

FMC TECHNOLOGIES INC

Form DEF 14A

March 30, 2007

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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 ☒ x

Filed by a Party other than the Registrant ☐ "

Check the appropriate box:

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| <input type="checkbox"/> Preliminary Proxy Statement | <input type="checkbox"/> CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6(E)(2)) |
| <input checked="" type="checkbox"/> Definitive Proxy Statement | |
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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):

- ☒ x No fee required
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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Friday, May 4, 2007

11:00 a.m.

The Woodlands Waterway Marriott Hotel & Convention Center

1601 Lake Robbins Drive

The Woodlands, Texas 77380

April 2, 2007

Dear Stockholder:

It is my pleasure to invite you to attend the 2007 Annual Meeting of Stockholders of FMC Technologies, Inc., which will be held at the time and place noted above. At the meeting, we will ask our stockholders to:

- Re-elect three directors, Asbjørn Larsen, Joseph H. Netherland and James R. Thompson, each for a term of three years; and
- Vote on any other business properly brought before the meeting.

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

You may vote at the meeting if you were a stockholder of record on March 5, 2007.

MANAGEMENT RECOMMENDS A VOTE FOR THE RE-ELECTION OF EACH OF THE NOMINEES FOR DIRECTOR.

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 meeting. You can revoke a proxy prior to its exercise at the meeting by following the instructions in the accompanying Proxy Statement.

Our stockholders have a choice of voting on the Internet, by telephone or by mailing a traditional proxy card. If you are a stockholder of record and you plan to attend the meeting, please mark the appropriate box on your proxy card or use the alternative Internet or telephone voting options in accordance with the voting instructions you have received. If you vote by telephone or on the Internet, you do not need to return 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 our Investor Relations Department, 1803 Gears Road, Houston, Texas 77067, 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 the Annual Meeting of Stockholders will be placed on an admission list held at the registration desk at the entrance to the meeting.

Stockholders may help us reduce printing and mailing costs by opting to receive future proxy materials by e-mail. Information about how to do this is included in the accompanying Proxy Statement.

By order of the Board of Directors,

Jeffrey W. Carr

Vice President, General Counsel and Secretary

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I. Information About Voting

Why Am I Receiving This Proxy Statement? The Board of Directors of FMC Technologies, Inc. (FMC Technologies or the Company, we, us or our) is soliciting proxies for use at our 2007 Annual Meeting of Stockholders and any adjournments of that meeting. We first mailed this Proxy Statement, the accompanying form of proxy and our Annual Report for 2006 on April 2, 2007. It was also made available on our website, www.fmctechnologies.com, on that date.

What Will Occur at the Annual Meeting? The agenda for the Annual Meeting is to:

1. Re-elect three directors: Asbjørn Larsen, Joseph H. Netherland and James R. Thompson; and
2. Conduct any other business properly brought before the meeting and any adjournment thereof.

Who Can Vote? You can vote at the Annual Meeting if you were a holder of our 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 March 5, 2007. As of that date, there were 67,112,281 shares of Common Stock outstanding and entitled to vote. You will have one vote for each share of Common Stock that you own. The shares you may vote include those held directly in your name as a stockholder of record, shares you hold through our benefit plans and shares held for you as a beneficial owner through a broker, bank or other nominee.

Many of our stockholders hold their shares through a stockbroker, bank or other nominee rather than directly in their name. If your shares are registered directly in your name with our transfer agent, National City Bank, 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 to the persons appointed by us or to vote in person at the Annual Meeting. 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.

How Do I Vote My Shares? You may vote your shares in one of the following ways:

- You can attend the Annual Meeting and cast your vote there if you are a stockholder of record on the record date or you have a proxy from the record holder designating you as the proxy.
- You can 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.
- You can vote by telephone or through the Internet in accordance with the instructions printed on the proxy card or other instructions that you receive from us or your bank, broker or other nominee.
- You can provide voting instructions to the bank, broker or other nominee that is the holder of record of shares of Common Stock that you beneficially own, if you hold your shares in street name (such as through a bank or broker), by the method communicated to you by such bank, broker or other nominee.

Telephone and Internet voting for stockholders of record will be available 24 hours a day, seven days a week, and will close at 11:59 p.m. Eastern Daylight Time on May 3, 2007. If you vote by telephone or through the Internet, you do not have to return your proxy card.

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Who Counts the Votes? Our Board of Directors will designate individuals to serve as inspectors of election for the Annual Meeting. The inspectors will determine the number of shares outstanding and the number of shares represented at the Annual Meeting. They will also determine the validity of proxies and ballots, count all of the votes and determine the results of the actions taken at the Annual Meeting.

What Are the Voting Requirements for the Matters Submitted to a Stockholder Vote? The presence of the holders of a majority of the outstanding shares of Common Stock entitled to vote at the Annual Meeting, present in person or represented by proxy, is necessary to constitute a quorum. A quorum is required to hold the meeting. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

If you are a beneficial owner, your bank, broker or other holder of record is permitted to vote your shares on the election of directors even if the broker does not receive voting instructions from you.

A plurality of the votes cast is required for the election of directors. This means that the three director nominees with the most votes will be elected to the Board of Directors. Only votes for or withheld affect the outcome. Abstentions are not counted for purposes of the election of directors.

Could Other Matters Be Decided at the Annual Meeting? At the date this Proxy Statement went to press, we did not know of any matters to be raised at the Annual Meeting other than those referred to in this Proxy Statement.

If other matters are properly presented at the Annual Meeting for consideration, the proxy holders designated on the proxy cards or designated in the other voting instructions you have submitted will have the discretion to vote on those matters for you.

Can I Access the Notice of Annual Meeting, Proxy Statement and 2006 Annual Report on the Internet? The Notice of Annual Meeting, Proxy Statement and 2006 Annual Report may be viewed and downloaded from our website at www.fmctechnologies.com/2007Proxy and www.fmctechnologies.com/2006AnnualReport. Instead of receiving future copies of our Proxy Statement and Annual Report by mail, most stockholders can elect to receive an e-mail that will provide electronic links to the materials. Opting to receive your proxy materials online will save the cost of producing and mailing documents to your home or business, and also will give you an electronic link to the proxy voting site.

Can I Revoke a Proxy After I Submit It? You may revoke your proxy at any time before it is exercised. You can revoke a proxy by:

- Sending a written notice revoking your proxy to our Secretary at our principal executive offices at 1803 Gears Road, Houston, Texas 77067 prior to the cut-off for voting;
- Delivering a properly executed, later-dated proxy prior to the cut-off for voting;
- Voting again by telephone or through the Internet in accordance with the instructions provided to you for voting your shares; or
- Attending the Annual Meeting and voting in person.

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II. Proposal 1 Election of Directors

Election of Directors

We have three classes of directors. 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 at the 2007 Annual Meeting will expire at the 2010 Annual Meeting.

Nominees for Director

The nominees for director this year are Asbjørn Larsen, Joseph H. Netherland and James R. Thompson. Information about the nominees, the continuing directors and the Board of Directors as a whole 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;
- the Board of Directors may decide to leave the vacancy temporarily unfilled; or
- the size of the Board of Directors may be reduced.

The Board of Directors recommends a vote FOR the re-election of Asbjørn Larsen, Joseph H. Netherland and James R. Thompson.

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III. Board of Directors

Nominees for Director

Class III Term Expiring in 2007

Asbjørn Larsen

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

Age: 70

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 a 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 also a member of the Board of Selvaag Gruppen AS and of the Board of DONG Energy AS (Copenhagen) and a member of its Audit Committee.

Joseph H. Netherland

Principal Occupation: Chairman, FMC Technologies, Inc.

Age: 60

Director Since: 2001

Mr. Netherland currently serves as Chairman of the Board of FMC Technologies. Mr. Netherland served as Chief Executive Officer of FMC Technologies from 2001 to March 2007. Mr. Netherland was President of FMC Technologies from 2001 to February 2006. Previously, Mr. Netherland served as a director of FMC Corporation from 1998 to 2001 and as Executive Vice President of FMC Corporation from 1998 until his appointment as President. 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, the Petroleum Equipment Suppliers Association, Newfield Exploration Company and the National Association of Manufacturers. Mr. Netherland is also a member of the Advisory Board of the Department of Engineering at Texas A&M University.

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James R. Thompson

Principal Occupation: Senior Chairman and Partner of the Law Firm of Winston & Strawn LLP

Age: 70

Director Since: 2001

Governor Thompson served as the Chairman of the Chicago law firm of Winston & Strawn LLP from January 1993 to September 2006. 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 was a member of the National Commission on Terrorist Attacks Upon the United States (also known as the 9/11 Commission). He is the Chairman of the United HEREIU Public Review Board and serves on the Boards of Directors of FMC Corporation, Navigant Consulting Group, Inc. and Maximus, Inc.

Directors Continuing in Office

Class II Term Expiring in 2009

Peter D. Kinnear

Principal Occupation: President and Chief Executive Officer, FMC Technologies

Age: 60

Director Since: 2006

Mr. Kinnear has served as President and Chief Executive Officer of FMC Technologies since March 2007. Mr. Kinnear served as President and Chief Operating Officer of FMC Technologies from February 2006 to March 2007. Mr. Kinnear served as Executive Vice President of Energy Systems from 2004 to February 2006. Prior to Mr. Kinnear's appointment as Executive Vice President in 2004, Mr. Kinnear served as Vice President of Energy Systems for FMC Technologies. Previously, Mr. Kinnear served as Vice President of Energy Systems of FMC Corporation from 2000 until he became a Vice President of FMC Technologies. Mr. Kinnear served in a variety of marketing and operating roles within FMC Corporation since 1971, prior to serving as Vice President of Energy Systems. He serves on the Boards of Directors of Tronox Incorporated, the Petroleum Equipment Suppliers Association and the Offshore Energy Center.

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Mike R. Bowlin

Principal Occupation: Retired Chairman of the Board of Atlantic Richfield Company, a global oil and gas exploration, production, refining and marketing company

Age: 64

Director Since: 2001

Mr. Bowlin served as Chairman of Atlantic Richfield Company (ARCO) from 1995 until his retirement in April 2000 and as its Chief Executive Officer from July 1994 until his retirement. From 1992 until his election to Chief Executive Officer of ARCO in 1994, 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 Board of Directors of Edwards Lifesciences Corporation and Horizon Health Company. Mr. Bowlin is a former Chairman of the Board of the American Petroleum Institute.

Philip J. Burguières

Principal Occupation: Chairman and Chief Executive Officer of EMC Holdings, LLC, an investment management company specializing in the energy industry

Age: 63

Director Since: 2007

Mr. Burguières has been Chairman and Chief Executive Officer of EMC Holdings, LLC since 2000. Mr. Burguières is Vice Chairman of the Houston Texans, and is Chairman Emeritus of Weatherford International. From 1981 to 1989, Mr. Burguières served as Chairman and Chief Executive Officer of Cameron Iron Works, Inc. Mr. Burguières served as Chairman, President and Chief Executive Officer of Weatherford International from 1991 to 1997. Mr. Burguières currently serves as a director of Newfield Exploration Company and JP Morgan Chase Texas.

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: 65

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 2000, Mr. Mooney was Chairman and Chief Executive Officer of Nalco Chemical Company. He serves on the Boards of Directors of FMC Corporation, The Northern Trust Company, Cabot Microelectronics Corporation and PolyOne Corporation.

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James M. Ringler

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

Age: 61

Director Since: 2001

Mr. Ringler currently serves as Chairman of the Board of NCR Corporation. Mr. Ringler served as Vice Chairman of Illinois Tool Works Inc. until his retirement in 2004. Prior to joining Illinois Tool Works, he was Chairman, President and Chief Executive Officer of Premark International, Inc. from October 1996 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.

Class I Term Expiring in 2008

Thomas M. Hamilton

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

Age: 63

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 merger with BP. Mr. Hamilton serves on the Board of Directors of TODCO.

C. Maury Devine

Principal Occupation: Retired President and Managing Director, ExxonMobil Norway Inc., an oil and gas exploration company

Age: 56

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Director Since: 2005

Ms. Devine served as President and Managing Director of ExxonMobil Corporation's Norwegian affiliate, ExxonMobil Norway, Inc., from 1996 to 2000. Prior to the merger of ExxonMobil, she served as Secretary of Mobil Corporation from 1994 to 1996. From 1990 to 1994, Ms. Devine managed Mobil's international government relations. From 2000 to 2003, Ms. Devine was a Fellow at Harvard University's Belfer Center for Science and International Affairs. Prior to joining Mobil, Ms. Devine served 15 years in the United States government in positions at the White House, the American Embassy in Paris, France, and the U.S. Department of Justice. Ms. Devine serves on the Board of Directors of Det Norske Veritas (DNV), the Washington Jesuit Academy, and the National Foreign Language Center. She is also a member of the Council on Foreign Relations.

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Richard A. Pattarozzi

Principal Occupation: Retired Vice President of Shell Oil Company a global group of oil, gas and petrochemical companies

Age: 63

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 Corporation, Tidewater, Inc. and Superior Energy Services, Inc.

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IV. Information About the Board of Directors**Corporate Governance**

Our Board of Directors believes that the purpose of corporate governance is to ensure that we maximize stockholder value in a manner that is consistent with both the legal requirements applicable to us and a business model that requires our employees to conduct business with the highest standards of integrity. The Board has adopted and adheres to corporate governance principles which the Board and senior management believe promote this purpose, are sound and represent best practices. The Board reviews these governance practices, the corporate laws of the State of Delaware under which we were incorporated, the rules and listing standards of the New York Stock Exchange and the regulations of the Securities and Exchange Commission, as well as best practices recognized by governance authorities to benchmark the standards under which it operates. The corporate governance principles adopted by the Board of Directors may be viewed on the Corporate Governance section of our website under Corporate Overview at www.fmctechnologies.com and are also available in print to any stockholder upon request. A request should be directed to our principal executive offices at 1803 Gears Road, Houston, Texas 77067, Attention: Vice President, General Counsel and Secretary.

Meetings

During 2006, the Board of Directors held five regular meetings and one special meeting. A special meeting was held to discuss Board and executive appointments. All incumbent directors attended all meetings of the Board and all meetings of Board committees on which they served. The Board of Directors has scheduled a meeting in the morning prior to the 2007 Annual Meeting of Stockholders, and the Board encourages its members to attend the Annual Meeting of Stockholders. In May 2006, eight of the nine then serving members of the Board of Directors attended the Annual Meeting of Stockholders.

Committees of the Board of Directors

During 2006, the Board of Directors had three standing committees: an Audit Committee, a Compensation Committee, and a Nominating and Governance Committee.

Each of these committees operates pursuant to a written charter setting out the functions and responsibilities of the committee, each of which may be reviewed on the Corporate Governance section of our website at www.fmctechnologies.com and is also available in print to stockholders upon request submitted to our principal executive offices.

The table below provides 2006 meeting and membership information for each of the committees of the Board of Directors:

| | Audit | Compensation | Nominating and Governance |
|-----------------------|------------------|------------------|------------------------------|
| 2006 Meetings | 5 ⁽¹⁾ | 4 | 2 ⁽²⁾ |
| Mike R. Bowlin | | X ⁽³⁾ | X |
| C. Maury Devine | X | | X |
| Thomas M. Hamilton | X | X | |
| Asbjørn Larsen | X | | X |
| Edward J. Mooney | X ⁽³⁾ | | |
| Richard A. Pattarozzi | | X | X ⁽³⁾ |
| James M. Ringler | X | X | |
| James R. Thompson | | X | X |

(1) Includes one training session for Audit Committee members which focused on our accounting policies associated with pension benefit and other retirement plans.

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- (2) Includes one training session for Nominating and Governance Committee members which provided information regarding new disclosure regulations and other key corporate governance issues for the 2007 proxy season.
- (3) Indicates committee chair.

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Audit Committee

The Audit Committee charter gives the Audit Committee the authority and responsibility for the engagement, compensation and oversight of our independent public accountants and the review and approval in advance of the scope of audit and non-audit assignments and the related fees of the independent public accountants. The Audit Committee charter also gives this committee authority to fulfill its obligations under Securities and Exchange Commission and New York Stock Exchange requirements, which include:

- responsibilities associated with our external and internal audit staffing and planning;
- accounting and financial reporting issues associated with our financial statements and filings with the Securities and Exchange Commission;
- financial and accounting organization and internal controls;
- auditor independence and approval of non-audit services; and
- whistle-blower procedures for reporting questionable accounting and audit practices.

Audit Committee members meet privately in separate sessions with representatives of our senior management, our independent public accountants and our Director of Internal Audit after selected Audit Committee meetings (four such sessions were held in 2006).

The Board of Directors has determined that all of the members of the Audit Committee (C. Maury Devine, Thomas M. Hamilton, Asbjørn Larsen, Edward J. Mooney and James M. Ringler) meet the New York Stock Exchange standard of having accounting or related financial management expertise and meet the Securities and Exchange Commission criteria for an audit committee financial expert.

Compensation Committee

The principal duties of the Compensation Committee under its charter are:

- ensuring that a succession plan for the Chief Executive Officer is in place;
- approving the compensation for the Chief Executive Officer;
- reviewing and approving compensation policies and practices for other executive officers including their annual salaries;
- reviewing and approving major changes in employee benefit plans;

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- reviewing short and long-term incentive plans and equity grants; and
- reviewing the Compensation Discussion and Analysis to be included in our annual report or proxy statement and, if appropriate, issuing its report recommending to the Board of Directors its inclusion in our annual report or proxy statement.

The Compensation Committee annually reviews executive pay, peer group practices and performance to help ensure that our total compensation program is consistent with our compensation philosophies. In determining compensation levels for executive officers, the Compensation Committee reviews compensation survey data supplied by Hewitt Associates, an independent consultant retained by the Compensation Committee. Hewitt Associates is a nationally recognized executive compensation consulting firm which has served as a compensation consultant for us for the past five years. Beginning in

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2006, Hewitt Associates was retained directly by the Compensation Committee. A group of peer companies is selected by our management and approved by the Compensation Committee. The list is reviewed on an annual basis by the Compensation Committee to ensure continuing relevancy. In approving the companies to be included in the peer group, the Compensation Committee reviews the size and financial performance of the proposed companies to determine whether the group is appropriate. Hewitt Associates collects, analyzes and reports back to the Compensation Committee on the amounts and components of compensation paid by the peer group. Since the companies surveyed by Hewitt Associates are of varying revenue size and market capitalization, its survey utilizes regression analysis to develop size-adjusted values to provide relevant comparisons for each component of compensation. For 2006, the Compensation Committee's engagement agreement with Hewitt Associates provides for a scope of work that includes ensuring that the Compensation Committee's compensation recommendations are consistent with our business strategy, pay philosophy, prevailing market practices and relevant regulatory mandates and assisting the Committee's efforts to make compensation decisions that are representative of the interests of our stockholders.

Based on the survey market data provided by Hewitt Associates, the Compensation Committee reviews the appropriateness of management's recommendations for each executive's base pay, annual non-equity incentive bonus, and annual equity award. The Committee allocates total annual compensation to our executive officers among the various elements of short term cash (base pay and non-equity incentive bonus) and long term (equity awards) compensation to approximate the market allocation identified in Hewitt's