

NEWELL RUBBERMAID INC
Form DEF 14A
March 31, 2003

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SCHEDULE 14A INFORMATION

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

Newell Rubbermaid 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):

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(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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(4) Date Filed:

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 7, 2003

To the Stockholders of NEWELL RUBBERMAID INC.:

You are cordially invited to attend the annual meeting of stockholders of NEWELL RUBBERMAID INC. to be held on Wednesday, May 7, 2003, at 10:00 a.m., local time, at The Northern Trust Company, 50 South LaSalle Street (located at the northwest corner of LaSalle Street and Monroe Street), Chicago, Illinois.

At the annual meeting, you will be asked to:

Elect four directors of the Company to serve for a term of three years;

Approve the Newell Rubbermaid Inc. 2003 Stock Plan;

Approve the Newell Rubbermaid Inc. Management Cash Bonus Plan; and

Transact other business as may properly come before the annual meeting and any adjournment or postponement of the annual meeting.

Your Board of Directors unanimously recommends that you vote FOR each of the proposals set forth in this proxy statement.

Only stockholders of record at the close of business on March 14, 2003 may vote at the annual meeting or any adjournment or postponement thereof.

Whether or not you plan to attend the annual meeting, please act promptly to vote your shares with respect to the proposals described above. You may vote your shares by marking, signing and dating the enclosed proxy card and returning it in the postage-paid envelope provided. You also may vote your shares by telephone or through the Internet by following the instructions set forth on the proxy card. If you attend the annual meeting, you may vote your shares in person, even if you have previously submitted a proxy in writing, by telephone or through the Internet.

By Order of the Board of
Directors,

ANDREA L. HORNE
*Vice President Corporate
 Development and Corporate
 Secretary*

March 24, 2003

IMPORTANT

The Company's audited financial statements for fiscal year 2002, together with Management's Discussion and Analysis of Results of Operations and Financial Condition and other related information, are included in the proxy statement beginning on page C-1.

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**Newell Rubbermaid Inc.
29 East Stephenson Street
Freeport, Illinois 61032**

**PROXY STATEMENT FOR ANNUAL MEETING OF
STOCKHOLDERS TO BE HELD ON MAY 7, 2003**

You are receiving this proxy statement and proxy card from us because you own shares of common stock in Newell Rubbermaid Inc. This proxy statement describes the proposals on which we would like you to vote. It also gives you information so that you can make an informed voting decision. We first mailed this proxy statement and the form of proxy to stockholders on or about April 2, 2003.

VOTING AT THE ANNUAL MEETING

Date, Time and Place of the Annual Meeting

We will hold the annual meeting at The Northern Trust Company, 50 South LaSalle Street (located at the northwest corner of LaSalle Street and Monroe Street), Chicago, Illinois, at 10:00 a.m., local time, on May 7, 2003.

Who May Vote

Record holders of the Company's common stock at the close of business on March 14, 2003 are entitled to notice of and to vote at the annual meeting. On the record date, approximately 274,147,048 shares of common stock were issued and outstanding.

Quorum for the Annual Meeting

A quorum of stockholders is necessary to take action at the annual meeting. A majority of the outstanding shares of common stock of the Company, present in person or by proxy, will constitute a quorum. Votes cast by proxy or in person at the annual meeting will be tabulated by the inspectors of election appointed for the annual meeting. The inspectors of election will determine whether a quorum is present at the annual meeting. The inspectors of election will treat instructions to withhold authority, abstentions and broker non-votes as present for purposes of determining the presence of a quorum. In the event that a quorum is not present at the annual meeting, we expect that the annual meeting will be adjourned or postponed to solicit additional proxies.

Votes Required

The four nominees for director who receive the greatest number of votes cast in person or by proxy at the annual meeting will be elected directors of the Company. The vote required for each of the approval of the Newell Rubbermaid Inc. 2003 Stock Plan (the "2003 Plan") and the approval of the Newell Rubbermaid Inc. Management Cash Bonus Plan (the "Bonus Plan") is the affirmative vote of a majority of the shares of common stock present in person or by proxy and entitled to vote at the annual meeting.

You are entitled to one vote for each share you own on the record date on each proposal to be considered at the annual meeting. A broker or other nominee may have discretionary authority to vote certain shares of common stock if the beneficial owner or other person entitled to vote those shares has not provided instructions.

Instructions to withhold authority to vote will have no effect on the election of directors because directors are elected by a plurality of votes cast. Any proxy marked "abstain" with respect to the approval of the 2003 Plan or the approval of the Bonus Plan will have the effect of a vote against

approval. Shares represented by a proxy as to which there is a broker non-vote will have no effect on the vote on the 2003 Plan or the Bonus Plan because a broker non-vote is not considered entitled to vote on these proposals.

How to Vote

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You may attend the annual meeting and vote your shares in person. You also may choose to submit your proxies by any of the following methods:

Voting by Mail. If you choose to vote by mail, simply complete the enclosed proxy card, date and sign it, and return it in the postage-paid envelope provided. If you sign your proxy card and return it without marking any voting instructions, your shares will be voted in favor of the proposals presented at the annual meeting.

Voting by Telephone. You may vote your shares by telephone by calling the toll-free telephone number provided on the proxy card. Telephone voting is available 24 hours a day, and the procedures are designed to authenticate votes cast by using a personal identification number located on the proxy card. The procedures allow you to give a proxy to vote your shares and to confirm that your instructions have been properly recorded. If you vote by telephone, you should not return your proxy card.

Voting by Internet. You also may vote through the Internet by signing on to the website identified on the proxy card and following the procedures described in the website. Internet voting is available 24 hours a day, and the procedures are designed to authenticate votes cast by using a personal identification number located on the proxy card. The procedures allow you to give a proxy to vote your shares and to confirm that your instructions have been properly recorded. If you vote by Internet, you should not return your proxy card.

If you are a stockholder whose shares are held in "street name" (*i.e.*, in the name of a broker, bank or other record holder), you must either direct the record holder of your shares how to vote your shares or obtain a proxy, executed in your favor, from the record holder to be able to vote at the annual meeting.

How You May Revoke or Change Your Vote

You may revoke your proxy at any time before it is voted at the annual meeting by any of the following methods:

Submitting a later-dated proxy by mail, over the telephone or through the Internet.

Sending a written notice, including by telegram or teletype, to the Corporate Secretary of the Company. You must send any written notice of a revocation of a proxy so that it is received before the taking of the vote at the annual meeting to:

Newell Rubbermaid Inc.
6833 Stalter Drive, Suite 101
Rockford, Illinois 61108
Teletype: 1-815-381-8160
Attention: Corporate Secretary

Attending the annual meeting and voting in person. Your attendance at the annual meeting will not in and of itself revoke your proxy. You must also vote your shares at the annual meeting. If your shares are held in "street name" by a broker, bank or other record holder, you must obtain a proxy, executed in your favor, from the record holder to be able to vote at the annual meeting.

If you require assistance in changing or revoking your proxy, please contact the Company's proxy solicitor, Morrow & Co., Inc., at the following address or telephone number:

Morrow & Co., Inc.
445 Park Avenue, 5th Floor
New York, New York 10022
Phone Number: 1-800-566-9061

Costs of Solicitation

The Company will pay the costs of soliciting proxies. The Company has retained Morrow & Co., Inc. to aid in the solicitation of proxies and to verify certain records related to the solicitation. The Company will pay Morrow & Co., Inc. a fee of \$9,000 as compensation for its services and will reimburse it for its reasonable out-of-pocket expenses.

In addition to solicitation by mail, directors, officers and employees of the Company may also solicit proxies from stockholders by telephone, telecopy, telegram, Internet or in person. Upon request, the Company will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in sending the proxy materials to beneficial owners.

PROPOSAL 1 ELECTION OF DIRECTORS

The Company's Board of Directors is currently comprised of 12 directors who are divided into three classes, with each class elected for a three-year term. Dr. Robert L. Katz, a director of the Company since 1975, has decided not to stand for re-election at the annual meeting. As a result, the Board of Directors has acted to amend the Company's By-Laws to reduce the size of the Board of Directors to 11 members, with such change to take effect immediately prior to the annual meeting. In addition, Elizabeth Cuthbert Millett will move to Class I from Class II immediately prior to the annual meeting in order to make the Company's three classes of directors as nearly equal in number as possible in accordance with the Company's restated certificate of incorporation. The Board of Directors has nominated Thomas E. Clarke, Joseph Galli, Jr., Elizabeth Cuthbert Millet and William P. Sovey for re-election as directors at the annual meeting. If elected, Dr. Clarke, Mr. Galli, Ms. Millett and Mr. Sovey will serve as Class I directors until the annual meeting of stockholders to be held in 2006 and until their successors have been duly elected and qualified.

Proxies will be voted, unless otherwise indicated, for the election of the four nominees for director. Proxies will be voted in a discretionary manner should any nominee be unable to serve. All of the nominees are currently serving as directors of the Company and have consented to serve as directors if elected at this year's annual meeting.

The Board of Directors unanimously recommends that you vote FOR the election of each nominee for director.

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Information about the nominees and the continuing directors whose terms expire in future years is set forth below. The dates shown for service as a director of the Company include service as a director of the predecessor of the Company prior to July 1987.

Name and Background	Director Since
Nominees for Class I Directors Term Expiring in 2006	
Thomas E. Clarke, age 51, has been President of New Business Ventures of Nike, Inc. (a designer, developer and marketer of footwear, apparel, equipment and accessory products) since June 2001. Dr. Clarke joined Nike, Inc. in 1980. He was appointed divisional vice president in charge of marketing in 1987, corporate Vice President in 1989, General Manager in 1990, and served as President and Chief Operating Officer from 1994 to 2000. Dr. Clarke previously held various positions with Nike, Inc., primarily in research, design, development and marketing	2003
Joseph Galli, Jr., age 44, has been President and Chief Executive Officer of the Company since January 2001. Prior thereto, Mr. Galli was President and Chief Executive Officer of VerticalNet, Inc. (an internet business-to-business company) from June 2000 until January 2001. From June 1999 until June 2000, he was President and Chief Operating Officer of Amazon.com (an internet business-to-consumer company). From 1980 until June 1999, Mr. Galli held a variety of positions with The Black and Decker Corporation (a manufacturer and marketer of power tools and accessories), culminating as President of Black and Decker's Worldwide Power Tools and Accessories Group. Mr. Galli received a B.S. in Business Administration from the University of North Carolina and an M.B.A. from Loyola College, Baltimore, Maryland	2001
Elizabeth Cuthbert Millett, age 46, has been the owner and operator of Plum Creek Ranch, located	1995

Name and Background	Director Since
in Newcastle, Wyoming (a commercial cattle production company) for more than five years	
William P. Sovey, age 69, has been Chairman of the Board of the Company since January 2001 and previously held that position from January 1998 to October 2000. He was Vice Chairman and Chief Executive Officer of the Company from May 1992 through December 1997 and again from November 2000 to January 2001. Mr. Sovey was President and Chief Operating Officer of the Company from January 1986 through May 1992. He was President and Chief Operating Officer of AMF Inc. (an industrial and consumer leisure products company) from March 1982 through July 1985, and Executive Vice President from August 1979 through March 1982. He is also a director of TECO Energy Inc. (an electric utility holding company) and Actuant Corp. (an industrial consumer products company)	1986

Class II Directors Continuing in Office Term Expiring in 2004

Scott S. Cowen, age 56, has been the President of Tulane University and Seymour S Goodman Memorial Professor of Business since July 1998. From 1984 through July 1998, Dr. Cowen served as Dean and Albert J. Weatherhead, III Professor of Management, Weatherhead School of Management, Case Western Reserve University. Prior to his departure in 1998, Dr. Cowen had been associated with Case Western Reserve University in various capacities since 1976. Dr. Cowen is currently a director of American Greetings Corp. (a manufacturer of greeting cards and related merchandise), Forest City Enterprises (a real estate developer) and Jo-Ann Stores (an operator of retail fabric shops)	1999
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Cynthia A. Montgomery, age 50, has been a Professor of Business Administration at the Harvard University Graduate School of Business since 1989. Prior thereto, Dr. Montgomery was a Professor at the Kellogg School of Management at Northwestern University from 1985 to 1989. She is also a director of UNUM Provident Corporation (an insurance company) and certain registered investment companies managed by Merrill Lynch & Co. or one of its subsidiaries	1995
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Allan P. Newell, age 56, has been a private investor for more than five years	1982
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Gordon R. Sullivan, age 65, General, U.S. Army (Ret.), has been President of the Association of the United States Army since February 1998. From 1995 through 1997, Mr. Sullivan served as President of Coleman Federal, a division of Coleman Research Corporation (a systems engineering company and a subsidiary of Thermo Electron Corporation). From 1991 through 1995, Mr. Sullivan served as the 32nd Chief of Staff of the United States Army and as a member of the Joint Chiefs of Staff. Prior thereto, Mr. Sullivan served as Vice Chief of Staff and Deputy Chief of Staff for Operations and Plans of the United States Army. Mr. Sullivan is currently a director of Shell Oil Company (a petroleum company) and RTI, International (an international research development institute)	1999
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Class III Directors Continuing in Office Term Expiring in 2005

Alton F. Doody, age 68, has been President and Chief Executive Officer of The Alton F. Doody Co. (a marketing consulting company) since 1984. Dr. Doody was co-founder of Management Horizons, Inc., now a division of PriceWaterhouseCoopers. For 12 years, Dr. Doody served as a Professor of Marketing and Business Strategy at The Ohio State University	1976
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William D. Marohn, age 62, retired in December 1998 as Vice Chairman of the Board of Whirlpool Corporation (a manufacturer and marketer of major home appliances), a post he held since February 1997. From October 1992 through January 1997, Mr. Marohn served as the President and Chief Operating Officer of Whirlpool Corporation. From January through October 1992, he was President of Whirlpool Europe, B.V. From April 1989 through December 1991, Mr. Marohn served as Executive Vice President of Whirlpool's North American Operations and from 1987 through March	1999
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1989 he was President of Whirlpool's Kenmore Appliance Group. Prior to retirement, Mr. Marohn had been associated with Whirlpool since 1964

Raymond G. Viault, age 58, has been Vice Chairman of General Mills, Inc. (a manufacturer and marketer of consumer food products) since 1996. From 1990 to 1996, Mr. Viault was President of Kraft Jacobs Suchard in Zurich, Switzerland. Mr. Viault was with Kraft General Foods for a total of 20 years, serving in a variety of major marketing and general management positions. Mr. Viault is also a director of VF Corp. (an apparel company) and Cereal Partners Worldwide (a General Mills joint venture)

2002

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INFORMATION REGARDING BOARD OF DIRECTORS AND COMMITTEES

General

The primary responsibility of the Board of Directors is to oversee the affairs of the Company for the benefit of the Company's stockholders. To assist it in fulfilling its duties, the Board of Directors has delegated certain authority to the Audit Committee, the Organizational Development & Compensation Committee and the Nominating/Governance Committee. The duties and responsibilities of these committees are described below under "Information Regarding Board of Directors and Committees Committees."

In February 2003, the Board of Directors adopted the "Newell Rubbermaid Inc. Corporate Governance Guidelines." The purpose of these guidelines is to ensure that the Company's corporate governance practices enhance the Board's ability to discharge its duties on behalf of the Company's stockholders. The Corporate Governance Guidelines, which are available under the "Corporate Governance" link on the Company's website at www.newellrubbermaid.com, include:

a requirement that a majority of the Board will be "independent directors," as defined under the applicable rules of The New York Stock Exchange, Inc. ("NYSE") and any standards adopted by the Board of Directors from time to time;

a requirement that all members of the Audit Committee, the Organizational Development & Compensation Committee and the Nominating/Governance Committee will be "independent directors" under standards adopted by the Board of Directors and applicable rules of the NYSE;

mandatory director retirement at the annual meeting immediately following the attainment of age 73;

regular executive sessions of non-management directors outside the presence of management;

annual review of the Board's performance;

regular review of management succession planning and annual performance reviews of the Chief Executive Officer; and

the authority of the Board to engage independent legal, financial, accounting and other advisors as it believes necessary or appropriate to assist it in the fulfillment of its responsibilities, without consulting with, or obtaining the advance approval of, any Company officer.

Meetings

The Company's Board of Directors held 12 meetings during 2002. All directors attended at least 75% of the Board meetings and meetings of Board committees on which they served.

Committees

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The Board of Directors has an Audit Committee, an Organizational Development & Compensation Committee and a Nominating/Governance Committee.

Audit Committee. The Audit Committee, whose chairperson is Dr. Cowen and whose other current members are Dr. Katz, Dr. Doody, Mr. Sullivan and Mr. Viault, met 10 times during 2002. Each member of the Audit Committee is an "independent director" under applicable NYSE rules. The Audit Committee assists the Board of Directors in fulfilling its fiduciary obligations to oversee:

the integrity of the Company's financial statements;

the Company's compliance with legal and regulatory requirements;

the qualifications and independence of the Company's independent auditors; and

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the performance of the Company's internal audit function and independent auditors.

A full description of the duties of the Audit Committee is set forth in the Audit Committee charter, which was approved by the Board of Directors on February 10, 2003. The Audit Committee charter is attached as Exhibit A to this proxy statement and is also available under the "Corporate Governance" link on the Company's website at www.newellrubbermaid.com.

Organizational Development & Compensation Committee. The Organizational Development & Compensation Committee, whose chairperson is Mr. Marohn and whose other current members are Dr. Katz, Ms. Millett, Mr. Sovey and Mr. Sullivan, met five times during 2002. The principal responsibilities of the Organizational Development & Compensation Committee include:

reviewing the Company's executive compensation programs to ensure the attraction, retention and appropriate reward of executive officers, to motivate their performance in the achievement of the Company's business objectives, and to align the interest of the executive officers with the long-term interests of the Company's shareholders;

reviewing and recommending to the Board of Directors, base salary amounts for the Chief Executive Officer and his direct reports, annual incentive programs and payout of such plans for the Chief Executive Officer and key executives, individual stock option grants, as well as all policies related to the issuance of options within the Company, and annual performance objectives of the Chief Executive Officer/Company;

reviewing and reporting to the Board of Directors, progress on the Company's organizational development activities, including succession planning and training of all management levels;

conducting an annual review and making recommendations to the Board of Directors on director compensation; and

approving revisions to the Company's executive salary range structure and annual increase guidelines.

The Organizational Development & Compensation Committee acts under a written charter that was approved by the Board of Directors on August 12, 2002. The Organizational Development & Compensation Committee charter is available under the "Corporate Governance" link on the Company's website at www.newellrubbermaid.com.

Nominating/Governance Committee. The Nominating/Governance Committee, whose chairperson is Dr. Montgomery and whose other current members are Mr. Marohn, Ms. Millett, Mr. Newell and Mr. Sovey, met 11 times during 2002. The Nominating/Governance Committee is principally responsible for:

identifying and recommending to the Board of Directors candidates for nomination or appointment as directors;

reviewing and recommending to the Board of Directors appointments to Board committees;

developing and recommending, to the Board of Directors, corporate governance guidelines for the Company and any changes to those guidelines;

reviewing, from time to time, the Company's Code of Business Conduct and Ethics and certain other policies and programs intended to promote compliance by the Company with its legal and ethical obligations, and recommending to the Board of Directors any changes to the Company's Code of Business Conduct and Ethics and such policies and programs; and

overseeing the Board of Directors' annual evaluation of its own performance.

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The Nominating/Governance Committee acts under a written charter that was approved by the Board of Directors on February 10, 2003. The Nominating/Governance Committee charter is available under the "Corporate Governance" link on the Company's website at www.newellrubbermaid.com.

A stockholder who wishes to submit a candidate for consideration at the annual meeting of stockholders to be held in 2004 must notify the Corporate Secretary of the Company in writing no later than February 6, 2004. The stockholder's written notice must include appropriate biographical information about each proposed nominee and other information required in proxy solicitations. A candidate must be highly qualified, as well as willing and able to serve as a director.

Compensation of Directors

In 2002, directors of the Company who are not also employees of the Company are paid an annual retainer of \$40,000 (the Chairman of the Board is paid \$300,000), plus a \$2,000 fee for each Board meeting attended and a \$1,000 fee for each committee meeting attended, unless such meetings are conducted by telephone, in which case the fee is \$500 for each meeting. Committee chairmen receive an additional \$1,000 fee for each committee meeting attended in person. In 2003, cash compensation for non-employee directors will remain the same, except that the annual retainer will be \$50,000.

Under the Newell Rubbermaid Inc. Amended and Restated 1993 Stock Option Plan, which was in effect until December 31, 2002, each continuing non-employee director received an automatic grant of an option to purchase 2,000 shares of common stock at each annual meeting of stockholders of the Company, and each non-employee director who was first elected or appointed a director of the Company received an automatic grant of an option to purchase 10,000 shares of common stock at the time he or she was first elected or appointed. All options were granted at the market value of the common stock on the date of the grant and became exercisable in annual cumulative installments of 20%, commencing one year from the date of grant, with full vesting occurring on the fifth anniversary of the date of grant.

Under the 2003 Plan, if approved by stockholders, each continuing non-employee director will be eligible to receive a grant of an option to purchase up to a maximum of 5,000 shares of common stock at each annual meeting of stockholders of the Company, and each new non-employee director will be eligible to receive a grant of an option to purchase up to a maximum of 20,000 shares of common stock at the time he or she is first elected or appointed a director of the Company. The initial option grant to a person who first becomes a non-employee director on or after January 1, 2003 and prior to the 2003 annual meeting of stockholders will be made at the 2003 annual meeting. Stock options may not vest more rapidly than at a rate of 33¹/₃% on each anniversary of the date of grant. The 2003 Plan also provides that, beginning with the 2003 annual meeting of stockholders, and at each subsequent annual meeting, each individual who is first elected or re-elected, or who continues, as a non-employee director at the meeting is eligible to receive a restricted stock award of up to a maximum of 2,000 shares. The restricted stock generally will be subject to a minimum three-year vesting period. All stock options and restricted stock awards, including the actual number of shares and the applicable restrictions, terms and conditions, will be determined by the Board of Directors in its discretion.

For 2003, the Board of Directors and the Organizational Development & Compensation Committee intend that option grants to non-employee directors will be 4,000 shares for continuing directors and 10,000 shares for directors who join the Board during the year, and that restricted stock awards will be for 1,000 shares, despite the higher maximum levels permitted under the 2003 Plan.

Until December 31, 2002, the Company maintained a consulting agreement with Dr. Katz, under which the Company paid Dr. Katz \$5,000 per month for corporate strategy consulting services, plus reimbursement of travel expenses and other reasonable out-of-pocket costs incurred on the Company's behalf. The Company and Dr. Katz terminated the consulting agreement effective December 31, 2002. Dr. Katz received a consulting fee of \$60,000 in 2002.

PROPOSAL 2 APPROVAL OF THE NEWELL RUBBERMAID INC. 2003 STOCK PLAN

The Board of Directors of the Company has approved, subject to the approval of stockholders, the Newell Rubbermaid Inc. 2003 Stock Plan (the "2003 Plan"). If approved by stockholders, the 2003 Plan will succeed the Newell Rubbermaid Inc. Amended and Restated 1993 Stock Option Plan (the "1993 Plan"). The 1993 Plan expired by its terms on December 31, 2002, and no further stock options can be granted under the 1993 Plan.

The 2003 Plan is a stock-based compensation plan that provides for grants of stock options, restricted stock awards and performance shares. The 2003 Plan is intended to recognize the contributions made to the Company by key employees of the Company and its subsidiaries, provide key employees with additional incentive to devote themselves to the future success of the Company, and improve the ability of the Company to attract, retain and motivate individuals. The 2003 Plan also is intended as an additional incentive to members of the Board of Directors of the Company to serve on the Board and to devote themselves to the future success of the Company.

The Board believes that the adoption of the 2003 Plan is in the best interests of the Company and its stockholders. The Board believes that the use of stock options has enabled the Company to attract, retain and motivate talented and experienced individuals. In the Board's view, the availability of other stock-based awards in addition to stock options will provide greater flexibility in providing incentives to employees and directors and thus further serve the interests of the Company and its stockholders. No awards will be made under the 2003 Plan unless it is approved by stockholders.

The 2003 Plan includes provisions designed to serve stockholders' interests and promote effective corporate governance, including the following:

No Discounted Stock Options. The 2003 Plan prohibits the granting of stock options at an exercise price that is less than the fair market value of the common stock on the date the stock option is granted.

No Annual "Evergreen" Provision. The 2003 Plan fixes the number of shares available for grant at 15,000,000 shares and does not provide for any increase based on an increase in the number of outstanding shares of common stock.

Limitations on Stock Option Repricings. Neither the 2003 Plan nor any award agreement may be amended to provide for the repricing of stock options.

Limitations on Size of Awards. The 2003 Plan limits the number of stock options and the number of "performance-based" awards that may be granted to an individual in any single calendar year.

Limitations on Shares Available for Restricted Stock Awards or Performance Shares. The 2003 Plan limits the number of shares that may be used for awards other than stock options to 3,000,000, which is 20% of the total number of shares available for issuance under the 2003 Plan.

Minimum Vesting Periods. Restricted stock awards under the 2003 Plan are subject to a minimum three-year vesting period, and stock options may not vest more rapidly than at a rate of 33¹/₃% on each anniversary of the date of grant, subject in each case to a limited exception for termination of employment without cause.

The following is a summary of the 2003 Plan. It is qualified by reference to the full text of the 2003 Plan, which is attached as Exhibit B to this proxy statement. Stockholders are encouraged to review the 2003 Plan carefully.

Description of the 2003 Plan

Number of Shares of Common Stock. The number of shares of the Company's common stock that may be issued under the 2003 Plan is 15,000,000. Of these 15,000,000 shares: (i) the maximum number of shares that may be used for restricted stock awards or performance shares (*i.e.*, all awards other than stock options) is 3,000,000, (ii) the maximum number of shares issuable as stock options to any key employee in any calendar year is 500,000 (or 2,000,000 in the calendar year in which the employee's employment commences), (iii) the maximum number of shares for awards (other than stock options) intended to qualify as "performance-based compensation" under Section 162(m) of the Internal Revenue Code (the "Code") that may be granted to any participant in any calendar year is 500,000, and (iv) the maximum number of shares of common stock issuable as incentive stock options is 15,000,000.

Shares issuable under the 2003 Plan may be authorized but unissued shares or treasury shares. If there is a lapse, forfeiture, expiration, termination or cancellation of any award made under the 2003 Plan for any reason, the shares subject to the award will again be available for issuance. In addition, any shares subject to an award that are delivered to the Company by a participant, or withheld by the Company on behalf of a participant, as payment for an award or payment of withholding taxes due in connection with an award will again be available for issuance, and only the net number of shares delivered to the participant will count toward the number of shares issued under the 2003 Plan. The number of shares of common stock issuable under the 2003 Plan is subject to adjustment, in the event of any reorganization, recapitalization, stock split, stock distribution, merger, consolidation, split-up, spin-off, combination, subdivision, consolidation or exchange of shares, any change in the capital structure of the Company or any similar corporate transaction. In each case, the Board has the discretion to make adjustments it deems necessary to preserve the intended benefits under the 2003 Plan.

No award granted under the 2003 Plan may be transferred, except by will, the laws of descent and distribution, pursuant to a qualified domestic relations order, or as may be permitted by the Board with respect to a non-qualified stock option transferred by the participant during his lifetime.

Administration. The 2003 Plan will be administered by the Board, which has authority to delegate administration to the Organizational Development & Compensation Committee (the "Committee"), so long as the Committee is comprised of two or more directors who satisfy the "non-employee director" definition under Rule 16b-3 of the Securities Exchange Act of 1934 (the "Exchange Act") and the "outside director" definition under Section 162(m) of the Code. The Board or Committee, as applicable, has full authority to select the individuals who will receive awards under the 2003 Plan, determine the form and amount of each of the awards to be granted, and establish the terms and conditions of awards. The Board or Committee may delegate to an officer of the Company its authority to grant awards to employees who are not subject to Section 16 of the Exchange Act or who are not "covered employees" under Section 162(m) of the Code. To the extent such authority has been delegated, references in this summary to the "Board" mean the Committee, or the officer of the Company.

Eligibility. All employees of the Company designated as key employees for purposes of the 2003 Plan and all non-employee directors of the Company are eligible to receive awards under the 2003 Plan. On March 14, 2003, approximately 272 key employees and all non-employee directors were eligible to participate in the 2003 Plan and receive regular annual grants of stock options. In addition, it is anticipated that an aggregate of up to 100,000 stock options may be granted each year to approximately 200 other key employees selected in that year to receive stock options in recognition of outstanding service to the Company.

Award Agreements. Each award made under the 2003 Plan will be evidenced by a written award agreement specifying the terms and conditions of the award as determined by the Board in its sole discretion, consistent with the terms of the 2003 Plan. If a participant fails to enter into an award agreement at the request of the Board, then the award subject to the award agreement will be forfeited and cancelled.

Awards to Key Employees. The 2003 Plan provides for discretionary awards of stock options, restricted stock awards and performance shares to key employees.

Stock Options. The Board has the sole discretion to grant non-qualified stock options or incentive stock options to key employees and to set the terms and conditions applicable to the options, including the type of option and the number of shares subject to the option, provided that (i) the exercise price of each stock option shall be the closing sales price of the Company's common stock on the date on which the option is granted ("fair market value"), (ii) unless otherwise provided in the award agreement, an option will vest 20% on each anniversary of the date of grant, and the Board cannot provide that a stock option will vest more rapidly than at a rate of 33¹/₃% on each anniversary of the date of grant

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(except in the case of the key employee's termination of employment without cause, in which case the Board has the discretion to accelerate the vesting date), and (iii) each option will expire 10 years from the date of grant.

In addition, an incentive stock option is subject to the following rules: (i) the aggregate fair market value (determined at the time the option is granted) of the shares of common stock with respect to which incentive stock options are exercisable for the first time by a key employee during any calendar year (under all incentive stock option plans of the Company and its subsidiaries) shall not exceed \$100,000, and if this limitation is exceeded, so much of the incentive stock option that does not exceed the applicable dollar limit shall be an incentive stock option and the remainder will be a non-qualified stock option; (ii) if an incentive stock option is granted to a key employee who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, the exercise price of the incentive stock option shall be 110% of the closing price of the common stock on the date of grant and the incentive stock option shall expire no later than five years from the date of grant; and (iii) no incentive stock option will be granted after 10 years from the date the 2003 Plan was adopted.

Restricted Stock Awards. Restricted stock awards may be granted to key employees under the 2003 Plan and will consist of shares of common stock granted without any consideration from the key employee or sold to the key employee for appropriate consideration as determined by the Board. The number of shares awarded to each key employee, and the restrictions, terms and conditions of the award, will be at the discretion of the Board, provided that none of the restrictions applicable to an award shall lapse sooner than the third anniversary of the date of the award (except in the case of the key employee's termination of employment without cause, in which case the Board has the discretion to accelerate the date as of which restrictions lapse). Subject to the restrictions, a key employee will be a stockholder with respect to the shares awarded to him or her and will have the rights of a stockholder with respect to the shares, including the right to vote the shares and receive dividends on the shares.

Performance Shares. Performance shares under the 2003 Plan are intended to qualify as "performance-based compensation" under Section 162(m) of the Code and thus be fully deductible by the Company for federal income tax purposes. Performance shares may be granted to key employees subject to terms and conditions determined by the Board and based upon performance goals established by the Board. The Board will establish performance goals and targets for key employees for achievement of the performance goals and will award shares of common stock to the key employees if the performance goals and targets are achieved for the designated performance period. The performance goals may be based on one or more of the following business criteria: return on equity; earnings or earnings per share; the price of the common stock; return on assets; return on investment; cash flow; net income; expense management or revenue growth. Performance goals may be absolute in

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their terms or measured against or in relationship to the performance of other companies or indices selected by the Board. The performance goals may be particular to one or more lines of business or subsidiaries or may be based on the performance of the Company and its subsidiaries as a whole.

Awards to Non-Employee Directors. Under the 2003 Plan, non-employee directors are eligible to receive non-qualified stock options and stock awards.

Stock Options. Beginning with the Company's 2003 annual meeting of stockholders, each non-employee director is eligible to receive (i) a grant of a non-qualified option to purchase up to a maximum of 5,000 shares of common stock at each annual meeting at which he or she continues as a non-employee director, and (ii) a grant of a non-qualified option to purchase up to a maximum of 20,000 shares of common stock at the time he or she first becomes a non-employee director. Notwithstanding the foregoing, an individual who is first appointed a non-employer director on or after January 1, 2003 and prior to the Company's 2003 annual meeting of stockholders will receive only the initial stock option grant described in (ii) above at the 2003 annual meeting.

The Board has the discretion to determine the number of shares subject to a stock option awarded to each non-employee director and to establish the terms and conditions of such stock option, provided that (i) unless otherwise set forth in the award agreement, each stock option will vest 20% on each anniversary of the date of grant, and the Board cannot provide that a stock option will vest more rapidly than at a rate of 33 $\frac{1}{3}$ % on each anniversary of the date of grant (except in the case of the non-employee director's termination of service on the Board, in which case the Board has the discretion to accelerate the vesting date), (ii) the exercise price shall be the fair market value of the common stock on the date of grant, and (iii) each stock option shall expire ten years after the date of grant.

Restricted Stock Awards. Beginning with the 2003 annual meeting of stockholders, and at each subsequent annual meeting, each individual who is first elected or re-elected, or who continues, as a non-employee director at the meeting is eligible to receive a stock award of up to a maximum of 2,000 restricted shares. The number of restricted shares awarded to each non-employee director at each meeting, and the restrictions, terms and conditions of the award, shall be at the discretion of the Board, provided that none of the restrictions applicable to an award will lapse sooner than the third anniversary of the date of the award (except in the case of the non-employee director's termination of

service on the Board, in which case the Board has the discretion to accelerate the date as of which restrictions lapse). Subject to the restrictions, a non-employee director will be a stockholder with respect to the shares awarded to him or her, and will have the rights of a stockholder with respect to the shares, including the right to vote the shares and receive dividends on the shares.

2003 Awards. For 2003, the Board of Directors and the Organizational Development & Compensation Committee intend that option grants to non-employee directors will be 4,000 shares for continuing directors and 10,000 shares for directors who join the Board during the year, and that restricted stock awards will be for 1,000 shares, despite the higher maximum levels permitted under the 2003 Plan.

Payment of Stock Options and Withholding Taxes. The Board may make one or more of the following payment methods available for payment of any award, including the exercise price of a stock option: cash; cash received from a broker-dealer to whom the holder has submitted an exercise notice together with irrevocable instructions to deliver promptly to the Company the amount of sales proceeds from the sale of the shares subject to the award to pay the exercise price; delivery of previously acquired shares of common stock that are acceptable to the Board and that have an aggregate fair market value on the date of exercise equal to the exercise price; or certification of ownership by attestation of such previously acquired shares. In the event any withholding tax is required to be withheld in connection with an award, the Board may permit the holder of the award to satisfy the minimum required tax obligation by using one or more of the payment alternatives described above,

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and/or by directing the Company to withhold shares of common stock otherwise issuable in connection with the award having a fair market value equal to the amount required to be withheld.

Provisions Relating to a "Change in Control" of the Company. Notwithstanding any other provision of the 2003 Plan or any award agreement, in the event of a "Change in Control" of the Company, all outstanding awards will become fully exercisable, all restrictions applicable to all awards will terminate or lapse, and performance goals applicable to any performance shares shall be deemed satisfied at the highest target level. In addition, upon such Change in Control, the Board has sole discretion to provide for the purchase of any outstanding stock option for cash equal to the difference between the exercise price and the then fair market value of the common stock subject to the option had the option been currently exercisable, make such adjustment to any award then outstanding as the Board deems appropriate to reflect such Change in Control and cause any such award then outstanding to be assumed by the acquiring or surviving corporation after such Change in Control. See Section 12.2 of the 2003 Plan, which is attached as Exhibit B to this proxy statement, for the definition of "Change in Control."

Amendment of Award Agreements; Amendment and Termination of the 2003 Plan. The Board may amend any award agreement at any time, provided that no amendment shall adversely affect the right of any participant under any agreement in any material way without the written consent of the participant, unless such amendment is required by applicable law, regulation or stock exchange rule.

The Board may terminate, suspend or amend the 2003 Plan, in whole or in part, from time to time, without the approval of the stockholders, unless such approval is required by applicable law, regulation or stock exchange rule and provided that no amendment shall adversely affect the right of any participant under any outstanding award in any material way without the written consent of the participant, unless such amendment is required by applicable law, regulation or rule of any stock exchange on which the shares of the Company's common stock are listed, or result in the repricing of stock options.

Notwithstanding the foregoing, there shall be no amendment to the 2003 Plan or any award agreement that results in the repricing of stock options.

Awards Granted under the 2003 Plan and the 1993 Plan. No awards will be made under the 2003 Plan until stockholder approval is obtained. Except as described below, it is not possible at this time to determine the awards that will be made in 2003 and future years under the 2003 Plan. Information relating to option grants made in 2002 under the 1993 Plan to the executive officers named in the Summary Compensation Table is set forth under the "Option Grants in Last Fiscal Year" table. In 2002, under the 1993 Plan (i) 414,100 stock options at exercise prices ranging from \$27.36 to \$35.34 were granted to all executive officers as a group (including those named in the Summary Compensation Table), (ii) 3,488,505 stock options at exercise prices ranging from \$27.00 to \$35.63 were granted to all employees, including all current officers who are not executive officers, as a group, and (iii) 28,000 stock options at an exercise price of \$35.34 were granted to non-employee directors. See "Information Regarding Board of Directors and Committees Compensation of Directors" for information about the stock option grants and restricted stock awards to be made to non-employee directors at the 2003 annual meeting if the 2003 Plan is approved by stockholders.

Summary of Federal Income Tax Consequences

The following is a summary of the federal income tax consequences of the 2003 Plan. It is based on the federal tax laws and regulations currently in effect and existing administrative rulings of the Internal Revenue Service. Participants may also be subject to state and local taxes in connection with the grant of awards under the Bonus Plan. Participants should consult with their individual tax advisers to determine the tax consequences associated with awards granted under the 2003 Plan. This

information may not be applicable to employees of foreign subsidiaries or to employees who are not residents of the United States.

Non-Qualified Stock Options. A participant will not recognize any income at the time the participant is granted a non-qualified stock option. On the date the participant exercises the non-qualified stock option, the participant will recognize ordinary income in an amount equal to the excess of the fair market value of the shares on the date of exercise over the exercise price. The participant will be responsible for remitting to the Company the withholding tax that arises at the time the option is exercised. The Company generally will receive a tax deduction for the same amount of ordinary income recognized by the participant. When the participant sells these shares, any gain or loss recognized by the participant is treated as either short-term or long-term capital gain or loss depending on whether the participant has held the shares more than one year.

Incentive Stock Options. A participant will not recognize any income at the time the participant is granted an incentive stock option. If the participant is issued shares pursuant to the exercise of an incentive stock option, and if the participant does not make a disqualifying disposition of the shares within one year after the date of exercise or within two years after the date of grant, the participant will not recognize any income, for federal income tax purposes, at the time of the exercise. When the participant sells the shares issued pursuant to the incentive stock option, the participant will be taxed, for federal income tax purposes, as a long-term capital gain on any amount recognized by the participant in excess of the exercise price, and any loss sustained by the participant will be a long-term capital loss. No deduction will be allowed to the Company for federal income tax purposes. If, however, the participant sells the shares before the expiration of the holding periods, the participant will recognize ordinary income on the difference between the exercise price and the fair market value at exercise, and the Company generally will receive a tax deduction in the same amount. Upon exercise of an incentive stock option, the excess of the fair market value over the exercise price is an item of tax preference to the participant for purposes of determining the alternative minimum tax.

In order to qualify as an incentive stock option, the option must be exercised within three months after the participant's termination of employment for any reason other than death or disability and within one year after termination of the participant's employment due to disability. If the option is not exercised within this time period, it will be treated as a non-qualified stock option and taxed accordingly.

Restricted Stock Awards and Performance Shares. If the participant receives a restricted stock award, the participant will recognize ordinary income upon becoming entitled to transfer the shares at the end of the restriction period without forfeiture. A participant generally will recognize ordinary income when he or she receives performance shares, provided that if the performance shares are subject to any restrictions on transfer, the participant will recognize ordinary income upon becoming entitled to transfer the shares at the end of the restriction period without forfeiture. The amount of income the participant recognizes will be equal to the fair market value of the shares on such date, less the amount paid by the participant for the shares. This amount will also be the participant's tax basis for the shares. The participant will be responsible for remitting to the Company the withholding tax obligation that arises at the time the ordinary income is recognized. In addition, the holding period begins on the day the restrictions lapse, or the date the shares are received if not subject to any restrictions, for purposes of determining whether the participant has long-term or short-term capital gain or loss on a subsequent sale of the shares. The Company generally will be entitled to a deduction with respect to the ordinary income recognized by the participant.

If a participant who receives a restricted stock award or performance shares subject to restrictions makes an election under Section 83(b) of the Code within 30 days after the date of the grant, the participant will have ordinary income equal to the fair market value on the date of grant, less the amount paid by the participant for the shares, and the participant will recognize no additional income

until the participant subsequently sells the shares. The participant will be responsible for remitting to the Company the withholding tax that arises at the time the ordinary income is recognized. When the participant sells the shares, the tax basis will be equal to the fair market value on the date of grant, less the amount paid by the participant for the shares and the holding period for capital gains purposes begins on the date of the grant. If the participant forfeits the shares subject to the Section 83(b) election, the participant will not be entitled to any deduction, refund, or loss for tax purposes (other than a capital loss with respect to the amount previously paid by the participant), and the Company will have to include the amount that it previously deducted from its gross income in the taxable year of the forfeiture.

The Board of Directors unanimously recommends that you vote FOR the approval of the Newell Rubbermaid Inc. 2003 Stock Plan.

**PROPOSAL 3 APPROVAL OF
THE NEWELL RUBBERMAID INC. MANAGEMENT CASH BONUS PLAN**

The Board of Directors of the Company has approved, subject to the approval of the stockholders, the Newell Rubbermaid Inc. Management Cash Bonus Plan (the "Bonus Plan").

Stockholders are being asked to approve the Bonus Plan to ensure that bonuses paid under the Bonus Plan will qualify as "performance-based" compensation under Section 162(m) of the Code and thus be fully deductible by the Company for federal income tax purposes. Section 162(m) and related regulations generally preclude a publicly traded company from taking a tax deduction for compensation in excess of \$1 million paid to the company's chief executive officer or any of the company's four next highest paid executive officers ("named executive officers"). This restriction is subject to an exception for "performance-based" compensation that meets certain requirements, including a requirement that the "material terms of the performance goals" applicable to the named executive officers must be disclosed to and approved by stockholders before any compensation is paid to them. Stockholder approval of the Bonus Plan will constitute approval of the Bonus Plan's "material terms of the performance goals" applicable to the named executive officers within the meaning of the regulations under Section 162(m). If the Bonus Plan is approved by stockholders, it will be effective with respect to the named executive officers for 2003 and will remain in effect thereafter until terminated by the Board, provided that the material terms of the performance goals must be reapproved by stockholders every five years in order to retain qualification under Section 162(m).

Description of the Bonus Plan

Administration. The Bonus Plan is administered by the Organizational Development & Compensation Committee, or if the Committee is not comprised of "outside directors" as defined in Section 162(m), then by a subset of the Committee comprised of at least two "outside directors" (the "Committee"). The Committee has full authority to select the employees eligible for bonus awards under the Bonus Plan, determine when the employee's participation in the Bonus Plan will begin, and determine the performance goals pursuant to which bonus amounts will be determined.

Eligibility. The Bonus Plan permits the payment of bonuses to employees who are considered to be management level and are selected by the Committee. It is expected that all executive officers named in the Summary Compensation Table will participate in the Bonus Plan. On March 14, 2003, approximately 1,275 employees were eligible to participate in the Bonus Plan for 2003.

Business Criteria. The Bonus Plan provides that for a calendar year the Committee will establish corporate performance goals and a bonus payment schedule detailing the amount that may be paid to each participant based upon the level of attainment of the performance goals. Bonus payments will be made only upon the Committee's determination that the performance goals for the calendar year were achieved.

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The performance goals may be based on one or more of the following business criteria: earnings per share; cash flow; operating income; sales growth; common stock price; return on equity; return on assets; return on investment; net income; and expense management. Performance goals may be absolute in their terms or measured against or in relationship to the performance of other companies or indices selected by the Committee. The performance goals may be particular to one or more subsidiaries or divisions or may be based on the performance of the Company and its subsidiaries as a whole.

The maximum bonus amount payable to a participant depends on his or her bonus level. The maximum bonus payable to the Company's CEO is an amount equal to 150% of salary (if the performance goal targets are achieved at a 100% level, the bonus payment is 134% of salary). The maximum bonus payable to all other named executive officers and other participants in the same participant category is an amount equal to 120.6% of salary (if the performance goal targets are achieved at a 100% level, the bonus payment is 100.5% of salary). In no event will a named executive officer receive a bonus of more than \$2,900,000 under the Bonus Plan for any calendar year. The Bonus Plan provides bonus levels for other participants that pay a specified lower percentage of the participant's salary upon attainment of performance goals. Performance below the target levels will result in lower or no bonus payments. No award will be paid for any calendar year or portion thereof to a participant whose employment with the Company terminates during the year for a reason other than retirement, disability, death or other reason approved by the Committee. In all cases, the Committee must approve final bonus awards and can reduce a bonus payment in its discretion. The Company retains the right to terminate an employee's participation in the Bonus Plan at any time, in which case no bonus may be paid.

Bonuses payable under the Bonus Plan for 2003 and future years cannot currently be determined because they will depend on the attainment of specified performance goals. The Bonus Plan was in effect in 2002 in substantially the form described herein, except that the maximum bonus payable to the Company's CEO was an amount equal to 120.6% of salary (if the performance goal targets were achieved at a 100% level, the bonus payment was 100.5% of salary). Thus, the bonuses received for 2002 by the executive officers named in the Summary Compensation Table, as set forth in the bonus column of the Summary Compensation Table on page 18, would have been the bonuses received under the Bonus Plan had it been in effect for the prior year (except that the award to the CEO under the Bonus Plan would have been \$1,424,470). Bonuses paid for 2002 to all executive officers as a group (including those named in the Summary Compensation Table) totaled \$4,078,053, and bonuses paid for 2002 to all employees, including all current officers who are not executive officers, as a group totaled \$29,251,129.

Amendment or Termination. The Board may amend or terminate the Bonus Plan at any time, without the consent of participants and without the approval of the stockholders of the Company, if in its judgment such action does not materially or adversely affect the best interests of the Company or its stockholders, provided that no amendment or termination shall affect the Company's obligation to pay any bonus amount after it has been earned by a participant.

The Board of Directors unanimously recommends that you vote FOR the approval of the Newell Rubbermaid Inc. Management Cash Bonus Plan.

Equity Compensation Plans

The following table summarizes information, as of December 31, 2002, relating to equity compensation plans of the Company under which the Company's common stock is authorized for issuance.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)(1)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	10,465,087	\$ 29.87	0(2)
Equity compensation plans not approved by security holders			
Total	10,465,087	\$ 29.87	0(2)

(1) The number shown in column (a) is the number of shares that may be issued upon exercise of outstanding options under the stockholder-approved 1993 Plan. In addition, there are 916,519 shares of common stock that may be issued upon exercise of outstanding stock options under the Rubbermaid Incorporated plans with a weighted-average exercise price of \$34.15.

(2) As of December 31, 2002, there were 1,511,126 shares remaining available for issuance under the 1993 Plan. However, the 1993 Plan expired by its terms on December 31, 2002, and no additional shares may be issued under the 1993 Plan after that date. See "Proposal 2 Approval of the Newell Rubbermaid Inc. 2003 Stock Plan" for information with respect to a new stock plan that will succeed the 1993 Plan.

EXECUTIVE COMPENSATION

Summary

The following table shows the compensation of the Company's Chief Executive Officer and the six other most highly compensated officers during 2002 (the "Named Officers") for the fiscal years ended December 31, 2002, 2001 and 2000.

Summary Compensation Table

Name and Principal Position as of December 31, 2002	Year	Annual Compensation			Long Term Compensation Awards	All Other Compensation (\$)(7)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)(6)	Securities Underlying Options (#)	
Joseph Galli, Jr., President and Chief Executive Officer(1)	2002	\$ 1,000,038	\$ 1,068,341	\$ 122,676	200,000	\$ 8,000
	2001	981,447	1,000,000	450,000	1,000,000	0
Robert S. Parker, Group President	2002	\$ 473,333	\$ 489,995		34,000	\$ 8,000
	2001	455,000	448,630		28,800	4,500
	2000	400,000	331,040		48,400	4,500
Jeffrey E. Cooley, Group President(2)	2002	\$ 407,500	\$ 344,460		28,300	\$ 8,000
	2001	381,250	177,396		25,000	5,250
	2000	303,781	318,781		21,300	5,250
David A. Klatt, Jr., Group President(3)	2002	\$ 454,583	\$ 333,982		31,100	\$ 0
	2001	315,000	328,368		81,200	0
William T. Alldredge, President Corporate Development and Chief Financial Officer	2002	\$ 450,000	\$ 480,735		31,800	\$ 8,000
	2001	444,167	95,540		28,100	5,250
	2000	382,875	302,892		35,900	5,250
James J. Roberts, Group President(4)	2002	\$ 467,500	\$ 351,887		31,800	\$ 0
	2001	337,500	168,750		96,000	0
J. Patrick Robinson, Vice President Controller and Chief Accounting Officer(5)	2002	\$ 341,667	\$ 365,002		24,800	\$ 8,000
	2001	195,577	100,000		51,700	0

(1) Appointed President and Chief Executive Officer effective January 8, 2001.

(2) Appointed Group President Calphalon Home effective November 8, 2000.

(3) Appointed Group President Rubbermaid effective July 5, 2001.

(4) Appointed Group President Irwin effective April 1, 2001.

(5)

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Appointed Vice President Controller and Chief Accounting Officer effective May 7, 2001.

- (6) No Named Officer received other annual compensation in the years indicated that is required to be shown in this column, except that the compensation reported for Mr. Galli in 2002 represents \$73,228 for health care reimbursements and \$49,448 for use of company transportation, and the compensation reported for Mr. Galli in 2001 represents \$450,000 in payment for one-half of the losses incurred from the sale of Mr. Galli's home.
- (7) The compensation reported represents Company matching contributions made to the Newell Co. Long-Term Savings and Investment Plan (the "Newell 401(k) Plan").

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Option Grants in 2002

The following table sets forth certain information as to options to purchase common stock granted to the Named Officers under the 1993 Plan in 2002, and the potential realizable value of each grant of options, assuming that the market price of the underlying common stock appreciates in value during the ten-year option term at annualized rates of 5% and 10%.

Option Grants In Last Fiscal Year

Name	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(3)	
	Number of Securities Underlying Options Granted (#)(1)	Percent of Total Options Granted to Employees in 2002	Exercise Price (\$/Sh)(2)	Expiration Date	5% (\$)	10% (\$)
Joseph Galli, Jr.	100,000	2.64%	\$ 27.36	01/08/2012	\$ 1,723,913	\$ 4,365,667
	100,000	2.64	30.33	12/31/2012	1,862,643	4,762,493
Robert S. Parker	34,000	0.90	35.34	05/09/2012	757,316	1,917,623
Jeffrey E. Cooley	28,300	0.75	35.34	05/09/2012	630,354	1,596,139
David A. Klatt, Jr.	31,100	0.82	35.34	05/09/2012	692,721	1,754,061
William T. Alldredge	31,800	0.84	35.34	05/09/2012	708,313	1,793,541
James J. Roberts	31,800	0.84	35.34	05/09/2012	708,313	1,793,541
J. Patrick Robinson	24,800	0.66	35.34	05/09/2012	552,395	1,398,737

- (1) All options granted in 2002 become exercisable in annual cumulative installments of 20%, commencing one year from date of grant, with full vesting occurring on the fifth anniversary date of the date of grant. Vesting may be accelerated as a result of certain changes in control of the Company.
- (2) All options were granted at market value on the date of grant, based on the closing price of the common stock on the New York Stock Exchange as reported in *The Wall Street Journal*.
- (3) Potential realizable value is reported net of the option exercise price but before taxes associated with exercise. These amounts assume annual compounding results in total appreciation of approximately 63% (5% per year) and approximately 159% (10% per year). Actual gains, if any, on stock option exercises are dependent on the future performance of the common stock, overall market conditions and the continued employment of the Named Officer. There can be no assurance that the amounts reflected in this table will be achieved.

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