

SCHWEITZER MAUDUIT INTERNATIONAL INC
Form DEF 14A
March 07, 2005
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

Schweitzer-Mauduit International, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
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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:

March 17, 2005

Wayne H. Deitrich
Chairman of the Board and
Chief Executive Officer

TO OUR STOCKHOLDERS:

On behalf of the Board of Directors and management of Schweitzer-Mauduit International, Inc., I cordially invite you to the Annual Meeting of Stockholders to be held on Thursday, April 28, 2005 at 11:00 a.m. at the Corporation's corporate headquarters located at 100 North Point Center East, Suite 600, Alpharetta, Georgia.

At the Annual Meeting, stockholders will be asked to elect two directors for a three-year term. The Corporation's Board of Directors recommends unanimously that you vote in favor of this proposal, which is more fully described in the accompanying Notice of Annual Meeting and Proxy Statement.

It is important that your stock be represented at the meeting regardless of the number of shares you hold. You are encouraged to specify your voting preferences by so marking and dating the enclosed proxy card. But, if you wish to vote in accordance with the directors' recommendation, all you need do is sign and date the card.

Please complete and return the proxy card in the enclosed envelope whether or not you plan to attend the meeting. If you do attend and wish to vote in person, you may revoke your proxy at that time.

If you plan to attend the meeting, please check the card in the space provided. This will assist us with meeting preparations, and will enable us to expedite your admittance. If your shares are not registered in your own name and you would like to attend the meeting, please ask the broker, trust, bank or other nominee which holds the shares to provide you with evidence of your share ownership, which will enable you to gain admission to the meeting.

Sincerely,

WAYNE H. DEITRICH

**Printed in the United States
on Schweitzer-Mauduit International, Inc. paper
manufactured in Lee, Massachusetts**

SCHWEITZER-MAUDUIT INTERNATIONAL, INC.

100 North Point Center East, Suite 600
Alpharetta, Georgia 30022-8246

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

April 28, 2005

The Annual Meeting of Stockholders of Schweitzer-Mauduit International, Inc. will be held at the Corporation's corporate headquarters located at 100 North Point Center East, Suite 600, Alpharetta, Georgia, on Thursday, April 28, 2005 at 11:00 a.m. for the following purposes:

1. To elect 2 directors for a 3-year term to expire at the 2008 Annual Meeting of Stockholders; and
2. To transact such other business as may properly be brought before the meeting or any adjournment thereof.

You may vote all shares that you own as of March 3, 2005, which is the record date for the Annual Meeting. I urge you to sign, date and promptly return the enclosed proxy card in the enclosed business reply envelope. No postage is required if mailed in the United States.

JOHN W. RUMELY, Jr.
Secretary and General Counsel

March 17, 2005

SCHWEITZER-MAUDUIT INTERNATIONAL, INC.

100 North Point Center East, Suite 600

Alpharetta, Georgia 30022-8246

PROXY STATEMENT

INTRODUCTION

This Proxy Statement and the accompanying proxy card are furnished to the stockholders of Schweitzer-Mauduit International, Inc., a Delaware corporation (the Corporation), in connection with the solicitation of proxies by the Board of Directors of the Corporation for use at the Annual Meeting of Stockholders to be held on April 28, 2005 (Annual Meeting) and at any adjournment thereof. Proxies in the accompanying form, properly signed and received in time for the meeting, will be voted as instructed. If no instructions are given, proxies will be voted for the election of the 2 directors nominated for election. Any proxy may be revoked by the stockholder granting it at any time before it is voted by delivering to the Secretary of the Corporation another signed proxy card, or a signed document revoking the earlier proxy or by attending the meeting and voting in person. The Corporation intends to mail this Proxy Statement and proxy card, together with the 2004 Annual Report to Stockholders, on or about March 17, 2005.

Each stockholder of record at the close of business on March 3, 2005 will be entitled to 1 vote for each share registered in such stockholder's name. As of March 3, 2005, there were [15,149,223] shares outstanding of the Corporation's common stock, par value \$0.10 per share (the Common Stock).

The Corporation will pay the entire cost of the proxy solicitation. The Corporation has retained American Stock Transfer & Trust Company, the Corporation's transfer agent, to aid in the solicitation of proxies. Proxy solicitation services on routine proxy matters are included in the fees paid to American Stock Transfer & Trust Company to act as the Corporation's stock transfer agent and registrar. Only reasonable out-of-pocket expenses on proxy solicitation services are charged separately. The Corporation will reimburse brokers, fiduciaries and other nominees for their reasonable expenses in forwarding proxy materials to beneficial owners. In addition to solicitation by mail, directors, officers and employees of the Corporation may solicit proxies in person, by telephone or by other means of communication.

If a stockholder is a participant in the Schweitzer-Mauduit International, Inc. Retirement Savings Plan (Plan), the proxy card represents the number of full shares of Common Stock held for the benefit of the participant in the Plan as well as any shares of Common Stock registered in the participant's name. Thus, a proxy card for such a participant grants a proxy for shares registered in the participant's name and serves as a voting instruction for the trustee of the Plan for the account in the participant's name. Information as to the voting instructions given by individuals who are participants in the Plan will not be disclosed to the Corporation.

Pursuant to Section 216 of the Delaware General Corporation Law and the Corporation's By-Laws, a quorum for the Annual Meeting will be a majority of the issued and outstanding shares of the Corporation's Common Stock, present in person or represented by proxy. Directors shall be elected by a plurality of the votes present in person or represented by proxy and entitled to vote on the election of directors. Votes may be cast in favor of or withheld from each nominee; votes that are withheld will be excluded entirely from the vote and will have no effect. Under applicable Delaware law, a broker non-vote will have no effect on the outcome of the election of directors. In all matters other than the election of directors that are presented for action at the Annual Meeting, the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote on the subject matter shall be the act of the stockholders.

NOMINATION OF DIRECTORS

Directors may be nominated by the Board of Directors or by stockholders in accordance with the By-Laws of the Corporation. The Nominating & Governance Committee will identify potential candidates and review all proposed nominees for the Board of Directors, including those proposed by stockholders, in accordance with its mandate contained in its charter. The Nominating & Governance Committee's review includes an assessment of the person's judgment, experience, independence, understanding of the Corporation's business or other related industries, commitment and availability to prepare for and attend Board and Board Standing Committee meetings and such other factors as the Nominating & Governance Committee determines are relevant in light of the needs of the Board of Directors and the Corporation. The Nominating & Governance Committee will select qualified candidates and review its recommendations with the Board of Directors, which will decide whether to invite the candidate to be a nominee for election to the Board of Directors.

The Nominating & Governance Committee Charter authorizes the Nominating & Governance Committee to retain such outside experts as it deems necessary and appropriate to assist it in the execution of its duties. The Nominating & Governance Committee retained Korn/Ferry International in November 2004 to assist it in the search for a potential candidate for the Board of Directors. The terms of engagement are consistent with those available from firms providing competitive services. There is no relationship between any member of Korn/Ferry International and any member of the Board of Directors or any member of the Corporation's management that would influence the performance of Korn/Ferry International's search services.

Any stockholder of record entitled to vote generally in the election of directors may submit a candidate for consideration by the Nominating & Governance Committee by notifying the Secretary and General Counsel in writing at the address noted on the face page of this Proxy Statement. The written notice of a stockholder's intent to make such nomination or nominations meeting the requirements described below has to be given, either by personal delivery or by United States mail, postage prepaid, to the Secretary and General Counsel of the Corporation, and received by the Corporation, not less than 50 days nor more than 75 days prior to the meeting; provided, however, that in the event that less than 60 days notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of meeting was mailed or such public disclosure was made, whichever first occurs.

The stockholder's notice to the Secretary and General Counsel shall state the following:

- the name and address of record of the stockholder who intends to make the nomination;
- a representation that the stockholder is a holder of record of shares of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;
- the name, age, business and residence addresses, and principal occupation or employment of each nominee;
- a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder;
- such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission; and
- the consent of each nominee to serve as a director of the Corporation if so elected.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

PROPOSAL ONE

ELECTION OF DIRECTORS

The Board of Directors presently has 8 members, 5 of whom are independent. The Board of Directors is divided into 3 classes that are elected on a staggered basis with 1 class elected each year for a 3-year term. All of the current directors have served on the Corporation's Board of Directors since November 30, 1995.

The current Class I Directors, Ms. Claire L. Arnold and Mr. Laurent G. Chambaz, are incumbents nominated for re-election at the 2005 Annual Meeting to serve for a term to expire at the 2008 Annual Meeting of Stockholders, and until their successors are elected and have qualified. The Board of Directors has determined that Ms. Arnold is independent and that Mr. Chambaz is not independent, as discussed further in the section of the Proxy Statement captioned "Board and Committee Governance" found at page 7. Should any nominee become unable to serve, proxies may be voted for another person designated by the Board of Directors. The nominees have advised the Corporation that they will serve if elected. The remaining 6 directors will continue to serve as directors for the terms set forth on page 4.

Certain Information Regarding Directors and Nominees

The names of the directors continuing in office and nominees, their ages as of the date of the Annual Meeting, their principal occupations during the past 5 years, other directorships currently held by each as of the date hereof and certain other biographical information are as set forth on the following pages by class, in the order of the next class to stand for election.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

Class I Directors

For a 3-Year Term Expiring at the 2008 Annual Meeting of Stockholders

Name	Age	Year First Elected a Director	Principal Occupations and Businesses During Last 5 Years and Current Directorships
Claire L. Arnold	58	1995	<ul style="list-style-type: none"> • Chief Executive Officer of Leapfrog Services, Inc., a computer support company and network integrator, presently and since 1998 • Director Ruby Tuesday, Inc. • Director Advance America Inc.
Laurent G. Chambaz	57	1995	<ul style="list-style-type: none"> • Partner in the law firm of UGGC & Associés, presently and since January 2001 • Partner in the law firm of Chambaz in association with UGGC & Associés from October 1999 to December 2000

The Board of Directors unanimously recommends a vote FOR the election of the 2 nominees as Class I Directors.

MEMBERS OF THE BOARD OF DIRECTORS CONTINUING IN OFFICE**Class II Directors****Term Expiring at the 2006 Annual Meeting of Stockholders**

Name	Age	Year First Elected a Director	Principal Occupations and Businesses During Last 5 Years and Current Directorships
K.C. Caldabaugh	58	1995	<ul style="list-style-type: none"> • Principal, Heritage Capital Group, an investment banking firm, presently and since July 2001 • Chairman and Chief Executive Officer of Spinnaker Coating, Inc., a manufacturer of adhesive coated papers, from 1994 to March 2001. Spinnaker Coating, Inc. filed for Chapter 11 bankruptcy protection on November 13, 2001
Jean-Pierre Le Hétôt	61	1995	<ul style="list-style-type: none"> • Chief Operating Officer of the Corporation, presently and since April 1998 • President French Operations of the Corporation from August 1995 through October 2002
Richard D. Jackson	68	1995	<ul style="list-style-type: none"> • Private investor, presently and since August, 1995 • Chairman of the Board of ebank Financial Services, Inc.

Class III Directors**Term Expiring at the 2007 Annual Meeting of Stockholders**

Name	Age	Year First Elected a Director	Principal Occupations and Businesses During Last 5 Years and Current Directorships
Wayne H. Deitrich	61	1995	<ul style="list-style-type: none"> • Chief Executive Officer of the Corporation, presently and since August 1995 • Chairman of the Board of the Corporation, presently and since November 1995
Leonard J. Kujawa	72	1995	<ul style="list-style-type: none"> • Independent international financial consultant, presently and since 1995 • Director American Electric Power Company • Director James River Coal Company
Larry B. Stillman	63	1995	<ul style="list-style-type: none"> • Vice President, Northwest Group, xpedx, a distributor of printing paper, packaging supplies and equipment, presently and since 1988 • Managing General Partner for HEXAD Investment Company, an investment group focusing on equities and real estate, presently and since 1983 • Chairman Advisory Board of the Utah Jazz

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth information as of December 31, 2004 and for the succeeding 60 calendar days regarding the number of shares of the Corporation's Common Stock beneficially owned by all directors and nominees, the Corporation's CEO and each of the Corporation's next 4 highest paid executive officers (collectively, the CEO and the next 4 highest paid executive officers are called the Named Executive Officers herein), and by all directors and executive officers as a group. Unless otherwise indicated in a footnote, each person listed below possesses sole voting and investment power with respect to the shares indicated as beneficially owned by that person.

Name of Individual or Identity of Group	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class(1)
Claire L. Arnold	Common Stock	4,210 (2)	*
Thierry E. Bellanger	Common Stock	14,310 (3)	*
K.C. Caldabaugh	Common Stock	4,408 (2)(4)	*
Laurent G. Chambaz	Common Stock	8,233 (4)	*
Wayne H. Deitrich			