

MIRANT CORP
Form DEF 14A
April 07, 2006

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
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- Soliciting Material Pursuant to §240.14a-12

Mirant Corporation
(Name of Registrant as Specified In Its Charter)

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

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Notice of Annual Meeting of Stockholders May 9, 2006

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The Annual Meeting of Stockholders of Mirant Corporation will be held at 8:00 a.m., Eastern Daylight Time, on Tuesday, May 9, 2006, at Mirant's Corporate Headquarters, 1155 Perimeter Center West, Atlanta, GA 30338, for the following purposes:

- (1) To elect nine members of the Board of Directors;
- (2) To ratify the appointment of the Company's independent auditor for 2006; and
- (3) To transact such other business as may properly be brought before the meeting and any and all adjournments thereof.

In accordance with the Bylaws and action by the Board of Directors, stockholders owning Mirant common stock at the close of business on March 24, 2006 are entitled to attend and vote at the meeting.

If you attend, please note that you may be asked to present valid picture identification, such as a driver's license or passport.

The Proxy Statement, Annual Report and proxy form are included in this mailing.

Even if you plan to attend the meeting, please provide us your voting instructions in one of the following ways as soon as possible:

- (1) Internet use the Internet address on the proxy form
- (2) Telephone use the toll-free number on the proxy form
- (3) Mail mark, sign, and date the proxy form and return in the enclosed postage-paid envelope

By Order of the Board of Directors,

Elizabeth B. Chandler

Corporate Secretary

April 7, 2006

Directions

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From the airport or downtown Atlanta: Take I-85 North to GA 400 North to Exit 5A Dunwoody. Turn right and follow Abernathy Road which becomes Perimeter Center West. Turn right at 3rd light into entrance of 1155 Perimeter Center West. Parking deck entrance is on left just past the building. Visitor parking is on the 3rd level of the parking deck.

From I-285: Take Exit 29 Ashford Dunwoody Road going north toward Perimeter Mall. Turn left at 5th traffic light on Perimeter Center West. Turn left at the 6th traffic light into the entrance of 1155 Perimeter Center West. Parking deck entrance is on the left just past the building. Visitor parking is on 3rd level of the parking deck.

General Information

Why am I receiving this Proxy Statement?

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The Board of Directors of Mirant Corporation is soliciting your proxy for the 2006 Annual Meeting of Stockholders and any adjournments thereof. The meeting will be held at 8:00 a.m., Eastern Daylight Time, on Tuesday, May 9, 2006, at Mirant's Corporate Headquarters, 1155 Perimeter Center West, Atlanta, GA 30338. This Proxy Statement and proxy form initially are being provided to stockholders on or about April 7, 2006.

What is being voted upon at the meeting?

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The election of nine directors for a one-year term and the ratification of the appointment of the Company's independent auditor for 2006 are being voted on at the meeting. We are not aware of any other matters to be presented to the meeting; however, the holders of the proxies will vote in their discretion on any other matters properly presented.

How do I give voting instructions?

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You may give your voting instructions by the Internet, by telephone, by mail or in person at the meeting. Instructions are on the proxy form. The proxy committee, named on the enclosed proxy form, will vote all properly executed proxies that are delivered pursuant to this solicitation and not subsequently revoked in accordance with the instructions given by you.

Can I change my vote?

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Yes, you may revoke your proxy by submitting a subsequent proxy or by written request received by Mirant's Corporate Secretary before the meeting.

Who can vote?

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All stockholders of record on the record date of March 24, 2006 may vote. On that date, there were 278,989,863 Mirant Corporation common shares outstanding and entitled to vote.

How much does each share count?

Each share counts as one vote.

What constitutes a quorum for the meeting?

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A quorum consists of a majority of the outstanding shares, present or presented by proxy. A quorum is necessary to conduct business at the annual meeting. For the purpose of determining a quorum, abstentions are counted, but shares held by a broker that the broker fails to vote are not (commonly referred to as a broker non-vote). Neither an abstention nor a broker non-vote is counted for or against the matters being considered.

What does it mean if I get more than one proxy form?

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You will receive a proxy form for each account that you have. Please vote proxies for all accounts to ensure that all your shares are voted. You may consolidate multiple accounts online at www.melloninvestor.com or call our transfer agent, Mellon Investor Services, at 1 866 463 1222.

When are stockholder proposals due for the 2007 Annual Meeting of Stockholders?

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Stockholder proposals to be considered for inclusion in Mirant's proxy materials for the 2007 Annual Meeting of Stockholders must be received no later than January 2, 2007. Stockholder proposals must be submitted in writing to our Corporate Secretary at Mirant Corporation, 1155 Perimeter Center West, Atlanta, GA 30338. For stockholder proposals that are not included in Mirant's proxy materials to be presented at next year's meeting, you must comply with the requirements set forth in Article II, Section 11(A) of our Bylaws. Our Bylaws require, among other things, that our Corporate Secretary receive the proposal no earlier than the close of business on the 120th day, and no later than the close of business on the 90th day, prior to the first anniversary of the prior year's Annual Meeting. Accordingly, for Mirant's 2007 Annual Meeting, the Corporate Secretary must receive the proposal no earlier than January 9, 2007, and no later than February 8, 2007. The proxy solicited by the Board of

Directors for next year's meeting will confer discretionary authority to vote on any proposal that does not meet these requirements.

Who pays the expense of soliciting proxies?

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Mirant pays the cost of soliciting proxies. The officers or other employees of Mirant or its subsidiaries may solicit proxies in order to have a larger representation at the meeting.

Corporate Governance

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The implementation of our Plan of Reorganization, in conjunction with our emergence from bankruptcy on January 3, 2006, established a new Board of Directors. Our new Board consists of nine directors who have diverse backgrounds and experience, and is chaired by Edward R. Muller, our President and Chief Executive Officer. A. D. (Pete) Correll serves as lead independent director and is the only director from the prior Board who has continued to serve on our new Board. The lead independent director coordinates the activities of the other non-employee directors, serves as chairman of the Nominating and Governance Committee, presides over meetings of the non-employee directors and serves as the liaison between the non-employee directors and the Chairman of the Board. Each director serves a one-year term and is subject to annual election.

Board Structure and Committee Membership

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The Board of Directors has standing Audit, Compensation, and Nominating and Governance Committees. The table below provides information about the membership of these committees since January 3, 2006.

Directors	Audit	Compensation	Nominating & Governance
Thomas W. Cason	* (Chair)		
A. D. (Pete) Correll		*	* (Chair)
Terry G. Dallas			*
Thomas H. Johnson		* (Chair)	
John T. Miller	*		
Edward R. Muller			
Robert C. Murray	*		
John M. Quain			*
William L. Thacker		*	

Mr. Muller was elected as Chairman of the Board, President and Chief Executive Officer on September 30, 2005. The other individuals listed above were elected to Mirant's Board of Directors by operation of its Plan of Reorganization on January 3, 2006. The process for selection of these individuals was as follows:

Thomas H. Johnson, Robert C. Murray, John M. Quain, William L. Thacker, John T. Miller and Thomas W. Cason were selected by a joint selection committee, comprised of Stuart E. Eizenstat and Robert F. McCullough (members of our Nominating and Governance Committee prior to January 3, 2006), four representatives of The Official Committee of Unsecured Creditors of Mirant Corporation in the Chapter 11 proceedings, and Mr. Muller. These directors were selected from a list of candidates formulated by Russell Reynolds & Associates, Inc., a national search firm;

Terry G. Dallas was selected by a joint selection committee, comprised of representatives of The Official Committee of Equity Security Holders of Mirant Corporation in the Chapter 11 proceedings, Robert F. McCullough (a member of the Nominating and Governance Committee prior to January 3, 2006), and Mr. Muller, from a list of candidates formulated by Russell Reynolds & Associates, Inc;

Under the Plan of Reorganization, A. D. (Pete) Correll remained on the Board as lead independent director.

The new Board of Directors has met twice in 2006.

The table below provides information about the membership of our Board of Directors and its committees during 2005 and prior to our emergence from bankruptcy on January 3, 2006.

Directors	Audit	Compensation	Nominating & Governance	Third Party Claims (1)
A. D. (Pete) Correll	* (2)	* (Chair)		
A. W. Dahlberg (3)				
Stuart E. Eizenstat	* (4)		* (Chair)	* (Chair)
S. Marce Fuller				
David J. Lesar	*	*		
Robert F. McCullough	* (Chair)		*	*
James F. McDonald		*		
Edward R. Muller (5)				
Ray M. Robinson			*	*

(1) The purpose of the Third Party Claims Committee was to assess and direct the Company's investigations of potential claims against certain third parties under the Bankruptcy Code or state law in connection with the Company's Chapter 11 filing. The Third Party Claims Committee met eight times in 2005.

(2) Mr. Correll was elected to the Audit Committee on December 15, 2005.

(3) Mr. Dahlberg served as Chairman of the Board until September 30, 2005.

(4) Mr. Eizenstat served on the Audit Committee until December 15, 2005.

- (5) Mr. Muller was elected to the Board and named Chairman on September 30, 2005.

The prior Board met 13 times in 2005, and no director attended fewer than 75% of the total of the Board meetings and the meetings of the committees upon which he or she served. The Company did not hold an annual meeting in 2005.

Corporate Governance Guidelines

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The current Board of Directors approved new Corporate Governance Guidelines and new charters for the Audit, Compensation, and Nominating and Governance Committees that comply with applicable laws and regulations and the listing standards of the New York Stock Exchange. The Corporate Governance Guidelines and all three committee charters are posted on our website at www.mirant.com. Stockholders also may request a copy of the guidelines and charters by writing to the Corporate Secretary at Mirant Corporation, 1155 Perimeter Center West, Atlanta, GA 30338.

The Corporate Governance Guidelines describe the role of the Board and the responsibilities of the directors. They provide that the Board will conduct an annual evaluation to assess and enhance its effectiveness, and the Guidelines direct non-management directors to meet in executive session at least quarterly, with the Company's lead independent director presiding at these sessions. They also note that directors are expected to attend the Annual Meeting of Stockholders.

Director Independence

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The Board has determined that each of the non-employee directors is independent under applicable New York Stock Exchange listing standards and our Corporate Governance Guidelines. This determination was based upon the recommendation of the Nominating and Governance Committee and all relevant facts and circumstances appropriate for consideration in the judgment of the Board. As described in the Corporate Governance Guidelines, the Board applies the following standards in assessing independence:

(1) No director can qualify as independent if he or she has a material relationship with the Company, either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company.

(2) A director is not independent if:

(i) The director is, or has been within the last three years, an employee of the Company, or an immediate family member of the director is, or has been within the last three years, an executive officer of the Company.

(ii) The director, or an immediate family member of the director, has received during any 12-month period during the last three years more than \$100,000 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). Compensation received by an immediate family member for service as an employee (other than an executive officer) is not considered for purposes of this standard.

(iii) The director, or an immediate family member of the director, is, or within the last three years has been, employed as an executive officer of another company where any of the Company's present executive officers serves or served at the same time on that company's compensation committee.

(iv) The director is a current employee, or has an immediate family member who is a current executive officer, of another company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of the other company's consolidated gross annual revenues.

(v) The director is, or in the past three years has been, an executive officer of a charitable organization to which the Company made contributions in an amount which in any single fiscal year exceeds the greater of \$1 million or 2% of such charitable organization's consolidated gross annual revenues.

Director Compensation

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Only non-employee directors are compensated for Board service as described below:

Annual retainer: \$60,000 per year

Equity Compensation: \$75,000 per year, payable 1/3 in restricted stock and 2/3 in stock options

Supplemental retainer for Audit Committee Chair: \$20,000 per year

Supplemental retainer for Compensation and Nominating and Governance Committee Chairs: \$10,000 per year

Supplemental retainer for lead independent director: \$20,000 per year

Meeting fees: \$1,500 for each Board or committee meeting

Certain Relationships and Related Party Transactions

John M. Quain became a director of Mirant on January 3, 2006. He is a stockholder of Klett Rooney Leiber & Schloring, P.C., a law firm that provided services to Mirant in 2005. The aggregate amount paid by Mirant to Klett Rooney Leiber & Schloring, P.C. in 2005 was \$24,751. Mirant does not intend to retain the services of Klett Rooney Leiber & Schloring, P.C. in 2006.

Audit Committee

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The Audit Committee was appointed by the Board on January 3, 2006. Upon recommendation of the Nominating and Governance Committee, the Board of Directors determined that each of the members of the Audit Committee (i) meets the independence requirements of the New York Stock Exchange and our Corporate Governance Guidelines and (ii) is financially literate and qualifies as an audit committee financial expert as defined in the Securities and Exchange Commission (SEC) regulations. The Board has adopted a written charter for the Audit Committee, which is attached as Appendix A to this Proxy Statement. The Audit Committee in place during 2005 also met the independence requirements of the New York Stock Exchange. It met eight times during 2005 and fulfilled all of the duties and responsibilities set forth in its Audit Committee Charter. The new Audit Committee has met three times in 2006. The prior Audit Committee had separate private discussions with the independent auditors and the Vice President of Internal Audit at each regularly scheduled meeting, and the new Audit Committee has continued that practice. The key responsibilities of the Audit Committee are: