

GREIF BROTHERS CORP
Form DEF 14A
January 27, 2003

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

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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 to §240.14a-11(c) or §240.14a-12

GREIF BROS. CORPORATION

(Name of Registrant as Specified in its Charter)

NOT APPLICABLE

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:

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(3) Filing Party:

(4) Date Filed:

GREIF BROS. CORPORATION

425 Winter Road
Delaware, Ohio 43015

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Greif Bros. Corporation:

Notice is hereby given that the Annual Meeting of Stockholders of Greif Bros. Corporation (the Company) will be held at its principal executive offices, 425 Winter Road, Delaware, Ohio 43015, on February 24, 2003, at 10:00 A.M., E.S.T., for the following purposes:

1. To elect nine directors to serve for a one-year term;
2. To consider and vote upon a proposal to change the Company's corporate name from Greif Bros. Corporation to Greif, Inc. and to amend the Company's Amended and Restated Certificate of Incorporation to effect the change in corporate name; and
3. To transact such other business as may properly come before the meeting or any and all adjournments.

Only stockholders of record of the Class B Common Stock at the close of business on January 9, 2003, will be entitled to vote at this meeting.

Whether or not you plan to attend this meeting, we hope that Class B stockholders will sign the enclosed proxy and return it promptly in the enclosed envelope. If you are able to attend the meeting and wish to vote in person, at your request we will cancel your proxy.

January 25, 2003

Gary R. Martz
Secretary

GREIF BROS. CORPORATION

425 Winter Road
Delaware, Ohio 43015

PROXY STATEMENT

**ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD FEBRUARY 24, 2003**

To the Stockholders of Greif Bros. Corporation:

This Proxy Statement is being furnished to all of the stockholders of Greif Bros. Corporation, a Delaware corporation (the "Company"), in connection with the Company's Annual Meeting of Stockholders scheduled to be held on February 24, 2003, at 10:00 A.M., E.S.T., at the Company's principal executive offices, 425 Winter Road, Delaware, Ohio 43015. It is anticipated that this Proxy Statement and form of proxy will first be sent to the stockholders on or about January 25, 2003.

PROXIES AND VOTING

This Proxy Statement is being furnished to Class B stockholders of the Company, the only class of stockholders entitled to vote at the Annual Meeting, in connection with the solicitation by management of proxies that will be used at the Annual Meeting. Class A stockholders are not entitled to vote at the Annual Meeting, and therefore, this Proxy Statement is being furnished to Class A stockholders for informational purposes only, and no proxy is being solicited from them.

At the Annual Meeting, the Class B stockholders will vote upon: (1) the election of nine directors; (2) a proposal to approve the Company's corporate name change from Greif Bros. Corporation to Greif, Inc. and to amend the Company's Amended and Restated Certificate of Incorporation to effect the change in corporate name; and (3) such other business as may properly come before the meeting or any and all adjournments.

Class B stockholders do not have the right to cumulate their votes in the election of directors, and the nine nominees receiving the highest number of votes will be elected as directors. The vote required for the approval of the Company's corporate name change from Greif Bros. Corporation to Greif, Inc. and to amend the Company's Amended and Restated Certificate of Incorporation to effect the change in corporate name is the favorable vote of a majority of the outstanding shares of the Class B Common Stock entitled to vote at the Annual Meeting.

Shares of Class B Common Stock represented by properly executed proxies will be voted at the Annual Meeting in accordance with the choices indicated on the proxy. If no choices are indicated on a proxy, the shares represented by that proxy will be voted in favor of the nine nominees described in this Proxy Statement and to approve the proposal regarding the Company's corporate name change from Greif Bros. Corporation to Greif, Inc. and to amend the Company's Amended and Restated Certificate of Incorporation to effect the change in corporate name. Any proxy may be revoked at any time prior to its exercise by delivering to the Company a subsequently dated proxy or by giving notice of revocation to the Company in writing or in open meeting. A Class B stockholder's presence at the Annual Meeting does not by itself revoke the proxy.

Abstentions will be considered as shares of Class B Common Stock present and entitled to vote at the Annual Meeting and will be counted for purposes of determining whether a quorum is present. Abstentions will not be counted in determining the votes cast for the election of directors and will not have a positive or negative effect on the outcome of the election. Because the proposal to approve the Company's corporate name change from Greif Bros. Corporation to Greif, Inc. and to amend the Company's Amended and Restated Certificate of Incorporation to effect the change in corporate name requires the favorable vote of a majority of the outstanding shares of Class B Common Stock entitled to vote at the Annual Meeting, abstentions will have the same effect as a vote against this proposal.

If your Class B Common Stock is held in street name, you will need to instruct your broker regarding how to vote your Class B Common Stock. If you do not provide your broker with voting instructions regarding the election of directors, your broker will nevertheless have the discretion to vote your shares of Class B Common Stock for the election of directors. There are certain other matters, however, over which your broker does not have discretion to vote your Class B Common Stock without your instructions—these situations are referred to as broker non-votes. The proposal regarding the Company's corporate name change from Greif Bros. Corporation to Greif, Inc. and to amend the Company's Amended and Restated Certificate of Incorporation to effect the change in corporate name falls into this category. If you do not provide your broker with voting instructions on this proposal, your shares of Class B Common Stock will not be voted on this proposal. Because broker non-votes will be considered as shares of Class B Common Stock present and entitled to vote for this proposal, broker non-votes will have the same effect as votes against this proposal.

The close of business on January 9, 2003, has been fixed as the record date for the determination of Class B stockholders entitled to notice of and to vote at the Annual Meeting and any adjournment thereof. On the record date, there were outstanding and entitled to vote 11,757,859 shares of Class B Common Stock. Each share is entitled to one vote.

PROPOSAL NO. 1 ELECTION OF NINE DIRECTORS FOR ONE-YEAR TERM

The number of directors currently is fixed at nine, with each director serving for a one-year term. At the Annual Meeting, shares of the Class B Common Stock represented by the proxies, unless otherwise specified, will be voted to elect as directors Michael J. Gasser, Charles R. Chandler, Michael H. Dempsey, Naomi C. Dempsey, Daniel J. Gunsett, John C. Kane, Patrick J. Norton, David J. Olderman and William B. Sparks, Jr., the nine persons nominated by the Nominating Committee of the Board of Directors, all of whom, except for Mr. Norton, are currently directors of the Company and have served continuously since their first election or appointment. Each of the nominees has consented to being named in the Proxy Statement and to serve if elected.

If any nominee is unable to accept the office of director, or will not serve, which is not anticipated, the persons named in the proxy will not have authority to vote for another nominee.

Directors Biographies

Michael J. Gasser, 51, has been a director since 1991. He has been Chairman of the Board of Directors and Chief Executive Officer of the Company since 1994. He has been an executive officer of the Company since 1988. He is a member of the Executive, Nominating and Stock Repurchase Committees. He is also a director for Bob Evans Farms, Inc., a restaurant and food products company.

Charles R. Chandler, 67, has been a director since 1987. He is an investor. He was Vice Chairman of the Company for more than five years until his retirement in September 2002. From 1999 through September 2002, Mr. Chandler also served as President of Soterra LLC, a subsidiary of the Company. He is a member of the Executive Committee.

Michael H. Dempsey, 46, has been a director since 1996. He is an investor. Prior to 1997, and for more than five years, he had been the President of Kuschall of America, a wheelchair manufacturing company. He is a member of the Compensation, Executive and Stock Option Committees. Mr. Dempsey is the son of Naomi C. Dempsey.

Naomi C. Dempsey, 86, has been a director since 1995. She is an investor and member of the Nominating Committee. Mrs. Dempsey is the mother of Michael H. Dempsey.

Daniel J. Gunsett, 54, has been a director since 1996. For more than five years, he has been a partner with the law firm of Baker & Hostetler LLP. He is a member of the Audit, Compensation, Executive, Nominating, Stock Option and Stock Repurchase Committees.

John C. Kane, 63, has been a director since 1999. He is an investor. Prior to 2001, and for more than five years, he was President and Chief Operating Officer of Cardinal Health, Inc., a health-care services company, and was a director for Cardinal Health, Inc. He is a member of the Audit, Compensation and Stock Option Committees. He is also a director of Connetics Corporation, a biopharmaceutical company.

Patrick J. Norton, 52, is a nominee as a director. Mr. Norton retired as Executive Vice President and Chief Financial Officer of The Scotts Company, a consumer lawn and garden products company, in January 2003. Mr. Norton served as Chief Financial Officer of The Scotts Company from February 2000 until his retirement. From 1983 until its acquisition by ServiceMaster, Inc. in February 1997, Mr. Norton was the President, Chief Executive Officer and a director of Barefoot Inc., a lawn care company. Mr. Norton also serves as a director of The Scotts Company.

David J. Olderman, 67, has been a director since 1996. He is an investor. Prior to 1997, and for more than five years, he had been Chairman, owner and Chief Executive Officer of Carret and Company, Inc., an investment consulting firm. He is a member of the Audit, Compensation and Stock Option Committees.

William B. Sparks, Jr., 61, has been a director since 1995. He has been President and Chief Operating Officer of the Company for more than five years. He is a member of the Executive Committee.

In the tabulating of votes, abstentions and broker non-votes will be disregarded and will have no effect on the outcome of the vote.

PROPOSAL NO. 2 APPROVAL OF THE CHANGE OF THE COMPANY S CORPORATE NAME FROM GREIF BROS. CORPORATION TO GREIF, INC. AND TO AMEND THE COMPANY S AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO EFFECT THE CHANGE IN CORPORATE NAME

At the Annual Meeting, the Class B stockholders will be requested to consider and act upon a proposal to approve the change of the Company s corporate name from Greif Bros. Corporation to Greif, Inc. and to amend the Company s Amended and Restated Certificate of Incorporation to effect the change in corporate name (the Amendment).

Description of the Amendment

On December 10, 2002, the Board of Directors adopted a resolution to change the corporate name of the Company from Greif Bros. Corporation to Greif, Inc. and, subject to approval of the Class B stockholders, to amend the Company s Amended and Restated Certificate of Incorporation to effect the change in corporate name. The resolution also provided that the Amendment be proposed to the stockholders entitled to vote thereon for consideration at the Annual Meeting of Stockholders on February 24, 2003, all in accordance with Section 242 of the Delaware General Corporation Law.

The Amendment is consistent with the recent adoption of the Greif name around the world by the Company s subsidiaries and the launch of the Company s new corporate identity. The Amendment and the new identity are all part of the Company s recent transformation, growing from a U.S. regional industrial packaging supplier to a world leader in industrial packaging.

The form of the Amendment is attached as Exhibit A.

Reasons for Stockholder Approval

Section 242 of the Delaware General Corporation Law requires that Delaware corporations, such as the Company, obtain stockholder approval of an amendment to the certificate of incorporation. In order to change the corporate name of the Company, it is necessary to amend the Company s Amended and Restated Certificate of Incorporation.

It should be noted that at any time prior to the effectiveness of the filing of a Certificate of Amendment effecting the Amendment, and notwithstanding authorization by the stockholders of the Amendment, the Board of Directors may abandon the Amendment without further action by the stockholders of the Company.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE AMENDMENT.

BOARD OF DIRECTORS COMMITTEES AND MEETINGS

The Board held four meetings during the 2002 fiscal year. Each director attended at least 75% of the meetings held by the Board and committees on which he or she served during the 2002 fiscal year.

The Board has established an Executive Committee, a Compensation Committee, an Audit Committee, a Stock Option Committee, a Stock Repurchase Committee and a Nominating Committee.

The Executive Committee, whose current members are Messrs. Gasser, Chandler, Dempsey, Gunsett and Sparks, has the same authority, subject to certain limitations, as the Board during intervals between meetings of the Board. The Executive Committee held seven meetings during the 2002 fiscal year.

The Compensation Committee, whose current members are Messrs. Dempsey, Gunsett, Kane and Olderman, is responsible for evaluating the compensation, fringe benefits and perquisites provided to the Company's officers and adopting compensation policies applicable to the Company's executive officers, including the specific relationship, if any, of corporate performance to executive compensation and the factors and criteria upon which the compensation of the Company's Chief Executive Officer should be based. The Compensation Committee held two meetings during the 2002 fiscal year.

The Audit Committee, whose current members are Messrs. Gunsett, Kane and Olderman, is responsible for the appointment of the Company's auditors to the Board, reviewing with such auditors the scope and results of their audit, reviewing the Company's accounting functions, operations and management, and considering the adequacy and effectiveness of the internal accounting controls and internal auditing methods, policies and procedures of the Company. The Audit Committee held four meetings during the 2002 fiscal year.

The Stock Option Committee, whose current members are Messrs. Dempsey, Gunsett, Kane and Olderman, is responsible for administering the Company's Incentive Stock Option Plan which provides for the granting of options for shares of the Company's Class A Common Stock to key employees. The Stock Option Committee held one meeting during the 2002 fiscal year.

The Stock Repurchase Committee, whose current members are Messrs. Gasser and Gunsett, is responsible for administering the Company's Stock Repurchase Program. The Stock Repurchase Committee held one meeting during the 2002 fiscal year.

The Nominating Committee, whose current members are Mrs. Dempsey and Messrs. Gasser and Gunsett, is responsible for nominating members to the Board and committees. The Nominating Committee held one meeting to consider and nominate the nine persons described in this Proxy Statement.

The Nominating Committee will consider for nomination as directors of the Company persons recommended by the stockholders of the Company. In order to recommend a person for the 2004 Annual Meeting, a stockholder must deliver a written recommendation to the Secretary of the Company on or prior to 120 days in advance of the first anniversary of the date of this Proxy Statement (the Notice Date). In order to be considered by the Nominating Committee, the written recommendation must contain the following information: (a) the name and address, as they appear on the Company's books, of the stockholder making the recommendation; (b) the class and number of shares of capital stock of the Company beneficially owned by such stockholder; (c) the name and address of the person recommended as a nominee and a brief description of the background, experience and qualifications of such person which will assist the Nominating Committee in evaluating such person as a potential director of the Company; and (d) any material interest of such stockholder or such nominee in the business to be presented at the 2004 Annual Meeting. After the Notice Date, the Nominating Committee will meet and consider all persons recommended by stockholders as nominees for directors. Within 30 days after the Notice Date, the Secretary of the Company will notify in writing the stockholder recommending the nominee whether or not the Nominating Committee intends to nominate for election as a director at the 2004 Annual Meeting the person he or she recommended.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information, as of January 9, 2003, with respect to the only persons known by the Company to be the beneficial owners of 5% or more of the Class B Common Stock, the Company's only class of voting securities:

<u>Name and Address</u>	<u>Class of Stock</u>	<u>Type of Ownership</u>	<u>Number of Shares</u>	<u>Percent of Class</u>
Naomi C. Dempsey 782 W. Orange Road Delaware, Ohio	Class B	See (1) below	5,425,904	46.15%
Naomi A. Coyle Trust c/o Michael H. Dempsey, Trustee 2240 Encinitas Boulevard Suite D-403 Encinitas, California	Class B	See (2) below	1,663,040	14.14%
Michael H. Dempsey 2240 Encinitas Boulevard Suite D-403 Encinitas, California	Class B	See (3) below	2,292,067	19.49%
Robert C. Macauley 161 Cherry Street New Canaan, Connecticut	Class B	Record and Beneficially	1,130,000	9.61%

- (1) Held by Naomi C. Dempsey as trustee of the Naomi C. Dempsey Living Trust.
- (2) Held of record and beneficially by the Naomi A. Coyle Trust. Michael H. Dempsey is the trustee of this Trust. See (3) below.
- (3) Held by Michael H. Dempsey (129,052 shares), Michael H. Dempsey as trustee of the John C. Dempsey Trust (378,500 shares), the Naomi A. Coyle Trust (1,663,040 shares) and the Naomi C. Dempsey Charitable Lead Annuity Trust (121,475 shares).

The following table sets forth certain information, as of January 9, 2003, with respect to the Class A Common Stock and Class B Common Stock (the only equity securities of the Company) beneficially owned, directly or indirectly, by each director and each executive officer named in the summary compensation table:

<u>Name</u>	<u>Title and Percent of Class (1)</u>	
	<u>Class A</u>	<u>%</u>
Charles R. Chandler	97,900	*
Michael H. Dempsey	19,240(2)	*
Naomi C. Dempsey	14,000	*
Michael J. Gasser	158,100	1.50%
Daniel J. Gunsett	14,000	*
Donald S. Huml	500	*
John C. Kane	11,000	*
John S. Lilak	22,500	*
Robert C. Macauley	0	*
Gary R. Martz	0	*
David J. Olderman	15,000	*
William B. Sparks, Jr.	99,086	*

Name	Title and Percent of Class (1)	
	Class B	%
Charles R. Chandler	4,000	*
Michael H. Dempsey	2,292,067(3)	19.49%
Naomi C. Dempsey	5,425,904(4)	46.15%
Michael J. Gasser	11,898	*
Daniel J. Gunsett	1,000	*
Donald S. Huml	0	*
John C. Kane	0	*
John S. Lilak	0	*
Robert C. Macauley	1,130,000	9.61%
Gary R. Martz	300	*
David J. Olderman	43,074	*
William B. Sparks, Jr.	6,248	*

* Less than one percent.

- Except as otherwise indicated below, the persons named in the table (and their spouses, if applicable) have sole voting and investment power with respect to all shares of Class A Common Stock or Class B Common Stock, as the case may be, owned by them. This table includes shares for Class A Common Stock subject to currently exercisable options, or options exercisable within 60 days of January 9, 2003, granted by the Company under the Incentive Stock Option Plan and the 1996 Directors Stock Option Plan, for the following directors and named executive officers: Mr. Chandler 97,000; Mr. Dempsey 14,000; Mrs. Dempsey 14,000; Mr. Gasser 158,000; Mr. Gunsett 14,000; Mr. Kane 6,000; Mr. Lilak 18,500; Mr. Olderman 14,000 and Mr. Sparks 98,000.
- Held by Michael H. Dempsey as trustee of the John C. Dempsey Trust (5,240 shares) plus the exercisable options discussed in (1) above.
- Held by Michael H. Dempsey (129,052 shares), Michael H. Dempsey as trustee of the John C. Dempsey Trust (378,500 shares), the Naomi A. Coyle Trust (1,663,040 shares) and the Naomi C. Dempsey Charitable Lead Annuity Trust (121,475 shares).
- Held by Naomi C. Dempsey as trustee of the Naomi C. Dempsey Living Trust.

The Class A Common Stock has no voting power, except when four quarterly cumulative dividends upon the Class A Common Stock are in arrears.

The following table sets forth the equity securities owned or controlled by all directors and executive officers as a group (19 persons) as of January 9, 2003:

Title of class of stock	Amount beneficially owned	Percent of class
Class A Common Stock (1)	491,976	4.66%
Class B Common Stock	8,914,791	75.82%

- Shares represent the number of shares beneficially owned, directly or indirectly, by each director and executive officer as of January 9, 2003. The number includes shares subject to currently exercisable options or options exercisable within 60 days of January 9, 2003, granted by the Company under the Incentive Stock Option Plan and the 1996 Directors Stock Option Plan, for the directors and executive officers as a group 473,950 shares.

EXECUTIVE COMPENSATION

The following table sets forth the compensation for the three years ended October 31, 2002 for the Company's Chief Executive Officer, the Company's four other most highly compensated executive officers and one additional executive officer that retired during 2002:

Summary Compensation Table

Name & Position	Year	Annual Compensation			Long-Term Compensation		
		Salary	Bonus (1)	All Other (2)	LTIP Payouts (3)	Restricted Stock Awards (3)	Number of Stock Options Granted
Michael J. Gasser	2002	\$ 638,341	\$ 274,625	\$ 3,435	\$ 186,400	\$ 46,600	35,000
Chairman and Chief Executive Officer	2001	\$ 568,351	\$ 301,600	\$ 2,970	\$ 0	\$ 0	35,000
	2000	\$ 510,090	\$ 298,403	\$ 3,000	\$ 0	\$ 0	28,000
William B. Sparks, Jr.	2002	\$ 461,688	\$ 168,034	\$ 2,872	\$ 114,400	\$ 28,600	20,000
Director, President and Chief Operating Officer	2001	\$ 413,191	\$ 184,801	\$ 3,679	\$ 0	\$ 0	20,000
	2000	\$ 379,132	\$ 187,671	\$ 4,134	\$ 0	\$ 0	17,000
Donald S. Huml (4)	2002	\$ 198,000	\$ 216,750	\$ 32,860	\$ 90,400	\$ 22,600	35,000
Chief Financial Officer							
John S. Lilak	2002	\$ 304,992	\$ 100,747	\$ 4,335	\$ 68,800	\$ 17,200	15,000
Executive Vice President, Paper, Packaging & Services, and President of Soterra LLC (subsidiary company)	2001	\$ 274,342	\$ 112,000	\$ 3,750	\$ 0	\$ 0	12,500
	2000	\$ 246,045	\$ 110,720	\$ 162,576	\$ 0	\$ 0	12,500
Charles R. Chandler (5)	2002	\$ 300,305	\$ 98,319	\$ 210,628	\$ 71,200	\$ 17,800	0
Retired Vice Chairman and Retired President of Soterra LLC (subsidiary company)	2001	\$ 346,037	\$ 126,689	\$ 198,894	\$ 0	\$ 0	0
	2000	\$ 492,609	\$ 221,675	\$ 318,665	\$ 0	\$ 0	16,000
Gary R. Martz (6)	2002	\$ 250,000	\$ 97,500	\$ 45,705	\$ 69,600	\$ 17,400	30,000
Senior Vice President, General Counsel and Secretary							

(1) See Compensation Committee Report on Executive Compensation regarding the payment of cash bonuses in 2002. For 2001 and 2000, cash bonuses were paid pursuant to a discretionary bonus plan implemented by the Compensation Committee of the Board of Directors which linked the payment of bonuses to the achievement of predetermined return on asset thresholds.

(2) With respect to Messrs. Gasser, Lilak and Sparks, the dollar amount in the all other category relates to the Company match for the 401(k) plan and premiums paid for life insurance. In addition, Mr. Lilak had relocation expenses of \$158,509 in 2000.

With respect to Messrs. Huml and Martz, the dollar amount in the all other category relates to payments for relocation expenses and premiums paid for life insurance. For Mr. Huml, relocation expenses were \$32,500, and for Mr. Martz, relocation expenses were \$45,000.

With respect to Mr. Chandler, the dollar amount in the all other category relates to the Company match for the 401(k) plan, premiums paid for life insurance and