

GREENHILL & CO INC
Form DEF 14A
March 09, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A
(RULE 14a-101)

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

GREENHILL & CO., INC.

(Name of Registrant as Specified In Its Charter)

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

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No fee required

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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March 9, 2012

Dear Stockholders:

You are cordially invited to join us for our 2012 annual meeting of stockholders, which will be held on Wednesday, April 18, 2012, at 11:00 am ET, at the Waldorf-Astoria, 301 Park Avenue, New York, New York 10022. Holders of record of our common stock as of February 28, 2012 are entitled to notice of and to vote at the 2012 annual meeting.

The Notice of Annual Meeting of Stockholders and the proxy statement that follow describe the business to be conducted at the meeting. We also will report on matters of current interest to our stockholders.

We hope you will be able to attend the meeting. However, even if you plan to attend in person, please vote your shares promptly to ensure they are represented at the meeting. You may submit your proxy vote by completing and signing the enclosed proxy card and returning it in the envelope provided. If you decide to attend the meeting and wish to change your proxy vote, you may do so automatically by voting in person at the meeting. Stockholders of record also have the option of voting their shares via the Internet. Instructions on how to vote via the Internet are on the proxy card.

If your shares are held in the name of a broker, bank, trust or other nominee, you will need proof of ownership to be admitted to the meeting, as described under "How can I attend the meeting?" on page 4 of the proxy statement.

We look forward to seeing you at the annual meeting.

Sincerely,

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Date and Time: Wednesday, April 18, 2012 at 11:00 a.m., Eastern Time

Place: Waldorf-Astoria

301 Park Avenue

New York, New York 10022

- Items of Business:**
1. The election of directors.
 2. Advisory vote on our executive compensation.
 3. The ratification of the selection of Ernst & Young LLP as Greenhill's independent auditors for the year ending December 31, 2012.
 4. Any other business that may properly be considered at the meeting or at any adjournment of the meeting.

Record Date: You may vote at the meeting if you were a stockholder of record at the close of business on February 28, 2012.

Voting by Proxy or via the Internet: Whether or not you plan to attend the annual meeting in person, please vote your shares by proxy or via the Internet to ensure they are represented at the meeting. You may submit your proxy vote by completing, signing and promptly returning the enclosed proxy card by mail. Instructions on how to vote via the Internet are on the proxy card.

By Order of the Board of Directors

Secretary

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Greenhill & Co., Inc. (which we refer to as Greenhill or we in this proxy statement) is soliciting proxies for use at the annual meeting of stockholders to be held on April 18, 2012 and at any adjournment or postponement of the meeting. This proxy statement and the enclosed proxy card are first being mailed or given to stockholders on or about March 9, 2012.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the meeting?

At our annual meeting, stockholders will act upon the matters outlined in the Notice of Annual Meeting of Stockholders. These include the election of directors, an advisory vote on our executive compensation, and ratification of the selection of our independent auditors. Also, management will report on matters of current interest to our stockholders and respond to questions.

Who is entitled to vote at the meeting?

The Board has set February 28, 2012, as the record date for the annual meeting. If you were a stockholder of record at the close of business on February 28, 2012, you are entitled to vote at the meeting. As of the record date, 29,104,092 shares of common stock were issued and outstanding and, therefore, eligible to vote at the meeting.

What are my voting rights?

Holders of our common stock are entitled to one vote per share. Therefore, a total of 29,104,092 votes are entitled to be cast at the meeting. There is no cumulative voting.

How many shares must be present to hold the meeting?

In accordance with our bylaws, holders of a majority of the outstanding shares of common stock entitled to vote at a meeting of stockholders must be present at the meeting in order to hold the meeting and conduct business. This is called a quorum. Shares are counted as present at the meeting if:

you are present and vote in person at the meeting;

you have properly submitted a proxy card by mail; or

you have properly voted via the Internet.

How do I submit my proxy vote?

If you are a stockholder of record, you can give a proxy to be voted at the meeting by completing, signing and mailing the enclosed proxy card.

If you wish to vote using a proxy, please return your signed proxy card to us before the annual meeting.

If you hold your shares in street name, you must vote your shares in the manner prescribed by your broker, bank, trust or other nominee. Your broker, bank, trust or other nominee has enclosed or otherwise provided a voting instruction card for you to use in directing the broker, bank, trust or nominee how to vote your shares.

What is the difference between a stockholder of record and a street name holder?

If your shares are registered directly in your name, you are considered the stockholder of record with respect to those shares.

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If your shares are held in a stock brokerage account or by a broker, bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the stockholder of record with respect to those shares. However, you still are considered the beneficial owner of those shares, and your shares are said to be held in street name. Street name holders generally cannot vote their shares directly and must instead instruct the broker, bank, trust or other nominee how to vote their shares using the method described above under *How do I submit my proxy vote?*

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, sign and return each proxy card you receive.

How do I vote via the Internet?

Internet voting information is provided on the proxy card. A control number, which is the number located below the account number on the proxy card, is designated to verify a stockholder's identity and allow the stockholder to vote the shares and confirm that the voting instructions have been recorded properly. *If you vote via the Internet, please do not return a signed proxy card.* Stockholders who hold their shares through a bank or broker can vote via the Internet if that option is offered by the bank or broker.

Can I vote my shares in person at the meeting?

If you are a stockholder of record, you may vote your shares in person at the meeting by completing a ballot at the meeting. Even if you currently plan to attend the meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the meeting. If you submit your vote by proxy and then decide to vote in person at the annual meeting, the vote you submit at the meeting will override your proxy vote.

If you are a street name holder, you may vote your shares in person at the meeting only if you obtain and bring to the meeting a signed letter or other proxy from your broker, bank, trust or other nominee giving you the right to vote the shares at the meeting.

What vote is required for the election of directors or for a proposal to be approved?

The approval of a plurality of the votes of the shares present at the meeting is required for the election of directors. The affirmative vote of the holders of a majority of the outstanding shares of common stock present in person or represented by proxy and entitled to vote at the annual meeting is required to ratify the selection of our independent auditors.

How are votes counted?

You may either vote **FOR** or **WITHHOLD** authority to vote for each nominee for the Board of Directors. You may vote **FOR**, **AGAINST** or **ABSTAIN** on the other proposals. The advisory vote on executive compensation is not binding on the Board of Directors, but we value your vote and will consider the results carefully.

If you submit your proxy or vote via the Internet but abstain from voting on one or more matters, your shares will be counted as present at the meeting for the purpose of determining a quorum. Your shares also will be counted as present at the meeting for the purpose of calculating the vote on the particular matter with respect to which you abstained from voting or withheld authority to vote.

If you abstain from voting on a proposal, your abstention has the same effect as a vote against that proposal.

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The New York Stock Exchange permits a member broker who holds shares in street name for customers to use its discretion to vote on routine matters but member brokers cannot vote on the election of directors or on the executive compensation proposal if the broker has not received instructions from the beneficial owner of the shares. We therefore urge you to give voting instructions to your broker on all proposals.

How does the Board recommend that I vote?

The Board of Directors recommends a vote:

FOR all of the nominees for director;

FOR the advisory resolution to approve our executive compensation; and

FOR the ratification of the selection of Ernst & Young LLP as Greenhill's independent auditors for the year ending December 31, 2012.

What if I do not specify how I want my shares voted?

If you submit a signed proxy card or vote via the Internet but do not specify how you want to vote your shares, we will vote your shares:

FOR all of the nominees for director;

FOR the advisory resolution to approve our executive compensation; and

FOR the ratification of the selection of Ernst & Young LLP as Greenhill's independent auditors for the year ending December 31, 2012.

Can I change my vote after submitting my proxy?

Yes. Whether you vote by mail or via the Internet, you may revoke your proxy and change your vote at any time before your proxy is voted at the annual meeting, in any of the following ways:

By sending a written notice of revocation to the Secretary of Greenhill;

By submitting a later-dated proxy to the Secretary of Greenhill;

By voting via the Internet at a later time; or

By voting in person at the meeting.

Will my vote be kept confidential?

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Yes. We have procedures to ensure that, regardless of whether stockholders vote by mail, via the Internet or in person, (1) all proxies, ballots and voting tabulations that identify stockholders are kept permanently confidential, except as disclosure may be required by federal or state law or expressly permitted by a stockholder; and (2) voting tabulations are performed by an independent third party.

What is the frequency of future stockholder advisory votes on executive compensation?

At our last stockholder meeting, stockholders voted that we should hold future stockholder advisory votes on our executive compensation on an annual basis. Our Board carefully evaluated the results of this vote. In light of the results of such vote, our Board determined that we will hold an advisory vote on executive compensation every year. We will reevaluate this determination after the next stockholder advisory vote on the frequency of votes on executive compensation.

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How can I attend the meeting?

You may be asked to present valid picture identification, such as a driver's license or passport, before being admitted to the meeting. You also will need proof of ownership to be admitted to the meeting. A recent brokerage statement or letter from your broker, bank, trust or other nominee are examples of proof of ownership.

Please let us know if you plan to attend the meeting when you return your proxy, by marking the attendance box on the proxy card.

Who pays for the cost of proxy preparation and solicitation?

Greenhill pays for the cost of proxy preparation and solicitation, including the reasonable charges and expenses of brokerage firms, banks, trusts or other nominees for forwarding proxy materials to street name holders.

We are soliciting proxies primarily by mail. In addition, our directors, officers and regular employees may solicit proxies by telephone or facsimile or personally. These individuals will receive no additional compensation for their services other than their regular compensation.

Table of Contents**SECURITY OWNERSHIP OF DIRECTORS, OFFICERS AND CERTAIN BENEFICIAL OWNERS**

Our executive officers and directors are encouraged to own Greenhill common stock, par value \$.01 per share, to further align management's and stockholders' interests.

The following table shows how many shares of our common stock were beneficially owned as of February 28, 2012, by each of our directors and executive officers named in the 2011 Summary Compensation Table in this proxy statement, and by all of our directors and executive officers as a group. To the best of our knowledge, based on filings made under Section 13(d) and Section 13(g) of the Securities Exchange Act of 1934, as amended (Filings), except as noted below, no stockholder beneficially owned more than five percent of our common stock as of February 28, 2012. The percentage has been calculated on the basis of 29,104,092 shares of common stock outstanding as of February 28, 2012 (excluding treasury stock).

The address for each listed stockholder (other than as indicated in the notes) is: c/o Greenhill & Co., Inc., 300 Park Avenue, 23rd Floor, New York, New York 10022. To our knowledge, except as indicated in the footnotes to this table, pursuant to applicable community property laws or as indicated in the Filings made by institutional stockholders, the persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

Name of Beneficial Owner	Shares Beneficially Owned	
	Number	Percent
Directors and Named Executive Officers:		
Robert F. Greenhill (1)	1,341,436	4.6%
Scott L. Bok (2)	456,934	1.6%
Richard J. Lieb	36,306	*
Harold J. Rodriguez, Jr. (3)	61,076	*
Ulrika Ekman	16,973	*
John C. Danforth (4)	13,542	*
Steven F. Goldstone	12,513	*
Stephen L. Key	8,912	*
Robert T. Blakely		*
All Directors and Executive Officers as a group (9 persons)	1,947,692	6.7%
5% Stockholders:		
Morgan Stanley (5)	3,606,331	12.4%
Waddell & Reed (6)	2,480,645	8.5%
Wellington Management (7)	2,313,624	7.9%
T. Rowe Price Associates, Inc. (8)	1,961,648	6.7%
ClearBridge Advisors (9)	1,624,151	5.6%
Blackrock, Inc. (10)	1,475,026	5.1%

* Less than 1% of the outstanding shares of common stock.

- (1) Mr. Greenhill's beneficial ownership is calculated by attributing to him all shares of our common stock owned by him and by two entities controlled by him. The first entity is Greenhill Family Limited Partnership, a Delaware limited partnership, which owns 989,524 of our shares. The second entity is Riversville Aircraft Corporation II, a Delaware corporation, which owns 239,680 of our shares. Mr. Greenhill expressly disclaims beneficial ownership of the shares of common stock held by other members of his family in Greenhill Family Limited Partnership.
- (2) Includes 175,000 shares held by the The Scott L. Bok April 2011 Annuity Trust, a grantor retained annuity trust for the benefit of Mr. Bok and his two children. Also includes 206,783 shares held by the Bok Family Foundation. Mr. Bok expressly disclaims beneficial ownership of the shares held by the Bok Family Foundation.
- (3) Includes 61,076 shares held by Jacquelyn F. Rodriguez.

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- (4) Includes 2,650 shares owned by the Donald Danforth Trust Under Agreement Dated 1/17/57 FBO John C. Danforth # 1951900 and 2,500 shares owned by the Donald Danforth Trust Under Agreement Dated 1/17/57 FBO John C. Danforth # 1951500.
- (5) Address: 1585 Broadway, New York, NY 10036.
- (6) Address: 6300 Lamar Avenue, Overland Park, KS 66202.
- (7) Address: 280 Congress Street, Boston, MA 02210.
- (8) Address: 100 E. Pratt Street, Baltimore, MD 21202.
- (9) Address: 620 8th Avenue, New York, NY 10018.
- (10) Address: 40 East 52nd Street, New York, NY 10022.

Our executive officers are not permitted to hedge or otherwise dispose of the economic risk of ownership of these shares or any other shares owned by them through short sales, option transactions or use of derivative instruments. See *Executive Compensation Compensation Discussion and Analysis Executive Stock Ownership* below.

Messrs. Greenhill, Bok, Lieb and Rodriguez and Ms. Ekman are employees of Greenhill. They beneficially own approximately 7% of our common stock in the aggregate. In addition, other employees of Greenhill beneficially own approximately 3% of the common stock of Greenhill.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers, directors and beneficial owners of more than 10% of our common stock to file initial reports of ownership and reports of changes in ownership of our securities with the Securities and Exchange Commission. Such persons are required to furnish us with copies of these reports. We believe that all Section 16(a) filing requirements applicable to our executive officers and directors for 2011 were satisfied.

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ITEM 1 ELECTION OF DIRECTORS

The number of directors currently serving on our Board of Directors (which we also refer to as our Board) is six. Each director who is elected will serve a one-year term. Each of the nominees has agreed to serve as a director if elected. If, for any reason, any nominee becomes unable to serve before the election, the persons named as proxies will vote your shares for a substitute nominee selected by the Board of Directors.

The nominees for election as director have provided the following information about themselves.

Robert F. Greenhill, 75, our founder, has served as our Chairman since the time of our founding in 1996 and served as our Chief Executive Officer between 1996 and October 2007. Mr. Greenhill was a member of our Management Committee since its formation in January 2004 until October 2007. In addition, Mr. Greenhill has been a director of Greenhill & Co., Inc. since its incorporation in March 2004. Prior to founding and becoming Chairman of Greenhill, Mr. Greenhill was chairman and chief executive officer of Smith Barney Inc. and a member of the board of directors of the predecessor to the present Travelers Corporation (the parent of Smith Barney) from June 1993 to January 1996. From January 1991 to June 1993, Mr. Greenhill was president of, and from January 1989 to January 1991, Mr. Greenhill was a vice chairman of, Morgan Stanley Group, Inc. Mr. Greenhill joined Morgan Stanley in 1962 and became a partner in 1970. In 1972, Mr. Greenhill directed Morgan Stanley's newly-formed mergers and acquisitions department. In 1980, Mr. Greenhill was named director of Morgan Stanley's investment banking division, with responsibility for domestic and international corporate finance, mergers and acquisitions, merchant banking, capital markets services and real estate. Also in 1980, Mr. Greenhill became a member of Morgan Stanley's management committee. We chose to nominate Mr. Greenhill as a director because he is the founder of our firm and has fifty years of experience in our industry.

Scott L. Bok, 52, has served as Chief Executive Officer since April 2010, served as Co-Chief Executive Officer between October 2007 and April 2010, and served as our U.S. President between January 2004 and October 2007. He has also served as a member of our Management Committee since its formation in January 2004. In addition, Mr. Bok has been a director of Greenhill & Co., Inc. since its incorporation in March 2004. Mr. Bok joined Greenhill as a Managing Director in February 1997. Before joining Greenhill, Mr. Bok was a managing director in the mergers, acquisitions and restructuring department of Morgan Stanley & Co., where he worked from 1986 to 1997, based in New York and London. From 1984 to 1986, Mr. Bok practiced mergers and acquisitions and securities law in New York with Wachtell, Lipton, Rosen & Katz. Mr. Bok is a member of the board of directors of Iridium Communications Inc. (f/k/a GHL Acquisitions Corp.). Mr. Bok served as Chief Executive Officer and Chairman of the Board of Directors of GHL Acquisition Corp. from 2007 to 2009. He has also served as a member of the board of directors of Heartland Payment Systems (2001–2005) and Republic Group Insurance (2003–2007). We chose to nominate Mr. Bok as a director because he serves as our Chief Executive Officer and has more than twenty-five years of experience in our industry.

John C. Danforth, 75, has served on our Board of Directors since February 2005. He served as the United States Representative to the United Nations between July 2004 and January 2005 and, except during his service at the United Nations, has been a partner in the law firm of Bryan Cave LLP since 1995. He served in the United States Senate from 1976 to 1995. Senator Danforth is a member of the board of directors of Cerner Corporation. He is ordained to the clergy of the Episcopal Church. We chose to nominate Mr. Danforth as a director because he was personally known to members of our management, who respected Mr. Danforth's high integrity, sense of ethics and experience with government matters; we believe that his long record of outstanding public service enables Mr. Danforth to bring incremental perspectives to our Board.

Steven F. Goldstone, 66, has served on our Board of Directors since July 2004. He currently manages Silver Spring Group, a private investment firm. From 1995 until his retirement in 2000, Mr. Goldstone was chairman and chief executive officer of RJR Nabisco, Inc. (which was subsequently named Nabisco Group Holdings following the reorganization of RJR Nabisco, Inc.). Prior to joining RJR Nabisco, Inc., Mr. Goldstone was a partner at Davis Polk & Wardwell, a law firm in New York City. He is also the non-executive Chairman of ConAgra Foods, Inc. and a member of the board of directors of Merck & Co. Mr. Goldstone served as a member

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of the board of directors of Trane, Inc. (f/k/a American Standards Companies, Inc.) from 2002 until 2008. We chose to nominate Mr. Goldstone as a director because he was personally known to several members of our management, who respected Mr. Goldstone's high integrity and business acumen. We believe Mr. Goldstone's past experience in a service industry similar to ours, as well as his experience as the leader of a complex publicly traded company, enables Mr. Goldstone to provide valuable experience to our Board.

Stephen L. Key, 68, has served on our Board of Directors since May 2004. Since 2003, Mr. Key has been the sole proprietor of Key Consulting, LLC. From 1995 to 2001, Mr. Key was the Executive Vice President and Chief Financial Officer of Textron Inc., and from 1992 to 1995, Mr. Key was the Executive Vice President and Chief Financial Officer of ConAgra, Inc. From 1968 to 1992, Mr. Key worked at Ernst & Young, serving in various capacities, including as the Managing Partner of Ernst & Young's New York Office from 1988 to 1992. Mr. Key is a Certified Public Accountant in the State of New York. Mr. Key is also a member of the board of directors of Forward Industries, Inc. and 1-800-Contacts, Inc. Mr. Key served as a member of the board of directors of Sitel, Inc. from 2007 until 2008. We chose to nominate Mr. Key as a director because he was personally known to several members of our management, who respected Mr. Key's high integrity and financial expertise. We believe Mr. Key's deep accounting experience and his previous management experience at several public companies adds significant support both to the Board of Directors and the management team in considering accounting, finance and related matters.

Robert T. Blakely, 70, has served on our Board of Directors since April 2009. Since 2008, Mr. Blakely has served as the President of Performance Enhancement Group, a position he previously held from 2002 to 2003. From February 2006 to January 2008, Mr. Blakely served as Executive Vice President of Fannie Mae and from February 2006 to August 2007 as its Chief Financial Officer. From 2003 to 2006, Mr. Blakely served as Executive Vice President and Chief Financial Officer of MCI. From 1999 to 2002 he served as Executive Vice President and Chief Financial Officer of Lyondell Chemical. From 1981 to 1999 he served as Executive Vice President and Chief Financial Officer of Tenneco, Inc. From 1971 to 1981 Mr. Blakely was with Morgan Stanley. Mr. Blakely is a member of the board of directors of Westlake Chemical Corporation, Natural Resource Partners L.P. and Ally Financial Inc. (formerly GMAC, Inc.). Mr. Blakely completed a five year term on December 31, 2011 as Vice Chairman of the Board of Trustees of the Financial Accounting Federation, the oversight body for the Financial Accounting Standards Board. We chose to nominate Mr. Blakely as a director because he was personally known to several members of our management, who respected Mr. Blakely's high integrity and financial expertise. We believe Mr. Blakely's financial expertise and previous management experience at public companies in several different industries, including the financial services industry, brings additional perspectives to the oversight of our business.

The Board of Directors recommends a vote FOR the election of all of the director nominees. Proxies will be voted FOR the election of the nominees unless otherwise specified.

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ITEM 2 ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION

In accordance with the recently adopted Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), which was added under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), we are asking stockholders to approve an advisory resolution on our executive compensation as reported in this proxy statement.

Summary of our Executive Compensation

Highlights Executive Compensation in 2011

Advisory revenue increased by 20% in 2011

Second highest advisory annual revenue in our history

Revenue per employee and pre-tax margin higher than that of key competitors in 2011

No cash bonuses paid to executive officers in respect of 2010 or 2011

Vesting periods of incentive awards are five years

Percentage of compensation based on performance was 83% for Chief Executive Officer and 62% for other executive officers in respect of 2011

No single trigger vesting on change of control; no gross ups; no special perks

Our executive compensation programs are designed to attract, motivate and retain executive leadership necessary for Greenhill to achieve long-term success and increase stockholder value, taking into account the critical importance of human capital to our business. We are committed to utilizing the executive compensation program to reinforce our ownership culture and broaden employee ownership over time.

The components of our compensation for our executive officers and other professional employees have remained unchanged since the time of our initial public offering in 2004:

a competitive base salary, and

incentive compensation, based on our operating performance and each individual's contribution to revenue as well as the development of our client base and market position and, where applicable, management, generally consisting of

an annual incentive compensation in the form of cash, and/or

long-term incentive compensation in the form of restricted stock units with a five year vesting period.

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The relative percentage of these components is not fixed, giving the Compensation Committee the flexibility to adjust the mix of compensation as circumstances change. This year, none of our executive officers will receive any annual incentive compensation in the form of cash and the long term incentive compensation granted in the form of restricted stock units will vest over a period of five years, and in the case of our chief executive officer, in its entirety on January 1, 2017, subject to continued employment until the vesting date. We believe that the lack of turn-over among our executive officers together with our financial results since our IPO confirm the effectiveness of our compensation practices. We encourage our stockholders to read our Compensation Discussion and Analysis in its entirety.

We are asking our stockholders to approve the following advisory resolution at our 2012 annual meeting:

RESOLVED, that the stockholders of Greenhill & Co., Inc. (the Company) approve, on an advisory basis, the compensation of the Company s named executive officers as disclosed pursuant to Item 402 of

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Regulation S-K, which disclosure includes the Compensation Discussion and Analysis, the tabular disclosure regarding such compensation and the accompanying narrative disclosure set forth in the proxy statement for the Company's 2012 annual meeting of stockholders.

This advisory resolution, commonly referred to as "say-on-pay", is not binding on the Compensation Committee or the Board of Directors. Although non-binding, the Board and the Compensation Committee will carefully review and consider the voting results when evaluating our executive compensation program.

The Board of Directors recommends that you vote FOR the approval of the advisory resolution to approve our executive compensation.

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ITEM 3 RATIFICATION OF SELECTION OF AUDITORS

The Audit Committee of our Board of Directors has selected Ernst & Young LLP to continue to serve as our independent auditors for the year ending December 31, 2012. While it is not required to do so, our Board of Directors is submitting the selection of Ernst & Young LLP for ratification in order to ascertain the views of our stockholders on this appointment. If the selection is not ratified, our Audit Committee will reconsider its selection.

Representatives of Ernst & Young LLP are expected to be present at the annual meeting, will be available to answer stockholder questions and will have the opportunity to make a statement if they desire to do so.

The Board of Directors recommends that you vote FOR ratification of the selection of Ernst & Young LLP as the independent auditors of Greenhill and our subsidiaries for the year ending December 31, 2012. Proxies will be voted FOR ratifying this selection unless otherwise specified.

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INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The Board of Directors conducts its business through meetings of the Board and the following standing committees: Audit, Compensation, and Nominating and Governance. Each of the standing committees has adopted and operates under a written charter, all of which are available on our Web site at www.greenhill.com. Other corporate governance documents also are available on our Web site at the same address, including our Corporate Governance Guidelines, our Code of Business Conduct and Ethics and our Related Person Transaction Policy. The Guidelines, the Code and the Related Person Transaction Policy are also available in print to any shareholder who requests them.

Director Independence

Under applicable New York Stock Exchange listing standards, a majority of the Board of Directors must be independent, and no director qualifies as independent unless the Board of Directors affirmatively determines that the director has no material relationship with Greenhill. In connection with this independence determination, the Board considered transactions and relationships between each director or director nominee or any member of his or her immediate family and Greenhill and its subsidiaries and affiliates, including those reported under Certain Relationships and Related Transactions below. The Board also examined transactions and relationships between directors and our director nominee or their affiliates and members of Greenhill's senior management or their affiliates. The purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director or director nominee is independent.

The Board determined that none of Messrs. Danforth, Goldstone, Key or Blakely:

had any material relationship with Greenhill (other than as directors)

had any material relationship, either directly or as a partner, shareholder or officer, of another organization that has a relationship with Greenhill

is an employee or has an immediate family member who is or has in the last three years been an executive officer of Greenhill

receives, or has an immediate family member who receives, more than \$120,000 in direct compensation from Greenhill (other than director and committee fees)

is affiliated with or employed by, or has an immediate family member who is or has been within the past three years a partner of or employee of, the Greenhill audit team or a present or former internal or external auditor of Greenhill

is employed or has an immediate family member who is employed as an executive officer of another company where any of Greenhill's present executives serve on the compensation committee

is an executive officer of a company that makes payment to or receives payments from Greenhill for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues

is an executive officer of any charitable organization to which Greenhill has contributed an amount in any single fiscal year in excess of \$1 million or 2% of the consolidated gross revenues of such charitable organization.

As a result of this review the Board affirmatively determined that each of our non-employee directors (Robert T. Blakely, John C. Danforth, Steven F. Goldstone and Stephen L. Key) is independent as that term is defined in the applicable New York Stock Exchange listing standards. Messrs. Greenhill and Bok cannot be considered independent directors because of their employment at Greenhill.

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Meetings of the Independent Directors

In addition to the committees of the Board of Directors described above, our non-employee directors meet regularly in executive sessions in which our employee directors (Messrs. Greenhill and Bok) and other members of management do not participate. The independent directors take turns serving as the presiding director of these executive sessions.

Committees of the Board

Audit Committee

Members:

Stephen L. Key (Chairman)

Robert T. Blakely

John C. Danforth

The Audit Committee is a separate committee established in accordance with Rule 10A-3 under the Securities Exchange Act of 1934. The Board of Directors has determined that all