion and -2010 Compensation Annual Cash Bonus/Incentive. With respect to the 2010 Annual Cash Bonus Plan, the committee has no discretion to increase the annual cash bonus/incentive awarded to Messrs. Turner, McCurrie and Lacy above the maximum amounts of \$1.5 million, \$1.0 million and \$1.0 million, respectively.
- (3) Unvested time-based restricted stock units and performance-based restricted stock units granted under our long-term incentive plan are entitled to dividends at the same rate as those paid, if at all, to holders of our common stock which are converted annually into additional time-based restricted stock units or performance-based restricted stock units, respectively, that vest on the same schedule as the underlying award. We call these dividend equivalent units.
- (4) The option awards will vest on the third anniversary of the grant date and have a maximum term of 10 years.
- (5) The amounts shown in this column represents the aggregate grant date fair value of time-based restricted stock units and stock options granted to our named executive officers in 2010 computed in accordance with FASB ASC Topic 718 and the value of performance-based restricted stock units granted to our named executive officers in 2010 based upon the probable outcome of the performance conditions as of the grant date.
- (6) The amount shown represents a portion of the award based on Mr. Ball's length of service in 2010, which began on September 1, 2010.

**Outstanding Equity Awards at Fiscal Year-End**

The table below provides information concerning unvested restricted stock units and unexercised options held by each named executive officer at December 31, 2010.

Name	Grant Date	Option Awards				Stock Awards			
		Number of Securities Underlying Unexercised Options Exercisable (1)(#)	Number of Securities Underlying Unexercised Options Unexercisable (2)(#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (3)(#)	Market Value of Shares or Units of Stock That Have Not Vested (4)(\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (5)(#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (4)(6)(\$)
Walter W. Turner	5/8/2007	16,300		\$ 29.97	5/7/2017				
	2/25/2008		13,470	39.99	2/24/2018				
	2/20/2009		46,600	15.26	2/19/2019				
	2/22/2010		20,832	28.10	2/21/2020				
						23,434	\$ 838,470	24,574	\$ 879,263
Brian H. McCurrie	5/8/2007	6,500		\$ 29.97	5/7/2017				
	2/25/2008		5,364	39.99	2/24/2018				
	2/20/2009		15,339	15.26	2/19/2019				
	2/22/2010		6,857	28.10	2/21/2020				

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						7,973	\$	285,279		8,089	\$	289,428
Leroy M. Ball	8/31/2010		2,500	\$ 20.00	8/30/2020							
Steven R. Lacy	5/8/2007	7,400		\$ 29.97	5/7/2017							
	2/25/2008		5,814	39.99	2/24/2018							
	2/20/2009		15,832	15.26	2/19/2019							
	2/22/2010		7,078	28.10	2/21/2020							
						8,308	\$	297,255		8,349	\$	298,740
James T. Dietz	5/8/2007	3,100		\$ 29.97	5/7/2017							
	2/25/2008		2,458	39.99	2/24/2018							
	2/20/2009		7,337	15.26	2/19/2019							
	2/22/2010		3,280	28.10	2/21/2020							
						3,785	\$	135,421		3,870	\$	138,455
Mark R. McCormack	5/8/2007	4,150		\$ 29.97	5/7/2017							
	2/25/2008		3,170	39.99	2/24/2018							
	2/20/2009		8,748	15.26	2/19/2019							
	2/22/2010		3,646	28.10	2/21/2020							
						4,492	\$	160,718		4,505	\$	161,185

(1) The stock options granted in 2007 vested on May 8, 2010.

(2) The stock options granted in 2008 vested on February 25, 2011 and the stock options granted in 2009 will vest on February 20, 2012 and the stock options granted in 2010 will vest on February 22, 2013.

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- (3) The amounts shown in this column reflect the aggregate number of unvested time-based restricted stock units awarded in 2008, 2009 and 2010, and the number of earned (as of December 31, 2010) performance-based restricted stock units awarded in 2008, and related dividend equivalent units. The 2008 performance-based restricted stock unit grants and related dividend equivalent units were scheduled to vest on February 25, 2011, but the threshold value creation was not met; therefore, none of the performance-based restricted stock units awarded in 2008 or related dividend equivalent units vested. The time-based restricted stock units and related dividend equivalent units are scheduled to vest on the third anniversary of the date of grant, as summarized below.

<b>Name</b>	<b>Grant Date</b>	<b># of Unvested Shares</b>	<b>Vesting Date</b>
Walter W. Turner	2/25/2008	3,774	2/25/2011
	2/20/2009	12,827	2/20/2012
	2/22/2010	6,833	2/22/2013
Brian H. McCurrie	2/25/2008	1,503	2/25/2011
	2/20/2009	4,221	2/20/2012
	2/22/2010	2,249	2/22/2013
Steven R. Lacy	2/25/2008	1,629	2/25/2011
	2/20/2009	4,358	2/20/2012
	2/22/2010	2,321	2/22/2013
James T. Dietz	2/25/2008	689	2/25/2011
	2/20/2009	2,020	2/20/2012
	2/22/2010	1,076	2/22/2013
Mark R. McCormack	2/25/2008	888	2/25/2011
	2/20/2009	2,408	2/20/2012
	2/22/2010	1,196	2/22/2013

- (4) The amounts shown in this column represent the market value of these stock awards and related dividend equivalent units based on a closing market price of \$35.78 per share on December 31, 2010, the last trading day in 2010.

- (5) The amounts shown in this column reflect the aggregate minimum number of unvested performance-based restricted stock units awarded in 2009 and the aggregate minimum number of unvested performance-based restricted stock units awarded in 2010, and include related dividend equivalent units. For purposes of determining the amounts shown in this column, we assumed achievement of threshold performance goals with respect to the 2009 awards and the 2010 awards. The actual number may be more with respect to the 2009 awards and the 2010 awards depending on the company's performance during the applicable two- or three-year performance period. All performance-based restricted stock unit grants and related dividend equivalent units are scheduled to vest, if at all, upon the achievement of a cumulative value creation target of \$196 million over the three-year performance period ending December 31, 2011 (for 2009 awards) and upon the achievement of a cumulative value creation target of \$85 million over the two-year performance period ending December 31, 2011 (for 2010 awards), provided however that the participant remains in our service until February 22, 2013 with respect to the 2010 awards, as summarized below.

<b>Name</b>	<b>Grant Date</b>	<b># of Unvested Shares</b>	<b>Vesting Date</b>
Walter W. Turner	2/20/2009	16,033	12/31/2011
	2/22/2010	8,541	2/22/2013
Brian H. McCurrie	2/20/2009	5,278	12/31/2011
	2/22/2010	2,811	2/22/2013
Steven R. Lacy	2/20/2009	5,447	12/31/2011
	2/22/2010	2,902	2/22/2013
James T. Dietz	2/20/2009	2,525	12/31/2011
	2/22/2010	1,345	2/22/2013
Mark R. McCormack	2/20/2009	3,010	12/31/2011
	2/22/2010	1,495	2/22/2013

- (6)

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The amounts shown in this column reflect the minimum aggregate payout value of unvested performance-based restricted stock units awarded in 2009 and the minimum aggregate payout value of unvested performance-based restricted stock units awarded 2010, and include related dividend equivalent units. For purposes of determining the amounts shown in this column, we assumed achievement of threshold performance goals with respect to the 2009 awards and the 2010 awards. The actual number may be more with respect to the 2009 awards and the 2010 awards depending on the company's performance during the applicable two- or three-year performance period.

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**Table of Contents****Option Exercises and Stock Vested**

The table below sets forth information concerning the vesting of a portion of restricted stock units held by the named executive officers during 2010.

Name	Stock Awards	
	Number of Shares Acquired on Vesting	Value Realized on Vesting (1)
Walter W. Turner	24,804	\$ 720,950
Brian H. McCurrie	9,886	287,342
Leroy M. Ball	1,500	45,720
Steven R. Lacy	11,234	326,531
James T. Dietz	3,969	116,041
Mark R. McCormack	5,804	168,708

- (1) The amounts in this column represent the number of shares acquired upon the vesting of performance-based restricted stock units on March 11, 2010 multiplied by the closing stock price of \$29.35 on the vesting date and of time-based restricted stock units on March 22, 2010 multiplied by the closing stock price of \$28.07 on the vesting date. Amounts included do not deduct any taxes paid by the named executive officers in connection with the vesting of the restricted stock units.

**Pension Benefits**

The table below sets forth information as of December 31, 2010, with respect to each plan that provides for payments or other benefits at, following, or in connection with retirement. None of our named executive officers received any payments during 2010 under any of these plans.

Name	Plan Name	Number	Present
		of Years Credited	Value of Accumulated
		Service (#)	Benefit (\$)
Walter W. Turner	Retirement Plan for Koppers Inc.	37.58	\$ 811,130
	Koppers Inc. Retirement Income Restoration Plan (SERP I)	37.58	1,827,791
	Koppers Inc. Supplemental Executive Retirement Plan II (SERP II)	35.00	3,465,752
			\$ 6,104,673
Brian H. McCurrie	Retirement Plan for Koppers Inc.	3.25	\$ 41,029
	Koppers Inc. Retirement Income Restoration Plan (SERP I)	3.25	22,665
	Koppers Inc. Supplemental Executive Retirement Plan II (SERP II)	3.25	9,550
			\$ 73,244
Steven R. Lacy	Retirement Plan for Koppers Inc.	5.50	\$ 102,083
	Koppers Inc. Retirement Income Restoration Plan (SERP I)	5.50	58,964
	Koppers Inc. Supplemental Executive Retirement Plan II (SERP II)	5.50	84,434
			\$ 245,481
James T. Dietz	Retirement Plan for Koppers Inc.	11.58	\$ 148,750

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Mark R. McCormack	Koppers Australia Superannuation Plan	25.58	\$ 1,533,708
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### ***Pension Plan***

The named executive officers other than Mr. Ball and Mr. McCormack are covered by the Retirement Plan of Koppers Inc. and Subsidiaries for Salaried Employees, which we refer to as the salaried plan. Prior to June 1, 2004, annual retirement benefits were computed at the rate of 1.2 percent of terminal salary (as defined below) not in excess of \$16,000, plus 1.6 percent of terminal salary in excess of \$16,000, all multiplied by years of credited service (as defined below). Other elected U.S. officers also participate in the salaried plan.

Terminal salary was determined based on the average annual salary (defined as salary plus 50 percent of any incentive payments) for the five highest consecutive years of the last ten years of credited service, or during all years of such credited service if less than five. Credited service included all accumulated service as a salaried employee except for any period of layoff or leave of absence. In 1998, we amended the salaried plan to provide a minimum pension equal to 1.2 percent of terminal salary multiplied by years of credited service up to 35 years reduced by any pension benefit paid by the pension plan of the former Koppers Company, Inc., now known as Beazer East, Inc. ( Old Koppers for the period prior to December 29, 1988). For purposes of the minimum pension calculations, terminal salary was determined based on the average annual salary (defined as salary plus 75 percent of any incentive payments) for the five highest consecutive years of the last ten years of credited service, or during all years of credited service if less than five.

Effective June 1, 2004 we further amended the salaried plan. For credited service after May 31, 2004, annual retirement benefits are computed at the rate of one percent of terminal salary multiplied by years of credited service after May 31, 2004. Effective June 1, 2004 we also amended the definition of terminal salary to mean the average annual salary (defined as salary plus 100 percent of any incentive payments) for the five highest consecutive years of the last ten years of credited service or during all years of credited service if less than five.

### ***Retirement Income Restoration Plan (SERP I)***

Effective January 1, 1991, the board of directors established the Retirement Income Restoration Plan, which we refer to as SERP I, for participating elected U.S. officers, including the named executive officers other than Mr. Ball, Mr. Dietz and Mr. McCormack. SERP I pays an annual benefit equal to the difference between (i) the benefit a participant would receive under the salaried plan if not for the compensation limit imposed under the tax code and (ii) the benefit the participant actually receives under the salaried plan.

### ***Supplemental Executive Retirement Plan (SERP II)***

Effective December 1, 1997, the board of directors established the Supplemental Executive Retirement Plan, which we refer to as SERP II, for participating elected U.S. officers, including the named executive officers other than Mr. Ball, Mr. Dietz and Mr. McCormack. SERP II pays an annual benefit equal to two percent of final average



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pay multiplied by years of service up to 35 years, reduced by the sum of: (i) pension benefits received from us; (ii) pension benefits received from Old Koppers; (iii) benefits received under any other non-qualified retirement plan sponsored by us or Old Koppers; and (iv) one-half of any Social Security benefits.

Mr. Turner is currently eligible for early retirement under our salaried plan, SERP I and SERP II, with unreduced benefits. The eligibility standards for early retirement under the salaried plan and SERP I are 60 years of age with 25 years of service, in which case the benefits are unreduced, and 55 years of age with 10 years of service, in which case the benefits are reduced five percent per year from age 65. The eligibility standards for early retirement under SERP II are 60 years of age with 25 years of service, in which case the benefits are unreduced, and 55 years of age with 10 years of service, in which case the benefits are reduced three percent per year from age 60.

### ***2006 Freeze of Pension Plan, SERP I and SERP II***

On November 2, 2006, our board of directors approved a freeze of our domestic qualified and corresponding non-qualified defined benefit plans for U.S. salaried employees. No U.S. salaried employee hired after December 31, 2006, will become a participant in the salaried plan or in SERP I or SERP II and U.S. salaried employees will no longer accrue additional benefits under such plans after December 31, 2006. However, years of service will continue to accrue for vesting purposes and for purposes of eligibility for certain benefits under the plans, such as early retirement benefits. In light of freezing future benefit accruals under the qualified defined benefit plan, we provided to eligible U.S. salaried employees in 2007 and 2008 an annual employer non-elective contribution under the qualified defined contribution plan ranging from three percent to nine percent of compensation determined based on age and years of service. In 2009, we amended the plan to remove the automatic employer non-elective contribution feature. Instead, we will decide each year whether to make employer discretionary contributions for the year and the amount of such contributions. We did make employer discretionary contributions for 2010. We continue to match contributions by U.S. salaried employees at an amount equal to 50 percent of the first six percent of compensation contributed by the employee.

### ***Survivor Benefit Plan***

The Survivor Benefit Plan provides a post-retirement survivor benefit to selected key employees, including our named executive officers other than Mr. Ball and Mr. McCormack. The benefit payable under the plan equals three times the participant's base salary at the time of retirement or \$750,000, whichever is less. Benefits payable under this plan are reduced dollar-for-dollar by proceeds paid under our group life insurance plan. If the participant's employment is terminated for any reason prior to retirement, the participant will be entitled to no benefits under the plan. No new participants have been approved for this plan since before 2008 and the committee does not currently intend to approve new participants going forward.

**Table of Contents****Australia Superannuation Pension Plan**

Mr. McCormack participates in the Koppers Australia Superannuation Pension Plan, a defined benefit plan available to certain employees of Koppers Australia Pty. Ltd., one of our wholly owned subsidiaries. Participants in this plan contribute 4 percent of salary up to a maximum of \$3,000 per year. Contributions cease after 36 years of membership or attaining age 70. The benefit payable upon retirement between the age of 55 and the maximum retirement age of 70 is comprised of two pieces, the member's reserve and an account maintained at the option of the participant for years of service over 36 years. The member's reserve is equal to the greater of (1) 2.5 percent of the member's contributions with interest plus 3 percent of the participant's final average salary multiplied by the participant's service accrued after 1987 (capped at 36 years) and (2) 20 percent of the final average salary multiplied by the total participant service (capped at 36 years) accrued multiplied by an adjustment factor for terminations prior to age 55 (earliest retirement age). Final average salary is the average annual rate of salary during the three year period prior to termination of employment.

The benefit payable on death prior to age 65 is a lump sum of 20 percent of the participant's prospective final average salary (final average salary calculated at age 65 assuming that the participant's salary at date of death remains unchanged) multiplied by the participant's years of service assuming the participant had worked to age 65. The plan also provides a benefit in the event of disability or resignation other than retirement, death or disability.

Benefits paid pursuant to this plan can be paid as a lump sum or a pension. This plan is currently closed to new members.

**Non-qualified Deferred Compensation**

The table below sets forth information as of December 31, 2010, with respect to our Benefit Restoration Plan, a defined contribution plan that provides for the deferral of compensation on a basis that is not tax-qualified.

Name	Registrant Contributions in Last Fiscal Year (\$ (1))	Aggregate Earnings in Last Fiscal Year (2) (\$)	Aggregate Balance at Last Fiscal Year End (3) (\$)
Walter W. Turner	\$ 72,000	\$ 10,040	\$ 253,964
Brian H. McCurrie	7,058	1,077	26,598
Steven R. Lacy	7,246	1,215	29,267
James T. Dietz	11,486	553	21,521

- (1) The amounts shown in this column are reported as compensation in 2010 in the Summary Compensation Table.
- (2) The following amounts reported in this column are reported as compensation in 2010 in the Summary Compensation Table: Mr. Turner: \$69, Mr. McCurrie: \$7, Mr. Lacy: \$9 and Mr. Dietz: \$2.
- (3) The following amounts reported in this column were reported as compensation to the named executive officer in the Summary Compensation Table for previous years: Mr. Turner: \$157,605, Mr. McCurrie: \$16,926, Mr. Lacy: \$19,043 and Mr. Dietz: \$0 because he first became a named executive officer in 2010.

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### ***Benefit Restoration Plan***

On August 8, 2007, the board of directors approved (effective January 1, 2007) a non-qualified, deferred compensation plan for eligible, highly compensated employees, including our named executive officers other than Mr. McCormack, to replace certain contributions lost under the qualified defined contribution plan as a result of the compensation limits imposed under the tax code. Annually, the account of each participant is credited with a contribution equal to the difference between (a) the amount the participant would have received under the qualified defined contribution plan for such year but for tax code limits and (b) the amount the participant actually received under the defined contribution plan for such year. Generally, amounts in a participant's account vest according to the same schedule as contributions made under our qualified defined contribution plan. Accounts are credited with investment earnings based on an interest rate determined by our management development and compensation committee based, in part, on the Moody's Corporate Bond Yield Average as of the preceding December 31. The interest rate for 2010 was 5.84 percent. Benefits will typically be paid upon a separation from service in five annual installments. In 2009, we amended the plan to remove the automatic employer non-elective contribution feature. Instead, we will decide each year whether to make employer discretionary contributions for the year and the amount of such contributions. We did make employer discretionary contributions for 2010.

### **Potential Payments upon Termination or Change in Control**

The following information and related table set forth the details of the payments and benefits that would be provided to each named executive officer in the event that his employment is terminated with us for any reason including resignation, termination without cause, retirement, a constructive termination of the executive, a change in control or a change in the executive's responsibilities.

### ***Employment Agreements***

We have entered into employment agreements with three of our named executive officers. The following discussion summarizes these agreements.

*Brian H. McCurrie.* We entered into an employment agreement with Mr. McCurrie in October 2003. The employment agreement, as amended in 2010, provides that Mr. McCurrie will serve as Senior Vice President, Global Carbon Materials & Chemicals. Mr. McCurrie's employment agreement established an initial base salary, subject to annual adjustments, and addressed additional initial compensation matters. The employment agreement provides for participation in our corporate senior management incentive pool and provides for participation in all of our benefits plans.

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Mr. McCurrie's employment agreement provides that in the event of termination by us other than for cause, Mr. McCurrie would be entitled to severance payments for two years, plus an additional amount based on the years of his service with us prior to termination. If Mr. McCurrie is terminated (other than for cause) within two years after the occurrence of a change in control, Mr. McCurrie will be entitled to receive:

all of his accrued salary to the date of his termination;

a pro-rata bonus for the year in which his termination occurs;

a lump sum payment equal to two (or if less, the number of years until he reaches age 65) times the sum of his base salary plus the amount awarded to him under certain bonus and incentive plans for the two years preceding the date of termination or the change in control (whichever is greater);

life, disability, accident and group health benefits for two years or until he receives comparable benefits from a third party;

reasonable legal fees and expenses incurred by Mr. McCurrie as a result of his termination; and

continued indemnification for pre-termination acts and omissions.

The payments and benefits to which Mr. McCurrie would be entitled in the event he is terminated after a change in control will be reduced as necessary to cause the total payments and parachute payments (as defined in the tax code) to comply with the limitation set forth in Section 280G of the tax code.

The initial term of the agreement was from October 13, 2003 to October 13, 2005. The term of the agreement is automatically extended for one additional year unless notice is given 180 days in advance by us or Mr. McCurrie that such party does not wish to extend the term. As of March 30, 2011, neither party has advised the other party that such party does not wish to extend the term. If a change of control occurs during the term, the term shall continue for a period of not less than 24 months following the month in which such change of control occurred.

*Steven R. Lacy.* We entered into an employment agreement with Mr. Lacy in April 2002. The employment agreement provides that Mr. Lacy will serve as Vice President, General Counsel and Corporate Secretary. The initial term of the agreement was from April 5, 2002 through April 4, 2004. The term is automatically extended for one additional year unless notice is given 180 days in advance by us or Mr. Lacy that such party does not wish to extend the term. As of March 30, 2011, neither party has advised the other party that such party does not wish to extend the term. Mr. Lacy's employment agreement established an initial base salary, subject to periodic review by our chief executive officer, and addressed additional initial compensation matters. The employment agreement provides for participation in our corporate senior management incentive pool and provides for participation in all of our benefits plans.

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In the event of termination by us other than for cause, Mr. Lacy is entitled to receive the following payments:

all of his accrued salary to the date of his termination;

104 weeks of salary and benefits continuation;

an additional number of weeks of salary equal to the number of full years of service with us;

a lump sum severance payment equal to 50 percent of the amount awarded to him under certain bonus and incentive plans for the two years preceding the date of termination; and

a lump sum severance payment equal to the pro rata portion of all contingent awards granted under certain bonus and incentive plans then in effect for all uncompleted periods, taking certain assumptions into consideration.

If Mr. Lacy is terminated (other than for cause) within two years after the occurrence of a change in control, Mr. Lacy will be entitled to receive payments and benefits similar to those due to Mr. McCurrie and described above. The payments and benefits to which Mr. Lacy would be entitled in the event he is terminated after a change in control will also be reduced as necessary to cause the total payments and parachute payments (as defined in the tax code) to comply with the limitation set forth in Section 280G of the tax code.

*James T. Dietz.* We entered into an international assignment agreement with Mr. Dietz in October 2006. The international assignment agreement provides that Mr. Dietz will serve as Vice President, European Operations. Mr. Dietz's agreement established an initial base salary, additional initial compensation matters and other allowances and benefits associated with his assignment overseas. The international assignment agreement provides for participation in our corporate plan, our global carbon materials and chemicals business unit plan and our Koppers Europe business unit plan.

Mr. Dietz's international assignment agreement provides that in the event of termination by us other than for cause and without 12 months notice, Mr. Dietz is entitled to receive a payment in the amount of 12 months base salary along with life, disability, accident and group health insurance benefits for such 12 month period substantially similar to such benefits received prior to termination, airfare tickets to the U.S., and the cost of shipping his household goods to the U.S. In the event Mr. Dietz resigns, he will not be entitled to any further benefits or remuneration other than airfare tickets to the U.S. and the cost of shipping his household goods to the U.S.

*Mark R. McCormack.* Mr. McCormack agreed to a summary of terms and conditions of employment effective December 1, 2006. These terms provide that Mr. McCormack will serve as Vice President, Australasian Operations & Managing Director, Koppers Australia Pty. Limited and give the company the right to change Mr. McCormack's title and duties

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at any time. The terms established an initial base salary, subject to periodic review, and addressed additional compensation matters. The terms provide for participation in the Koppers Australia Superannuation Plan, the continuation of a life insurance policy and participation in the corporate senior management incentive plan, the global carbon materials and chemicals business unit plan and the Koppers Australia business unit plan.

The terms provide that in the event that the company terminates Mr. McCormack's employment other than for cause and without 12 months notice, Mr. McCormack will be entitled to receive his base salary of 12 months' pay.

### ***Change in Control Agreements***

We entered into change in control agreements with Walter W. Turner, our President and Chief Executive Officer on October 20, 2005, with Mark R. McCormack, Vice President, Australian Operations, Koppers Inc. on December 2, 2005, with James T. Dietz, Vice President, European Operations, Koppers Inc. on November 2, 2006 and with Leroy Ball, our Vice President and Chief Financial Officer on September 1, 2011.

The change in control agreements (other than Mr. Ball's agreement) were scheduled to expire on March 31, 2006. However, on March 21, 2006 the term of each change in control agreement was extended to May 31, 2006. On May 3, 2006, the board approved an amendment to the change in control agreements to convert the fixed expiration dates to one-year evergreen terms running from June 1 to May 31 of each year, provided that we preserve the right, in our discretion, to terminate any or all of the change in control agreements by providing notice of termination at least 90 days prior to the expiration of the then current term. This evergreen term is also applicable to Mr. Ball's change in control agreement.

The change in control agreements set out benefits that become payable if one of the following events occurs within two years after a change in control has occurred:

the executive terminates his employment upon 30 days written notice after (i) being requested to relocate his primary office to a location greater than 50 miles from the then current primary office of the executive or (ii) a material reduction in the executive's duties, responsibilities or compensation; or

the executive's employment is terminated other than for cause or disability.

The benefits to which the executive would be entitled in the event of a termination of the executive's employment under the above-specified conditions following a change in control include:

all of the executive's accrued salary to the date of termination;

a pro-rata bonus for the year in which the termination occurs equal to the average of the payments awarded for the previous two years;

a lump sum payment equal to twice the executive's base salary (or if less, the number of years until he reaches age 65);

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life, disability, accident and group health benefits (or the monetary equivalent of such benefits) for two years or until the executive receives comparable benefits from a third party; and

continued indemnification for pre-termination acts and omissions.

The payments and benefits to which the executive would be entitled in the event he is terminated after a change in control will also be reduced as necessary to cause the total payments and parachute payments (as defined in the tax code) to comply with the limitation set forth in Section 280G of the tax code.

***Effect of Termination for Any Reason or Change in Control on Unvested LTIP Awards***

As further described in the Outstanding Equity Awards at Fiscal Year End table, each of the named executive officers holds unvested time-based restricted stock units, performance-based restricted stock units and stock options under the Koppers Holdings Inc. Amended and Restated 2005 Long Term Incentive Plan. If the employment of any of the named executive officers is terminated for any reason (other than retirement, death or permanent disability), the executive will forfeit any unvested time-based restricted stock units, performance-based restricted stock units and stock options; the executive will not forfeit any time-based restricted stock units, performance-based restricted stock units and stock options already vested. If the employment of any of the named executive officers is terminated for retirement, death or permanent disability, vesting of time-based restricted stock units, performance-based restricted stock units and stock options will be as follows:

<b>Type of Award</b>	<b>Vesting</b>
Performance-Based Restricted Stock  Units	<i>Pro-Rata Vesting at End of Measurement Period.</i> Upon completion of the performance measurement period, the executive shall vest in a number of shares equal to the number of shares (if any) in which the executive would have vested at the end of the measurement period had the executive continued in our service through the end of the measurement period multiplied by a fraction, the numerator of which is the number of months of service the executive completed between the award date and the termination of the executive's service and the denominator of which is the total number of months in the measurement period.
Time-Based Restricted Stock  Units	<i>Immediate Pro-Rata Vesting.</i> Immediate vesting in the number of restricted stock units in which the executive would have been vested at the time of the executive's termination had the restricted stock units vested in a series of 36 successive equal monthly installments over the duration of the three-year vesting schedule in the award.

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<b>Type of Award</b>	<b>Vesting</b>
Stock Options	<i>Immediate Pro-Rata Vesting.</i> Immediate vesting in the number of options in which the executive would have been vested at the time of the executive's termination had the options vested in a series of 36 successive equal monthly installments over the duration of the three-year vesting schedule in the award.
<p>In the event of a change in control, awards to the named executive officers may be assumed or otherwise continued in effect or replaced with a cash retention program by the successor company. If this occurs, there will be no accelerated vesting of unvested time-based restricted stock units, performance-based restricted stock units and stock options, unless the executive is involuntarily terminated (for reasons other than misconduct), within 24 months following the change in control. If the awards are not assumed or otherwise continued in effect or replaced with a cash retention program by the successor company (or if the executive is involuntarily terminated), there will be accelerated vesting of unvested time-based restricted stock units, performance-based restricted stock units and stock options.</p>	

***Payments Made Upon Death or Disability***

In the event of the death or disability of a named executive officer, the named executive officer will receive benefits under our life insurance plan or payments under our disability plan, as appropriate, plus any amounts payable under such executive's employment agreement, if any.

***Quantification of Payments Made Upon Death, Change in Control and Termination Without Cause***

The following assumptions and principles apply with respect to the following table and any termination of a named executive officer:

The amounts shown in the table assume that each named executive officer was terminated on December 31, 2010, and include the estimate of any additional amounts that would be paid to the named executive officer on the occurrence of the termination event. The actual amounts that would be paid to a named executive officer can only be determined at the time of an actual termination event or change in control and may be materially different from the estimated amounts included in the table below.

A named executive officer is entitled to receive amounts earned during the term of his employment (such as his base salary) regardless of the manner in which his employment is terminated.

The estimated amounts included in the table only represent additional amounts that would be payable on the specific termination event. We have not included any amounts which have already been accrued in the name of and vested in the executive under our pension or other relevant plans and which are disclosed in the Pension Benefits table above.



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The amounts estimated in the event of a change of control in the table include the amount a named executive officer is entitled to receive under the Amended and Restated 2005 Long Term Incentive Plan if the awards are not assumed or otherwise continued in effect or replaced with a cash retention program by the successor company. The amounts shown relating to performance-based restricted stock unit awards represent the value of these awards assuming achievement of target performance goals.

Named Executive Officer	Death	Qualifying Termination Following a Change in Control (1)	Without Cause
<b>Walter W. Turner</b>			
Bonus	\$ 525,000	\$ 400,000	\$
Cash severance		670,833	
Equity vesting	1,975,692	3,713,277	
Health and welfare		16,480	
	\$ 2,500,692	\$ 4,800,590	\$
<b>Brian H. McCurrie</b>			
Bonus	\$ 195,000	\$ 502,500	\$ 195,000
Cash severance		670,008	668,075(2)
Equity vesting	659,093	1,231,541	
Health and welfare		35,358	5,258(2)
	\$ 854,093	\$ 2,439,407	\$ 898,333
<b>Leroy M. Ball</b>			
Bonus	\$ 26,000	\$	\$
Cash severance		630,000	
Equity vesting	4,383	39,450	
Health and welfare		33,126	
	\$ 30,383	\$ 702,576	\$
<b>Steven R. Lacy</b>			
Bonus	\$ 195,000	\$ 507,000	\$ 338,000
Cash severance		679,992	676,069(2)
Equity vesting	682,949	1,273,982	
Health and welfare		35,734	32,474(2)
	\$ 877,949	\$ 2,496,708	\$ 1,046,543
<b>James T. Dietz</b>			
Bonus	\$ 168,914	\$ 131,743	\$
Cash severance		480,000	167,077(2)
Equity vesting	314,284	588,074	
Health and welfare		30,400	10,570(2)
	\$ 483,198	\$ 1,230,217	\$ 177,647
<b>Mark R. McCormack</b>			
Bonus	\$ 151,420	\$ 110,929	\$
Cash severance		596,888	298,444(3)
Equity vesting	373,373	690,612	

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Life insurance

642,810

\$ 1,167,603

\$ 1,398,428

\$ 298,444

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- (1) The total amount payable in the event one of our named executive officers is terminated as a result of a change in control is limited by Section 280G of the tax code, which results in a cutback in the amount of \$283,284 for Mr. Turner, \$329,810 for Mr. McCurrie and \$290,447 for Mr. Lacy.
  
- (2) Represents the incremental amount above the amount generally available to all salaried employees in the U.S.
  
- (3) Represents the incremental amount above the amount generally available to all salaried employees in Australia.

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**Director Compensation**

We have adopted a standard arrangement to compensate each of our non-employee directors. In 2010, each non-employee director received the following:

an annual cash payment of \$45,000 (prorated for new directors serving less than 12 months);

a supplemental annual cash payment of \$30,000 payable to the non-executive chairman;

the audit committee chair received an additional annual cash payment of \$10,000;

the management development and compensation committee chair, the nominating and corporate governance committee chair and the safety, health and environmental committee chair each received an additional annual cash payment of \$5,000;

an annual equity award of 3,000 shares of unrestricted stock under our Amended and Restated 2005 Long Term Incentive Plan;

a supplemental committee meeting attendance fee of \$1,000 payable on a per meeting basis to committee members for any committee meetings in excess of six per year per committee; and

a supplemental board meeting attendance fee of \$1,000 payable for each board meeting in excess of six per year.

We also reimburse directors for their out-of-pocket expenses incident to their service on the board and in connection with attendance at board meetings and the annual meeting of shareholders.

With respect to the annual equity award, if a new, non-employee director had been elected on or within 180 days of the date of our most recent annual meeting, the new director would have received 3,000 shares of our stock upon his or her election. If a new, non-employee director had been elected after 180 days of the date of our most recent annual meeting, the new director would have received 1,500 shares of our stock upon his or her election. Whether the new, non-employee director received 3,000 or 1,500 shares of our stock, the new director would be entitled to receive a full award of 3,000 shares of our stock at the first annual meeting following the election of the director.

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The table below provides information concerning the compensation of our directors for 2010. Mr. Turner, who is also a named executive officer, is not included in the following table because his compensation is included in the Summary Compensation Table and he did not receive additional compensation as a director.

Name	Fees Earned or Paid in Cash	Stock Awards (1)	Total
	David M. Hillenbrand	\$ 75,000(2)	\$ 81,930
Cynthia A. Baldwin	51,000(3)	81,930	132,930
Sharon Feng	50,000(4)	81,930	131,930
Albert J. Neupaver	47,000(5)	81,930	128,930
James C. Stalder	57,000(6)	81,930	138,930
Stephen R. Tritch	47,000(7)	81,930	128,930
T. Michael Young	52,000(8)	81,930	133,930

- (1) On May 5, 2010, each non-management member of the board of directors was granted 3,000 shares of common stock. The amounts in this column relating to the May 5, 2010 awards represent the grant date fair value of that grant, which is determined by multiplying the shares granted by \$27.31 per share, the closing stock price on May 5, 2010. These award grant date fair values have been determined using the assumptions underlying the valuation of equity awards set forth in note 6 of the consolidated financial statements in our annual report on Form 10-K for the year ended December 31, 2010.
- (2) In addition to the annual payment of \$45,000, Dr. Hillenbrand also received an additional \$30,000 for serving as chairman of the board.
- (3) Ms. Baldwin received an annual payment of \$45,000, an additional \$5,000 for serving as chair of the nominating and corporate governance committee and \$1,000 in meeting fees.
- (4) Dr. Feng received an annual payment of \$45,000, and an additional prorated amount of \$5,000 for serving as chair of the safety, health and environmental committee.
- (5) Mr. Neupaver received an annual payment of \$45,000 and \$2,000 in meeting fees.
- (6) Mr. Stalder received an annual payment of \$45,000, an additional \$10,000 for serving as chair of the audit committee and \$2,000 for meeting fees.
- (7) Mr. Tritch received an annual payment of \$45,000 and \$2,000 in meeting fees.
- (8) Mr. Young received an annual payment of \$45,000 and an additional \$5,000 for serving as chair of the management development and compensation committee and \$2,000 in meeting fees.

**Stock Ownership Guidelines for Our Non-Employee Directors**

Our corporate governance guidelines provide that each non-management director is required to be an owner of our common stock in an amount (calculated based on the price of such common stock at the time of acquisition or its current fair market value, whichever is higher) equal to five

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times the annual cash retainer payable to the non-management director. Non-employee directors incumbent as of March 22, 2007 have until March 22, 2012 to comply with the director stock ownership guidelines. Any director elected after that time has five years from the date of election to comply.

Calculating the number of shares required based on \$38.37, the closing price of our stock on March 1, 2011, all of our non-employee directors are in compliance with the terms and provisions of the stock ownership guidelines.

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**TRANSACTIONS WITH RELATED PERSONS**

**Policy Regarding Review of Related Party Transactions**

The audit committee's charter provides that the audit committee is responsible for reviewing and approving, or requesting review and approval by the board of, all proposed transactions with persons and entities that are considered to be related persons (as described below) which would be required to be disclosed in the proxy statement for our annual meeting and certain other filings in accordance with rules promulgated by the SEC (which we refer to as reportable related party transactions). We have not adopted a written policy with respect to the audit committee's or the board's review, approval or ratification of reportable related party transactions. However, we are prohibited under the indenture governing our senior debt obligations from engaging in certain transactions with, or for the benefit of, our affiliates as described below.

Our indenture prohibits us from entering into any transactions with, or for the benefit of, our affiliates, unless:

the terms of the transaction are no less favorable to us than we could obtain in an arms-length transaction with a non-affiliate;

if the transaction involves an amount over \$10 million, the board has made a determination that the terms are no less favorable to us than we could obtain in an arms-length transaction with a non-affiliate and have approved the transaction by a resolution of the board; and

if the transaction involves an amount over \$25 million, the board has received a written opinion from an independent financial advisor stating that the transaction is fair from a financial standpoint to the holders of our senior notes.

Some transactions have been carved out from these restrictions and are permitted even without meeting the conditions noted above. These include, among others:

loans or advances in the aggregate amount outstanding at any one time of \$5 million or less to employees in the ordinary course of business in accordance with our past practices;

the payment of customary director, officer and employee compensation (including bonuses) and other benefits and indemnification arrangements, and agreements to register securities of directors, officers employees or other affiliates, provided such arrangements are approved by our board;

the issuance or sale of our capital stock (other than certain disqualified stock); and

any agreement in effect before December 1, 2009, and any amendments, renewals or replacements of these agreements (as long as the amendments, renewals or replacements are no less disadvantageous to the holders of our senior notes when taken as a whole as compared to the original agreement).

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Our reportable related party transaction described below falls within one of these exceptions.

**Related Party Transaction in 2010****Chief Executive Officer's Purchase of Company Bonds**

On December 1, 2009, Mr. Turner, our chief executive officer, purchased \$500,000 of Koppers Inc.'s 7.875% Senior Notes due 2019 (the Senior Notes) at the offering price of 98.311 percent, or \$491,555. The largest aggregate amount of principal outstanding during 2010 was \$500,000 and the amount outstanding as of March 15, 2011 was \$500,000. No amount of the principal was paid during 2010 and the amount of interest paid during 2010 was \$39,375. The Senior Notes will mature on December 1, 2019 and will bear interest at a rate of 7.875 percent per annum, payable semi-annually on December 1 and June 1 of each year, beginning on June 1, 2010. Additional interest began accruing from December 1, 2010. Mr. Turner purchased the Senior Notes on the same terms and conditions as purchasers for the remainder of the \$295.0 million of Senior Notes.

**AUDITORS**

The audit committee of the board of directors has appointed Ernst & Young LLP as our independent registered public accounting firm for the year 2011. We have engaged Ernst & Young LLP for many years to audit our annual financial statements and to perform audit-related and tax services. Representatives of Ernst & Young LLP are expected to be present at our annual meeting and, while they do not plan to make a statement (although they will have the opportunity if they desire to do so), they will be available to respond to your appropriate questions.

During 2010 and 2009, we retained Ernst & Young LLP to provide services in the following categories and amounts. Audit fees include fees and expenses related to the fiscal year audit and interim reviews, notwithstanding when the fees and expenses were billed or when the services were rendered. Audit related fees and tax fees include fees and expenses for services rendered from January through December of the fiscal year, notwithstanding when the fees and expenses were billed or paid.

<i>(Dollars in thousands)</i>	<b>2010</b>	<b>2009</b>
Audit fees (1)	\$ 1,523	\$ 1,656
Audit-related fees (2)	32	483
Tax fees (3)	598	144
All other fees		
	<b>\$ 2,153</b>	<b>\$ 2,283</b>

(1) Fees related to professional services rendered for the audits of our consolidated financial statements included in our Annual Report on Form 10-K, quarterly reviews of the financial statements included in our Quarterly Reports on Form 10-Q, audit of internal control over financial reporting and services related to various registration statements.

(2) Fees related to services for due diligence in connection with an acquisition and assistance with international accounting matters.

(3) Fees related to services for tax compliance, international tax advisory services, tax planning, including tax planning for an acquisition and assistance with other international tax matters.



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In February 2007, our audit committee adopted a written pre-approval policy, which requires the audit committee to generally pre-approve or specifically pre-approve all audit, audit-related, tax and other permissible non-audit services that may be provided by the independent auditor. Any pre-approvals made by the audit committee must specify the services covered by such pre-approvals in reasonable detail.

All proposals to engage the independent auditor to perform services that have been generally pre-approved by the audit committee will be submitted to the chief financial officer and must include a description of the services to be rendered that is sufficiently detailed so that management will not be called upon to make a judgment about whether the services are pre-approved.

Proposals to engage the independent auditor to provide services that require specific approval by the audit committee will be submitted to the committee by both the independent auditor and the chief financial officer.

The audit committee has designated our internal auditor to monitor the performance of all services provided by the independent auditor, to determine whether such services are in compliance with this policy and to report to the audit committee on a periodic basis on the results of its monitoring.

All generally pre-approved services may not extend for more than one year, unless the audit committee specifically provides for a different period.

The chairman of the audit committee has been delegated the authority by the audit committee to pre-approve proposed services by the independent auditor when the entire audit committee is unable to do so. The chairman must report all such pre-approvals to the audit committee at the next audit committee meeting.

The members of the audit committee believe they have performed their oversight responsibilities with diligence and care but believe it is important to note that in their capacity as members of our board of directors and audit committee, they are not professionally engaged in the practice of auditing or accounting.

The services performed by Ernst & Young in 2010 were pre-approved in accordance with the audit committee pre-approval procedures. In so doing, the audit committee determined that the provision of these services is compatible with maintaining the independence of our independent auditor.

## **PROXY ITEM 2 ADVISORY VOTE ON EXECUTIVE COMPENSATION**

Our named executive officers are identified on page 28, and the compensation of the named executive officers is described on pages 28 through 68, including the Compensation Discussion and Analysis on pages 28 to 51. As discussed in the Compensation Discussion and Analysis, we believe that our compensation policies and decisions are focused on pay for performance principles and are strongly aligned with the long term interests of our shareholders. Compensation of our named executive officers is designed to enable us to attract and retain talented and experienced senior executives to lead the company successfully in a competitive environment.

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As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd Frank Act ), which was signed into law by President Obama on July 21, 2010, we are requesting your nonbinding vote on the following resolution:

RESOLVED, that the compensation paid to the company s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K and described on pages 28 to 68 of the company s Notice of Annual Meeting & Proxy Statement for the 2011 Annual Meeting of Shareholders, including the Compensation Discussion and Analysis and the compensation tables and narrative discussion, is hereby APPROVED.

**The board recommends that you vote FOR the resolution to approve the compensation paid to the company s named executive officers.**

The shareholder vote on this resolution is an advisory vote and therefore will not be binding on the company or on the board, and will not be construed as overruling any decision by the company or the board. The vote will not be construed to create or imply any change to the fiduciary duties of the company or the board, or to create or imply any additional fiduciary duties for the company or the board.

**PROXY ITEM 3 ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION**

As required by the Dodd Frank Act, not less frequently than once every three years, we will include in the proxy materials for a meeting of shareholders where compensation disclosure is required, a resolution subject to a nonbinding shareholder vote to approve the compensation of our named executive officers.

As required by the Dodd Frank Act, we are requesting your nonbinding vote to determine whether a vote on the type of resolution described above will occur every one, two or three years. You may cast your vote on your preferred voting frequency by choosing the option of one year, two years, three years or abstain from voting when you vote.

After careful consideration of this proposal, the board believes that conducting an advisory vote on executive compensation each year is most appropriate for the company because it gives our shareholders the opportunity to provide us with their input on our executive compensation program each year.

**The board recommends a vote for a frequency of ONE YEAR for future advisory votes on executive compensation.**

The shareholder vote on the frequency of future nonbinding shareholder votes to approve executive compensation is an advisory vote and therefore will not be binding on the company or on the board, and will not be construed as overruling any decision by the company or the board, or to create or imply any additional fiduciary duties for the company or the board.

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**PROXY ITEM 4 PROPOSAL TO RATIFY THE APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We are asking you to vote on a proposal by the audit committee to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011.

Adoption of the proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011 requires the affirmative vote of a majority of votes cast on the proposal at the annual meeting by the holders of our common stock voting in person or by proxy at the annual meeting.

If the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011 is not ratified, the audit committee will reconsider its selection.

**The board recommends that you vote FOR the proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011.**

**GENERAL MATTERS**

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

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers to file reports of beneficial ownership and changes in beneficial ownership of our stock. Directors and officers must furnish us with copies of these reports. We also assist our executive officers and directors with fulfilling these requirements based on information provided by our executive officers and directors and obtained from our internal records. Based on our review of the forms and directors and executive officers' representations, we believe all directors and executive officers complied with the requirements in 2010, with the exception of (i) one report on Form 4 for Ms. Leslie Hyde relating to an award of time-based restricted stock units and stock options that was inadvertently filed late, (ii) one report on Form 4 for each of Dr. David Hillenbrand, Ms. Cynthia Baldwin, Dr. Sharon Feng, Mr. Albert Neupaver, Mr. James Stalder, Mr. Stephen Tritch and Mr. T. Michael Young relating to an annual equity award of 3,000 shares of restricted stock that were inadvertently filed late, (iii) one report on Form 4 for Mr. James Stalder for the sale of stock that was inadvertently filed late and (iv) one report on Form 4 filed for Dr. David Hillenbrand relating to the annual equity award of 3,000 shares of restricted stock that inadvertently included shares that had been gifted by Dr. Hillenbrand in 2009.

**Shareholder Proposals for the Next Annual Meeting**

If you would like to have a shareholder proposal included in our proxy statement and proxy card for our 2012 annual meeting, your shareholder proposal must be received by our corporate secretary on or before December 1, 2011.

If you intend to present business for consideration at our 2012 annual meeting, you must give notice to our corporate secretary in accordance with Section 3.02 of our Bylaws (which are available on our website at [www.koppers.com](http://www.koppers.com) under Corporate

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Governance ) and such business must otherwise be a proper matter for shareholder action. Under our current bylaws, your notice must be received by our corporate secretary no later than ten days after the meeting is first publicly announced in order to be timely given.

The proposal must set forth the following:

The name and address of the shareholder and the beneficial owner;

The class and number of shares owned by the shareholder and the beneficial owner;

A representation that the shareholder is the beneficial owner of stock entitled to vote at the annual meeting;

A representation that the shareholder intends to be present at the meeting in person or by proxy to present the proposal; and

A brief description of the proposal, the reasons for making the proposal and the interest of the shareholder (or person on whose behalf the shareholder is acting) in the proposal.

By Order of the Board of Directors

Steven R. Lacy

Senior Vice President, Administration,

General Counsel and Secretary

March 30, 2011

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**Koppers Holdings Inc.**

WO#

93109

q FOLD AND DETACH HERE q

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL LISTED NOMINEES, FOR PROPOSALS 2 AND 4 AND FOR ONE YEAR ON PROPOSAL 3.**

**X**

Please mark your votes as indicated in this example

		FOR	WITHHELD	FOR ALL	WITH							
		ALL	FOR ALL	EXCEPTIONS*					FOR	AGAINST	ABSTAIN	
1.	<b>PROPOSAL FOR ELECTION OF DIRECTORS</b>	..	..	..	2.	<b>PROPOSAL TO APPROVE THE ADVISORY (NON-BINDING) RESOLUTION ON EXECUTIVE COMPENSATION</b>				..	..	..
	Nominees:				3.	1 YEAR	2 YEARS	3 YEARS	ABSTAIN			
	<u>Class I</u>					..	..	..	..			
	01 Cynthia A. Baldwin				4.	<b>PROPOSAL TO RATIFY THE APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</b>				..	..	..
	02 Albert J. Neupaver											
	03 Walter W. Turner											

(INSTRUCTIONS: To withhold authority to vote for any individual nominee, mark the Exceptions box and write that nominee's name in the space provided below.)

\*Exceptions \_\_\_\_\_

**YOU MAY RECEIVE MORE THAN ONE PROXY CARD FOR SHARES OF COMMON STOCK THAT YOU OWN DEPENDING ON HOW YOU**

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**OWN YOUR SHARES. PLEASE COMPLETE, SIGN AND RETURN EACH PROXY CARD THAT YOU RECEIVE AS EACH CARD REPRESENTS SEPARATE SHARES OF COMMON STOCK HELD BY YOU.**

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.**

Mark Here for Address ..

Change or Comments

SEE REVERSE

**Note:** Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

**Signature**

**Signature**

**Date**

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Choose **MLink<sup>SM</sup>** for fast, easy and secure 24/7 online access to your future proxy materials, investment plan statements, tax documents and more. Simply log on to **Investor ServiceDirect<sup>®</sup>** at [www.bnymellon.com/shareowner/equityaccess](http://www.bnymellon.com/shareowner/equityaccess) where step-by-step instructions will prompt you through enrollment.

**Important notice regarding the availability of proxy materials for the Shareholder Meeting to be held on May 4, 2011.** The Proxy Statement and the 2010 Annual Report to Shareholders are available at: [www.rrdezproxy.com/2011/KoppersHoldings/](http://www.rrdezproxy.com/2011/KoppersHoldings/)

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**PROXY**

**KOPPERS HOLDINGS INC.**

**ANNUAL MEETING OF SHAREHOLDERS MAY 4, 2011**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned shareholder hereby appoints Leroy M. Ball and Steven R. Lacy as Proxy to represent and to vote, as designated on the reverse, and in their discretion on any other business which may properly come before the Annual Meeting of the Shareholders (the Annual Meeting), all the shares of stock of Koppers Holdings Inc. held of record by the undersigned on March 15, 2011, at the Annual Meeting to be held on May 4, 2011, or any adjournments thereof. If this proxy card is executed and no direction is given, such shares will be voted for all listed nominees and in accordance with the recommendation of the Board of Directors on the other matters referred to on the reverse side and in the discretion of Leroy M. Ball and Steven R. Lacy on such other business as may properly come before the meeting.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL LISTED NOMINEES, FOR PROPOSALS 2 AND 4 AND FOR ONE YEAR ON PROPOSAL 3.**

**Address Change/Comments**  
**(Mark the corresponding box on the reverse side)**

BNY MELLON SHAREOWNER SERVICES

P.O. BOX 3550

SOUTH HACKENSACK, NJ 07606-9250

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(Continued and to be signed on the reverse side)