

LAIDLAW INTERNATIONAL INC

Form DEF 14A

December 19, 2003

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

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 Section 240.14a-12

**LAIDLAW INTERNATIONAL, INC.**

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(Name of Registrant as Specified in its Charter)

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(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)(1) and 0-11.

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

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

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(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):

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(1) Amount previously paid:

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

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(3) Filing Party:

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(4) Date Filed:

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**LAIDLAW INTERNATIONAL, INC.**

**55 Shuman Blvd.  
Naperville, Illinois 60563  
Telephone: (630) 848-3000**

December 19, 2003

Dear Stockholder:

You are cordially invited to attend the 2004 Annual Meeting of Laidlaw International, Inc. (the Company), which will be held on February 10, 2004, at 11:30 a.m. Eastern standard time at The New York Palace, 455 Madison Avenue at 50th Street, New York, New York.

This year, your Board of Directors is recommending that you elect three directors of a class whose term expires at this Annual Meeting and who are described in the proxy statement.

The Company has enclosed a copy of its Annual Report for the fiscal year ended August 31, 2003 with this notice of annual meeting of stockholders and proxy statement. If you would like another copy of the 2003 Annual Report, please contact Sarah Lewensohn at Laidlaw International, Inc., 55 Shuman Blvd., Naperville, Illinois 60563, (630) 848-3120, and you will be sent one.

Please read the enclosed information carefully before completing and returning the enclosed proxy card. Returning your proxy card as soon as possible will assure your representation at the meeting, whether or not you plan to attend. If you do attend the annual meeting, you may, of course, withdraw your proxy should you wish to vote in person.

Sincerely,

/s/ KEVIN E. BENSON

KEVIN E. BENSON  
*President and Chief Executive Officer*

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## LAIDLAW INTERNATIONAL, INC.

55 Shuman Blvd.  
Naperville, Illinois 60563  
Telephone: (630) 848-3000

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### NOTICE OF ANNUAL MEETING OF STOCKHOLDERS February 10, 2004

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The Annual Meeting of Stockholders of Laidlaw International, Inc., a Delaware corporation (the Company), will be held on February 10, 2004 at 11:30 a.m. Eastern standard time (the Annual Meeting), at The New York Palace, 455 Madison Avenue at 50th Street, New York, New York, for the purpose of:

(1) Electing three directors of a class whose term expires at this Annual Meeting and who are described in the proxy statement; and

(2) Transacting such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on December 15, 2003 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof.

By Order of the Board of Directors

/s/ Kevin E. Benson

KEVIN E. BENSON  
*President and Chief Executive Officer*

December 19, 2003

The Company's Annual Report for the fiscal year ended August 31, 2003 (the 2003 Annual Report) is enclosed. The 2003 Annual Report contains financial and other information about the Company but is not incorporated into the proxy statement.

**Even if you expect to attend the Annual Meeting, please promptly complete, sign, date and mail the enclosed proxy card. A self-addressed envelope is enclosed for your convenience. No postage is required if mailed in the United States. Stockholders who attend the Annual Meeting may revoke their proxies and vote in person if they so desire.**

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## LAIDLAW INTERNATIONAL, INC.

55 Shuman Blvd.  
Naperville, Illinois 60563  
Telephone: (630) 848-3000

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### PROXY STATEMENT

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#### ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON FEBRUARY 10, 2004

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Laidlaw International, Inc., a Delaware corporation (the "Company"), of proxies to be used at the annual meeting of stockholders of the Company to be held on February 10, 2004 (the "Annual Meeting"). This proxy statement and the related proxy card are being mailed to stockholders commencing on or about December 19, 2003.

If the enclosed proxy card is executed and returned, the shares represented by it will be voted as directed on all matters properly coming before the Annual Meeting for a vote. Returning your completed proxy will not prevent you from voting in person at the Annual Meeting should you be present and desire to do so. In addition, the proxy may be revoked at any time prior to its exercise either by giving written notice to the Company or by submission of a later dated proxy.

Stockholders of record of the Company at the close of business on December 15, 2003 will be entitled to vote at the Annual Meeting. On that date, the Company had outstanding and entitled to vote 103,806,110 shares of common stock, par value \$0.01 per share, of the Company (the "Common Stock"). A list of such holders will be open to the examination of any stockholder for any purpose germane to the meeting at Laidlaw International, Inc., 55 Shuman Blvd., Naperville, Illinois 60563 for a period of ten days prior to the meeting. The list of the holders will also be available for such examination at the Annual Meeting. Each share of Common Stock is entitled to one vote. At the Annual Meeting, inspectors of election shall determine the presence of a quorum and shall tabulate the results of the vote of the stockholders. The holders of a majority of the total number of outstanding shares of Common Stock entitled to vote must be present in person or by proxy to constitute the necessary quorum for any business to be transacted at the Annual Meeting. Properly executed proxies marked "abstain," as well as proxies held in street name by brokers that are not voted on all proposals to come before the Annual Meeting ("broker non-votes"), will be considered "present" for purposes of determining whether a quorum has been achieved at the Annual Meeting.

The three nominees for director receiving the greatest number of votes cast at the Annual Meeting in person or by proxy shall be elected. Consequently, any shares of Common Stock present in person or by proxy at the Annual Meeting, but not voted for any reason, have no impact in the election of directors, except to the extent that the failure to vote for an individual may result in another individual receiving a larger number of votes. All other matters to be considered at the Annual Meeting require for approval the favorable vote of a majority of shares voted at the meeting in person or by proxy. Stockholders have no right to cumulative voting as to any matter, including the election of directors. For any proposal at the Annual Meeting that must receive a specific percentage of favorable votes for approval, abstentions in respect of such proposal are treated as present and entitled to vote under Delaware law, and, therefore, such abstentions have the effect of a vote against such proposal. Broker non-votes in respect of any proposal are not counted for purposes of determining whether such proposal has received the requisite approval.

The shares represented by all valid proxies received will be voted in the manner specified on the proxies. Where specific choices are not indicated on a valid proxy, the shares represented by such proxies received will be voted: (i) for the nominees for director named in this proxy statement; and (ii) in accordance with the best judgment of the persons named in the enclosed proxy, or their substitutes, for any other matters that properly come before the Annual Meeting.

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## ELECTION OF DIRECTORS

The Board of Directors of the Company currently consists of nine members. All members of the Board of Directors were appointed under the Company's plan of reorganization in connection with the Company's emergence from bankruptcy protection on June 23, 2003. In connection with its emergence, all of the outstanding shares of capital stock of the Company's predecessor, Laidlaw Inc., were canceled for no consideration. In addition, the Company issued an aggregate of 100,000,003 shares of Common Stock to creditors of Laidlaw Inc. and certain of its debtor affiliates. In addition, 3,777,419 shares of Common Stock were issued to a trust (the PBGC Trust) in connection with the Company's settlement with the United States Pension Benefit Guaranty Corporation relating to the funding level of certain subsidiary pension funds.

In accordance with the Company's Certificate of Incorporation, the Board of Directors is divided into three classes of directors, with each class as nearly equal in number of directors as possible. Class I currently consists of John F. Chlebowski, James H. Dickerson, Jr. and Maria A. Sastre, and their current term of office will expire at this Annual Meeting. Class II consists of Vicki A. O'Meara, Richard P. Randazzo and Carroll R. Wetzel, Jr., and their current term of office will expire at the 2005 Annual Meeting of Stockholders. Class III consists of Kevin E. Benson, Lawrence M. Nagin and Peter E. Stangl, and their current term of office will expire at the 2006 Annual Meeting of Stockholders. At each annual stockholders' meeting, directors are elected for a term of three years and hold office until their successors are elected and qualified or until their earlier removal or resignation. Newly created directorships resulting from an increase in the authorized number of directors or any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause may be filled by a majority of the remaining directors then in office.

On June 23, 2003, a plan of reorganization proposed by the Company under the provisions of Chapter 11 of the United States Bankruptcy Code became effective. The plan of reorganization established the current board of directors. None of the new directors, other than the chief executive officer, had any previous affiliation with the Company. In June, the Chairman of the Company's Human Resources and Compensation Committee asked a nationally recognized compensation and benefits firm to provide recommendations on directors' compensation (including non-executive Chairman of the Board compensation and director stock ownership guidelines) based on competitive practice. After a series of meetings at which the consultant's recommendations were discussed, including the approach and methodology applied, recommendations were brought to and adopted by the Board of Directors. Non-executive directors other than the Chairman will receive an annual retainer of \$47,500, with the Audit Committee Chair receiving an additional \$20,000, the Human Resources and Compensation Committee Chair an additional \$8,000 and other committee chairs an additional \$5,000. The non-executive Chairman will receive an annual retainer of \$150,000. Non-executive directors will receive meeting fees of \$1,500 per Board meeting attended and \$1,000 per committee meeting attended; fees for telephonic meetings will be reduced by 50%. Directors may defer all or a portion of their cash compensation. Deferred cash compensation will be credited to a deferral account, which will be deemed to be invested in hypothetical shares of the Company's common stock. Each deferral account will be credited with dividend equivalents and will be distributed to the director in a lump sum in cash on a date selected by the director.

Each non-executive director other than the Chairman will also receive an annual equity award consisting of 6,750 stock options and 3,375 restricted shares; the Chairman will receive 10,125 stock options and 5,063 restricted shares. Directors may elect to defer receipt of all or a portion of the restricted shares granted to them. These deferred shares will be credited to a deferral account, will no longer have voting and dividend rights, and will be subject to a risk of forfeiture on the same basis as the underlying restricted shares. Each deferral account will be credited with dividend equivalents. To the extent vested, the shares credited to a deferral account will be distributed to the director on a distribution date selected by the director in the form of the Company's common stock and the dividend equivalents will be distributed to the director in cash. Stock ownership guidelines have also been established. Within five years, directors are expected to hold common stock (including deferred shares) having a value of not less than three times (five times in the case of the Chairman) the annual general retainer of \$47,500. In addition, each director is reimbursed for any reasonable travel expenses incurred in attending meetings.

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At the Annual Meeting, three directors are to be elected to hold office, each for a term of three years and until his or her successor is elected and qualified. The Board of Directors recommends that its three nominees for directors be elected at the Annual Meeting. The nominees are John F. Chlebowski, James H. Dickerson, Jr. and Maria A. Sastre. Messrs. Chlebowski and Dickerson and Ms. Sastre currently serve as directors of the Company, and each has served as a director of the Company since June 2003. If any nominee becomes unavailable for any reason or should a vacancy occur before the election, which events are not anticipated, the proxies will be voted for the election of such other person as a director as the Board of Directors may recommend.

Information regarding the continuing directors of the Company is set forth below:

Name	Age	Position(s)
Kevin E. Benson	56	President, Chief Executive Officer and Director
Lawrence M. Nagin	62	Director
Vicki A. O Meara	46	Director
Richard P. Randazzo	59	Director
Peter E. Stangl	62	Director
Carroll R. Wetzel, Jr.	60	Director

### Director Nominees

**John F. Chlebowski**, age 58, has served as a director of the Company since June 23, 2003. He has served as the President and Chief Executive Officer of Lakeshore Operating Partners, LLC, a bulk liquid distribution firm, since March 2000. From July 1999 until March 2000, Mr. Chlebowski was a senior executive and co-founder of Lakeshore Liquids Operating Partners, LLC, a private venture firm in the bulk liquid distribution and logistics business, and from January 1998 until July 1999, he was a private investor and consultant in bulk liquid distribution. Prior to that, he was employed by GATX Terminals Corporation, a subsidiary of GATX Corporation, as President and Chief Executive Officer from 1994 until 1997. He served as Chief Financial Officer and Vice President Finance of GATX Corporation, a specialized finance and leasing company, from 1986 until 1994 and Vice President Finance from 1984 until 1986. Mr. Chlebowski joined GATX Corporation in 1983 as Vice President Financial Planning. Mr. Chlebowski is also a director of PRP-GP, LLC as well as a director of NRG Energy, Inc.

**James H. Dickerson, Jr.**, age 57, has served as a director of the Company since June 23, 2003. Mr. Dickerson served as the Chief Operating Officer of Caremark Rx, Inc., a pharmaceutical company, from May 2000 until July 2002, when he retired. He joined Caremark in 1998 as the Executive Vice President and Chief Financial Officer. Prior to joining Caremark, Mr. Dickerson was Senior Vice President and Chief Financial Officer of Aetna US Healthcare Corporation of Aetna, Inc., a provider of healthcare benefits, from 1994 until 1998.

**Maria A. Sastre**, age 48, has served as a director of the Company since June 23, 2003. Since 2000, Ms. Sastre has served as Vice President, Fleet Operations Guest Services for Royal Caribbean International of Royal Caribbean Cruises, a global cruise vacation company. Prior to that, she was employed by UAL Corporation, a holding company for United Airlines, Inc., a commercial air transportation company, since 1992 where she held various positions, including Vice President, Customer Satisfaction from 1999 until 2000, Vice President, Latin America and Caribbean from 1995 until 1999, and Director, International Sales and Marketing, Asia, Europe and Latin America from 1994 until 1995. Ms. Sastre is also a director of Darden Restaurants, Inc.

### Continuing Directors

**Kevin E. Benson**, age 56, has been President and Chief Executive Officer and a director of the Company since June 23, 2003. From September 2002 to June 23, 2003, Mr. Benson was President and Chief Executive Officer of Laidlaw Inc., the Company's predecessor. Prior to that, Mr. Benson served as President and Chief Executive Officer of the Insurance Corporation of British Columbia from December 2001 until September 2002 and, in 2000 and 2001, as President of The Pattison Group, a privately owned company and a



conglomerate that owns interests in numerous businesses across a range of industries. He previously served as President and Chief Executive Officer of Canadian Airlines International from 1996 until 2000 and as Chief Financial Officer from 1995 to 1996. Prior to joining Canadian Airlines in 1995, he served in various capacities with Trizec-Hahn, a Canadian real estate development company with property holdings in the U.S. and Canada, joining the company in 1977 and becoming Chief Financial Officer in 1983, President in 1986 and Chief Executive Officer in 1987. Mr. Benson also serves as a director of Manulife Financial.

**Lawrence M. Nagin**, age 62, has served as a director of the Company since June 23, 2003. Since April 2003, Mr. Nagin has been of counsel with the law firm O Melveny & Myers LLP. Before joining O Melveny & Myers, Mr. Nagin was a consultant of US Airways Group, Inc., the parent company of US Airways, Inc., a commercial air transportation company. Mr. Nagin joined US Airways Group as Executive Vice President Corporate Affairs and General Counsel in 1996 where he held that position until his retirement in 2002. Prior to that, he was in the private practice of law at the law firm Skadden, Arps, Slate, Meagher & Flom LLP from 1994 until 1996. Prior to joining the law firm, Mr. Nagin was Executive Vice President Corporate Affairs and General Counsel for UAL Corp., the parent company of United Airlines, Inc., a commercial air transportation company.

**Vicki A. O Meara**, age 46, has served as a director of the Company since June 23, 2003. Since 1997, Ms. O Meara has served as Executive Vice President, General Counsel and Secretary of Ryder System, Inc., a provider of logistics, transportation and e-commerce solutions. Prior to that, she was a partner at the law firm Jones Day from 1993 until 1997. Ms. O Meara has also held various federal government positions in Washington, D.C., including Assistant Attorney General of the Environmental and Natural Resources Division of the U.S. Department of Justice, Deputy General Counsel of the U.S. Environmental Protection Agency, and Assistant to the General Counsel in the Office of the Secretary of the Army. Ms. O Meara was a 1986-1987 White House Fellow serving as Special Assistant to the White House Counsel and as Deputy Executive Secretary to the Domestic Policy Council of the Cabinet.

**Richard P. Randazzo**, age 59, has served as a director of the Company since June 23, 2003. Since 1997, Mr. Randazzo has served as Senior Vice President, Human Resources of Federal-Mogul Corporation, a global supplier of automotive components and sub-systems serving original equipment manufacturers and the aftermarket.

**Peter E. Stangl**, age 62, has served as a director of the Company since June 23, 2003. From 2000 until his retirement in 2003, he served as President of Bombardier Transportation, US, a division of Bombardier, Inc., a global manufacturer of business jets, regional aircraft, rail transportation equipment and motorized recreational products. Prior to that, Mr. Stangl served as President of Bombardier Transit Corporation from 1995 until 2000. Before joining Bombardier, he was employed by the Metropolitan Transportation Authority of New York where he was Chairman and Chief Executive Officer from 1991 until 1995 and President, Metro-North Commuter Railroad from 1981 until 1991. Mr. Stangl joined the Metropolitan Transportation Authority as Assistant Executive Director for Service Policy and Operations in 1980.

**Carroll R. Wetzel, Jr.**, age 60, has served as a director of the Company since June 23, 2003. Since 2000, Mr. Wetzel has served as Chairman of the Board of Safety Components International, Inc., a supplier of automotive airbag fabric and cushions and technical fabrics. From 1988 to 1996, Mr. Wetzel was a Managing Director and head of the Mergers and Acquisition Group of J.P. Morgan Chase & Company (formerly Chemical Bank Corporation).

#### **Committees and Directors Meetings**

Peter E. Stangl serves as the non-executive Chairman of the Board of Directors. The Board of Directors has four standing committees: the Audit Committee, the Compliance Committee, the Human Resources and Compensation Committee and the Nominating and Corporate Governance Committee.

**Audit Committee.** The Audit Committee is currently comprised of John F. Chlebowski, James H. Dickerson, Jr., Maria A. Sastre, Peter E. Stangl and Carroll R. Wetzel, Jr., all of whom are independent directors under the New York Stock Exchange listing standards and under the Standards for Director

Independence attached to the Company's Corporate Governance Guidelines. John F. Chlebowski serves as the Chair of the Audit Committee. The Board of Directors has determined that John F. Chlebowski is the Company's audit committee financial expert. The Audit Committee discusses with the Company's management and the Company's independent certified public accountants the overall scope and specific plans for the accountants' audit. The Audit Committee reviews audit and non-audit fees and considers issues relating to auditor independence. The Audit Committee meets with the Company's senior management and independent certified public accountants to discuss the results of the accountants' examination and the Company's financial reporting. The Audit Committee discusses policies with respect to risk management and risk assessment. The Audit Committee also establishes procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters. On November 19, 2003, the Board of Directors adopted the Audit Committee Charter, which is attached to this Proxy Statement as Exhibit A and is also available on the Company's website. The Audit Committee held five meetings since the Company's emergence from bankruptcy on June 23, 2003, one of which was held during the fiscal year ending August 31, 2003.

**Compliance Committee.** The Compliance Committee is currently comprised of James H. Dickerson, Jr., Lawrence M. Nagin, Vicki A. O'Meara, Richard P. Randazzo and Peter E. Stangl, all of whom qualify as independent directors under the New York Stock Exchange listing standards and under the Standards for Director Independence attached to the Company's Corporate Governance Guidelines. Vicki A. O'Meara serves as the Chair of the Compliance Committee. The Compliance Committee reviews all matters relating to compliance with all laws, regulations and policies applicable to, and the principal purpose of which is to regulate or establish requirements or standards for, the conduct of the day-to-day operations of the Company's businesses (such as those dealing with antitrust, environmental, health and safety, confidentiality, Medicare, Medicaid and other health care benefit matters). On November 19, 2003, the Board of Directors adopted the Compliance Committee Charter, which is available on the Company's website. The Compliance Committee held two meetings since the Company's emergence from bankruptcy on June 23, 2003, both of which were held after the fiscal year ending August 31, 2003.

**Human Resources and Compensation Committee.** The Human Resources and Compensation Committee is currently comprised of Richard P. Randazzo, Maria A. Sastre, Peter E. Stangl and Carroll R. Wetzel, Jr., all of whom are independent directors under the New York Stock Exchange listing standards and under the Standards for Director Independence attached to the Company's Corporate Governance Guidelines. Richard P. Randazzo serves as the Chair of the Human Resources and Compensation Committee. The Human Resources and Compensation Committee oversees all matters relating to human resources of the Company and administers (1) all stock option or stock-related plans and, in connection therewith, all awards of options to employees pursuant to any such stock option or stock-related plan, (2) all bonus plans and (3) all compensation of the Chief Executive Officer of the Company. In addition, the Human Resources and Compensation Committee advises and consults with the Company's management regarding pension and other benefit plans and compensation policies and practices of the Company. The Human Resources and Compensation Committee also assists the Board of Directors in developing and evaluating potential candidates for executive positions. On November 19, 2003, the Board of Directors adopted the Human Resources and Compensation Committee Charter, which is available on the Company's website. The Human Resources and Compensation Committee held five meetings since the Company's emergence from bankruptcy on June 23, 2003, one of which was held during the fiscal year ending August 31, 2003.

**Nominating and Corporate Governance Committee.** The Nominating and Corporate Governance Committee is currently comprised of John F. Chlebowski, Lawrence M. Nagin, Vicki A. O'Meara and Peter E. Stangl, all of whom are independent directors under the New York Stock Exchange listing standards and under the Standards for Director Independence attached to the Company's Corporate Governance Guidelines. Lawrence M. Nagin serves as the Chair of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee considers and recommends criteria for the selection of nominees for election as directors and committee members and from time to time may select for presentation to the full Board of Directors recommended director candidates. The Nominating and Corporate Governance Committee also develops and recommends to the full Board of Directors corporate

governance principles applicable to the Company and oversees the evaluation of the Board of Directors and management. On November 19, 2003, the Board of Directors adopted the Nominating and Corporate Governance Committee Charter, which is available on the Company's website. The Nominating and Corporate Governance Committee held three meetings since the Company's emergence from bankruptcy on June 23, 2003, all of which were held after the fiscal year ending August 31, 2003.

The Nominating and Corporate Governance Committee will consider nominees for election to the Board of Directors proposed by stockholders if the following information concerning each nominee is timely submitted by means of a written notice to the Secretary of the Company: (1) the nominee's name, age, business address, residence address, principal occupation or employment, the class and number of shares of the Company's capital stock the nominee beneficially owns and any other information relating to the nominee that is required to be disclosed in solicitations for proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934 (the Exchange Act) and the rules and regulations thereunder and (2) as to the stockholder proposing such nominee, that stockholder's name and address, the class and number of shares of the Company's capital stock the stockholder beneficially owns, a description of all arrangements and understandings between the stockholder and the nominee or any other person (including their names) pursuant to which the nomination is made, a representation that the stockholder intends to appear in person or by proxy at the meeting to nominate the person named in its notice and any other information relating to the stockholder that is required to be disclosed in solicitations for proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations thereunder. The notice must also be accompanied by a written consent of the proposed nominee to being named as a nominee and to serve as a director if elected. To be timely, any such notice must be delivered to or mailed and received at the Company's principal executive offices not less than 60 nor more than 90 days before the date the Company first mailed its proxy materials for the prior year's annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after the anniversary of the prior year's annual meeting, any such notice must be received not later than the close of business on the tenth day following the day on which public disclosure of the date of the annual meeting was made.

The Board of Directors held seven meetings since the Company's emergence from bankruptcy on June 23, 2003. During the time period June 23, 2003, when the Board of Directors was reconstituted, and August 31, 2003, the end of the fiscal year, one meeting of the Board of Directors, one meeting of the Audit Committee and one meeting of the Human Resources and Compensation Committee were held. With respect to those meetings, three directors, Vicki A. O'Meara, Maria A. Sastre and Carroll R. Wetzel, Jr. missed the Board meeting, resulting in their attending less than 75% of the applicable meetings held in the previous fiscal year.

#### **Independent Certified Public Accountants**

The Audit Committee of the Board of Directors anticipates appointing PricewaterhouseCoopers LLP as the independent certified public accountants of the Company and its subsidiaries to audit the books and accounts for the Company and its subsidiaries for the fiscal year ended August 31, 2004. However, at the date of mailing of this proxy, the formal engagement has not been executed. During fiscal 2003, PricewaterhouseCoopers LLP examined the financial statements of the Company and its subsidiaries, including those set forth in the 2003 Annual Report. It is expected that representatives of PricewaterhouseCoopers LLP will attend the Annual Meeting, with the opportunity to make a statement if they so desire, and will be available to answer appropriate questions.

#### ***Audit Fees***

PricewaterhouseCoopers LLP billed fees to the Company of approximately \$5,260,800 in fiscal 2003 and approximately \$3,154,100 in fiscal 2002 for professional services rendered by PricewaterhouseCoopers LLP for the audit of the Company's annual financial statements, the reviews of the interim financial statements included in the Company's Quarterly Reports on Form 10-Q filed during those fiscal years, work on the Company's debt issuance and subsidiary audits.

***Audit-Related Fees***

PricewaterhouseCoopers LLP billed approximately \$215,175 to the Company in fiscal 2003 and approximately \$349,873 in fiscal 2002 for assurance and related services rendered by PricewaterhouseCoopers LLP that were reasonably related to the performance of the audit or review of the Company's financial statements and are not included in Audit Fees above. These services included advice on generally accepted accounting principles, subsidiary benefit plan audits and addressing financial statement issues at the subsidiary companies.

***Tax Fees***

PricewaterhouseCoopers LLP billed fees to the Company of approximately \$7,500 in fiscal 2003 and approximately \$7,500 in fiscal 2002 for professional services rendered by PricewaterhouseCoopers LLP for tax compliance, tax advice and tax planning. These services related to subsidiary tax returns.

***All Other Fees***

PricewaterhouseCoopers LLP billed fees to the Company of approximately \$8,026 in fiscal 2003 and approximately \$900 in fiscal 2002 for products and services provided by PricewaterhouseCoopers LLP, other than those services covered above. These services included employment tax issues and access to research software.

In accordance with the Sarbanes-Oxley Act of 2002, the Audit Committee established policies and procedures under which all audit and non-audit services performed by the Company's principal accountants must be approved in advance by the Audit Committee. As provided in the Sarbanes-Oxley Act, all audit and non-audit services to be provided after May 6, 2003 must be pre-approved by the Audit Committee in accordance with these policies and procedures. Based in part on consideration of the non-audit services provided by PricewaterhouseCoopers LLP during fiscal 2003, the Audit Committee determined that such non-audit services were compatible with maintaining the independence of PricewaterhouseCoopers LLP. Since May 6, 2003, 100% of the services described under Audit-Related Fees, Tax Fees and All Other Fees above were approved by the Audit Committee. The Company believes that none of the time expended on PricewaterhouseCoopers LLP's engagement to audit the Company's financial statements for fiscal 2003 was attributable to work performed by persons other than PricewaterhouseCoopers LLP's full-time, permanent employees.

**Human Resources and Compensation Committee Interlocks and Insider Participation and Certain Relationships and Related Transactions**

The members of the Company's Human Resources and Compensation Committee during the fiscal year ended August 31, 2002 and until the Company's emergence from bankruptcy on June 23, 2003 were William P. Cooper, Stella M. Thompson and Peter N.T. Widdrington. The current committee members are Richard P. Randazzo, Maria A. Sastre, Peter E. Stangl and Carroll R. Wetzel, Jr. No officer or employee of the Company served on the Human Resources and Compensation Committee. The Company is not aware of any matters reportable under Certain Relationships and Related Transactions.

**BENEFICIAL OWNERSHIP OF COMMON STOCK**

On June 23, 2003, the Company emerged from its Chapter 11 bankruptcy proceedings under the United States Bankruptcy Code. In connection with its emergence, all of the outstanding shares of capital stock of the Company's predecessor, Laidlaw Inc., were canceled for no consideration. In addition, the Company issued an aggregate of 103,777,422 shares of Common Stock to creditors of Laidlaw Inc. and certain of its debtor affiliates and to the PBGC Trust. As of November 10, 2003, the Company had 103,806,110 shares of Common Stock outstanding.

Except as otherwise noted, the following table sets forth certain information as of November 10, 2003 as to the security ownership of those persons owning of record, or known to the Company to be the beneficial

owner of, more than five percent of the voting securities of the Company and the security ownership of equity securities of the Company by each of the directors and each of the executive officers named in the Summary Compensation Table (the "Named Executive Officers"), and all directors and executive officers as a group. Unless otherwise indicated, all information with respect to beneficial ownership has been furnished by the respective director, executive officer or five percent beneficial owner, as the case may be. Unless otherwise indicated, the persons named below have sole voting and investment power with respect to the number of shares set forth opposite their names. Beneficial ownership of the Common Stock has been determined for this purpose in accordance with the applicable rules and regulations promulgated under the Exchange Act.

Names of Beneficial Owners	Amount and Nature of Beneficial Ownership of Common Stock	Percentage of Shares of Common Stock Beneficially Owned (%)
Kevin E. Benson	0	0
John R. Grainger	0	0
Douglas A. Carty	0	0
Ivan R. Cairns	0	0
Wayne R. Bishop	0	0
D. Geoffrey Mann	0	0
John F. Chlebowski	3,375	*
James H. Dickerson, Jr.	3,375	*
Lawrence M. Nagin	3,375	*
Vicki A. O Meara	3,375	*
Richard P. Randazzo	4,375	*
Maria A. Sastre	3,375	*
Peter E. Stangl	5,063	*
Carroll R. Wetzel, Jr.	3,375	*
All directors, the director nominees and executive officers as a group (15 persons)	29,688	*

\* Less than one percent

Since the Company recently emerged from bankruptcy, its newly constituted Board of Directors and officers have had little opportunity to accumulate ownership of the Company's stock. It is the Company's philosophy that the interests of the executive officers and directors should be closely aligned with shareholders and that a significant portion of their compensation should be tied to the value of the Company's stock. As described elsewhere in this proxy statement, the Company has adopted an equity plan which provides for a variety of equity grants for directors and officers. While not required to be reflected in the table above, in addition to the stock reflected in the table, on September 10, 2003 each non-executive director (other than the Chairman) was granted 6,750 stock options vesting ratably over a three-year period. The Chairman was granted 10,125 stock options. Additionally, on November 24, 2003, Messrs. Benson and Carty were granted stock options in the amounts of 185,000 and 60,000, respectively. Messrs. Benson and Carty were also awarded deferred shares in the amounts of 300,000 and 100,000, respectively.

#### Section 16(a) Beneficial Ownership Reporting Compliance

Based solely on a review of reports of ownership, reports of changes of ownership and written representations under Section 16(a) of the Exchange Act that were furnished to the Company during or with respect to the period that Section 16 was applicable in fiscal 2003 for persons who were, at any time during fiscal 2003, directors or officers of the Company or beneficial owners of more than 10% of the outstanding shares of Common Stock, all filing requirements for reporting persons were met.

### COMPENSATION OF EXECUTIVE OFFICERS

#### Summary Compensation Table

The table below provides information relating to compensation for the Company's last three fiscal years for each person who served as the Chief Executive Officer during fiscal 2003 and the four most highly

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compensated executive officers of the Company serving at the end of fiscal 2003 who received compensation in excess of \$100,000. The amounts shown include compensation for services in all capacities that were provided to the Company and its direct and indirect subsidiaries and predecessors.

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation	All Other Compensation (\$)(2)
		Salary (\$)(1)	Bonus (\$)	Other Annual Compensation (\$)(1)	Securities Underlying Options/SARS	
Kevin E. Benson(3) President, Chief Executive Officer and Director	2003	\$575,000	\$517,500			\$ 34,017
Douglas A. Carty(4) Senior Vice President and Chief Financial Officer	2003	\$266,667	\$218,680			\$ 7,759
Ivan R. Cairns Senior Vice President and General Counsel	2003	\$330,000	\$127,875			\$ 127,397
	2002	\$324,167	\$140,000			\$ 48,803
	2001	\$320,000	\$171,200			\$ 8,793
Wayne R. Bishop(5) Vice President, Controller	2003	\$168,361	\$ 48,961			\$ 65,057
	2002	\$154,018	\$ 63,569			\$ 107,047
	2001	\$150,782	\$ 73,361			\$ 90,295
D. Geoffrey Mann(5) Vice President, Treasury	2003	\$151,525	\$ 44,065			\$ 55,653
	2002	\$133,759	\$ 63,569			\$ 91,213
	2001	\$126,984	\$ 43,886			\$ 75,250
John R. Grainger(6) Former President, Chief Executive Officer and Director	2003	\$624,000				\$3,392,221(7)
	2002	\$624,000	\$634,725			\$ 319,513
	2001	\$610,000	\$210,000			\$ 158,951

- (1) The value of perquisites for each Named Executive Officer is less than the lesser of \$50,000 and 10% of the total of such executive's annual salary and bonus.
- (2) Includes contributions to a qualified defined contribution plan in 2003 for the following individuals: to Mr. Benson, \$24,000; to Mr. Cairns, \$3,005; to Mr. Bishop, \$3,367; to Mr. Mann, \$3,233 and to Mr. Grainger, \$37,440. Also includes the cost of term life insurance in 2003 for the following individuals: to Mr. Benson, \$1,856; to Mr. Carty, \$745; to Mr. Cairns, \$2,774; to Mr. Bishop, \$988; to Mr. Mann, \$890 and to Mr. Grainger, \$2,037. Also includes payments made under the Key Employment Retention Plan in 2003 for the following individuals: to Mr. Cairns, \$120,000; to Mr. Bishop, \$59,796 and to Mr. Mann, \$50,508.
- (3) In September 2002, Mr. Benson was appointed President and Chief Executive Officer of the Company.
- (4) Mr. Carty was appointed Senior Vice President and Chief Financial Officer of the Company in January 2003.
- (5) Messrs. Bishop and Mann are compensated in Canadian dollars. All salary, bonus and other compensation amounts for these individuals (and certain other compensation for Messrs. Grainger and Cairns) have been converted to U.S. dollars based upon average exchange rates per Canadian dollar of \$1.4849, \$1.5731 and \$1.5267 for 2003, 2002 and 2001, respectively.
- (6) Mr. Grainger served as President and Chief Executive Officer until September 2002. Mr. Grainger left the Company in August 2003.
- (7) Mr. Grainger's employment agreement provided for payment of a restructuring bonus declining in amount to \$525,000 if the effective date of the restructuring and confirmation of the plan of reorganization occurred after January 1, 2003. The separation allowance of \$2,818,441 was also determined in accordance with Mr. Grainger's employment agreement, consisting of 2.5 times his base salary and target annual incentive plus a lump sum amount equivalent to the cost of all his benefits for a period of thirty months.

**Long-Term Incentive Plans Awards in Last Fiscal Year**

No payments were made or awards granted under long-term incentive plans to the Named Executive Officers during the Company's last fiscal year.

**Option/SAR Grants in Last Fiscal Year**

No stock options or stock appreciation rights were granted to the Named Executive Officers during the Company's last fiscal year.

**Aggregated Option/SAR Exercises in Last Fiscal Year and Fiscal Year-End Option/SAR Values**

On June 23, 2003, the effective date of the Company's plan of reorganization as confirmed by the Bankruptcy Court, all the then outstanding options were cancelled for no consideration. As of August 31, 2003, none of the Named Executive Officers held stock options or stock appreciation rights. None of the Named Executive Officers exercised stock options in fiscal year 2003.

**Supplemental Executive Retirement Plans**

The Company sponsors two supplemental executive retirement plans for specified employees. The benefit amount payable under the plans at age 65 is the sum of (1) 1.0% of final average earnings up to \$200,000 and (2) 1.5% of final average earnings in excess of \$200,000, less government pension benefits, multiplied by the participant's years of service with the Company and its affiliates. A participant's final average earnings would be the average of the highest consecutive five years' earnings (including salary and bonus, not exceeding the target level) earned by the participant in the last ten years prior to retirement. The form of benefit would be an annuity, guaranteed for five years.

The following table sets forth the annual amount (after deducting government pension benefits) that would be payable to the Named Executive Officers based on retirement at age 65, at various levels of remuneration and years of service.

**Supplemental Executive Retirement Plan****Annual Pension Payable Upon Retirement at Normal Retirement Age**

Remuneration	Years of Credited Service				
	10	15	20	25	30
\$200,000	\$ 21,390	\$ 32,084	\$ 42,779	\$ 53,474	\$ 64,169
\$300,000	\$ 36,190	\$ 54,284	\$ 72,379	\$ 90,474	\$ 108,569
\$400,000	\$ 51,190	\$ 76,784	\$ 102,379	\$ 127,974	\$ 153,569
\$500,000	\$ 66,090	\$ 99,134	\$ 132,179	\$ 165,224	\$ 198,269
\$600,000	\$ 81,190	\$ 121,784	\$ 162,379	\$ 202,974	\$ 243,569
\$700,000	\$ 96,390	\$ 144,584	\$ 192,779	\$ 240,974	\$ 289,169
\$800,000	\$ 111,190	\$ 166,784	\$ 222,379	\$ 277,974	\$ 333,569
\$900,000	\$ 126,490	\$ 189,734	\$ 252,979	\$ 316,224	\$ 379,469
\$1,000,000	\$ 141,590	\$ 212,384	\$ 283,179	\$ 353,974	\$ 424,769
\$1,100,000	\$ 156,490	\$ 234,734	\$ 312,979	\$ 391,224	\$ 469,469
\$1,200,000	\$ 171,190	\$ 256,784	\$ 342,379	\$ 427,974	\$ 513,569
\$1,300,000	\$ 185,690	\$ 278,534	\$ 371,379	\$ 464,224	\$ 557,069
\$1,400,000	\$ 201,390	\$ 302,084	\$ 402,779	\$ 503,474	\$ 604,169
\$1,500,000	\$ 215,590	\$ 323,384	\$ 431,179		