

FLUOR CORP
Form DEF 14A
March 07, 2007
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
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FLUOR CORPORATION

(Name of Registrant as Specified In Its Charter)

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

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Fluor Corporation
6700 Las Colinas Boulevard
Irving, Texas 75039

March 7, 2007

Dear Shareholder:

You are cordially invited to attend the 2007 annual meeting of shareholders which will be held on Wednesday, May 2, 2007, beginning at 9:00 a.m. Central Daylight Time, at Hotel Crescent Court, Gallery Ballroom, 400 Crescent Court, Dallas, Texas 75201. A map showing the meeting location is included for your convenience on the back page of this booklet.

Information about the meeting is presented on the following pages. In addition to the formal items of business to be brought before the meeting, members of management will report on the company's operations and respond to shareholder questions.

It is important that your shares be represented at the meeting. Whether or not you plan to attend, we urge you to read this proxy statement and vote your shares as soon as possible. A return envelope for your proxy card or voting instruction card is enclosed for your convenience. Shareholders of record also have the option of voting over the Internet or by using a toll-free telephone number. If you hold your shares through an account with a brokerage firm, bank or other nominee, please follow the instructions you receive from them to vote your shares.

Thank you for your continued support of Fluor. We look forward to seeing you on May 2nd.

Sincerely,

Alan L. Boeckmann
Chairman and Chief Executive Officer

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 2, 2007**

The annual meeting of shareholders of Fluor Corporation will be held at Hotel Crescent Court, Gallery Ballroom, 400 Crescent Court, Dallas, Texas, on Wednesday, May 2, 2007, at 9:00 a.m. Central Daylight Time. At the meeting, our shareholders will consider and vote on the following matters:

1. the election of four Class II directors to serve until the 2010 annual meeting of shareholders and until their respective successors are elected and qualified;
2. the ratification of the appointment by our Audit Committee of Ernst & Young LLP as independent registered public accounting firm for the fiscal year ending December 31, 2007; and
3. such other matters as may be properly presented at the meeting.

All shareholders of record at the close of business on March 7, 2007 are entitled to receive notice of and to vote at the meeting. Shareholders are cordially invited to attend the meeting in person; however, regardless of whether you plan to attend the meeting in person, please complete, sign, date and promptly return the enclosed proxy card or voting instruction card in the postage-prepaid envelope we have provided. You may also authorize the voting of your shares over the Internet or by telephone as provided in the instructions set forth on the proxy card or voting instruction card. Your prompt response is necessary to ensure that your shares are represented at the meeting.

By Order of the Board of Directors

Lawrence N. Fisher
Chief Legal Officer and Secretary

March 7, 2007
Irving, Texas

FLUOR CORPORATION

PROXY STATEMENT

March 7, 2007

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Fluor Corporation (the "company" or "Fluor") of your proxy for use at the annual meeting of shareholders to be held at Hotel Crescent Court, Gallery Ballroom, 400 Crescent Court, Dallas, Texas, on Wednesday, May 2, 2007, at 9:00 a.m. Central Daylight Time, or at any adjournment or postponement thereof (the "Annual Meeting"). This proxy statement and the accompanying proxy/voting instruction card are being mailed to all shareholders on or about March 16, 2007. The expense of the solicitation will be paid by the company. Some officers and employees may solicit proxies personally, by telephone or electronically, without additional compensation. Georgeson & Company Inc. has been engaged to assist in the solicitation for which it will receive approximately \$14,000 from the company. The company also expects to reimburse banks, brokers and other persons for their reasonable out-of-pocket expenses in handling proxy materials for beneficial owners of the company's common stock. Except with respect to shares held in the company retirement plans, your proxy is revocable by written notice to the Secretary of the company at any time prior to 24 hours before the commencement of the Annual Meeting, and it shall be suspended if you are a record shareholder or valid proxyholder who attends the meeting and votes in person.

The current mailing address of the principal executive offices of Fluor Corporation is 6700 Las Colinas Boulevard, Irving, Texas 75039. Please direct all communications to that mailing address.

On February 23, 2007, the company had 87,935,942 shares of common stock outstanding. The presence at the meeting, in person or by proxy, of a majority of the outstanding shares of Fluor common stock on the record date 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 at the Annual Meeting.

Shareholders have one vote for each share of Fluor common stock owned by them as of the close of business on March 7, 2007, the record date, with respect to all business of the meeting. Any director receiving the majority of votes cast (number of shares voted for a director must exceed the number of votes cast against that director) will be elected as a director, provided that if the number of nominees exceeds the number of directors to be elected (a situation we do not anticipate), the directors shall be elected by a plurality of the shares present in person or by proxy at any such meeting and entitled to vote on the election of directors. Ratification of the appointment of our independent registered public accounting firm requires the affirmative vote of the majority of shares represented in person or by proxy at the Annual Meeting and entitled to vote. On proposals besides the election of directors, abstentions are counted in tabulations of the votes cast and thus have the same effect as a vote against a proposal, whereas broker non-votes are not counted for purposes of determining whether a proposal has been approved.

For shares, other than shares held in the Fluor retirement plans, unless otherwise directed in the accompanying proxy card, the proxyholders named therein will vote in accordance with the recommendation of the Board of Directors (1) FOR the election of the four director nominees listed below and (2) FOR the ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the year ending December 31, 2007. As to any other business that may properly come before the meeting, the proxyholders will vote in accordance with their best judgment, although the company does not presently know of any other business.

For shares held in the company retirement plans, voting instructions must be received by 4:59 p.m. Central Daylight Time on April 30, 2007, in order for the trustee to vote your shares in accordance with your instructions. If your voting instructions are not received by 4:59 p.m. Central Daylight Time on April 30, 2007, or if you do not provide properly completed and executed voting instructions, any shares you hold in the company retirement plans will be voted by the trustee in favor of the four nominees for director, and in proportion to the manner in which the other company retirement plan participants vote their shares with respect to the ratification of our independent registered public accounting firm and any other proposals.

ELECTION OF DIRECTORS

Proposal 1

In accordance with the company's *Amended and Restated Certificate of Incorporation* and *Amended and Restated Bylaws*, which provide for a classified board, the four Class II directors, James T. Hackett, Kent Kresa, Lord Robin W. Renwick and Peter S. Watson, have been nominated for election at the Annual Meeting to serve a three-year term expiring at the annual meeting in 2010 and until their respective successors are elected and qualified.

Each of the four nominees listed below has agreed to serve as a director of the company if elected. The company knows of no reason why the nominees would not be available for election or, if elected, would not be able to serve. If any of the nominees decline or are unable to serve as a nominee at the time of the Annual Meeting, the persons named as proxies may vote either (1) for a substitute nominee designated by the present Board to fill the vacancy or (2) for the balance of the nominees, leaving a vacancy. Alternatively, the Board may reduce the size of the Board.

Biographical Information

The following biographical information is furnished with respect to each of the four nominees for election at the Annual Meeting and each of the Class III and Class I directors whose terms will continue after the Annual Meeting. The information presented includes information each director has given us about his or her age, all positions he or she holds with us, his or her principal occupation and business experience for the past five years, and the names of other public companies of which he or she serves as a director. Directors are shown as serving from the dates of their original elections to the Board of Directors of Fluor prior to its reverse spin-off transaction in November 30, 2000 wherein Fluor's coal segment was separated from Fluor's other businesses and became Massey Energy Company.

Class II Director Nominees Term Expires 2010

JAMES T. HACKETT, age 53.

Director since 2001; member of the Audit and Organization and Compensation Committees. Chairman (since January 2006) and President and Chief Executive Officer (since December 2003) of Anadarko Petroleum Corporation, an independent oil and gas exploration and production company; formerly President and Chief Operating Officer of Devon Energy Corporation following its merger with Ocean Energy, Inc. from April 2003 to December 2003; formerly Chairman (from 2000), President and Chief Executive Officer (from March 1999) of Ocean Energy, Inc., an international oil and gas exploration and production company, until April 2003.

Mr. Hackett is also a director of Temple-Inland, Inc., Austin, Texas; and Anadarko Petroleum Corporation, The Woodlands, Texas.

KENT KRESA, age 68.

Director since 2003; member of the Audit and Organization and Compensation Committees. Chairman Emeritus of Northrop Grumman Corporation, a global defense company, since September 2003; formerly Non-Executive Chairman of Northrop Grumman Corporation from April 2003 to September 2003; formerly Chairman (from September 1990) and Chief Executive Officer (from January 1990) of Northrop Grumman Corporation until April 2003.

Mr. Kresa is also a director of Avery Dennison Corporation, Pasadena, California; General Motors Corporation, Detroit, Michigan; and MannKind Corporation, Valencia, California.

LORD ROBIN W. RENWICK, age 69.

Director since 1997; Chair of the Governance Committee and member of the Executive and Audit Committees; Non-Executive Chairman of Fluor Limited⁽¹⁾ since 1996. Vice Chairman, JPMorgan Cazenove, a United Kingdom investment bank joint venture of J.P. Morgan and Cazenove Group plc, since February 2005; Vice Chairman, Investment Banking, J.P. Morgan (Europe) since January 2001; formerly British Ambassador to the United States from 1991 to 1995.

Lord Renwick is also a director of Compagnie Financiere Richemont AG, Geneva, Switzerland; SAB Miller plc, London, England; and Kazakhmys plc, Middlesex, England.

PETER S. WATSON, age 54.

Director since 2005; member of the Governance and Organization and Compensation Committees. President and Chief Executive Officer of the Dwight Group, a strategic consulting firm, since March 2005; formerly Chairman, President and Chief Executive Officer of the U.S. Overseas Private Investment Corporation, an agency of the U.S. Government, from May 2001 through February 2005; formerly Counsel to Pillsbury Winthrop LLP, while also concurrently serving as Senior Advisor to Armitage Associates, L.C., an international consulting firm, from November 1996 to May 2001; formerly Chairman of the U.S. International Trade Commission, from June 1994 to June 1996.

Class III Directors Term Expires 2008

PETER J. FLUOR, age 59.

Director since 1984; Lead Independent Director since February 2003; Chair of the Organization and Compensation Committee and member of the Executive and Governance Committees. Chairman and Chief Executive Officer of Texas Crude Energy, Inc., an international oil and gas exploration and production company, since 2001; formerly President and Chief Executive Officer of Texas Crude Energy, Inc. from 1980 to 2001; joined Texas Crude Energy, Inc. in 1972.

Mr. Fluor is also a director of Devon Energy Corp., Oklahoma City, Oklahoma; and Cameron International Corporation, Houston, Texas.

(1) Fluor Limited, which provides engineering, procurement and construction services in the United Kingdom, is an indirect subsidiary of Fluor.

JOSEPH W. PRUEHER, age 64.

Director since 2003; member of the Governance and Organization and Compensation Committees. Consulting Professor and Senior Advisor, Stanford University, since 2001; formerly U.S. Ambassador to the People's Republic of China from 1999 to 2001; Admiral, U.S. Navy (Retired), Commander-in-Chief of U.S. Pacific Command from 1996 to 1999.

Admiral Prueher is also a director of Merrill Lynch & Co., Inc., New York, New York; DynCorp International Inc., Falls Church, Virginia; The Wornick Company (a wholly owned subsidiary of TWC Holding LLC), Cincinnati, Ohio; and Emerson Electric Co., St. Louis, Missouri.

SUZANNE H. WOOLSEY, age 65.

Director since 2004; member of the Audit and Governance Committees.

Formerly Chief Communications Officer of The National Academies, an independent, federally chartered policy institution that acts as an advisor to the nation on science, engineering and medicine, from 2000 to 2003; formerly Chief Operating Officer of The National Academies from 1993 to 2000.

Dr. Woolsey is also a trustee of the mutual funds distributed by Van Kampen Funds, Inc., Oakbrook Terrace, Illinois.

Class I Directors Term Expires 2009

ALAN L. BOECKMANN, age 58.

Director since 2001; Chair of the Executive Committee.

Chairman and Chief Executive Officer of Fluor since February 2002; formerly, President and Chief Operating Officer of Fluor from February 2001 to February 2002; formerly President and Chief Executive Officer, Fluor Daniel, from March 1999 to February 2001; formerly Group President, Energy and Chemicals from 1996 to 1999; joined Fluor in 1979 with previous service from 1974 to 1977.

Mr. Boeckmann is also a director of Burlington Northern Santa Fe Corporation, Fort Worth, Texas; and Archer Daniels Midland Company, Decatur, Illinois.

VILMA S. MARTINEZ, age 63.

Director since 1993; member of the Audit and Governance Committees.

Partner of Munger, Tolles & Olson LLP, a full service law firm located in Los Angeles, California, since 1982.

Ms. Martinez is also a director of Anheuser-Busch Companies, Inc., St. Louis, Missouri; and Burlington Northern Santa Fe Corporation, Fort Worth, Texas.

DEAN R. O HARE, age 64.

Director since 1997; Chair of the Audit Committee and member of the Executive and Governance Committees.

Formerly Chairman and Chief Executive Officer of The Chubb Corporation, the holding company for the Chubb Group of Insurance Companies, from June 1988 until his retirement in December 2002; joined The Chubb Corporation in 1963.

Mr. O Hare is also a director of H.J. Heinz Company, Pittsburgh, Pennsylvania; and AGL Resources, Atlanta, Georgia.

Board Recommendation

The Board of Directors recommends a vote FOR the election of James T. Hackett, Kent Kresa, Lord Robin W. Renwick and Peter S. Watson.

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**STOCK OWNERSHIP AND STOCK-BASED HOLDINGS OF
EXECUTIVE OFFICERS AND DIRECTORS**

The following table contains information regarding the beneficial ownership of our common stock as of February 23, 2007 by:

- each director and nominee for director;
- each executive officer named in the Summary Compensation Table below; and
- all current directors and executive officers of the company as a group.

Except as otherwise noted, the individual or his or her family members had sole voting and investment power with respect to such shares.

Both directors and executive officers are encouraged to hold Fluor common stock to align their financial interests with those of the shareholders. The company has established ownership guidelines for both of these groups.

Name of Beneficial Owner	Shares Beneficially Owned(1)	Fluor Stock-Based Holdings(2)	Percent of Shares Beneficially Owned(3)
<i>Class I Directors:</i>			
Alan L. Boeckmann(4)	399,769	399,769	*
Vilma S. Martinez	10,062	17,681	*
Dean R. O Hare	11,416	26,523	*
<i>Class II Nominees:</i>			
James T. Hackett	6,140	20,266	*
Kent Kresa	4,640	13,712	*
Lord Robin W. Renwick	9,416	20,009	*
Peter S. Watson	2,795	4,155	*
<i>Class III Directors:</i>			
Peter J. Fluor	36,999	121,829	*
Joseph W. Prueher	3,917	6,577	