

FMC TECHNOLOGIES INC
Form DEF 14A
March 17, 2003

NOTICE & PROXY STATEMENT

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY
RULE 14A-6(E)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

FMC TECHNOLOGIES, 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:

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

(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):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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 of Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Joseph H. Netherland

Chairman, President and

Chief Executive Officer

March 17, 2003

Dear Stockholder:

It is my pleasure to invite you to attend FMC Technologies' 2003 Annual Meeting of Stockholders. The meeting will be held on Friday, April 25, 2003 at 2:00 p.m. local time in the Mid-America Club, 80th Floor, Aon Center, 200 E. Randolph Drive, Chicago, Illinois. The Notice of Annual Meeting and Proxy Statement accompanying this letter describe the business to be conducted at the meeting.

During the meeting, I will report to you on the Company's financial results and other achievements during 2002 and on our goals for 2003. We welcome this opportunity to have a dialogue with our stockholders and look forward to your comments and questions.

If you are a stockholder of record who plans to attend the meeting, please mark the appropriate box on your proxy card. If your shares are held by a bank, broker or other intermediary and you plan to attend, please send written notification to the Company's Investor Relations Department, 200 E. Randolph Drive, 66th Floor, Chicago, Illinois 60601, and enclose evidence of your ownership (such as a letter from the bank, broker or intermediary confirming your ownership or a bank or brokerage firm account statement). The names of all those indicating they plan to attend will be placed on an admission list held at the registration desk at the entrance to the meeting.

It is important that your shares be represented at the meeting, regardless of the number you may hold. Whether or not you plan to attend, please sign, date and return your proxy card as soon as possible. This will not prevent you from voting your shares in person if you are present.

I look forward to seeing you on April 25th.

Sincerely,

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Friday, April 25, 2003

2:00 p.m.

Mid-America Club

80th Floor Aon Center

200 E. Randolph Drive

Chicago, Illinois 60601

March 17, 2003

Dear Stockholder:

You are invited to the 2003 Annual Meeting of Stockholders of FMC Technologies, Inc. We will hold the meeting at the time and place noted above. At the meeting, we will ask you to:

- Re-elect three directors, Mike R. Bowlin, Edward J. Mooney and James M. Ringler, each for a term of three years;
- Ratify the appointment of KPMG LLP as our independent public accountants for 2003; and
- Vote on any other business properly brought before the meeting.

MANAGEMENT RECOMMENDS A VOTE FOR EACH OF THE PROPOSALS.

Your vote is important. To be sure your vote counts and assure a quorum, please vote, sign, date and return the enclosed proxy card whether or not you plan to attend the meeting.

By order of the Board of Directors

Jeffrey W. Carr

Vice President, General Counsel

and Secretary

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I. Information About Voting

Solicitation of Proxies. The Board of Directors of FMC Technologies, Inc. (FMC Technologies) is soliciting proxies for use at the 2003 Annual Meeting of FMC Technologies and any adjournments of that meeting. FMC Technologies first mailed this proxy statement, the accompanying form of proxy and the FMC Technologies Annual Report for 2002 on March 17, 2003.

Agenda Items. The agenda for the Annual Meeting is to:

1. Re-elect three directors: Mike R. Bowlin, Edward J. Mooney and James M. Ringler;
2. Ratify the appointment of KPMG LLP as our independent public accountants for 2003; and
3. Conduct any other business properly brought before the meeting.

Who Can Vote. You can vote at the Annual Meeting if you are a holder of FMC Technologies common stock, par value of \$0.01 per share (Common Stock), as of the close of business on the record date. The record date is February 28, 2003. You will have one vote for each share of Common Stock. As of February 28, 2003, there were 66,051,869 shares of Common Stock outstanding and entitled to vote.

How to Vote. You may vote in one of two ways:

- You can come to the Annual Meeting and cast your vote there; or
- You can vote by signing and returning the enclosed proxy card. If you do, the individuals named on the card will vote your shares in the way you indicate.

Use of Proxies. Unless you tell us on the proxy card to vote differently, we plan to vote signed and returned proxies **FOR** the Board nominees for director and **FOR** ratification of the appointment of KPMG LLP as our independent public accountants for 2003. We do not now know of any other matters to come before the Annual Meeting. If they do, proxy holders will vote the proxies according to their best judgment.

Revoking a Proxy. You may revoke your proxy at any time before it is exercised. You can revoke a proxy by:

- Sending a written notice to the Secretary of FMC Technologies;

- Delivering a properly executed, later-dated proxy; or
- Attending the Annual Meeting and voting in person.

The Quorum Requirement. We need a quorum of stockholders to hold a valid Annual Meeting. A quorum will be present if the holders of at least a majority of the outstanding shares of Common Stock entitled to vote at the meeting either attend the Annual Meeting in person or are represented by proxy. Abstentions and broker non-votes are counted as present for the purpose of establishing a quorum. A broker non-vote occurs when a broker votes on some matters on the proxy card but not on others because the broker does not have the authority to do so.

Vote Required for Action. Directors are elected by a plurality vote of shares of Common Stock present in person or represented by proxy at the meeting. Other actions require the affirmative vote of the majority of shares of Common Stock present in person or represented by proxy at the meeting. Abstentions and broker non-votes have the effect of a no vote on matters other than director elections.

II. The Proposals To Be Voted On

Election of Directors

FMC Technologies has three classes of directors of equal size. The term for each class is three years. Class terms expire on a rolling basis, so that one class of directors is elected each year. The term for the nominees for director will expire at the 2006 Annual Meeting.

Nominees for Director

The nominees for director this year are: Mike R. Bowlin, Edward J. Mooney and James M. Ringler. Information about the nominees, the continuing directors and the Board of Directors is contained in the section of this proxy statement entitled Board of Directors.

The Board of Directors expects that all of the nominees will be able and willing to serve as directors. If any nominee is not available, the proxies may be voted for another person nominated by the current Board of Directors to fill the vacancy, or the size of the Board of Directors may be reduced.

The Board of Directors recommends a vote FOR the election of Mike R. Bowlin, Edward J. Mooney and James M. Ringler.

Ratification of Appointment of Independent Public Accountants

Based on the recommendation of the Audit Committee of the Board of Directors, the Board of Directors has appointed KPMG LLP to serve as FMC Technologies' independent public accountants for 2003. KPMG LLP has served as FMC Technologies' independent public accountants since its inception. During 2002 and 2001, KPMG LLP's fees were as follows:

	(000s)	
	2002	2001
• Audit Fees	\$ 1,239	\$ 2,014
• Audit Related Fees	85	74
• Tax Fees	549	970
• All Other Fees	418	488
• Total	\$ 2,291	\$ 3,546

Audit related fees include benefit plan audits. Tax fees relate to tax compliance and consultation on various corporate tax matters. Other fees are principally associated with tax and other compliance services for expatriates.

The Audit Committee of the Board of Directors considered the effect of KPMG LLP's non-audit services in assessing the independence of such accountants and concluded that the provision of such services by KPMG LLP was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

A representative of KPMG LLP is expected to attend the Annual Meeting. The representative will have an opportunity to make a statement if he or she desires and also will be available to respond to appropriate questions.

The Board of Directors recommends a vote FOR ratification of the appointment of KPMG LLP as independent public accountants for 2003.

III. Board of Directors

Nominees for Director

Class II Term Expiring in 2006

Mike R. Bowlin

Principal Occupation: Retired Chairman of the Board of
Atlantic Richfield Company

Age: 60

Director Since: 2001

Mr. Bowlin served as Chairman and Chief Executive Officer of Atlantic Richfield Company from 1995 until his retirement in April 2000. From 1992 until his election to Chief Executive Officer of ARCO in 1995, Mr. Bowlin served as Executive Vice President and then as President and Chief Operating Officer of ARCO. Mr. Bowlin joined ARCO in 1969 and became President of ARCO Coal Company in 1985. Mr. Bowlin served as Senior Vice President, from 1987 to 1992, and President, from 1992 to 1993, of ARCO International Oil and Gas Company. Mr. Bowlin serves on the Boards of Directors of Wells Fargo & Company and Edwards Lifesciences Corporation. He is a Trustee of the Los Angeles World Affairs Council. Mr. Bowlin is a former Chairman of the Board of the American Petroleum Institute.

Edward J. Mooney

Principal Occupation: Retired Délégué Général North America, Suez Lyonnaise des Eaux, a global
provider of energy, water, waste and communications services

Age: 61

Director Since: 2001

Mr. Mooney served as Délégué Général North America, Suez Lyonnaise des Eaux from March 2000 until his retirement in March 2001. From 1994 to 2001, Mr. Mooney was Chairman and Chief Executive Officer of Nalco Chemical Company. He serves on the Boards of Directors of FMC Corporation and The Northern Trust Company.

James M. Ringler

Principal Occupation: Vice Chairman of Illinois Tool Works Inc., an international manufacturer of highly engineered components and industrial systems

Age: 57

Director Since: 2001

Mr. Ringler is Vice Chairman of Illinois Tool Works Inc. Prior to joining Illinois Tool Works, he was Chairman, President and Chief Executive Officer of Premark International, Inc. from October 1997 until Premark merged with Illinois Tool Works in November 1999. Mr. Ringler joined Premark in 1990 and served as Executive Vice President and Chief Operating Officer until 1996. From 1986 to 1990, he was President of White Consolidated Industries Major Appliance Group, and from 1982 to 1986 he was President and Chief Operating Officer of The Tappan Company. Prior to joining The Tappan Company in 1976, Mr. Ringler was a consulting manager with Arthur Andersen & Co. Mr. Ringler serves on the Boards of Directors of the Dow Chemical Company, Corn Products International, Inc. and Autoliv Inc.

Directors Continuing in Office

Class I Term Expiring in 2005

B.A. Bridgewater, Jr.

Principal Occupation: Retired Chairman of the Board of Directors and Chief Executive Officer of Brown Group, Inc., a diversified marketer and retailer of footwear

Age: 69

Director Since: 2001

Mr. Bridgewater served as Chairman, President and Chief Executive Officer of Brown Group, Inc. from 1990 until his retirement in 1999. Prior to joining Brown Group, Inc. in 1979, Mr. Bridgewater was Executive Vice President of Baxter Travenol Laboratories. From 1964 to 1975, and from 1972 to 1975 as a director, Mr. Bridgewater was associated with McKinsey & Company Inc. He also served as Associate Director of National Security and International Affairs in the Office of Management and Budget in the Executive Office of the President of the United States. Mr. Bridgewater serves on the Boards of Directors of FMC Corporation, ThoughtWorks, Inc. and Mitretek Systems. He is an Advisory Director of Schroder Venture Partners, LLC and a Trustee of Washington University.

Thomas M. Hamilton

Principal Occupation: Retired Chairman, President and Chief Executive Officer of EEX Corporation, an oil and gas exploration company

Age: 59

Director Since: 2001

Mr. Hamilton served as the Chairman, President and Chief Executive Officer of EEX Corporation from January 1997 until his retirement in November 2002. From 1992 to 1997, Mr. Hamilton served as Executive Vice President of Pennzoil Company and as President of Pennzoil Exploration and Production Company. Mr. Hamilton was a director of BP Exploration, where he served as Chief Executive Officer of the Frontier and International Operating Company of BP Exploration from 1989 to 1991 and as the General Manager for East Asia/Australia/Latin America from 1988 to 1989. From 1985 to 1988, he held the position of Senior Vice President of Exploration at Standard Oil Company, prior to its being merged into BP.

Richard A. Pattarozzi

Principal Occupation: Retired Vice President of Shell Oil Company

Age: 59

Director Since: 2002

Mr. Pattarozzi served as Vice President of Shell Oil Company from March 1999 until his retirement in January 2000. He previously served as President and Chief Executive Officer for both Shell Deepwater Development, Inc. and Shell Deepwater Production, Inc. from 1995 until 1999. Mr. Pattarozzi serves on the Boards of Directors of Global Industries, Ltd., Stone Energy, Inc., Transocean Inc., Tidewater, Inc. and Superior Energy Services Inc.

Class III Term Expiring in 2004

Asbjørn Larsen

Principal Occupation: Retired President and Chief Executive Officer of Saga Petroleum ASA, an oil and gas company

Age: 66

Director Since: 2001

Mr. Larsen served as President and Chief Executive Officer of Saga Petroleum ASA from January 1979 until his retirement in May 1998. He served as President of Sagapart a.s. (limited) in 1973 and from 1976 as Vice President (Economy and Finance) of Saga Petroleum. From 1966 to 1973, Mr. Larsen was manager of the Norwegian Shipowners Association. Mr. Larsen is currently Chairman of the Board of Belships ASA and Vice Chairman of the Board of Saga Fjordbase AS. Mr. Larsen is a member of the Board of Den norske Bank Holding ASA and the Council of Det norske Veritas and is the Chairman of each organization's Audit Committee. Mr. Larsen is also a member of the Board of Selvaag Gruppen AS.

Joseph H. Netherland

Principal Occupation: Chairman, President and Chief Executive Officer of FMC Technologies, Inc.

Age: 56

Director Since: 2001

Mr. Netherland was elected Chairman, President and Chief Executive Officer and a director of FMC Technologies in 2001. He previously served as President and a director of FMC Corporation from June 1999 after serving as Executive Vice President of FMC Corporation from 1998. Mr. Netherland was the General Manager of FMC Corporation's Energy and Transportation Group from 1992 to 2001. Mr. Netherland became General Manager of FMC Corporation's former Petroleum Equipment Group and General Manager of its former Specialized Machinery Group in 1985 and 1989, respectively. He serves on the Boards of Directors of the American Petroleum Institute and the Petroleum Equipment Suppliers Association. Mr. Netherland is also a member of the Advisory Board of the Department of Engineering at Texas A&M University and is a member of the President's Council at Georgia Institute of Technology.

James R. Thompson

Principal Occupation: Chairman, Chairman of the Executive Committee and Partner of the Law Firm of Winston & Strawn, Chicago, Illinois

Age: 66

Director Since: 2001

Governor Thompson has served as the Chairman of the Chicago law firm of Winston & Strawn since January 1993. He joined the firm in January 1991 after serving four terms as Governor of the State of Illinois. Prior to his terms as Governor, he served as U.S. Attorney for the Northern District of Illinois from 1971-1975. Governor Thompson served as the Chief of the Department of Law Enforcement and Public Protection in the Office of the Attorney General of Illinois, as an Associate Professor at Northwestern University School of Law, and as an Assistant State's Attorney of Cook County. Governor Thompson serves on the Boards of Directors of the Chicago Board of Trade; FMC Corporation; Prime Retail, Inc.; Navigant Consulting Group, Inc.; Prime Group Realty Trust; Maximus, Inc. and Hollinger International, Inc.

IV. Information About the Board of Directors

Meetings

During 2002, the Board of Directors held six regular meetings. All incumbent directors attended at least 75 percent of the total number of meetings of the Board and of all committees on which they served.

Committees

The Board of Directors has two standing committees: an Audit Committee and a Compensation and Organization Committee.

Audit Committee

The principal duties of the Audit Committee, among others, include:

- Review the effectiveness and adequacy of FMC Technologies' financial and accounting organization and internal controls
- Review the annual report, Form 10-K and proxy statement and ensure that FMC Technologies' financial reports fairly present the results of its operations
- Discuss with management and the independent public accountants the quarterly financial statements, Form 10-Qs, earnings press releases, and financial information and guidance provided to analysts
- Recommend the selection of the independent public accountants and assure the independence of such accountants
- Review the effectiveness and the scope of activities of the independent public accountants and the internal auditors
- Pre-approve the services provided and fees paid to the independent public accountants
- Review potentially significant litigation
- Review FMC Technologies' plan for addressing financial risk

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- Review Federal income tax issues and related reserves

Members: Mr. Mooney (Chair), Messrs. Larsen, Ringler and Hamilton all outside directors. All of the members of the Audit Committee are Independent as defined in the listing requirements for the New York Stock Exchange.

Number of Meetings in 2002: 4

Compensation and Organization Committee

The principal duties of this Committee, among others, include:

- Review and approve compensation policies and practices for top executives
- Establish the total compensation for the Chairman, President and Chief Executive Officer
- Review and approve major changes in FMC Technologies' employee benefit plans
- Review short- and long-term incentive plans and equity grants
- Review significant organizational changes and management succession planning
- Recommend to the Board of Directors candidates for officers of FMC Technologies

Members: Mr. Bridgewater (Chair), Messrs. Bowlin, Mooney and Thompson - all outside directors.

Number of Meetings in 2002: 3

Compensation

Compensation Plan. Effective as of May 1, 2001, FMC Technologies adopted a compensation plan for non-employee directors of its Board of Directors as a part of the FMC Technologies, Inc. Incentive Compensation and Stock Plan (FMC Technologies Stock Plan). Pursuant to such compensation plan, each non-employee director of FMC Technologies currently receives annual compensation equal to approximately \$100,000 paid in the form of an annual retainer, meeting and committee chair fees and restricted stock units.

Retainer and Fees. Each non-employee director is paid an annual retainer of \$40,000. At least \$25,000 of this annual retainer is paid in stock units that are payable in Common Stock upon death or retirement from the Board of Directors. The remainder is paid in quarterly installments in cash or, at the election of the non-employee director, may be deferred and invested in a stock account that will be credited with stock units representing Common Stock at the fair market value of the Common Stock on the date of the election, with an initial value equal to the deferred amount. Each non-employee director also receives \$1,000 for each Board of Directors' meeting and Board of Directors' committee meeting attended, and each director is reimbursed for reasonable incidental expenses. Each non-employee director who chairs a Committee is paid an additional \$4,000 per year.

Restricted Stock Units. Each non-employee director also receives, on May 1 of each year, a grant of restricted stock units. On May 1, 2002, FMC Technologies granted each director, other than Mr. Pattarozzi (who was not a director at that time), 2,165 restricted

stock units with a market value equal to \$50,011 on the date of grant. On October 1, 2002, after Mr. Pattarozzi joined the Boar