

FMC TECHNOLOGIES INC
Form PRE 14A
March 22, 2012
Table of Contents

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 (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 § 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):

Edgar Filing: FMC TECHNOLOGIES INC - Form PRE 14A

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:

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Wednesday, May 2, 2012

11:00 a.m. Central Time

The Four Seasons Hotel

1300 Lamar Street

Houston, Texas 77010

April 2, 2012

Dear Stockholder:

It is my pleasure to invite you to attend the 2012 Annual Meeting of Stockholders of FMC Technologies, Inc. (FMC Technologies, the Company, we, us or our), which will be held at the time and place noted above (the Annual Meeting).

Items of Business

At the Annual Meeting, we will ask our stockholders to:

1. Elect four Class II directors to serve until our 2015 Annual Meeting of Stockholders: Mike R. Bowlin, Philip J. Burguieres, Edward J. Mooney and James M. Ringler (page 10);
2. Ratify the appointment of KPMG LLP (KPMG) as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2012 (page 66);
3. Hold an advisory vote to approve the Company s 2011 executive compensation program (page 68);
4. Consider and vote on a proposal to amend our Amended and Restated Certificate of Incorporation (the Certificate of Incorporation) to provide for the annual election of all directors (page 70); and
5. Transact any other business that may properly come before the meeting.

Please refer to the accompanying Proxy Statement for additional information about the matters to be considered at the Annual Meeting.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE NOMINEES FOR DIRECTOR, FOR THE RATIFICATION OF THE APPOINTMENT OF KPMG AS THE COMPANY S INDEPENDENT

REGISTERED PUBLIC ACCOUNTING FIRM FOR 2012, FOR THE APPROVAL OF THE COMPANY S 2011 EXECUTIVE COMPENSATION PROGRAM AND FOR THE AMENDMENT OF THE COMPANY S CERTIFICATE OF INCORPORATION TO PROVIDE FOR THE ANNUAL ELECTION OF ALL DIRECTORS.

Record Date

You may vote at the Annual Meeting only if you were a stockholder of record at the close of business on March 9, 2012.

Proxy Voting

Your vote is important. To be sure that your vote counts, and to assure a quorum, please submit your vote promptly whether or not you plan to attend the Annual Meeting. You may vote your shares in person at the Annual Meeting, via the Internet, by telephone or by mailing a traditional proxy card. Please refer to the section "How do I vote?" (page 6) for detailed voting instructions. If you choose to vote in person at the Annual Meeting, via the Internet or by telephone, you do not need to mail in a proxy card.

By order of the Board of Directors,

Jeffrey W. Carr

Senior Vice President, General Counsel and Secretary

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2012 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 2, 2012

The Notice of Annual Meeting of Stockholders, our Proxy Statement for the Annual Meeting and our Annual Report to Stockholders for the fiscal year ended December 31, 2011 are available at www.proxyvote.com.

Table of Contents**Table of Contents**

<u>2012 Proxy Summary</u>	1
<u>About the Annual Meeting of Stockholders</u>	5
<u>Election of Directors (Item 1 on the Proxy Card)</u>	10
<u>Nominees for Director</u>	10
<u>Our Board of Directors</u>	10
<u>Information about Our Nominees</u>	10
<u>Information about Our Directors Continuing in Office</u>	12
<u>Information about the Board of Directors</u>	17
<u>Corporate Governance</u>	17
<u>Board Oversight of Risk Management</u>	17
<u>Meetings</u>	18
<u>Committees of the Board of Directors</u>	18
<u>Director Independence</u>	22
<u>Leadership Structure of the Board and Executive Sessions of Independent Directors</u>	24
<u>Communications with Directors</u>	25
<u>Director Compensation</u>	25
<u>Compensation Committee Interlocks and Insider Participation in Compensation Decisions</u>	27
<u>Transactions with Related Persons</u>	27
<u>Security Ownership of FMC Technologies Management and Holders of More Than 5% of Outstanding Shares of Common Stock</u>	29
<u>Executive Compensation</u>	31
<u>Compensation Discussion and Analysis</u>	31
<u>Compensation Committee Report</u>	47
<u>Relationship with Independent Compensation Consultant</u>	47
<u>Summary Compensation Table for the Year Ended December 31, 2011</u>	48
<u>Grants of Plan-Based Awards Table</u>	51
<u>Outstanding Equity Awards at Fiscal Year-End Table</u>	52
<u>Option Exercises and Stock Vested Table</u>	54
<u>Pension Benefits Table</u>	55
<u>Non-Qualified Deferred Compensation Table</u>	58
<u>Potential Payments Upon Termination</u>	59
<u>Potential Payments Upon Change in Control</u>	61
<u>Proposal to Ratify the Appointment of KPMG LLP as the Company's Independent Registered Public Accounting Firm for 2012 (Item 2 on the Proxy Card)</u>	66
<u>Advisory Vote to Approve the Company's Executive Compensation Program (Item 3 on the Proxy Card)</u>	68
<u>Proposal to Amend the Certificate of Incorporation to Provide for the Annual Election of All Directors (Item 4 on the Proxy Card)</u>	70
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	71
<u>Audit Committee Report</u>	71
<u>Code of Ethics</u>	72
<u>Proposals for the 2013 Annual Meeting of Stockholders</u>	72
<u>Stockholders Sharing an Address</u>	72
<u>Expenses Relating to this Proxy Solicitation</u>	73
<u>Annex A – Amendment to Certificate of Incorporation</u>	A-1

Table of Contents

2012 Proxy Summary

We first mailed this Proxy Statement, including the accompanying proxy card, and our 2011 Annual Report on or about April 2, 2012. This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting.

Annual Meeting

Time and Date	Wednesday, May 2, 2012, at 11:00 a.m. Central Time
Place	Four Seasons Hotel 1300 Lamar Street Houston, Texas 77010
Record Date	March 9, 2012
Voting	Stockholders as of the close of business on the record date, March 9, 2012, are entitled to vote. Each share of FMC Technologies Common Stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.
Admission	An admission card is required to enter FMC Technologies, Inc.'s Annual Meeting. Please refer to the section How do I vote? In Person (page 7) for detailed instructions.

Meeting Agenda

To elect four Class II directors to serve until the 2015 Annual Meeting of Stockholders;

To ratify the appointment of KPMG as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012;

To hold an advisory vote to approve the Company's 2011 executive compensation program;

To consider and vote on a proposal to amend the Company's Certificate of Incorporation to provide for the annual election of all directors; and

To transact any other business that may properly come before the meeting.

Voting Matters

	Board Vote Recommendation	Page Reference
Election of Directors	FOR EACH DIRECTOR NOMINEE	10
Ratification of appointment of KPMG as Auditor for 2012	FOR	66
Advisory Vote to Approve 2011 Executive Compensation	FOR	68
Amendment to Certificate of Incorporation	FOR	70

Table of Contents**Board Nominees**

The following table provides summary information about each director nominee.

Name	Age	Director Since	Occupation	Independent	AC	NGC	CC	Other Public Company Boards
Mike R. Bowlin	69	2001	Retired Chairman, Atlantic Richfield Company	X		X	X	Edwards Lifesciences Corporation
Philip J. Burguieres	68	2007	Chairman and Chief Executive Officer of EMC Holdings, LLC	X		X	C	EMC Holdings, LLC, Newfield Exploration Company
Edward J. Mooney	70	2001	Retired Délégué Général North America, Suez Lyonnaise des Eaux	X	F, C			Cabot Microelectronics Corporation, FMC Corporation, The Northern Trust Corporation and PolyOne Corporation
James M. Ringler	66	2001	Retired Vice Chairman of Illinois Tool Works, Inc.	X	F		X	Autoliv Inc., Corn Products International, Inc., The Dow Chemical Company, John Bean Technologies Corporation and Teradata Corporation

AC	Audit Committee	F	Financial Expert
C	Chair	NGC	Nominating and Governance Committee
CC	Compensation Committee		

Independent Registered Public Accounting Firm

As a matter of sound corporate governance, we are asking our stockholders to ratify the appointment of KPMG as our independent registered public accounting firm for the fiscal year ending December 31, 2012. Set forth below is summary information with respect to KPMG's fees for services provided in 2011 and 2010.

Type of Fees	2011	2010
	<i>(in millions)</i>	
Audit Fees	\$ 4.739	\$ 4.317
Audit-Related Fees	\$ 0.021	\$ 0.073
Tax Fees	\$ 0.172	\$ 0.195
Other Fees	\$ 0.004	\$ 0.004
Total	\$ 4.936	\$ 4.589

Advisory Vote to Approve Executive Compensation

We are asking stockholders to approve on an advisory basis our named executive officer compensation. The Board recommends a FOR vote because it believes that our executive compensation program serves the Company and its stockholders and is instrumental in helping the Company achieve its strong objectives. Our compensation policies and practices are effective in achieving the Company's objectives of (1) attracting, motivating and retaining an exceptionally talented team of executives who deliver superior operational performance and provide leadership for the Company's success in delivering technological innovation in a dynamic and competitive market and (2) rewarding performance and enhancing stockholder long-term value.

Table of Contents

Executive Compensation Elements

Type	Form	Terms
Short-Term Compensation	Base Pay	Based upon comparable market data and peer group comparisons
	Annual Non-Equity Incentive Compensation	Non-equity incentive compensation based on same performance criteria as all other management employees under the plan
Long-Term Compensation	Equity Compensation	Value based on comparable market data
	Time-Based Restricted Stock Unit Awards	Two-thirds of award has performance criteria based on Company performance relative to our peer group
	Performance-Based Restricted Stock Unit Awards	
Retirement	Pension Plans	Retirement plans are the same for non-executive employees
	Savings Plans	

Other Key Compensation Features

Change in control agreements

General executive severance benefits

Clawback of performance-based incentive compensation

Significant executive share ownership and retention requirements

No employment contracts or tax gross-ups

2011 Compensation Decisions and Compensation Summary

In 2011, the Company's revenue was \$5.1 billion. Net income grew to \$399.8 million in 2011, an increase of 6.5% over the prior year. The Company's full year earnings per share of \$1.64 resulted in the tenth consecutive year of earnings growth. The Company's total stockholder return over the prior 1-year, 3-year and 5-year periods were 17.5%, 338.2% and 257.0%, respectively.

During the year, the Compensation Committee of the Board of Directors reviewed competitive compensation practices among peer companies in the areas of base salaries, annual non-equity incentive awards, annual equity awards, severance programs and perquisites. In February 2011, our executive officers were awarded annual equity awards and an above-target payment was approved for annual non-equity incentive bonuses based on the plan's stated formula, which is determined, in part, based on prior-year performance. Annual incentive targets for certain named executive officers were increased for 2012 based on a review of pay practices among peer companies by Meridian Compensation Partners, LLC (Meridian), the Compensation Committee's independent external consultant.

Table of Contents

Set forth below is the 2011 compensation for each named executive officer as determined under Securities and Exchange Commission (SEC) rules.

Name and Principal Position in 2011	Salary (\$)	Stock Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non- Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Peter D. Kinnear Former Chairman, Former President and Former Chief Executive Officer	\$ 612,500	\$ 1,499,931	\$ 377,029	\$ 2,286,414	\$ 155,774	\$ 4,931,648
John T. Grempe Chairman, President and Chief Executive Officer	783,333	3,644,019	752,773	2,434,491	165,176	7,779,792
William H. Schumann, III Executive Vice President and Former Chief Financial Officer	619,962	1,665,814	361,469	1,684,776	165,008	4,497,029
Maryann T. Seaman Senior Vice President and Chief Financial Officer	378,267	780,842	205,452	532,259	57,291	1,954,111
Robert L. Potter Executive Vice President	510,000	1,353,424	343,103	1,528,820	90,074	3,825,421
Tore Halvorsen Senior Vice President	534,456	1,197,273	335,585	118,764	29,521	2,215,599
Jeffrey W. Carr Senior Vice President, General Counsel and Secretary	415,945	728,733	216,375	554,259	65,872	1,981,184

Amendment to the Company's Certificate of Incorporation

The Board of Directors is recommending that the Company's stockholders approve an amendment to the Company's Certificate of Incorporation to phase out the classification of the Board of Directors and to provide instead for the annual election of directors. If the amendment is adopted, directors elected prior to the 2013 Annual Meeting of Stockholders will complete their three-year terms and, thereafter, such directors or their successors would be elected to one-year terms. Therefore, beginning with the 2015 Annual Meeting of Stockholders, the declassification of the Board would be complete and all directors would be subject to annual election to one-year terms.

2013 Annual Meeting

In general, the deadline for stockholder proposals to be included in the proxy statement and form of proxy for the Company's 2013 Annual Meeting of Stockholders is December 4, 2012.

Table of Contents

About the Annual Meeting of Stockholders

What is the location of the 2012 Annual Meeting?

The Annual Meeting will be held at The Four Seasons Hotel, 1300 Lamar Street, Houston, Texas 77010, on May 2, 2012, at 11:00 a.m. Central Time or at such other time and place to which the Annual Meeting may be adjourned. References in this Proxy Statement to the Annual Meeting also refer to any adjournments, postponements or changes in location of the Annual Meeting, to the extent applicable.

What is the purpose of the proxy materials?

This Proxy Statement is being furnished to you in connection with the solicitation of proxies by and on behalf of the Board of Directors of FMC Technologies for use at our Annual Meeting. All stockholders who held shares as of the close of business on March 9, 2012 are entitled to attend the Annual Meeting and to vote on the items of business outlined in this Proxy Statement. If you choose not to attend the Annual Meeting, you may vote your shares via the Internet, by telephone or by mailing a traditional proxy card. We first mailed the Notice of Annual Meeting, this Proxy Statement, including the accompanying proxy card, and our 2011 Annual Report on or about April 2, 2012 to each of our stockholders entitled to notice of and to vote at the Annual Meeting. These documents were also made available at the Annual Reports section of our website (www.fmctechnologies.com) under the heading *Investors > Financial Information > Annual Reports* on that date. Stockholders may help us reduce printing and mailing costs by opting to receive future proxy materials by e-mail that will provide electronic links to the materials. Information about how to do this is included in your proxy card accompanying this Proxy Statement.

Who can vote?

You can vote at the Annual Meeting if you were a holder of FMC Technologies Common Stock as of 5:00 p.m. Eastern Time on March 9, 2012, our record date. All stockholders of record are entitled to one vote per share of Common Stock held for each matter submitted for a vote at the Annual Meeting. If you hold your shares in street name, you may instruct your broker, bank, trust or other holder of record regarding voting your shares using the same methods described below under *How do I vote?* As of March 9, 2012, we had 239,074,012 shares of Common Stock outstanding and entitled to vote.

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

If your shares of FMC Technologies Common Stock are registered directly in your name with our transfer agent, Wells Fargo Shareowner Services, you are considered the stockholder of record with respect to those shares, and we are sending these proxy materials directly to you. As the stockholder of record, you have the right to grant your voting proxy directly to the persons appointed by us or to vote in person at the Annual Meeting.

Many of our stockholders hold their shares in street name through a broker, bank, trust or other holder of record rather than directly in their name. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker or nominee who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker or nominee on how to vote your shares, and you are also invited to attend the Annual Meeting. However, since you are not a stockholder of record, you may not vote these shares in person at the Annual Meeting unless you bring with you a proxy, executed in your favor, from the stockholder of record. Your broker or nominee is obligated to provide you with a voting instruction card for you to use.

Table of Contents

What am I voting on?

You are voting on:

1. The election of four Class II directors to serve until the 2015 Annual Meeting of Stockholders: Mike R. Bowlin, Philip J. Burguieres, Edward J. Mooney and James M. Ringler (see page 10);
2. The ratification of the appointment of KPMG as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012 (see page 66);
3. An advisory vote to approve the Company's 2011 executive compensation program (see page 68);
4. The consideration of a proposal to amend the Company's Certificate of Incorporation to provide for the annual election of all directors (see page 70); and
5. The transaction of any other business that may properly come before the meeting.

How does the Board recommend that I vote my shares?

If you properly submit a proxy without giving specific voting instructions, the individuals named as proxy holders on the proxy card will vote in accordance with the recommendations of the Board of Directors as follows:

FOR the election of each of the nominees for director to serve until the 2015 Annual Meeting of Stockholders;

FOR the ratification of the appointment of KPMG as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012;

FOR the approval of the Company's 2011 executive compensation program; and

FOR the amendment to the Company's Certificate of Incorporation to provide for the annual election of all directors.

If any other matters are properly presented, the persons named as proxies will vote or refrain from voting on any matter in accordance with their best judgment.

How do I vote?

By Internet

You may vote via the Internet by going to www.proxyvote.com, which is available 24 hours a day, and following the instructions on the screen. Have your proxy card available when you access the web page.

By Telephone

Edgar Filing: FMC TECHNOLOGIES INC - Form PRE 14A

You may vote by telephone by calling the toll-free telephone number on your proxy card (1-800-690-6903), which is available 24 hours a day, and following the pre-recorded instructions. Have your proxy card available when you call. If you hold your shares in street name, your broker, bank, trustee or other holder of record may provide additional instructions to you regarding voting your shares by telephone.

By Mail

You may vote by signing, dating and returning the enclosed proxy card by mail. If you do, the individuals named on the card will vote your shares in the way you indicate.

Table of Contents

Time for Voting Your Shares By Internet, Telephone or Mail

You may vote via the Internet or by telephone up until 11:59 p.m. Eastern Time on May 1, 2012. If you vote by mail, your proxy card must be received by May 1, 2012. If you vote on the Internet or by telephone, you do not need to return your proxy card.

In Person

The Annual Meeting is open to all holders of FMC Technologies Common Stock. Registration begins at 10:00 a.m. Each holder is permitted to bring one guest who will need to provide valid picture identification. Security measures will be in effect in order to ensure the safety of attendees. Use of cameras,