

FMC TECHNOLOGIES INC  
Form DEF 14A  
April 03, 2013  
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**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):

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(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):

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**Friday, May 3, 2013**

**11:00 a.m. Central Time**

**Windsor Court Hotel**

**300 Gravier Street**

**New Orleans, Louisiana 70130**

April 3, 2013

Dear Stockholder:

It is my pleasure to invite you to attend the 2013 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. 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.

**Items of Business**

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

1. Elect three directors to serve for a one-year term: Eleazar de Carvalho Filho, Claire S. Farley and Joseph H. Netherland;
2. Ratify the appointment of KPMG LLP ( KPMG ) as our independent registered public accounting firm for the fiscal year ending December 31, 2013;
3. Hold an advisory vote to approve our 2012 executive compensation;
4. Reapprove the material terms of the performance goals under our Amended and Restated Incentive Compensation and Stock Plan, as amended (the Incentive Plan ), as required by Section 162(m) of the U.S. Internal Revenue Code, as amended (the IRC );
5. If properly presented, consider and vote on one stockholder proposal concerning accelerated vesting of senior executive equity awards upon a change in control; and
6. Transact any other business that may properly come before the Annual 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 OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2013;**

**FOR THE APPROVAL OF OUR 2012 EXECUTIVE COMPENSATION;**

**FOR THE REAPPROVAL OF THE MATERIAL TERMS OF THE PERFORMANCE GOALS UNDER OUR INCENTIVE PLAN; AND**

**AGAINST THE STOCKHOLDER PROPOSAL CONCERNING ACCELERATED VESTING OF SENIOR EXECUTIVE EQUITY AWARDS UPON A CHANGE IN CONTROL.**

**Record Date**

You may vote at the Annual Meeting only if you were a stockholder of record at the close of business on March 11, 2013.

**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 "About the Annual Meeting of Stockholders How do I vote?" of the Proxy Statement 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 2013 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 3, 2013**

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, 2012 are available at [www.proxyvote.com](http://www.proxyvote.com).

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**2013 Proxy Summary**

We first mailed this Proxy Statement, including the accompanying proxy card, and our 2012 Annual Report on or about April 3, 2013. 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	Friday, May 3, 2013, at 11:00 a.m. Central Time
Place	Windsor Court Hotel  300 Gravier Street  New Orleans, Louisiana 70130
Record Date	March 11, 2013
Voting	Stockholders as of the close of business on the record date, March 11, 2013, are entitled to vote. Each share of our 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 our Annual Meeting. Please refer to the section <b>About the Annual Meeting of Stockholders How do I vote? In Person</b> for detailed instructions.

**Meeting Agenda**

To elect three directors to serve for a one-year term;

To ratify the appointment of KPMG as our independent registered public accounting firm for the fiscal year ending December 31, 2013;

To hold an advisory vote to approve our 2012 executive compensation;

To reapprove the material terms of the performance goals under our Incentive Plan;

If properly presented, to consider and vote on a stockholder proposal concerning accelerated vesting of senior executive equity awards upon a change in control; and

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

**Voting Matters**

	<b>Board of Directors</b>	
	<b>Vote Recommendation</b>	<b>Page</b>
1. Election of Directors	FOR EACH DIRECTOR NOMINEE	Reference 10

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3. Advisory Vote to Approve 2012 Executive Compensation	FOR	59
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5. Stockholder Proposal Concerning Accelerated Vesting of Senior Executive Equity Awards upon Change in Control	AGAINST	67

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We are asking stockholders to elect three directors to serve for a one-year term. The following table provides summary information about each director nominee.

Name	Director		Occupation	Independent	AC	NGC	CC	Other Public Company
	Age	Since						Boards
Eleazar de Carvalho Filho	55	2010	Founding Partner of Iposeira Capital Ltda. and STK Capital Gestora de Recursos Ltda.	X	F	X		Brookfield Renewable Energy Partners L.P.
Claire S. Farley	54	2009	Member of KKR Management LLC, the general partner of KKR & Co. L.P.	X	F			EnCana Corporation
Joseph H. Netherland	66	2001	Retired Chairman, President and Chief Executive Officer of FMC Technologies, Inc.	X				Newfield Exploration Company, Spectra Energy Corp. and Tidewater Inc.

AC Audit Committee  
 CC Compensation Committee  
 F Audit Committee Financial Expert  
 NGC Nominating and Governance 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, 2013. Set forth below is summary information with respect to KPMG's fees for services provided in 2012 and 2011.

Type of Fees	2012	2011
	<i>(in millions)</i>	
Audit Fees	\$ 5.840	\$ 4.799
Audit-Related Fees	0.040	0.021
Tax Fees	0.094	0.172
Other Fees		0.004
<b>Total</b>	<b>\$ 5.974</b>	<b>\$ 4.996</b>

**Advisory Vote to Approve Executive Compensation**

We are asking stockholders to approve on an advisory basis our 2012 named executive officer compensation. The Board recommends a FOR vote because it believes that our executive compensation program serves us and our stockholders and is instrumental in helping us achieve our strong objectives. We believe our compensation policies and practices are effective in achieving our objectives of (1) attracting, motivating and retaining an exceptionally talented team of executives who deliver superior operational performance and provide leadership for our success in delivering technological innovation in a dynamic and competitive market and (2) rewarding performance and enhancing stockholder long-term value.



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***Executive Compensation Elements***

<b>Type</b>	<b>Form</b>	<b>Terms</b>
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 Incentive Plan
Long-Term Compensation	Equity Compensation	Value based on comparable market data
	<ul style="list-style-type: none"> <li>• Time-Based Restricted Stock Unit Awards</li> <li>• Performance-Based Restricted Stock Unit Awards</li> </ul>	Two-thirds of award has performance criteria based on Company performance relative to our peer group
Retirement	Pension Plans	
	Savings Plans	Retirement plans are the same for non-executive employees

***Other Key Compensation Features***

General and change-in-control executive severance benefits;

Clawback of performance-based incentive compensation;

Significant executive share ownership and retention requirements;

Restrictions prohibiting all officers and their immediate families from speculating in Company stock, including derivative transactions, hedging activities, pledging activities and short selling; and

No employment agreements or tax gross-ups.

***2012 Compensation Decisions and Compensation Summary***

In 2012, our revenue was \$6.2 billion. Net income grew to \$430.0 million in 2012, an increase of 7.6% over the prior year. Our full year diluted earnings per share of \$1.78 resulted in the eleventh consecutive year of earnings growth. Our total stockholder return over the prior 1-year, 3-year and 5-year periods were -18.0%, 48.1% and 59.2%, 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 2012, our executive officers were awarded annual equity awards and a below-target payment was approved for annual non-equity incentive bonuses based on the Incentive Plan's stated formula, which is based on prior-year performance. Annual incentive targets for certain named executive officers were increased for 2013 based on a review of pay practices among peer companies by Meridian Compensation Partners, LLC (Meridian), the Compensation Committee's independent consultant.



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Set forth below is the 2012 compensation for each named executive officer as determined under Securities and Exchange Commission ( SEC ) rules.

Name and Principal Position in 2012	Salary (\$)	Bonus (\$)	Stock Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non- Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
John T. Grempp Chairman, Chief Executive Officer and Former President	\$ 887,500		\$ 4,416,639	\$ 756,594	\$ 2,347,748	\$ 157,306	\$ 8,565,787
Maryann T. Seaman Senior Vice President and Chief Financial Officer	\$ 507,500		\$ 1,413,276	\$ 275,319	\$ 774,475	\$ 69,610	\$ 3,040,180
Robert L. Potter President and Former Executive Vice President	\$ 596,733		\$ 1,413,276	\$ 407,147	\$ 1,618,679	\$ 106,882	\$ 4,142,717
Douglas J. Pferdehirt Executive Vice President and Chief Operating Officer	\$ 291,667	\$ 1,625,000	\$ 5,706,742	\$ 217,292		\$ 30,061	\$ 7,870,762
Tore Halvorsen Senior Vice President	\$ 535,843		\$ 1,192,483	\$ 305,430	\$ 107,055	\$ 45,389	\$ 2,186,200

**Reapproval of the Material Terms of the Performance Goals under Our Incentive Plan**

The Board of Directors is recommending that our stockholders reapprove the material terms of the performance goals for performance-based awards under our Incentive Plan. Our stockholders last approved the material terms of the performance goals in 2008. Approval of the material terms of the performance goals set forth in the Incentive Plan will allow certain awards under the Incentive Plan to our Chief Executive Officer and certain other executive officers to qualify as tax-deductible performance-based compensation under Section 162(m) of the IRC.

**Stockholder Proposal Concerning Accelerated Vesting of Senior Executive Equity Awards upon a Change in Control**

The Board of Directors is recommending that our stockholders vote **AGAINST** the stockholder proposal asking us to adopt a policy disallowing accelerated vesting of equity awards of senior executives upon a change in control. We believe that the current structure of our executive compensation programs, including the provision of our change in control plan providing for the accelerated vesting of senior executive equity awards upon a change of control, (i) is appropriate and effective in attracting, motivating and retaining exceptionally talented executives who deliver superior operational performance, (ii) aligns our executives' interests with those of our stockholders and (iii) is consistent with the compensation practices of our industry peer companies.

**2014 Annual Meeting**

In general, the deadline for stockholder proposals to be included in the proxy statement and form of proxy pursuant to Rule 14a-8 for our 2014 Annual Meeting of Stockholders is December 4, 2013.

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### **About the Annual Meeting of Stockholders**

#### ***What is the location of the 2013 Annual Meeting?***

The Annual Meeting will be held at the Windsor Court Hotel, 300 Gravier Street in New Orleans, Louisiana 70130, on May 3, 2013, at 11:00 a.m. Central Time or at such other time and place to which the Annual Meeting may be adjourned.

#### ***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 our Board of Directors for use at our Annual Meeting. All stockholders who held shares as of the close of business on March 11, 2013 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 2012 Annual Report on or about April 3, 2013 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](http://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 described under *Stockholders Sharing an Address* and also 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 our Common Stock as of 5:00 p.m. Eastern Time on March 11, 2013, 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 11, 2013, we had 237,436,912 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 our 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.

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***What am I voting on?***

You are voting on:

1. The election of three directors to serve for a one-year term: Eleazar de Carvalho Filho, Claire S. Farley and Joseph H. Netherland;
2. The ratification of the appointment of KPMG as our independent registered public accounting firm for the fiscal year ending December 31, 2013;
3. An advisory vote to approve our 2012 executive compensation;
4. The reapproval of the material terms of the performance goals under our Incentive Plan;
5. The consideration of a stockholder proposal concerning accelerated vesting of senior executive equity awards upon a change in control; and
6. The transaction of any other business that may properly come before the Annual 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 for one-year terms;

***FOR*** the ratification of the appointment of KPMG as our independent registered public accounting firm for the fiscal year ending December 31, 2013;

***FOR*** the approval of our 2012 executive compensation;

***FOR*** the reapproval of the material terms of the performance goals under our Incentive Plan; and

***AGAINST*** the stockholder proposal concerning accelerated vesting of senior executive equity awards upon a change in control. Our Board does not know of any other matters that are to be presented for action at the Annual Meeting. However, 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**

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You may vote via the Internet by going to [www.proxyvote.com](http://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

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.

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### **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 2, 2013. If you vote by mail, your proxy card must be received by May 2, 2013. 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 our Common Stock and our invited guests. Registration begins at 10:00 a.m. Central Time. 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, recording devices and other electronic devices is not permitted at the Annual Meeting.

If you are a record holder of shares of our Common Stock and you plan to attend the Annual Meeting, please mark the appropriate box on your proxy card. Stockholders of record also may be represented by another person at the Annual Meeting by executing a legal proxy designating that person. A valid picture identification and proof of stock ownership as of the record date must be presented in order to attend the Annual Meeting.

If you hold your shares of our Common Stock in street name and you plan to attend the Annual Meeting, please send written notification to our Investor Relations Department, 5875 N. Sam Houston Parkway W., Houston, Texas 77086, and enclose evidence of your ownership (such as a letter from the broker, bank, trust or other holder of record confirming your ownership or a bank or brokerage firm account statement).

The names of all those indicating they plan to attend the Annual Meeting will be placed on an admission list held at the registration desk at the entrance to the Annual Meeting. You will need an admission ticket or proof of ownership of our Common Stock to enter the Annual Meeting. If your shares are registered in your name, you will find an admission ticket attached to the proxy card sent to you. If your shares are in the name of your broker, bank, trust or other holder of record or you received your materials electronically, you will need to bring evidence of your stock ownership, such as your most recent brokerage firm account statement. All stockholders will be required to present valid picture identification.

**IF YOU DO NOT HAVE VALID PICTURE IDENTIFICATION AND EITHER AN ADMISSION TICKET OR PROOF THAT YOU OWN OUR COMMON STOCK, YOU WILL NOT BE ADMITTED INTO THE ANNUAL MEETING.**

### ***How do I vote my 401(k) shares?***

If you participate in the FMC Technologies, Inc. Savings and Investment Plan and invest in the FMC Technologies, Inc. Stock Fund, you may vote the number of shares equivalent to your interest in the FMC Technologies, Inc. Stock Fund as credited to your account on the record date. You will receive instructions on how to vote your shares via e-mail from Broadridge, our proxy distributor.

### ***Can I revoke a proxy after I submit it?***

Yes. If you are a stockholder of record, you may revoke your proxy at any time before it is exercised by:

sending a written notice revoking your proxy to our Corporate Secretary at our principal executive offices at 5875 N. Sam Houston Parkway W., Houston, Texas 77086, by May 2, 2013;

delivering a properly executed, later-dated proxy by May 2, 2013;

voting again through the Internet or by telephone 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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Your new vote must be submitted in accordance with the time frames above.

If you are a street name stockholder and you vote by proxy, you may change your vote by submitting new voting instructions to your broker, bank, trust or other holder of record in accordance with that entity's procedures.

### ***How many votes must be present to hold the Annual Meeting?***

Your shares are counted as present at the Annual Meeting if you attend the Annual Meeting and vote in person or if you properly return a proxy by Internet, telephone or mail. A quorum of stockholders is necessary to transact business at the Annual Meeting. A quorum exists if the holders of a majority of our outstanding shares entitled to vote as of March 11, 2013 are present in person or by proxy at the Annual Meeting, including proxies on which abstentions (withholding authority to vote) are indicated. Abstentions and broker non-votes will be counted for purposes of establishing a quorum at the Annual Meeting.

If less than a quorum is represented at the Annual Meeting, the presiding officer of the meeting or a majority of the shares so represented may adjourn the meeting from time to time, and the persons named as proxies will vote the proxies they have been authorized at the Annual Meeting in favor of such an adjournment. In the event a quorum is present at the Annual Meeting but sufficient votes to approve any of the items proposed by our Board have not been received, the presiding officer of the meeting or the persons named as proxies may propose one or more adjournments of the Annual Meeting to permit further solicitation of proxies. A stockholder vote may be taken on one or more of the proposals in this Proxy Statement prior to such adjournment if sufficient proxies have been received and it is otherwise appropriate.

### ***What is a broker non-vote?***

If a broker does not have discretion to vote shares held in street name on a particular proposal and does not receive instructions from the beneficial owner on how to vote the shares, the broker may return the proxy card without voting on that proposal. This is known as a *broker non-vote*.

If you do not furnish voting instructions, one of two things can happen, depending upon whether a proposal is routine. Under the New York Stock Exchange's (the NYSE) rules, brokers have discretion to cast votes on routine matters, such as the ratification of the appointment of KPMG as our independent registered public accounting firm for 2013, without receiving voting instructions from their clients. Brokers are not permitted, however, to cast votes on non-routine matters without such voting instructions.

The election of directors, the proposal on executive compensation, the proposal to reapprove the material terms of the performance goals under our Incentive Plan and the stockholder proposal concerning accelerated vesting of senior executive equity awards upon a change in control are not considered routine matters, so if you are a beneficial owner, your broker, bank, trust or other holder of record is not permitted to vote your shares on these matters if the broker does not receive voting instructions from you. The ratification of auditors is considered a routine matter, so if you are a beneficial owner, your broker, bank, trust or other holder of record is permitted to vote your shares on the ratification of auditors even if the broker does not receive voting instructions from you.

In summary, if you hold your shares in street name, your broker, bank, trust or other holder of record will not have discretionary authority to vote your shares for Items 1, 3, 4 and 5 if you do not provide instructions. As such, we strongly encourage you to exercise your right to vote as a stockholder.

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### ***How many votes are needed to approve the proposals?***

#### **Election of Directors (Item 1)**

With respect to the election of our directors, you may (a) vote FOR, (b) vote AGAINST or (c) ABSTAIN from voting as to one or more director nominees. Our Amended and Restated By-Laws (the "By-Laws") provide that nominees for director are elected by a majority of the votes cast, which means that a nominee is elected only if the votes cast FOR his/her election exceed the votes cast AGAINST his/her election. A vote to ABSTAIN is not considered a vote FOR or AGAINST and thus will have no effect on the outcome of the vote. Broker non-votes are not entitled to vote on this matter, and therefore, will not be counted as votes cast on this matter. You may not cumulate your votes in the election of our directors. An incumbent director who fails to receive a majority of FOR votes will be required to tender his or her resignation to our Board for consideration.

#### **Ratification of the Appointment of KPMG as Our Independent Registered Public Accounting Firm for 2013 (Item 2)**

With respect to the ratification of the appointment of KPMG as our independent registered public accounting firm for 2013, you may (a) vote FOR, (b) vote AGAINST or (c) ABSTAIN from voting. A majority of the shares of Common Stock present in person or represented by proxy at our Annual Meeting and entitled to vote must be voted FOR ratification in order for it to pass. Votes cast FOR, AGAINST and ABSTENTIONS with respect to this matter will be counted as shares entitled to vote. A vote to ABSTAIN will have the effect of a vote AGAINST the approval of this item. The ratification of auditors is considered a routine matter, so if you are a beneficial owner, your broker, bank, trust or other holder of record is permitted to vote your shares on the ratification of auditors even if the broker does not receive voting instructions from you.

#### **Advisory Vote to Approve Our 2012 Executive Compensation (Item 3)**

With respect to the advisory vote to approve our 2012 executive compensation, you may (a) vote FOR, (b) vote AGAINST or (c) ABSTAIN from voting. A majority of the shares of Common Stock present in person or represented by proxy at our Annual Meeting and entitled to vote must be voted FOR approval in order for it to pass. Votes cast FOR, AGAINST and ABSTENTIONS with respect to this matter will be counted as shares entitled to vote. A vote to ABSTAIN will have the effect of a vote AGAINST the approval of this item. Broker non-votes are not entitled to vote on this matter, and therefore, will not be counted as votes cast on this matter. While this vote is required by law, it will neither be binding on the Company or our Board, nor will it create or imply any change in the fiduciary duties of, or impose any additional fiduciary duty on, us or our Board. However, the Compensation Committee, which is responsible for designing and administering our executive compensation program, values the opinions expressed by stockholders and will continue to consider the outcome of the vote when making future executive compensation decisions.

#### **Reapproval of the Material Terms of the Performance Goals under Our Incentive Plan (Item 4)**

With respect to the approval of the proposal to reapprove the material terms of the performance goals under our Incentive Plan, you may (a) vote FOR, (b) vote AGAINST or (c) ABSTAIN from voting. A majority of the shares of Common Stock present in person or represented by proxy at our Annual Meeting and entitled to vote must be voted FOR approval in order for it to pass. Votes cast FOR, AGAINST and ABSTENTIONS with respect to this matter will be counted as shares entitled to vote. A vote to ABSTAIN will have the effect of a vote AGAINST the approval of this item. Broker non-votes are not entitled to vote on this matter, and therefore, will not be counted as votes cast on this matter.

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**Stockholder Proposal Concerning Accelerated Vesting of Senior Executive Equity Awards upon a Change in Control Plan (Item 5)**

With respect to the approval of the stockholder proposal concerning accelerated vesting of senior executive equity awards upon a change in control, you may (a) vote FOR, (b) vote AGAINST or (c) ABSTAIN from voting. A majority of the shares of Common Stock present in person or represented by proxy at our Annual Meeting and entitled to vote must be voted FOR approval in order for it to pass. Votes cast FOR, AGAINST and ABSTENTIONS with respect to this matter will be counted as shares entitled to vote. A vote to ABSTAIN will have the effect of a vote AGAINST the approval of this item. Broker non-votes are not entitled to vote on this matter, and therefore, will not be counted as votes cast on this matter.

***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. No matters were brought to the attention of our Corporate Secretary in accordance with the required procedures listed in our By-Laws or under Rule 14a-8 and explained in our 2012 Proxy Statement under the section Proposals for the 2013 Annual Meeting of Stockholders. If any other matters arise, the named proxies will vote in accordance with their best judgment.

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### **Election of Directors (Item 1 on the Proxy Card)**

Our Board of Directors and stockholders approved an amendment to our Certificate of Incorporation last year that provides for the phased-in elimination of the classification of the Board and the annual election of all directors.

The size of our Board of Directors is currently at 12, divided into three classes, and members of each class are elected to serve for staggered three-year terms. Starting with the election of directors at the Annual Meeting, nominees for director will be elected to one-year terms unless his or her term is sooner terminated by death, resignation, retirement, disqualification, removal from office or other cause. Beginning with the 2015 Annual Meeting, the declassification of the Board will be complete and all directors will be subject to annual election.

The Board has authority under our By-Laws to fill vacancies and to increase or, upon the occurrence of a vacancy, decrease the Board's size between annual stockholder meetings. The Board has established the size of the Board immediately after the Annual Meeting to be 11 directors.

### **Nominees for Director**

The four directors whose terms are expiring at the Annual Meeting are Thorleif Enger, Eleazar de Carvalho Filho, Claire S. Farley and Joseph H. Netherland. Dr. Enger has decided not to stand for re-election to the Board of Directors. Based on the recommendations from the Nominating and Governance Committee, our Board of Directors has nominated Eleazar de Carvalho Filho, Claire S. Farley and Joseph H. Netherland for election to the Board. Information about the nominees is contained in the section of this Proxy Statement entitled "Our Board of Directors - Information about Our Nominees" and information about the Board of Directors as a whole is contained in the sections of this Proxy Statement entitled "Our Board of Directors - Information about Our Directors Continuing in Office."

The Board of Directors expects that all of the nominees will be able and willing to serve as directors. If any nominee is unable to serve:

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.

#### ***What does the Board recommend?***

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF ELEAZAR DE CARVALHO FILHO, CLAIRE S. FARLEY AND JOSEPH H. NETHERLAND.**

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**Our Board of Directors**

**Information about Our Nominees**

**Eleazar de Carvalho Filho**

Age: 55

Director Since: 2010 (Independent)

**Professional Experience:** Mr. de Carvalho Filho is a Founding Partner of STK Capital Gestora de Recursos Ltda. since April 2010 and is also a Founding Partner of Virtus BR Partners Assessoria Corporativa Ltda. since May 2009, both of which are investment and asset management firms. Mr. de Carvalho Filho served as Chief Executive Officer and Managing Partner of Unibanco Investment Bank, a Brazilian investment bank, from April 2008 to March 2009. Mr. de Carvalho Filho was a Consultant for BHP Billiton Metais S.A., a global natural resources company, from 2006 to 2011, and is a Founding Partner of Iposeira Capital Ltda., established in 2003 as an independent advisory and asset management company.

**Board of Director Memberships:** In addition to serving on our Board, Mr. de Carvalho Filho also serves on the Board of Directors of the following public companies: Brookfield Renewable Energy Partners L.P. and Companhia Brasileira de Distribuição Grupo Pão de Açúcar (GPA). Mr. de Carvalho Filho is a former Board member of the following companies: Petrobras, BHP Billiton Brazil (non-executive Chairman), Libra Holding S.A., Rossi Residencial S.A. and Santista Têxtil S.A.

**Why this Director is an Asset to Our Board:** Mr. Carvalho brings to our Board his (1) independence; (2) experience as a chief executive officer and founding/managing partner of international investment organizations; (3) financial expertise; (4) thorough understanding of different cultural, political and regulatory requirements through his international experience in countries where we have a significant presence; (5) prior and current experience as a board member of public and private companies with international operations and (6) contribution to the Board in a way that enhances perspective through diversity in geographic origin and experience.

**Claire S. Farley**

Age: 54

Director Since: 2009 (Independent)

**Professional Experience:** Ms. Farley is a member of KKR Management LLC, the general partner of KKR & Co. L.P., a global investment firm ( KKR ). She works in KKR s Energy Group and began her affiliation with KKR in 2010 as a co-founder of RPM Energy, LLC, an oil and gas exploration and development company, which partnered with KKR. Prior to founding RPM Energy, Ms. Farley was an Advisory Director at Jefferies Randall & Dewey, a global oil and gas industry advisor, and was Co-President of Jefferies Randall & Dewey from February 2005 to July 2008. Prior to that, Ms. Farley served as Chief Executive Officer of Randall & Dewey, an oil and gas asset transaction advisory firm, from September 2002 until February 2005, when Randall and Dewey became the Oil and Gas Investment Banking Group of Jefferies & Company. Ms. Farley has extensive oil and gas exploration expertise, holding several positions within Texaco from 1981 to 1999, including President of Worldwide Exploration and New Ventures, President of North American Production and Chief Executive Officer of Hydro-Texaco, Inc. Ms. Farley also served as Chief Executive Officer of Intelligent Diagnostics Corporation from October 1999 to January 2001 and Trade-Ranger Inc. from January 2001 to May 2002.

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**Board of Director Memberships:** In addition to serving on our Board, Ms. Farley also serves on the Board of Directors of EnCana Corporation, a public company, and Samson Resources, a private company. Ms. Farley is a former Board member of the following public companies: Boise Cascade, Inc. (now known as OfficeMax Incorporated) and Newfield Exploration Company.

**Why this Director is an Asset to Our Board:** Ms. Farley brings to our Board her (1) independence; (2) experience as a chief executive officer of several major organizations; (3) extensive oil and gas exploration and production experience; (4) financial expertise; (5) prior and current experience as a board member of public companies with international operations; (6) senior executive experience in financial accounting, financial reporting and corporate finance, and a familiarity with internal financial controls and (7) contribution to the Board in a way that enhances perspective through diversity of experience.

### **Joseph H. Netherland**

Age: 66

Director Since: 2001 (Independent)

**Professional Experience:** Mr. Netherland served as our Chairman of the Board from December 2001 until his retirement in October 2008. Mr. Netherland also served as our Chief Executive Officer from 2001 to March 2007 and as President 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 its President in 2000. 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.

**Board of Director Memberships:** In addition to serving on our Board, Mr. Netherland also serves on the Boards of Directors of the following public companies: Newfield Exploration Company, Spectra Energy Corp. and Tidewater Inc. Mr. Netherland is also a director of the Petroleum Equipment Suppliers Association, a non-public entity.

**Why this Director is an Asset to Our Board:** Mr. Netherland brings to our Board his (1) experience as our prior Chairman, Chief Executive Officer and President and resulting extensive knowledge of our strategy, markets, competitors, financial and operational issues and regulatory concerns; (2) thorough understanding of industry regulations and public policy related to workplace health, safety, environment and social responsibility; (3) thorough understanding of different cultural, political and regulatory requirements through his international experience in countries where we have a significant presence; (4) extensive oil and gas experience, including skills gained as a board member of multinational corporations in the oil and gas industry and (5) prior and current experience as a board member of major U.S. organizations with international operations.

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**Information about Our Directors Continuing in Office**

***Term Expiring in 2014***

**C. Maury Devine**

Age: 62

Director Since: 2005 (Independent)

**Professional Experience:** 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 Corporate 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.

**Board of Director Memberships:** In addition to serving on our Board, Ms. Devine serves on the Boards of Directors of the following public companies: John Bean Technologies Corporation and Technip. Ms. Devine is also a Board member of the following non-public companies: Washington Middle School for Girls, the Partnership for Educational Solutions and the Woodstock Theological Center at Georgetown University. She is also a member of the Council on Foreign Relations. Ms. Devine is a former director of Aquatic Energy, LLC and Det Norske Veritas.

**Why this Director is an Asset to Our Board:** Ms. Devine brings to our Board her (1) independence; (2) financial expertise; (3) extensive corporate governance experience as corporate secretary of a major U.S. public company, the vice chairman of a major Norwegian energy company and prior and current experience as a member of the boards of both public and private companies; (4) international and U.S. governmental experience in various positions at the White House, the American Embassy in Paris, France, and the U.S. Department of Justice and as the manager of a major U.S. public company's international government relations; (5) academic experience as a Fellow at Harvard University's Belfer Center and (6) contribution to the Board in a way that enhances perspective through diversity of experience.

**John T. Grempp**

Age: 61

Director Since: 2011

**Professional Experience:** Mr. Grempp serves as our Chairman of the Board and Chief Executive Officer (our CEO), positions he has held since November 2011 and March 2011, respectively. From March 2011 to July 2012, Mr. Grempp also served as our President. Mr. Grempp served as our President and Chief Operating Officer from April 2010 to February 2011. Prior to this, Mr. Grempp served as our Executive Vice President Energy Systems from January 2007 to March 2010 and as our Vice President Energy Production Systems from March 2004 to December 2006.

**Board of Director Memberships:** In addition to serving on our Board, Mr. Grempp serves on the Board of Directors of Joy Global Inc., a public company. Mr. Grempp also serves on the Boards of

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Directors of the following non-public companies: the Petroleum Equipment Suppliers Association, the American Petroleum Institute and the Offshore Technology Conference. Mr. Grempe is a former director of Schilling Robotics, LLC and the Offshore Energy Center.

**Why this Director is an Asset to Our Board:** Mr. Grempe brings to our Board his (1) experience as our Chairman and CEO; (2) experience as our former President, as well as his experience in leading each of our major business operations; (3) extensive knowledge of our strategy, markets, competitors, financial and operational issues and regulatory concerns; (4) thorough understanding of industry regulations and public policy related to workplace health, safety, environment and social responsibility and a demonstrated commitment to our health, safety, environment and social responsibility; (5) demonstrated ability to continually challenge us to sharpen our vision while achieving significant growth; (6) thorough understanding of different cultural, political and regulatory requirements through his international experience in countries where we have a significant presence and (7) extensive oil service industry experience.

### **Thomas M. Hamilton**

Age: 69

Director Since: 2001 (Independent)

**Professional Experience:** Mr. Hamilton has been co-owner of Medora Investments, LLC, a private investment firm, since April 2003. Mr. Hamilton served as the Chairman, President and Chief Executive Officer of EEX Corporation, an oil and gas exploration company, 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.

**Board of Director Memberships:** In addition to serving on our Board, Mr. Hamilton also serves on the Boards of Directors of the following public companies: Hercules Offshore, Inc., Methanex Corporation (non-executive Chairman of the Board) and HCC Insurance Holdings, Inc.

**Why this Director is an Asset to Our Board:** Mr. Hamilton brings to our Board his (1) independence; (2) financial expertise; (3) experience as a chief executive officer and senior officer of major organizations with international operations in the oil and gas industry; (4) prior and current experience as a board member of public companies with international operations and (5) thorough understanding of different cultural, political and regulatory requirements through his international experience.

### **Richard A. Pattarozzi**

Age: 69

Director Since: 2002 (Independent)

**Professional Experience:** 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. In April 1991, he was appointed General Manager of Shell's Deepwater Production Division and in October 1991, General Manager of Shell's Deepwater Exploration and Production Division.

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**Board of Director Memberships:** In addition to serving on our Board, Mr. Pattarozzi serves on the Board of Directors of the following public companies: Stone Energy Corporation and Tidewater Inc. He also serves on the Board of Directors of Environmental Drilling Solutions, a private company. Mr. Pattarozzi is a former director of the following public companies: Superior Energy Services Inc. and Global Industries, Ltd., which merged with Technip in December 2011.

**Why this Director is an Asset to Our Board:** Mr. Pattarozzi brings to our Board his (1) independence; (2) experience as a chief executive officer and senior officer of major organizations with international operations in the oil and gas industry; (3) prior and current experience as a board member of public companies with international operations and (4) thorough understanding of different cultural, political and regulatory requirements through his extensive oil and gas experience.

## ***Term Expiring in 2015***

### **Mike R. Bowlin**

Age: 70

Director Since: 2001 (Independent)

**Professional Experience:** 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 served as Senior Vice President and President of ARCO International Oil and Gas Company from 1986 to 1992. Mr. Bowlin joined ARCO in 1969 and became President of ARCO Coal Company in 1985.

**Board of Director Memberships:** In addition to serving on our Board, Mr. Bowlin serves on the Board of Directors of Edwards Lifesciences Corporation, a public company. Mr. Bowlin is a former Chairman of the Board of the American Petroleum Institute and a former director of the University of North Texas Foundation, Inc.

**Why this Director is an Asset to Our Board:** Mr. Bowlin brings to our Board his (1) independence; (2) experience as a chief executive officer and senior officer of a major U.S. organization with international operations in the oil and gas industry; (3) experience as a board member of another public company with international operations and (4) thorough understanding of different cultural, political and regulatory requirements through his international experience.

### **Philip J. Burguieres**

Age: 69

Director Since: 2007 (Independent)

**Professional Experience:** Mr. Burguieres has been Chairman and Chief Executive Officer of EMC Holdings, LLC, an investment management company specializing in the energy industry, since 2000. Mr. Burguieres is Vice Chairman of the NFL Houston Texans, Chairman of The J.M. Burguieres Co., Ltd., a family-owned business, and Chairman Emeritus of Weatherford International, an oilfield production technology and services company. Mr. Burguieres served as Chairman, President and Chief Executive Officer of Weatherford International from 1991 to 1997. From 1981 to 1989, Mr. Burguieres served as Chairman and Chief Executive Officer of Cameron Iron Works, Inc.

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**Board of Director Memberships:** In addition to serving on our Board, Mr. Burguières currently serves as a director of Newfield Exploration Company, a public company, and as Chairman Emeritus of Weatherford International, a public company. He also serves on the following non-public Boards of Directors: EMC Holdings, LLC, the Houston Texans and The J.M. Burguières Co., Ltd.

**Why this Director is an Asset to Our Board:** Mr. Burguières brings to our Board his (1) independence; (2) experience as a chief executive officer and senior officer of two major U.S. organizations with international operations in the oil and gas industry; (3) experience as a board member of other public companies with international operations in the oil and gas industry and (4) thorough understanding of different cultural, political and regulatory requirements through his international experience.

### **Edward J. Mooney**

Age: 71

Director Since: 2001 (Independent)

**Professional Experience:** Mr. Mooney served as Délégué Général North America, Suez Lyonnaise des Eaux, a global provider of energy, water, waste and communications services, 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.

**Board of Director Memberships:** In addition to serving on our Board, Mr. Mooney serves on the Boards of Directors of the following public companies: FMC Corporation, The Northern Trust Corporation and Cabot Microelectronics Corporation. Mr. Mooney is a former director of Commonwealth Edison Company and PolyOne Corporation.

**Why this Director is an Asset to Our Board:** Mr. Mooney brings to our Board his (1) independence; (2) financial expertise; (3) experience as a chief executive officer of a major U.S. organization with international operations in the oil and gas industry; (4) experience as a board member of several other public companies with international operations in a variety of industries; (5) thorough understanding of different cultural, political and regulatory requirements through his international experience and (6) contribution to the Board in a way that enhances perspective through diversity of experience.

### **James M. Ringler**

Age: 67

Director Since: 2001 (Independent)

**Professional Experience:** Mr. Ringler has served as Chairman of the Board of Teradata Corporation, a provider of database software, data warehousing and analytics, since October 2007. 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.

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**Board of Director Memberships:** In addition to serving on our Board and as Chairman of the Board of Teradata Corporation, Mr. Ringler is also a member of the Boards of Directors of the following public companies: The Dow Chemical Company, Ingredion Incorporated (formerly Corn Products International, Inc.), Autoliv Inc. and John Bean Technologies Corporation.

**Why this Director is an Asset to Our Board:** Mr. Ringler brings to our Board his (1) independence; (2) financial expertise; (3) experience as a chief executive officer and senior executive of several major U.S. organizations with international operations in a variety of industries; (4) experience as a board member of several other public companies with international operations in a variety of industries; (5) thorough understanding of different cultural, political and regulatory requirements through his international experience and (6) contribution to the Board in a way that enhances perspective through diversity of experience.

## **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 professional and personal conduct and integrity. The Board has adopted and adheres to our Statement of Governance Principles, Policies and Procedures ( [Governance Principles](#) ) that 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 NYSE and the regulations of the SEC, as well as best practices recognized by governance authorities, to benchmark the standards under which it operates.

The Board provides accountability, objectivity, perspective, judgment and in some cases, specific industry or technical knowledge or experience. In carrying out its responsibilities to the stockholders, the fundamental role of the Board of Directors is to ensure (1) continuity of leadership; (2) that a sound strategy for the success of the enterprise is in place, understood and pursued; and (3) that financial and management resources are available and control systems are in place to carry out that strategy. The Board also provides risk oversight and has delegated some of its oversight duties to the Audit Committee, the Compensation Committee and the Nominating and Governance Committee, as discussed in [Board Oversight of Risk Management](#) below. Our Governance Principles, our Code of Business Conduct and Ethics ( [Code of Ethics](#) ), the charters for our Audit Committee, Compensation Committee and Nominating and Governance Committee and other corporate governance information are available on our website at [www.fmctechnologies.com](http://www.fmctechnologies.com) under the heading [About Us > Corporate Governance](#). These materials are also available in print, free of charge, to any stockholder upon written request submitted to our principal executive offices at 5875 N. Sam Houston Parkway W., Houston, Texas 77086, Attention: Senior Vice President, General Counsel and Secretary. The information on our website is not a part of this Proxy Statement and is not incorporated into any of our filings made with the SEC.

## **Code of Ethics**

We are committed to establishing and maintaining an effective compliance program that is intended to increase the likelihood of preventing, detecting, and correcting violations of law or Company policy. We have adopted our Code of Ethics and an internal Principles of Integrity policy, which are applicable to all employees, officers and directors. We will disclose amendments to, or waivers of, our Code of Ethics that are required to be disclosed under the securities and NYSE rules. Any waiver of our Code of Ethics must be approved by the Board of Directors or a relevant Board committee. We have not made any such waivers and do not anticipate making any such waiver.

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We have established a hotline for employees to report violations of our Code of Ethics or complaints regarding accounting and auditing practices on an anonymous basis. Reports of possible violations of financial or accounting policies made to the hotline are directed to our Director of Internal Audit and the chair of the Audit Committee.

## **Governance Principles**

Our Governance Principles contain general principles and practices regarding the function of the Board of Directors and the Board Committees. The Governance Principles are reviewed regularly by the Nominating and Governance Committee and revised when appropriate. Our Governance Principles address many of the items discussed above, and also include, among other things, the following items concerning the Board:

*Composition of the Board.* Our Governance Principles require that a majority of our non-employee directors should be active or retired senior executives, preferably chief executive or chief operating officers of publicly-held companies, and that they should be selected based on integrity, successful business experience, stature in their own fields of endeavor and the diversity of perspectives they bring to the Board. In addition, the Governance Principles provide that our non-employee directors should also be chosen based on recognized experience in our lines of business and leadership in areas of government service, academia, finance and international trade.

*Board, Committee and Individual Director Evaluations.* Each year the Directors complete an evaluation process focusing on an assessment of Board operations as a whole. Additionally, each of the Audit, Compensation and Nominating and Governance Committees conducts a separate evaluation of its own performance and the adequacy of its charter. These evaluations assess the diversity of talents, expertise and occupational and personal backgrounds of the Board members. The Nominating and Governance Committee coordinates the evaluation of the Board and committee operations and reviews and reports the results to the Board.

*New Director Orientation and Continuing Education.* The Board works with management to schedule new director orientation programs and continuing education programs for directors. Orientation is designed to familiarize new directors with the Company and the oil and gas industry, as well as Company personnel, facilities, strategies and challenges.

*Retirement Policy.* The Board has adopted a retirement policy under which directors generally may not stand for election or be appointed after age 73.

*Director Stock Ownership Requirements.* We have ownership requirements for our non-employee directors that are based on a multiple of five times the amount of each director's annual retainer.

## **Board Meetings, Annual Meeting of Stockholders and Attendance**

Our Board of Directors met in person or by telephone conference seven times in 2012. All incumbent directors attended at least 75% of all meetings of the Board and all meetings of the Board committees on which they served, except for Mr. Burguieres due to health reasons. The Board of Directors has scheduled a meeting in the morning prior to the Annual Meeting, and the Board encourages its members to attend the Annual Meeting. All but one of our directors attended our 2012 Annual Meeting.

**Table of Contents****Committees of the Board of Directors**

During 2012, 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 viewed on our website at [www.fmctechnologies.com](http://www.fmctechnologies.com) under the heading *About Us > Corporate Governance* and is also available in print, free of charge, to stockholders upon request submitted to our principal executive offices at 5875 N. Sam Houston Parkway W., Houston, Texas 77086, Attention: Senior Vice President, General Counsel and Secretary.

The table below provides 2012 meeting and membership information for each of our Board committees:

2012 Meetings and Membership	Audit	Compensation	Nominating and Governance
Number of Meetings	7 <sup>(1)</sup>	5	2
Mike R. Bowlin		X	X
Philip J. Burguieres		X <sup>(2)</sup>	X
Eleazar de Carvalho Filho	X		X
C. Maury Devine	X		X
Thorleif Enger <sup>(3)</sup>		X	X
Claire S. Farley	X		
Thomas M. Hamilton	X	X <sup>(4)</sup>	
Edward J. Mooney	X <sup>(2)</sup>		
Joseph H. Netherland	X <sup>(5)</sup>		X <sup>(5)</sup>
Richard A. Pattarozzi		X	X <sup>(2)</sup>
James M. Ringler	X	X	

(1) One meeting included a training session for Audit Committee members that concentrated on our internal audit department.

(2) Indicates committee chairman for the year ended December 31, 2012.

(3) Dr. Enger has decided not to stand for re-election at our Annual Meeting.

(4) Indicates committee chairman for the fourth quarter of 2012 due to Mr. Burguieres' absence for health reasons.

(5) Although Mr. Netherland was a member of our Audit Committee and Nominating and Governance Committee in 2012, he no longer serves as a member of any of our Board committees.

**Audit Committee**

The Audit Committee charter gives the Audit Committee the authority and responsibility for the engagement, compensation and oversight of our independent registered public accounting firm and the review and approval in advance of the scope of audit and non-audit assignments and the related fees of the independent registered public accounting firm. The Audit Committee charter also gives this committee authority to fulfill its obligations under SEC and NYSE requirements, which include:

oversight responsibilities relating to our accounting, auditing and financial reporting practices;

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 SEC;

financial and accounting organization and internal controls;

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auditor independence and approval of non-audit services;

reviewing and assessing the adequacy of policies and procedures with respect to major risk assessment and risk management in those specific areas as delegated by the Board of Directors; 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 registered public accounting firm and our Director of Internal Audit after Audit Committee meetings (four such sessions were held in 2012). The Audit Committee also plays a key role in assisting the Board in overseeing our enterprise risk management (ERM) program by discussing with management our major areas with potential risk exposures.

The Board of Directors has determined that all of the members of the Audit Committee meet the NYSE standard of having accounting or related financial management expertise and meet the SEC criteria for an audit committee financial expert.

In general, our Board oversees our risk management. The Audit Committee also plays a key role in discussing with management our potential risk exposures in the areas of its responsibility discussed in more detail under Board Oversight of Risk Management below.

## **Compensation Committee**

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

evaluating the performance of and approving all elements of compensation for the CEO;

reviewing and approving compensation policies and practices for other executive officers, including all elements of their compensation;

reviewing our executive compensation proposals to stockholders, including advisory votes on executive compensation and the frequency of such votes;

reviewing and approving major changes in employee benefit plans;

reviewing short-term and long-term incentives and equity grants;

reviewing and approving any agreements between us and our executive officers;

reviewing and recommending to the Board of Directors the compensation of our independent directors;

ensuring that a succession plan for the CEO and any other key executive positions is in place;

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reviewing our overall compensation philosophy to ensure that the policy appropriately links management interests with those of stockholders, rewards executives for their contributions and provides appropriate retention incentives;

reviewing and approving organizational changes and restructurings that have a significant impact on us or our business;

reviewing and assessing the adequacy of policies and procedures with respect to major risk assessment and risk management in those specific areas as delegated by the Board of Directors; and

reviewing the Compensation Discussion and Analysis to be included in our annual report or proxy statement and recommending, if appropriate, to the Board of Directors, its inclusion in our annual report or proxy statement.

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The Compensation Committee may delegate to its chairman, any one of its members or any sub-committee it may form, the responsibility and authority for any particular matter, as it deems appropriate from time to time under the circumstances. The Compensation Committee has delegated certain responsibilities with respect to employee benefits plans to an Employee Benefits Committee and a Plan Investment Committee. Each sub-committee is required to keep minutes and regularly reports to the Compensation Committee.

The Compensation Committee annually reviews all elements of compensation for our officers, peer group practices and performance, both internally and relative to peers as part of its process to help ensure that our total compensation program is consistent with our compensation philosophies. In discharging its duties and responsibilities, the Compensation Committee has the sole authority to retain, manage and terminate outside consultants. For instance, in determining compensation levels for executive officers, the Compensation Committee reviews compensation survey data supplied by Meridian, an independent consultant retained by the Compensation Committee. Please see [Executive Compensation Compensation Discussion and Analysis](#) for additional information on the Compensation Committee's processes and procedures for the consideration and determination of executive officer compensation.

In general, our Board oversees our risk management. The Compensation Committee also plays a key role in discussing with management our potential risk exposures in the areas of its responsibility discussed in more detail under [Board Oversight of Risk Management](#) below.

## **Nominating and Governance Committee**

The principal duties of the Nominating and Governance Committee under its charter include:

identifying and recommending to the Board of Directors qualified nominees for election to the Board of Directors;

making recommendations to the Board of Directors concerning the structure and membership of other Board committees and making annual recommendations for a member to serve as the lead independent director;

making recommendations to the Board of Directors from time to time regarding matters of corporate governance and compliance;

adopting and maintaining emergency procedures for management succession in the event of the unexpected disability of the CEO;

reviewing and assessing our Governance Principles and Code of Ethics, including the structure, implementation and effectiveness of our compliance program;

reviewing and assessing the adequacy of policies and procedures with respect to major risk assessment and risk management in those specific areas as delegated by the Board of Directors; and

annually assessing the performance of the Board of Directors and its committees, and reporting its assessment to the Board of Directors.

Stockholders may submit recommendations for future candidates for election to the Board of Directors for consideration by the Nominating and Governance Committee by writing to our principal executive offices at 5875 N. Sam Houston Parkway W., Houston, Texas 77086, Attention: Senior Vice President, General Counsel and Secretary. A letter recommending a director candidate must include the candidate's name, biographical information and a summary of the candidate's qualifications. In addition, the letter should be accompanied by a signed statement from the nominee indicating that the nominee is willing to serve as a member of the Board. To make a recommendation for the 2014 Annual

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Meeting, please refer to the timing requirements specified in the section of this Proxy Statement entitled "Proposals for the 2014 Annual Meeting of Stockholders." All submissions from stockholders satisfying these requirements will be reviewed by the Nominating and Governance Committee.

In connection with its role in recommending candidates for the Board, the Nominating and Governance Committee advises the Board with respect to the combination of skills, experience, perspective and diversity that its members believe are required for the effective functioning of the Board considering our current business strategies and regulatory, geographic and market environment. Our Governance Principles set forth minimum qualifications that must be met by a nominee recommended by the Nominating and Governance Committee. In addition, the Nominating and Governance Committee may consider, among other factors, diversity of experience, age, skill, independence qualifications and whether prospective nominees have relevant business and financial experience and have industry or other specialized expertise. The Nominating and Governance Committee assesses annually the effectiveness of our diversity policy in connection with the selection of nominees for election or re-election to the Board.

Nominees to be evaluated by the Nominating and Governance Committee for future vacancies on the Board will be selected by the Committee from candidates recommended by multiple sources, including business and personal contacts of the members of the Nominating and Governance Committee, recommendations by our senior management and candidates identified by independent search firms, stockholders and other sources, all of whom will be evaluated based on the same criteria.

In general, our Board oversees our risk management. The Nominating and Governance Committee also plays a key role in discussing with management our potential risk exposures in the areas of its responsibility discussed in more detail under "Board Oversight of Risk Management" below.

## **Board Oversight of Risk Management**

Our Board believes that one of its most important roles is the oversight of our management of risk, which the Board accomplishes through our ERM program. On at least an annual basis, management presents to the Board the risk areas that it believes to be the most significant to us and the plan for the assessment, monitoring and management of those risks. The Board has ultimate responsibility for overall risk management oversight; however, it has designated each of the three Board committees with oversight of risk within their own areas of responsibility. Oversight of areas such as strategy and operational risk are the responsibility of the full Board.

For example, the Audit Committee discusses with management on a regular basis our major areas with potential risk exposures, including financial reporting, liquidity, contract management, legal and regulatory compliance, taxes and foreign exchange. The Audit Committee reviews the potential financial impacts of these risks, the steps we take to ensure that appropriate processes are in place to identify, manage and control financial and business risks and that we have adequate insurance coverage to mitigate these risks. In cases where a practice or procedure is identified or an operational incident occurs that could heighten the possibility of a negative impact on our operations or financial results, our management reports to the Board the steps to be taken to ensure that the risk is appropriately managed.

The Nominating and Governance Committee reviews risk related to the Board's legal and regulatory corporate governance compliance requirements and also plays a key role in discussing with management its crisis management preparedness. The Nominating and Governance Committee adopts and maintains emergency procedures for management succession in the event of the unexpected disability or exit from the Company of the CEO or other senior executive officers.

With respect to risk related to compensation matters, the Compensation Committee is responsible for assessing the nature and degree of risk that may be created by our compensation policies and

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practices to ensure the appropriateness of risk-taking and their consistency with our business strategies. The Compensation Committee has determined that our compensation policies and practices do not encourage or create risk-taking that could be reasonably likely to have a material adverse impact on us. The Compensation Committee believes that our annual cash and long-term equity incentives provide an appropriate mix of incentives, performance metrics and payout caps to ensure performance is focused on long-term stockholder value.

## **Director Independence**

The Nominating and Governance Committee conducted a review of the independence of the members of the Board of Directors and its committees and reported its findings to the full Board at its February 22, 2013 meeting. Currently, 11 of our 12 directors (including the three nominees presently standing for election) are non-employee directors. The Nominating and Governance Committee reviewed all of the commercial transactions, relationships and arrangements between us and our subsidiaries, affiliates and executive officers with companies with whom the 11 non-employee directors are affiliated or employed. The transactions, relationships and arrangements reviewed by the Committee consisted of the following:

Philip J. Burguieres is a member of the Board of Directors and compensation committee of Newfield Exploration Company, which is one of our customers. Mr. Burguieres is also Chairman Emeritus of Weatherford International Ltd., which is one of our customers and vendors.

C. Maury Devine is a member of the Board of Directors and audit committee of John Bean Technologies Corporation ( JBT ), which is one of our customers and vendors. We and JBT are parties to a separation and distribution agreement and a tax sharing agreement that relate to the spin-off of our FoodTech and Airport Systems businesses (now JBT) that occurred in July 2008. Ms. Devine is also a member of the Board of Directors of Technip, which is one of our customers and vendors. Ms. Devine also serves on Technip's audit and compensation committees.

Claire S. Farley is a member of the Board of Directors of EnCana Corporation, which is one of our customers and vendors.

Thomas M. Hamilton is the non-executive Chairman of the Board of Directors of Methanex Corporation, which is one of our customers.

Edward J. Mooney is a member of the Board of Directors of FMC Corporation, our former parent company, which is also one of our customers and vendors. Mr. Mooney also serves on that Board's audit committee and is the chairman of its compensation committee. We and FMC Corporation are parties to a separation and distribution agreement and a joint litigation defense agreement that relate to the separation of the companies' businesses that occurred in 2001. Mr. Mooney is also a member of the Board of Directors of The Northern Trust Corporation. He serves as chairman of that Board's audit committee and is a member of the compensation committee. The Northern Trust Corporation serves as trustee for our Pension Plan and provides administrative services related to such plan. The Northern Trust Corporation is also a lender under our \$1.5 billion revolving credit facility that expires in March 2017.

Joseph H. Netherland is a member of the Board of Directors and compensation committee of Newfield Exploration Company, which is one of our customers.

James M. Ringler is a member of the Board of Directors and audit committee of The Dow Chemical Company, which is one of our customers. Mr. Ringler also serves as a member of the Board of Directors and compensation committee of JBT, which is one of our customers.



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