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PENTAIR INC  
Form PRE 14A  
March 12, 2002

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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SCHEDULE 14A INFORMATION  
PROXY STATEMENT PURSUANT TO SECTION 14(a)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. \_\_\_\_)

Filed by the Registrant [X]  
Filed by Party other than the Registrant [ ]

Check the appropriate box:

- [X] Preliminary Proxy Statement  
[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
[ ] Definitive Proxy Statement  
[ ] Definitive Additional Materials  
[ ] Soliciting Material Pursuant to Exchange Act Rules 14a-11(c) or 14a-12

PENTAIR, INC.  
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.  
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| 4 | Date Filed: _____                                   |

PRELIMINARY COPY

PENTAIR, INC.  
1500 County Road B2 West  
Saint Paul, Minnesota 55113

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD MAY 1, 2002

To our Shareholders:

The Annual Meeting of Shareholders of Pentair, Inc. (the "Company") will be held at the Lutheran Brotherhood Auditorium, 625 4th Avenue South, Minneapolis, Minnesota, on Wednesday, May 1, 2002, at 10:00 a.m., for the following purposes:

1. To elect four directors.
2. To approve amendments to the Articles of Incorporation and By-Laws to fix the number of the directors at ten.
3. To approve the Omnibus Stock Incentive Plan for Section 162(m) purposes.
4. To approve an amendment to the Executive Officer Performance Plan.
5. To vote on a proposal to ratify the selection of Deloitte & Touche LLP as independent auditors of the Company for 2002.
6. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 4, 2002 as the record date for determining the shareholders entitled to vote at the Annual Meeting. Accordingly, only shareholders of record at the close of business on that date will be entitled to vote. The Company's transfer books will not be closed.

By Order of the Board of Directors

Louis L. Ainsworth, Secretary

Saint Paul, Minnesota  
March 22, 2002

IMPORTANT: For the Annual Meeting to be legally held, there must be a quorum (50% plus 1 vote). Accordingly, you are urged to vote your proxy promptly by internet or telephone as described in the voting instructions on the proxy; or date, sign and return the proxy in the enclosed envelope. This will not prevent

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you from voting in person if you so desire.

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PROXY STATEMENT  
FOR ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD MAY 1, 2002  
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PENTAIR, INC.

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1500 County Road B2 West  
Saint Paul, Minnesota 55113

March 22, 2002

The following statement is furnished in connection with the solicitation of proxies by the Board of Directors of Pentair, Inc. (the "Company") to be voted at the Annual Meeting of Shareholders of the Company to be held on Wednesday, May 1, 2002, or at any adjournment or adjournments of such meeting. Distribution of this proxy statement and proxy to shareholders began on or about March 22, 2002.

### SOLICITATION

The cost of soliciting proxies and the notices of the meeting, including the preparation, assembly and mailing of proxies and this statement, will be borne by the Company. In addition to this mailing, proxies may be solicited personally or by telephone by regular employees of the Company. Assistance in the solicitation of proxies is also being rendered by Morrow & Co., 445 Park Avenue, New York, New York, at a cost to the Company of \$7,000 plus expenses of up to \$2,500. Furthermore, arrangements may be made with brokers, banks and similar organizations to send proxies and proxy materials to beneficial owners for voting instructions, for which the Company will reimburse such organizations for their expense in so doing and will pay all costs of soliciting the proxies.

### REVOCATION AND VOTING OF PROXY

Any shareholder giving a proxy may revoke it prior to its use at the meeting by (1) delivering a written notice expressly revoking the proxy to the Secretary at the Company's offices, (2) signing and forwarding to the Company at its offices a later dated proxy, or (3) attending the Annual Meeting and casting his or her votes personally.

A majority of the outstanding shares will constitute a quorum at the Annual Meeting. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum for the transaction of business. Pursuant to Minnesota law and the Company's Articles of Incorporation, abstentions are counted in determining the total number of the votes cast on proposals presented to shareholders, but will not be treated as votes in favor of the proposals. Broker non-votes are not counted for purposes of determining the total number of votes cast on proposals presented to shareholders.

Unless otherwise directed in the accompanying proxy, the persons named therein will vote FOR the directors and the other proposals set forth in this Notice of Annual Meeting of Shareholders. As to any other business that may properly come before the meeting, they will vote in accordance with their best judgment. The Company does not presently know of any other business.

### OUTSTANDING SHARES AND VOTING RIGHTS

At the close of business on March 4, 2002, the record date, there were 49,178,709 shares of the Company's Common Stock, par value \$.16-2/3 per share (the "Common Stock") outstanding. Each share of Common Stock entitles the holder to one vote. There is no cumulative voting for directors.

### SECURITY OWNERSHIP OF MANAGEMENT AND BENEFICIAL OWNERSHIP

The following table contains information concerning the beneficial ownership of the Company's Common Stock as of March 4, 2002 by each director, by each executive officer listed in the Summary Compensation Table, by all directors and executive officers as a group and, as of December 31, 2001, by

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each person known to the Company to "beneficially own" more than 5% of its Common Stock.

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NAME OF BENEFICIAL OWNER	COMMON STOCK (a)	SHARE UNITS (b)	OBTAINABLE WITHIN 60 DAYS (c)	RESTRICTED STOCK (d)	ESO STOCK (e)
Winslow H. Buxton	244,995	0	502,000	0	5,
William J. Cadogan	4,700	11,480	4,066	0	
Richard J. Cathcart	36,084	0	87,333	23,220	1,
Frank J. Feraco	0	0	17,000	15,000	
Barbara B. Grogan	2,400	14,963	4,066	0	
Charles A. Haggerty	9,200	19,933	4,066	0	
David D. Harrison	21,154	0	42,494	16,531	
William H. Hernandez	500	135	0	0	
Randall J. Hogan	74,262	0	141,827	83,862	
Stuart Maitland	1,000	7,433	1,516	0	
Augusto Meozzi	200	8,034	1,516	0	
William T. Monahan	500	3,887	0	0	
Michael V. Schrock	13,287	0	24,500	23,991	
Karen E. Welke	2,600	15,576	4,066	0	
Directors and executive officers as a group (17 persons)	466,435	81,441	949,943	185,707	16,
FMR Corp. (g) 82 Devonshire Street Boston, MA 02109	3,089,896				
Marsh & McLennan Companies, Inc. (h) 1166 Avenue of the Americas New York, NY 10036	2,582,432				

- (a) Unless otherwise noted, all shares are held either directly or indirectly by individuals possessing sole voting and investment power with respect to such shares. Beneficial ownership of an immaterial number of shares held by spouses and children has been disclaimed in some instances. Amounts listed do not include 841,570 shares held by the Pentair, Inc. Master Trust for various pension plans of the Company and its subsidiaries. The Trust

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Investment Committee of such Master Trust includes Randall J. Hogan, David D. Harrison and one other officer. Although these individuals could be deemed under applicable Securities and Exchange Commission rules to "beneficially own" all of the shares held by these Plans because of their shared voting and investment power with respect to those shares, they disclaim beneficial ownership of such shares.

- (b) Represents share units paid under the Fourth Amended and Restated Compensation Plan for Non-Employee Directors as to which the beneficial owner has no voting or investment power.
- (c) Represents stock options exercisable within 60 days from March 4, 2002.
- (d) Restricted shares issued pursuant to incentive plans as to which the beneficial owner has sole voting power but no investment power.
- (e) Represents common shares owned as a participant in the Pentair Employee Stock Ownership Plan ("Pentair ESOP") and, for one officer, common shares owned as a participant in the Federal-Hoffman Employee Stock Ownership Plan ("F-H ESOP"). As of March 4, 2002, Fidelity Management Trust Company ("Fidelity"), the Trustee of the Pentair ESOP, held 2,518,445 common shares (5.0%) and Wells Fargo ("Wells Fargo"), the Trustee of the F-H ESOP, held 491,870 common shares (1.0%). Fidelity and Wells Fargo disclaim beneficial ownership of all shares. The Pentair ESOP and F-H ESOP participants have the right to direct the Trustee to vote their shares although participants have no investment power over such shares. The Trustees, except as otherwise required by law, vote the shares for which they have received no direction from participants, in the same proportion on each issue as they vote those shares for which they have received voting directions from participants.

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- (f) Less than 1% unless otherwise indicated.
- (g) In a Schedule 13G filed February 14, 2002, as of December 31, 2001, Fidelity Management & Research Company ("Fidelity"), a wholly owned subsidiary of FMR Corp. and a registered investment adviser, reported beneficial ownership of 2,896,196 shares as a result of activities as an investment adviser. The funds, FMR Corp., through its control of Fidelity, and its Chairman, Edward C. Johnson III, reported sole dispositive power of such shares, but had no voting power over such shares, which is directed by the funds' Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the funds' Boards of Trustees. Fidelity Management Trust Company, a wholly owned subsidiary of FMR Corp. and a bank, reported beneficial ownership of 193,700 shares as a result of serving as investment manager of institutional account(s). FMR Corp. and its Chairman, Edward C. Johnson III, reported sole dispositive power of all such shares and sole voting power of 186,000 of such shares. They reported no voting control of 7,700 shares owned by the institutional accounts. The members of the Edward C. Johnson III family, the predominant owners of FMR Corp., have entered into a voting agreement and consequently may be a controlling group of FMR Corp under the Investment Company Act of 1940, as amended.
- (h) In a Schedule 13G filed February 15, 2002, Putnam Investments, LLC ("PI"), a wholly-owned subsidiary of Marsh & McLennan Companies, Inc., reported that two registered investment advisers wholly-owned by PI, Putnam Investment Management, LLC., which is the investment adviser to the Putnam family of mutual funds ("PIM"), and The Putnam Advisory Company, LLC. ("PAC"), which is the investment adviser to Putnam's institutional clients, have dispositive power of the shares as investment managers but each of the mutual fund's trustees have voting power over the shares held by each fund and PAC has shared voting power over the shares held by the institutional clients. PI reported shared voting power of 570,255 shares and shared

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dispositive power of 2,582,432 shares; PIM reported shared dispositive power of 1,598,295 shares; and PAC reported shared voting power of 570,255 shares and shared dispositive power of 984,137 shares.

### SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers to file with the Securities and Exchange Commission ("SEC") initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Officers, directors, and greater than ten-percent shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of such forms furnished to the Company and written representations from the Company's officers and directors, the Company believes that it has previously reported any delinquencies for the fiscal year ended December 31, 2001 and all other persons subject to these reporting requirements filed the required reports on a timely basis.

### PROPOSALS TO BE ACTED UPON AT THE ANNUAL MEETING

#### ITEM 1

#### ELECTION OF DIRECTORS

The Company's By-Laws provide for a Board of Directors (sometimes referred to herein as the "Board") of not fewer than three members and not more than fifteen members. The Board is divided into three classes with directors serving three-year terms but with the beginning date for each term staggered so that the term of only one class expires in any particular year. Vacancies may be filled by the Board of Directors or by election at a special meeting of shareholders. Any director elected to fill a vacancy by the remaining directors is required to stand for election at the next meeting of shareholders. If the proposal to amend the Company's Articles of Incorporation and By-Laws are approved, then the number of directors will be fixed at 10.

At the forthcoming Annual Meeting, four persons have been nominated as candidates to be elected to the Company's Board of Directors. Barbara B. Grogan, Stuart Maitland and Augusto Meozzi, each incumbent directors, have been nominated for three-year terms, expiring at the 2005 Annual Meeting and William H. Hernandez, who was appointed to the Board in July 2001, subject to election at the upcoming Annual Meeting, has been nominated for a two-year term, expiring

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at the 2004 Annual Meeting. Five other directors have terms of office that do not expire at this time and who will be continuing to serve his or her full term. Although there will be one vacancy remaining on the Board following this election, proxies cannot be voted for a greater number of directors than the number nominated. Unless you direct otherwise, proxies will be voted FOR the election of all nominees listed below. Should any nominee decline or be unable to accept such nomination or to serve as director (an event management does not now expect to occur), proxies will be voted FOR a substitute nominee or nominees in accordance with the best judgment of the person or persons acting under them.

Information concerning the persons nominated for election as directors, as well as those continuing in office, is set forth on the following pages.

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### DIRECTORS STANDING FOR ELECTION

(FOR A THREE-YEAR TERM EXPIRING AT THE 2005 ANNUAL MEETING OF SHAREHOLDERS)

BARBARA B. GROGAN, director since 1996, age 54

Ms. Grogan is Chairman and President of Western Industrial Contractors, Inc., a company specializing in machinery erection and installation, which she founded in September 1982. She was Chairman of the Board of Directors of the Federal Reserve Bank of Kansas City, Denver Branch, from 1989 to 1994, and currently is a member of the Board of Directors of Deluxe Corporation, Apogee, Inc., Committee for Economic Development, New York City and Volunteers of America, Colorado.

STUART MAITLAND, director since 1999, age 56

Mr. Maitland was Director of Manufacturing Operations for the Vehicle Operations organization at Ford Motor Company, Dearborn, Michigan from 1996 through October 1, 2001, when he retired. He joined Ford Motor Company in 1988 and held positions as Plant Manager at Ford's Kansas City Assembly Plant, Twin Cities Assembly Plant in St. Paul, Minnesota and Dearborn Assembly Plant in Dearborn, Michigan.

AUGUSTO MEOZZI, director since 1999, age 62

Since January 1, 1998, Mr. Meozzi has been the Chief Operating Officer of the ISOLA Group, a world-wide producer of base materials. From November 1992 to Janu