

CHOICEPOINT INC  
Form DEF 14A  
March 23, 2005

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (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 to §240.14a-12

CHOICEPOINT 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):

☐ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(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 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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

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**ChoicePoint Inc.  
1000 Alderman Drive  
Alpharetta, Georgia 30005**

Dear Shareholders,

You are cordially invited to attend the 2005 annual meeting of shareholders of ChoicePoint Inc., which will be held at The Waldorf-Astoria, 301 Park Avenue, New York, New York 10022, on Thursday, April 28, 2005 at 10:00 a.m., local time.

Information concerning the meeting, the nominees for the board of directors and other business to be conducted at the meeting is contained in the Notice of Annual Meeting of Shareholders and related Proxy Statement which follow.

It is important that your shares be represented at the meeting in order for the presence of a quorum to be assured and for your vote to be counted. Please return your signed proxy promptly, whether or not you plan to attend the meeting. You also may also vote by telephone or via the Internet by following the instructions on your proxy card. Your vote is very important to ChoicePoint.

We appreciate your support in helping ChoicePoint create a safer, more secure society through the responsible use of information. On behalf of the officers and directors of ChoicePoint, we wish to thank you for your continuing confidence in ChoicePoint.

Derek V. Smith  
*Chairman and Chief Executive Officer*

Alpharetta, Georgia  
March 23, 2005

**YOUR VOTE IS IMPORTANT. PLEASE COMPLETE, SIGN, DATE AND RETURN YOUR PROXY OR  
VOTE BY TELEPHONE OR BY THE INTERNET.**

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**CHOICEPOINT INC.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held On April 28, 2005**

NOTICE IS HEREBY GIVEN that ChoicePoint Inc. will hold the annual meeting of its shareholders on Thursday, April 28, 2005 at 10:00 a.m. local time, for the following purposes:

- (1) To elect one director for a term expiring in 2007 and three directors for terms expiring in 2008;
- (2) To approve an amendment to the ChoicePoint Inc. 2003 Omnibus Incentive Plan to increase the number of shares of common stock that may be issued under the plan from 3,500,000 to 7,500,000;
- (3) To ratify the appointment of the Company's independent registered public accountants; and
- (4) To transact any other business properly brought before the annual meeting or any adjournment or postponement thereof.

The board of directors is not currently aware of any other matters that will come before the annual meeting. Only ChoicePoint shareholders of record at the close of business on March 10, 2005 are entitled to notice of, and to vote at, the annual meeting and any adjournments or postponements thereof.

Regardless of whether you plan to attend the annual meeting in person, you are urged to vote promptly by dating, signing and returning the enclosed proxy in the accompanying envelope, or by voting by telephone or via the Internet as instructed on your proxy card.

By Order of the Board of Directors,

David W. Davis  
*Corporate Secretary*

Alpharetta, Georgia  
March 23, 2005

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**CHOICEPOINT INC.  
1000 Alderman Drive  
Alpharetta, Georgia 30005**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**To be Held April 28, 2005**

The 2005 Annual Meeting of Shareholders of ChoicePoint Inc. ( ChoicePoint or the Company ) will be held on April 28, 2005, at The Waldorf-Astoria, 301 Park Avenue, New York, New York 10022, beginning promptly at 10:00 a.m., local time. The enclosed form of proxy is solicited by our board of directors. It is anticipated that this proxy statement and the accompanying proxy card will first be mailed to holders of our common stock on or about March 23, 2005.

**ABOUT THE MEETING**

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

You are receiving this proxy statement and proxy card because you own shares of common stock in ChoicePoint Inc. This proxy statement describes issues on which we would like you, as a shareholder, to vote. It also gives you information on these issues so that you can make an informed decision.

When you vote you appoint Derek V. Smith, Douglas C. Curling and David W. Davis as your representatives at the annual meeting. Messrs. Smith, Curling and Davis will vote your shares, as you have instructed them on the proxy card, at the annual meeting. This way, your shares will be voted whether or not you attend the annual meeting. Even if you plan to attend the annual meeting, it is a good idea to vote in advance of the annual meeting in case your plans change.

If an issue comes up for vote at the annual meeting that is not on the proxy card, Messrs. Smith, Curling and Davis will vote your shares, under your proxy, in accordance with their best judgment.

**What am I voting on?**

You are being asked to vote on (1) one director for a term expiring in 2007 and three directors for terms expiring in 2008, (2) approval of an amendment to the ChoicePoint Inc. 2003 Omnibus Incentive Plan to increase the number of shares of common stock that may be issued under the plan from 3,500,000 to 7,500,000 and (3) the ratification of the appointment of Deloitte & Touche LLP as independent registered public accountants. No cumulative voting rights are authorized and dissenters' rights are not applicable to these matters.

**Who is entitled to vote?**

Shareholders as of the close of business on March 10, 2005 are entitled to vote. This is referred to as the record date. Each share of common stock is entitled to one vote.

**How do I vote?**

*You may vote by mail.* You do this by signing your proxy card and mailing it in the enclosed, prepaid and addressed envelope.

*You may vote by telephone.* You do this by calling the toll-free telephone number on your proxy card or vote instruction form on a touch-tone phone. Be sure to have your proxy card or vote instruction form available. If you hold your shares in the name of a bank or broker, your ability to vote by telephone depends on their voting processes. Please follow the directions on your proxy card carefully.

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*You may vote by the Internet.* You do this by visiting the Internet site at [HTTP://WWW.VOTEFAST.COM](http://WWW.VOTEFAST.COM). If you hold your shares in the name of a bank or broker, your ability to vote by the Internet depends on their voting processes. Please follow the directions on your proxy card carefully.

*You may also vote in person at the annual meeting.* Written ballots will be available to anyone who wants to vote at the annual meeting. If you hold your shares in street name (through a broker or other nominee, such as a bank), you must request a legal proxy from your stockbroker in order to vote at the annual meeting.

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

As of March 10, 2005, 90,045,729 shares of common stock were issued and outstanding. Holders of a majority of the outstanding shares as of the record date, equal to 45,022,865 shares, must be present at the annual meeting either in person or by proxy in order to hold the meeting and conduct business. This is called a quorum.

**What does it mean if I receive more than one proxy card?**

It means that you have multiple accounts at the transfer agent and/or with brokers. Please vote all proxy cards to ensure that all your shares are voted. You may wish to consolidate as many of your transfer agent or brokerage accounts as possible under the same name and address for better customer service.

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

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

sending written notice to our corporate secretary at 1000 Alderman Drive, Alpharetta, Georgia 30005;

signing another proxy with a later date; or

voting again at the annual meeting.

**How may I vote for the nominees for election of director?**

With respect to the election of nominees for director, you may:  
vote FOR the election of the four nominees for director;

WITHHOLD AUTHORITY to vote for the four nominees; or

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

**How many votes must the nominees for election as director receive to be elected?**

If a quorum is present at the meeting, the nominee that receives the greatest number of affirmative votes of the nominees for a term expiring in 2007 and the three nominees receiving the greatest number of affirmative votes of all nominees for a term expiring in 2008, known as a plurality, will be elected to serve as directors. Shares that are not voted and shares for which votes are withheld will not affect the outcome of the election for directors. Withholding authority to vote for a particular nominee will not prevent that nominee from being elected.

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

The board of directors may, by resolution, provide for a lesser number of directors or designate a substitute nominee. In the latter event, shares represented by proxies may be voted for a substitute nominee.

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**How may I vote for approval of the amendment to the ChoicePoint Inc. 2003 Omnibus Incentive Plan?**

With respect to the proposal to approve the amendment to the ChoicePoint Inc. 2003 Omnibus Incentive Plan to increase the number of shares of common stock that may be issued under the plan from 3,500,000 to 7,500,000, you may:

vote FOR the proposal;

vote AGAINST the proposal; or

ABSTAIN from voting on the proposal.

**How many votes must the approval of the amendment to the ChoicePoint Inc. 2003 Omnibus Incentive Plan receive to pass?**

If a quorum is present at the annual meeting, the approval of the amendment to the ChoicePoint Inc. 2003 Omnibus Incentive Plan to increase the number of shares of common stock that may be issued under the plan from 3,500,000 to 7,500,000 must receive the affirmative vote of a majority of the votes cast on this proposal provided that the total number of votes cast on this matter represents greater than 50% of ChoicePoint's outstanding shares. Abstentions are neither counted as votes cast for or against this proposal and, as a result, have no effect on the outcome of the vote.

**How may I vote for the ratification of the appointment of the independent registered public accountants?**

With respect to the proposal to ratify the appointment of Deloitte & Touche LLP as ChoicePoint's independent registered public accountants for fiscal year 2005, you may:

vote FOR ratification;

vote AGAINST ratification; or

ABSTAIN from voting on the proposal.

**How many votes must the ratification of the appointment of the independent registered public accountants receive to pass?**

If a quorum is present at the annual meeting, the ratification of the appointment of the independent registered public accountants must receive the affirmative vote of a majority of the votes cast on this proposal. Abstentions are neither counted as votes cast for or against this proposal and, as a result, have no effect on the outcome of the vote.

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

If you return a signed proxy card but do not provide voting instructions, your shares will be voted FOR the four named director nominees, FOR the ratification of the appointment of the independent registered public accountants and FOR the amendment to the ChoicePoint Inc. 2003 Omnibus Incentive Plan to increase the number of shares of common stock that may be issued under the plan from 3,500,000 to 7,500,000. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct.

**Will my shares be voted if I do not sign and return my proxy card?**

If your shares are held in street name, your brokerage firm may vote your shares under certain circumstances. These circumstances include certain routine matters, such as the election of directors and the ratification of independent registered public accountants. Therefore, if you do not vote your proxy, your brokerage firm may either vote your shares on routine matters or leave your shares unvoted. When a brokerage firm votes its customers' unvoted shares on routine matters, these shares are also counted for purposes of establishing a quorum to conduct business at the meeting.



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A brokerage firm cannot vote customers' shares on non-routine matters such as the approval of the amendment to the ChoicePoint Inc. 2003 Omnibus Incentive Plan. Therefore, if your shares are held in street name and you do not vote your proxy, your shares will not be voted on this non-routine matter. These broker non-votes are counted for purposes of establishing a quorum; however, they are neither counted as votes cast for or against a matter presented for shareholder consideration and, as a result, have no effect on the outcome of the vote.

**Where do I find the voting results of the meeting?**

We will announce preliminary voting results at the meeting and will publish the final results in our quarterly report on Form 10-Q for the second quarter of fiscal 2005. The report will be filed with the Securities and Exchange Commission (the SEC), and you will be able to get a copy by contacting our corporate secretary at (770) 752-6000, the SEC at (800) SEC-0330 for the location of the nearest public reference room, through our web site at [www.choicepoint.com](http://www.choicepoint.com) or the SEC's EDGAR system at [www.sec.gov](http://www.sec.gov).

**CORPORATE GOVERNANCE**

The ChoicePoint board of directors represents the shareholders' interests in achieving a successful business and increasing shareholder value in long-term financial returns and has always been committed to the highest level of corporate governance. The board has a responsibility to its shareholders, employees, customers, and to the communities where it operates, to ensure that the Company operates with the highest professional, ethical, legal and socially responsible standards and to use information responsibly to create a safer, more secure society.

Since becoming a public company, the ChoicePoint board of directors has always been comprised of a majority of independent directors, as now required by the New York Stock Exchange listing standards. In July 2002, the board of directors created the position of lead director, whose primary responsibility is to preside over the regular executive sessions of the board of directors in which management directors and other members of management do not participate. The non-management directors elected Thomas M. Coughlin as lead director to preside over the executive sessions.

The board of directors has determined that all of the directors are independent under the New York Stock Exchange listing standards, and the ChoicePoint categorical listing standards, with the exception of Derek V. Smith and Douglas C. Curling, both of whom are considered inside directors because of their employment with the Company. The ChoicePoint board of directors has adopted the following categorical listing standards.

In no event will a director be considered independent if, within the preceding three years:

the director was employed by the Company or any of its direct or indirect subsidiaries;

an immediate family member of the director was employed by the Company or any of its direct or indirect subsidiaries as an executive officer;

the director or any immediate family member received more than \$100,000 per year in direct compensation from the Company or any of its direct or indirect subsidiaries, other than director and committee fees and pension or other forms of deferred compensation for prior service (as long as such compensation is not contingent in any way on continued service);

the director was employed by or affiliated with the Company's present or former independent public accountant or internal auditor;

an immediate family member of the director was employed in a professional capacity by the Company's present or former independent public accountant or internal auditor;

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an executive officer of the Company was on the compensation committee of the board of directors of a company that employed either the director or an immediate family member of the director as an executive officer; or

the director was an executive officer or an employee, or an immediate family member of the director was an executive officer, of a company that made payments to, or received payments from, the Company for property or services in an amount which, in any single fiscal year, exceeded the greater of \$1 million, or 2% of the other company's consolidated gross revenues.

The following relationships will not be considered to be material relationships that would impair a director's independence:

if a director is an executive officer of another company which is indebted to the Company, or to which the Company is indebted, and the total amount of the indebtedness is less than one percent of the total consolidated assets of the indebted company; and

if a director serves as an executive officer, director or trustee, or an immediate family member of the director serves as an executive officer, of a charitable organization and the Company's charitable contributions to the organization in any of the last three fiscal years, in the aggregate, are less than (1) one percent of that organization's latest publicly available consolidated gross revenues (or annual charitable receipts, if revenue information is not available) or (2) \$50,000, whichever is greater.

The ChoicePoint Inc. Corporate Governance Guidelines incorporate the practices and policies under which the board has operated, including the requirement that a substantial majority of directors be outside, independent directors and that the audit committee, management compensation and benefits committee (the compensation committee) and the corporate governance and nominating committee be comprised entirely of independent directors. Principal topics addressed by the Corporate Governance Guidelines include:

Board composition, including board size, independence of directors, number of independent directors, lead director position and succession planning;

Board functions, including executive sessions of non-employee directors, length of board service, access to management, board retirement and management development and succession planning; and

Board committees, including responsibilities for each committee, nomination and selection of directors, director compensation, board assessment, chief executive officer evaluation and retention of independent advisors.

The corporate governance and nominating committee periodically reviews and amends the Corporate Governance Guidelines as needed. A copy of the ChoicePoint Inc. Code of Conduct, Code of Ethics for Senior Financial Officers and Business Unit Leaders, the Corporate Governance Guidelines and charters for the audit committee, compensation committee and corporate governance and nominating committee may be found on the Company's web site at [www.choicepoint.com](http://www.choicepoint.com). Copies will be provided to shareholders without charge who request a copy in writing to the Corporate Secretary, ChoicePoint Inc., 1000 Alderman Drive, Alpharetta, Georgia 30005.

The corporate governance and nominating committee will consider nominees recommended by the board of directors, management and shareholders. The corporate governance and nominating committee is authorized to retain third-party executive search firms to identify candidates.

The corporate governance and nominating committee will consider certain factors when selecting board candidates, including, but not limited to, the current composition and diversity of skills of the board, expertise and experience of a director leaving the board, expertise required for a particular board

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committee or if there is a corporate need for specific skills. The corporate governance and nominating committee applies the following guidelines when considering a prospective candidate for the board:

A desire to serve on the board primarily to contribute to the growth and prosperity of ChoicePoint and help create long-term value for its shareholders;

Individuals who possess the highest personal and professional ethics, integrity and values;

Business or professional knowledge and experience that will contribute to the effectiveness of the board and the committees of the board, and will replace, when possible, important attributes possessed by directors who have retired or will retire in the near future;

The ability to understand and exercise sound judgment on issues related to the goals of ChoicePoint;

A willingness and ability to devote the time and effort required to serve effectively on the board, including preparation for and attendance at board and committee meetings;

An understanding of the interests of shareholders, customers, employees and the general public, the intention and ability to act in the interests of all shareholders and an understanding of the use of information to help create a safer, more secure society;

A position of leadership in his or her field of endeavor which may include business, government, community or education; and

Free of interests or affiliations that could give rise to a biased approach to directorship responsibilities and/or a conflict of interest, and free of any material business relationship with ChoicePoint except for the employment relationship of an inside director.

A specific area of business expertise that will best benefit the Company will be identified by the corporate governance and nominating committee and based on this determination, and the criteria required for potential nominees, candidates possessing the targeted skills and requirements will be selected. Once a prospective nominee has been identified, the chairman of the board will initiate discussions with a prospective candidate and make appropriate recommendations to the corporate governance and nominating committee. The corporate governance and nominating committee will consider the qualifications of the potential candidate and make a recommendation to the full board. Candidates are subject to ChoicePoint's background screening process.

Any shareholder who wishes to recommend a prospective candidate for the board of directors for consideration by the corporate governance and nominating committee may do so by submitting the nominee's name and qualifications in writing to the following address: ChoicePoint Inc., 1000 Alderman Drive, Alpharetta, Georgia 30005, Attn: Corporate Secretary. The corporate governance and nominating committee does not intend to alter the manner in which it evaluates a nominee based on whether the nominee was recommended by a shareholder.

Shareholders wishing to communicate with the board of directors, any of its committees, or one or more individual directors regarding relevant business issues or who wish to make concerns regarding ChoicePoint known to the non-employee directors as a group, should send all written communications to: ChoicePoint Inc., 1000 Alderman Drive, Alpharetta, Georgia 30005, Attn: Corporate Secretary. Written correspondence will be forwarded to the appropriate directors.

**PROPOSAL NO. 1 ELECTION OF CHOICEPOINT DIRECTORS**

The ChoicePoint board of directors has currently fixed the number of ChoicePoint directors at ten. The ChoicePoint board of directors is divided into three classes, with each class elected for a three-year term. Terms are staggered so that one class is elected each year. The terms of John J. Hamre, John B. McCoy and Terrence Murray will expire at the 2005 annual meeting and all will stand for reelection. A non-employee director of the Company

recommended Ray M. Robinson as a potential board candidate to

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the corporate governance and nominating committee, which recommended Mr. Robinson to the board of directors for election as a director. Mr. Robinson was appointed as a director by the board of directors in December 2004 and is now standing for election by the shareholders for a term expiring at the 2007 annual meeting of shareholders.

The board of directors has nominated Messrs. McCoy, Murray and Robinson and Dr. Hamre to stand for election or reelection at the ChoicePoint annual meeting.

Each nominee is currently a director of ChoicePoint and has consented to continue to serve as a director if elected. If elected, the nominees listed below will serve for the terms indicated or until their successors are elected and qualified. If any nominee for director shall be unable to serve, the persons named in the proxy may vote for a substitute nominee. There are no family relationships between any director, person nominated to be a director or any executive officer of ChoicePoint or its subsidiaries.

Set forth below is information about the director nominees and about the incumbent directors whose terms will expire in 2007 and 2008.

### **Nominee for a Term Expiring in 2007**

*Ray M. Robinson*, 57, has served as a director of ChoicePoint since December 2004. Since 2003, Mr. Robinson has served as President of Atlanta's East Lake Golf Club and Chairman of the East Lake Community Foundation. He was President of the Southern Region of AT&T Corporation from 1996 until his retirement in May 2003. Mr. Robinson currently serves as a director of Aaron Rents, Inc., a provider of rental, lease ownership and specialty retailing of consumer electronics, residential and office furniture and appliances, Acuity Brands, Inc., a producer of lighting equipment and specialty products, Avnet, Inc., a distributor of electronic components, enterprise network and computer equipment and embedded subsystems, Citizens Trust Bank and Mirant Corporation, an international energy company.

### **Nominees for Terms Expiring in 2008**

*Dr. John J. Hamre*, 54, has served as a director of ChoicePoint since May 2002. Dr. Hamre has served as President and Chief Executive Officer of the Center for Strategic and International Studies, a non-partisan, non-profit research institute, since January 2000. Dr. Hamre served as U.S. Deputy Secretary of Defense from 1997 until 2000 and as Comptroller under the Secretary of Defense from 1993 to 1997. Dr. Hamre received his Ph.D., with distinction, in 1978 from the School of Advanced International Studies, John Hopkins University. He serves as a director of ITT Industries, Inc., a manufacturer of engineering products, and as an advisory board member for several organizations.

*John B. McCoy*, 61, has served as a director of ChoicePoint since December 31, 2003. He is the retired Chairman of Bank One Corporation, a bank holding company. From June 2000 to December 2003, he served as Chairman of Corillian Corporation, a provider of online banking and software services. He served as Chief Executive Officer of Bank One Corporation from 1984 to 1999. Mr. McCoy currently serves as a director of SBC Communications, Inc., a telecommunications service provider, Cardinal Health, Inc., a provider of health care services, and Federal Home Loan Mortgage Corporation, a corporation supporting home ownership and rental housing.

*Terrence Murray*, 65, has served as a director of ChoicePoint since May 2002. He served as Chairman of the Board of FleetBoston Financial Corporation, a diversified financial services company, from 2001 to 2002 and served as Chairman, President and Chief Executive Officer from 1982 through 2001, except in 1988, when he served only as President and from 2000 to 2001, when he served as Chairman and Chief Executive Officer. He serves as a director of A. T. Cross Company, a producer of writing instruments, CVS Corporation, a retail drugstore chain, and Air Products and Chemicals, Inc., a gas and chemicals company.

**THE CHOICEPOINT BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF MR. ROBINSON AS A DIRECTOR TO HOLD OFFICE UNTIL THE 2007 MEETING OF SHAREHOLDERS AND FOR THE REELECTION OF MESSRS. MCCOY AND**

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**MURRAY AND DR. HAMRE AS DIRECTORS TO HOLD OFFICE UNTIL THE 2008 MEETING OF SHAREHOLDERS, OR UNTIL THEIR RESPECTIVE SUCCESSORS ARE ELECTED AND QUALIFIED.**

**Incumbent Directors Whose Terms Will Expire in 2007**

*Thomas M. Coughlin*, 55, has served as a director of ChoicePoint since January 2001. Mr. Coughlin served as Vice Chairman of Wal-Mart Stores, Inc., a retail store chain, from August 2003 until his retirement in January 2005. He served as President and Chief Executive Officer of Wal-Mart Stores and Supercenters from 1998 to August 2003 and served as Chief Operating Officer from 1995 to 1998. Since joining Wal-Mart in 1978, he has served in a variety of positions including Vice President of Loss Prevention, Vice President of Human Resources, Executive Vice President of Sam's Operations, Executive Vice President of Specialty Groups and Executive Vice President and Chief Operating Officer of Wal-Mart Store Operations. He is a director of Wal-Mart Stores, Inc.

*Derek V. Smith*, 50, is the Chairman and Chief Executive Officer of the Company. Mr. Smith has served as Chairman of the Board since May 1999 and as Chief Executive Officer and a director of the Company since May 1997. He also served as President of the Company from May 1997 until April 2002.

**Incumbent Directors Whose Terms Will Expire in 2006**

*Douglas C. Curling*, 50, has served as a director of ChoicePoint since May 2000. He has served as President since April 2002 and as Chief Operating Officer since May 1999. He served as Chief Operating Officer and Treasurer from May 1999 to May 2000 and served as Executive Vice President, Chief Financial Officer and Treasurer of the Company from 1997 until May 1999.

*James M. Denny*, 72, has served as a director of ChoicePoint since June 1997. From September 1995 to December 2000, Mr. Denny was Senior Advisor to William Blair Capital Partners, L.L.C., a private equity investment company. He served as Vice Chairman of Sears, Roebuck & Co., a retail department store chain, from 1992 until his retirement in 1995. He also serves as a director of GATX Corporation, a diversified financial services company, and as Chairman of the Board of Gilead Sciences, Inc., a bio-pharmaceutical company.

*Kenneth G. Langone*, 69, has served as a director of ChoicePoint since May 2000. Mr. Langone has served as Chairman, President and Chief Executive Officer of Invemed Associates LLC, an investment banking and brokerage firm, since 1974. He also serves as a director of The Home Depot, Inc., a home improvement retailer, Unifi, Inc., a producer of textile yarns, YUM! Brands, Inc., a food services company, and several private corporations.

*Charles I. Story*, 50, has served as a director of ChoicePoint since June 1997. Mr. Story has been President, Chief Executive Officer and a director of INROADS, Inc., an international non-profit training and development organization, since January 1993. He also serves as a director of Briggs & Stratton Corporation, a producer of gasoline engines, and as an advisory director to AmSouth Bank.

**Board Meetings and Committees**

The board of directors of ChoicePoint met four times during 2004. The board of directors has established several standing committees, which met at various intervals as indicated below. All directors attended at least 75% of the meetings of the board of directors and the various committees of which they were members. The Company has not adopted a formal policy regarding board members' attendance at the Company's annual meetings; however, the Company encourages all board members to attend the annual meeting. All of the Company's directors were in attendance at the 2004 annual meeting of shareholders.

***Executive Committee***

The members of the executive committee are Messrs. Smith (Chairman), Coughlin, Langone and Murray. The executive committee did not meet, but took action by written consent, once during 2004.

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This committee, in general, is authorized to exercise the powers of the board of directors in the management of all of the affairs of ChoicePoint during the intervals between board of directors meetings, subject to the board of directors direction.

***Management Compensation and Benefits Committee***

The members of the compensation committee are Messrs. Murray (Chairman) and McCoy and Dr. Hamre. The compensation committee met three times during 2004. This committee is responsible for all decisions regarding compensation of the chief executive officer and named executive officers and incentive compensation awards for ChoicePoint's executive officers. The compensation committee is also responsible for establishing and approving compensation policies, management incentive compensation plans and other material benefit plans. The board has affirmatively determined that all members of the compensation committee are independent under the New York Stock Exchange listing standards.

***Audit Committee***

The members of the audit committee are Messrs. Coughlin (Chairman), Denny and McCoy. The audit committee met seven times during 2004. This committee is responsible for reviewing and recommending to the board of directors the engagement or discharge of independent registered public accountants, reviewing with independent registered public accountants the scope, plan for and results of the audit engagement, reviewing the scope and results of ChoicePoint's internal audit department, reviewing the adequacy of ChoicePoint's system of internal accounting controls, reviewing the status of material litigation and corporate compliance, and any other matters the audit committee deems appropriate. The board of directors has determined that Mr. McCoy is qualified as an audit committee financial expert, within the meaning of SEC regulations, and possesses related financial management expertise within the meaning of the listing standards of the New York Stock Exchange. The board has affirmatively determined that all members of the audit committee are independent under the New York Stock Exchange listing standards and Rule 10A-3 promulgated under the Exchange Act. The Company has established the audit committee in accordance with Section 3(a)(58) of the Securities Exchange Act of 1934, as amended.

***Privacy Committee***

The members of the privacy committee are Dr. Hamre (Chairman) and Messrs. Curling and Story. The privacy committee met twice in 2004. This committee is responsible for reviewing and monitoring legislation and recommending policies to the board of directors as to privacy matters affecting ChoicePoint.

***Corporate Governance and Nominating Committee***

The members of the corporate governance and nominating committee are Messrs. Langone (Chairman), Coughlin and Murray and Dr. Hamre. The corporate governance and nominating committee met twice during 2004. This committee is responsible for identifying corporate governance issues, creating corporate governance policies, identifying and recommending potential candidates for election to the board of directors and reviewing director compensation. The board has affirmatively determined that all members of the corporate governance and nominating committee are independent under the New York Stock Exchange listing standards.

***Director Compensation***

Directors who are salaried officers or employees of ChoicePoint receive no additional compensation for services as a director or as a member of a committee of the board of directors. Each director who is not a salaried officer or employee of ChoicePoint is compensated as follows. The non-employee chairman of the board of directors is paid an annual fee of \$40,000 for his or her services and an additional fee of \$2,500 for attendance at each meeting of the board of directors or a committee thereof. ChoicePoint non-employee directors are paid an annual fee of \$40,000 for services as a director, an additional fee of \$1,500

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for attendance at each meeting of the board of directors, and \$1,000 for attendance at each committee meeting. The chairman of the audit committee receives an annual fee of \$10,000 and each other committee chairman receives an annual fee of \$5,000. Derek V. Smith and Douglas C. Curling do not receive this compensation since they are salaried employees of ChoicePoint.

Upon initial election to the board of directors, each ChoicePoint non-employee director receives a one-time grant of share equivalent units with a market value of \$40,000 and an annual award of share equivalent units with a market value of \$125,000. The share equivalent units vest twelve months after cessation from service on the board.

However, Messrs. Smith and Curling do not receive these awards because they are salaried employees of ChoicePoint.

ChoicePoint non-employee directors are eligible for participation in ChoicePoint's deferred compensation plan, pursuant to which each ChoicePoint non-employee director may elect to defer up to 100% of earned director cash compensation into accounts that are credited with earnings or losses based upon imputed investments in one or more of the following, as selected by the individual director: (a) the market value of, and any dividends on ChoicePoint common stock (common share equivalents), (b) a short-term income fund, (c) an equity index fund, or (d) a fixed income fund. Funds invested in common share equivalents may be redeemed only for cash on a fixed date or upon termination of service as a director, as elected in advance by the director. No director has voting or investment power with respect to the common share equivalents. In addition, ChoicePoint provides coverage for the directors under its Directors' and Officers' Liability Insurance Policy.



**Table of Contents****CHOICEPOINT SECURITY OWNERSHIP OF CERTAIN  
BENEFICIAL OWNERS AND MANAGEMENT**

The following table reflects information, as of February 28, 2005, with respect to the beneficial ownership of the outstanding ChoicePoint common stock by (1) persons known to ChoicePoint to be the beneficial owners of more than five percent of the ChoicePoint common stock in accordance with Section 13(d) of the Exchange Act, (2) each of the executive officers of ChoicePoint named in the summary compensation table which follows, (3) each director and director nominee of ChoicePoint, and (4) all of the directors, director nominees and executive officers of ChoicePoint as a group. Share ownership information represents those shares as to which the individual holds sole voting and investment power, except as otherwise indicated. The number of outstanding shares of ChoicePoint common stock as of February 28, 2005 was 89,967,399. Share amounts have been adjusted to reflect the two-for-one stock split that was effective November 24, 1999, the three-for-two stock split that was effective March 7, 2001 and the four-for-three stock split that was effective June 6, 2002.

<b>Name and Address</b>	<b>Number of Shares(1)</b>	<b>Percent of Class (%)</b>
Baron Capital Group, Inc. BAMCO, Inc. Baron Capital Management, Inc. Baron Asset Fund Ronald Baron 767 Fifth Avenue New York, NY 10153	8,851,844(2)	9.8
T. Rowe Price Associates, Inc. 100 East Pratt Street Baltimore, MD 21202	6,978,526(3)	7.8
Oppenheimer Capital LLC 1345 Avenue of the Americas 49th Floor New York, New York 10105	4,670,030(4)	5.2
Thomas M. Coughlin	19,229	*
Douglas C. Curling	788,540(5)	*
J. Michael de Janes	255,487(6)	*
James M. Denny	34,519(7)	*
John J. Hamre	12,250	*
Kenneth G. Langone	1,970,011(8)	2.2
David T. Lee	580,655	*
John B. McCoy	3,000	*
Terrence Murray	12,250	*
Ray M. Robinson	1,000	*
Derek V. Smith	3,027,382(9)	3.4
Charles I. Story	51,244	*
Steven W. Surbaugh	131,718(10)	*
All Executive Officers, Directors, and Nominees as a Group (15 persons)	7,039,382	7.8

\* Represents beneficial ownership of less than 1% of the outstanding ChoicePoint common stock.

- (1) Includes shares issuable pursuant to stock options exercisable on February 28, 2005, or within 60 days thereafter, as follows: Mr. Coughlin 18,332 shares; Mr. Curling 592,470 shares; Mr. de Janes 217,471 shares; Mr. Denny 24,332 shares; Dr. Hamre 11,666 shares; Mr. Langone 234,332 shares; Mr. Lee 461,998 shares; Mr. Murray 11,666 shares;

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- Mr. Smith 2,549,620 shares; Mr. Story 48,332 shares; Mr. Surbaugh 33,333 shares and Mr. Surbaugh's spouse 33,333 shares; and other executive officers 127,939 shares.
- (2) This information is based on a Schedule 13G/ A filed with the SEC on February 15, 2005 by Baron Capital Group, Inc., BAMCO, Inc., Baron Capital Management, Inc., Baron Asset Fund and Ronald Baron. According to the Schedule 13G/ A, Baron Capital Group, Inc. has sole voting power and sole dispositive power covering 175,000 shares and shared voting power for 8,449,944 shares and shared dispositive power covering 8,676,844 shares. BAMCO, Inc. has shared voting power covering 7,900,000 shares and shared dispositive power covering 8,110,500 shares. Baron Capital Management, Inc. has sole voting and sole dispositive power covering 175,000 shares and shared voting power covering 549,944 shares and shared dispositive power covering 566,344 shares. Baron Asset Fund has shared voting and dispositive power covering 4,500,000 shares and Ronald Baron has sole voting power and sole dispositive power covering 175,000 shares and shared voting power covering 8,449,944 shares and shared dispositive power covering 8,676,844 shares.
  - (3) This information is based on a Schedule 13G/ A filed with the SEC on February 15, 2005 by T. Rowe Price Associates, Inc. ( Price Associates ). According to the Schedule 13G/ A, Price Associates has sole voting power covering 1,333,606 shares and sole dispositive power covering 6,978,526 shares, which are owned by various individual and institutional investors, for which Price Associates serves as investment adviser with power to direct vestments and/or sole power to vote the securities. For purposes of the reporting requirements of the Exchange Act, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.
  - (4) This information is based on a Schedule 13G filed with the SEC on February 14, 2005 by Oppenheimer Capital LLC. According to the Schedule 13G, Oppenheimer Capital LLC has sole voting power and sole dispositive power covering 4,670,030 shares.
  - (5) Includes 14,000 shares held in a trust, 950 shares held in a custodial account for his son, 900 shares held in a custodial account for his daughter and 1,983 shares held in a custodial account for his minor son. Excludes 50,000 shares of restricted stock granted under the 1997 Omnibus Stock Incentive Plan, the receipt of which the officer has elected to defer under the ChoicePoint Inc. Deferred Compensation Plan No. 2, 25,000 deferred shares issued under the 1997 Omnibus Stock Incentive Plan and 75,000 deferred shares issued under the 2003 Omnibus Incentive Plan.
  - (6) Includes 100 shares owned by his wife.
  - (7) Includes 7,275 shares held by a not-for-profit foundation, of which he is co-trustee. Mr. Denny disclaims beneficial ownership of the shares held by the foundation.
  - (8) Includes 971,553 shares owned by Invemed Securities, Inc. and 209 shares owned by his wife. Mr. Langone is Chairman of Invemed Securities, Inc.
  - (9) Includes 400 shares owned by his wife, 18,959 shares held in a trust for his daughter and 18,958 shares held in a trust for his son. Excludes 100,000 shares of restricted stock granted under the 1997 Omnibus Stock Incentive Plan, the receipt of which the officer has elected to defer under the ChoicePoint Deferred Compensation Plan No. 2, 50,000 deferred shares issued under the 1997 Omnibus Stock Incentive Plan and 150,000 deferred shares issued under the 2003 Omnibus Incentive Plan.
  - (10) Includes 13,333 restricted shares owned by his wife and 27 shares owned by his daughter.

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**MANAGEMENT COMPENSATION AND BENEFITS COMMITTEE  
REPORT ON EXECUTIVE COMPENSATION**

The compensation of ChoicePoint's executive officers is determined by the compensation committee of the board of directors. The compensation committee was established by the board of directors and is composed entirely of directors who are not, and have never been, officers or employees of ChoicePoint and who are otherwise independent directors under the New York Stock Exchange listing standards. The board of directors designates the members and the chairman of this committee. The compensation committee is responsible for all decisions regarding the compensation of the executive officers, including the chief executive officer, and for establishing and administering ChoicePoint's compensation and benefit policies and practices for the executive officers. The compensation committee is also responsible for the administration of the stock incentive plans.

In April 2003, the board of directors recommended and the shareholders approved the 2003 Omnibus Incentive Plan that included the following new long-term compensation standards:

No grant may provide for automatic reload rights;

Option rights may not be amended to reduce the option price;

Option price per share shall be no less than 100 percent of the fair market value;

Limitation on the number of shares issued as restricted stock and deferred shares; and

Minimum of three year time-based vesting on restricted stock and deferred shares.

Following shareholder approval of the 2003 Omnibus Incentive Plan (the "2003 Plan"), which created a new compensation framework, the compensation committee, in 2003, revised its compensation philosophy regarding the use of equity grants to include:

Limit on the aggregate number of equity-based grants that could be granted in a given year to no more than two percent of ChoicePoint's outstanding shares;

Utilization of a mixture of equity vehicles including performance-accelerating, performance-contingent and time-based grants of stock options, deferred shares and restricted stock, with an increased reliance on the use of whole shares; and

Limit on the amount of aggregate equity-based grants that could be awarded in a given year to ChoicePoint's top two executives, the CEO and COO, to fifteen percent of the total equity-based grants in that year.

The compensation committee's philosophy is to link long-term incentive to the performance of ChoicePoint stock and the compensation committee believes the revised compensation philosophy, including annual grant amount limits and achievement of performance goals is properly aligned with the long-term interests of its shareholders.

The following report summarizes the philosophies, methods and recent revisions thereto that the compensation committee uses in establishing and administering ChoicePoint's executive compensation and incentive programs, including the development of compensation programs designed to provide key employees with ownership interests in ChoicePoint and motivation to build shareholder value.

**Executive Compensation Policies**

ChoicePoint's executive compensation policies are designed to attract and retain qualified executives, to reward individual achievement appropriately and to enhance the financial performance of ChoicePoint, and thus shareholder value, by significantly aligning the financial interests of ChoicePoint's executives with those of its shareholders. To accomplish these objectives, the executive compensation program is comprised of (1) base salary, (2) an annual performance-based variable cash incentive award, (3) long-term incentive compensation, consisting of restricted stock, deferred shares and fair market value stock options, and (4) other benefits that are intended to provide competitive capital accumulation opportunities



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and health, welfare and other fringe benefits. Base salary and annual bonuses are designed to recognize both individual performance and the achievement of corporate business objectives each year. The value of long-term incentives is directly linked to the performance of the ChoicePoint common stock. Executive officers also are eligible to participate in a variety of other benefit plans, including a deferred compensation plan, supplemental life and disability plans available to key officers and benefit plans available to employees generally, including the ChoicePoint Inc. 401(k) Profit Sharing Plan (the "401(k) Plan") and health-related plans.

Decisions regarding the compensation of named executive officers are based upon (1) the policies described above, (2) ChoicePoint's operating performance, and (3) competitive practices for executive talent. In addition to these principles, the compensation committee uses experience and judgment in determining the mix and level of compensation. The compensation committee considers market practices and compensation information drawn from a broad range of companies, including, but not limited to, certain of the companies included in the industry indices used in the stock performance graph included in this proxy statement. The compensation committee's policy is to engage an outside consultant to insure the compensation package for ChoicePoint's officers provide a competitive base salary and variable performance-based elements that give the named executive officers an opportunity, when superior performance is achieved, to earn total compensation that is generally in the top quartile of similar titled positions for publicly traded companies.

**Annual Salary and Incentive Bonuses**

In determining the base salaries for ChoicePoint's named executive officers, the compensation committee takes into consideration each executive's experience and the responsibilities attendant to his position. Base salaries for the named executive officers are reviewed annually. In evaluating whether an adjustment to an executive's base salary is appropriate, factors such as the scope of the individual's job responsibilities and performance over the past year, as well as an assessment of how well the individual performed in meeting or exceeding the personal goals set for that individual for the applicable period, is considered. In both 2003 and 2004, the compensation committee accepted the request of Messrs. Smith and Curling that there be no increase in their base salaries.

The purpose of ChoicePoint's annual incentive compensation plan is to unite the interests of ChoicePoint's management employees with those of its shareholders through annual payment of cash incentive awards to management employees based upon attainment of annually established (1) corporate economic value added goals and (2) strategic initiatives. Target incentive cash opportunities under the ChoicePoint annual incentive compensation plan for the named executive officers other than the chief executive officer can range from 60% to 112.5% of base salary, and for the chief executive officer represent 150% of his base salary. Actual annual cash bonuses are determined by measuring corporate performance and completion of individual strategic initiatives against goals established for the applicable period. The goals take into account, depending upon the responsibility level of the individual, one or more factors, including the individual's performance, the performance of the functional group or unit with which the individual is associated and the overall performance of ChoicePoint (primarily based upon economic value added goals). Such goals may or may not be equally weighted and may vary from one named executive officer to another. Bonus awards under the ChoicePoint annual incentive compensation plan also take into account an assessment of the performance of the individual executive officer. For 2004, the degree of achievement of economic value added goals, individual performance goals and strategic initiatives by each of the named executive officers resulted in annual incentive bonuses that exceeded the target opportunity level for the CEO, COO and Mr. Surbaugh and Messrs. Lee and de Janes at the target opportunity level.

**Long-Term Incentive Compensation**

The stock incentive plan is intended to provide a means of encouraging an ownership interest in ChoicePoint by those employees who have contributed, or are determined to be in a position to contribute, materially to the success of ChoicePoint, thereby increasing their motivation for, and interest in the achievement of, ChoicePoint's long-term success. Because the value of equity grants bears a direct

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relationship to the price of shares of the ChoicePoint common stock, the compensation committee believes that equity grants are a means of encouraging executives and other key management employees to increase long-term shareholder value. ChoicePoint's 2004 long-term incentive compensation program for its CEO and COO consisted of a combination of one-third fair market value stock options which vest 100% on the third anniversary of the grant, one-third fair market value stock options which have three year performance-based accelerated vesting features and one-third deferred shares which vest after the expiration of their current employment agreements (currently scheduled for 2010) and for other executive officers, consisted of a combination of fair market value stock options which vest 100% on the third anniversary of the grant, fair market value stock options which have three year performance-based accelerated vesting features and restricted stock which vests 100% on the third or fourth anniversary of the grant, pursuant to the stock incentive plans. Consistent with the compensation philosophy of the compensation committee described above, ChoicePoint, in February 2004, granted options, deferred shares and restricted stock to named executive officers (including the chief executive officer) and a number of employees.

In 2003, as discussed above, the compensation committee revised its compensation philosophy regarding the use of equity grants. The current philosophy is to limit the aggregate number of annual equity-based grants awarded to no more than two percent of the Company's outstanding shares and limit the combined grants to the CEO and COO to not more than fifteen percent of the Company's annual equity-based grant. In 2004, annual equity grants in the aggregate represented 1.7% of the total outstanding shares and the grants to the CEO and COO were limited to 15% of the annual aggregate equity grants. The compensation philosophy links long-term incentives directly to the performance of the ChoicePoint common stock and includes a combination of performance-accelerated, performance-contingent and time-based grants of fair market value stock options, deferred shares and restricted stock, with a reduced reliance on option grants. The compensation committee believes that long-term equity compensation that is earned upon achievement of performance goals is properly aligned with the long-term interests of its shareholders, and that continued use of long-term equity compensation is needed to attract and retain qualified executives. The 2003 Plan was approved with shares available for two years of equity grants. The two-year supply of grants has been distributed and the compensation committee has recommended an amendment to the 2003 Plan to provide additional share availability for future grants in support of the compensation committee's compensation philosophy. The 2003 Plan is more fully described in Proposal No. 2. In determining the maximum number of shares which constitute an award of long-term equity under the stock incentive plan, the compensation committee has no specific formula, other than the limitations discussed above, but rather determines the number of shares based upon such factors as individual contribution to corporate performance, market practices, and for grants other than for the CEO and COO, management recommendations.