

UNITED PARCEL SERVICE INC

Form DEF 14A

March 20, 2006

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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  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

United Parcel Service, Inc.

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(Name of Registrant as Specified In Its Charter)

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

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- x No fee required.
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55 Glenlake Parkway, N.E., Atlanta, Georgia 30328  
Notice of Annual Meeting of Shareowners  
**May 4, 2006**

To our Shareowners:

United Parcel Service, Inc.'s annual meeting of shareowners will be held at the Hotel du Pont, 11th and Market Streets, Wilmington, Delaware 19801, on May 4, 2006, at 8:00 a.m. The purposes of the meeting are:

1. To elect a board of directors to serve until our 2007 annual meeting of shareowners;
2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accountants for the year ending December 31, 2006; and
3. To transact any other business as may properly come before the meeting.

Our board of directors has fixed the close of business on March 9, 2006 as the record date for determining holders of our common stock entitled to notice of, and to vote at, the annual meeting.

Teri P. McClure  
*Secretary*

Atlanta, Georgia  
March 20, 2006

**Your vote is important. Please vote by using the Internet, by telephone or by signing and returning the enclosed proxy card as soon as possible to ensure your representation at the annual meeting. Your proxy card contains instructions for each of these voting options.**

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55 Glenlake Parkway, N.E., Atlanta, Georgia 30328

**PROXY STATEMENT  
FOR THE  
2006 ANNUAL MEETING OF SHAREOWNERS**

This proxy statement and proxy card are furnished in connection with the solicitation of proxies to be voted at our annual meeting of shareowners, which will be held at the Hotel du Pont, 11th and Market Streets, Wilmington, Delaware 19801, on May 4, 2006, at 8:00 a.m. The proxy is solicited by our board of directors. This proxy statement and proxy card are being sent to our shareowners on or about March 20, 2006.

***Why am I receiving this proxy statement and proxy card?***

You are receiving this proxy statement and proxy card because you own shares of United Parcel Service, Inc. common stock. This proxy statement describes issues on which we would like you to vote at our annual meeting of shareowners. It also gives you information on these issues so that you can make an informed decision.

When you vote by using the Internet, by telephone or by signing and returning the proxy card, you appoint Michael L. Eskew and Teri P. McClure as your representatives at the annual meeting. They will vote your shares at the annual meeting as you have instructed them (or, if an issue that is not on the proxy card comes up for vote, in accordance with their best judgment). This way, your shares will be voted whether or not you attend the annual meeting. Even if you plan to attend the annual meeting, we encourage you to vote by using the Internet, by telephone or by signing and returning your proxy card in advance.

***Who is entitled to vote?***

Holders of our class A common stock and our class B common stock at the close of business on March 9, 2006 are entitled to vote. March 9, 2006 is referred to as the record date.

In accordance with Delaware law, a list of shareowners entitled to vote at the meeting will be available in electronic form at the place of the annual meeting on May 4, 2006 and will be accessible in electronic form for ten days prior to the meeting at our principal place of business, 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328, and at the offices of Morris, Nichols, Arsht & Tunnell, 1201 North Market Street, Wilmington, Delaware 19899, between the hours of 9:00 a.m. and 5:00 p.m.

***To how many votes is each share of common stock entitled?***

Holders of class A common stock are entitled to ten votes per share. Holders of class B common stock are entitled to one vote per share. On the record date, there were 442,308,745 shares of our class A common stock and 648,326,173 shares of our class B common stock outstanding and entitled to vote.

The voting rights of any shareowner or shareowners as a group, other than any of our employee benefit plans, who beneficially own shares representing more than 25% of our voting power are limited so that the shareowner or group may cast only one one-hundredth of a vote with respect to each vote in excess of 25% of the outstanding voting power.

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***How do I vote?***

Shareowners of record may vote by using the Internet, by telephone or by mail as described below. Shareowners also may attend the meeting and vote in person. If you hold class B shares through a bank or broker, please refer to your proxy card or the information forwarded by your bank or broker to see which options are available to you.

*You may vote by using the Internet.* The address of the website for Internet voting is [www.proxyvote.com](http://www.proxyvote.com). Internet voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern Time on May 3, 2006.

Easy-to-follow instructions allow you to vote your shares and confirm that your instructions have been properly recorded. If you vote by using the Internet, you do not need to return your proxy card.

*You may vote by telephone.* The toll-free telephone number is noted on your proxy card. Telephone voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern Time on May 3, 2006. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. If you vote by telephone, you do not need to return your proxy card.

*You may vote by mail.* If you choose to vote by mail, simply mark your proxy card, date and sign it, and return it in the postage-paid envelope that we have provided.

The method you use to vote will not limit your right to vote at the annual meeting if you decide to attend in person. Written ballots will be passed out to anyone who wants to vote at the annual meeting. If you hold your shares in street name, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote in person at the annual meeting.

***How many votes do you need to hold the annual meeting?***

The presence, in person or by proxy, of the holders of a majority of the votes entitled to be cast at the annual meeting will constitute a quorum. If a quorum is present, we can hold the annual meeting and conduct business.

***What if I change my mind after I return my proxy?***

You may revoke your proxy and change your vote at any time before the polls close at the annual meeting. You may do this by:

submitting a subsequent proxy by using the Internet, by telephone or by mail with a later date;

sending written notice of revocation to our Corporate Secretary at 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328; or

voting in person at the annual meeting.

Attendance at the meeting will not by itself revoke a proxy.

***On what items am I voting?***

You are being asked to vote on two items:

the election of a board of directors to serve until our 2007 annual meeting of shareowners; and

the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accountants for the year ending December 31, 2006.

No cumulative voting rights are authorized, and dissenters' rights are not applicable to these matters.

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***How may I vote for the nominees for director, and how many votes must the nominees receive to be elected?***

With respect to the election of nominees for director, you may:

vote FOR the election of the twelve nominees for director;

WITHHOLD AUTHORITY to vote for one or more of the nominees and vote FOR the remaining nominees; or

WITHHOLD AUTHORITY to vote for the twelve nominees.

The twelve nominees receiving the highest number of affirmative votes will be elected as directors. This number is called a plurality.

***What happens if a nominee is unable to stand for election?***

If a nominee is unable to stand for election, the board may, by resolution, provide for a lesser number of directors or designate a substitute nominee. If the board designates a substitute nominee, shares represented by proxies voted for the nominee who is unable to stand for election will be voted for the substitute nominee.

***How may I vote for the ratification of the appointment of our independent registered public accountants, and how many votes must the proposal receive to pass?***

With respect to the proposal to ratify the appointment of our independent registered public accountants, you may:  
vote FOR the proposal;

vote AGAINST the proposal; or

ABSTAIN from voting on the proposal.

The ratification of the appointment of our independent registered public accountants must receive the affirmative vote of a majority of the votes that could be cast at the annual meeting by the holders who are present in person or by proxy to pass. If you abstain from voting on the proposal, it will have the same effect as a vote against the proposal.

***How does the board of directors recommend that I vote?***

The board recommends a vote FOR all twelve director nominees and FOR the ratification of the appointment of our independent registered public accountants.

***What happens if I sign and return my proxy card but do not provide voting instructions?***

If you return a signed card but do not provide voting instructions, your shares will be voted FOR all twelve director nominees and FOR the ratification of the appointment of our independent registered public accountants.

***Will my shares be voted if I do not vote by using the Internet, by telephone or by signing and returning my proxy card?***

If you own class A shares and you do not vote by using the Internet, by telephone or by signing and returning your proxy card, then your class A shares will not be voted and will not count in deciding the matters presented for shareowner consideration in this proxy statement. If your class A shares are held pursuant to the UPS Qualified Stock Ownership Plan and Trust and you do not vote by using the Internet, by telephone or by signing and returning your proxy card, the trustee will vote your shares for each proposal in the same proportion as the shares held pursuant to that plan for which voting instructions were received.



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If your class B shares are held in street name through a bank or broker, your bank or broker may vote your class B shares under certain circumstances if you do not provide voting instructions before the annual meeting, in accordance with New York Stock Exchange rules that govern the banks and brokers. These circumstances include routine matters , such as the election of directors and ratification of the appointment of our independent registered public accountants described in this proxy statement. With respect to these matters, therefore, if you do not vote your shares, your bank or broker may vote your shares on your behalf or leave your shares unvoted.

***Can I receive future proxy materials and annual reports electronically?***

Yes. This proxy statement and the 2005 Annual Report to Shareowners are available on the investor relations page of our website located at [www.shareholder.com/ups](http://www.shareholder.com/ups). Instead of receiving paper copies in the mail, shareowners can elect to receive an e-mail that provides a link to our future annual reports and proxy materials on the Internet. Opting to receive your proxy materials on-line will save us the cost of producing and mailing documents to your home or business, and will give you an automatic link to the proxy voting site.

If you are a shareowner of record and wish to enroll in the electronic proxy delivery service, you may do so by going to [www.icsdelivery.com/ups](http://www.icsdelivery.com/ups) and following the prompts.

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**ELECTION OF DIRECTORS  
(Proposal No. 1)**

There are twelve nominees to our board of directors this year. Nine of the nominees have served as directors since our last annual meeting. Michael Burns and Stuart Eizenstat were appointed to our board in August 2005. These directors were recommended to our Nominating and Corporate Governance Committee by one of our non-management directors. In addition, Scott Davis was appointed to our board in February 2006. All directors are elected annually to serve until the next annual meeting and until their respective successors are elected.

Lea Soupata retired from our board on January 1, 2006. We thank Lea for her many years of dedicated service to the board and to UPS.

**The board of directors recommends a vote FOR the election  
to the board of each of the following nominees.**

John J. Beystehner since 2005	Age 54	Director
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*UPS Chief Operating Officer and President, UPS Airlines*  
John joined UPS in 1971 as a part-time clerk while attending Boston College. After graduating in 1973 with a bachelor's degree in finance, he joined UPS full-time and then earned a law degree in 1977 from Suffolk University Law School. Between 1973 and 1982, John was involved in all phases of UPS's package operations. He has held various positions in marketing, sales and air operations. John joined UPS's Management Committee in 1999 when he was named Senior Vice President for worldwide sales and marketing, and assumed his current position in 2004.

Michael J. Burns since 2005	Age 53	Director
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*Chairman, Chief Executive Officer and President, Dana Corporation*  
Michael is Chairman of the Board, President and Chief Executive Officer of Dana Corporation. He joined Dana Corporation in March 2004 after 34 years with General Motors Corporation. Michael had served as President of General Motors Europe since 1998.



and Chief Executive Officer. Mike serves on the President's Export Council, he is Chairman of the U.S.-China Business Council, and he is a trustee of the Annie E. Casey Foundation, the world's largest philanthropic foundation dedicated to helping disadvantaged children. Mike also is a director of 3M Company and IBM.

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James P. Kelly Age 62 Director since 1991

*Former UPS Chairman and Chief Executive Officer*

Jim joined UPS in 1964 as a package car driver in the Metro Jersey District. He was promoted into management as a package distribution center manager in 1966. In 1988, he was elected Senior Vice President and appointed UPS's Labor Relations Manager. In 1992, Jim became Chief Operating Officer and in 1994, he became Executive Vice President. Jim succeeded Oz Nelson as Chairman and Chief Executive Officer in January 1997. In January 2002, Jim retired as Chairman and Chief Executive Officer. Jim also is a director of BellSouth Corporation, Dana Corporation and Hewitt Associates, Inc., and he is a trustee of the Annie E. Casey Foundation, the world's largest philanthropic foundation dedicated to helping disadvantaged children.

Ann M. Livermore Age 47 Director since 1997

*Executive Vice President, Hewlett-Packard Company*

Ann is Executive Vice President of Hewlett-Packard Company and general manager of its Technology Solutions Group. Before that, she was the general manager of the HP services business. Ann joined HP in 1982, was named marketing services manager for the Application Support Division in 1985, and was promoted to marketing manager of that division in 1989. Ann became the marketing manager of the Professional Services Division in 1991 and was named sales and marketing manager of the former Worldwide Customer Support Organization. Ann was elected a Vice President of HP in 1995 and was promoted to general manager of Worldwide Customer Support Operations in 1996. In 1997, she took on responsibility for HP's software businesses as general manager of the newly formed Software and Services Group. In 1998, she was named general manager of the new Enterprise Computing Solutions Organization and, in 2001, general manager of the Services Business. Born in Greensboro, N.C., Ann holds a bachelor's degree in economics from the University of North Carolina at Chapel Hill and an M.B.A. from Stanford University. Ann is also on the Board of Advisors of the Stanford Business School.

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Gary E. MacDougal since 1973 <i>Former Chairman of the Board and Chief Executive Officer, Mark Controls Corporation</i>	Age 69	Director
<p>From 1963 to 1969, Gary was with McKinsey &amp; Co., an international management consulting firm, where he became a partner. From 1969 to 1987, Gary was Chairman and Chief Executive Officer of Mark Controls Corporation, a control systems products manufacturer. In 1988, he became honorary Chairman. Also in 1988, Gary was assistant campaign manager in the Bush presidential campaign and in 1989 was appointed by President Bush as a delegate and alternate representative in the U.S. delegation to the United Nations. He is a Director of the Bulgarian American Enterprise Fund and a trustee of the Annie E. Casey Foundation, the world's largest philanthropic foundation dedicated to helping disadvantaged children. From 1993 to 1997, he was Chairman of the Governor's Task Force on Human Service Reform for the State of Illinois. Gary received his bachelor's degree from the University of California at Los Angeles in engineering in 1958. After receiving his degree, he spent three years as a U.S. Navy officer. Following service, Gary attended Harvard Business School where he received his M.B.A. degree. He serves as an advisory director of Saratoga Partners, a New York-based venture capital fund, and is the author of the book <i>Make a Difference</i> (St. Martin's Press, 2nd edition, 2005) about moving people from welfare to work.</p>		
Victor A. Pelson since 1990 <i>Senior Advisor, UBS Securities LLC</i>	Age 68	Director
<p>Vic is a Senior Advisor to UBS Securities investment bankers. He has held this position with UBS and predecessor companies since 1996. He was associated with AT&amp;T from 1959 to March 1996, and at the time of his retirement from AT&amp;T was Chairman of Global Operations and a member of the Board of Directors and the Management Executive Committee. He also is a director of Eaton Corporation and Dun &amp; Bradstreet.</p>		
John W. Thompson since 2000 <i>Chairman and Chief Executive Officer, Symantec Corporation</i>	Age 56	Director
<p>John has been Chairman and Chief Executive Officer of Symantec Corporation, the world leader in information security and availability solutions, since April 1999. Prior to joining Symantec, he held a variety of senior leadership positions at IBM, including General Manager of IBM Americas, and was a member of IBM's Worldwide Management Council. John is a member of the Board of Directors of Seagate Technology. He currently serves on the President's National Infrastructure Advisory Council and the Bay Area advisory committee for Teach for America.</p>		



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Carol B. Tomé    Age 49    Director since  
2003

*Executive Vice President and Chief Financial Officer, The Home Depot, Inc.*

Carol has been Executive Vice President and Chief Financial Officer of The Home Depot, Inc., the world's largest home improvement specialty retailer and the second largest retailer in the United States, since May 2001. Prior to that, she had been Senior Vice President – Finance and Accounting/Treasurer since February 2000. From 1995 until 2000, she served as Vice President and Treasurer. A native of Jackson, Wyoming, Carol holds a B.S. in Communication from the University of Wyoming and an M.B.A. in Finance from the University of Denver. She is an active volunteer, including serving as the chair of the Advisory Board for the Metropolitan Atlanta Arts Fund, The Committee of 200 and a member of the National Board of Directors for Girls Incorporated.

Ben Verwaayen    Age 54    Director since  
2005

*Chief Executive, BT Group plc*

Ben was appointed to the Board of BT Group plc in the United Kingdom in January 2002 and became Chief Executive in February 2002. He chairs the company's Operating Committee. Ben was formerly Vice Chairman of the management board of Lucent Technologies in the USA from October 1999. He joined Lucent in September 1997 as Executive Vice President international and became Chief Operating Officer the following month. Prior to joining Lucent, Ben worked for KPN in the Netherlands for nine years as President and Managing Director of its telecoms subsidiary, PTT Telecom. From 1975 to 1988, he worked for ITT in Europe. Ben is a Dutch national.

Our board has delegated to the Nominating and Corporate Governance Committee the responsibility for reviewing and recommending nominees for membership on the board. Board candidates are evaluated based upon various factors, such as personal character, values and disciplines, ethical standards, diversity, professional background and skills, all in the context of an assessment of the needs of the board at that time. In addition, each director is expected to ensure that other existing and planned future commitments do not materially interfere with his or her responsibilities as a director.

Accordingly, the Nominating and Corporate Governance Committee's objective is to maintain a board of individuals of the highest personal character, integrity and ethical standards, and that reflects a range of professional backgrounds and skills relevant to our business. The Committee identifies new director candidates through a variety of sources.

The Nominating and Corporate Governance Committee will consider director candidates proposed by shareowners on the same basis as recommendations from other sources. Any shareowner who wishes to recommend a prospective candidate for the board of directors for consideration by the Nominating and Corporate Governance Committee may do so by submitting the name and qualifications of the prospective candidate in writing to the following address: Corporate Secretary, 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328.



**Meetings of the Board of Directors and Attendance at the Annual Meeting**

Our board of directors held five meetings during 2005. Each of our directors attended at least 75% of the total number of meetings of the board and any committees of which he or she was a member. It is the board's policy that our directors attend the annual meeting. All of the directors other than John Thompson who were serving at our 2005 annual meeting of shareowners attended the annual meeting.

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**Director Independence**

Our Corporate Governance Guidelines include categorical standards adopted by the board to determine director independence that meet the listing standards set forth by the NYSE. The portion of our Corporate Governance Guidelines addressing director independence is attached to this proxy statement as Annex I.

Pursuant to the Corporate Governance Guidelines, the board undertook its annual review of director independence in February 2006. During this review, the Board considered whether there were any transactions or relationships between each director or any member of his or her immediate family and UPS. The board also examined whether there were any transactions or relationships between an organization of which a director is a partner, shareholder or officer and UPS. The purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that a director is independent. The board also evaluated the categorical standards that form a part of our Corporate Governance Guidelines.

As a result of this review, the board affirmatively determined that the following directors nominated for election at the annual meeting are independent directors: Michael Burns, Stuart Eizenstat, Jim Kelly, Ann Livermore, Gary MacDougal, Vic Pelson, John Thompson, Carol Tomé and Ben Verwaayen. The other directors nominated for election at the annual meeting, Mike Eskew, John Beystehner and Scott Davis, are not independent directors because they are employed by UPS.

**Other Information Regarding Directors**

Michael Burns is the Chairman, Chief Executive Officer and President of Dana Corporation. Dana Corporation filed a voluntary petition under Chapter 11 of the federal bankruptcy laws on March 3, 2006.

**Executive Sessions of our Non-Management Directors**

Our non-management directors meet without management present as frequently as they deem appropriate, and at least two times each year. The non-management directors select the presiding director for these meetings.

**Corporate Governance**

Our Corporate Governance Guidelines are available on the governance section of the investor relations page of our website ([www.shareholder.com/ups](http://www.shareholder.com/ups)). In addition, the charters that have been adopted for each of the Audit, Compensation and Nominating and Corporate Governance Committees are available on the governance section of the investor relations page of our website.

We have a long-standing commitment to conduct our business in accordance with the highest ethical principles. Our Code of Business Conduct is applicable to all the representatives of our enterprise, including our executive officers and all other employees and agents of our company and our subsidiary companies, as well as to our directors. A copy of our code is available on the governance section of the investor relations page of our website.

A copy of our Corporate Governance Guidelines, committee charters and Code of Business Conduct may also be obtained without charge upon written request to: Corporate Secretary, 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328.

Any shareowner who wishes to communicate directly with our board of directors, with our non-management directors as a group or with the presiding director of our non-management directors may do so by writing to Corporate Secretary, 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328. Please specify to whom your letter should be directed. Once the communication is received by the corporate secretary, the corporate secretary reviews the communication. Communications that comprise advertisements, solicitations for business, requests for employment, requests for contributions or other inappropriate material will not be forwarded to our directors. Other communications are promptly forwarded to the addressee.

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Our board of directors has four committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Executive Committee. The following table shows the current members of each committee.

<b>Director</b>	<b>Audit</b>	<b>Compensation</b>	<b>Nominating and Corporate Governance</b>	<b>Executive</b>
John Beystehner				X
Michael Burns	X			
Scott Davis(1)				X
Stuart Eizenstat		X		
Mike Eskew				X*
Jim Kelly			X	
Ann Livermore(2)			X	
Gary MacDougal(3)			X*	
Vic Pelson(4)		X*		
John Thompson	X	X		
Carol Tomé	X*			
Ben Verwaayen	X			

X = current committee member; \* = chair

- (1) Scott Davis joined the Executive Committee on February 9, 2006.
- (2) Ann Livermore was a member of the Audit Committee until March 17, 2005.
- (3) Gary MacDougal was a member of the Compensation Committee until August 11, 2005.
- (4) Vic Pelson was a member of the Nominating and Corporate Governance Committee until August 11, 2005.

*Audit Committee.* The primary responsibilities of our Audit Committee include:

discharging the board's responsibility relating to our accounting, reporting and financial practices,

general responsibility for overseeing our accounting and financial reporting processes,

overseeing the integrity of our financial statements, our systems of disclosure controls and internal controls and our compliance with legal and regulatory requirements,

overseeing the qualification and independence of our auditors and the performance of our internal audit function and independent auditors, and

having sole authority to appoint and oversee a registered public accounting firm (as defined by applicable law) to serve as our independent auditors, including sole discretion to retain and terminate the independent auditors.

In 2005, the Audit Committee held eight meetings. Each member of our Audit Committee meets the independence requirements of the NYSE and SEC rules and regulations, and each is financially literate. Our board has determined that Carol Tomé is an audit committee financial expert as defined by the SEC.

*Compensation Committee.* The primary responsibilities of our Compensation Committee include:

discharging the board's responsibilities with respect to compensation of our executive officers,

establishing corporate goals and objectives relevant to the compensation for our Chairman and Chief Executive Officer,

evaluating the Chief Executive Officer's performance in light of these goals and objectives and establishing the compensation for the Chief Executive Officer based on this evaluation,

reviewing and approving the compensation of other executive officers based upon the recommendation of the Chief Executive Officer, and

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making awards to executive officers under our equity compensation plans.

In 2005, the Compensation Committee held four meetings. Each member of our Compensation Committee meets the independence requirements of the NYSE and is an outside director under Section 162(m) of the Internal Revenue Code.

*Nominating and Corporate Governance Committee.* The primary responsibilities of our Nominating and Corporate Governance Committee include:

receiving and considering recommendations from the CEO and others regarding succession at the CEO and other senior officer levels,

assisting the board in identifying and screening qualified candidates to serve as directors, including considering shareowner nominees,

recommending to the board candidates for election or reelection to the board or to fill vacancies on the board,

aiding in attracting qualified candidates to serve on the board, and

making recommendations to the board concerning corporate governance principles, including the structure, composition and functioning of the board and all board committees, the delegation of authority to management, board oversight of management actions and reporting duties of management.

In 2005, the Nominating and Corporate Governance Committee held four meetings. Each member of our Nominating and Corporate Governance Committee meets the independence requirements of the NYSE and SEC rules and regulations.

*Executive Committee.* The Executive Committee may exercise all powers of the board of directors in the management of our business and affairs, except for those powers expressly reserved to the board under Delaware law. In 2005, the Executive Committee held no meetings.

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The following table describes the beneficial ownership of our common stock as of February 1, 2006 by

our directors,

our Chief Executive Officer,

each of our other four highest paid executive officers during 2005,

all of our directors and executive officers as a group, and

each shareowner known to us to beneficially own more than 5% of our class A or class B common stock.

	Number of Shares Directly Owned(1)		Options Exercisable within 60 Days(2)	Additional Shares in which the Beneficial Owner Has or Participates in the		Total Shares Beneficially Owned(4)	Percent of Outstanding Shares(5)
	Class A Shares	Class B Shares		Voting or Investment Power(3)			
David P. Abney	85,882	2,500	14,989	315,962(6)		419,333	*
John J. Beystehner	161,817	1,244	59,407	315,962(6)		538,430	*
Michael J. Burns	345	0	0	0		345	*
D. Scott Davis	91,587	0	43,907	2,731,225(6)(7)		2,866,719	*
Stuart E. Eizenstat	345	0	0	0		345	*
Michael L. Eskew	237,670	0	122,570	6,742,704(6)(8)		7,102,944	*
James P. Kelly	48,029	196,020	0	6,426,742(8)		6,670,791	*
Ann M. Livermore	20,574	0	4,351	0		24,925	*
Gary E. MacDougal	12,817	0	4,351	6,426,742(8)		6,443,910	*
Victor A. Pelson	10,078	10,267	2,745	0		23,090	*
Lea N. Soupata(9)	233,575	0	69,609	9,157,967(6)(7)(8)		9,461,151	*
John W. Thompson	1,696	1,125	2,745	0		5,566	*
Carol B. Tomé	1,196	0	0	0		1,196	*
Ben Verwaayen	1,537	0	0	0		1,537	*
Shares held by all directors and executive officers as a group (22 persons)	1,451,945	234,621	457,887	9,157,967			