

NOBLE INTERNATIONAL, LTD.

Form PRER14A

May 23, 2007

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934**

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 Under Rule 14a-12

NOBLE INTERNATIONAL, LTD.

(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)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common stock of Noble International, Ltd.

(2) Aggregate number of securities to which transaction applies:

9,375,000 common shares of Noble International, Ltd. will be issued to Arcelor S.A.

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

\$300,000,000 aggregate consideration is being paid for TBA

(4) Proposed maximum aggregate value of transaction:

\$300,000,000

(5) Total fee paid:

\$9,210

- Fee paid previously with preliminary materials.

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

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NOBLE INTERNATIONAL, LTD.

28213 VAN DYKE AVENUE

WARREN, MICHIGAN 48093 USA

May 30, 2007

Dear Stockholder:

I am pleased to enclose the proxy statement for our 2007 annual meeting of stockholders to be held on Wednesday, June 27, 2007. This year, in addition to the usual annual meeting agenda, we are asking stockholders to approve our strategic business combination with the laser-welded blank business of Arcelor S.A., which had revenue of 278.9 million in 2006 primarily from operations in Europe. We will acquire the business in exchange for a combination of Noble common stock, cash and a subordinated note with an aggregate value of approximately \$300.0 million subject to certain purchase price adjustments.

Arcelor is a member of the Arcelor Mittal group, the world's largest steel company. As a result of the transaction, Arcelor will own approximately 40% of our outstanding common stock and will partner with us under separate agreements to provide transitional services, steel supply, contract manufacturing, and joint research and development initiatives, among other things.

We are very excited about this transaction, which will enable us to:

expand the global reach of our business much faster and at lower cost than through internal growth;

add a seasoned international management team to help us manage and promote our global growth;

diversify our customer base;

partner with Arcelor on research and product development; and

become the world's largest provider of laser-welded blanks.

Our current board will stand for re-election at the annual meeting. If stockholders approve the transaction with Arcelor, our board will be restructured by expanding it to nine members and replacing existing directors besides myself, our chief executive officer Thomas L. Saeli, and two other current directors, with four nominees selected by Arcelor and one nominee selected by me. We have not yet determined who these nominees will be.

The date, time, place and agenda for the annual meeting are set forth in the accompanying notice of annual meeting. The accompanying proxy statement contains important information about the proposals to be submitted for a vote at the meeting, including approval of the share purchase agreement with Arcelor. Please review this information carefully in deciding how to vote. **Our board of directors unanimously recommends that you vote FOR each proposal.**

YOUR VOTE ON THESE MATTERS IS IMPORTANT. Please see the accompanying notice of meeting for instructions on how to vote.

I look forward to seeing you at the meeting.

Sincerely,

Robert J. Skandalaris
Chairman

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PRELIMINARY COPY

NOBLE INTERNATIONAL, LTD.

28213 VAN DYKE AVENUE

WARREN, MICHIGAN 48093 USA

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON

JUNE 27, 2007 AND PROXY STATEMENT

NOTICE IS HEREBY GIVEN that an annual meeting of stockholders of Noble International, Ltd., a Delaware corporation, will be held on Wednesday, June 27, 2007 at 10:00 a.m., eastern time at the Birmingham Country Club, 1750 Saxon Drive, Birmingham, Michigan 48009, for the following purposes:

1. to approve a share purchase agreement pursuant to which we will:

acquire the laser-welded blank business of Arcelor S.A. in exchange for (a) 9,375,000 shares of Noble common stock, representing approximately 40% of our common stock outstanding immediately after closing, (b) \$116.3 million cash, less capitalized lease obligations and accrued taxes and subject to increase or decrease based on an adjustment for working capital at closing, and (c) a \$15.0 million 6% subordinated note maturing in 2012; and

enter into various agreements with Arcelor covering governance, post-closing transition matters, and joint business undertakings;

2. to elect seven directors to serve for a one-year term expiring at our annual meeting of stockholders to be held in 2008 or until their successors have been duly elected and qualified (subject to reconstituting the board at closing if the stockholders approve the transaction with Arcelor);

3. to approve the Noble International, Ltd. 2007 Stock Option Plan;

4. to ratify the appointment of Deloitte & Touche, LLP, as our independent registered public accounting firm;

5. to approve the adjournment of the annual meeting to a later date or dates, if necessary, to permit further solicitation of proxies in the event that there are not sufficient votes at the time of the annual meeting to approve the other proposals; and

6. to transact any other business that may properly come before the annual meeting or any adjournment or postponement.

The foregoing items of business are more fully described in the accompanying proxy statement, which is first being sent to Noble stockholders on or about May 30, 2007.

Our board of directors has fixed the close of business on May 7, 2007, as the record date for the determination of stockholders entitled to notice of and to vote at the annual meeting and any adjournment or postponement

It is very important that your shares be represented at the annual meeting whether or not you plan to attend. Accordingly:

Please complete, date and sign the enclosed proxy card and mail it promptly in the enclosed pre-addressed, postage-paid envelope.

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Alternatively, you may vote through the Internet at www.voteproxy.com or by telephone at 1-800-PROXIES.

If you hold your shares in street name through a bank, broker or other nominee, please follow their instructions in order to assure that your shares are voted at the meeting.

Our board of directors unanimously recommends that you vote **FOR** each Proposal.

By Order of the Board of Directors,

Michael C. Azar
Secretary

May 30, 2007

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- C. Voting and Support Agreement
- D. Standstill and Stockholder Agreement
- E. Noble International, Ltd. 2007 Stock Option Plan

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SUMMARY

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this proxy statement. This summary may not contain all of the information that is important to you as a stockholder. Accordingly, we encourage you to carefully read this entire proxy statement, including its Appendices.

References in this proxy statement to Noble, we, our, us and company, unless otherwise indicated, refer to Noble International, Ltd., a Delaware corporation, and our subsidiaries. We refer to Arcelor S.A., a Luxembourg corporation, as Arcelor. We use the term Holding to describe the subsidiary that Arcelor will create for the purpose of transferring to us substantially all its tailored laser-welded blank business in Europe, as well as its joint venture interests in India and China. We use the term Business to refer to the tailored laser-welded blank business that Arcelor will transfer to us by transferring all the equity interests in (1) Holding and (2) the U.S. subsidiary through which Arcelor conducts its tailored laser-welded blank business in the United States, as well as other business that the transferred entities conduct such as unwelded blank and patch-welded blank business. We sometimes refer to the Business as Tailored Blank Arcelor or TBA.

We use the term EBITDA to refer to earnings before interest, taxes, depreciation and amortization.

Unless otherwise specified or the context otherwise requires:

\$ and U.S. dollar each refer to the United States dollar;

, EUR and euro each refer to the euro, the single currency established for members of the European Economic and Monetary Union since January 1, 1999; and

Cdn \$ refers to the Canadian dollar.

Page numbers shown in the subheadings below refer to pages in this proxy statement where more complete information about the subject may be found.

The Annual Meeting of Stockholders of Noble

The annual meeting of stockholders will be held at 10:00 a.m., eastern time, on Wednesday, June 27, 2007 at the Birmingham Country Club, 1750 Saxon Drive, Birmingham, Michigan 48009.

Our board of directors has fixed the close of business on May 7, 2007 as the record date for the determination of our stockholders entitled to notice of and to vote at the annual meeting.

Matters to be Voted on at the Annual Meeting

Our board of directors has approved the following proposals to be considered and voted on at the annual meeting of our stockholders:

Proposal 1: to approve a share purchase agreement with Arcelor pursuant to which we will:

acquire the Business in exchange for (a) 9,375,000 shares of Noble common stock, valued at \$18.00 per share and representing approximately 40% of our common stock outstanding immediately after closing, (b) \$116.3 million in cash, less capitalized lease obligations and accrued taxes and subject to increase or decrease based on an adjustment for working capital at closing, and (c) a \$15.0 million 6% subordinated note maturing in 2012; and

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enter into various agreements with Arcelor covering registration rights, governance, post-closing transition matters and joint business undertakings;

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Proposal 2: to elect seven directors to serve for a one-year term expiring at the annual meeting of stockholders in 2008 or until their successors have been duly elected and qualified (subject to reconstituting the board at closing if the stockholders approve the transaction with Arcelor);

Proposal 3: to approve the Noble International, Ltd. 2007 Stock Option Plan;

Proposal 4: to ratify the appointment of our independent registered public accounting firm; and

Proposal 5: to approve the adjournment of the annual meeting to a later date, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the annual meeting to approve the other proposals.

Proposal 1: Approval of the Share Purchase Agreement (page 23)

Parties to the Share Purchase Agreement (page 23)

Noble International, Ltd.

Through our subsidiaries, we are a full-service provider of Noble International, Ltd. 21st Century Auto Body Solutions® primarily to the automotive industry. We utilize laser-welding, roll-forming, and other technologies to produce flat, tubular, shaped and enclosed formed structures used by original equipment manufacturers (OEMs) or their suppliers in automobile body applications including doors, fenders, body side panels, pillars, bumpers, door beams, load floors, windshield headers, door tracks, door frames and glass channels. We operate twelve production facilities in Michigan, Kentucky, Ohio, Indiana, Canada, Australia and Mexico.

Arcelor

Arcelor S.A. is a member of the Arcelor Mittal group. The Arcelor Mittal group is the world's largest steel company, with 330,000 employees in more than 60 countries. The Arcelor Mittal group is a leader in all major global markets, including automotive, construction, household appliances and packaging.

The Business; Excluded Assets (page 40)

The Business we will acquire pursuant to the share purchase agreement includes eight facilities that are located in Belgium, Germany, France, Spain, the United Kingdom, Slovakia and the United States, in addition to joint ventures in China and India. Approximately 38.7%, 28.8%, 12.4% and 11.8% of 2006 revenues of the Business were derived from facilities located in Belgium, Germany, France and Spain, respectively. Chinese operations of the Business are conducted through a 25% interest in a joint venture with one of China's largest steel companies, Shanghai Baosteel. Indian operations of the Business are conducted through a 50% interest in a joint venture with Neel Metal Products Limited. In 2006, the Business produced 278.9 million of revenues outside of joint ventures. Approximately 35.1%, 33.2% and 9.7% of the 2006 revenue of the Business were derived from customers located in Germany, France and Spain, respectively.

We will not acquire two laser-welded blanks production plants owned by Arcelor subsidiaries in Belgium and Germany, but we will have an option to take ownership of the plants' laser-welding machines in the future. In addition, we will have the right to buy all of the laser-welded blanks, unwelded blanks and patch-welded blanks produced at these plants. See Ancillary Agreements Commercial Matters Contract Manufacturing. In addition, we will not acquire the business of Powerlasers Limited, a subsidiary of Dofasco, Inc., a Canadian steel producer that Arcelor acquired in February 2006. Dofasco's stock is held in trust by a Dutch trust for the benefit of Arcelor, and any sale of Dofasco or any of its assets, including Powerlasers, must be approved by the directors of the trust. Subject to certain conditions, we have agreed to buy Powerlasers for \$50.0 million if the directors of the trust permit the transfer of Powerlasers to us. See The Share Purchase Agreement Tailored Blank Business of Powerlasers.

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At closing we anticipate hiring approximately 630 employees who currently work in the Business, including 34 members of senior management.

Reasons for Transaction (page 26)

Our board of directors voted unanimously in favor of the share purchase agreement and ancillary agreements that we will enter into with Arcelor at closing. The board has determined that the transaction is in the best interests of our stockholders primarily because it will enable us to expand our global operations and diversify our customer base at a faster rate and at lower cost than through internal growth alone. Had the transaction closed on January 1, 2006 and had Noble's acquisition of Pullman Industries, Inc. also closed on that date, Noble would have had total revenues of \$950.0 million in 2006. Of those revenues, \$496.2 million or 52.2% would have been derived from sales outside the U.S. market. These figures do not include an additional 130.0 million of revenues in 2006 from the sale of laser-welded blanks produced at the Belgium and German plants that will engage in contract manufacturing for us after closing.

Structure and Purchase Price (page 36)

The assets and employees of the Business have historically been operated by a number of Arcelor's indirect subsidiaries or divisions of subsidiaries. Prior to closing, Arcelor will complete a reorganization that will result in the Business in Europe, China and India being transferred to Holdings, which will be formed for purposes of this transaction. As part of the reorganization, Arcelor will assume responsibility for liabilities of the Business other than trade payables and employment liabilities related to employees of the Business. Arcelor's indemnification obligations in the share purchase agreement will include indemnifying us for liabilities associated with the operation of the Business before closing that do not fall into either of these two categories, subject to a \$33.0 million cap for all indemnification obligations.

At closing, Arcelor:

will transfer to a Noble subsidiary in Europe all the outstanding equity interests in Holdings (which will own, directly or through subsidiaries, the European operations of the Business and Arcelor's interests in the Chinese and Indian joint ventures), and

will transfer to a Noble subsidiary in the U.S. all the outstanding equity interests in the U.S. subsidiary that operates the U.S. portion of the Business.

In exchange, at closing, Arcelor will receive:

9,375,000 newly-issued shares of Noble common stock, which will represent approximately 40% of Noble's common stock outstanding immediately after the closing;

\$116.3 million in cash, less capitalized lease obligations and accrued taxes and subject to adjustment based upon actual working capital at closing; and

a \$15.0 million 6% subordinated note maturing in 2012.

Opinion of Financial Advisor (page 27)

The recommendation of the board of directors of Noble is based in part on the oral opinion, which was subsequently confirmed in writing, delivered by Morgan Joseph & Co. Inc., which we refer to as Morgan Joseph, to the board of directors of Noble on March 15, 2007, to the effect that, as of such date, and based upon and subject to the assumptions and qualifications stated in its written opinion, the consideration to be paid by Noble was fair, from a financial point of view, to Noble. The full text of the written opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken by

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Morgan Joseph in rendering its opinion, is attached as Annex B to this proxy statement. **The opinion does not address the relative merits of the transaction compared to other business strategies or transactions that might be available with respect to Noble or Noble's underlying business decision to effect the transaction and does not constitute a recommendation to any holder of securities as to how such holder should vote with respect to the transaction. We urge you to read the opinion carefully and in its entirety.**

Conditions to Closing (page 39)

The conditions to the parties' obligations to close the transaction include, among others:

completion of the reorganization of the Business;

Noble's receipt of not less than \$125.0 million (or the euro equivalent) in debt financing;

no material adverse change between December 31, 2006 and closing;

receipt of all necessary governmental, regulatory and other third-party approvals, including approvals required under all applicable competition laws;

approval of the share purchase agreement by Noble's stockholders; and

election of Arcelor's and Mr. Skandalaris' nominees to Noble's board of directors.

Governmental and Regulatory Requirements (page 33)

United States Competition Filings

Noble and Arcelor have filed premerger notifications with the U.S. Department of Justice (Antitrust Division) and Federal Trade Commission pursuant to the Hart-Scott-Rodino Act. The applicable waiting period expired on March 14, 2006.

Foreign Approvals and Filings

The parties have also made competition filings in Canada and will make competition filings either with the European Union or with Germany and Austria.

Termination of the Share Purchase Agreement (page 39)

In the case of the termination or the failure of the share purchase agreement to close before October 1, 2007 because of a material breach by either Arcelor or Noble or in the case where Noble has accepted an alternative transaction proposal from a third party, the breaching party (or Noble in the latter case) must pay to the other party the amount of the other party's reasonable out-of-pocket expenses in connection with the proposed business combination, not to exceed \$5.0 million in the aggregate.

Effective Time (page 36)

We anticipate that the closing of the transaction will occur on or about July 2, 2007.

Interest of Certain Persons in the Transaction (page 32)

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In considering the recommendation of our board of directors with respect to the share purchase agreement, you should be aware that Robert J. Skandalaris, the chairman of our board of directors, has an interest in the transaction contemplated by the share purchase agreement that may be different than, or in addition to, the interests of Noble shareholders generally.

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Pursuant to certain ancillary agreements, Mr. Skandalaris will be entitled:

to nominate one independent director to our board so long as he and his affiliates retain at least 50% of the shares of our common stock owned by them immediately after the closing;

to have the independent director nominated by him serve on the audit, compensation and governance committees of our board of directors;

to be chairman of the executive committee of our board of directors and to nominate a director to serve on the executive committee;

to approve major corporate actions, including amendments to our charter or bylaws and significant acquisitions or dispositions;

to require Arcelor to purchase all our common stock owned by him and his affiliates if he ceases to serve as our chairman for any reason other than his resignation or refusal to serve;

to require Arcelor to purchase all our common stock owned by him or his affiliates in the event of his death or disability;

to require Arcelor to purchase all our common stock owned by him, subject to certain additional terms, if he and Arcelor disagree on certain strategic matters;

to require us to register the resale of our common stock owned by him up to four times under the Securities Act of 1933, at our expense; and

to sell the same percentage of his holdings and on the same terms as Arcelor if Arcelor should decide to sell 1.0 million or more shares of our common stock.

Board of Directors and Management after the Closing (page 33)

Our board of directors has voted to increase the size of the board from seven to nine members effective upon the closing and to restructure its membership. As a condition to closing, our board of directors will be restructured. Our board of directors will elect five new directors, with four nominees selected by Arcelor and one nominee selected by Robert J. Skandalaris, the chairman of our board of directors subject to three of our then-current directors (other than our chairman and our chief executive officer) then resigning from our board. One of Arcelor's nominees will be elected as vice chairman. Arcelor and Mr. Skandalaris will enter into a standstill and stockholder agreement with us at closing that will:

entitle Arcelor to name four nominees, two of whom will be independent and two of whom will not be independent, and entitle Mr. Skandalaris to name one nominee, who must be independent, with these nomination rights to be scaled back as shares of our common stock owned by Arcelor or Mr. Skandalaris and their respective affiliates are sold or otherwise transferred below specified thresholds;

provide that our bylaws be amended at closing to require that our chief executive officer be nominated as a director;

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provide that the remaining three directors will be independent directors nominated by unanimous vote of the governance committee of our board of directors (or, in the absence of a unanimous vote, by majority vote of all the independent directors);

require Arcelor and Mr. Skandalaris to vote for each other's nominees, so long as such stockholder retains nomination rights; and

give Mr. Skandalaris and his affiliates put rights, and Arcelor call rights, with respect to our common stock owned by Mr. Skandalaris and his affiliates in the event that Mr. Skandalaris ceases to be our chairman for any reason other than his resignation or refusal to serve. See Ancillary Agreements Corporate Governance Matters for additional information.

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Our management team will remain in place after the transaction. Current management of the Business will be responsible for Noble's new European operations and will report to Mr. Saeli, our chief executive officer.

Ancillary Agreements (page 42)

At closing, Arcelor, Noble and, in one instance, Mr. Skandalaris, will enter into a number of additional agreements that will address corporate governance matters, rights of Arcelor and Mr. Skandalaris as stockholders, the transition of support services for the Business and commercial matters between Arcelor and Noble, including contract manufacturing and steel supply.

Risk Factors (page 16)

You should consider the various risk factors involved with the proposed transaction with Arcelor. In addition to matters discussed above, these risk factors include, among others:

difficulties in integrating the Business with our business;

heightened risks associated with foreign operations, including fluctuations in currency rates, compliance with local laws and other regulatory requirements, including labor laws, and restrictions on the repatriation of funds;

the possibility of losing senior management of the Business, who will have the opportunity to become Arcelor employees again, for up to two years after closing;

the near-majority control over our common stock that Arcelor and Mr. Skandalaris will have on a combined basis and the fact that Arcelor and Mr. Skandalaris have agreed that Arcelor will have the right to nominate four of nine directors after closing and Mr. Skandalaris will have the right to nominate one director, thereby virtually assuring that our board will be controlled by Arcelor and Mr. Skandalaris after closing;

the fact that Arcelor may acquire all of Mr. Skandalaris' shares through the exercise of put or call options if Mr. Skandalaris dies, becomes disabled or ceases to be our chairman for any reason other than his resignation or refusal to serve or through the exercise of a right of first refusal, if Mr. Skandalaris and his affiliates choose to sell shares after two years or after his resignation or refusal to serve; and

the approval rights with respect to major corporate actions that we will grant to Arcelor and Mr. Skandalaris in the standstill and stockholder agreement, including with respect to major acquisitions and dispositions and other strategic matters.

Arcelor, together with Mr. Skandalaris, will beneficially own more than 49% of our outstanding common stock immediately after closing, and therefore will have working control over the voting of our common stock. Through the standstill and stockholder agreement, they will have the right to nominate a majority of our directors and the right to approve major corporate actions. It will be virtually impossible for our other stockholders to successfully outvote Arcelor and Mr. Skandalaris on any matter requiring a stockholder vote, including the election of directors. Moreover, under the standstill and stockholder agreement, Arcelor could acquire almost a majority of our outstanding common stock through the exercise of its right of first refusal, or the put and call provisions, with respect to the Noble common stock owned by Mr. Skandalaris and his affiliates.

Voting and Support Agreement (page 34)

Under a voting and support agreement, Mr. Skandalaris, our chairman of the board, has agreed to vote all of the Noble stock beneficially owned by him in favor of the share purchase agreement and against any action that would breach the share purchase agreement or otherwise adversely affect it. Mr. Skandalaris has granted to

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Arcelor a proxy to vote his shares consistent with these conditions. As of the record date for the annual meeting, Mr. Skandalaris beneficially owned 2,175,623 shares of our common stock (excluding shares subject to presently exercisable stock options), representing approximately 15.5% of the shares outstanding on that date. Furthermore, while the voting and support agreement is in effect, Mr. Skandalaris has agreed not to sell or otherwise dispose of his shares of Noble stock.

Dissenters Rights (page 34)

Noble stockholders will not have any appraisal rights under the Delaware General Corporation Law or under Noble's certificate of incorporation in connection with the share purchase agreement, and Noble will not independently provide Noble stockholders with any such rights.

Required Stockholder Vote to Approve the Share Purchase Agreement (page 34)

Approval of the share purchase agreement will require the affirmative vote of the holders of at least a majority of the outstanding shares of our common stock present, in person or by proxy, at the stockholder meeting.

Proposal 2: Election of Directors (page 56)

Each of our seven directors is standing for re-election at the annual meeting and if re-elected each will serve for a one-year term and until his successor is elected if for some reason the closing with Arcelor does not occur. If the closing with Arcelor does occur, our board of directors will be reconstituted in accordance with the share purchase agreement and the standstill and stockholder agreement.

You may vote in one of the following ways:

vote in favor of all nominees;