

OWENS & MINOR INC/VA/  
Form DEF 14A  
March 14, 2005  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**  
**(Amendment No. \_\_)**

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Owens & Minor**

(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)(4) and 0-11.

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

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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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**Notice of  
2005  
Annual Meeting  
and  
Proxy Statement**

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

**Owens & Minor, Inc.**

**4800 Cox Road**

**Glen Allen, Virginia 23060-6292**

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March 14, 2005

Dear Shareholders:

It is a pleasure to invite you to our Annual Meeting of Shareholders on Thursday, April 28, 2005 at 10:00 a.m. The meeting will be held at the Virginia Historical Society, 428 North Boulevard, Richmond, Virginia. Directions are on the last page of the Proxy Statement. Morning refreshments will be served.

The primary business of the meeting will be to (i) elect five directors, (ii) approve the proposed 2005 Stock Incentive Plan, and (ii) ratify the appointment of KPMG LLP as our independent registered public accountants for 2005. In addition to considering these matters, we will review major developments since our last shareholders meeting as well as future opportunities. Our Board of Directors and management team will be there to chat with you and answer any questions.

You may vote your shares by the Internet, by telephone or by mailing the enclosed proxy card in the postage-paid envelope provided. Whichever method you choose, your vote is important so please vote as soon as possible. All of us at Owens & Minor appreciate your continued interest and support.

Warm regards,

G. GILMER MINOR, III

Chairman and Chief Executive Officer

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**YOUR VOTE IS IMPORTANT**

**Whether or not you plan to attend the Annual Meeting, please vote your shares promptly by the Internet, by telephone or by completing, signing and mailing your proxy card in the enclosed envelope. Instructions for all three voting options are set forth on your proxy card.**

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held Thursday, April 28, 2005**

TO THE SHAREHOLDERS OF OWENS & MINOR, INC.:

The Annual Meeting of Shareholders of Owens & Minor, Inc. (the Company or Owens & Minor ) will be held on Thursday, April 28, 2005 at 10:00 a.m. at the Virginia Historical Society, 428 North Boulevard, Richmond, Virginia.

The purposes of the meeting are:

1. To elect five directors to serve until the Annual Meeting of Shareholders in 2008;
2. To approve the proposed 2005 Stock Incentive Plan;
3. To ratify the appointment of KPMG LLP as independent registered public accountants for 2005; and
4. To transact any other business properly before the Annual Meeting.

Shareholders of record as of March 3, 2005 will be entitled to vote at the Annual Meeting.

Your attention is directed to the attached Proxy Statement. This Proxy Statement, proxy card and Owens & Minor s 2004 Annual Report are being distributed on or about March 14, 2005.

BY ORDER OF THE BOARD OF DIRECTORS

GRACE R. DEN HARTOG

Senior Vice President, General Counsel & Corporate Secretary

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**Street Address**

4800 Cox Road  
Glen Allen, Virginia 23060-6292

**Mailing Address**

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

**PROXY STATEMENT**

**Annual Meeting of Shareholders**

**to be held on April 28, 2005**

**ABOUT THE MEETING**

**What You Are Voting On**

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

**Proposal 1:** Election of the following five directors, each for a three-year term:

G. Gilmer Minor, III, J. Alfred Broaddus, Jr., Eddie N. Moore, Jr., Peter S. Redding and Craig R. Smith.

**Proposal 2:** Approval of the proposed 2005 Stock Incentive Plan.

**Proposal 3:** Ratification of KPMG LLP as Owens & Minor's independent registered public accountants.

**Who is Entitled to Vote**

Shareholders as of the close of business on March 3, 2005 (the Record Date) are entitled to vote. Each share of the Company's Common Stock (Common Stock) is entitled to one vote. As of March 3, 2005, 39,682,436 shares of Common Stock were issued and outstanding.

**How to Vote**

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

By Internet. You may vote by the Internet by following the specific instructions on the enclosed proxy card. If your shares are held in street name (through a broker), please contact your broker to determine whether you will be able to vote electronically.

By Telephone. You may vote by telephone using the toll-free number and following the instructions listed on the enclosed proxy card. If your shares are held in street name, please contact your broker to determine whether you will be able to vote by telephone.

By Mail. You may vote by mail by completing, signing and dating the enclosed proxy card and returning it in the postage-paid envelope provided.

However you choose to vote, you may revoke a proxy prior to the meeting by (1) submitting a subsequently dated proxy, (2) giving notice in writing to the Corporate Secretary of the Company or (3) voting in person at the meeting.

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### **What Happens if You Don't Make Selections on Your Proxy Card**

If you properly vote your proxy card and do not make a selection on one or more proposals, you give authority to the individuals designated on the proxy card to vote on such proposal(s) and any other matter that may arise at the meeting. If no specific instructions are given, it is intended that all proxies that are signed and returned will be voted FOR the election of all nominees for director, FOR approval of the 2005 Stock Incentive Plan and FOR the ratification of the appointment of KPMG LLP.

### **What it Means if You Get More Than One Proxy Card**

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

### **What Constitutes a Quorum**

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

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

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

**Approval of 2005 Stock Incentive Plan.** Approval of the 2005 Stock Incentive Plan requires the affirmative vote of a majority of the shares of Common Stock cast on this proposal; provided that the total vote cast on the proposal represents over 50% of the outstanding shares of Common Stock. Abstentions and broker non-votes (described below) will not be counted as votes cast on the 2005 Stock Incentive Plan.

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

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

Whether your shares will be voted if you don't provide your proxy depends on how your ownership of shares of Common Stock is registered. If you own your shares as a registered holder, which means that your shares of Common Stock are registered in your name, your unvoted shares will not be represented at the meeting and will not count toward the quorum requirement, which is explained above. If a quorum is obtained, your unvoted shares will not affect whether a proposal is approved or rejected.

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

The election of directors and the ratification of the designation of KPMG LLP as independent registered public accountants of the Company are considered routine matters for which brokerage firms may vote unvoted shares. The approval of the 2005 Stock Incentive Plan is not considered a routine matter on which brokerage firms may vote unvoted shares. When a proposal is not a routine matter and the brokerage firm has not received voting instructions from the beneficial owner of the shares with respect to that proposal, the

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brokerage firm cannot vote the shares on that proposal. This is called a broker non-vote. As such, broker non-votes and abstentions will have no effect on the proposal to approve the 2005 Stock Incentive Plan, provided that the total vote cast on the plan represents over 50% of the outstanding shares of Common Stock. Except as provided in the preceding sentence, abstentions, broker non-votes and, with respect to the election of directors, withheld votes will not be included in the vote totals and will not affect the outcome of the vote.

## **Costs of Soliciting Proxies**

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

## CORPORATE GOVERNANCE

**General.** The Company is managed under the direction of the Board of Directors, which has adopted Corporate Governance Guidelines to set forth certain corporate governance practices. During 2004, the Company continued to review its corporate governance policies and practices relative to the policies and practices recommended by groups and authorities active in corporate governance as well as the requirements of the Sarbanes-Oxley Act of 2002 and rules promulgated thereunder or adopted by the Securities and Exchange Commission ( SEC ) and the New York Stock Exchange ( NYSE ), the exchange on which the Company's common stock is listed. As part of this ongoing effort, the Company revised the charters of the Audit Committee, Governance & Nominating Committee and Compensation & Benefits Committee in 2004. The Company also revised its Corporate Governance Guidelines. For a description of the Governance & Nominating Committee's function with respect to corporate governance, see the Report of the Governance & Nominating Committee on page 5.

**Corporate Governance Materials.** The Company's Corporate Governance Guidelines, Code of Honor and the charters of the Audit, Compensation & Benefits, and Governance & Nominating Committees are available on the Company's website at [www.owens-minor.com/corporate-governance](http://www.owens-minor.com/corporate-governance) and are available in print to any shareholder upon request to Corporate Secretary, Owens & Minor, Inc., 4800 Cox Road, Glen Allen, VA 23060.

**Code of Honor.** The Board of Directors has adopted a Code of Honor that is applicable to all employees of the Company, including the principal executive officer, the principal financial officer and the principal accounting officer, as well as the members of the Board of Directors. The Code of Honor is available on the Company's website at [www.owens-minor.com/corporate-governance](http://www.owens-minor.com/corporate-governance). The Company intends to post any amendments to or waivers from its Code of Honor (to the extent applicable to the Company's chief executive officer, principal financial officer, principal accounting officer, any other executive officer or any director) on its website.

**Director Independence.** The Board of Directors determined in 2005 that the following ten members of its twelve-member Board are independent within the meaning of NYSE listing standards and the Company's Corporate Governance Guidelines: A. Marshall Acuff, Jr., J. Alfred Broaddus, Jr., John T. Crotty, James B. Farinholt, Jr., Richard E. Fogg, Vernard W. Henley, Peter S. Redding, James E. Rogers, James E. Ukrop and Anne Marie Whittemore. To assist it in making determinations of independence, the Board has adopted categorical standards which are contained in Section I of the Company's Corporate Governance Guidelines included in this proxy statement as Annex A. The Board has determined that all directors identified as independent in this proxy statement meet these standards.



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**REPORT OF THE GOVERNANCE & NOMINATING COMMITTEE**

The Governance & Nominating Committee was formed by the Board of Directors in 1996 to promote good corporate governance practices. Composed of five independent directors who met five times during 2004, the Governance & Nominating Committee operates under a charter that sets forth its purpose:

- (i) to assist the Board by identifying and recommending nominees for election to the Board;
- (ii) to oversee the governance of the Company, including recommending to the Board corporate governance guidelines for the Company;
- (iii) to lead the Board in its annual review of the Board's performance; and
- (iv) to recommend to the Board director nominees for each Board committee and each committee chairperson.

The Governance & Nominating Committee continues to study and implement good corporate governance practices at Owens & Minor as it endeavors to stay on the leading edge of corporate governance matters. Under the Committee's guidance, the Company's Corporate Governance Guidelines (included in this proxy statement as Annex A) were revised in 2004 to enhance the role and responsibilities of the Lead Director.

In addition, during the past year, the Governance & Nominating Committee focused on establishing a more formal and organized director continuing education policy and a new director orientation program. In 2004, the Company held three in-house director education seminars provided by outside experts and several directors attended director education programs accredited by Institutional Shareholder Services.

Finally, the Committee recruited two distinguished new outside directors who will stand for election at the 2005 Annual Meeting of Shareholders. Both nominees, J. Alfred Broaddus, Jr. and Eddie N. Moore, Jr., were recommended by non-management directors of the Company and, as part of their assessment by the Governance & Nominating Committee and the Board in accordance with the Company's Corporate Governance Guidelines, were determined to be independent.

The Governance & Nominating Committee's charter, together with the Corporate Governance Guidelines, can be viewed on the Company's website. The Governance & Nominating Committee has welcomed the recent efforts of legislators, the SEC and the NYSE to refine corporate governance practices and will continue to support the implementation of corporate governance best practices at Owens & Minor.

THE GOVERNANCE & NOMINATING

COMMITTEE

A. Marshall Acuff, Jr., Chairperson

J. Alfred Broaddus, Jr.

Vernard W. Henley

James E. Ukrop

Anne Marie Whittemore

## **BOARD MEETINGS**

The Board of Directors held six meetings during 2004. All directors attended at least 75% of the meetings of the Board and committees on which they served. The Company's Corporate Governance Guidelines provide that, absent unusual or unforeseen circumstances, directors are expected and encouraged to attend each annual meeting of shareholders. All directors attended the 2004 Annual Meeting of Shareholders.

Under the Company's Corporate Governance Guidelines, non-management directors meet in executive session following each regularly scheduled Board meeting. These meetings are chaired by a Lead Director who is elected annually by the non-management directors following each Annual Meeting of Shareholders. James E. Rogers currently serves as Lead Director and presides over these executive sessions. As Lead Director, Mr. Rogers is also invited to participate in meetings of all Board committees but is permitted to vote only in the meetings of committees of which he is a member. Shareholders and other interested parties may contact the Lead Director by following the procedures set forth in Communications with the Board of Directors on page 8.

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The Board of Directors has the following committees:

**Audit Committee:** Oversees (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the qualification and independence of the Company's independent registered public accountants; (iv) the performance of the Company's independent registered public accountants and internal audit functions and (v) issues involving the Company's ethical and legal compliance responsibilities. The Audit Committee has sole authority to appoint, retain, compensate, evaluate and terminate the Company's independent registered public accountants (subject, if applicable, to shareholder ratification). The Board of Directors has determined that James B. Farinholt, Jr., Chairman of the Audit Committee, is an audit committee financial expert, as defined by SEC regulations. All members of the Audit Committee are independent.

**Compensation & Benefits Committee:** Administers executive compensation programs, policies and practices. Advises the Board on salaries and compensation of the executive officers and makes other studies and recommendations concerning compensation and compensation policies. All members of the Compensation & Benefits Committee are independent.

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

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

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

**BOARD COMMITTEE MEMBERSHIP**

Director	Board	Audit	Compensation & Benefits	Executive	Governance & Nominating	Strategic Planning
A. Marshall Acuff, Jr.	X	X		X	X*	
Henry A. Berling	X					X
J. Alfred Broaddus, Jr.	X		X		X	
John T. Crotty	X	X				X*
James B. Farinholt, Jr.	X	X*		X		X
Richard E. Fogg	X	X				X
Vernard W. Henley	X		X	X	X	
G. Gilmer Minor, III	X*			X*		
Peter S. Redding	X		X			X
James E. Rogers	X			X		
James E. Ukrop	X		X		X	

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Anne Marie Whittemore	X		X*	X	X	
No. of meetings in 2004	6	11	5	2	5	1

\*Chairperson

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**Employee directors** receive no additional compensation other than their normal salary for serving on the Board or any of its committees.

**Non-employee directors** receive the following annual cash and stock compensation:

**DIRECTOR COMPENSATION TABLE**

Type of Compensation	Cash	Stock
Annual Retainer	\$ 15,000	\$15,000
Additional Retainer for Lead Director	\$ 10,000	
Additional Retainer for Audit Committee Chair	\$ 5,000	
Additional Retainer for Other Committee Chairs	\$ 4,000	
Board or Committee Attendance Fee (per meeting, other than Audit Committee)	\$ 1,200*	
Audit Committee Attendance Fee (per meeting)	\$ 1,500*	
Board or Committee Telephone Conference (per meeting, other than Audit Committee)	\$ 800	
Audit Committee Telephone Conference (per meeting)	\$ 1,000	
Board Retreat (annual 2-day meeting)	\$ 1,800	
Stock Options		Option for 5,000 shares

\*The attendance fee for an audit committee meeting on the same day as a Board meeting is \$1,000 and for any other committee meeting held on the same day as a Board meeting is \$800.

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

**DIRECTOR NOMINATING PROCESS**

**Director Candidate Recommendations and Nominations by Shareholders.** The Governance & Nominating Committee charter provides that the Governance & Nominating Committee will consider director candidate recommendations by shareholders. Shareholders should submit any such recommendations to the Governance & Nominating Committee through the method described under Communications with the Board of Directors on page 8. In addition, the Company's Bylaws provide that any shareholder of record and entitled to vote for the election of directors at the applicable meeting of shareholders may nominate directors by complying with the notice procedures set forth in the bylaws and summarized in Shareholder Proposals on page 29.

**Process for Identifying and Evaluating Director Candidates.** The Governance & Nominating Committee evaluates all director candidates in accordance with the director qualification standards described in the Corporate Governance Guidelines. The Governance & Nominating Committee evaluates any candidate's qualifications to serve as a member of the Board based on the skills and characteristics of individual Board members as well as the composition of the Board as a whole. In addition, the Governance & Nominating

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Committee will evaluate a candidate's independence and diversity, age, skills and experience in the context of the Board's needs. The Company's Bylaws provide that no director nominee can stand for election if, at the time of appointment or election, the nominee is over the age of 69. There are no differences in the manner in which the Governance & Nominating Committee evaluates director candidates based on whether the candidate is recommended by a shareholder. The Governance & Nominating Committee did not receive any recommendations from any shareholders in connection with the Annual Meeting.

## **COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

The Board of Directors has approved a process for shareholders to send communications to the Board. Shareholders can send written communications to the Board, any committee of the Board, the Lead Director or any other individual director at the following address: P.O. Box 26383, Richmond, Virginia 23260. All communications will be relayed directly to the applicable director(s), except for communications screened for security purposes.

## **PROPOSAL 1: ELECTION OF DIRECTORS**

The Board of Directors is divided into three classes. One class is elected at each annual meeting to serve for a three-year term. Five directors will be elected at the Annual Meeting to serve for a three-year term expiring at the Company's Annual Meeting in the year 2008. Each nominee has agreed to serve if elected. If any nominee is not able to serve, the Board may designate a substitute or reduce the number of directors serving on the Board. Proxies will be voted for the nominees shown below (or if not able to serve, such substitutes as may be designated by the Board). The Board has no reason to believe that any of the nominees will be unable to serve.

Information on each nominee and each continuing director, including age and principal occupation during the past five years, is set forth below.

## **NOMINEES FOR ELECTION**

### **For Three-Year Term Expiring in 2008:**

**G. Gilmer Minor, III**, 64, is Chairman and Chief Executive Officer of Owens & Minor. Mr. Minor, who joined the Company in 1963, has served as Chairman of the Board since 1994 and Chief Executive Officer since 1984. He also serves on the board of directors of SunTrust Banks, Inc. Mr. Minor has been a director since 1980.

**J. Alfred Broaddus, Jr.**, 65, retired in August 2004 as President of the Federal Reserve Bank of Richmond, a position he had held since 1993. During his tenure as President, Mr. Broaddus also served as a rotating member of the Federal Open Market Committee of the Federal Reserve System. Prior to his term as President, he held a variety of positions in his 34-year career with the Federal Reserve Bank of Richmond, including director of research. Mr. Broaddus is a member of the Board of Visitors of Virginia Commonwealth University and serves on the boards of the E. Angus Powell Endowment for American Enterprise, the Richmond Memorial Health Foundation, the Virginia Council on Economic Education and the Virginia Historical Society. He also is a member of the boards of directors of Albemarle Corporation,

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Markel Corporation and T. Rowe Price Group. Mr. Broaddus was appointed to the Board of Directors in August 2004.

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**Eddie N. Moore, Jr.**, 57, is President of Virginia State University. Prior to assuming this position in 1993, Mr. Moore served as state treasurer for the Commonwealth of Virginia, heading up the Department of the Treasury and serving on fifteen state boards and authorities. Mr. Moore entered the public sector in 1985 as the Commonwealth of Virginia's assistant controller for accounting and reporting after which he was selected to serve concurrently as the controller for the College of William and Mary and as treasurer for its endowment association. Before entering the public sector, Mr. Moore directed major accounting and budgeting functions during his 14-year tenure with Gulf Oil Corporation. Mr. Moore currently serves as vice chairman of the board and chairman of the Finance Committee of the Central Intercollegiate Athletic Association and serves on the boards of the Virginia Board of Agriculture, the Virginia Center for Innovative Technology and the Virginia Historical Society. He also serves on the boards of Universal Corporation and the Vantagepoint Funds. Mr. Moore would join the Board as a new director of Owens & Minor.

**Peter S. Redding**, 66, retired in 2000 as President and Chief Executive Officer of Standard Register Company. He serves on the boards of directors of Projects Unlimited in Dayton, Ohio and Nietech Corporation in Santa Rosa, California. Mr. Redding has been a director since 1999.

**Craig R. Smith**, 53, is President and Chief Operating Officer of Owens & Minor. Mr. Smith, who joined the Company in 1989, has served as President of the Company since 1999 and as Chief Operating Officer since 1995. He also serves on the board of directors of Imagistics, Inc. Mr. Smith would join the Board as a new director of Owens & Minor.

**The Board of Directors recommends a vote FOR the election of each nominee as director.**

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**DIRECTORS CONTINUING IN OFFICE**

**Terms expiring in 2007:**

**A. Marshall Acuff, Jr.**, 65, is President of AMA Investment Counsel, LLC. He retired in 2001 as Senior Vice President and Managing Director of Salomon Smith Barney, Inc. where he was responsible for equity strategy as a member of the firm's Investment Policy Committee. Mr. Acuff is a Chartered Financial Analyst. He is a member of the board of directors of Sweet Briar College and a number of other private organizations, including the Virginia Foundation for Independent Colleges, the Community Foundation of Richmond, the Jamestown-Yorktown Foundation, Inc., the Endowment Association of the College of William and Mary, the Virginia Theological Seminary and Lewis Ginter Botanical Garden. He also serves on the board of directors of Eastern Point Advisors. Mr. Acuff has been a director since 2001.

**James B. Farinholt, Jr.**, 70, is a Managing Director of Tall Oaks Capital Partners, LLC, which manages an investment fund focused on start-up and early stage businesses in information technology and the life sciences fields. Mr. Farinholt retired in 2002 as Special Assistant to the President for Economic Development of Virginia Commonwealth University. He also serves on the board of directors of PharmaNetics, Inc. Mr. Farinholt has been a director since 1974.

**Anne Marie Whittemore**, 58, is a partner and member of the Executive Committee in the law firm of McGuireWoods LLP. Ms. Whittemore serves on the boards of directors of T. Rowe Price Group, Inc. and Albemarle Corporation. She also serves on the boards of the VMI Foundation and the Wilderness Conservancy at Mountain Lake, Inc. Ms. Whittemore has been a director since 1991.

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**Terms expiring in 2006:**

**John T. Crotty**, 67, is Managing Partner of CroBern Management Partnership, a healthcare investment firm, and President of CroBern, Inc., a healthcare consulting and advisory firm. Prior to co-founding these businesses, Mr. Crotty held several senior management positions during 19 years with American Hospital Supply Corporation, including corporate vice president of planning and business development and president of the services operating group. He also serves on the boards of directors of three private companies in the healthcare industry and one public company, Omnicare, Inc. Mr. Crotty has been a director since 1999.

**Richard E. Fogg**, 64, retired in 1997 from Price Waterhouse, LLP (now PricewaterhouseCoopers LLP) where he was a partner for 23 years and served in a variety of leadership positions, including Associate Vice Chairman, Tax. Mr. Fogg is a Certified Public Accountant. Since his retirement in 1997, Mr. Fogg has provided strategic consulting services to several non-public companies. Mr. Fogg has been a director since 2003.

**James E. Rogers**, 59, is President of SCI Investors Inc, a private equity investment firm. Mr. Rogers also serves on the boards of directors of Wellman, Inc., Caraustar Industries, Inc., Cadmus Communications Inc. and New Market Corp. Mr. Rogers has been a director since 1991.

**James E. Ukrop**, 67, is Chairman of Ukrop's Super Markets, Inc., a retail grocery chain, and Chairman of First Market Bank. Mr. Ukrop also serves on the board of directors of Legg Mason, Inc. Mr. Ukrop has been a director since 1987.

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**DEPARTING DIRECTORS**

**Vernard W. Henley.** Effective at the Annual Meeting, Vernard W. Henley's term will expire, at which time he will retire from the Board. Mr. Henley has reached our mandatory retirement age and, accordingly, was not eligible to be nominated for another term. The Company gratefully acknowledges Mr. Henley's 12 years of service to Owens & Minor.

**Henry A. Berling.** Effective at the Annual Meeting, Henry A. Berling will retire from the Board. Mr. Berling retired as Executive Vice President of Owens & Minor on January 1, 2005 after providing nearly 40 years of service to the Company. The Company acknowledges its sincere gratitude to Mr. Berling for his many years of service and dedication to Owens & Minor.

**PROPOSAL 2: APPROVAL OF PROPOSED OWENS & MINOR, INC. 2005 STOCK INCENTIVE PLAN**

The Board of Directors proposes that the shareholders approve the Owens & Minor, Inc. 2005 Stock Incentive Plan (the "2005 Plan") adopted by the Board on February 4, 2005, subject to the approval of the Company's shareholders.

In 1998, the Board of Directors adopted, and the shareholders approved, the Owens & Minor, Inc. 1998 Stock Option and Incentive Plan (the "1998 Plan"). In 2001, the Board of Directors adopted, and the shareholders approved, an amendment to the 1998 Plan to increase the number of shares that could be issued under the 1998 Plan from 1,380,000 shares to 2,780,000 shares and to extend its expiration date to April 28, 2005.

The 1998 Plan expires on April 28, 2005 and the Board wishes to replace it with the 2005 Plan. The following paragraphs summarize the principal features of the 2005 Plan. A copy of the full text of the 2005 Plan is included as Annex B to this Proxy Statement.

**Summary of the 2005 Stock Incentive Plan**

**Purposes.** The Board believes that the 2005 Plan will benefit the Company by assisting it in recruiting and retaining key employees and members of the Board by enabling them to participate in the future success of the Company and its related entities and associating their interests with those of the Company and its shareholders.

**Administration.** The Compensation & Benefits Committee (the "Compensation Committee") will administer the 2005 Plan except that awards to non-employee directors will be administered by the Governance & Nominating Committee (subject to final approval of the Board). The Compensation Committee may delegate its authority to administer the 2005 Plan to one or more officers of the Company; provided that, it may not delegate its authority with respect to individuals who are subject to Section 16 ( "Section 16") of the Securities

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Exchange Act of 1934 (the Exchange Act ). As used in this summary, the term Administrator means the Compensation Committee and any delegate or, in the case of awards to non-employee directors, the Governance & Nominating Committee.

Eligibility. Each employee of the Company or a related entity, any member of the Board or a person who provides services to the Company or a related entity is eligible to participate in the 2005 Plan. The Administrator will select the individuals who will participate in the 2005 Plan ( Participants ). The Administrator may, from time to time, grant stock options, stock appreciation rights ( SARS ), stock awards, incentive awards or performance shares to Participants.

Options. Options granted under