

OWENS & MINOR INC/VA/  
Form DEF 14A  
March 14, 2008  
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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

**Owens & Minor, Inc.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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**Notice of  
2008  
Annual Meeting  
and  
Proxy Statement**

**WHETHER OR NOT YOU PRESENTLY PLAN TO ATTEND THE MEETING IN  
PERSON, THE BOARD OF DIRECTORS URGES YOU TO VOTE.**

**Owens & Minor, Inc.**

**9120 Lockwood Boulevard**

**Mechanicsville, Virginia 23116**

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(804) 723-7000

March 12, 2008

Dear Shareholders:

It is a pleasure to invite you to our Annual Meeting of Shareholders on Friday, April 25, 2008 at 10:00 a.m. The meeting will be held at the corporate headquarters of Owens & Minor, Inc., 9120 Lockwood Boulevard, Mechanicsville, Virginia 23116. Directions to our offices are on the last page of the proxy statement. Morning refreshments will be served, and complimentary valet parking will be available to shareholders attending the annual meeting.

The primary business of the meeting will be to (i) elect six directors, (ii) approve amendments to our articles of incorporation to declassify our Board of Directors, (iii) approve amendments to our articles of incorporation to eliminate provisions authorizing a series of preferred stock that is no longer outstanding and (iv) ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2008. In addition to considering these matters, we will review significant accomplishments and events since our last shareholders meeting as well as future opportunities and initiatives we intend to pursue. Our Board of Directors and management team will be there to discuss items of interest and answer any questions.

This year, we are pleased to be using the new Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to our shareholders a notice instead of a paper copy of this proxy statement and our 2007 Annual Report. The notice contains instructions on how to access those documents over the Internet. The notice also contains instructions on how each of our shareholders can receive a paper copy of our proxy materials, including this proxy statement, our 2007 Annual Report and a form of proxy card. We believe that this new process will conserve natural resources and reduce the costs of printing and distributing our proxy materials.

You may vote your shares by the Internet or by telephone, or if you prefer, you may request paper copies of the proxy materials and submit your vote by mail by following the instructions on the proxy card. **We encourage you to vote via the Internet.** Whichever method you choose, your vote is important so please vote as soon as possible. All of us at Owens & Minor appreciate your continued interest and support.

Warm regards,

CRAIG R. SMITH

President & Chief Executive Officer

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**YOUR VOTE IS IMPORTANT**

**Whether or not you plan to attend the annual meeting, please vote your shares promptly, as instructed in the Notice of Internet Availability of Proxy Materials, by the Internet or by telephone. You may also request a paper proxy card to submit your vote by mail, if you prefer. We encourage you to vote via the Internet.**

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held Friday, April 25, 2008**

TO THE SHAREHOLDERS OF OWENS & MINOR, INC.:

The Annual Meeting of Shareholders of Owens & Minor, Inc. (the Company or Owens & Minor ) will be held on Friday, April 25, 2008 at 10:00 a.m. at the offices of Owens & Minor, 9120 Lockwood Boulevard, Mechanicsville, Virginia.

The purposes of the meeting are:

1. To elect six directors;
2. To approve amendments to the Company s Amended and Restated Articles of Incorporation to declassify the Board of Directors;
3. To approve amendments to the Company s Amended and Restated Articles of Incorporation to eliminate provisions authorizing the Series B Cumulative Preferred Stock, which is no longer outstanding;
4. To ratify the appointment of KPMG LLP as the Company s independent registered public accounting firm for 2008; and
5. To transact any other business properly before the annual meeting.

Shareholders of record as of March 4, 2008 will be entitled to vote at the annual meeting.

Your attention is directed to the attached proxy statement. The Notice of Internet Availability of Proxy Materials is being distributed on or about March 12, 2008. This proxy statement, the proxy card and Owens & Minor s 2007 Annual Report are being furnished on the Internet on or about March 12, 2008.

BY ORDER OF THE BOARD OF DIRECTORS

GRACE R. DEN HARTOG

Senior Vice President, General Counsel

& Corporate Secretary

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**Street Address**

9120 Lockwood Boulevard  
Mechanicsville, Virginia 23116

**Mailing Address**

P.O. Box 27626  
Richmond, Virginia 23261-7626

**PROXY STATEMENT**

**Annual Meeting of Shareholders**

**to be held on April 25, 2008**

**ABOUT THE MEETING**

**What You Are Voting On**

Proxies are being solicited by the Board of Directors for purposes of voting on the following proposals and any other business properly brought before the meeting:

**Proposal 1:** Election of the following six directors, each for a two-year term and until their respective successors are elected, if proposal 2 is approved; however, if proposal 2 is not approved, then each for a three-year term and until their respective successors are elected: G. Gilmer Minor, III, J. Alfred Broaddus, Jr., Eddie N. Moore, Jr., Peter S. Redding, Robert C. Sledd and Craig R. Smith.

**Proposal 2:** Approval of amendments to the Company's Amended and Restated Articles of Incorporation (the Articles of Incorporation) to declassify the Board of Directors.

**Proposal 3:** Approval of amendments to the Company's Articles of Incorporation to eliminate provisions authorizing the Series B Cumulative Preferred Stock, which is no longer outstanding.

**Proposal 4:** Ratification of KPMG LLP as the Company's independent registered public accounting firm.

**Who is Entitled to Vote**

Shareholders of Owens & Minor, Inc. (the Company or Owens & Minor) as of the close of business on March 4, 2008 (the Record Date) are entitled to vote. Each share of the Company's common stock (Common Stock) is entitled to one vote. As of March 4, 2008, 40,931,264 shares of Common Stock were issued and outstanding.

**How to Vote**

You can vote by the Internet, by telephone or by mail.

**By Internet.** You may vote by the Internet at <http://www.proxyvote.com> by following the specific instructions on the Notice of Internet Availability of Proxy Materials. Shareholders who have requested a paper copy of a proxy card by mail may submit proxies over the Internet by following the instructions on the proxy card. **We encourage you to register your vote via the Internet.** If your shares are held by your broker or bank in street name, please contact your broker or bank to determine whether you will be able to vote by the Internet.

**By Telephone.** You may vote by telephone by calling 1-800-690-6903 and following the instructions. Shareholders will need to have the control number that appears on their notice available when voting. Shareholders who have requested a paper copy of a proxy card by mail may vote by telephone by following the





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instructions on the proxy card. If your shares are held by your broker or bank in street name, please contact your broker or bank to determine whether you will be able to vote by telephone.

**By Mail.** Shareholders who have requested a paper copy of a proxy card by mail may submit proxies by completing, signing and dating the enclosed proxy card and returning it in the postage-paid envelope provided.

However you choose to vote, you may revoke a proxy prior to the meeting by (1) submitting a subsequently dated proxy by any of the methods described above, (2) giving notice in writing to the Corporate Secretary of the Company or (3) voting in person at the meeting (attendance at the meeting will not itself revoke a proxy).

### **What Happens if You Do Not Make Selections on Your Proxy**

If your proxy contains specific voting instructions, those instructions will be followed. However, if you sign and return your proxy card by mail or submit your proxy by telephone or via the Internet without making a selection on one or more proposals, you give authority to the individuals designated on the proxy card to vote on the proposal(s) for which you have not made specific selections or given instructions and any other matter that may arise at the meeting. If no specific selection is made or instructions given, it is intended that all proxies that are signed and returned or submitted via telephone or Internet will be voted FOR the election of all nominees for director, FOR the approval of amendments to the Company's Articles of Incorporation to declassify the Board of Directors, FOR the approval of amendments to the Company's Articles of Incorporation to eliminate provisions authorizing the Series B Cumulative Preferred Stock and FOR the ratification of the appointment of KPMG LLP.

### **Whether Your Shares Will be Voted if You Don't Provide Your Proxy**

Whether your shares will be voted if you do not provide your proxy depends on how your ownership of shares of Common Stock is registered. If you own your shares as a registered holder, which means that your shares of Common Stock are registered in your name, and you do not provide your proxy, your shares will not be represented at the meeting, will not count toward the quorum requirement, which is explained below, and will not be voted.

If you own your shares of Common Stock in street name, your shares may be voted even if you do not provide your broker with voting instructions. Brokers have the authority under New York Stock Exchange ( NYSE ) rules to vote shares for which their customers do not provide voting instructions on certain routine matters.

The Company believes that the election of directors and the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm are considered routine matters for which brokerage firms may vote shares for which they don't receive voting instructions from the beneficial owner thereof with regard to those proposals. The Company believes, however, that the approval of the proposed amendments to the Company's Articles of Incorporation is not considered a routine matter. When a proposal is not a routine matter and the brokerage firm has not received voting instructions from the beneficial owner of the shares with respect to that proposal, the brokerage firm cannot vote the shares on that proposal. This is called a broker non-vote.

Abstentions, broker non-votes and, with respect to the election of directors, withheld votes, will not affect the outcome of the vote on the election of directors and the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm. Abstentions, failures to vote and broker non-votes will have the same effect as a vote against the proposals to amend the Company's Articles of Incorporation.

### **What Constitutes a Quorum**

A majority of the outstanding shares, present or represented by proxy, constitutes a quorum. A quorum is required to conduct the annual meeting. If you vote your proxy, you will be considered part of the quorum. Abstentions and shares held by brokers or banks in street name ( broker shares ) that are voted on any matter are included in the quorum. Broker shares that are not voted on any matter will not be included in determining whether a quorum is present.

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### **The Vote Required to Approve Each Item**

**Election of Directors.** The affirmative vote of a plurality of the votes cast at the meeting is required for the election of directors. A properly returned proxy indicating "Withhold Authority" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

**Approval of Amendments to the Company's Articles of Incorporation to Declassify the Board of Directors.** The approval of the amendments to the Company's Articles of Incorporation to declassify the Board of Directors requires the affirmative vote of more than two-thirds of the outstanding shares of Common Stock. Abstentions, failures to vote and broker non-votes will have the same effect as a vote against the proposal.

**Approval of Amendments to the Company's Articles of Incorporation to Eliminate Provisions Authorizing the Series B Cumulative Preferred Stock.** The approval of the amendments to the Company's Articles of Incorporation to eliminate provisions authorizing the Series B Cumulative Preferred Stock requires the affirmative vote of a majority of the outstanding shares of Common Stock. Abstentions, failures to vote and broker non-votes will have the same effect as a vote against the proposal.

**Ratification of Appointment of KPMG LLP.** The ratification of the appointment of KPMG LLP requires that the votes cast in favor of the ratification exceed the number of votes cast opposing the ratification.

### **How May I Obtain a Paper Copy of the Proxy Materials?**

Shareholders will find instructions about how to obtain a paper copy of the proxy materials on the notice they received in the mail about the Internet availability of proxy materials.

### **What it Means if You Get More Than One Notice about the Internet Availability of Proxy Materials?**

Your shares are probably registered differently or are held in more than one account. Please vote all proxies to ensure that all your shares are voted. Also, please have all of your accounts registered in the same name and address. You may do this by contacting our transfer agent, The Bank of New York, at 1-800-524-4458.

### **Costs of Soliciting Proxies**

Owens & Minor will pay all costs of this proxy solicitation. The Company has retained Georgeson, Inc. to aid in the distribution and solicitation of proxies for approximately \$6,000 plus expenses. The Company will reimburse stockbrokers and other custodians, nominees and fiduciaries for their expenses in forwarding proxy and solicitation materials.

## **CORPORATE GOVERNANCE**

**General.** The Company is managed under the direction of the Board of Directors, which has adopted Corporate Governance Guidelines to set forth certain corporate governance practices. Each year, the Company reviews its corporate governance policies and practices relative to the policies and practices recommended by groups and authorities active in corporate governance as well as the requirements of the Sarbanes-Oxley Act of 2002 and rules promulgated thereunder or adopted by the Securities and Exchange Commission ( "SEC" ) and the NYSE, the exchange on which the Common Stock is listed.

**Corporate Governance Materials.** The Company's Bylaws, Corporate Governance Guidelines, Code of Honor and the charters of the Audit, Compensation & Benefits, and Governance & Nominating Committees are available on the Company's website at <http://www.owens-minor.com> under "Corporate Governance" and are available in print to any shareholder upon request to the Corporate Secretary, Owens & Minor, Inc., 9120 Lockwood Boulevard, Mechanicsville, VA 23116.

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**Code of Honor.** The Board of Directors has adopted a Code of Honor that is applicable to all employees of the Company, including the principal executive officer, the principal financial officer and the principal accounting officer, as well as the members of the Board of Directors. The Company intends to post any amendments to or waivers from its Code of Honor (to the extent applicable to the Company's chief executive officer, principal financial officer, principal accounting officer, any other executive officer or any director) on its website.

**Director Independence.** The Board of Directors has determined that the following ten members of its twelve-member Board are independent within the meaning of the NYSE listing standards and the Company's Corporate Governance Guidelines: A. Marshall Acuff, Jr., J. Alfred Broaddus, Jr., John T. Crotty, Richard E. Fogg, Eddie N. Moore, Jr., Peter S. Redding, James E. Rogers, Robert C. Sledd, James E. Ukrop and Anne Marie Whittemore. To assist it in making determinations of independence, the Board has adopted categorical standards, which are included in this proxy statement as Appendix A. The Board has determined that all directors identified as independent in this proxy statement meet these standards.

**REPORT OF THE GOVERNANCE & NOMINATING COMMITTEE**

The Governance & Nominating Committee is composed of five directors, all of whom are independent. The Governance & Nominating Committee met four times during 2007. In performing the various duties and responsibilities outlined in its charter, the Governance & Nominating Committee, among other things, conducted a review of the Company's amended shareholders' rights plan (which requires a review of the plan by such Committee at least once every three years) with the assistance and advice of the Company's outside counsel; studied and strengthened the Board's self-assessment process and questionnaire; implemented an evaluation procedure for committee self-assessment; and actively engaged in identifying and recruiting potential board members.

The Governance & Nominating Committee continued its discussions in 2007 of various corporate governance policies relating to its board structure and election criteria, culminating in the decision by the Board in January 2008 to seek shareholder approval to amend the Company's Articles of Incorporation to institute annual elections of each director effective with the 2010 annual meeting of shareholders. In addition, the Governance & Nominating Committee recommended, and the Board approved, amendments to the Company's Bylaws and Corporate Governance Guidelines raising the maximum age for eligibility to be elected or appointed as a director from 69 years to 72 years.

The Governance & Nominating Committee is a strong proponent of continuing education programs for directors, believing that director education programs serve to enhance the skills of directors as well as inform them of new developments. During 2007, every member of the Board attended a continuing director education program or conference, all of which were accredited by Institutional Shareholder Services.

The Governance & Nominating Committee will continue to monitor and support implementation of corporate governance best practices at Owens & Minor.

THE GOVERNANCE & NOMINATING  
COMMITTEE

A. Marshall Acuff, Jr., Chairman

J. Alfred Broaddus, Jr.

Eddie N. Moore, Jr.

James E. Ukrop

Anne Marie Whittemore

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### **BOARD MEETINGS**

The Board of Directors held six meetings during 2007. All directors attended at least 75% of the meetings of the Board and committees on which they served. The Company's Corporate Governance Guidelines provide that, absent unusual or unforeseen circumstances, directors are expected to attend each annual meeting of shareholders. All directors, other than Mr. Sledd who was not a director at the time, attended the 2007 annual meeting of shareholders.

Under the Company's Corporate Governance Guidelines, non-management directors meet in executive session after each regularly scheduled Board meeting, following which the independent directors then meet in executive session. These meetings are chaired by a lead director who is elected annually by the non-management directors following each annual meeting of shareholders. James E. Rogers currently serves as lead director and presides over these executive sessions. As lead director, Mr. Rogers is also invited to participate in meetings of all Board committees but is permitted to vote only in meetings of committees of which he is a member (currently, the Executive Committee). Shareholders and other interested parties may contact the lead director by following the procedures set forth in Communications with the Board of Directors on page 10 of this proxy statement.

### **COMMITTEES OF THE BOARD**

The Board of Directors has the following committees:

**Audit Committee:** Oversees (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the qualification and independence of the Company's independent registered public accounting firm, (iv) the performance of the Company's independent registered public accounting firm and internal audit functions and (v) issues involving the Company's ethical and legal compliance responsibilities. The Audit Committee has sole authority to appoint, retain, compensate, evaluate and terminate the Company's independent registered public accounting firm (subject, if applicable, to shareholder ratification). The Board of Directors has determined that each of Richard E. Fogg (Chairman of the Audit Committee) and Eddie N. Moore, Jr. is an audit committee financial expert, as defined by SEC regulations, and that each is financially literate, as such term is interpreted by the Board in its business judgment. All members of the Audit Committee are independent as such term is defined under the enhanced independence standards for audit committees in the Securities Exchange Act of 1934 (the Exchange Act) and the rules thereunder as incorporated into the NYSE listing standards.

**Compensation & Benefits Committee:** Administers executive compensation programs, policies and practices. Advises the Board on salaries and compensation of the executive officers and makes other studies and recommendations concerning compensation and compensation policies. May delegate authority for day-to-day administration and interpretation of compensation plans to certain senior officers of the Company (other than for matters affecting executive officer compensation and benefits). For further information on this committee's processes and procedures, see Compensation Discussion and Analysis on page 22 of this proxy statement. All members of the Compensation & Benefits Committee are independent within the meaning of the NYSE listing standards and the Company's Corporate Governance Guidelines.

**Governance & Nominating Committee:** Considers and recommends nominees for election as directors and officers and nominees for each Board committee. Reviews and evaluates the procedures, practices and policies of the Board and its members and leads the Board in its annual self-review. Oversees the governance of the Company, including recommending Corporate Governance Guidelines. All members of the Governance & Nominating Committee are independent within the meaning of the NYSE listing standards and the Company's Corporate Governance Guidelines.

**Executive Committee:** Exercises limited powers of the Board when the Board is not in session.

**Strategic Planning Committee:** Reviews and makes recommendations for the strategic direction of the Company.

**Table of Contents****BOARD COMMITTEE MEMBERSHIP**

Director	Board	Compensation &			Governance &	Strategic
		Audit	Benefits	Executive	Nominating	Planning
A. Marshall Acuff, Jr.	X		X	X	X*	
J. Alfred Broaddus, Jr.	X		X		X	
John T. Crotty	X	X				X*
Richard E. Fogg	X	X*		X		X
G. Gilmer Minor, III	X*			X*		
Eddie N. Moore, Jr.	X	X			X	
Peter S. Redding	X	X				X
James E. Rogers	X			X		
Robert C. Sledd	X		X			X
Craig R. Smith	X			X		X
James E. Ukrop	X	X			X	
Anne Marie Whittemore	X		X*	X	X	
No. of meetings in 2007	6	6	5	1	4	3

\*Chairman

**DIRECTOR COMPENSATION**

The Governance & Nominating Committee reviews director compensation annually and it is the responsibility of this committee to recommend to the Board of Directors any changes in director compensation. The Board of Directors makes the final determination with respect to director compensation. The Governance & Nominating Committee has the authority under its charter to retain outside consultants or advisors to assist it in gathering information and making decisions.

During 2006, with the assistance of Frederic W. Cook & Co., Inc., the Governance & Nominating Committee completed a comprehensive review of public company director compensation practices. Based on the results of this review, the Committee recommended increases in the Board retainer fee and Board retreat fee in order to continue to retain and recruit qualified board members. These recommended increases were approved by the Board of Directors effective April 27, 2007. In addition, upon review and recommendation by the Governance & Nominating Committee, the Board increased the value of the annual stock retainer. The annual stock retainer is in the form of a restricted stock grant with a one-year vesting period.

The Company uses a combination of cash and equity compensation to attract and retain qualified candidates to serve on its Board of Directors. In setting director compensation, the Company considers the commitment of time directors must make in performing their duties, the level of skills required by the Company of its Board members and the market competitiveness of its director compensation levels. The table below sets forth the schedule of fees paid to non-employee directors (effective April 27, 2007) for their annual retainer and service in various capacities on Board committees and in Board leadership roles. Employee directors do not receive any additional compensation other than their normal salary for serving on the Board or any of its committees.

**Table of Contents****Schedule of Director Fees**

Type of Fee	Cash	Equity
Annual Retainer	\$ 30,000	\$30,000(1)
Additional Retainer for Lead Director	\$ 30,000	
Additional Retainer for Non-Executive Chairman	\$ 200,000	
Additional Retainer for Audit Committee Chair	\$ 7,000	
Additional Retainer for Other Committee Chairs	\$ 5,000	
Board or Audit Committee Attendance Fee (per meeting)	\$ 1,500	
Other Committee Attendance Fee (per meeting)	\$ 1,200	
Board or Committee Telephone Conference (per meeting, other than Audit Committee)	\$ 800	
Audit Committee Telephone Conference (per meeting)	\$ 1,200	
Board Retreat (annual 2-day meeting)	\$ 3,000	
Stock Options (2)		Option for 5,000 shares

(1) Restricted stock grant with one-year vesting period.

(2) Exercisable upon grant; expires upon seventh anniversary of grant.

Directors may defer the receipt of all or part of their director fees under the Directors' Deferred Compensation Plan. Amounts deferred are invested in bookkeeping accounts that measure earnings and losses based on the performance of a particular investment. Directors may elect to defer their fees into the following two subaccounts: (i) an account based upon the price of the Common Stock and (ii) an account based upon the current interest rate of the Company's fixed income fund in its 401(k) plan. Subject to certain restrictions, a director may take cash distributions from a deferred fee account either prior to or following the termination of his or her service as a director. Directors are also permitted to receive payment of all or part of their director fees in Common Stock.

**Table of Contents****Director Compensation Table**

The table below summarizes the actual compensation paid by the Company to non-employee directors during the year ended December 31, 2007.

(a)	(b)	(c)	(d)	(e)	(f) Change in Pension	(g)	(h)
Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(1)(2)(4)	Option Awards (\$)(3)(4)	Non-Equity Incentive Plan Compensation (\$)	Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
A. Marshall Acuff, Jr.	\$ 57,600	\$ 28,350	\$ 50,400				\$ 136,350
J. Alfred Broaddus, Jr.	51,800	28,350	50,400				130,550
John T. Crotty	57,100	28,350	50,400				135,850
Richard E. Fogg							