

PATRICK INDUSTRIES INC  
Form DEF 14A  
April 19, 2012

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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 Sections 240.14a-11(c) or Section 240.14a-12

PATRICK INDUSTRIES, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11
- 1) Title of each class of securities to which transaction applies:
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- 4) Proposed maximum aggregate value of transaction:
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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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PATRICK INDUSTRIES, INC.  
107 West Franklin Street  
P.O. Box 638  
Elkhart, Indiana 46515-0638  
(574) 294-7511

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held May 24, 2012

TO OUR SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Patrick Industries, Inc., an Indiana corporation, will be held at the Company's corporate office, 107 West Franklin Street, Elkhart, Indiana, on Thursday, May 24, 2012 at 10:00 A.M., Eastern time, for the following purposes:

1. To elect nine directors to the Board of Directors to serve until the 2013 Annual Meeting of Shareholders;
2. To ratify the appointment of Crowe Horwath LLP as our independent registered public accounting firm for fiscal year 2012; and
3. To consider and transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The Board has fixed the close of business on March 28, 2012 as the record date for the determination of the holders of shares of our outstanding common stock entitled to notice of and to vote at the Annual Meeting of Shareholders. Each shareholder is entitled to one vote per share on all matters to be voted on at the meeting.

Your vote is important. Whether or not you expect to attend the meeting, please vote your shares using the Internet, by telephone, or by mail by signing, dating, and returning the enclosed proxy in the enclosed envelope. Your shares will then be represented at the meeting, if you are unable to attend. You may, of course, revoke your Proxy and vote in person at the meeting, if you desire. If you hold shares through a broker or other custodian, please check the voting instructions used by that broker or custodian. Please note that brokers may no longer vote your shares on the election of directors in the absence of your specific instructions as to how to vote. Please return your proxy card so your vote can be counted.

By Order of the Board of Directors,

/s/ Andy L. Nemeth  
Andy L. Nemeth  
Secretary

April 27, 2012

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held On May 24, 2012.

Our Proxy Statement and Annual Report to Shareholders for fiscal 2011 are available on Patrick Industries, Inc.'s website at [www.patrickind.com](http://www.patrickind.com) under "Investor Relations." You may also request hard copies of these documents free of charge by writing to us at the address above, Attention: Office of the Secretary.



Table of Contents

Voting Information	1
Proposals of Shareholders	2
Proposal 1 – Election of Directors	3
Proposal 2 – Ratification of the Appointment of Independent Registered Public Accounting Firm	5
Independent Public Accountants	5
Audit Committee Report	6
Security Ownership of Certain Beneficial Owners and Management	7
Corporate Governance	8
Executive Compensation	13
2011 Non-Employee Director Compensation	26
Compensation Committee Report	27
Related Party Transactions	27
Householding of Annual Meeting Materials	29
Other Matters	29
Appendix A– Audit Committee Charter	

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PROXY STATEMENT

Annual Meeting of Shareholders

To Be Held May 24, 2012

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This Proxy Statement and the accompanying Proxy Card are being mailed to shareholders of Patrick Industries, Inc. (the “Company” or “Patrick”) on or about April 27, 2012, and are furnished in connection with the solicitation of proxies by the Board of Directors (the “Board”) for the Annual Meeting of Shareholders to be held on May 24, 2012 (the “Annual Meeting”) for the purpose of considering and acting upon the matters specified in the Notice of Annual Meeting of Shareholders accompanying this Proxy Statement. If the form of proxy which accompanies this Proxy Statement is executed and returned, or is voted by Internet or by telephone, it may be revoked by the person giving it at any time prior to the voting thereof by written notice to the Secretary, by delivery of a later dated proxy, or by requesting to vote in person at the Annual Meeting.

If the form of proxy is signed, dated and returned without specifying choices on one or more matters presented to the shareholders, the shares will be voted on the matter or matters listed on the proxy card as recommended by the Company’s Board.

Additional solicitations, in person or by telephone or otherwise, may be made by certain directors, officers and employees of the Company without additional compensation. Expenses incurred in the solicitation of proxies, including postage, printing and handling, and actual expenses incurred by brokerage houses, custodians, nominees and fiduciaries in forwarding documents to beneficial owners, will be paid by the Company.

Patrick’s Annual Report to Shareholders, which contains Patrick’s Annual Report on Form 10-K for the year ended December 31, 2011, accompanies this Proxy Statement. Requests for additional copies of the Annual Report on Form 10-K should be submitted to the Office of the Secretary, Patrick Industries, Inc., 107 West Franklin Street, P.O. Box 638, Elkhart, Indiana 46515-0638. Annual Meeting materials may also be viewed online through our website, [www.patrickind.com](http://www.patrickind.com).

VOTING INFORMATION

Each shareholder is entitled to one vote for each share of our common stock held as of the record date. For purposes of the meeting, a quorum means a majority of the outstanding shares. Abstentions and withheld votes are counted as shares represented at the meeting for purposes of determining a quorum. As of the close of business on March 28, 2012, the record date for shareholders entitled to vote at the Annual Meeting, there were outstanding 10,394,654 shares of common stock entitled to one vote each. In determining whether a quorum exists at the meeting, all shares represented in person or by proxy will be counted. Proxies properly executed and received by us prior to the meeting and not revoked will be voted as directed therein on all matters presented at the meeting.

A shareholder may, with respect to the election of directors, (i) vote for the election of all named director nominees, (ii) withhold authority to vote for all named director nominees, or (iii) vote for the election of all named director nominees other than any nominee with respect to whom the shareholder withholds authority to vote by so

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indicating in the appropriate space on the proxy. With respect to any other proposal, a shareholder may vote for, against or abstain.

Please note that brokers may no longer vote your shares on the election of directors in the absence of your specific instructions as to how to vote. Please return your proxy card so your vote can be counted.

If a shareholder's shares are held by a broker on the shareholder's behalf (that is, in "street name") and the shareholder does not instruct the broker as to how to vote the shareholder's shares on the election of directors, the broker may not exercise discretion to vote for or against this proposal. This is a "broker non-vote." A broker non-vote occurs when a broker holding shares registered in street name is permitted to vote, in the broker's discretion, on routine matters without receiving instructions from the client, but is not permitted to vote without instructions on non-routine matters, and the broker returns a proxy card with no vote on the non-routine matter. Broker non-votes and abstentions will be included in the determination of the number of shares of common stock present at our Annual Meeting for quorum purposes, but will not be counted as votes cast on any matter presented at our Annual Meeting that is a non-routine matter. If, however, the shareholder does not instruct the broker as to how to vote the shares on the ratification of accountants, the broker may exercise its discretion to vote for or against that proposal.

A broker or other nominee may vote your shares on routine matters, and therefore no broker non-votes are expected to exist in connection with Proposal 2. Under Proposal 1, the directors are elected by a plurality of the votes cast by shares present in person or by proxy at the Annual Meeting and entitled to vote. Therefore, broker non-votes and abstentions will have no effect on Proposal 1, except to the extent that they will count as votes not cast. Proposal 2 in this Proxy Statement requires the affirmative vote of a majority of the votes cast, provided a quorum (50% of the outstanding shares of common stock) is present. Broker non-votes and abstentions will have no effect on Proposal 2.

The Board knows of no other matter which may come up for action at the Annual Meeting. However, if any other matter properly comes before the Annual Meeting, the persons named in the proxy form enclosed will vote in accordance with their judgment upon such matter.

## PROPOSALS OF SHAREHOLDERS

### Proposals Included in the Proxy Statement

Shareholder proposals for inclusion in proxy materials for the next Annual Meeting should be addressed to the Office of the Secretary, 107 West Franklin Street, P.O. Box 638, Elkhart, Indiana 46515-0638, and must be received no later than December 27, 2012.

### Proposals Not Included in the Proxy Statement

Our By-laws require notice of any other business to be brought before a meeting by a shareholder (but not included in the proxy statement) to be delivered, in writing, to the Company's Secretary, together with certain prescribed information, on or after April 3, 2012 and no later than May 3, 2012. Likewise, the Articles of Incorporation and By-laws require that shareholder nominations to the Board be delivered to the Secretary, together with certain prescribed information in accordance with the procedures for bringing business before an annual meeting at which directors are to be elected.



PROPOSAL 1

ELECTION OF DIRECTORS

There are nine nominees for election to the Board, all of which are current members of our Board. The individuals elected as directors at the 2012 Annual Meeting will be elected to hold office until the 2013 Annual Meeting or until their successors are duly elected and qualified.

It is intended that the proxies will be voted for the nominees listed below, unless otherwise indicated on the proxy form. It is expected that these nominees will serve, but, if for any unforeseen cause any such nominee should decline or be unable to serve, the proxies will be voted to fill any vacancy so arising in accordance with the discretionary authority of the persons named in the proxies. The Board does not anticipate that any nominee will be unable or unwilling to serve.

The information provided below has been furnished by the director nominees, and sets forth (as of March 31, 2012) the names, ages, principal occupations, recent professional experience, certain specific qualifications identified as part of the Board's determination that each such individual should serve on the Board, and other directorships at other public companies for at least the past five years, if any. Each of the following nominees was elected to his present term of office at the Annual Meeting of Shareholders held on May 26, 2011 with the exception of John A. Forbes, who was appointed to the Board on August 18, 2011 to fill a newly created position.

Paul E. Hassler, age 64, has been our Chairman of the Board since May 2008. Mr. Hassler was Chief Executive Officer of the Company from April 2004 to January 2009 (retired) and President from April 2004 to May 2008. Mr. Hassler held the position of Vice President Operations and Distribution - West of the Company from December 2003 through the first quarter of 2004; Executive Director of West Coast Operations from 1994 to 2003; and General Manager of California Operations from 1986 to 1994. Mr. Hassler has over 38 years of recreational vehicle, manufactured housing and industrial experience in various capacities and has demonstrated leadership as Non-Executive Chairman of the Board. He has served as a director of the Company since 2005.

Terrence D. Brennan, age 73, was the President and Chief Executive Officer of NBD Bank, Elkhart, Indiana from 1973 to 1997 (retired). Mr. Brennan has extensive knowledge of the banking industry and its operations, experience in corporate management and leadership, and strategic planning. He possesses accounting and financial acumen, and has been determined to be an "audit committee financial expert" under the Securities and Exchange Commission ("SEC") rules and regulations by our Board. Mr. Brennan currently serves as the Chairman of the Company's Corporate Governance and Nominations Committee, and as a member of the Company's Compensation Committee and Audit Committee. He has served as a director of the Company since 1999.

Joseph M. Cerulli, age 52, has been employed by Tontine Associates, LLC, an affiliate of Tontine Capital Partners, LP, Tontine Capital Overseas Master Fund, LP, and Tontine Capital Overseas Master Fund II, LP (collectively, "Tontine"), since January 2007. Prior to that, Mr. Cerulli was an independent financial consultant from 2002 to 2006. Mr. Cerulli was a director of Neenah Enterprises, Inc., one of the largest independent foundry companies in the U.S., from February 2009 to July 2010. As an employee of Tontine, the majority shareholder of the Company's common stock as of the March 28, 2012 record date, Mr. Cerulli possesses particular knowledge of our Company and the industries in which we operate and possesses accounting and financial acumen and extensive knowledge with respect to financial and investment matters. Mr. Cerulli currently serves as a member of the Company's Corporate Governance and Nominations Committee and the Compensation Committee. He has served as a director of the Company since 2008.

Todd M. Cleveland, age 44, has been serving as President and Chief Executive Officer of the Company since February 2009. Mr. Cleveland assumed the position of President and Chief Operating Officer of the Company in May 2008. Prior to that, he served as Executive Vice President of Operations and Sales and Chief Operating Officer of the Company from August 2007 to May 2008. Mr. Cleveland also spent 17 years with Adorn Holdings, Inc. (“Adorn”) serving as President and Chief Executive Officer from 2004 to 2007; President and Chief Operating Officer from 1998 to 2004; and Vice President of Operations and Chief Operating Officer from 1994 to 1998. Mr. Cleveland has over 21 years of recreational vehicle, manufactured housing and industrial experience in various operating capacities. He also has extensive knowledge of our Company and the industries to which we sell our

products, and experience with management development and leadership, acquisitions, strategic planning, manufacturing, and sales of our products. He has served as a director of the Company since 2008.

John A. Forbes, age 52, has been serving as the President of Utilimaster Corporation, a subsidiary of Spartan Motors, Inc. since July 2010. Prior to that, he was the CFO of Utilimaster from May 2009 to July 2010, the CFO of Nautic Global Group LLC from 2007 to 2009, and the CFO of Adorn LLC from 2003 to 2007. Mr. Forbes has over 29 years of experience in serving various manufacturing industries having held senior financial leadership roles including Trimas Corporation/Masco Tech, Inc., both with Fulton Performance Products and Reese Products. Mr. Forbes also has extensive experience with operations management, acquisitions, strategic planning, risk management, and banking relations. He possesses financial acumen and has been determined to be an “audit committee financial expert” under the SEC’s rules and regulations by our Board. Mr. Forbes currently serves as a member of the Company’s Audit Committee, Corporate Governance and Nominations Committee and the Compensation Committee. He has served as a director of the Company since 2011.

Keith V. Kankel, age 69, was the Interim President and Chief Executive Officer of the Company from 2003 to 2004 (retired). In addition, he was Vice President of Finance of the Company from 1987 through July 2002, and Secretary-Treasurer of the Company from 1974 through July 2002. Mr. Kankel has accounting and financial acumen, with particular knowledge of financial reporting, and has been determined to be an “audit committee financial expert” under the SEC’s rules and regulations by our Board. His long-time service on the Board has provided critical knowledge of our operations and corporate history. Mr. Kankel currently serves as the Chairman of the Company’s Audit Committee and as a member of the Company’s Corporate Governance and Nominations Committee and the Compensation Committee. He has served as a director of the Company since 1977.

Andy L. Nemeth, age 43, has been the Company’s Executive Vice President of Finance, Secretary-Treasurer, and Chief Financial Officer since May 2004. Mr. Nemeth was Vice President-Finance, Chief Financial Officer, and Secretary-Treasurer from 2003 to 2004, and Secretary-Treasurer from 2002 to 2003. Mr. Nemeth was a Division Controller from 1996 to 2002 and prior to that, he spent five years in public accounting. Mr. Nemeth has over 20 years of recreational vehicle, manufactured housing, and industrial experience in various financial capacities. Mr. Nemeth also has particular knowledge of our Company and the industries to which we sell our products, extensive experience with corporate management, acquisitions, strategic planning and banking relations, and has financial and accounting acumen. He has served as a director of the Company since 2006.

Larry D. Renbarger, age 73, was the Chief Executive Officer of Shelter Components, a manufacturer and supplier of products to the manufactured housing and recreational vehicle industries, from 1984 to 1998 (retired). Mr. Renbarger is a director of Thermolite, Inc., a window manufacturer, and of Universal Precision Instruments, Inc., an orthopedic supplier. He has particular knowledge of our Company and the industries to which we sell our products, experience in corporate management and leadership, and strategic planning. He also has a public accounting background and has been determined to be an “audit committee financial expert” under the SEC’s rules and regulations by our Board. Mr. Renbarger currently serves as a member of the Company’s Corporate Governance and Nominations Committee and Audit Committee. He has served as a director of the Company since 2002.

Walter E. Wells, age 73, was the President and Chief Executive Officer of Schult Homes Corporation, a leading builder of manufactured and modular housing, from 1970 to 1998 (retired). Mr. Wells is a director and a member of the compensation committee of Woodland Foundation, which specializes in various types of rehabilitation counseling. Mr. Wells has particular knowledge of our Company and the industries to which we sell our products, experience in corporate management and leadership, and strategic planning. He possesses financial acumen and has been determined to be an “audit committee financial expert” under the SEC’s rules and regulations by our Board. Mr. Wells currently serves as the Chairman of the Company’s Compensation Committee and as a member of the Company’s Corporate Governance and Nominations Committee and the Audit Committee. He has served as a director

of the Company since 2001.

The Board of Directors unanimously recommends a vote FOR the nominated directors.

- 4 -

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## PROPOSAL 2

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Crowe Horwath LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012. Crowe Horwath LLP has been the Company's independent registered public accounting firm since June 2009. The Board and the Audit Committee recommend that shareholders ratify the appointment of Crowe Horwath LLP as our independent registered public accounting firm for our fiscal year 2012. Although we are not required to do so, we believe that it is appropriate to request that shareholders ratify this appointment. If shareholders do not ratify the appointment, the Audit Committee will investigate the reasons for the shareholders' rejection and reconsider the appointment. Representatives of Crowe Horwath LLP will be at the Annual Meeting, will be given the opportunity to make a statement, and will be available to respond to questions.

Unless otherwise instructed, the proxy holders will vote the proxies received by them "FOR" approval of the ratification of the appointment of Crowe Horwath LLP. The ratification of the appointment will be approved by our shareholders if, at the Annual Meeting, a quorum is present and a majority of the shares present in person or represented by proxy and entitled to vote on the proposal are voted in favor of the proposal.

The Board of Directors unanimously recommends a vote FOR approval of the ratification of the appointment of Crowe Horwath LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012.

## INDEPENDENT PUBLIC ACCOUNTANTS

On June 22, 2009, the Audit Committee appointed Crowe Horwath LLP as our independent registered public accounting firm. As noted above in Proposal 2, the Audit Committee has appointed Crowe Horwath LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012.

## Audit Fees

The following table presents fees for professional audit and tax services rendered by Crowe Horwath LLP for the years ended December 31, 2011 and 2010:

	2011	2010
Audit Fees (1)	\$ 219,700	\$ 199,500
Audit-Related Fees		-
Tax Fees (2)	34,700	48,000
All Other Fees	-	-
Total Fees	\$254,400	\$247,500

(1) Audit fees consist of fees for professional services rendered for the audit of our financial statements and review of financial statements included in our quarterly reports and services normally provided by the independent auditor in connection with statutory and regulatory filings or engagements. In addition, audit fees include the reviews of various SEC filings.

(2) Tax fees consist of the preparation and/or review of Federal and State tax returns, assistance with preparation of tax inquiries, primarily from state and local tax authorities, enterprise zone property tax filings, and preparation and review of employee benefit plan filings. Tax fees in 2011 and 2010 were related to the review by Crowe Horwath

LLP of the 2010 and 2009 tax returns, respectively.

In addition to the fees listed in the table above pertaining to audit and tax services rendered by the Company's current independent registered public accounting firm, Crowe Horwath LLP, there were additional audit and tax fees

- 5 -

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incurred in 2011 and 2010 for professional services rendered by our former independent registered public accounting firms for the fiscal years ended December 31, 2011 and 2010. Total audit fees for professional services rendered were \$12,700 and \$11,000 in 2011 and 2010, respectively. There were no additional tax fees, other than those listed in the table above, pertaining to 2011 and 2010.

The Audit Committee has advised us that it has determined that the non-audit services rendered by our independent auditors during our most recent fiscal year are compatible with maintaining the independence of such auditors.

The Audit Committee has adopted a Pre-Approval Policy for Audit and Non-Audit Services pursuant to which it pre-approves all audit and non-audit services provided by the independent auditors prior to each particular engagement. The Committee has delegated authority to its Chairman to approve proposed services other than the annual audit, tax and quarterly review services, and the Chairman must report any approvals to the balance of the Committee at the next scheduled meeting.

#### AUDIT COMMITTEE REPORT

The responsibilities of the Audit Committee, which are set forth in the Audit Committee Charter adopted by the Board of Directors, include providing oversight of our financial reporting process through periodic meetings with our independent auditors, principal accounting officer and management to review accounting, auditing, internal controls and financial reporting matters. Our management is responsible for the preparation and integrity of the financial reporting information and related systems of internal controls. The Audit Committee, in carrying out its role, relies on senior management, including senior financial management, and the independent auditors.

We have reviewed and discussed with senior management our audited financial statements included in the 2011 Annual Report to Shareholders. Management has confirmed to us that such financial statements (i) have been prepared with integrity and objectivity and are the responsibility of management and (ii) have been prepared in conformity with accounting principles generally accepted in the United States of America.

We have discussed with Crowe Horwath LLP, our independent auditors, 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 (the "PCAOB"). In addition, the Audit Committee has received from the independent auditors the written disclosures and the letter required by the applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence rules.

We have received from Crowe Horwath LLP a letter providing the disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) with respect to any relationships between us and Crowe Horwath LLP that in their professional judgment may reasonably be thought to bear on independence. Crowe Horwath LLP has discussed its independence with us, and has confirmed in such letter that, in its professional judgment, it is independent from us within the meaning of the federal securities laws.

Based on the review and discussions described above, with respect to our audited financial statements included in our 2011 Annual Report to Shareholders, we have recommended to the Board of Directors that such financial statements be included in our Annual Report on Form 10-K for filing with the SEC.

As specified in the Audit Committee Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that our financial statements are complete and accurate and in accordance with generally accepted accounting principles. That is the responsibility of management and our independent auditors. In giving our recommendation to the Board of Directors, we have relied on (i) management's representation that such financial

statements have been prepared with integrity and objectivity and in conformity with generally accepted accounting principles and (ii) the report of our independent auditors with respect to such financial statements.

- 6 -

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## The Audit Committee:

Keith V. Kankel (Chairman)  
 Terrence D. Brennan  
 John A. Forbes  
 Larry D. Renbarger  
 Walter E. Wells

The foregoing report of the Audit Committee does not constitute soliciting material and shall not be deemed incorporated by reference by any general statement incorporating by reference the proxy statement into any filing by us under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such acts.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 28, 2012 (the record date), information concerning the only parties known to us as having beneficial ownership of more than five percent of our outstanding common stock and information with respect to the stock ownership of all of our directors, named executive officers, and all of our directors and executive officers as a group. The address of each director and named executive officer listed below is 107 West Franklin Street, P.O. Box 638, Elkhart, Indiana, 46515-0638.

Name and Address of Beneficial Owner	Aggregate Number of Shares of Common Stock Beneficially Owned		Percent of Class	
<b>Five Percent Shareholders:</b>				
Jeffrey L. Gendell c/o Tontine Capital Management, L.L.C. 55 Railroad Avenue Greenwich, CT 06830	5,299,963	(1)(2)	51.0	%
Wells Fargo and Company 420 Montgomery Street San Francisco, CA 94104	670,015	(3)	6.4	%
<b>Directors:</b>				
Paul E. Hassler	51,005		*	
Walter E. Wells	35,500		*	
Keith V. Kankel	34,186		*	
Larry D. Renbarger	32,000		*	
Terrence D. Brennan	20,500		*	
Joseph M. Cerulli (4)	10,500		*	
John A. Forbes	3,816		*	
<b>Named Executive Officers:</b>				
Todd M. Cleveland (5)	544,205		5.2	%
Andy L. Nemeth (6)	201,388		1.9	%
Jeffrey M. Rodino	68,300		*	

All Directors, Named Executive Officers and other officers as a group (12 persons)	1,130,168	10.6	%
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\* Less than 1%.

(1) Information based on the Schedule 13D/A filed jointly by Tontine Capital Management, L.L.C. ("TCM"), Tontine Capital Partners, L.P. ("TCP"), Tontine Capital Overseas Master Fund, L.P. ("TMF"), Tontine Capital Overseas Master Fund II, L.P. ("TCP 2"), Tontine Capital Overseas GP, L.L.C. ("TCO"), Tontine Asset Associates, L.L.C. ("TAA") and Jeffrey L. Gendell on April 6, 2011. Includes 4,221,155 shares owned directly by TCP, 729,399 shares owned directly by TMF, and 349,409 shares owned directly by TCP 2.

- 7 -

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Mr. Gendell is the managing member of TCM, TCO and TAA, the general partners of TCP, TMF and TCP 2, respectively, and has shared voting and dispositive power over these shares. All of these shares may be deemed to be beneficially owned by Mr. Gendell. He disclaims beneficial ownership of the shares owned by Tontine, except to the extent of his pecuniary interest therein

(2)Based on information contained in a Schedule 13D/A filed by Tontine on April 6, 2012 (subsequent to the record date), the aggregate number of shares of the Company's common stock beneficially owned by Tontine decreased to 4,771,127 or 45.9% of our common stock outstanding, reflecting the distribution on April 2, 2012 of 528,836 shares to investors that are not directly or indirectly controlled by Mr. Gendell in connection with the redemption of ownership interests in TCP 2 held by those investors. On April 2, 2012, TCP distributed 528,836 shares of common stock to TCP 2 (the "transferred shares"). The Transferred Shares were distributed to TCP 2 in connection with the redemption by TCP 2 of ownership interests in TCP.

(3)Information based on the Schedule 13G/A filed by Wells Fargo and Company on January 25, 2012.

(4)Mr. Cerulli is employed by an affiliate of Tontine. He disclaims beneficial ownership of the shares beneficially owned by Tontine, except to the extent of his pecuniary interest therein.

(5)Includes 150,000 options which are exercisable within 60 days of the record date.

(6)Includes 87,500 options which are exercisable within 60 days of the record date.

## CORPORATE GOVERNANCE

The Board believes that fundamental corporate governance is important to ensure that we are managed for the long-term benefit of our shareholders. The Board expects to review its corporate governance practices and policies as set forth in its Corporate Governance Guidelines, Code of Ethics, and various Committee Charters, all of which were updated in accordance with the listing standards of the NASDAQ Stock Market and the SEC rules, at least every two years as appropriate.

### Board Membership

As of the date of this Proxy Statement, the Board has nine members. Except for Mr. Cleveland, our President and Chief Executive Officer, and Mr. Nemeth, our Chief Financial Officer, no director is an employee.

Mr. Cerulli has been employed by Tontine Associates, LLC, an affiliate of Tontine Capital Partners, L.P., Tontine Capital Overseas Master Fund, L.P., and Tontine Capital Overseas Master Fund II, L.P. (collectively, "Tontine") since January 2007. As such, Mr. Cerulli has an indirect interest in the Company's transactions with Tontine. Mr. Cerulli began receiving compensation for his service as a member of the Board beginning in January 2009. Including the transactions that occurred on April 2, 2012 described in footnote 2 to the "Security Ownership of Certain Beneficial Owners and Management" table, Tontine beneficially owned approximately 45.9% of the Company's common stock outstanding.

In connection with the financing of its acquisition of Adorn in May 2007, the Company entered into a Securities Purchase Agreement with Tontine, dated April 10, 2007 (the "2007 Securities Purchase Agreement"), which provided that, among other things, so long as Tontine (i) holds between 7.5% and 14.9% of the Company's common stock then outstanding, Tontine has the right to appoint one nominee to the Board; or (ii) holds at least 15% of the Company's common stock then outstanding, Tontine has the right to appoint two nominees to the Board. The Company also agreed to limit the number of directors serving on its Board to no more than nine directors for so long as Tontine has

the right to appoint a director to the Board. Tontine's right to appoint directors and the Company's obligation to limit the size of its Board were affirmed in a subsequent Securities Purchase Agreement with Tontine, dated March 10, 2008 (the "2008 Securities Purchase Agreement"), in connection with a private placement in March 2008. Mr. Cerulli's appointment to the Board in July 2008 was made pursuant to Tontine's right to appoint directors as described above. As of the date hereof, Tontine has not exercised its right to appoint a second nominee to the Board.

- 8 -

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#### Election of Directors and Length of Board Term

Directors are currently elected for a one-year term at the Annual Meeting of Shareholders.

#### Board Committees

The Board has three standing committees: the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominations Committee. Each Committee has a committee chairman and a written charter.

#### Shareholder Communications

Shareholders may send communications to members of the Board by sending a communication to the Board and/or a particular member care of Andy L. Nemeth-Secretary, Patrick Industries, Inc., 107 West Franklin Street, P.O. Box 638, Elkhart, Indiana 46515-0638. Communications intended for independent directors should be directed to the Chairman of the Corporate Governance and Nominations Committee.

#### Code of Ethics

We have a code of ethics that applies to all of our employees, officers and directors.

#### Access to Corporate Governance Documents

The charters of our Audit, Compensation, and Corporate Governance and Nominations Committees, our Corporate Governance Guidelines, and our Code of Ethics are all available on our website at [www.patrickind.com](http://www.patrickind.com), or by writing to:

Patrick Industries, Inc.  
Attn: Andy L. Nemeth, Secretary  
107 West Franklin Street  
P.O. Box 638  
Elkhart, Indiana 46515-0638

#### Board Meetings and Attendance

The Board and Board Committees hold regular meetings on a set schedule and may hold special meetings and act by written consent from time to time as necessary or appropriate. The Board had four regular meetings and eleven special meetings in 2011. Additionally, the Board participated in periodic update calls during 2011 with the Chief Executive Officer and Chief Financial Officer. In 2011, each director attended at least 75% of the meetings of the Board and the Board Committees on which he served. We expect all Board members to attend the Annual Meeting of Shareholders, but from time to time, other commitments may prevent all directors from attending each meeting. All directors attended the most recent Annual Meeting of Shareholders which was held on May 26, 2011.

#### Executive Sessions of Non-Employee Directors

The Board and committees regularly meet in executive session without the presence of any management directors or representatives. There was no lead independent director designated to preside over the executive sessions of the Board in 2011. Any non-employee director can request additional executive sessions. The non-employee directors met four times in 2011.

Board Leadership Structure and Risk Oversight

The Company maintains separate positions for the Chairman of the Board (“Chairman”) and for the Chief Executive Officer. The Board believes this leadership structure has enhanced the Board’s oversight of and independence from our management, the ability of the Board to carry out its roles and responsibilities on behalf of our shareholders, and our overall corporate governance compared to our prior combined Chairman and Chief Executive Officer leadership structure. Mr. Hassler serves as Chairman and Mr. Cleveland is the Chief Executive Officer.

The Board has delegated its risk oversight responsibilities to the Audit Committee, as described below under the heading “Audit Committee.” In accordance with the Audit Committee’s Charter, each of our senior financial and accounting, and internal audit professionals reports directly to the Audit Committee regarding material risks to our business, among other matters, and the Audit Committee meets in executive sessions with each professional and with representatives of our independent registered public accounting firm. The Audit Committee Chairman reports to the full Board regarding material risks as deemed appropriate.

#### Independent Directors

A majority of the members of the Board (six of the nine members) have been designated by the Board as independent directors. In general, the Board determines whether a director is independent by following the guidelines of the NASDAQ Stock Market and the SEC rules and regulations, in addition to those other factors it may deem relevant. The Board of Directors has determined that the independent directors are Terrence D. Brennan, Joseph M. Cerulli (except for purposes of the Audit Committee), John A. Forbes (upon his appointment to the Board on August 18, 2011), Keith V. Kankel, Larry D. Renbarger and Walter E. Wells. The independent directors met four times in 2011.

#### Director Qualifications and Director Diversity

The Board seeks a diverse group of candidates who possess the background, skills and expertise and the highest level of personal and professional ethics, integrity, judgment and values to represent the long-term interests of our Company and its shareholders. To be considered for membership on the Board, a candidate should possess the following major attributes:

- Breadth of knowledge about issues affecting the Company and the industries/markets in which it operates;
- Significant experience in leadership positions or at senior policy-making levels and an established reputation in the business community;
  - Expertise in key areas of corporate management and in strategic planning;
  - Financial literacy and financial and accounting expertise; and
- Independence and a willingness to devote sufficient time to carry out his or her duties and responsibilities effectively and assume broad fiduciary responsibility.

The Corporate Governance and Nominations Committee does not have a formal policy specifying how diversity of background and personal experience should be applied in identifying or evaluating director candidates. However, as part of its annual self-evaluation under our Corporate Governance Guidelines, the Board considers whether the level of diversity of its members is appropriate, and the Corporate Governance and Nominations Committee takes the outcome into account when identifying and evaluating director candidates.

#### Consideration of Director Candidates - Corporate Governance and Nominations Committee Processes

The Corporate Governance and Nominations Committee will consider board nominees recommended by shareholders. Those recommendations should be sent to the Chairman of the Corporate Governance and Nominations Committee, c/o of the Secretary of Patrick Industries, Inc., 107 West Franklin Street, P.O. Box 638, Elkhart, Indiana 46515-0638. In order for a shareholder to nominate a candidate for director, under our By-laws, timely notice of the nomination must be given in writing to the Secretary of the Company. To be timely, such notice must be

received at our principal executive office not less than 20 days or more than 50 days prior to the next Annual Meeting of Shareholders. Notice of nomination must include the name, address and number of shares owned by the person submitting the nomination; the name, age, business address, residence address and principal occupation of the nominee; and the number of shares beneficially owned by the nominee. It must also include the information that would be required to be disclosed in the solicitation of proxies for election of directors under the federal securities laws, as well as whether the individual can understand basic financial statements and the candidate's other board memberships (if any). The nominee's consent to be elected and serve must be submitted. The Corporate Governance and Nominations Committee may require any nominee to furnish any other information, within reason, that may be needed to determine the eligibility of the nominee.

- 10 -

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As provided in its Charter, the Corporate Governance and Nominations Committee will follow procedures which the committee deems reasonable and appropriate in the identification of candidates for election to the Board and evaluating the background and qualification of those candidates. Those processes include consideration of nominees suggested by an outside search firm, by incumbent board members, and by shareholders. The Committee will seek candidates having experience and abilities relevant to serving as a director of the Company, and who represent the best interests of shareholders as a whole and not any specific group or constituency.

The Committee will consider a candidate's qualifications and background, including responsibility for operating a public company or a division of a public company, international business experience, a candidate's technical and financial background or professional qualification, diversity of background and personal experience, and any other public company boards on which the candidate is a director. The Committee will also consider whether the candidate would be "independent" for purposes of the NASDAQ Stock Market and the SEC rules and regulations by our Board. The Committee may, from time to time, engage the services of a professional search firm to identify and evaluate potential nominees.

#### Board Committee Responsibilities and Related Matters

The Board has delegated certain responsibilities and authority to each Board Committee as described below. At each regularly scheduled Board meeting, each Board Committee Chairman (or other designated Board Committee member) reports to the full Board on his Board Committee's activities.

#### Audit Committee

The Board has an Audit Committee, which from January 1, 2011 to August 18, 2011, was comprised of Keith V. Kankel (Chairman), Terrence D. Brennan, Larry D. Renbarger, and Walter E. Wells. Effective August 18, 2011 with the appointment of John A. Forbes to the Board, the Audit Committee was comprised of Keith V. Kankel (Chairman), Terrence D. Brennan, John A. Forbes, Larry D. Renbarger, and Walter E. Wells. The Audit Committee's responsibilities include oversight responsibilities related to potential material risks to our business including, but not limited to, credit, liquidity and operational risks. In addition, its responsibilities include recommending to the Board the independent accountants to be employed for the purpose of conducting the annual examination of our financial statements, discussing with the independent accountants the scope of their examination, reviewing our financial statements and the independent accountants' report thereon with our personnel and the independent accountants, and inviting the recommendations of the independent accountants regarding internal controls and other matters. Additionally, the Audit Committee is responsible for approving all non-audit services provided by the independent accountants and reviews these engagements on a per occurrence basis. The Audit Committee's report is provided on pages 6 and 7 of this Proxy Statement.

The Board has determined that each of the members of the Audit Committee is independent as defined in the NASDAQ listing standards and relevant SEC rules, and that Messrs. Kankel, Brennan, Forbes, Renbarger and Wells all meet the qualifications required to be an audit committee financial expert and meet the financial sophistication requirements of the NASDAQ listing standards. The Audit Committee met twelve times in 2011. These meetings included conference calls with management to review quarterly earnings releases and SEC filings prior to their issuance.

For a more detailed list of the roles and responsibilities of the Audit Committee, please see the Audit Committee Charter located in the "Corporate Governance" section of our website at [www.patrickind.com](http://www.patrickind.com).

#### Compensation Committee

The Board has a Compensation Committee, which from January 1, 2011 to August 18, 2011, was comprised of Walter E. Wells (Chairman), Terrence D. Brennan, Joseph M. Cerulli, and Keith V. Kankel. Effective August 18, 2011 with the appointment of John A. Forbes to the Board, the Compensation Committee was comprised of Walter E. Wells (Chairman), Terrence D. Brennan, Joseph M. Cerulli, John A. Forbes, and Keith V. Kankel. The Compensation Committee met four times in 2011. The primary responsibilities of this committee include:

- Reviewing and recommending to the independent members of the Board the overall compensation programs for the officers of the Company;

- Oversight authority to attract, develop, promote and retain qualified senior executive management; and
  - Oversight authority for the stock-based compensation programs.

In its oversight of executive officer compensation, the Compensation Committee seeks assistance from our management and our independent compensation consultant, Towers Watson, as further described below under the heading “Compensation Discussion and Analysis - Compensation of Executive Officers and Directors.” The Compensation Committee’s report is provided on page 27 of this Proxy Statement.

The Board has determined that each of the current members of the Compensation Committee is independent as defined in the NASDAQ listing standards and our Corporate Governance Guidelines. For a more detailed list of the roles and responsibilities of the Compensation Committee, please see the Compensation Committee Charter located in the “Corporate Governance” section of our website at [www.patrickind.com](http://www.patrickind.com).

#### Compensation Committee Interlocks and Director Participation

During 2011, no executive officer served on the Board or compensation committee of any other corporation with respect to which any member of the Compensation Committee was engaged as an executive officer. No member of the Compensation Committee was an officer or employee of the Company during 2011. Keith V. Kankel was formerly an officer of the Company from 1974-2004 and became a member of the Compensation Committee in 2008.

#### Corporate Governance and Nominations Committee

The Board has a Corporate Governance and Nominations Committee, which from January 1, 2011 to August 18, 2011, was comprised of Terrence D. Brennan (Chairman), Joseph M. Cerulli, Keith V. Kankel, Larry D. Renbarger, and Walter E. Wells. Effective August 18, 2011 with the appointment of John A. Forbes to the Board, the Compensation Committee was comprised of Terrence D. Brennan (Chairman), Joseph M. Cerulli, John A. Forbes, Keith V. Kankel, Larry D. Renbarger, and Walter E. Wells. This Committee met four times in 2011. The primary responsibilities of this committee include:

- To assist the Board in identifying, screening, and recommending qualified candidates to serve as directors;
  - To recommend nominees to the Board to fill new positions or vacancies as they occur;
  - To review and recommend to the Board the compensation of directors;
- To recommend to the Board candidates for election by shareholders at the annual meeting; and
- To review and monitor corporate governance compliance as well as recommend appropriate changes.

The Board has determined that each of the current members of the Corporate Governance and Nominations Committee is independent as defined in the listing standards of the NASDAQ stock exchange and our Corporate Governance Guidelines. For a more detailed list of the roles and responsibilities of the Corporate Governance and Nominations Committee, please see the Corporate Governance and Nominations Committee Charter located in the “Corporate Governance” section of our website at [www.patrickind.com](http://www.patrickind.com).

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

Section 16(a) of the Securities Exchange Act of 1934 requires that certain of our officers, directors and 10% shareholders file with the SEC an initial statement of beneficial ownership and certain statements of changes in beneficial ownership of our common stock. Based solely on our review of such forms and written representation from the directors and officers that no other reports were required, we are unaware of any instances of noncompliance or late compliance with such filings during the fiscal year ended December 31, 2011, except with respect to the late filing of one Form 4 on March 15, 2011 for Mr. Cleveland and one Form 4 on November 10, 2011 for Courtney Blosser, Vice President of Human Resources.

- 12 -

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## EXECUTIVE COMPENSATION

The following Compensation Discussion and Analysis should be read in conjunction with the executive compensation tables and corresponding footnotes that follow. The discussion focuses on the compensation program in effect for the 2011 fiscal year and compensation decisions made with respect to the compensation program.

### Compensation Discussion and Analysis

#### Compensation of Executive Officers and Directors

##### Summary

We believe that the compensation plan as it relates to our Named Executive Officers - Todd M. Cleveland (“Chief Executive Officer” or “CEO”), Andy L. Nemeth (“Chief Financial Officer” or “CFO”) and Jeffrey M. Rodino (“Executive Vice President of Sales and Operations” or “EVP of Sales”) - and other executives, should be aligned with the Company’s short-term and long-term organizational strategic agenda and its operating performance and cash flows, and assure appropriate management ownership in the Company. Messrs. Cleveland, Nemeth and Rodino comprise our “Named Executive Officers” or “NEOs,” as such term is used under SEC rules. Our objective is to provide a comprehensive market competitive compensation program designed to attract, retain and motivate the best qualified talents from inside and outside the industry and to align the interests of our senior management team with the interests of our shareholders. In totality, we have implemented a performance management system which ultimately drives decisions by senior management to facilitate a “Customer First-Performance Based” culture through the execution of approved objectives linked to the short-term and long-term goals of the Company. In order to meet these objectives, the Compensation Committee has met numerous times over the past year and has conducted independent benchmark studies and analyses to ensure we are providing a complete and competitive performance and rewards strategy as it relates to our NEOs and other executives.

#### Executive Compensation Decisions –

##### Participants and Roles, Plan Factors, Plan Components and Benchmark Sources

##### Participants and Roles

##### COMPENSATION COMMITTEE

##### INDEPENDENT COMMITTEE CONSULTANT

- Recommends to the Board, with input from our management team and external advisors, the Company’s executive compensation and benefits programs to include the NEOs and other executives.
- Provides annual and ongoing review, discussion, analysis and recommendations regarding the evaluation of the execution of the performance plan for the NEOs and other executives against business deliverables.
- Provides published survey data, peer group proxy data and analysis and consultation to the Compensation Committee on executive and non-employee director compensation.
- Establishes and maintains an independent perspective to avoid any conflicts of interests while working directly

for the Compensation Committee unless the Committee has pre-approved any work to be conducted with management for review by the Committee and approval by the Board.

CHIEF EXECUTIVE  
OFFICER and VICE  
PRESIDENT OF HUMAN  
RESOURCES

- When requested by the Compensation Committee, provide executive compensation and benefit plan input related to the performance management structure and provide support on compensation and benefit program design and implementation, and compliance and disclosure requirements.
- Evaluate the performance plans of the CFO, EVP of Sales and other executives in accordance with the Board approved plan.

#### Plan Factors

There are several key factors the Compensation Committee considers when recommending plan-year executive compensation:

- NEOs' and other executives' roles, position scope, experience, skill set, and performance history;
- The external market for comparable roles;
- The current and expected business climate; and
- The Company's financial position and its reflection of operating results.

#### Plan Components

The Compensation Committee utilizes its own judgment in approving the components of compensation, benefits, and plan targets for the NEOs and other executives. The committee further reviews and approves all pay and benefits parameters to include targets, thresholds, and maximums of short-term and long-term incentives. The committee takes into account these aforementioned factors and total compensation that may be earned through performance and paid through short-term and long-term incentives.

The Compensation Committee and the Company believe that the components of compensation and benefits should be directly linked to a pay-for-differentiated performance strategy and plan design. As a result, the approved executive compensation plan is heavily weighted and focused on the variable pay component of short-term and long-term incentives. The goal of the Committee is to ensure that the incentive plans are aligned with both the short-term and long-term interests of the shareholders through execution of a performance-based plan.

#### Benchmark Sources

Towers Watson, the Company's independent compensation consultant for 2011 (the "Consultant"), provides the Compensation Committee with independent benchmark data for consideration when making compensation decisions. The Compensation Committee considers this information along with other relevant published compensation data in conjunction with the plan factors mentioned above when making compensation recommendations to the Board.

The Compensation Committee uses data from both general industry and the durable goods industry as part of its decision making process for the comparison of the NEOs and other executives. In 2011, the Compensation Committee continued to utilize both peer group data and a combination of general industry and durable goods industry data to evaluate and support compensation decisions for the CEO (Mr. Cleveland) and CFO (Mr. Nemeth) roles. The Committee used general industry and durable goods industry data for the EVP of Sales (Mr. Rodino) role.

Peer Group Selection Criteria

1. Commensurate revenue generation scope to the Company's revenue profile
2. Market capitalization generally consistent with the Company's market capitalization
3. Industry/business type – industrial manufacturing and distribution firms with national footprints

- 14 -

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4. Geographically headquartered in the Mid-West markets
5. Similarity of other business attributes, including profit margins and business mix.

Fiscal Year 2011 Peer Group

American Woodmark Corp., Cavco Industries Inc., Continental Materials Corp., Drew Industries Inc., Lawson Products Inc., MFRI Inc., PGT Inc., Skyline Corp., Spartan Motors Inc., Strattec Security Corp., and US Home Systems Inc.

Fiscal Year 2011 Compensation Context

The 2011 performance plan year was influenced by the continued recovery of the economy from the recent worldwide macroeconomic downturn, as well as the effects of the Company's strategic initiatives executed during recent years. Certain segments of our business saw significant revenue and profit growth from 2010 to 2011, while other segments remained challenged from the effects of the soft housing market and continued restrictive financing environment. As our business continued to recover in 2011, the Company was able to execute a Company-wide market and performance-based rewards platform to reflect the improved operating results of our business, not only for the executive team, but for all team members.

Fiscal Year 2011 Executive Compensation

Compensation and Benefits Components	Description and Purpose
Base Salary	Cash payments reflecting a market competitive position for performance of functional role.
Short-Term Incentives	Lump sum cash payments reflective of approved pay-for-performance plan and the relative achievements of the business and individual performance plans. The Board reserves the right at any time to award discretionary bonuses to senior management based on outstanding performance or other factors.
Long-Term Incentives	Restricted stock grants reflecting approved pay-for-performance plan and the relative long-term achievement of the business performance plans as well as the Company's desire to retain high performing talent and align the interests of senior management with shareholder interests.
Executive Health and Welfare Benefits	We do not have health and welfare benefits outside the scope of our standard plans for all employees.
Voluntary Deferred Compensation Plan	Voluntary deferred compensation plan whereby highly compensated individuals can elect to voluntarily defer all or a portion of their wages in any given years subject to applicable laws and restrictions. Designed to supplement market competitive position and further drive retention of key executives.
Perquisites	Perquisites were not included in the 2011 compensation and benefit plan design.
Other Compensation	Other compensation includes automobile allowance, Company contributions pursuant to the Patrick Industries, Inc. 401(k) Plan, and Company contributions to individual Health Savings Accounts and health club reimbursement pursuant to the Company's general health and wellness program.
Executive Retirement Plan	Supplemental executive retirement program based on a formula of base wages, service and other criteria designed to retain key senior talent.

Severance Benefits

We provide reasonable and customary transition support aligned to our market benchmark data.

## Compensation Components – Mix and Levels

## Base Salary

The Compensation Committee reviews and approves the base salaries of the NEOs and other executives each year, as well as at the time of promotion, change in job responsibilities, or any other change deemed to be a material event. Base salaries are set during the first quarter of each year. The Compensation Committee sets the salary for the President and CEO, and approves the base salaries for the other NEOs and the other executives based on recommendations by the President and CEO.

The Board approved a base compensation increase for the NEOs and other executives on February 28, 2011 in alignment with market data and the Company plan factors.

The following table summarizes the 2010 and 2011 base salaries as approved by the Board for the NEOs:

Name	2010 Base Salary – 1/4/10	2011 Base Salary – 2/28/11	% Increase 2/28/11
Todd M. Cleveland	\$ 275,000	\$ 300,000 (1)	9.1 %
Andy L. Nemeth	215,000	225,000 (2)	4.7 %
Jeffrey M. Rodino	150,000	170,000 (3)	13.3 %

- (1) The 2011 base salary for Mr. Cleveland was fully restored to the level previously approved by the Compensation Committee and the Board in 2008 which was \$300,000 annually.
- (2) The 2011 base salary for Mr. Nemeth was partially restored to the level previously approved by the Compensation Committee and the Board in 2008 which was \$230,000 annually.
- (3) The 2011 base salary for Mr. Rodino is reflective of market percentile position in alignment with the Executive Compensation Plan design for base salary.

## Non-Equity Incentive Plan Awards

The Annual Non-Equity Incentive Plan Awards (“Short-Term Incentive” or “STI”) are reviewed and approved each year and are based on the achievement of a combination of the Company’s financial results and the individual’s performance against defined objectives. Several key components were considered in the development of the 2011 STI plan to align the STIs with shareholder interest by measuring the Company’s financial performance and the individual’s performance in support of the Company’s short and long-term strategies. These components include:

- Company performance (50% weighting), which is measured by the Company’s Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”);
- Individual performance (50% weighting), which is measured by:
  1. Financial objectives – Revenue and EBITDA targets (40% weighting within the individual performance objectives);
  2. Strategic objectives – Actions and initiatives linked to the Company’s organizational strategic agenda for the plan year (30% weighting within the individual performance objectives);

3. Leadership and talent objectives – Actions and initiatives linked to the development of our talent, leadership, capabilities and our values (30% weighting within the individual performance objectives).

For each of the NEOs and other executives, a target STI award is established as a percentage of base salary. The portion of the STI award that is tied to individual performance is based on the Compensation Committee's assessment of an individual's performance against defined objectives (50% weighting), with the NEOs and other

- 16 -

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executives each receiving an individual performance rating ranging from 0.0 to 5.0. The Company performance component of the STI award is based upon the Company's EBITDA performance versus target EBITDA (50% weighting), with the actual results placed on a scale ranging from 0.0 to 5.0. The threshold Company EBITDA performance is 80% of target EBITDA (a 2.0 rating) and the maximum Company EBITDA performance is 120% of target EBITDA (a 5.0 rating). The threshold, target and maximum performance metrics for the 2011 STI plan are outlined below:

STI Award Component	Threshold Performance	Target Performance	Maximum Performance
Company Rating (EBITDA)	2.0 (\$10.6MM)	3.0 (\$13.2MM)	5.0 (\$15.8MM)
Individual Rating	2.5	3.0	5.0

If an individual's performance rating is below the threshold rating of 2.5, such individual is not eligible for an STI award regardless of Company performance. If the Company's EBITDA performance is below the threshold Company rating of 2.0, no individual is eligible for an STI award regardless of individual performance.

The individual rating is translated into a payout factor ranging from 83% (threshold) to 167% (maximum), and the Company rating is translated into a payout factor ranging from 50% (threshold) to 150% (maximum). The individual and Company payout factors are multiplied to establish an aggregate payout factor, which is then multiplied by the target STI award to determine the actual dollar award. The range of potential 2011 aggregate payout factors as a percentage of the target STI award was as follows:

- Threshold individual and Company performance – 41.7%
- Target individual and Company performance - 100%
- Maximum individual and Company performance - 250%.

The Company achieved fiscal 2011 EBITDA of \$18.2 million which equates to a 5.0 Company performance rating. When combined with the individual performance rating for each NEO, the actual STI award payouts for 2011 were as follows:

Name	2011 Base Salary	Target Award as a % of Base Salary (1)	Target STI Award	Actual Award Amount as a % of Target Award	Actual 2011 STI Award Payout
Todd M. Cleveland	\$ 300,000	100%	\$ 300,000	210.0%	\$ 630,000
Andy L. Nemeth	225,000	60%	135,000	200.0%	270,000
Jeffrey M. Rodino	170,000	75%	127,500	205.0%	261,380

(1) The target award as a percentage of base salary for the NEOs was determined by the Compensation Committee and applied to the base salary in effect as of February 28, 2011.

While these targets were used in fiscal 2011, the Compensation Committee reserves the right to modify, cancel, change or reallocate any components of this calculation or criteria at any time.

#### Long-Term Incentive Plan

We believe that long-term incentive compensation provides appropriate motivational tools to achieve certain long-term Company goals and align the interests of our management team closely with those of our

shareholders. Executive officers participate in our long-term compensation programs based on their ability to make a significant contribution to the Company's financial performance, their level of responsibility, their ability to meet performance objectives, and their leadership potential.

In 2011, the Compensation Committee designed and developed a Board approved pay-for-performance based Long-Term Incentive Plan ("LTIP") for the NEOs and other executives. The LTIP establishes a long-term incentive target award, which is established as a percentage of base compensation for each of the NEOs and other

- 17 -

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executives. The target award includes two components: (i) a restricted share award (two-thirds of the value of the total target award); and (ii) a performance-contingent cash award (one-third of the value of the total target award). In determining the number of shares comprising the restricted share award, the value of the restricted share portion of the total award is divided by the stock price per share established by the Board (\$2.50 for the 2011 LTIP award).

The table below shows a sample calculation of LTIP award components:

Base Salary (\$)	Target Award as a % of Base Salary	Target Award (\$)	Restricted Share Target Award - 2/3 of total award (\$/shares)	Performance-Contingent Cash Target Award - 1/3 of total award (\$)
\$120,000	30%	\$36,000	\$24,000/9,600	\$12,000

The restricted share award is further divided into (1) restricted shares with time-based vesting (“Time-Based Shares”) and (2) restricted shares with performance-based vesting (“Performance-Contingent Shares”). The Compensation Committee believes that the use of Time-Based Shares and Performance-Contingent Shares aligns the NEOs’ focus with the Company’s long-term financial performance objectives and assures that significant retention value of the granted equity is maintained for each NEO. In addition, the Compensation Committee believes that the use of the performance-contingent cash award is consistent with pay-for-performance long-term incentive design principles in a situation where the Company is unable to grant market-driven levels of equity-based awards due to concerns over diluting the holdings of non-employee shareholders. The LTIP components are further defined below:

LTIP Components:

1. Restricted Share Award – two-thirds of the value of the total target award
  - Time-Based Shares – 20% of the shares comprising the restricted share award are Time-Based Shares with a three year cliff vesting period. (Example: if 9,600 restricted shares are awarded, 1,920 shares are Time-Based Shares.)
  - Performance-Contingent Shares – 80% of the shares comprising the restricted share award are Performance-Contingent Shares; award vesting is contingent upon the Company’s cumulative EBITDA performance versus target EBITDA over a three-year measurement period. (Example: if 9,600 shares are awarded, 7,680 shares are Performance-Contingent Shares.)
2. Performance-Contingent Cash Award – one-third of the value of the total target award; award vesting is contingent upon the Company’s cumulative EBITDA performance versus target EBITDA over a three-year measurement period.

For the Performance-Contingent Shares and the performance-contingent cash award, the Company’s cumulative three-year EBITDA performance is placed on a scale ranging from 0.0 to 5.0, with threshold EBITDA performance of 75% of target EBITDA (a 2.0 rating) and maximum Company EBITDA performance of 120% of target EBITDA (a 5.0 rating). The threshold, target and maximum performance metrics for the 2011 LTIP are outlined below:

Plan Component	Threshold EBITDA Performance (1) (\$52.0MM - 2.0 Rating)	Target EBITDA Performance (1) (\$69.3MM – 3.0 Rating)	Maximum EBITDA Performance (1) (\$83.2MM - 5.0 Rating)
	Payout as % of target	Payout as % of target	Payout as % of target
Time-Based Shares	100%	100%	100%
Performance-Contingent Shares	50%	100%	100%

Performance-Contingent Cash	50%	100%	150%
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(1)The Company EBITDA performance is measured as the cumulative EBITDA achieved in 2011, 2012 and 2013.

- 18 -

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The LTIP award components for the NEOs in 2011 were as follows:

Name	Total Target Award as a % of Base Salary	Total Target Award (\$)	Time-Based Share Award (\$/Shares)	Performance-Contingent Share Award (\$/Shares)	Performance-Contingent Cash Award (\$)
	Todd M. Cleveland	95%	\$ 285,000	\$ 37,500/15,000	\$ 150,000/60,000
Andy L. Nemeth	40%	\$ 90,000	\$ 12,000/4,800	\$ 48,000/19,200	\$ 30,000
Jeffrey M. Rodino	40%	\$ 68,000	\$ 9,000/3,600	\$ 36,000/14,400	\$ 23,000

Individual NEO threshold, target and maximum payouts for each LTI component are outlined below:

Name	Threshold EBITDA Performance (\$52.0MM - 2.0 Rating) Component Award (\$)	Target EBITDA Performance (\$69.3MM – 3.0 Rating) Component Award (\$)	Maximum EBITDA Performance (\$83.2MM - 5.0 Rating) Component Award (\$)
<b>Time-Based Shares (1)</b>			
Todd M. Cleveland	\$ 37,500	\$ 37,500	\$ 37,500
Andy L. Nemeth	12,000	12,000	12,000
Jeffrey M. Rodino	9,000	9,000	9,000
<b>Performance-Contingent Shares (1)</b>			
Todd M. Cleveland	\$ 75,000	\$ 150,000	\$ 150,000
Andy L. Nemeth	24,000	48,000	48,000
Jeffrey M. Rodino	18,000	36,000	36,000
<b>Performance-Contingent Cash</b>			
Todd M. Cleveland	\$ 48,750	\$ 97,500	\$ 146,250
Andy L. Nemeth	15,000	30,000	45,000
Jeffrey M. Rodino	11,500	23,000	34,500

(1) The dollar values for the threshold, target and maximum payouts for the Time-Based Shares and Performance-Contingent Shares are based on the Board-established share price of \$2.50 for the 2011 LTIP award.

The actual payout under the 2011 LTIP will be determined at the conclusion of the three-year performance period ending on December 31, 2013 (the third year in the cumulative EBITDA performance measurement period).

#### Supplemental Cash Appreciation Plan:

As described above, the Compensation Committee believes that the use of the performance-contingent cash award is consistent with pay-for-performance long-term incentive design principles in a situation where the Company is unable to grant market-driven levels of equity-based awards due to concerns over diluting the holdings of non-employee shareholders. However, the Compensation Committee recognizes the value of supplementing the performance-contingent cash component of the LTIP with the potential for equivalent share price appreciation. The NEOs and other eligible executives have the opportunity to realize an appreciation of the actual performance-contingent cash payout at the conclusion of the performance measurement period. At the time that the

2011 LTIP target awards were established, the performance-contingent cash target awards were expressed as an equivalent number of shares using the Board-established stock price (\$2.50 per share for the 2011 LTIP award). The share

- 19 -

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price appreciation is realized only if the three-year EBITDA performance threshold is met and the share price has appreciated beyond the set price per share of \$2.50. The plan payout is capped at a maximum of 200% of the performance-contingent cash target award (including the actual performance-contingent cash payout in the LTIP plus the equivalent share appreciation payout). The maximum supplemental cash appreciation payouts for the NEOs at threshold, target and maximum EBITDA performance is shown below:

Name	Threshold Performance-Contingent Cash: Equivalent Shares/Maximum \$ Appreciation (1)	Target Performance-Contingent Cash: Equivalent Shares/Maximum \$ Appreciation (2)	Maximum Performance-Contingent Cash: Equivalent Shares/Maximum \$ Appreciation (3)
Todd M. Cleveland	19,500/\$146,250	39,000/\$97,500	39,000/\$48,750
Andy L. Nemeth	6,000/\$45,000	12,000/\$30,000	12,000/\$15,000
Jeffrey M. Rodino	4,600/\$34,500	9,200/\$23,000	9,200/\$11,500

(1) Requires a stock price of \$10.00 per share (appreciation of \$7.50 per share) to earn the maximum supplemental cash appreciation payout.

(2) Requires a stock price of \$5.00 per share (appreciation of \$2.50 per share) to earn the maximum supplemental cash appreciation payout.

(3) Requires a stock price of \$3.75 per share (appreciation of \$1.25 per share) to earn the maximum supplemental cash appreciation payout.

#### Non-Qualified Stock Options

There were no non-qualified stock options granted in 2011. A description of all stock awards held by the NEOs as of the end of fiscal 2011 is contained in the “Outstanding Equity Awards at December 31, 2011” table on pages 23 and 24. We reserve the right at any time to grant options under our Patrick Industries, Inc. 2009 Omnibus Incentive Plan.

#### Executive Retirement Plan and Non-Qualified Excess Plan

##### Executive Retirement Plan

The Company maintains a non-qualified executive retirement plan (the “Executive Retirement Plan”) for Mr. Nemeth. According to the provisions of the Executive Retirement Plan, Mr. Nemeth, upon vesting, is entitled to receive annually 40% of his respective highest annual base wages earned in the last three years prior to retirement or termination from the Company paid over ten years in 260 consecutive bi-weekly payments. Mr. Nemeth became fully vested in the Executive Retirement Plan on May 18, 2007 pursuant to a change of control event, which occurred on May 18, 2007, as a result of the Adorn acquisition and the Company’s private placement of shares to Tontine. No new employees have been invited to participate in the Executive Retirement Plan since January 1, 2007.

##### Non-Qualified Excess Plan

The Company maintains a voluntary non-qualified deferred compensation plan (the “NQDC Plan”) for its key executives whereby individuals can elect at the beginning of any fiscal year to defer all or a portion of their base wages for that particular year, subject to applicable laws and restrictions. Participants are immediately vested in the plan. There were no material contributions made to the NQDC Plan in 2011.

Perquisites

We believe in a performance-based compensation and benefits package and therefore provide very few perquisites to our NEOs. We do not provide the personal use of a company airplane, nor does the Company provide security at a personal residence, commuting expenses, personal travel using vehicles owned or leased by the

- 20 -

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Company except for the use of a company automobile by Mr. Cleveland for the period January 1, 2011 through June 1, 2011, housing and other living expenses, clerical or secretarial services for personal matters, club memberships not exclusively used for business purposes, personal financial or tax advice or investment management services, or tax planning, financial planning, or tax preparation costs. We provide a car allowance to our NEOs, other executives, corporate managers, and general managers, all of which are included as taxable income. Mr. Cleveland's use of company automobile ceased on June 1, 2011 and the benefit was transitioned to a car allowance consistent with the other NEOs.

#### Benefit Plans

We do not maintain separate benefit plans for our NEOs and other executives. They participate in the same health and welfare plans as all of our other general employees with the same deductibles and co-pays. The NEOs and other executives also participate in the same 401(k) retirement program as all of the other general employees.

#### Equity Trading Restrictions

The Company has a policy whereby the mandatory blackout period begins on the last day of the fiscal month ending in a reporting period (March, June, September and December) and ends forty-eight hours after the public release of the financial information for that reporting period. During this period, Section 16 insiders and other management employees who have access to "inside" information are precluded from trading in the public market any types of company owned equity securities. Additionally, the Company precludes any Section 16 insider, as defined by the SEC, Director, Officer or Employee from trading in the public market, or any other market, based on information that is not made available to the general public.

#### Summary Compensation Table

The following Summary Compensation Table sets forth information about the compensation paid to our NEOs for the year ended December 31, 2011:

Name and Principal Position	Year	Salary \$(1)	Bonus \$(2)	Stock Awards \$(3)	Option Awards \$(4)	Non-Equity	All	Total (\$)
						Incentive Plan Compensation \$(5)	Other Compensation \$(6)	
Todd M. Cleveland, President and Chief Executive Officer	2011	\$288,654	\$-	\$152,250	\$14,438	\$ 630,000	\$ 13,459	\$1,098,801
	2010	266,250	-	88,000	13,875	264,917	7,820	640,862
	2009	87,750	-	24,150	11,063	-	93	123,056
Andy L. Nemeth, Executive Vice President of Finance, Secretary-Treasurer, and Chief Financial Officer	2011	222,212	-	48,720	8,422	270,000	24,693	574,047
	2010	211,347	-	60,500	8,094	142,545	23,832	446,318
	2009	159,411	-	17,250	6,453	-	12,559	195,673
Jeffrey M. Rodino, Executive Vice President of Sales and	2011	160,078	-	36,540	-	261,380	12,358	470,356
	2010	144,462	-	49,500	-	104,975	11,907	310,844

Operations (7)

(1)For information on base salaries, see “Base Salary” on page 16.

(2)The NEOs were not entitled to receive any payments that would be characterized as “Bonus” payments for the fiscal years ended December 31, 2011, 2010 or 2009.

(3)Amounts shown do not reflect compensation actually received. Such amounts reflect the aggregate fair value of stock awards granted during the year which is generally the total amount that the Company expects, as of the grant date, to expense in its financial statements over the awards vesting schedule in accordance with Accounting Standards Codification (“ASC”) 718 Compensation – Stock Compensation.

(4) Amounts shown do not reflect compensation actually received. Such amounts reflect the aggregate fair value of stock options that have vested during the year. See Note 20 to the Consolidated Financial Statements in our 2011 Annual Report on Form 10-K for the assumptions used in determining the fair value of each option award based on the Black-Scholes option-pricing model.

(5) Amounts listed under the column “Non-Equity Incentive Plan Compensation” represent the short-term incentive awards earned in 2011 by each of the NEOs, and approved by the Compensation Committee, based on the achievement of both pre-determined Company performance targets and individual performance targets for 2011 as described on pages 16 and 17. There were no short-term incentive plan awards earned or approved for 2009.

(6) The amounts included in “All Other Compensation” are detailed in the table below:

Name	Year	401(k) Matching Contribution (\$)	Payments Under Executive Retirement Plan (\$)	Change in Pension Value and Non- Qualified Deferred Compensation Earnings (a) (\$)	Other (b) (c) (\$)	Total All Other Compensation (\$)
Todd M. Cleveland	2011	\$ 825	\$ -	\$ -	\$ 12,634	\$ 13,459
	2010	600	-	-	7,220	7,820
	2009	-	-	(5,844)	5,937	93
Andy L. Nemeth	2011	586	-	8,917	15,190	24,693
	2010	439	-	8,334	15,059	23,832
	2009	-	-	(881)	13,440	12,559
Jeffrey M. Rodino	2011	424	-	-	11,934	12,358
	2010	388	-	-	11,519	11,907

(a) Amounts shown do not reflect compensation actually received. Such amounts reflect the aggregate change in the present value of the NEOs’ accumulated benefit under the Patrick Industries, Inc. Executive Retirement Plan and the Patrick Industries, Inc. Non-Qualified Excess Plan. In computing these amounts, the Company uses various assumptions including remaining years of service, estimated discount rates, and present value calculations. Mr. Nemeth became fully vested in the Executive Retirement Plan in 2007. All participants are fully and immediately vested in the Non-Qualified Excess Plan.

(b) Amounts shown reflect an automobile allowance and the Company contribution to individual Health Savings Accounts and health club reimbursement pursuant to the Company’s general health and wellness program.

(c) Mr. Cleveland had use of a Company car from January 1 to June 1, 2011.

(7) Mr. Rodino was appointed Executive Vice President of Sales and Operations for the Adorn, Custom Vinyls and Patrick Distribution business units as of December 2011. Prior to that, Mr. Rodino served as Vice President Sales for the Midwest from August 2009 to December 2011 and was elected an Officer in May 2010.

#### Grants of Plan-Based Awards During Fiscal Year 2011

The table below sets forth information on grants in 2011 to the NEOs of estimated payouts under non-equity incentive plan awards as set forth under “Non-Equity Incentive Plan Awards” on pages 16 and 17 and of stock options and stock

awards as set forth in the “Summary Compensation Table” on pages 21 and 22. The Company’s policy is generally to grant equity awards effective on the date the Compensation Committee approves such awards.

- 22 -

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Name	Grant Date	Threshold (\$)	Target (\$)	Maximum (\$)	All Other Stock Awards: Number of Shares or Units (#) (2)	All Other Option Awards: Number of Securities Underlying Options (#) (3)	Base Price of Stock Awards or Exercise Price of Option Awards (\$ Per Share) (4)	Grant Date Fair Value of Stock Awards (\$)(5)
Todd M. Cleveland	3/01/11	125,100	300,000	750,000	75,000	-	2.03	152,250
Andy L. Nemeth	3/01/11	56,300	135,000	337,500	24,000	-	2.03	48,720
Jeffrey M. Rodino	3/01/11	53,170	127,500	318,750	18,000	-	2.03	36,540

(1) The related performance targets and results are described in detail under “Non-Equity Incentive Plan Awards” and “Long-Term Incentive Plan” on pages 16 through 20. For the actual non-equity incentive awards, see the “Summary Compensation Table” on pages 21 and 22.

(2) These shares represent the number of shares of restricted stock granted in fiscal 2011. Twenty percent of the restricted shares vest on the third anniversary of the grant date. The remaining eighty percent of the restricted shares are contingent on performance and are vested at the conclusion of the cumulative three-year performance period.

(3) There were no stock options granted in 2011.

(4) The base price of the stock awards is the closing price of the Company’s stock on the NASDAQ stock market on the grant date.

(5) The grant date fair value of the stock awards equals the number of shares granted in the stock awards multiplied by the grant date price.

Outstanding Equity Awards at December 31, 2011

The following table summarizes the outstanding equity awards held by the NEOs as of December 31, 2011:

Name	Grant Date	Option Awards		Option Exercise Price (\$)	Option Expiration Date	Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Exercisable (1)	Number of Securities Underlying Unexercised Options (#) Unexercisable (1)			Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Unearned Shares or Units of Stock That Have Not

							Vested (\$)(3)
<b>Todd M.</b>							
<b>Cleveland</b>	3/01/11	-	-	-	-	75,000	307,500
	5/20/10	-	-	-	-	32,000	131,200
	5/21/09	-	-	-	-	35,000	143,500
	5/21/09	52,500	22,500	0.75	5/21/19	-	-
	5/21/09	52,500	22,500	1.75	5/21/19	-	-
<b>Andy L.</b>							
<b>Nemeth</b>	3/01/11	-	-	-	-	24,000	98,400
	5/20/10	-	-	-	-	22,000	90,200
	5/21/09	-	-	-	-	25,000	102,500
	5/21/09	30,625	13,125	0.75	5/21/19	-	-
	5/21/09	30,625	13,125	1.75	5/21/19	-	-
<b>Jeffrey M.</b>							
<b>Rodino</b>	3/01/11	-	-	-	-	18,000	73,800
	5/20/10	-	-	-	-	18,000	73,800
	9/21/09	-	-	-	-	10,000	41,000

(1)Of the stock options granted in 2009, 70% were vested as of December 31, 2011. The remaining 30% of the 2009 options will be fully vested upon the third anniversary of the grant date. The 2009 stock options expire ten years after the grant date. Unvested options are subject to forfeiture if the NEO's employment with the Company is terminated before the options vest.

(2)Restricted share grants related to annual share awards, which were approved by the Board on March 1, 2011, May 20, 2010 and May 21, 2009, will fully vest on the third anniversary of the grant date or March 1, 2014, May 20, 2013 and May 21, 2012, respectively. Unvested restricted stock awards are subject to forfeiture if the NEO's employment with the Company is terminated before the shares vest.

(3)Based on a market price of \$4.10 per share which was the NASDAQ Stock Market closing price on December 31, 2011.

#### Option Exercises and Stock Vested in Fiscal 2011

There were no stock options exercised by the NEOs in 2011. There were no stock awards to the NEOs that vested in 2011.

#### Equity Compensation Plan Information

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options and rights	(b) Weighted average exercise price of outstanding options and rights	(c) Number of securities remaining for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	452,500	\$ 1.27	573,877
Equity compensation plans not approved by security holders	-	N/A	-
Total	452,500	\$ 1.27	573,877

#### Non-Qualified Deferred Compensation

The following table sets forth information about the participation of the NEOs in the Executive Retirement Plans and the Non-Qualified Excess Plan, and is set forth in footnote 6 to the Summary Compensation Table under the caption "Change in Pension Value and Non-Qualified Deferred Compensation Earnings":

Name	Executive Contribution in Last FY (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance as of Last FYE (\$)
			(2)		(3)

	Last FY (\$)				
	(1)				
Todd M. Cleveland	-	-	-	-	-
Andy L. Nemeth	-	-	8,917	-	136,307
Jeffrey M. Rodino	-	-	-	-	-

- (1) Represents the charge reflected in operating results for the current fiscal year associated with the compensation cost recognized by the Company pursuant to the terms of the plan.
- (2) Represents the interest cost reflected in operating results for the current fiscal year associated with the annuity.
- (3) Represents the present value of an annuity as of December 31, 2011 to be paid at retirement pursuant to the terms of the Executive Retirement Plan agreement.

See “Executive Retirement Plan and Non-Qualified Excess Plan” summary descriptions on pages 20 and 21 of this proxy statement.

#### Potential Payments Upon Termination and Following a Change in Control for Fiscal Year 2011

We believe that the Company should provide reasonable severance benefits to our NEOs and other general employees that are fair and commensurate with their job duties, functions, and responsibilities. We believe it is important to protect our key employees in the event of a change in control and it is also in the best interest of the Company to obtain a release from employees whose employment is terminated as well as a non-compete agreement from certain employees in the form of a severance agreement. The following table summarizes the severance agreements at December 31, 2011 for our NEOs in the event they are terminated without cause. In addition to reasonable severance benefits, our NEOs, other executives, and general employees who have received long-term incentive awards (in the form of restricted stock grants and stock options, and long-term performance cash awards) are immediately vested in all restricted shares granted and the target long-term cash award as defined in the terms and conditions of the LTI grant.

Name	Severance (1)	Non-Compete	Confidentiality Agreement
Todd M. Cleveland	12 Months Base Salary and Insurance Benefits	2 Years	Indefinite
Andy L. Nemeth	12 Months Base Salary and Insurance Benefits	1 Year	1 Year
Jeffrey M. Rodino	12 Months Base Salary and Insurance Benefits	2 Years	Indefinite

(1)Employee is required to sign a mutual release of claims in a form satisfactory to the Company.

The following table summarizes the total severance payments (including vesting of restricted shares and options) as of December 31, 2011 for our NEOs upon termination without cause or upon a change in control:

Name	Severance Payments upon Termination Without Cause	Market Value of Restricted Shares Vesting upon Termination Without Cause or Change in Control (1)	Market Value of Restricted Stock Options Vesting upon Termination Without Cause or Change in Control (2)	Total Payments upon Termination Without Cause or Change in Control
Todd M. Cleveland	\$ 350,000	\$ 582,200	\$ 128,250	\$ 1,060,450
Andy L. Nemeth	235,000	291,100	74,813	600,913
Jeffrey M. Rodino	200,000	188,600	-	388,600

(1)Represents the market value of unearned shares or units of restricted stock that have not vested based on a market price of \$4.10 per share, which was the NASDAQ Stock Market closing price on December 31, 2011.

(2)Represents the market value of unearned restricted stock options that have not vested based on the difference between the market price of \$4.10 per share on December 31, 2011 and the option exercise price.

Employment Contracts

The Company has entered into Employment Agreements with Messrs. Cleveland, Nemeth and Rodino, pursuant to which they agreed to serve as executive officers of the Company. The Agreements contain a non-compete clause and certain other stipulations and provide for a severance package that includes twelve (12) months base salary. Under the Agreements, voluntary termination with or without cause, death, disability or retirement, shall not result in any obligation of the Company to make payments.

- 25 -

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## 2011 NON-EMPLOYEE DIRECTOR COMPENSATION

The 2011 Non-Employee Director Compensation Plan remained unchanged from the 2010 plan in both the plan structure and compensation composition. The components of the plan are outlined below:

1. Non-employee directors are compensated through a flat annual retainer fee of \$32,000 per year;
2. Committee chairpersons receive an additional \$4,000 annual retainer; and
3. Non-employee directors receive an annual restricted stock grant of 3,500 shares in May of each year, which will vest upon such director's continued service as a member of the Board for one year or earlier upon certain events.

Employee directors receive no compensation as such. In addition to total direct compensation, the Company reimburses the non-employee directors' expenses, including travel, accommodations and meals, for attending Board and Board Committee meetings and our Annual Meeting of Shareholders and any other activities related to our business.

The following table sets forth a summary of the compensation paid to non-employee directors in the year ended December 31, 2011:

Name	Fees Earned or Paid in Cash	Stock Awards (1)	Payments under the Company's Executive Retirement Plan and Deferred Compensation Plan (2)	Total
Terrence D. Brennan	\$ 36,000	\$ 7,875	\$ -	\$ 43,875
Joseph M. Cerulli	32,000	7,875	-	39,875
John A. Forbes (3)	12,000	7,140	-	19,140
Paul E. Hassler	32,000	7,875	125,996	165,871
Keith V. Kankel	36,000	7,875	72,020	115,895
Larry D. Renbarger	32,000	7,875	-	39,875
Walter E. Wells	36,000	7,875	-	43,875

(1) Amounts shown do not represent compensation actually received. Such amounts reflect the aggregate grant date fair value of 3,500 shares of restricted stock granted to each non-employee director, except for Mr. Forbes, at a closing stock price of \$2.25 on May 26, 2011. The aggregate grant date fair value was computed in accordance with ASC 718.

(2) Represents payments under the Company's Executive Retirement Plan and Deferred Compensation Plan based on prior employment with the Company.

(3) Upon his appointment to the Board in August 2011, Mr. Forbes was granted 3,500 shares of restricted stock at a closing price of \$2.04 on August 18, 2011. In addition, Mr. Forbes' annual retainer fee was pro-rated to reflect his length of service on the Board in 2011.





## COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee:

Walter E. Wells (Chairman)

Terrence D. Brennan

Joseph M. Cerulli

John A. Forbes

Keith V. Kankel

## RELATED PARTY TRANSACTIONS

We have entered into a number of transactions with Tontine, which as of April 6, 2012, owned 45.9% of our common stock outstanding and is a related party as such term is defined under Item 404(a) of Regulation S-K.

On April 10, 2007, in connection with the financing of the Adorn acquisition, we entered into the 2007 Securities Purchase Agreement with Tontine that provided, among other things, so long as Tontine (i) holds between 7.5% and 14.9% of the Company's common stock then outstanding, Tontine has the right to appoint one nominee to the Board; or (ii) holds at least 15% of the Company's common stock then outstanding, Tontine has the right to appoint two nominees to the Board. The Company also agreed to limit the number of directors serving on its Board to no more than nine directors for so long as Tontine has the right to appoint a director to the Board. Tontine's right to appoint directors and the Company's obligation to limit the size of its Board were affirmed in the 2008 Securities Purchase Agreement. Mr. Cerulli's appointment to the Board in July 2008 was made pursuant to Tontine's right to appoint directors as described above. As of the date hereof, Tontine has not exercised its right to appoint a second nominee to the Board.

On March 31, 2011, Tontine Capital Overseas Master Fund II, L.P. ("TCP 2") entered into a Secured Senior Subordinated Note and Warrant Purchase Agreement (the "Purchase Agreement") with the Company and Northcreek Mezzanine Fund I, L.P. ("Northcreek"). Pursuant to the Purchase Agreement, on March 31, 2011, TCP 2 purchased in a private placement a Secured Senior Subordinated Note of the Company with a principal amount of \$2,500,000 (the "Tontine Note") and a warrant to purchase 125,000 shares of Common Stock (the "Tontine Warrant"). Northcreek also purchased on March 31, 2011 a Secured Senior Subordinated Note of the Company with a principal amount of \$2,500,000 (the "Northcreek Note") and a warrant to purchase 125,000 shares of Common Stock pursuant to the Purchase Agreement. The Tontine Note has a five-year maturity, with interest-only payments due over the term and the entire principal amount due at maturity. The Tontine Note pays interest quarterly at a rate of (i) 10% per annum for the first two years after issuance and (ii) 13% per annum thereafter. The Tontine Note is secured by a security interest (the "Subordinated Security Interest") in all of the assets of the Company that secure the Company's four-year \$50.0 million revolving secured senior credit facility (the "Senior Credit Facility") that the Company entered into on March 31, 2011 with Wells Fargo Capital Finance, LLC ("Wells") as the lender and agent. Pursuant to a Subordination and Intercreditor Agreement among the Company, Wells, TCP 2 and Northcreek, dated as of March 31, 2011 (the "Subordination Agreement"), the Subordinated Security Interest is junior in priority and subordinated to the security interest securing the Senior Credit Facility. The Tontine Warrant has an exercise price of \$0.01 per share and

may be exercised, in whole or in part, at any time before March 31, 2016. On June 3, 2011, TCP 2 exercised the Tontine Warrant to purchase 125,000 shares of the Company's common stock at an exercise price of \$0.01 per share.

Also on March 31, 2011, the Company, TCP 2, certain other Tontine affiliates and Northcreek entered into an Amendment (the "RRA Amendment") to the Second Amended and Restated Registration Rights Agreement

- 27 -

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dated December 11, 2008 among the Company, Tontine and certain warrant holders (the “December Registration Rights Agreement”), primarily to include TCP 2 and Northcreek as parties to the December 2008 Registration Rights Agreement and to provide registration rights with respect to the shares of Common Stock issuable upon exercise of the Tontine Warrant and the warrant acquired by Northcreek, as well as other warrants that may be acquired by TCP 2 and Northcreek in the future in connection with the Purchase Agreement.

On September 16, 2011, the Company acquired certain assets of A.I.A. Countertops, LLC (“AIA” or the “Seller”). The acquisition was funded through (a) borrowings under the Company’s revolving secured Senior Credit Facility, (b) the issuance of secured senior subordinated notes, and (c) a subordinated secured promissory note to the Seller. In connection with the financing of the acquisition of AIA, a First Amendment, dated September 16, 2011, to the Purchase Agreement, was entered into between the Company, TCP 2, Northcreek, and Stinger Northcreek PATK LLC (“Stinger Northcreek”). In addition, on September 16, 2011, TCP 2 entered into: (i) a Consent, Joinder and First Amendment to the Subordination Agreement with Wells, the Company, Stinger Northcreek, and Northcreek; (ii) a First Amendment to the Warrant Agreement, with the Company, Northcreek, and Stinger Northcreek; and (iii) a second amendment to the December 2008 Registration Rights Agreement, with the Company, Northcreek, and Stinger Northcreek.

On March 30, 2012, the Company entered into a consent and limited waiver with TCP 2 and Northcreek, with respect to the optional prepayment by the Company of 10% of the original principal amount of the Tontine Note and the Northcreek Note. Pursuant to the consent and limited waiver, Tontine and Northcreek (i) agreed to waive their respective rights pursuant to Section 2(g)(i) of the Purchase Agreement to require the Company to make the March 2012 prepayment on a pro rata basis based on the outstanding principal amount of the Tontine Note and the Northcreek Note and (ii) directed the Company to allocate the prepayment with respect to \$250,000 of principal amount that would have otherwise been allocated to the Northcreek Note to prepay an additional \$250,000 of principal amount of the Tontine Note. As a result, the Company prepaid a total principal amount of the Tontine Note of \$500,000 (plus the prepayment premium thereon of \$5,000 and accrued interest).

We have no formal policy related to the approval of related party transactions. However, the Company undergoes specific procedures when evaluating related party transactions. All related party transactions must be approved by a majority of the members of our Board and by a majority of independent and disinterested directors. A proposed related person transaction is generally reported to the Chief Executive Officer or Chief Financial Officer, who assists in gathering the relevant information about the transaction and presents the information to the Board or one of its Committees. The Board then approves, ratifies, or rejects the transaction. The transactions with Tontine, as described above, were approved by the Board consistent with these procedures.

#### HOUSEHOLDING OF ANNUAL MEETING MATERIALS

Some banks, brokers, and other nominee record holders may be participating in the practice of “householding” proxy statements and annual reports. This means that only one copy of this Notice of Annual Meeting and Proxy Statement and the Annual Report for the year ended December 31, 2011 may have been sent to multiple shareholders in your household. If you would prefer to receive separate copies of a proxy statement or annual report either now or in the future, please contact your bank, broker, or other nominee. Upon written or oral request to Andy L. Nemeth-Secretary, we will provide a separate copy of the Annual Report for the year ended December 31, 2011 or Notice of Annual Meeting and Proxy Statement.

#### OTHER MATTERS

A copy of our Annual Report on Form 10-K for the year ended December 31, 2011, excluding certain of the exhibits thereto, may be obtained without charge by writing to Andy L. Nemeth-Secretary, Patrick Industries, Inc., 107 West Franklin Street, P.O. Box 638, Elkhart, Indiana 46515-0638.

The Board knows of no other proposals which may be presented for action at the meeting. However, if any other proposal properly comes before the meeting, the persons named in the proxy form enclosed will vote in accordance with their judgment upon such matter.

Shareholders are urged to execute and return promptly the enclosed form of proxy in the envelope provided.

By Order of the Board of Directors,

/s/ Andy L. Nemeth  
Andy L. Nemeth  
Secretary

April 27, 2012

Appendix A

Approved 02/15/2012

AUDIT COMMITTEE CHARTER

SECURITIES AND EXCHANGE COMMISSION FINAL RULES:

Ø Impose audit committee responsibilities and powers that should be reflected in charter, including:

- Committee's purpose of overseeing the accounting and financial reporting processes of the Company and the audits of the Company's financial statements;
- The direct responsibility for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such registered public accounting firm must report directly to the audit committee;
  - "Independence" of audit committee members;
  - Pre-approval of all audit and permitted non-audit services;
  - Ensuring audit partner rotation;
  - Ensuring auditor independence and absence of conflicts of interest;
- Establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the listed issuer of concerns regarding questionable accounting or auditing matters;
- The authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties; and
  - Ensuring receipt of certain information from outside auditors and CEO/CFO.
- The appropriate funding by the Company, as determined by the audit committee, in its capacity as a committee of the board of directors, for payment of:

§ Compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;

§ Compensation to any advisers employed by the audit committee; and

§ Ordinary administrative expenses of the audit committee that are necessary or appropriate in carrying out its duties.

Ø Require copy of Audit Committee Charter to be included as an appendix to the Proxy Statement at least once every three (3) years (only if materially changed in last fiscal year or not disclosed as available on website).

NASDAQ FINAL RULES:

In addition to the SEC rules noted above:

Ø The audit committee's responsibility is to ensure the independence of the outside auditors, and the outside auditors are accountable to the audit committee;

Ø The audit committee must have at least three members, each of whom must: (i) be independent as under Nasdaq rules; (ii) meet the criteria for independence set forth in the Securities and Exchange Commission ("SEC") rules; (iii) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and (iv) be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement.

Ø Company must certify that it has, and will continue to have, at least one member of the audit committee who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

Ø The review (for potential conflict of interest situations) and approval of all related party transactions. For purposes of this rule, the term "related party transaction" refers to those required to be disclosed pursuant to SEC Regulation S-K, Item 404 summarized as follows:

o Transactions with management to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeds \$120,000 and in which any of the following persons had, or will have, a direct or indirect material interest:

§ Any director or executive officer  
 § Any nominee for election as a director

§ Any security holder who is known to the Company to own of record or beneficially more than five (5) percent of any class of the Company's voting securities

§ Any member of the immediate family of the foregoing persons which include such person's spouse, parents, children, siblings, mothers and fathers in-law, sons and daughters in-law, and brothers and sisters in-law.

o Certain business relationships regarding directors or nominees for director that exist, or have existed including:

§ If the nominee or director has been an executive officer, or owns or has owned in excess of 10% equity interest in any business or entity that has made payments for property or services in excess of 5% of the Company's consolidated gross revenues or the entity's consolidated gross revenues.

§ If the director has been an executive officer of an entity to which the Company has been indebted in excess of 5% of the Company's consolidated assets.

§ If the director is or during the last year has been a member of or of counsel to a law firm that the Company has retained. The dollar amount of fees need not be disclosed if the amount does not exceed 5% of the law firm's gross revenues.

§ If the director is or during the last year has been a partner or executive officer of an investment banking firm that the Company has retained. The dollar amount of fees need not be disclosed if the amount does not exceed 5% of the investment banking firm's gross revenues.

o If any of the following persons have been indebted to the Company in an amount in excess of \$120,000:

§ Any director or executive officer  
 § Any nominee for election as a director  
 § Any member of the immediate family of any of the above

§ Any corporation or organization of which the director or executive officer or nominee is an executive officer or partner, or is the owner of 10% or more of any class of equity securities and

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Any trust or estate in which the persons identified above has a substantial interest or has served as a trustee or similar capacity.

- 2 -

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Transactions with promoters.

## PATRICK INDUSTRIES, INC. COMPLIANCE

A. The following Audit Committee Charter has been reviewed by the Audit Committee and approved by the full Board of Directors (the “Board”). In accordance with best practices, this charter is posted on the Company’s website, [www.patrickind.com](http://www.patrickind.com), under “Corporate Governance”.

### PATRICK INDUSTRIES, INC. AUDIT COMMITTEE CHARTER

#### PURPOSE

The Audit Committee is appointed by the Board for the primary purposes of:

- Assisting the Board in fulfilling its oversight responsibilities as they relate to the Company’s accounting policies and internal controls, financial reporting practices, audits of the Company’s financial statements, and legal and regulatory compliance, and
- Maintaining, through regularly scheduled meetings, a line of communication between the Board and the Company’s financial management, internal auditors, and independent accountants.

#### COMPOSITION AND QUALIFICATIONS

The Audit Committee shall be appointed by the Board and shall be comprised of three or more Directors (as determined from time to time by the Board), each of whom shall meet the independence requirements of the NASDAQ Stock Market, Inc. Each member of the Audit Committee shall have the ability to understand fundamental financial statements. In addition, at least one member of the Audit Committee shall have past employment experience in finance or accounting, professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities.

#### RESPONSIBILITIES

The Audit Committee will:

(1) Review the annual audited financial statements with management and the independent accountants. In connection with such review, the Audit Committee will:

- Discuss with the independent accountants the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit.
- Review changes in accounting or auditing policies, including resolution of any significant reporting or operational issues affecting the financial statements.
- Inquire as to the existence and substance of any significant accounting accruals, reserves or estimates made by management that had or may have a material impact on the financial statements.
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Review with the independent accountants any problems encountered in the course of their audit, including any change in the scope of the planned audit work and any restrictions placed on the scope of such work, any management letter provided by the independent accountants, and management's response to such letter.

- Review with the independent accountants and the senior internal auditing executive the adequacy of the Company's internal controls, and any significant findings and recommendations.
- (2) Review with management and the independent accountants the Company's quarterly financial statements in advance of quarterly earnings releases. This Committee may delegate this function to any one of the Audit Committee financial experts.
- (3) Oversee the external audit coverage. The Company's independent accountants are ultimately accountable to the Board and the Audit Committee, which have the ultimate authority and responsibility to select, evaluate, and, where appropriate, replace the independent accountants. In connection with its oversight of the external audit coverage, the Audit Committee will:
- Have the sole authority for the appointment of the independent accountants.
  - Approve the engagement letter and the fees to be paid to the independent accountants.
  - Obtain confirmation and assurance as to the independent accountants' independence and absence of conflicts of interests, including ensuring that they submit on a periodic basis (not less than annually) to the Audit Committee a formal written statement delineating all relationships between the independent accountants and the Company. The Audit Committee is responsible for actively engaging in a dialogue with the independent accountants with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent accountants and for recommending that the Board take appropriate action in response to the independent accountants' report to satisfy itself of their independence.
  - Meet with the independent accountants prior to the annual audit to discuss planning and staffing of the audit.
  - Review and evaluate the performance of the independent accountants, as the basis for a recommendation to the Board with respect to reappointment or replacement.
  - Ensure audit partner rotation
- (4) Oversee internal audit coverage. In connection with its oversight responsibilities, the Audit Committee will:
- Review the appointment or replacement of the senior internal auditing executive.
  - Review, in consultation with management, the independent accountants and the senior internal auditing executive, the plan and scope of internal audit activities.
    - Review internal audit activities, budget, and staffing.
  - Review significant reports to management prepared by the internal auditing department or the Company's independent accountants and management's responses to such reports.
    - Pre-approve all audit and permitted non-audit services
- (5) Perform risk oversight responsibilities, as delegated by the Board, related to potential material risks to the Company's business, including but not limited to, credit, liquidity, financial, operational and reputational risks.
- (6)

Meet periodically with management to review and assess the Company's major financial risk exposures and the manner in which such risks are being monitored and controlled.

- (7) Meet at least annually in separate executive session with each of the chief financial officer, the senior internal auditing executive, and the independent accountants.
- (8) Review periodically with the Company's General Counsel (i) legal and regulatory matters which may have a material effect on the financial statements, and (ii) corporate compliance policies or codes of conduct.
- (9) Prepare the report of the Audit Committee required by the rules of the Securities and Exchange Commission to be included in the proxy statement for each annual meeting.
- (10) Review and reassess the adequacy of this Audit Committee Charter and recommend any proposed changes to the Board as it deems necessary.
- (11) The Audit Committee has the authority to engage independent counsel and other advisers as it deems necessary to carry out its duties.
- (12) The Audit Committee will review and approve all related party transactions. Related party transactions are summarized by the independent accountants and presented in the financial statements and the Company's Annual Report on Form 10-K (or incorporated therein by reference to the proxy statement). Further, management is responsible for notifying the Audit Committee of any new potential related party transactions for review and approval by the Audit Committee.
- (13) The Audit Committee will be responsible for establishing procedures related to (i) the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- (14) The Company will provide for appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board, for payment of:
  - a) Compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company;
  - b) Compensation to any advisers employed by the Audit Committee under paragraph (15) of this section; and
  - c) Ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
- (15) To assist it in the conduct of its responsibilities, the Audit Committee, to the extent it deems necessary or appropriate, may consult with management, may seek advice and assistance from Patrick employees or others, and has the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties.
  - (16) The Committee shall annually evaluate its own performance.

This Committee shall report regularly its findings and recommendations to the Board. The Committee may delegate any of its responsibilities and duties to one or more members of the Committee, except to the extent that such delegation would be inconsistent with the requirements of the Securities Exchange Act of 1934, as amended, or the listing rules of the NASDAQ national market.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and

accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent accountants. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent accountants or to assure compliance with laws and regulations and the Company's corporate policies.

- 5 -

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YOUR VOTE IS IMPORTANT

Regardless of whether you plan to attend the Annual Meeting of Shareholders, you can be sure your shares are represented at the meeting by promptly returning your proxy in the enclosed envelope.

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

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Proxy — PATRICK INDUSTRIES, INC.

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107 West Franklin Street, P.O. Box 638  
Elkhart, Indiana 46515

This Proxy is Being Solicited on Behalf of the Board of Directors

The undersigned hereby appoints Todd M. Cleveland and Andy L. Nemeth, and each of them, as the undersigned's proxies, each with full power of substitution, to represent and to vote, as designated on the reverse, all of the undersigned's Common Stock in Patrick Industries, Inc. at the Annual Meeting of Shareholders of Patrick Industries, Inc. to be held at 10:00 AM (EDT) on Thursday, May 24, 2012, and at any adjournment or postponement thereof, with the same authority as if the undersigned were personally present.

This Proxy when properly executed will be voted in the manner directed herein by the undersigned shareholders. If no specific direction is made, this Proxy will be voted in accordance with the recommendations of the Board of Directors.

Your signature on this Proxy is your acknowledgment of receipt of the Notice of Meeting and Proxy Statement.

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

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