

CHART INDUSTRIES INC

Form DEF 14A

April 08, 2008

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
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 Section 240.14a-11(c) or Section 240.14a-2.

CHART INDUSTRIES, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-12.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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CHART INDUSTRIES, INC.
One Infinity Corporate Centre Drive, Suite 300
Garfield Heights, Ohio 44125-5370

April 8, 2008

To the Stockholders of Chart Industries, Inc.:

This year's Annual Meeting of Stockholders of Chart Industries, Inc. will be held at 9:00 a.m., Central Time, on Tuesday, May 20, 2008 at the offices of Chart Energy & Chemicals, Inc., a wholly owned subsidiary of Chart Industries, Inc., located at 8665 New Trails Drive, Suite 100, The Woodlands, Texas (the Annual Meeting). We will be reporting on Chart Industries, Inc.'s activities and you will have an opportunity to ask questions about our operations.

We hope that you are planning to attend the Annual Meeting personally and we look forward to seeing you. **Whether or not you expect to attend in person, the return of the enclosed proxy card as soon as possible or the submission of a proxy by telephone or the Internet by following the instructions on the proxy card would be greatly appreciated and will ensure that your shares will be represented at the Annual Meeting. If you do attend the Annual Meeting, you may, of course, withdraw your previously submitted proxy should you wish to vote in person.**

On behalf of the Board of Directors and management of Chart Industries, Inc., I would like to thank you for your continued support and confidence.

Sincerely yours,

Chairman, Chief Executive Officer and President

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**CHART INDUSTRIES, INC.
One Infinity Corporate Centre Drive, Suite 300
Garfield Heights, Ohio 44125-5370**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 20, 2008**

To the Stockholders of Chart Industries, Inc.:

The Annual Meeting of Stockholders of Chart Industries, Inc. will be held at 9:00 a.m., Central Time, on Tuesday, May 20, 2008 at the offices of Chart Energy & Chemicals, Inc., a wholly owned subsidiary of Chart Industries, Inc., located at 8665 New Trails Drive, Suite 100, The Woodlands, Texas (the Annual Meeting), for the following purposes:

1. To elect seven Directors for a term of one year; and
2. To transact any other business as may properly come before the Annual Meeting.

Only holders of the Company's Common Stock of record as of the close of business on Tuesday, March 25, 2008 are entitled to vote at the Annual Meeting. It is important that your shares be represented at the Annual Meeting. For that reason, we ask that you promptly sign, date and mail the enclosed proxy card in the return envelope provided or submit a proxy by telephone or the Internet by following the instructions on the proxy card. Stockholders who attend the Annual Meeting may revoke their previously submitted proxy and vote in person.

By Order of the Board of Directors,

Samuel F. Thomas
Chairman, Chief Executive Officer and President

YOUR VOTE IS IMPORTANT

WE URGE YOU TO COMPLETE, DATE, AND SIGN THE ENCLOSED PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE OR SUBMIT A PROXY BY TELEPHONE OR THE INTERNET BY FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD. YOUR PROXY MAY BE REVOKED AT ANY TIME PRIOR TO THE TIME IT IS VOTED AT THE ANNUAL MEETING.

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CHART INDUSTRIES, INC.
One Infinity Corporate Centre Drive, Suite 300
Garfield Heights, Ohio 44125-5370

PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS

Mailed on or about April 8, 2008

Why am I receiving these materials?

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Chart Industries, Inc. (the Company, Chart or we) for use at the Annual Meeting on May 20, 2008 at 9:00 a.m., Central Time, and any adjournments or postponements thereof. The time, place and purposes of the Annual Meeting are stated in the Notice of Annual Meeting of Stockholders accompanying this proxy statement.

Why do the proxy materials contain additional information regarding the Internet availability of proxy materials this year?

Pursuant to new rules adopted by the Securities and Exchange Commission (the SEC), the Company will provide access to our proxy materials over the Internet. Proxy materials for the Company's Annual Meeting of Stockholders, including the 2007 Annual Report and this proxy statement, are now available over the Internet by accessing <http://ww3.ics.adp.com/streetlink/GTLS>. While the Company elected to mail complete sets of the proxy materials for this year's Annual Meeting, in the future you may receive only a Notice of Internet Availability of Proxy Materials and you will have to request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request an additional printed copy are available at www.proxyvote.com. You also can obtain a printed copy of this proxy statement, free of charge, by writing to: Secretary, c/o Chart Industries, Inc., One Infinity Corporate Centre Drive, Suite 300, Garfield Heights, Ohio, 44125, by submitting a request via email to matt.klaben@chart-ind.com or by telephone at 216-626-1216.

Who is paying for this proxy solicitation?

The expense of soliciting proxies, including the cost of preparing, assembling and mailing the notice, proxy statement and proxy, will be borne by us. We may pay persons holding our common stock for expenses incurred in sending proxy materials to their principals. In addition to solicitation of proxies by mail, our Directors, officers and employees, without additional compensation, may solicit proxies by telephone, electronically via e-mail and personal interview. We also may retain a third party to aid in the solicitation of proxies.

What voting rights do I have as a Stockholder?

On each matter to be voted on, you have one vote for each outstanding share of our common stock (Common Stock) you own as of March 25, 2008, the record date for the meeting. Only stockholders of record at the close of business on March 25, 2008 are entitled to receive notice of and to vote at the Annual Meeting. On this record date, there were 28,318,191 shares of Common Stock outstanding and entitled to vote. Stockholders do not have the right to vote cumulatively in the election of Directors.

How do I vote?

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If you are a stockholder of record, you can vote (i) in person at the Annual Meeting; or (ii) you can vote by signing and mailing in your proxy card in the enclosed envelope; or (iii) by submitting a proxy by telephone by calling 1-800-690-6903 or via the Internet at www.proxyvote.com. Stockholders who wish to attend the Annual Meeting in person may receive directions to the Annual Meeting location by contacting our Secretary at 216-626-1216. Proxies submitted via the telephone or Internet must be received by 11:59 p.m. Eastern Time on May 19, 2008. More detailed instructions are included on the proxy card. In order to submit a proxy via the telephone or Internet, you must have the enclosed proxy card available and follow the instructions on the proxy card.

If you are a stockholder of record, the proxy holders will vote your shares based on your directions. If you sign and return your proxy card, but do not properly direct how your shares of Common Stock should be voted, the proxy

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holders will vote **FOR** the election of the seven nominees listed in this proxy statement and will use their discretion on any other proposals and other matters that may be brought before the Annual Meeting.

If you hold shares of Common Stock through a broker or nominee, you may vote in person at the Annual Meeting only if you have obtained a signed proxy from your broker or nominee giving you the right to vote your shares.

Can I revoke or change my vote after I submit a proxy?

Yes. You can revoke your proxy or change your vote at any time before the proxy is exercised at the Annual Meeting. This can be done by either submitting another properly completed proxy card with a later date, sending a written notice to our Secretary (we must receive your new proxy card before the Annual Meeting begins), or you may attend the Annual Meeting and vote in person. You should be aware that simply attending the Annual Meeting will not automatically revoke your previously submitted proxy, rather you must notify a Chart representative at the Annual Meeting of your desire to revoke your proxy and vote in person.

What vote is required to approve the election of the seven Directors for a one-year term ending at the Annual Meeting in 2009?

The nominees receiving the greatest number of votes will be elected. A proxy card marked **Withheld** with respect to the election of one or more Directors will not be voted with respect to the Director or Directors indicated. Abstentions and broker non-votes will have no effect on the election of Directors.

What constitutes a quorum?

A quorum of stockholders will be present at the Annual Meeting if at least a majority of the aggregate voting power of Common Stock outstanding on the record date is represented, in person or by proxy, at the Annual Meeting. With 28,318,191 shares outstanding as of the close of business on the record date, stockholders representing at least 14,159,096 shares will be required to establish a quorum. Abstentions and broker non-votes will be counted towards the quorum requirement.

Can Stockholders make proposals for the 2008 Annual Meeting?

From time to time, stockholders present proposals that may be proper subjects for inclusion in the proxy statement and for consideration at an Annual Meeting. To be included in the proxy statement for the Annual Meeting, the Company must have received proposals no later than December 25, 2007.

Pursuant to the Company's By-Laws, stockholders may present proposals that are proper subjects for consideration at an annual meeting. The Company's By-Laws require all stockholders who intend to make proposals at an annual meeting to submit their proposals to the Company by specific dates in order to be eligible for consideration at an annual meeting. See **Corporate Governance and Related Matters** and **Stockholder Proposals for 2009 Annual Meeting** for a detailed discussion of this By-Laws provision. To be eligible for consideration at the Annual Meeting for 2008, proposals that were not submitted by the deadline for inclusion in the proxy statement must have been received by the Company no later than January 24, 2008.

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The following table and accompanying footnotes show information regarding the beneficial ownership of our Common Stock as of March 25, 2008 by:

- each person who is known by us to own beneficially more than 5% of our Common Stock;
- each Director and nominee for election as Director and each of our named executive officers; and
- all members of our Board of Directors and our executive officers as a group.

Name of Beneficial Holder	Shares Beneficially Owned(1)	
	Number	Percent of Common Stock
Neuberger Berman Inc.(2)	2,024,864	7.2%
Tontine Overseas Associates, L.L.C.(3)	1,809,171	6.4%
Wentworth, Hauser & Violich, Inc.(4)	1,684,439	5.9%
SAB Capital Partners, L.P.(5)	1,608,792	5.7%
Independence Investments LLC(6)	1,593,004	5.6%
Samuel F. Thomas(7)	782,657	2.7%
Michael F. Biehl	47,602	*
Matthew J. Klaben(8)	69,524	*
James H. Hoppel, Jr.(9)	53,716	*
Steven W. Krablin(10)	4,776	*
Michael W. Press(11)	6,768	*
Richard E. Goodrich(12)	6,768	*
James M. Tidwell(13)	323	*
W. Douglas Brown(14)		*
Thomas L. Williams(15)		*
All Directors, Director nominees and officers as a group (10 persons)(16)	972,134	3.4%

- (1) In accordance with SEC rules, each beneficial owner's holdings have been calculated assuming full exercise or conversion of outstanding options and stock rights covering Common Stock, if any, exercisable by such owner within 60 days after March 25, 2008, but no exercise of outstanding options or stock rights covering Common Stock held by any other person.
- (2) According to a Schedule 13G filed with the SEC on February 13, 2008 by Neuberger Berman Inc., reporting beneficial ownership for itself and Neuberger Berman, LLC, Neuberger Berman Management Inc., and Neuberger Berman Equity Funds, Neuberger Berman Inc. owns 100% of each of Neuberger Berman, LLC and Neuberger Berman Management Inc. Neuberger Berman, LLC and Neuberger Berman Management Inc. serve as sub-adviser and investment manager, respectively, of Neuberger Berman Inc.'s various mutual funds. The holdings of Lehman Brothers Asset Management LLC, an affiliate of Neuberger Berman, LLC, are aggregated in the reported holdings. The Schedule 13G reported that Neuberger Berman Inc. has sole voting power over 88,582 shares, shared voting power over 1,644,700 shares and shared dispositive power over 2,024,864 shares;

Neuberger Berman, LLC has sole voting power over 88,582 shares, shared voting power over 1,644,700 shares and shared dispositive power over 2,024,864 shares; Neuberger Berman Management Inc. has shared voting and dispositive powers over 1,644,700 shares; and Neuberger Berman Equity Funds has shared voting and dispositive powers over 1,628,400 shares. Neuberger Berman Inc. is located at 605 Third Avenue, New York, New York 10158.

- (3) According to a Schedule 13G filed with the SEC on January 18, 2008 by Tontine Overseas Associates, L.L.C. (TOA) reporting beneficial ownership for itself, Tontine Capital Partners, L.P. (TCP), Tontine Capital Management, L.L.C. (TCM), the general partner of TCP, and Jeffrey L. Gendell, the managing member of TCM and TOA, TOA has shared voting and dispositive power with respect to 363,210 shares; TCP has shared voting and dispositive power with respect to 1,445,961 shares; TCM has shared voting and dispositive power

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with respect to 1,445,961 shares; and Mr. Gendell has shared voting and dispositive power with respect to 1,809,171 shares. TOA is located at 55 Railroad Avenue, Greenwich, Connecticut 06830.

- (4) According to a Schedule 13G filed with the SEC on February 14, 2008, Wentworth, Hauser & Violich, Inc. has sole voting and dispositive power over 1,684,439 shares. Wentworth, Hauser & Violich, Inc. is located at 353 Sacramento Street, Suite 600, San Francisco, California 94111.
- (5) According to a Schedule 13G filed with the SEC on February 11, 2008 by SAB Capital Partners, L.P. (SAB) reporting beneficial ownership for itself, SAB Capital Partners II, L.P. (SAB II), SAB Overseas Master Fund L.P. (the Master Fund), SAB Capital Advisors, L.L.C. (the General Partner), SAB Capital Management, L.P. (the Investment Manager), SAB Capital Management, L.L.C (IMGP) and Scott A. Bommer, SAB has shared voting and dispositive power with respect to 1,171,180 shares; SAB II has shared voting and dispositive power with respect to 22,852 shares; the Master Fund has shared voting and dispositive power with respect to 414,760 shares; the General Partner has shared voting and dispositive power with respect to 1,608,792 shares; the Investment Manager has shared voting and dispositive power with respect to 1,608,792 shares; IMGP has shared voting and dispositive power with respect to 1,608,792 shares; and Mr. Bommer has shared voting and dispositive power with respect to 1,608,792 shares. SAB is located at 767 Fifth Avenue, 21st Floor, New York, New York 10153.
- (6) According to a Schedule 13G filed with the SEC on January 24, 2008, Independence Investments LLC, as of December 31, 2007, has sole voting and dispositive power over 1,532,110 shares and 1,593,004 shares, respectively, and beneficially owns 1,593,004 shares. Independence Investments LLC is located at 160 Federal Street, Boston, Massachusetts 02110.
- (7) Mr. Thomas is a Director and an executive officer of the Company. Shares beneficially owned by Mr. Thomas include 100,000 shares that were transferred to a trust of which Mr. Thomas is the grantor and the current beneficiary, 130,000 shares which are owned by his spouse and 451,831 shares which he has the right to acquire within 60 days of March 25, 2008 through the exercise of stock options.
- (8) Mr. Klaben is an executive officer of the Company. Shares beneficially owned by Mr. Klaben include 66,524 shares which he has the right to acquire within 60 days of March 25, 2008 through the exercise of stock options.
- (9) Mr. Hoppel is an executive officer of the Company. Shares beneficially owned by Mr. Hoppel include 51,216 shares which he has the right to acquire within 60 days of March 25, 2008 through the exercise of stock options.
- (10) Mr. Krablin is a Director of the Company. Shares beneficially owned by Mr. Krablin include the shares underlying 1,787 restricted stock units, which will vest within 60 days of March 25, 2008, and 2,666 vested restricted stock units.
- (11) Mr. Press is a Director of the Company. Shares beneficially owned by Mr. Press include the shares underlying 1,787 restricted stock units, which will vest within 60 days of March 25, 2008.
- (12) Mr. Goodrich is a Director of the Company. Shares beneficially owned by Mr. Goodrich include the shares underlying 1,787 restricted stock units, which will vest within 60 days of March 25, 2008, and 2,658 vested stock units.
- (13)

Mr. Tidwell is a Director of the Company. In addition to the shares included in the table above, Mr. Tidwell will have the right to acquire the shares underlying 1,321 restricted stock units upon their vesting on July 9, 2008.

(14) W. Douglas Brown is a nominee for election as a Director of the Company.

(15) Thomas L. Williams is a nominee for election as a Director of the Company.

(16) The number of shares shown as beneficially owned by the Company's Directors and executive officers as a group includes 580,256 shares which the Company's Directors and executive officers as a group have the right to acquire within 60 days of March 25, 2008.

* Less than 1%

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The authorized number of Directors is presently fixed at seven. The Board of Directors currently consists of five Directors with each term expiring at the Annual Meeting. There are currently two vacancies on the Board of Directors resulting from the resignations of Timothy H. Day and Kenneth W. Moore in August 2007. Upon the recommendation of the Nominations and Corporate Governance Committee, the Board of Directors nominated W. Douglas Brown and Thomas L. Williams to stand for election as Directors at the Annual Meeting to fill these vacancies. Messrs. Brown and Williams were initially recommended to the Nominations and Corporate Governance Committee by non-management Directors. In addition, each of the five current Directors has also been nominated to stand for re-election.

Each of the nominees has indicated his willingness to serve, if elected, but if any of the nominees should be unable or unwilling to serve, the Board may either reduce its size, or designate or not designate a substitute nominee. If the Board designates a substitute nominee, proxies that would have been cast for the original nominee will be cast for the substitute nominee unless instructions are given to the contrary.

The table below sets forth the names, ages as of March 25, 2008, and existing positions with the Company of each nominee:

Name	Age	Position
Samuel F. Thomas	56	Chairman of the Board of Directors, Chief Executive Officer, and President
Richard E. Goodrich	64	Director
Steven W. Krablin	57	Director
Michael W. Press	60	Director
James M. Tidwell	61	Director
W. Douglas Brown	62	Director Nominee
Thomas L. Williams	49	Director Nominee

The following sets forth biographical information for our nominees.

Samuel F. Thomas was elected Chairman of our Board of Directors on March 27, 2007 and has served as our Chief Executive Officer and President and as a member of our Board of Directors since October 2003. Prior to joining our Company, Mr. Thomas was Executive Vice President of Global Consumables at ESAB Holdings Ltd., a provider of welding consumables and equipment. In addition to his most recent position at ESAB, Mr. Thomas was responsible for ESAB North America during his employment at ESAB Holdings Ltd. Prior to joining ESAB in February 1999, Mr. Thomas was Vice President of Friction Products for Federal Mogul, Inc. Prior to its acquisition by Federal Mogul in 1998, Mr. Thomas was employed by T&N plc from 1976 to 1998, where he served from 1991 as chief executive of several global operating divisions, including industrial sealing, camshafts and friction products.

Richard E. Goodrich became a Director on August 15, 2006. Mr. Goodrich is a retired Executive Vice President and Chief Financial Officer of Chicago Bridge & Iron Company N.V. (CB&I), an engineering, procurement and construction company that provides services to customers in the chemicals and energy industries. Prior to retiring, Mr. Goodrich served as Executive Vice President and Chief Financial Officer of CB&I from 2001 to 2005, and until June 2006, as acting Chief Financial Officer. Mr. Goodrich also serves as a director of Gundler/SLT Environmental, Inc.

Steven W. Krablin became a Director on July 25, 2006. Mr. Krablin has been Executive Vice President and Chief Financial Officer of IDM Group Limited, a provider of drilling equipment and other goods and services to the oil and gas industry, since April 2008. From January 1996 until April 2005, Mr. Krablin served as Senior Vice President and Chief Financial Officer of National Oilwell Varco Inc. or its predecessors, a manufacturer and distributor of oil and gas drilling equipment and related services. Following his retirement from National Oilwell Varco in 2005, Mr. Krablin was active as a private investor. Prior to 1996, Mr. Krablin served as Senior Vice President and Chief Financial Officer of Enterra Corporation until its merger with Weatherford International. Mr. Krablin also serves as a director of Penn Virginia Corporation and Hornbeck Offshore Services, Inc.

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Michael W. Press became a Director on August 15, 2006 and has been designated as our Lead Independent Director. Mr. Press has been self-employed since 2001. Prior to that, he spent 27 years in the energy industry in senior management and executive positions. From 1997 to 2001, Mr. Press was Chief Executive Officer of KBC Advanced Technologies plc, an international petroleum consulting firm. Mr. Press also serves as a director of Petrofac Ltd.

James M. Tidwell became a director on July 9, 2007. Mr. Tidwell is currently the President and Chief Executive Officer of WEDGE Group Incorporated, a privately owned investment company with holdings in manufacturing, hotels, commercial real estate and oilfield services. Mr. Tidwell served as Executive Vice President and Chief Operating Officer of WEDGE Group from February 2007 until February 2008 and as Vice President and Chief Financial Officer from January 2000 through January 2007. From August 1996 through June 1999, Mr. Tidwell served as Executive Vice President and Chief Financial Officer of Daniel Industries, Inc., and he served as President of Daniel Measurement & Control from July 1999 to January 2000. Before then, Mr. Tidwell served as Vice President and Chief Financial Officer of Hydril Co. Mr. Tidwell is a director of T-3 Energy Services, Inc. and the National Multiple Sclerosis Society.

W. Douglas Brown served as Vice President, General Counsel and Secretary of Air Products and Chemicals, Inc. (Air Products), a global supplier of industrial gases, performance materials and equipment and services, from 1999 until his retirement in 2007. Prior to that, Mr. Brown held General Counsel and various administrative positions with Air Products and its affiliates, including engineering, construction and energy-related businesses, from 1975.

Thomas L. Williams is currently Senior Vice President Operating Officer of Parker Hannifin Corporation (Parker Hannifin), a manufacturer of motion and control technologies. Mr. Williams joined Parker Hannifin in 2003 as Vice President Operations Hydraulics Group and became President Instrumentation Group in 2005. Prior to joining Parker Hannifin, Mr. Williams was employed by General Electric Company from 1981 to 2003, where he held various executive operating positions for four different business groups: GE Capital, Aircraft Engines, Lighting and Locomotives.

The Board of Directors unanimously recommends that you vote FOR the election of the seven candidates for Director.

CORPORATE GOVERNANCE AND RELATED MATTERS

Director Independence

The Company's Corporate Governance Guidelines and the NASDAQ listing standards provide that at least a majority of the members of the Board of Directors must be independent, i.e., free of any material relationship with the Company, other than his or her relationship as a Director or Board Committee member. A Director is not independent if he or she fails to satisfy the standards for independence under the NASDAQ listing standards, the rules of the SEC, and any other applicable laws, rules and regulations.

During the Board of Directors' annual review of director independence, the Board of Directors considers transactions, relationships and arrangements between each Director or an immediate family member of the Director and the Company. The Board of Directors also considers transactions, relationships and arrangements between each Director or an immediate family member of the Director and the Company's senior management. In February 2008, the Board of Directors performed its annual director independence review for 2008.

As part of this review, the Board also evaluated the independence of the Director nominees, Messrs. Brown and Williams. In determining the independence of Mr. Brown, the Board considered Mr. Brown's prior employment as an executive officer with Air Products, a substantial customer of the Company. In connection with this evaluation, the

Board noted that in his role as General Counsel, Mr. Brown did not have a relationship with the Company and had no influence over transactions between his prior employer and the Company. In determining the independence of Mr. Williams, the Board considered that Mr. Williams is currently the Senior Vice President – Operating Officer of Parker Hannifin, a supplier of the Company. The Board does not believe that either of these relationships impairs the independence of the Director nominees and that neither individual has any material interest in any transaction between the Company and Air Products or Parker Hannifin.

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As a result of this review, the Board of Directors determined that four of our five current Directors and both Director nominees are independent, and all members of the Audit Committee, the Compensation Committee and the Nominations and Corporate Governance Committee are independent. The Board of Directors determined that Messrs. Goodrich, Krablin, Press, Tidwell, Brown and Williams satisfy the NASDAQ independence requirements.

Mr. Thomas is not considered to be independent because of his position as President and Chief Executive Officer of the Company.

Information Regarding Meetings and Committees of the Board of Directors

The Board of Directors held five regular meetings and five executive sessions at which only the independent Directors attended during the fiscal year ended December 31, 2007. Each Director attended at least 75% of the aggregate of (1) the total number of meetings of the Board of Directors held during the period he served as a Director and (2) the total number of meetings held by committees of the Board on which he served. Board members are expected to attend Chart's Annual Meeting of Stockholders and all attended our May 2007 Annual Meeting of Stockholders. The non-management Directors meet in executive sessions in connection with each of the regularly scheduled Board meetings, which are presided over by the Lead Independent Director who is identified in the table below. The Board has the three committees: Nominations and Corporate Governance Committee; Audit Committee; and Compensation Committee. Current committee membership is described in the following table:

	Audit Committee	Compensation Committee	Nominations and Corporate Governance Committee
James M. Tidwell	Member, Financial Expert	Member	Member
Richard E. Goodrich	Member, Financial Expert	Member, Chairman	Member
Steven W. Krablin	Member, Chairman, Financial Expert	Member	Member
Michael W. Press	Member	Member	Member, Chairman, Lead Independent Director

The Committee membership as described above is expected to change following the 2008 Annual Meeting of Stockholders as a result of the anticipated addition of the Director nominees.

Nominations and Corporate Governance Committee

The Company's Nominations and Corporate Governance Committee consists of four members: Richard E. Goodrich, Steven W. Krablin, Michael W. Press and James M. Tidwell. Mr. Press serves as the chairman of the Nominations and Corporate Governance Committee. The Nominations and Corporate Governance Committee met six times during fiscal year 2007. The Nominations and Corporate Governance Committee is governed by the Nominations and Corporate Governance Committee Charter which was adopted by the Board of Directors, a copy of which is available at www.chart-ind.com by clicking on the link for Investor Relations. You also can obtain a printed copy of this document, free of charge, by writing to: Secretary, c/o Chart Industries, Inc., One Infinity Corporate Centre Drive, Suite 300, Garfield Heights, Ohio, 44125.

The Nominations and Corporate Governance Committee is responsible for (1) developing, recommending and reviewing the adequacy of the corporate governance principles applicable to us, (2) consulting with our Audit Committee and the Board of Directors regarding the adoption of codes of conduct applicable to all employees and Directors when required by the rules of NASDAQ and adopting procedures for monitoring and enforcing compliance with such codes of conduct, (3) reviewing our compliance with state and federal laws and regulations and with the NASDAQ corporate governance listing requirements, (4) making recommendations to the Board of Directors regarding the size and composition of the Board of Directors, (5) establishing criteria for the selection of new Directors to serve on the Board of Directors and reviewing the appropriate skills and characteristics required of Directors, (6) identifying, screening and recommending nominees to be proposed by us for election as Directors at the Annual Meeting of Stockholders, or to fill vacancies, (7) considering and reviewing the qualifications of any

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nominations of Director candidates validly made by stockholders, (8) reviewing the committee structure of the Board of Directors and recommending Directors to serve as members of each committee, (9) overseeing the annual evaluation of management, the Board of Directors, its members and committees and (10) establishing criteria for and leading the annual performance self-evaluation of the Board of Directors and each committee.

Prospective Director nominees are identified through contacts of the members of the Board of Directors or members of senior management, through searches conducted by professional search firms, or through recommendations of potential candidates by stockholders, employees or others. Once a prospective Director nominee has been identified, the Nominations and Corporate Governance Committee makes an initial determination through information provided to the Nominations and Corporate Governance Committee and information supplemented by the Nominations and Corporate Governance Committee through its own inquiries. The Nominations and Corporate Governance Committee will evaluate Director nominees, including nominees that are submitted to the Company by a stockholder. In selecting new Directors of the Company, consideration is given to each individual Director's personal qualities and abilities, the collective Board members' skills and aptitudes for conducting oversight of the Company and its management, and duties imposed by law and regulation. Important factors include:

Each Director must, as determined by the Board, be qualified to perform duties of a Director in accordance with the Delaware General Corporation Law as evidenced by the Director's experience, accomplishments, skills and integrity;

Directors must be persons possessing the highest personal values and integrity;

Directors must be able to perform their duties in the best interests of the Company and its stockholders, without conflicts of interest;

The Company will comply fully with all legal and regulatory requirements concerning the independence and composition of the Audit, Nominations and Corporate Governance, Compensation and any other committees of the Board, subject to any exemptions provided by the Listing Standards of the NASDAQ;

Collectively, Board members will bring to the Company a broad range of complementary skills (such as an understanding of finance, manufacturing, operations, industry, energy markets, marketing, public company governance and international background), educational and professional expertise, industry and regulatory knowledge, and diversity of perspectives to build a capable, responsive, and effective Board; and

Directors will have experience in policy-making levels of business and must have an aptitude for evaluating business matters and making practical and mature judgments.

In addition, Directors must have time available to devote to Board activities and the ability to work collegially. In determining whether to recommend a Director for re-election, the Nominations and Corporate Governance Committee also considers the Director's past attendance at meetings and participation in and contribution to the activities of the Board of Directors. At all times, at least one member of the Board must meet the definition of "financial expert" as such term is defined in Item 407(d)(5)(ii) of Regulation S-K and serve on the Company's Audit Committee.

The Nominations and Corporate Governance Committee will consider potential candidates recommended by stockholders, current Directors, Company officers, employees and others. The Nominations and Corporate Governance Committee will use the above enumerated factors to consider potential candidates regardless of the source of the recommendation. Stockholder recommendations for Director nominations may be submitted to the Company pursuant to the requirements described under the caption "Stockholders Communications with the Board" below. Stockholder recommendations for Director nominations will be forwarded to the Nominations and Corporate

Governance Committee for consideration, provided such recommendations are accompanied by sufficient information to permit the Nominations and Corporate Governance Committee to evaluate the qualifications and experience of the nominees. Recommendations should include, at a minimum, the following:

the name, age, business address and residence address of the proposed nominee;

the principal occupation or employment of the proposed nominee;

the number of shares of Common Stock of the Company which are beneficially owned by such candidate;

a description of all arrangements or understandings between the stockholder(s) making such nomination and each candidate and any other person or persons (naming such person or persons) pursuant to which nominations are to be made by the stockholder;

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detailed biographical data and qualifications and information regarding any relationships between the candidate and the Company within the past three years;

any other information relating to the proposed nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of Directors pursuant to Section 14 of the Securities Exchange Act of 1934 (the Exchange Act) and the rules and regulations promulgated thereunder;

any other information the stockholder believes is relevant concerning the proposed nominee;

a written consent of the proposed nominee(s) to being named as a nominee and to serve as a Director if elected;

the name and record address of the stockholder who is submitting the notice;

the number of shares of Common Stock which are owned of record or beneficially by the stockholder who is submitting the notice and the date such shares were acquired by the stockholder and if such person is not a stockholder of record or if such shares are owned by an entity, reasonable evidence of such person's ownership of such shares or such person's authority to act on behalf of such entity; and

a representation that the stockholder intends to appear in person or by proxy at the Annual Meeting to nominate the proposed nominee named in the notice.

Our By-Laws provide that stockholders seeking to nominate candidates for election as Directors or to bring business before an annual meeting of stockholders must provide timely notice of their proposal in writing to the corporate secretary.

Generally, to be timely, a stockholder's notice must be received at our principal executive offices not less than 90 calendar days nor more than 120 calendar days prior to the first anniversary of the date on which we first mailed our proxy materials for the preceding year's annual meeting or at such other time as specified in our By-Laws. Our By-Laws also specify requirements as to the form and content of a stockholder's notice. You also can obtain a printed copy of our By-Laws, free of charge, by writing to: Secretary, c/o Chart Industries, Inc., One Infinity Corporate Centre Drive, Suite 300, Garfield Heights, Ohio, 44125.

Audit Committee

Our Audit Committee consists of Richard E. Goodrich, Steven W. Krablin, Michael W. Press and James M. Tidwell. Mr. Krablin serves as the Audit Committee chairman. The Audit Committee met five times during fiscal year 2007. The Audit Committee is governed by the Audit Committee Charter which was adopted by the Board of Directors, a copy of which is available at www.chart-ind.com by clicking on the link for Investor Relations. You also can obtain a printed copy of this document, free of charge, by writing to: Secretary, c/o Chart Industries, Inc., One Infinity Corporate Centre Drive, Suite 300, Garfield Heights, Ohio, 44125.

The Audit Committee's responsibilities include (1) appointing, retaining, compensating, evaluating and terminating our independent auditors and approving in advance any audit or non-audit engagement or relationship between us and such auditor, (2) approving the overall scope of the audit, (3) assisting the Board in monitoring the integrity of our financial statements, the independent accountant's qualifications and independence, the performance of the independent accountants and our internal audit function and our compliance with legal and regulatory requirements, (4) annually reviewing an independent auditors' report describing the auditing firms' internal quality-control procedures

and any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm, (5) discussing the annual audited financial and quarterly statements with management and the independent auditors, (6) discussing earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, (7) discussing policies with respect to risk assessment and risk management, (8) meeting separately, periodically, with management, internal auditors and the independent auditor, (9) reviewing with the independent auditor any audit problems or difficulties and management's response, (10) setting clear hiring policies for employees or former employees of the independent auditors, (11) annually reviewing the adequacy of the Audit Committee's written charter, (12) reviewing with management any legal matters that may have a material impact on us and our financial statements and (13) reporting regularly to the full Board of Directors.

Our Board has determined that each of Messrs. Goodrich, Krablin, Press and Tidwell satisfies the current independence standards of NASDAQ and Section 10(A)(m)(3) of the Exchange Act. Our Board of Directors has

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determined that each of Messrs. Goodrich, Krablin and Tidwell qualifies as an Audit Committee financial expert as such term is defined in Item 407(d)(5)(ii) of Regulation S-K and satisfies the NASDAQ financial knowledge and sophistication requirements.

Compensation Committee

Our Compensation Committee consists of Richard E. Goodrich, Steven W. Krablin, Michael W. Press and James M. Tidwell. Mr. Goodrich serves as the Compensation Committee chairman. The Compensation Committee met nine times during fiscal year 2007. The Compensation Committee is governed by the Compensation Committee Charter which was adopted by the Board of Directors, a copy of which is available at www.chart-ind.com by clicking on the link for Investor Relations. You also can obtain a printed copy of this document, free of charge, by writing to: Secretary, c/o Chart Industries, Inc., One Infinity Corporate Centre Drive, Suite 300, Garfield Heights, Ohio, 44125.

The Compensation Committee is responsible for (1) reviewing key employee compensation policies, plans and programs, (2) reviewing and approving the compensation of our chief executive officer and other executive officers, (3) developing and recommending to the Board of Directors compensation for Board members, (4) reviewing and approving employment contracts and other similar arrangements between us and our executive officers, (5) reviewing and consulting with the chief executive officer on the selection of officers and evaluation of executive performance and other related matters, (6) administration of stock plans and other incentive compensation plans, (7) overseeing compliance with any applicable compensation reporting requirements of the SEC, (8) approving the appointment and removal of trustees and investment managers for pension fund assets, (9) retaining consultants to advise the committee on executive compensation practices and policies, (10) establishing and periodically reviewing succession plans for our executive officers and others, and (11) handling such other matters that are specifically delegated to the Compensation Committee by the Board of Directors from time to time.

To further assist it in carrying out its responsibilities, the Compensation Committee engaged Mercer Human Resources Consulting (Mercer), an independent, nationally recognized, compensation consulting firm in February 2007 to assist in the evaluation of our executive compensation structure and expenses.

In 2007, Mercer's duties and responsibilities included:

Assisting the Compensation Committee in identifying an appropriate peer group of companies for purposes of comparison in evaluating our compensation structure and philosophy;

Providing information on compensation paid by peer companies to their executive officers;

Providing information regarding market practices as to executive employment agreements for public companies;

Evaluating the competitiveness of the total direct compensation of the Company's executive officers and other executives and each of its individual components, including base salary, annual bonus and long-term incentive awards; and

Advising the Company on alternative structures, forms of compensation and allocation considerations.

See Compensation Committee Report and Compensation Discussion and Analysis below for additional information on the Compensation Committee and its activities.

Role of Executive Officers in Compensation Decisions

Our Chief Executive Officer annually reviews the performance of each of the other executive officers. Based on this review and his analysis of data provided by Mercer as to compensation practices among our peer group, he makes compensation recommendations to the Compensation Committee, including recommendations for salary adjustments, annual cash incentives, and long-term and short-term awards. Although the Compensation Committee considers these recommendations when making decisions regarding executive compensation, it retains full discretion to set all compensation for the Company's executive officers.

Code of Ethical Business Conduct and Officer Code of Ethics

The Board of Directors has adopted our Code of Ethical Business Conduct and also our Officer Code of Ethics which are both available at www.chart-ind.com by clicking on the link for Investor Relations. You also can obtain a

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printed copy of this document, free of charge, by writing to: Secretary, c/o Chart Industries, Inc., One Infinity Corporate Centre Drive, Suite 300, Garfield Heights, Ohio, 44125.

In order to enhance employee awareness of our already existing Code of Ethical Business and Conduct, we have launched periodic ethics and compliance training for all of our employees to provide them with the knowledge necessary to maintain our high standards of ethics and compliance. The Board of Directors has also designated Ethics Representatives and a Chief Compliance Officer for ethics to assist in the administration of and to encourage adherence with the Code of Ethical Business Conduct.

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