

SEABOARD CORP /DE/  
Form DEF 14A  
March 13, 2002

SEABOARD CORPORATION

9000 West 67th Street  
Shawnee Mission, Kansas 66202

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
APRIL 29, 2002

Notice is hereby given that the 2002 Annual Meeting of Stockholders of Seaboard Corporation, a Delaware corporation, will be held at the Sheraton Newton Hotel, 320 Washington Street, Newton, Massachusetts, on Monday, the 29th day of April, 2002, at 10 o'clock in the forenoon for the following purposes:

1. To elect five Directors of the Company.
2. To consider and act upon the selection of KPMG LLP as independent auditors of the Company.
3. To transact any other business which may properly come before the meeting, or any adjournment thereof.

The close of business on Monday, March 4, 2002, has been fixed as the record date for determination of stockholders entitled to notice of, and to vote at, the Annual Meeting. The books for the transfer of stock will not be closed.

If you do not expect to be present personally at the Annual Meeting, please sign, date and return the enclosed proxy in the enclosed addressed envelope.

By order of the Board of  
Directors,

MARSHALL L. TUTUN, Secretary

March 12, 2002

SEABOARD CORPORATION  
9000 West 67th Street  
Shawnee Mission, Kansas 66202

PROXY STATEMENT  
ANNUAL MEETING OF STOCKHOLDERS  
APRIL 29, 2002

March 12, 2002

This Proxy Statement is furnished in connection with the solicitation of proxies to be used at the Annual Meeting of Stockholders of Seaboard Corporation (the "Company") to be held

## Edgar Filing: SEABOARD CORP /DE/ - Form DEF 14A

on April 29, 2002, and at any adjournment thereof, for the purposes set forth in the foregoing Notice of Annual Meeting.

The close of business on Monday, March 4, 2002, has been fixed as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting, and at any adjournment thereof.

This Proxy Statement is first being sent to stockholders on or about March 25, 2002. The consolidated financial statements of the Company for the fiscal year ended December 31, 2001, together with corresponding consolidated financial statements for the fiscal year ended December 31, 2000, are contained in the Annual Report which is mailed to stockholders herewith.

Proxies in the form enclosed are solicited by the Board of Directors of the Company. Any stockholder giving a proxy in the enclosed form has the power to revoke it at any time before it is exercised. A stockholder's right to revoke his or her proxy is not limited by, or subject to, compliance with any specified formal procedure. He or she may revoke his or her proxy by delivering a written revocation or a duly executed proxy bearing a later date, or by attending the meeting and voting in person. A proxy in such form, if received in time for voting and not revoked, will be voted at the Annual Meeting in accordance with the direction of the stockholder. Where a choice is not so specified, the shares represented by the proxy will be voted "for" the election of the nominees for Director listed herein and "for" ratification of the selection of KPMG LLP as independent auditors of the Company. The Board of Directors does not know of any matters which will be brought before the meeting other than those specifically set forth in the Notice of Annual Meeting. However, if any other matter properly comes before the meeting, it is intended that the persons named in the enclosed form of proxy, or their substitutes acting there under, will vote on such matter in accordance with their best judgment.

Votes cast at the Annual Meeting will be tabulated by persons duly appointed to act as inspectors of election for the Annual Meeting. The inspectors of election will treat shares represented by a properly signed and returned proxy as present at the Annual Meeting for purposes of determining a quorum, without regard to whether the proxy is marked as casting a vote or abstaining. Likewise, the inspectors of election will treat shares of stock represented by "broker non-votes" as present for purposes of determining a quorum. Broker non-votes are proxies with respect to shares held in record name by brokers or nominees, as to which (i) instructions have not been received from the beneficial owners or persons entitled to vote, (ii) the broker or nominee does not have discretionary voting power under applicable national securities exchange rules or the instrument under which it serves in such capacity, and (iii) the record holder has indicated on the proxy card or otherwise notified the Company that it does not have authority to vote such shares on that matter.

A favorable plurality of votes cast is necessary to elect members of the Board of Directors. Accordingly, abstentions or broker non-votes as to the election of Directors will not affect the election of the candidates receiving the plurality of votes.

The remaining proposals set forth herein require the affirmative vote of the majority of the shares present. Shares represented by broker non-votes as to such matters are treated as not being present for the purposes of such matters, while abstentions as to such matters are treated as being present but not voting in the affirmative. Accordingly, the effect of broker non-votes is only to reduce the number of shares considered to be

## Edgar Filing: SEABOARD CORP /DE/ - Form DEF 14A

present for the consideration of such matters, while abstentions will have the same effect as votes against the matter.

The Company will bear all expenses in connection with the solicitation of proxies, including preparing, assembling, and mailing of the Proxy Statement.

The Company had 1,487,519.75 shares of Common Stock, \$1.00 par value, outstanding and entitled to vote as of March 4, 2002. A majority, or 743,760 of such shares, constitutes a quorum for the Annual Meeting.

### PRINCIPAL STOCKHOLDERS

The following table sets forth the number of shares of the Company's Common Stock beneficially owned by stockholders owning more than five percent of such Common Stock as of January 31, 2002. Unless otherwise indicated, all beneficial ownership consists of sole voting and sole investment power.

Name and Address of Beneficial Owner	Amount of Stock	Percent of Class
Seaboard Flour Corporation(1) 822 Boylston Street Suite 301 Chestnut Hill, MA 02467	1,120,511.75	75.3
Dimensional Fund Advisors Inc.(2) 1299 Ocean Avenue 11th Floor Santa Monica, CA 90401	106,810.00	7.2

(1) Mr. H. Harry Bresky, President and Chief Executive Officer of the Company, and other members of the Bresky family, including trusts created for their benefit, have beneficial ownership of 213,728.83 shares, or 99.5%, of the Common Stock of Seaboard Flour Corporation. Such family members in addition have beneficial ownership of a total of 34,015 shares, or 2.3%, of the Company's Common Stock which is not included in the amount owned by Seaboard Flour Corporation. Because of such ownership of Common Stock of Seaboard Flour Corporation by the Bresky family, Mr. H. Harry Bresky may be deemed to have indirect beneficial ownership of the Common Stock of the Company held by Seaboard Flour Corporation.

(2) Beneficial ownership by Dimensional Fund Advisors Inc. ("Dimensional") is based on a Schedule 13G that was filed with the Securities and Exchange Commission on February 12, 2002. According to the Schedule 13G, Dimensional furnishes investment advice to four investment companies and serves as investment manager to certain other trusts and accounts which own these securities. Dimensional disclaims beneficial ownership of these securities.

### ITEM 1: ELECTION OF DIRECTORS

The Board of Directors has fixed the number of directors at five. Unless otherwise specified, proxies will be voted in favor of the election as Directors of the following five persons for a term of one year and until their successors are elected and qualified. All nominees are currently Directors. Mr. H. Harry

Edgar Filing: SEABOARD CORP /DE/ - Form DEF 14A

Bresky has served as a Director continuously since 1959, and was reelected by the stockholders at the last annual meeting. Mr. H. Harry Bresky is the father of Mr. Steven J. Bresky. Mr. Joe E. Rodrigues has served as a Director since 1990 and was re-elected by the stockholders at the last annual meeting. Mr. Thomas J. Shields has served as a Director since 1992 and was re-elected by the stockholders at the last annual meeting. Mr. David A. Adamsen has served as Director since 1995 and was re-elected by the stockholders at the last annual meeting. Mr. Baena has served as Director since February 2001 and was re-elected by the stockholders at the last annual meeting. There are no arrangements or understandings between any nominee and any other person pursuant to which such nominee was nominated. As of January 31, 2002, the five nominees beneficially owned securities of the Company in the amounts shown:

Name	Principal Occupations and Positions	Amount of Stock (1)	
		Common Stock	Percent of Class
H. Harry Bresky Age 76	Director, Chairman of the Board, President and Chief Executive Officer, Seaboard Corporation; President, Treasurer and Director, Seaboard Flour Corporation.	5,611 (2)	0.377
Joe E. Rodrigues Age 65	Director (since 1990); Former Executive Vice President and Treasurer (retired February 2001), Seaboard Corporation.	200	0.013
Thomas J. Shields Age 54	Director and Chairman of Audit Committee (since 1992), Seaboard Corporation; President (since 1991), Shields & Company, Inc., investment banking firm; Director (since 1999), Clean Harbors Environmental Services, Inc., environmental services company; Director (since 1997), B.J.'s Wholesale Club, Inc., warehouse merchandising company; Director (since 1996), Versar, Inc., environmental consulting company.	39	0.003
David A. Adamsen Age 50	Director and Member of Audit Committee (since 1995), Seaboard Corporation; Vice President-Group General Manager, Southeast Region (since 2001), Vice President - Sales and Marketing, Northeast Region (1999-2001), Vice President of Special Projects (1998-1999), Dean Foods Company, dairy specialty-food processor and distributor; Vice President-Manufacturing (1994-1998), The Penn Traffic Co., retail and wholesale food distribution company.	20	0.001
Douglas W. Baena Age 59	Director and Member of Audit Committee (since February 2001), Seaboard Corporation; Chief Executive Officer (since 1997), CreditAmerica Inc., venture capital company; Chief Executive Officer (1999-2001), Ameristar Capital Corporation,	100	0.007

## Edgar Filing: SEABOARD CORP /DE/ - Form DEF 14A

financial services company;  
Chief Executive Officer (1994-1997),  
Mako Marine International,  
manufacturing company.

Beneficial ownership of all Directors and executive officers as a group (11 individuals). 8,813 (3) 0.592

- (1) The number of shares shown in this table does not include indirect beneficial ownership of Common Stock of the Company attributable to Mr. H. Harry Bresky's ownership of Seaboard Flour Corporation stock as more fully described under the Principal Stockholders section herein. 101,785.25 shares of Seaboard Flour Corporation stock are held in various Trusts for the benefit of Mr. Bresky's spouse and/or issue. Except for certain annuities to be received from certain of the Trusts, Mr. Bresky disclaims any beneficial ownership of these shares.
- (2) These shares exclude 5,285 shares (0.4% of the class) held by Mr. H. Harry Bresky's wife, and annuities to be received by her from certain of the trusts referred to in (1) above, as to which Mr. Bresky disclaims any beneficial ownership.
- (3) In addition to the ownership of shares by the individuals shown in this table, these shares include 2,538 shares (0.2% of class) owned by Mr. Steven J. Bresky and 250 shares (0.02% of class) owned by Mr. Robert L. Steer and 55 shares (0.00% of class) owned by Mr. John Lynch. No other executive officer named in the Executive Compensation and Other Information section herein owns any shares.

In case any person or persons named herein for election as Directors are not available for election at the Annual Meeting, proxies may be voted for a substitute nominee or nominees, as well as for the balance of those named herein. Management has no reason to believe that any of the nominees for the election as Director will be unavailable.

### COMMITTEES AND MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors held eight meetings in fiscal 2001, six of which were telephonic meetings. Other actions of the Board of Directors were taken by unanimous written consent as needed. The Audit Committee held four meetings in fiscal 2001, three of which were telephonic meetings. Each Director attended more than 75% of the aggregate of the total number of meetings of the Board of Directors and the total number of meetings held by all committees of the Board on which he served. The Company has no nominating or compensation committee.

Each non-employee Director receives \$7,500 quarterly and an additional \$2,000 per meeting of the Audit Committee of the Board (excluding telephonic meetings).

### AUDIT COMMITTEE REPORT

The Audit Committee of the Company is comprised of three independent directors, as defined by the American Stock Exchange, and operates under a written charter adopted by the Board of Directors.

## Edgar Filing: SEABOARD CORP /DE/ - Form DEF 14A

The Audit Committee has reviewed and discussed the audited financial statements for fiscal year 2001 with management and with the independent auditors, including matters required to be discussed by Statement on Auditing Standards No. 61, "Communication with Audit Committees," as amended.

The Audit Committee has reviewed the independent auditors' fees for audit and non-audit services for fiscal year 2001. The Audit Committee considered whether such non-audit services are compatible with maintaining independent auditor independence and has concluded that they are compatible at this time. Such fees were \$882,602 for audit, \$9,338 for financial information design and implementation, and \$376,843 for all other, including \$233,974 for non-audit services and \$142,869 for audit related services. Non-audit services consisted primarily of tax compliance and related tax services.

The Audit Committee has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees," as amended, and have discussed with the independent auditors their independence. The Audit Committee has concluded that the independent auditors currently meet applicable independence standards.

Based on its review of the audited financial statements and the various discussions noted above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001.

The foregoing has been furnished by the Audit Committee:

Thomas J. Shields (chair)  
David A. Adamsen  
Douglas W. Baena

### EXECUTIVE COMPENSATION AND OTHER INFORMATION

The following table shows all compensation earned, during the fiscal years indicated, by the Chief Executive Officer and the four other highest paid executive officers of the Company (the "Named Executive Officers") for such period in all capacities in which they have served:

SUMMARY COMPENSATION TABLE  
Annual Compensation

Name and Principal Position	Year	(1)	(2)	Other (3)	(4)
		Salary (\$)	Bonus (\$)	Annual Compensation (\$)	All Other Compensation (\$)
H. Harry Bresky	2001	800,000	800,000	27,053	14,948
President	2000	700,000	600,000	30,900	5,100
Chief Executive Officer	1999	650,000	500,000	49,228	4,800
Steven J. Bresky	2001	345,539	300,000	-	15,796
Senior Vice President,	2000	326,212	200,000	8,616	5,100
International Operations	1999	274,020	150,000	15,017	4,800

Edgar Filing: SEABOARD CORP /DE/ - Form DEF 14A

Robert L. Steer	2001	344,577	300,000	-	16,517
Senior Vice President,	2000	302,654	225,000	9,410	5,100
Treasurer and	1999	251,692	200,000	12,385	4,800
Chief Financial Officer					
John Lynch	2001	335,677	200,000	32,534	5,100
President, Seaboard	2000	321,638	150,000	35,750	5,100
Marine Ltd.	1999	269,700	100,000	10,003	4,800
Rodney K. Brenneman (5)	2001	249,583	200,000	5,810	5,100
President, Seaboard	2000	202,410	125,000	5,043	5,100
Farms, Inc.	1999	184,149	75,000	4,365	4,800

- (1) Salary includes amounts deferred at the election of the Named Executive Officers under the Company's 401(k) retirement savings plan and, for 2001, under the Company's Investment Option Plan described herein.
- (2) Reflects bonus earned for each fiscal year presented. For 2001 and 2000, amounts include compensation reduced at the election of the Named Executive Officers under the Company's Investment Option Plan described herein. For 1999, includes amount of Mr. H. Harry Bresky's bonus deferred under the Executive Deferred Compensation Plan described herein.
- (3) Other Annual Compensation earned represents benefits under the Supplemental Executive Benefit Plan described herein. For J. Lynch in 2001 and 2000, amount includes \$17,449 and \$23,205, respectively, for imputed taxable interest on an employee loan described herein.
- (4) All Other Compensation represents the Company contributions to the Company's 401(k) retirement savings plan and, for 2001, Investment Option Plan on behalf of the Named Executive Officers. The amounts for fiscal 2001 are as follows: (i) 401(k) retirement savings plan: H. Bresky \$5,100, S. Bresky \$4,714, R. Steer \$4,775, J. Lynch \$5,100 and R. Brenneman \$5,100; and (ii) Investment Option Plan: H. Bresky \$9,848, S. Bresky \$11,082 and R. Steer \$11,742. Excludes perquisites and other benefits, unless the aggregate amount of such compensation exceeds the lesser of either \$50,000 or 10% of the total of annual salary and bonus reported for the Named Executive Officer.
- (5) Mr. Brenneman was promoted to President of Seaboard Farms, Inc. in June, 2001.

RETIREMENT PLANS

Executive Retirement Plan. The Seaboard Corporation Executive Retirement Plan (the "Executive Retirement Plan") provides retirement benefits for a select group of officers and managers including the Named Executive Officers. Effective January 1, 1997, the Executive Retirement Plan provides that participants will accrue a benefit in an amount equal to 2.5% of the final average remuneration (salary plus bonus) of the participant multiplied by the years of service from January 1, 1997, reduced by the amount such participant has accrued under the Seaboard Corporation Pension Plan (described below) available to all full time employees of the Company, which benefit is payable beginning at normal retirement. Benefits under the plan are unfunded. As of December 31, 2001, all of the Named Executive Officers are fully vested and have five years of service as defined in the Executive Retirement Plan. Under this Plan, the automatic form of benefit payment, for a married participant, is pursuant to a "50% Joint and Survivor Annuity." This means the participant

Edgar Filing: SEABOARD CORP /DE/ - Form DEF 14A

will receive a monthly annuity benefit for his/her lifetime and an eligible surviving spouse shall receive a lifetime annuity equal to 50% of the participant's benefit. The automatic form of benefit payment for an unmarried participant is pursuant to a "Single Life Annuity." The Plan allows for optional forms of payment under certain circumstances. The table below shows annual benefits by remuneration and years of service beginning with fiscal 1997.

EXECUTIVE RETIREMENT PLAN TABLE  
YEARS OF SERVICE FROM JANUARY 1, 1997

REMUNERATION	15	20	25	30	35
\$ 125,000	28,100	37,500	46,800	56,300	65,600
\$ 150,000	33,200	44,200	55,300	66,300	77,400
\$ 175,000	39,100	52,100	65,200	78,200	91,200
\$ 200,000	48,500	64,600	80,800	96,900	113,100
\$ 225,000	57,900	77,100	96,400	115,700	135,000
\$ 250,000	67,300	89,600	112,100	134,400	156,900
\$ 300,000	86,000	114,600	143,300	171,900	200,600
\$ 400,000	123,500	164,600	205,800	246,900	288,100
\$ 450,000	142,300	189,600	237,100	284,400	331,900
\$ 500,000	161,000	214,600	268,300	321,900	375,600

Frozen Executive Retirement Plan Benefit. Mr. H. Bresky is 100% vested in an Executive Retirement Plan frozen effective December 31, 1996 in which he has accrued an annual benefit of \$22,500 upon his retirement. Under this Plan, the automatic form of benefit payment is pursuant to a "Ten-year Certain and Continuous Annuity." This means Mr. Bresky will receive a monthly annuity benefit for his lifetime and should Mr. Bresky die while in the ten-year certain period, the balance of the ten-year benefit will be paid to his designated beneficiary. If Mr. Bresky dies while employed by the Company or after retirement, but before the commencement of benefits, monthly payments shall be made to Mr. Bresky's beneficiary in the form of a 100% joint and survivor benefit. The Plan allows for optional forms of payment under certain circumstances.

Seaboard Corporation Pension Plan. The Seaboard Corporation Pension Plan (the "Plan") provides defined benefits for its domestic salaried and clerical employees. Beginning in fiscal 1997, each of the individuals named in the Summary Compensation Table participates in the Plan. Benefits under the Plan are generally based upon the number of years of service and a percentage of final average remuneration (salary plus bonus) but are limited by federal law. As of December 31, 2001, all of the Named Executive Officers are fully vested and have five years of service as defined in the Plan. Under the Plan, the automatic form of benefit payment, for a married participant, is pursuant to a "50% Joint and Survivor Annuity." This means the participant will receive a monthly annuity benefit for his/her lifetime and an eligible surviving spouse shall receive a lifetime annuity equal to 50% of the participant's benefit. The automatic form of benefit payment for an unmarried participant is pursuant to a "Single Life Annuity." The Plan allows for optional forms of payment under certain circumstances. The table below shows benefits by remuneration and years of service.

PENSION PLAN TABLE



Edgar Filing: SEABOARD CORP /DE/ - Form DEF 14A

YEARS OF SERVICE FROM JANUARY 1, 1997

REMUNERATION	15	20	25	30	35
\$ 125,000	18,800	25,000	31,300	37,500	43,800
\$ 150,000	23,100	30,800	38,500	46,200	53,900
\$ 175,000	26,500	35,400	44,200	53,100	61,900
\$ 200,000	26,500	35,400	44,200	53,100	61,900
\$ 225,000	26,500	35,400	44,200	53,100	61,900
\$ 250,000	26,500	35,400	44,200	53,100	61,900
\$ 300,000	26,500	35,400	44,200	53,100	61,900
\$ 400,000	26,500	35,400	44,200	53,100	61,900
\$ 450,000	26,500	35,400	44,200	53,100	61,900
\$ 500,000	26,500	35,400	44,200	53,100	61,900

Frozen Retirement Plan. Each of the Named Executive Officers in the Summary Compensation Table is 100% vested under a certain defined benefit plan which was frozen at December 31, 1993. A definitive actuarial determination of the benefit amounts was made in 1995. The annual amounts payable upon retirement after attaining age 62 under this predecessor defined benefit plan are as follows: H. Bresky \$120,108, S. Bresky \$32,796, R. Steer \$15,490, J. Lynch \$25,872, and R. Brenneman \$6,540. Under this Plan, the automatic form of benefit payment, for a married participant, is pursuant to a "Ten-year Certain and Continuous Annuity." This means the participant will receive a monthly annuity benefit for his/her lifetime and should the participant die while in the ten-year certain period, the balance of the ten-year benefit will be paid to his/her designated beneficiary. If the participant dies while employed by the Company or after retirement, but before the commencement of benefits, monthly payments shall be made to the participant's beneficiary for a period of ten years. The Plan allows for optional forms of payment under certain circumstances.

Supplemental Retirement Plans. The Supplemental Executive Benefit Plan provides for discretionary investment options under the Investment Option Plan, described below, for 2001 and 2000 and cash compensation for 1999 for H. Bresky, S. Bresky and R. Steer and cash compensation for 2001, 2000 and 1999 for J. Lynch and R. Brenneman, in an amount equal to 3% of a participant's annual compensation in excess of \$170,000 for 2001 and 2000 and \$160,000 for 1999. Additionally, the cash compensation amounts paid pursuant to this plan are grossed up to cover 100% of a participant's estimated income tax liability on the benefit. The amounts of benefits payable, including the gross up for taxes, under the Supplemental Executive Benefit Plan is reported in the Summary Compensation Table herein.

In addition to the Supplemental Executive Benefit Plan, the Company has agreed to provide a supplementary pension benefit to Mr. H. Bresky. Mr. H. Bresky is entitled to a supplementary annual pension in the amount of \$410,088 per year. Under this Plan, the automatic form of benefit payment is pursuant to a "Ten-year Certain and Continuous Annuity." This means Mr. Bresky will receive a monthly annuity benefit for his lifetime and should Mr. Bresky die while in the ten-year certain period, the balance of the ten-year benefit will be paid to his designated beneficiary. If Mr. Bresky dies while employed by the Company or after retirement, but before the commencement of benefits, monthly payments shall be made to Mr. Bresky's beneficiary for a period of ten years. Under these plans, payment of benefits commences with the executive's retirement from the Company.

Investment Option Plan. The Investment Option Plan allows executives to reduce their compensation in exchange for options to buy shares of certain mutual funds. In addition, the Company may grant discretionary investment options under the Investment Option Plan, which do not require a reduction to executive compensation. The exercise price for each investment option is established based upon the fair market value of the underlying investment at the date of grant.

Executive Deferred Compensation Plan. The Executive Deferred Compensation Plan requires the deferral of salary and bonus on a pre-tax basis for executives whose compensation exceeds the maximum allowable deductible amount under Section 162(m) of the Code (\$1 million).

None of the benefits payable under the aforementioned plans contain an offset for social security benefits.

#### REPORT OF THE BOARD OF DIRECTORS ON EXECUTIVE COMPENSATION

The following information is to provide shareholders and other interested parties with a clear understanding of the Company's philosophy regarding executive compensation and to provide insight behind fundamental compensation decisions.

The Company maintains the philosophy that determination of compensation for its executive officers by the Board of Directors is primarily based upon a recognition that these officers are responsible for implementing the Company's long-term strategic objectives. The Company's goals with respect to its executive compensation policies described below are to attract and retain top executive employees.

Base compensation, increases thereto and bonus compensation for executive officers as presented in the Summary Compensation Table herein are determined by the following factors:

Competitive compensation ranges at or above the average of a select group of comparable firms. As most of the peer group companies offer their executives long-term stock incentives, in addition to base and bonus compensation, and Seaboard does not, the Board also considers this factor in its compensation decisions. This group is comprised of comparable sized firms in the food processing and grain industries. While this group contains some of the same firms listed in the peer group index in the total return graphs herein, it is not identical.

The diversity and complexity of the Company's businesses.

Compensation decisions for the Chief Executive Officer and other executive officers are not principally based on Company performance.

As Chief Executive Officer, Mr. H. Harry Bresky's base compensation and bonus are also determined based on a survey of the select group of firms referenced above. An analysis of the data presented in this survey shows that the typical base compensation for Chief Executive Officers of these entities is comparable to the base compensation and bonus paid to Mr. H. Harry Bresky.

Discretionary bonuses for executive officers, including the Chief Executive Officer, may not exceed 100% of each executive's

## Edgar Filing: SEABOARD CORP /DE/ - Form DEF 14A

base compensation.

Pursuant to Section 162(m) of the Internal Revenue Code, compensation in excess of \$1 million paid to Mr. Bresky is not deductible by the Company. The Board of Directors has considered the effect of Section 162(m) of the Code on the Corporation's executive compensation. As such, to assure that the Corporation does not lose deductions for compensation paid, the Board of Directors has adopted the Executive Deferred Compensation Plan described above, requiring the executive to defer receipt of any compensation in excess of \$1 million that is not deductible. In 2001 and 2000, no deferral was required as Mr. Bresky elected under the Investment Option Plan to reduce his compensation below \$1 million.

The foregoing report has been furnished by the Board of Directors:

H. Harry Bresky  
Joe E. Rodrigues  
Thomas J. Shields  
David A. Adamsen  
Douglas W. Baena

### COMPANY PERFORMANCE

The Securities and Exchange Commission requires a five-year comparison of stock performance for the Company with that of an appropriate broad equity market index and similar industry index. The Company's Common Stock is traded on the American Stock Exchange, and one appropriate comparison is with the American Stock Exchange Market Value Index performance. Because there is no single industry index to compare stock performance, the companies comprising the Dow Jones Food and Marine Transportation Industry indices were chosen as the second comparison.

The following graph shows a five-year comparison of cumulative total return for the Company, the American Stock Exchange Market Value Index and the companies comprising the Dow Jones Food and Marine Transportation Industry indices weighted by market capitalization for the five fiscal years commencing December 31, 1996, and ending December 31, 2001.

#### COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN AMONG SEABOARD CORPORATION, AMERICAN STOCK EXCHANGE MARKET VALUE INDEX, AND DOW JONES FOOD AND MARINE TRANSPORTATION INDUSTRY INDICES

	Seaboard Corporation	Industry Index*	American Stock Exchange Market Value Index
12/31/01	117	128	168
12/31/00	60	122	176
12/31/99	74	109	171
12/31/98	160	134	134
12/31/97	166	139	125
12/31/96	100	100	100

\* Industry Index: a weighted average by market capitalization of the companies comprising the Dow Jones Food and Marine Transportation Industry indices.

The total cumulative return assumes that the value of the

## Edgar Filing: SEABOARD CORP /DE/ - Form DEF 14A

investment in the Company's Common Stock and each index was \$100 on December 31, 1996, and that all dividends were reinvested.

### COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Board of Directors has no compensation committee. Mr. H. Bresky is a member of the Board of Directors of the Company and participates in decisions by the Board regarding executive compensation.

On February 2, 2000, the Company loaned Mr. Lynch \$400,000 to purchase his primary residence. The promissory note is payable on demand, bears no interest and is secured by a mortgage on the home. In accordance with Internal Revenue Service regulations, Mr. Lynch's annual compensation includes an amount for imputed interest as reported in the Summary Compensation Table herein.

Upon Mr. J. Rodrigues retirement as Executive Vice President and Treasurer in February 2001, the Company entered into a consulting agreement with Mr. J. Rodrigues for various services related to certain of the Company's foreign investments. During 2001, the Company paid Mr. Rodrigues \$82,000 for consulting fees and reimbursed him \$35,479 for out-of-pocket expenses. Also, during 2001, the Company paid Mr. Rodrigues \$365,532 under various retirement plans.

During the Company's fiscal year ended December 31, 2001 and thereafter, Seaboard Flour Corporation was indebted to the Company in varying amounts. The largest balance outstanding from Seaboard Flour Corporation to the Company during the year was \$9,821,723 at June 13, 2001. The amount outstanding at February 28, 2002 was \$10,128,518. On January 25, 2002 and February 13, 2002, the Company formalized the amounts owing by Seaboard Flour Corporation to the Company by Seaboard Flour Corporation issuing Promissory Notes (the "Seaboard Flour Notes") payable to the Company in the aggregate face amount of \$10,653,518. The Seaboard Flour Notes are payable upon demand and are secured by pledge of 100,000 shares of Company stock owned by Seaboard Flour Corporation. Under the Seaboard Flour Notes, interest accrues at the greater of the prime lending rate or 7.88%, compounded quarterly if interest is not paid. Currently, interest is being accrued and not paid. Prior to January 25, 2002, interest accrued at the prime lending rate.

In addition to the Seaboard Flour Notes, varying amounts were due from Seaboard Flour Corporation for reimbursement of miscellaneous operating expenses. As of December 31, 2001, Seaboard Corporation was owed \$29,608. During the year 2001, the largest amount of reimbursements due from Seaboard Flour Corporation was \$30,898 as of January 27, 2001.

### ITEM 2: SELECTION OF INDEPENDENT AUDITORS

The persons named in the accompanying proxy intend, unless otherwise instructed, to vote the proxies to ratify the selection of KPMG LLP, certified public accountants, as independent auditors of the Company for the next fiscal year. The selection of this firm has been recommended by the Audit Committee of the Board of Directors of the Company. The Company has been advised by such firm that neither it nor any member or associate has any relationship with the Company or with any of its affiliates other than as independent accountants and auditors. Submission to the stockholders of the selection of auditors is not required by the By-Laws.

## Edgar Filing: SEABOARD CORP /DE/ - Form DEF 14A

Representatives of KPMG LLP will be present at the Annual Meeting with the opportunity to make any statement desired and will be available to answer questions from stockholders.

### OTHER MATTERS

The notice of meeting provides for the election of Directors, the selection of independent auditors and for the transaction of such other business as may properly come before the meeting. As of the date of this Proxy Statement, the Board of Directors does not intend to present to the meeting any other business, and it has not been informed of any business intended to be presented by others. However, if any other matters properly come before the meeting, the persons named in the enclosed proxy will take action and vote proxies, in accordance with their judgment of such matters.

Action may be taken on the business to be transacted at the meeting on the date specified in the notice of meeting or on any date or dates to which such meeting may be adjourned.

### SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely on a review of the copies of reports furnished to the Company and written representations that no other reports were required, the Company believes that during fiscal 2001 all reports of ownership required under Section 16(a) of the Securities Exchange Act of 1934 for Directors and executive officers of the Company and beneficial owners of more than 10% of the Company's Common Stock have been timely filed.

### STOCKHOLDER PROPOSALS

Any stockholder proposals for consideration at next year's annual meeting of stockholders must be received by the Company at its executive offices, 9000 West 67th Street, Shawnee Mission, Kansas 66202, no later than November 8, 2002, except that if the next year's annual meeting date is changed by more than 30 calendar days from the regularly scheduled date, the Company must receive such a proposal within a reasonable time before the Board of Directors makes its proxy solicitation.

### ADDITIONAL INFORMATION

Any stockholder desiring additional information about the Company and its operations may, upon written request, obtain a copy of the Company's Annual Report to the Securities and Exchange Commission on Form 10-K without charge. Requests should be directed to Shareholder Relations, Seaboard Corporation, 9000 West 67th Street, Shawnee Mission, Kansas 66202. The Company's Annual Report to the Securities and Exchange Commission on Form 10-K is also available on the Company's Internet website at [www.seaboardcorp.com](http://www.seaboardcorp.com).