

NORDSON CORP  
Form DEF 14A  
January 19, 2007

**SCHEDULE 14A**  
**(Rule 14a-101)**  
**INFORMATION REQUIRED IN PROXY STATEMENT**  
**SCHEDULE 14A INFORMATION**  
**Proxy Statement Pursuant to Section 14(a) of the Securities**  
**Exchange Act of 1934**

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

- o Preliminary Proxy Statement  o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
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**NORDSON CORPORATION**  
**(Name of Registrant as Specified in Its Charter)**

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**NORDSON CORPORATION**

Notice of 2007  
Annual Meeting  
and Proxy Statement

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Edward P. Campbell  
*Chairman and  
Chief Executive Officer*

January 19, 2007

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders to be held at the Spitzer Conference Center, 1005 North Abbe Road, Elyria, Ohio, at 9:30 a.m. on Tuesday, February 20, 2007. We hope that you will be able to attend.

The Notice of Annual Meeting of Shareholders and the Proxy Statement, which are included in this booklet, describe the matters to be acted upon at the meeting. Regardless of the number of shares you own, your vote on these matters is important. Whether or not you plan to attend the meeting, I urge you to mark your choices on the enclosed proxy card and to sign and return it in the envelope provided. If you later decide to vote in person at the meeting, you will have an opportunity to revoke your proxy and vote by ballot.

I look forward to seeing you at the meeting.

Sincerely,

EDWARD P. CAMPBELL  
Chairman and  
Chief Executive Officer

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**NORDSON CORPORATION**  
**NOTICE OF ANNUAL MEETING**  
**OF SHAREHOLDERS**

The Annual Meeting of Shareholders of Nordson Corporation will be held at the Spitzer Conference Center, 1005 North Abbe Road, Elyria, Ohio, at 9:30 a.m. on Tuesday, February 20, 2007. The purposes of the meeting are:

1. To elect four directors to the class whose term expires in 2010; and
2. To transact any other business that may properly come before the meeting.

Shareholders of record at the close of business on December 29, 2006 are entitled to notice of and to vote at the meeting.

For the Board of Directors

ROBERT E. VEILLETTE  
Secretary

January 19, 2007

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## NORDSON CORPORATION

### PROXY STATEMENT

The Board of Directors of Nordson Corporation requests your proxy for use at the Annual Meeting of Shareholders to be held on February 20, 2007, and at any adjournments of that meeting. This Proxy Statement is to inform you about the matters to be acted upon at the meeting.

If you attend the meeting, you can vote your shares by ballot. If you do not attend, your shares can still be voted at the meeting if you sign and return the enclosed proxy card. Shares represented by a proxy card properly signed will be voted in accordance with the choices marked on the card. If no choices are marked, the shares will be voted to elect the nominees listed below. You may revoke your proxy before it is voted by giving notice to Nordson in writing or orally at the meeting. However, your presence at the Annual Meeting, without any further action on your part, will not revoke your previously granted proxy.

This Proxy Statement and the enclosed proxy card are being mailed to shareholders on or about January 19, 2007. Nordson's executive offices are located at 28601 Clemens Road, Westlake, Ohio 44145, telephone number (440) 892-1580.

### NOMINATION AND ELECTION OF DIRECTORS

Nordson's Board of Directors is composed of eleven directors, divided into two classes of four members and one class of three members. The terms of these classes as of the 2007 Annual Meeting will expire in 2008, 2009 and 2010. Each of the directors serves for a term of three years and until a successor is elected. The Board of Directors met seven times during the last fiscal year; five regular meetings and two special meetings.

The Governance and Nominating Committee is responsible for identifying and evaluating nominees for director and for recommending to the Board a slate of nominees for election at the Annual Meeting of Shareholders.

In evaluating the suitability of individuals for Board membership, the Committee evaluates each individual in the context of Nordson Corporation's Director Recruitment and Performance Guidelines, with the objective of recommending a group of directors that can best perpetuate the success of the business and represent shareholder interests through the exercise of sound judgment, using its diversity of experience. The Director Recruitment and Performance Guidelines were adopted by the Board of Directors on December 6, 2006 upon recommendation of the Governance and Nominating Committee. The Director Recruitment and Performance Guidelines are found at Appendix A to this Proxy Statement and are available for review on the Company's website, [www.nordson.com/corporate/governance](http://www.nordson.com/corporate/governance). In determining whether to recommend a director for re-election, the Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board. The Committee does not distinguish between nominees recommended by shareholders and other nominees.

In identifying potential candidates for Board membership, the Committee relies on suggestions and recommendations from the Board, shareholders, management and others. From time to time, the Committee also retains search firms to assist it in identifying potential candidates for director, gathering information about the background and experience of such candidates and acting as an intermediary with such candidates. Shareholders wishing to suggest candidates to the Governance and Nominating Committee for consideration as directors must submit a written notice to the Corporate Secretary, who will submit the notice to the Governance and Nominating Committee. The Company's Regulations set forth the procedures a shareholder must follow to nominate directors. These procedures are summarized in this Proxy Statement under the caption "Shareholder Director Nominations, Proposals and Communications" on page 24.



The Governance and Nominating Committee has recommended to the Board, and the Board has approved, the persons named as nominees for election and, unless otherwise marked, a proxy will be voted for such persons. Each of the nominees currently serves as a director and was elected by the shareholders at the 2004 Annual Meeting.

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The name and age of each of the four nominees for election as directors for terms expiring in 2010, as well as present directors whose terms will continue after the meeting, appear below together with his or her principal occupation for at least the past five years, the year each became a director of the Company and certain other information. The information is as of January 19, 2007.

### Nominees For Terms Expiring in 2010

Name	Age	Present Principal Employment and Prior Business Experience	Director Since
William D. Ginn	83	Mr. Ginn is a retired former partner with the law firm of Thompson Hine LLP. As a retired former partner of Thompson Hine LLP, Mr. Ginn does not receive any compensation from nor does he render any services to or on behalf of the firm. At the time the Board of Directors adopted the mandatory retirement age for directors, Mr. Ginn had already reached age 75 and was exempted from this requirement.	1959
Stephen R. Hardis	71	Mr. Hardis served as Chairman and Chief Executive Officer of Eaton Corporation from January 1996 through July 2000. Eaton produces automation systems and equipment, capital and consumer goods components, aerospace and defense systems, and automotive components. Mr. Hardis is a director of Lexmark International, Inc., a manufacturer and seller of computer printer products; Marsh & McLennan Cos., a provider of insurance and reinsurance, consulting, and investment advisory and management services; American Greetings Corporation, a creator, manufacturer and distributor of greeting cards and special occasion products; The Progressive Corporation, an insurance holding company; STERIS Corporation, a maker of technologies to control infection and contamination; and Axcelis Technologies, Inc., a producer of ion implantation equipment used in the semiconductor manufacturing industry.	1984
William L. Robinson	65	For the last seven years, Mr. Robinson has been a professor of law at the University of the District of Columbia's David A. Clarke School of Law.	1995
Benedict P. Rosen	70	Mr. Rosen has served as Chairman of AVX Corporation since July 1997 and was Chief Executive Officer of AVX Corporation from July 1997 through July 2001. AVX is an international producer of electronic components.	1999

### Present Directors Whose Terms Expire in 2008

Name	Age	Present Principal Employment and Prior Business Experience	Director Since
Peter S. Hellman	57	Mr. Hellman was elected President and Chief Financial and Administrative Officer of Nordson on March 12, 2004.	2001

Mary G. Puma	49	<p>Mr. Hellman served as Executive Vice President and Chief Financial and Administrative Officer of Nordson from February 2000 to March 2004. Mr. Hellman serves as a director of Qwest Communications International Inc., a leading provider of voice, video and data services, and Baxter International Inc., a global medical products and services company.</p> <p>Ms. Puma is Chairman of the Board and Chief Executive Officer of Axcelis Technologies, Inc., a producer of ion implantation equipment used in the semiconductor manufacturing industry. Previous to her election as President and Chief Executive Officer of Axcelis in January 2002, Ms. Puma served as Axcelis President and Chief Operating Officer from May 2000 to January 2002.</p>	2001
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Name	Age	Present Principal Employment and Prior Business Experience	Director Since
Joseph P. Keithley	58	Mr. Keithley is Chairman of the Board, President and Chief Executive Officer of Keithley Instruments, Inc., a provider of measurement solutions to the semiconductor, fiber optics, telecommunications and electronics industries. He has served as Chairman of the Board of Keithley Instruments since 1991, as CEO since 1993 and as President since 1994. Mr. Keithley is also a director of Brush Engineered Materials, Inc., a producer and supplier of beryllium and related products, specialty metal systems and precious metal products.	2001

#### Present Directors Whose Terms Expire in 2009

Name	Age	Present Principal Employment and Prior Business Experience	Director Since
William P. Madar	67	Mr. Madar served as Chairman of the Board of Nordson from October 1997 through March 2004 and was Vice Chairman and Chief Executive Officer from August 1996 to October 1997. He was President and Chief Executive Officer of Nordson from February 1986 through August 1996. Mr. Madar is a director of Brush Engineered Materials, Inc., a producer and supplier of beryllium and related products, specialty metal systems and precious metal products, and The Lubrizol Corporation, a manufacturer of specialty chemicals.	1985
William W. Colville	72	Mr. Colville was Senior Vice President Law, General Counsel and Secretary of Owens-Corning Fiberglas Corp. from 1984 until December 1994 and served as a legal consultant to Owens-Corning from January 1995 until October 2000. Owens-Corning manufactures glass fiber products and related materials. Mr. Colville is a director of Owens-Corning.	1988
Edward P. Campbell	57	Mr. Campbell has served as Chairman and Chief Executive Officer of Nordson since March 12, 2004. He served as President and Chief Executive Officer of Nordson from November 1997 to March 2004 and as President and Chief Operating Officer of Nordson from August 1996 to October 1997. He is a director of KeyCorp, a financial services company, and OMNOVA Solutions, Inc., a manufacturer of specialty chemicals, emulsion polymers and decorative products.	1996
Dr. David W. Ignat	65	Dr. Ignat was the Scientific Editor and General Manager of Nuclear Fusion, a research journal published by the International Atomic Energy Agency, from 1996 through 2002. From 2000 through 2001, he was a consultant to the Princeton Plasma Physics Laboratory, Princeton University.	2002

No shareholder or group that beneficially owns 5% or more of Nordson's outstanding Common Shares has recommended a candidate for election as a director at the 2007 Annual Meeting of the Shareholders.

**Corporate Governance, Committees of the Board of Directors, and Attendance**

The Board of Directors has adopted the Nordson Corporation Governance Guidelines (the Guidelines). The Guidelines were amended by the Board of Directors on December 6, 2006, pursuant to a recommendation from the Governance and Nominating Committee, to incorporate best governance practices in the area of other board memberships, executive sessions of the independent directors and the adoption of director recruitment and performance guidelines. The amended Guidelines are found at Appendix B to this Proxy Statement and, together with the charters of the standing committees referenced therein, are available for review on the Company's website at [www.nordson.com/corporate/governance](http://www.nordson.com/corporate/governance).

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The Company has a Code of Business and Ethical Conduct (the Code) that addresses the Company's commitment to honesty and integrity and the ethical behavior of the Company's directors, officers and employees with current and potential customers, fellow employees, competitors, government and self-regulatory agencies, investors, the public, the media and anyone else with whom the Company has or may have contact. Violations of any of the standards of the Code will be met with appropriate disciplinary action, up to and including termination of employment. Retaliation against any director, officer or employee who files a report concerning what he or she reasonably believes to be conduct that violates the Code is strictly prohibited. The Code is available for review on the Company's website at [www.nordson.com/corporate/governance](http://www.nordson.com/corporate/governance).

### ***Independent Directors***

The Board of Directors has affirmatively determined that each director, except for Messrs. Campbell and Hellman, is an independent director within the meaning of the independence standards of The NASDAQ Stock Market LLC (NASDAQ). The Guidelines provide that the Board of Directors will be comprised of a majority of independent directors and that only those directors or nominees who meet the listing standards of NASDAQ will be considered independent. The Presiding Director conducted an executive session of the independent directors at each of the five regular meetings of the Board of Directors in fiscal year 2006.

### ***Meetings and Committees of the Board of Directors***

*Meetings of the Board.* The Company's Board of Directors has five regularly scheduled meetings each year. Special meetings are held as necessary. In addition, management and the directors communicate informally on a variety of topics, including suggestions for Board or Committee agenda items, recent developments and other matters of interest to the directors. The Board monitors overall corporate performance and the integrity of the Company's financial controls and legal compliance procedures. The Board of Directors considers it important to continually evaluate and improve the effectiveness of the Board and its committees. The Board and each of its standing committees conduct an annual self-evaluation. The Governance and Nominating Committee oversees the Board's self-evaluation process.

*The Board has four standing committees:* an Audit Committee, a Compensation Committee, a Governance and Nominating Committee, and a Pension and Finance Committee. The table below provides current membership and fiscal year 2006 committee meeting information for each of the independent directors:

Director	Audit	Compensation	Governance & Nominating	Pension & Finance
William W. Colville	X		X	
William D. Ginn	X		X	
Stephen R. Hardis		X*	X	
David W. Ignat	X			X
Joseph P. Keithley		X		X*
William P. Madar	X			X
Mary G. Puma	X*			X
William L. Robinson		X		X
Benedict P. Rosen		X	X*	
Total meetings in fiscal year 2006	5	5	5	3

\* Committee Chairperson

*Audit Committee.* All members of the Audit Committee meet the NASDAQ independence standards. The Board of Directors has designated Mr. Madar and Ms. Puma as audit committee financial experts pursuant

to the SEC's final rules implementing Section 407 of the Sarbanes-Oxley Act. The Audit Committee is responsible for:

reviewing the proposed audit programs (including both independent and internal audits) for each fiscal year, the results of these audits, and the adequacy of the Company's systems of internal accounting control;

the appointment, compensation, and oversight of the independent auditors for each fiscal year;

the approval of all permissible audit and non-audit services to be performed by the independent auditors;

the establishment of procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

the approval of all related-party transactions.

A more detailed discussion of the purposes, duties, and responsibilities of the Audit Committee is found in the Committee's charter included in this Proxy Statement as Appendix C. The Committee has discussed with the independent auditors the auditors' independence from management and the Company, including the matters in written disclosures required by the Independence Standards Board, and considered the compatibility of non-audit services with the auditors' independence. The Audit Committee Report to the Board of Directors is attached to this Proxy Statement as Appendix D.

*Compensation Committee.* All members of the Compensation Committee meet NASDAQ independence standards. The Compensation Committee is responsible for approving executive officer compensation and for administering the incentive and equity participation plans which make up the variable compensation paid to executive officers including Nordson's 2004 Long-Term Performance Plan (the Performance Plan), 2004 Management Incentive Compensation Plan, and Long-Term Incentive Plan. The Committee also administers employee equity and qualified and non-qualified retirement benefit plans, including the Company's Deferred Compensation Plan, Excess Defined Benefit Pension Plan and Excess Defined Contribution Retirement Plan. A more detailed discussion of the purposes, duties, and responsibilities of the Compensation Committee is found in the Committee's charter which is available for review on the Company's website at [www.nordson.com/corporate/governance](http://www.nordson.com/corporate/governance).

*Governance and Nominating Committee.* All members of the Governance and Nominating Committee meet NASDAQ independence standards. The purpose of the Governance and Nominating Committee is to ensure that the Board of Directors and its committees are appropriately constituted so that the Board and directors may effectively meet their fiduciary obligations to shareholders and the Company. A more detailed discussion of the purposes, duties, and responsibilities of the Governance and Nominating Committee is found in the Committee's charter which is available for review on the Company's website at [www.nordson.com/corporate/governance](http://www.nordson.com/corporate/governance).

*Pension and Finance Committee.* All members of the Pension and Finance Committee meet NASDAQ independence standards. The purpose of the Pension and Finance Committee is to provide oversight of the named fiduciaries (the Company and the Company's Administrative Committee for Qualified Retirement Plans) administration of the Nordson Corporation Salaried and Hourly-Rated Employees Savings Trust (NEST) and Salaried and Hourly-Rated Employees Pension Plans (the Plans), including oversight of the Company's and Administrative Committee's selection and evaluation of the performance of investment managers that have investment management authority over assets of the NEST and the Plans. The Committee's charter is available for review on the Company's website at [www.nordson.com/corporate/governance](http://www.nordson.com/corporate/governance).

Directors are expected to attend the Annual Meeting of Shareholders and all Board of Directors meetings and meetings of committees on which a director serves. During the last fiscal year each director attended at least



seventy-five percent of the meetings of the Board of Directors and of the committees on which he or she served. All directors attended the 2006 Annual Meeting of the Shareholders.

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## Compensation of Directors

Directors who are full-time employees of the Company receive no additional compensation for services as a director. With respect to non-employee directors, the Company's philosophy is to provide competitive compensation and benefits necessary to attract and retain high-quality non-employee directors. The Board believes that a substantial portion of director compensation should consist of equity-based compensation to align directors' interests with the interests of shareholders.

The Governance and Nominating Committee periodically benchmarks director compensation against the Company's compensation survey group and considers the appropriateness of the form and amount of director compensation and makes recommendations to the Board concerning such compensation with a view toward attracting and retaining qualified directors.

For fiscal year 2006, Nordson paid non-employee directors a fee of \$7,500 per quarter and \$1,500 for each Board meeting attended. Each non-employee director was also paid \$1,000 for each committee meeting attended. The Chairperson of the Audit Committee received an additional fee of \$1,250 per quarter. The Chairperson of the Compensation Committee received an additional fee of \$1,000 per quarter with Chairpersons of other committees receiving an additional fee of \$750 per quarter. For fiscal year 2006 and pursuant to the Performance Plan, which was approved by the shareholders at the 2004 Annual Meeting, each non-employee director received an option to purchase 2,500 Nordson Common Shares with a fair market value of \$38.99 per share on the date of grant. The option vested six months from the date of grant and must be exercised no later than ten years from the date of grant. Each non-employee director also received 500 restricted Nordson Common Shares having an aggregate fair market value of \$19,495 (500 Common Shares with a fair market value on the date of grant of \$38.99 per share). Restrictions on transfer of these Nordson Common Shares expired six months from the date of grant.

For fiscal year 2007, the Governance and Nominating Committee recommended to the Board of Directors that compensation to all non-employee directors be in the form of a cash retainer of \$55,000 and a restricted share grant having a fair market value of \$70,000. In addition, the Audit Committee Chairperson receives an additional cash retainer of \$10,000 with the Chairpersons of the other standing Committees receiving an additional cash retainer of \$5,000. The Presiding Director receives an additional cash retainer of \$5,000.

The terms of the restricted share grant are:

Restriction Period:	Two year restriction on transfer. Restriction will lapse upon the retirement, disability, or death of a director. For directors who do not defer the receipt of the restricted shares, the shares are fully transferable upon lapse of the restriction period.
Deferral of Receipt of Shares:	Directors may elect to defer receipt of the restricted shares under the terms of the 2005 Directors Deferred Compensation Plan. For the fiscal year 2007 grant, the election to defer must be made within 30 days of the effective date of the grant and deferral is in the form of restricted share units.
Voting:	Non-deferred Shares: Recipients that do not defer receipt of the restricted shares are permitted to vote all shares during the restriction period. Deferred Shares: Recipients that defer receipt do not have voting rights on the restricted share units.
Dividends:	Non-deferred Shares: Dividends are payable to recipients in cash.

Deferred Shares: Dividends are deferred as share equivalent units under the 2005 Directors Deferred Compensation Plan.

The following table sets forth the total cash compensation paid to each director for services provided as a director, including any amounts payable for committee participation, for fiscal years 2006 and 2005.

Director	2006 (\$)	2005 (\$)
Edward P. Campbell (1)	n/a	n/a
William W. Colville (2)	57,932	44,000
William D. Ginn (2)	51,652	48,500
Stephen R. Hardis	54,500	53,500
Peter S. Hellman (1)	n/a	n/a
Dr. David W. Ignat	46,500	46,500
Joseph P. Keithley	50,500	48,000
William P. Madar	48,500	47,500
Mary G. Puma	49,000	50,500
William L. Robinson	48,500	48,500
Benedict P. Rosen	53,500	51,500

(1) As employees of the Company, Messrs. Campbell and Hellman do not receive directors fees.

(2) Includes expenses incurred to provide directors supplemental company-paid health care coverage under the Company's health care plan. For Mr. Colville, the expense was \$7,432; for Mr. Ginn, \$3,652.

For fiscal year 2006 compensation, non-employee directors may defer all or part of their fees until retirement under the Performance Plan. The fees may be deferred as cash and credited with interest at a U.S. Treasury rate, or they may be translated into share equivalents units based on the market price of Nordson Common Shares when the fees are earned and credited with additional share equivalents units when dividends are paid.

Effective December 7, 2005, the Company established share ownership requirements for directors and executive officers as a means to align more closely the interests of the directors and executive officers with those of the Company's shareholders. Directors and executive officers are now required to own the following amount of Nordson Common Shares:

Directors	5 times annual cash retainer
Chief Executive Officer	5 times base salary
President	3 times base salary
Other Executive Officers	2 times base salary

Directors are required to achieve the share ownership requirement within five years of election to the Board, or, in the case of directors serving at the time the ownership requirements were adopted, within five years of the date of adoption. Likewise, newly elected or promoted executive officers will have up to five years to meet the applicable ownership requirements after their election or promotion, or in the case of executive officers in office at the time the ownership requirements were adopted, within five years of the date of adoption. The share ownership requirements are discussed in greater detail in Paragraph 16 of the Nordson Corporation Governance Guidelines (Appendix B).



**Ownership of Nordson Common Shares**

The following table shows the number and percent of Nordson Common Shares beneficially owned on December 29, 2006 by each of the directors, including nominees; each of the executive officers named in the Summary Compensation Table set forth on page 16; any persons known to Nordson to be the beneficial owner of more than 5% of Nordson Common Shares; and by all directors and executive officers as a group.

<b>Name</b>	<b>Number of Shares (1)</b>	<b>Percent</b>
Edward P. Campbell (2)(3)	846,728	2.5
William W. Colville	41,301	0.1
William D. Ginn (4)	354,638	1.1
Stephen R. Hardis	95,167	0.3
Peter S. Hellman (2)	335,632	1.0
Dr. David W. Ignat	1,578,633	4.7
Joseph P. Keithley	13,920	*
William P. Madar	151,562	0.5
Mary G. Puma	18,367	*
William L. Robinson	33,744	0.1
Benedict P. Rosen	41,213	0.1
Donald J. McLane (2)	312,168	0.9
Michael Groos (2)	17,661	*
Robert A. Dunn, Jr. (2)	103,057	0.3
Eric T. Nord (5)	2,168,164	6.5
Columbia Wanger Asset Management LP (6)	2,139,700	6.4
Barclays Global Investors, N.A. (7)	2,010,375	6.0
All directors and executive officers as a group (18 people) (8)	4,019,639	11.5

\* Less than 0.1%.

- (1) Except as otherwise stated in notes (2) through (4) below, beneficial ownership of the shares held by each of the directors, executive officers and affiliates consists of sole voting power and sole investment power, or of voting power and investment power that is shared with the spouse of the director, executive officer or affiliate. Beneficial ownership of the shares held by the non-employee directors includes the right to acquire shares on or before February 27, 2007 under the Stock Option provisions of the 2004 Long-Term Performance Plan and the 2005 Directors Deferred Compensation Plan in the following amounts: Mr. Colville, 33,921 shares; Mr. Ginn, 0 shares; Mr. Hardis, 62,565 shares; Dr. Ignat, 13,860 shares; Mr. Keithley, 11,920 shares; Mr. Madar, 31,923 shares; Ms. Puma, 14,932 shares; Mr. Robinson, 30,498 shares; and Mr. Rosen, 36,791 shares.
- (2) These include the right to acquire shares on or before February 27, 2007 in amounts as follows: Mr. Campbell, 582,350 shares; Mr. Hellman, 282,225 shares; Mr. McLane, 213,575 shares; Mr. Groos, 9,875 shares; and Mr. Dunn, 84,875 shares.
- (3) With respect to Mr. Campbell, the number of shares includes 21,497 stock equivalent units held by Mr. Campbell under the Nordson Corporation 2005 Deferred Compensation Plan.

