

ENERGIZER HOLDINGS INC
Form DEF 14A
December 02, 2005

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

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:

Preliminary Proxy Statement

Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))

x Definitive Proxy Statement

Definitive Additional Materials

Soliciting Materials Pursuant to sec. 240.14a-11(c) or sec. 240.14a-12

ENERGIZER HOLDINGS, INC.

(Exact Name of Registrant as Specified in its Charter)

Payment of Filing Fee (Check the appropriate box)

x No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.1

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

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

(3) Per unit 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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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid

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

(3) Filing Party:

(4) Date Filed:

ENERGIZER HOLDINGS, INC.
533 Maryville University Drive
St. Louis, Missouri 63141

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Energizer Holdings, Inc. to be held at 2:30 p.m. on Monday, January 23, 2006 at Energizer World Headquarters, 533 Maryville University Drive, St. Louis, Missouri 63141.

We hope you will attend in person. If you plan to do so, please bring the enclosed Shareholder Admittance Ticket with you.

Whether you plan to attend the meeting or not, we encourage you to read this Proxy Statement and vote your shares. You may sign, date and return the enclosed proxy as soon as possible in the postage-paid envelope provided, or you may vote by telephone or via Internet. However you decide to vote, we would appreciate your voting as soon as possible.

We look forward to seeing you at the Annual Meeting!

WARD M. KLEIN
Chief Executive Officer

December 9, 2005

ENERGIZER HOLDINGS, INC.
533 Maryville University Drive
St. Louis, Missouri 63141

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders:

The Annual Meeting of Shareholders of Energizer Holdings, Inc. will be held at 2:30 p.m. on Monday, January 23, 2006, at Energizer World Headquarters, 533 Maryville University Drive, St. Louis, Missouri 63141.

The purpose of the meeting is to:

elect four directors to serve three-year terms ending at the Annual Meeting held in 2009, or until their respective successors are elected and qualified; and

in order to preserve the Company's ability to deduct certain executive compensation, approve material terms, including performance criteria, of the Company's newly-adopted Executive Officer Bonus Plan, and reaffirm those same performance criteria for performance-based stock awards under the Company's 2000 Incentive Stock Plan

and to act upon such other matters as may properly come before the meeting.

You may vote if you are a shareholder of record on November 18, 2005. It is important that your shares be represented and voted at the Meeting. Please vote in one of these ways:

- USE THE TOLL-FREE TELEPHONE NUMBER shown on the proxy card;
- VISIT THE WEB SITE noted on the enclosed proxy card to vote via the Internet; OR
- MARK, SIGN, DATE AND PROMPTLY RETURN the enclosed proxy card in the postage-paid envelope.

By Order of the Board of Directors,

Timothy L. Grosch
Secretary

December 9, 2005

PROXY STATEMENT ----- VOTING PROCEDURES

YOUR VOTE IS VERY IMPORTANT

The Board of Directors is soliciting proxies to be used at the 2006 Annual Meeting. This proxy statement and the form of proxy will be mailed to shareholders beginning December 9, 2005.

Who Can Vote

Record holders of Energizer Holdings, Inc. Common Stock on November 18, 2005 may vote at the meeting. On November 18, 2005, there were 66,493,024 shares of Common Stock outstanding. The shares of Common Stock held in the Company's treasury will not be voted.

How You Can Vote

There are three voting methods:

- Voting by Mail. If you choose to vote by mail, simply mark the enclosed proxy card, date and sign it, and return it in the postage-paid envelope provided.
- Voting by Telephone. You can vote your shares by telephone by calling the toll-free telephone number on the enclosed proxy card.
- Voting by Internet. You can also vote via the Internet. The web site for Internet voting is on the enclosed proxy card, and voting is available 24 hours a day.

If you vote by telephone or via the Internet you should not return the proxy card.

How You May Revoke or Change Your Vote

You can revoke the proxy at any time before it is voted at the meeting by:

- sending written notice of revocation to the Secretary;
- submitting another proper proxy by telephone, Internet or paper ballot; or
- attending the Annual Meeting and voting in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor from the holder of record, to be able to vote at the meeting.

General Information on Voting

You are entitled to cast one vote for each share of Common Stock you own on the record date. Shareholders do not have the right to vote cumulatively in electing directors. The election of each director nominee, and the material terms and performance criteria of the Company executive compensation plans, must be approved by a majority of shares entitled to vote and represented at the Annual Meeting in person or by proxy. Shares represented by a proxy marked "abstain" on any matter, or that provide that a vote be withheld with respect to the election of any one or more of the nominees for election as directors, will be considered present at the Meeting for purposes of determining a quorum and for purposes of calculating the vote, but will not be considered to have voted in favor of the proposal or nominee. Therefore, any proxy marked "abstain" will have the effect of a vote against the matter. Shares represented by a proxy as to which there is a "broker non-vote" (for example, where a broker does not have discretionary authority to vote the shares), will be considered present at the meeting for purposes of determining a quorum, but will have no effect on the vote.

All shares that have been properly voted - whether by telephone, Internet or mail - and not revoked, will be voted at the Annual Meeting in accordance with your instructions. If you sign the enclosed proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors.

If any other matters are properly presented at the Annual Meeting for consideration, the persons named in the enclosed proxy card will have the discretion to vote on those matters for you. At the date this proxy statement went to press, no other matters had been raised for consideration at the Annual Meeting.

Voting By Participants in the Company's Savings Investment Plan

If you participate in the Company's Savings Investment Plan and had an account in the Energizer Common Stock Fund on November 10, 2005, the proxy will also serve as voting instructions to the trustee for that plan, Vanguard Fiduciary Trust Company, an affiliate of The Vanguard Group of Investment Companies, for the shares of Common Stock credited to your account on that date. If the trustee does not receive directions with respect to any shares of Common Stock held in the plan, it will vote those shares in the same proportion as it votes shares for which directions were received.

Costs of Solicitation

The Company will pay for preparing, printing and mailing this proxy statement. We have engaged Georgeson & Company, Inc. to help solicit proxies from shareholders for a fee of \$11,500 plus its expenses. Proxies may also be solicited personally or by telephone by regular employees of the Company without additional compensation, as well as by employees of Georgeson. The Company will reimburse banks, brokers and other custodians, nominees and fiduciaries for their costs of sending the proxy materials to our beneficial owners.

ITEM 1. ELECTION OF DIRECTORS

The Board of Directors currently consists of twelve members and is divided into three classes, with each class currently consisting of four members, with terms of service expiring at successive Annual Meetings.

Four directors will be elected at the 2006 Annual Meeting to serve for a three-year term expiring at our Annual Meeting in the year 2009. The Board has nominated Bill G. Armstrong, J. Patrick Mulcahy, Pamela M. Nicholson and William P. Stiritz for election as directors at this Meeting. Each nominee is currently serving as a director and has consented to serve for a new term. Each nominee elected as a director will continue in office until his or her successor has been elected and qualified. If any nominee is unable to serve as a director at the time of the Annual Meeting, your proxy may be voted for the election of another person the Board may nominate in his or her place, unless you indicate otherwise.

Vote Required. The affirmative vote of a majority of the outstanding shares of Common Stock entitled to vote and represented in person or by proxy is required for the election of each director.

The Board of Directors recommends a vote FOR the election of these nominees as directors of the Company.

INFORMATION ABOUT NOMINEES AND OTHER DIRECTORS

Please review the following information about the nominees and other directors continuing in office. The ages shown are as of December 31, 2005.

BILL G. ARMSTRONG, Director Since 2005, Age 57
(Standing for election at this meeting for a term expiring in 2009)
Mr. Armstrong served as Executive Vice President and Chief Operating Officer, Cargill Animal Nutrition (animal feed products), from 2001 to 2004. Prior to that, Mr. Armstrong served as Chief Operating Officer, Agribands International, Inc. (animal feed products) from 1998 to 2001. Also a director of Ralcorp Holdings, Inc.

J. PATRICK MULCAHY, Director Since 2000, Age 61
(Standing for election at this meeting for a term expiring in 2009)
Mr. Mulcahy has served as Vice Chairman of the Board since January, 2005, and prior to that time served as Chief Executive Officer, Energizer Holdings, Inc. from 2000 to 2005, and as Chairman of the Board and Chief Executive Officer of Eveready Battery Company, Inc. from 1987 to 2005. Also a director of Solutia, Inc.

PAMELA M. NICHOLSON, Director Since 2002, Age 46
(Standing for election at this meeting for a term expiring in 2009)
Ms. Nicholson has served as Executive Vice President and Chief Operating Officer, Enterprise Rent-A-Car (auto leasing) since 2004. She served as Senior

Vice President, North American Operations for Enterprise from 1999 to 2004.

WILLIAM P. STIRITZ, Director Since 2000, Age 71

(Standing for election at this meeting for a term expiring in 2009)

Mr. Stiritz has served as Chairman of the Board since 2000, and served as Chairman of the Energizer Holdings, Inc. Management Strategy and Finance Committee from 2000 to 2005. Mr. Stiritz served as Chairman of the Board, Chief Executive Officer and President of Agribands International (animal feed products) from 1998 to 2001. He also served as Chairman of the Board of Ralston Purina Company from 1982 to 2001. Also a director of Ralcorp Holdings, Inc., Vail Resorts, Inc. and Federated Department Stores, Inc.

R. DAVID HOOVER, Director Since 2000, Age 60

(Continuing in Office - Term expiring in 2007)

Mr. Hoover has served as Chairman, President and Chief Executive Officer, Ball Corporation (beverage and food packaging and aerospace products and services) since 2002. Prior to that, he served as President and Chief Executive Officer from 2001 to 2002, and as Vice Chairman, President and Chief Operating Officer from April 2000 to 2001. Also a director of Ball Corporation and Irwin Financial Corporation.

JOHN C. HUNTER, Director Since 2005, Age 58

(Continuing in Office - Term expiring in 2007)

Mr. Hunter served as Chairman, President and Chief Executive Officer of Solutia, Inc. (chemical products) from 1999 to 2004. On December 17, 2003, while Mr. Hunter served as President and Chief Executive Officer, Solutia, Inc. and fourteen of its U.S. subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. Also a director of Penford Corporation and Hercules, Inc.

JOHN E. KLEIN, Director Since 2003, Age 60

(Continuing in Office - Term expiring in 2007)

Mr. Klein has served as Executive Vice Chancellor for Administration, Washington University in St. Louis (education) since 2004. From 1985 to 2004, he served as President and Chief Executive Officer, Bunge North America, Inc. (agribusiness). Also a director of Embrex, Inc.

JOHN R. ROBERTS, Director Since 2003, Age 64

(Continuing in Office - Term expiring in 2007)

Mr. Roberts has served as Executive Director, Civic Progress St. Louis (civic organization) since 2000. From 1993 to 1998, he served as Managing Partner, Mid-South Region, Arthur Andersen LLP (public accountancy). Also a director of Regions Financial Corporation and Centene Corporation.

WARD M. KLEIN, Director Since 2005, Age 50

(Continuing in Office - Term expiring in 2008)

Mr. Klein has served as Chief Executive Officer, Energizer Holdings, Inc since January 25, 2005. Prior to that time, he served as President and Chief Operating Officer from 2004 to 2005, as President, International from 2002 to 2004, and as Vice President, Asia Pacific and Latin America from 2000 to 2002. Also a director of AmerUs Group Co.

RICHARD A. LIDDY, Director Since 2000, Age 70

(Continuing in Office - Term expiring in 2008)

Mr. Liddy served as Chairman of the Board of GenAmerica Financial Corporation (insurance holding company) from 2000 to 2002. He also served as Chairman of the Board of the Reinsurance Group of America, Incorporated (insurance) from 1995 to 2002. Mr. Liddy was President of GenAmerica Financial from 1988 to 2000 and Chief Executive Officer of General American Life Insurance Company from 1992 to 2000. In January 2000, while Mr. Liddy served as President of GenAmerica Financial Corporation, GenAmerica sold its mutual holding company to Metropolitan Life Insurance Company. At the request of the Missouri State Insurance Department, a receiver was appointed in order to oversee the equitable distribution of proceeds to policyholders. Also a director of Brown Shoe Company, Inc., Ralcorp Holdings, Inc. and Ameren Corporation.

W. PATRICK MCGINNIS, Director Since 2002, Age 58

(Continuing in Office - Term expiring in 2008)

Mr. McGinnis has served as Chief Executive Officer and President, Nestlé Purina PetCare Company (pet foods and related products) since 2001. From 1999 to 2001, he served as Chief Executive Officer and President, Ralston Purina Company. Also a director of Brown Shoe Company, Inc.

[**JOE R. MICHELETTO**, Director Since 2000, Age 69

(Continuing in Office - Term expiring in 2008)

Mr. Micheletto has served as Vice Chairman of the Board, Ralcorp Holdings, Inc. since 2003. Mr. Micheletto served as Chief Executive Officer and President, Ralcorp Holdings, Inc. (food products) from 1996 to 2003. Also a director of Ralcorp Holdings, Inc. and Vail Resorts, Inc.

BOARD OF DIRECTORS STANDING COMMITTEES

Board Member	Board	Audit	Executive	Nominating and Executive Compensation	Finance and Oversight
Bill G. Armstrong	ü	ü		ü	
R. David Hoover	ü				
John C. Hunter	ü			ü	
John E. Klein	ü	ü	ü	ü*	
Ward M. Klein	ü		ü		ü
Richard A. Liddy	ü	ü	ü	ü	
W. Patrick McGinnis	ü		ü	ü	
Joe R. Micheletto	ü		ü		
J. Patrick Mulcahy	ü		ü		ü*
Pamela M. Nicholson	ü	ü	ü	ü	
John R. Roberts	ü	ü*	ü	ü	
William P. Stiritz	ü*		ü*		ü
Meetings held in 2005	5	6	0	4	3

*Chairperson

Audit: Reviews auditing, accounting, financial reporting and internal control functions. Responsible for engaging and supervising our independent accountants, resolving differences between management and our independent accountants regarding financial reporting, pre-approving all audit and non-audit services provided by our independent accountants, and establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters. The Board of Directors has determined that all members are independent and financially literate in accordance with the criteria established by the Securities and Exchange Commission and the New York Stock Exchange. The Board has elected John R. Roberts as Chair of the Audit Committee, and has determined that he is both independent and an audit committee financial expert, as defined by Securities and Exchange Commission guidelines. The Charter of the Audit Committee is attached at the end of this Proxy Statement, and has also been posted on the Company's website at www.energizer.com under "Our Company: Corporate Governance".

Executive: May act on behalf of the Board in the intervals between Board meetings.

Nominating and Executive Compensation: Sets compensation of executive officers, approves deferrals under the Company's Deferred Compensation Plan, administers the Company's 2000 Incentive Stock Plan and grants stock options and other awards under that plan. Monitors management compensation and benefit programs, and reviews principal employee relations policies. Recommends nominees for election as directors or executive officers to the Board. Recommends committee memberships and compensation and benefits for directors. Also responsible for conducting the annual self-assessment process of the Board and its Committees, and regular review and updating of the Company's Corporate Governance Principles. The Board of Directors has determined that all members are non-employee directors, and are independent, as defined in the listing standards of the New York Stock Exchange.

The Charter of the Nominating and Executive Compensation Committee has been posted on the Company's website at www.energizer.com, under "Our Company: Corporate Governance".

Finance and Oversight: Reviews the Company's financial condition, objectives and strategies, and acquisitions and other major transactions, and makes recommendations to the Board concerning financing requirements, stock repurchase programs and dividend policy, foreign currency management and pension fund performance. The Charter of the Finance and Oversight Committee has been posted on the Company's website at www.energizer.com, under "Our Company: Corporate Governance".

During fiscal year 2005, all directors attended 75% or more of the Board meetings and Committee meetings on which they served during their period of service. Each director is highly encouraged to attend the Company's Annual Meeting of Shareholders each year. All directors attended the 2005 Annual Meeting.

Director Independence

The Board of Directors has adopted Corporate Governance Principles providing that a majority of the Board, and the entire membership of the Audit and the Nominating and Executive Compensation Committees of the Board, shall consist of independent, non-management directors who meet the criteria for independence required by the New York Stock Exchange. A director will be considered independent if he or she does not have a material relationship with the Company, as determined by the Board of Directors. To that end, the Board, in the Corporate Governance Principles, has established the following guidelines for determining whether a director is independent, consistent with the listing standards of the New York Stock Exchange: a director will not be considered independent if, within the last three years (i) the director or an immediate family member was employed by the Company or a subsidiary as an executive officer, (ii) the director or an immediate family member was employed in a professional capacity by the Company's external auditor, or in the Company's Internal Audit department, (iii) any of the present executive officers of the Company serve on the compensation committee of another company that employs the director or an immediate family member of the director as an executive officer.

The following relationships will be considered material:

- (i) a Company director or an immediate family member is an executive officer, or the director is an employee, of another company which does business with the Company and the payments to, or amounts received from, that other company exceed the greater of \$1 million, or 2% of such other company's consolidated gross revenues;
- (ii) a Company director or an immediate family member, within the last three years, received more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- (iii) a Company director is an executive officer of a charitable organization and the Company's annual charitable contributions to the organization (exclusive of gift-match payments) exceed the greater of \$100,000 or 2% of the organization's total annual charitable receipts;
- (iv) a Company director is a partner of or of counsel to a law firm that performs substantial legal services to the Company on a regular basis; or
- (v) a Company director is a partner, officer or employee of an investment bank or consulting firm that performs substantial services to the Company on a regular basis. For relationships not described above or otherwise not covered in the above examples, a majority of the Company's independent directors, after considering all of the relevant circumstances, may make a determination whether or not such relationship is material and whether the director may therefore be considered independent under the New York Stock Exchange listing standards.

Director affiliations and transactions are regularly reviewed to ensure that there are no conflicts or relationships with the Company that might impair a director's independence from the Company and management. The Company's Corporate Governance Principles have been posted on the Company's website at www.energizer.com, under "Our Company: Corporate Governance".

Every year, the Company submits a questionnaire to each director and executive officer, and conducts its own internal review, for the purpose of identifying all transactions or relationships between each director, or any member of his or her immediate family, and the Company, its senior management and its independent auditor. Based on the responses to the 2005 questionnaire and the results of the review, and in accordance with the Company's independence criteria, the Board has affirmatively determined that the following seven non-employee directors are independent from management: Bill G. Armstrong, John C. Hunter, John E. Klein, Richard A. Liddy, W. Patrick McGinnis, Pamela M. Nicholson, and John R. Roberts.

Director Nominations

The Nominating and Executive Compensation Committee is responsible for recommending candidates for election to the Company's Board of