

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

TRINITY INDUSTRIES INC
Form DEF 14A
April 12, 2002

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 [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- | | |
|--|---|
| <input type="checkbox"/> Preliminary Proxy Statement | <input type="checkbox"/> Confidential, for Use of the
Commission Only (as permitted by
Rule 14a-6(e) (2)) |
| <input checked="" type="checkbox"/> Definitive Proxy Statement | |
| <input type="checkbox"/> Definitive Additional Materials | |
| <input type="checkbox"/> Soliciting Material Pursuant to Rule 14a-12 | |

TRINITY INDUSTRIES, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i) (1) and 0-11.

(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:

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

(5) Total fee paid:

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

TRINITY INDUSTRIES, INC.
2525 STEMMONS FREEWAY
DALLAS, TEXAS 75207-2401

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 13, 2002

Notice is hereby given that the Annual Meeting of Stockholders of Trinity Industries, Inc. (the "Company"), a Delaware corporation, will be held at the offices of the Company, 2525 Stemmons Freeway, Dallas, Texas 75207, on Monday, May 13, 2002, at 9:30 a.m., Central Daylight Saving Time, for the following purposes:

(1) to elect nine (9) directors to hold office until the next Annual Meeting of Stockholders or until their successors are elected and qualified;

(2) to approve ratification of Ernst & Young LLP as independent auditors for the fiscal year ending December 31, 2002; and

(3) to transact such other business as may properly come before the meeting or any adjournment thereof.

Only stockholders of record at the close of business on March 29, 2002 will be entitled to notice of and to vote at the 2002 Annual Meeting or any adjournment thereof, notwithstanding the transfer of any stock on the books of the Company after such record date. A list of the stockholders will be open to the examination of any stockholder, for any purpose germane to the 2002 Annual Meeting, for a period of ten (10) days prior to the meeting at the Company's offices, 2525 Stemmons Freeway, Dallas, Texas 75207.

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

You are requested to forward your proxy in order that you will be represented at the 2002 Annual Meeting, whether or not you expect to attend in person. Stockholders who attend the 2002 Annual Meeting may revoke their proxies and vote in person, if they so desire.

A Proxy Statement, proxy card and a copy of the Annual Report of the Company for the last fiscal year accompany this Notice of Annual Meeting of Stockholders.

By Order of the Board of Directors

MICHAEL G. FORTADO
Vice President and Corporate Secretary

April 12, 2002

TRINITY INDUSTRIES, INC.
2525 STEMMONS FREEWAY
DALLAS, TEXAS 75207-2401

PROXY STATEMENT
FOR
ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 13, 2002

This Proxy Statement is being mailed on or about April 12, 2002 to the stockholders of Trinity Industries, Inc. ("Trinity" or the "Company") in connection with the solicitation of proxies by the Board of Directors of the Company to be voted at the Annual Meeting of Stockholders of the Company to be held at the offices of the Company, 2525 Stemmons Freeway, Dallas, Texas, on Monday, May 13, 2002, at 9:30 a.m., Central Daylight Saving Time (the "2002 Annual Meeting"), or at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. Last year the Company changed its March 31 fiscal year end to a December 31 fiscal year end. As a result, this year's Annual Meeting will be held earlier in the year than in the past. The Company's mailing address is P.O. Box 568887, Dallas, Texas, 75356-8887.

The enclosed proxy may be revoked at any time before it is exercised by filing with the Company a written revocation, by executing a proxy bearing a later date or by attending the 2002 Annual Meeting and voting in person. Unless the persons named in the proxy are prevented from acting by circumstances beyond their control, the proxy will be voted at the 2002 Annual Meeting and at any adjournment thereof in the manner specified therein, or if not specified, the proxy will be voted FOR the election of the nine (9) nominees for Directors as listed below and FOR the approval of Ernst & Young as independent auditors for the fiscal year ending December 31, 2002.

The enclosed proxy is solicited by and on behalf of the Board of Directors of the Company. The expense of the solicitation of proxies for the

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

2002 Annual Meeting, including the cost of mailing, will be borne by the Company. To the extent necessary to assure sufficient representation at the 2002 Annual Meeting, officers and regular employees of the Company, at no additional compensation, may request the return of proxies personally, by telephone, facsimile, mail, or other method. Stockholders are urged to send in their proxies without delay. The Company has retained Georgeson Shareholder Communications Inc. to assist with the solicitation of proxies for a fee of \$8,500, plus reimbursement for out-of-pocket expenses. The Company will supply brokers, nominees, fiduciaries and other custodians with proxy materials to forward to beneficial owners of shares in connection with this solicitation, and the Company will reimburse such brokers, nominees, fiduciaries and other custodians for their expenses in making such distribution. Management has no knowledge or information that any other person will specially engage any persons to solicit proxies.

The presence, in person or by proxy, of the holders of record of a majority of the outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum for the transaction of business at the 2002 Annual Meeting, but if a quorum should not be present, the meeting may be adjourned from time to time until a quorum is obtained. A holder of Common Stock will be entitled to one vote per share on each matter properly brought before the meeting. Cumulative voting is not permitted in the election of directors.

The proxy card provides space for a stockholder to withhold voting for any or all nominees for the Board of Directors. The election of directors requires a plurality of the votes cast at the meeting. Ratification of the independent auditors requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the meeting. Shares of a stockholder who abstains from voting on any or all proposals will be included for the purpose of determining the presence of a quorum. However, an abstention with respect to the election of the Company's directors will not be counted either in favor of or against the election of the nominees. In the case of the other proposal which is being submitted for stockholder approval, an abstention will effectively count as a vote cast against such proposal. Broker non-votes on any matter, as to which the broker has indicated on the proxy that it does not have discretionary authority to vote, will be treated as shares not entitled to vote with

respect to that matter. However, such shares will be considered present and entitled to vote for quorum purposes so long as they are entitled to vote on other matters.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The outstanding voting securities of the Company consist entirely of shares of Common Stock, \$1.00 par value per share, each share of which entitles the holder thereof to one vote. The record date for the determination of the stockholders entitled to notice of and to vote at the 2002 Annual Meeting, or any adjournment thereof, has been established by the Board of Directors as of the close of business on March 29, 2002. At that date, there were outstanding and entitled to vote 45,897,525 shares of Common Stock.

The following table provides certain information as of March 15, 2002, as to the beneficial ownership of the Common Stock of the Company for (a) each director and nominee, (b) each executive officer named in the Summary Compensation Table below, (c) the directors and executive officers of the Company as a group and (d) any person owning more than 5% of the Common Stock.

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

NAME -----	NUMBER OF SHARES BENEFICIALLY OWNED (1) -----
Directors:	
David W. Biegler	35,010
Craig J. Duchossois	7,750,150 (2)
Ronald J. Gafford	17,702
Barry J. Galt	29,000
Clifford J. Grum	36,410 (3)
Dean P. Guerin	39,000
Jess T. Hay	27,384 (4)
Diana S. Natalicio	36,910
Timothy R. Wallace	690,227 (5)
W. Ray Wallace	973,013 (6)
Named Executive Officers:	
John L. Adams	226,066
Michael G. Fortado	49,398
Jim S. Ivy	141,703
Mark W. Stiles	155,301
All Directors and Executive Officers as a Group:	10,454,308
Other 5% Owners:	
Berger Small Cap Value Fund	2,900,000 (7)
EQSF Advisers, Inc.	2,511,435 (8)
M.J. Whitman Advisers, Inc. and M.J. Whitman	
Perkins, Wolf, McDonnell & Company	4,158,090 (9)
Pioneer Global Asset Management S.P.A.	3,547,600 (10)
Thrall Investment Company, L.L.C.	7,750,150 (11)
Thrall Car Management Company, Inc. Craig J. Duchossois	

* Less than one percent (1%)

(1) Unless otherwise noted, all shares are owned directly and the owner has the right to vote the shares, except for shares that officers and directors have the right to acquire under the Company's stock option plans as of

March 15, 2002 or within sixty (60) days thereafter as follows: Adams (118,834); Biegler (33,410); Fortado (32,986); Gafford (17,500); Galt (24,000); Grum (33,410); Guerin (14,000); Hay (24,000); Ivy (94,171); Natalicio (33,410); Stiles (113,742); T. R. Wallace (457,258); W. R. Wallace (293,327) and all directors and executive officers as a group (1,463,517) and vested common stock equivalent units credited under the Supplemental Profit Sharing Plan to the following: Adams (8,732); Fortado (2,461); Ivy (3,901); Stiles (11,624); T. R. Wallace (30,668);

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

W. R. Wallace (5,188) and all directors and executive officers as a group (73,840). Includes shares indirectly held through the Company's 401(k) Plan as follows: Fortado (1,451); Ivy (1,631); T. R. Wallace (1,138) and all executive officers as a group (4,761) shares.

- (2) Mr. Duchossois is an operating board member and executive officer of Thrall Investment Company, L.L.C. and a director and executive officer of Thrall Car Management Company, Inc. that report ownership in the aggregate of 7,750,000 shares and Mr. Duchossois may be deemed to have the ability to direct the voting and investment decisions with respect to such shares. He disclaims beneficial ownership of the 7,750,000 shares except with respect to the pecuniary interest attributed to him by virtue of his direct or indirect equity ownership of such entities.
- (3) Includes 3,000 shares owned by Deerfield Corporation of which Mr. Grum is an owner.
- (4) Includes 384 shares owned of record by Mr. Hay's wife as custodian for their daughter in which Mr. Hay disclaims beneficial ownership.
- (5) Includes 91,063 shares held by a limited partnership which Mr. Wallace controls.
- (6) Includes 455,678 shares held indirectly by limited partnerships which Mr. Wallace controls.
- (7) Berger Small Cap Value Fund, principal address of 210 University Boulevard, Suite 900, Denver, Colorado 80206, has reported to the SEC on Schedule 13G dated February 12, 2002 shared voting and dispositive power of 2,900,000 shares. Perkins, Wolf, McDonnell & Company is the sub investment advisor delegated with investment and voting authority. See note 9 below.
- (8) EQSF Advisers, Inc. ("EQSF"), M. J. Whitman Advisers, Inc. (MJWA) and Martin J. Whitman, principal address of 767 Third Avenue, New York, New York 10017-2023, have jointly reported to the SEC on Schedule 13G/A, dated January 17, 2002 sole voting of 1,712,700 shares and sole dispositive power as to 1,727,000 shares by EQSF, sole voting power as to 749,835 shares and sole dispositive power as to 784,435 by MJWA, and a disclaimer of beneficial ownership of all such shares by Martin J. Whitman.
- (9) Perkins, Wolf, McDonnell & Company, principal address of 310 S. Michigan Avenue, Suite 2600, Chicago, Illinois 60604, has reported to the SEC on Schedule 13G dated February 26, 2002 beneficial ownership of 4,158,090 shares with sole voting and dispositive power of 10,700 and shared voting and dispositive power of 4,147,390.
- (10) Pioneer Global Asset Management S.P.A., Galleria San Carlo 6, 20122, Milan, Italy, reported to the SEC on Schedule 13G dated December 26, 2001, sole voting and dispositive power as to 3,547,600 shares.
- (11) Thrall Investment Company, L.L.C., ("TIC"), Thrall Car Management Company, Inc. ("TCMC") and Craig J. Duchossois, each with a principal business address of 845 Larch Avenue, Elmhurst, Illinois 60126, have filed with the SEC a Schedule 13D/A reporting sole voting and dispositive power of 7,150,000 shares by TIC, sole voting and dispositive power of 600,000 shares by TCMC and sole voting and dispositive power of 150 shares and shared voting and dispositive power of 7,750,000 shares by Craig Duchossois. Mr. Duchossois may be deemed to have shared voting and dispositive power over the shares owned by TIC and TCMC. These are the same shares reported by Mr. Duchossois.

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

Please see note 2 above.

ELECTION OF DIRECTORS

At the 2002 Annual Meeting, nine (9) directors are to be elected who shall hold office until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified. It is the intention of the persons named in the Company's proxy to vote for the election of each of the nine (9) nominees listed below, unless authority is withheld. All nominees have indicated a willingness to serve as directors, but if any of them should decline or be unable to serve as a director, the persons named in the proxy will vote for the election of another person recommended by the Board of Directors.

3

In connection with the merger of a subsidiary of the Company with Thrall Car Manufacturing Company, the Company entered into a Stockholder's Agreement with Thrall Car Management Company, Inc. pursuant to which Thrall Car Management Company, Inc. is entitled to designate Craig Duchossois, or a substitute designee reasonably acceptable to the Company, for election as a director of the Company at the annual meeting of stockholders. In accordance with such agreement, the Board of Directors of the Company elected Mr. Craig Duchossois to serve as a member of the Board of Directors in 2001.

The following biographical information sets forth the name, age, principal occupation or employment during the past five years, Board committee membership, certain other directorships held by each nominee for director, the period during which he or she has served as a director of the Company, and certain family relationships.

THE BOARD OF DIRECTORS RECOMMENDS YOU VOTE FOR THE ELECTION OF EACH OF THE NINE (9) NOMINEES TO THE BOARD OF DIRECTORS SET FORTH BELOW.

NOMINEES

TIMOTHY R. WALLACE (48)

Director since 1992. Mr. Wallace is Chairman, President and Chief Executive Officer of the Company. He is the son of Mr. W. Ray Wallace, a director of the Company. Mr. Wallace is a director of Viad Corp. which is primarily involved in trade exhibits and financial services.

DAVID W. BIEGLER (55)

Director since 1992. Chairman of the Corporate Governance and Directors Nominating Committee and a member of the Audit Committee and the Corporate Development and Finance Committee. Mr. Biegler is recently retired as Vice Chairman of TXU Corporation. From 1997 until 2001, he served as President and Chief Operating Officer of TXU Corp., which provides electric and natural gas utility services, energy marketing, merchant energy trading and other energy-related services.

CRAIG J. DUCHOSSOIS (57)

Director since 2001. Member of the Human Resources Committee, Corporate Governance and Directors Nominating Committee, and the Corporate

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

Development and Finance Committee. Mr. Duchossois is Chief Executive Officer of Duchossois Industries, Inc., a privately held company, headquartered in Elmhurst, Illinois. The company owns or holds major stakes in a diversified group of businesses including consumer products, transportation, defense, entertainment and venture capital. He is the former Chairman of Thrall Car Manufacturing Company which merged with a subsidiary of the Company in October of 2001. He is a director of Bissell, Inc., Churchill Downs, Inc., and LaSalle National Bank.

RONALD J. GAFFORD (52)

Director since 1999. Chairman of the Human Resources Committee and a member of the Corporate Governance and Directors Nominating Committee. Mr. Gafford is President and Chief Executive Officer of Austin Industries, Inc., a civil, commercial and industrial construction company, and prior to being named as President served in various executive capacities for subsidiaries of Austin Industries, Inc.

4

BARRY J. GALT (68)

Director since 1988. Member of the Audit Committee and the Corporate Governance and Directors Nominating Committee. Mr. Galt is a director, and prior to his retirement on March 30, 1999, served as Chairman and Chief Executive Officer of Ocean Energy, Inc., formerly named Seagull Energy Corporation, a diversified energy company engaged in oil and gas exploration and development. He is also a director of Friede Goldman Halter, Inc. and a director of StanCorp Financial Group, Inc., an insurance company.

CLIFFORD J. GRUM (67)

Director since 1995. Chairman of the Audit Committee and a member of the Corporate Development and Finance Committee. Mr. Grum is the retired Chairman and Chief Executive Officer of Temple-Inland Inc., a holding company with interests in corrugated containers, bleached paperboard, building products, timber and timberlands, and financial services. He is also a director of Cooper Industries, Inc., a company engaged in the businesses of electrical products, tools and hardware, and automotive products and a director of Tupperware Corporation, a multinational consumer products company.

JESS T. HAY (71)

Director since 1965. Chairman of the Corporate Development and Finance Committee and a member of the Human Resources Committee and the Corporate Governance and Directors Nominating Committee. Mr. Hay is Chairman of HCB Enterprises, Inc., a private investment firm. He is also Chairman of the Texas Foundation for Higher Education. Prior to retirement on December 31, 1994, Mr. Hay was Chairman and Chief Executive Officer of Lomas Financial Corporation, a diversified financial services company engaged principally in mortgage banking and real estate lending, and of Lomas Mortgage USA, a mortgage banking institution. Mr. Hay is a director of Viad Corp., which is primarily involved in trade exhibits and financial services, and a director of SBC Communications, Inc., a telephone and wireless communications company.

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

DIANA S. NATALICIO (62)

Director since 1996. Member of the Human Resources Committee. President of the University of Texas at El Paso. Dr. Natalicio was appointed by President George H.W. Bush to the Commission on Educational Excellence for Hispanic Americans and by President Clinton to the National Science Board and to the President's Committee on the Arts and Humanities.

W. RAY WALLACE (79)

Director since 1958. Retired as Chairman and Chief Executive Officer of the Company in December 1998. Member of the Corporate Development and Finance Committee. He is the father of Timothy R. Wallace, Chairman, President and Chief Executive Officer of the Company.

BOARD MEETINGS AND COMMITTEES

The directors hold regular quarterly meetings in addition to a meeting immediately following the Annual Meeting of Stockholders, attend special meetings and committee meetings as required, and spend such time on the affairs of the Company as their duties require. During the nine month period ended December 31, 2001, the Board of Directors held six (6) meetings and all directors of the Company attended at least seventy-five percent (75%) of the meetings of the Board of Directors and the committees on which they served.

5

The standing committees of the Board of Directors are the Audit Committee, Human Resources Committee, Corporate Governance and Directors Nominating Committee, and Corporate Development and Finance Committee.

The Audit Committee consists of Messrs. Biegler, Galt, and Grum. The Audit Committee reviews with management, the director of internal auditing, and the independent auditors the Company's financial statements, the accounting principles applied in their preparation, the scope of the audit, any comments made by the independent auditors upon the financial condition of the Company and its accounting controls and procedures, and such other matters as the Audit Committee deems appropriate including reviews with management relating to compliance with corporate policies, compliance programs, and internal controls. The Audit Committee also recommends to the Board of Directors the independent auditors for the Company and reviews audit fees. The Audit Committee met three (3) times during the nine month period ended December 31, 2001. The Board of Directors has determined that all members of the Audit Committee are "independent" as defined by the rules of the New York Stock Exchange.

The Human Resources Committee consists of Messrs. Duchossois, Gafford, Hay and Dr. Natalicio. The duties of the Human Resources Committee generally are to determine and/or recommend the compensation structure for the Company and its subsidiaries; make recommendations to the Board of Directors as to the salary of the Chief Executive Officer, and set the salaries of other senior executives of the Company; grant options, shares of stock, stock units and such other benefits as may be permitted under the Company's stock related benefit plans; design and recommend to the Board for approval and administer long, intermediate and short-term incentive compensation plans of the Company. The Human Resources Committee met two (2) times during the nine month period ended December 31, 2001.

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

The Corporate Governance and Directors Nominating Committee consists of Messrs. Biegler, Duchossois, Gafford, Galt and Hay. The duties of the Corporate Governance and Directors Nominating Committee generally are to recommend to the Board of Directors the director nominees proposed each year in the Company's proxy statement for election by the Company's stockholders; review the qualifications of, and recommend to the Board, candidates to fill Board vacancies as they may occur; consider suggestions from stockholders and other sources regarding possible candidates for director; define and recommend to the Board appropriate guidelines and criteria regarding the qualifications of candidates for director of the Company; review and propose changes, when appropriate, in the compensation and benefits of non-employee directors of the Company; and review the Company's Corporate Governance Principles. The Corporate Governance and Directors Nominating Committee met one (1) time during the nine month period ended December 31, 2001.

The Corporate Development and Finance Committee consists of Messrs. Biegler, Duchossois, Grum, Hay and W. Ray Wallace. The duties of the Corporate Development and Finance Committee generally are to provide direction for the assessment of future acquisition opportunities; review specific plans regarding significant acquisitions or dispositions of businesses or assets; authorize, subject to limits imposed by the Board of Directors, investments in or acquisition of another company; authorize borrowings within limits established by the Board of Directors; and periodically review the financial status of the Company. The Corporate Development and Finance Committee met two (2) times during the nine month period ended December 31, 2001.

COMPENSATION OF DIRECTORS

Directors are compensated at the rate of \$1,250 for each board or committee meeting attended plus reimbursement for reasonable out-of-pocket expenses. In addition, each director who is not a compensated officer or employee of the Company or its subsidiaries receives a fee of \$40,000 per year for serving as a director, and the Chairman of each of the committees receives an additional \$3,500 per year. Directors may elect, pursuant to a Deferred Plan for Director Fees, to defer the receipt of all or a specified portion of the fees to be paid to him or her. Deferred amounts are credited to an account on the books of the Company and treated as if invested either at the annual LIBOR rate plus 6 points or, at the director's prior election, in units of the Company's Common Stock at the closing price on the New York Stock Exchange on the date that a payment is credited to the director's account. Such stock units are credited with amounts equivalent to dividends paid on the Company's Common Stock. Upon ceasing

6

to serve as a director, the value of the account will be paid to the director in annual installments not exceeding ten (10) years according to the director's prior election.

Annually, each director who is not also an executive officer of the Company is granted an option to purchase 5,000 shares of the Company's Common Stock at the fair market value of the Company's Common Stock on the date of grant.

The Company has a Directors' Retirement Plan that is an unfunded arrangement whereby members of the Board of Directors who are not employees of the Company will receive monthly payments for a ten (10) year period upon retirement, disability or death. The amount of each monthly payment will be equal to one-twelfth (1/12) of a percentage of the annual retainer paid to such

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

director in the year of his retirement, disability or death while serving as a director. The applicable percentage is dependent upon the number of years of service as a member of the Board of Directors. If the director has less than five (5) years of service, the applicable percentage is zero. If the director has five (5) years of service, the applicable percentage is fifty percent (50%). The applicable percentage increases at the rate of ten percent (10%) for each year of service thereafter and reaches one hundred percent (100%) after ten (10) years of service as a director. However, notwithstanding the number of years of service, a director's applicable percentage will be one hundred percent (100%) in the event of a change in control of the Company (as defined).

Commencing January 1, 1999, Mr. W. Ray Wallace was employed by the Company as a consultant pursuant to an agreement at a monthly rate of \$10,000. The agreement provides for the performance of services as may be required by the Chief Executive Officer or the Board of Directors and his continuation as a director as long as he is eligible. He is provided an office, administrative assistant, limited use of Company aircraft and reimbursement of expenses. In addition, the Company will provide medical coverage for the remainder of his life.

SUBMISSION OF FUTURE STOCKHOLDER PROPOSALS

Stockholders' proposals to be presented at the 2003 Annual Meeting of Stockholders, for inclusion in the Company's Proxy Statement and form of proxy relating to the meeting, must be received by the Company at its offices in Dallas, Texas, addressed to the Secretary of the Company, no later than December 13, 2002. Upon timely receipt of any such proposal, the Company will determine whether or not to include such proposal in the proxy statement and proxy in accordance with applicable regulations and provisions governing the solicitation of proxies.

Under the Bylaws of the Company, certain procedures are provided which a stockholder must follow to nominate persons for election as directors or to introduce an item of business at an annual meeting of stockholders. These procedures provide, generally, that stockholders desiring to make nominations for directors, and/or bring a proper subject of business before the meeting, must do so by a written notice timely received (on or before March 14, 2003, but no earlier than February 11, 2003, for the 2003 Annual Meeting) to the Secretary of the Company containing the name and address of the stockholder, the number of shares of the Company beneficially owned by the stockholder, and a representation that the stockholder intends to appear in person or by proxy at the meeting. If the notice relates to a nomination for director, it must also set forth the name and address of any nominee(s), all arrangements or understandings between the stockholder and each nominee and any other person or person(s) (including their names) pursuant to which the nomination(s) are to be made, such other information regarding each nominee as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had each nominee been nominated by the Board, and the consent of each nominee to serve. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as director. Notice of an item of business shall include a brief description of the proposed business and any material interest of the stockholder in such business.

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

business not presented, or to acknowledge the nomination of any person not made, in compliance with the foregoing procedures. Copies of the Company's Bylaws are available from the Secretary of the Company.

EXECUTIVE COMPENSATION

The following table sets forth information for the nine month period ended December 31, 2001 and the fiscal years ended March 31, 2001, 2000 and 1999 with regard to the compensation for their services to the Company and its subsidiaries in all capacities of the Chief Executive Officers and each of the other four (4) most highly compensated executive officers serving the Company at the close of the Company's most recently completed fiscal year.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long Term Compensation	
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)(2)	Restricted Stock Awards (\$)(3)	Secur Under Opti (#)
Timothy R. Wallace Chairman, President & Chief Executive Officer	12/31/01*	\$555,000	\$ -0-	\$ 7,500	\$1,962,795	15
	2001	740,000	-0-	8,750	-0-	13
	2000	700,000	1,029,150	7,500	279,375	15
	1999	600,000	945,000	21,373	393,125	6
John L. Adams(1) Executive Vice President	12/31/01*	\$375,000	\$ -0-	\$ -0-	\$ 964,225	4
	2001	500,000	-0-	-0-	-0-	7
	2000	450,000	402,750	-0-	111,750	4
	1999	87,500	87,281	4,162	150,750	2
Mark W. Stiles Senior Vice President	12/31/01*	\$281,250	\$ 225,000	\$ 4,813	\$ 269,960	4
	2001	375,000	-0-	14,859	-0-	5
	2000	352,000	391,818	20,025	69,844	3
	1999	325,000	406,250	11,707	58,969	1
Jim S. Ivy Vice President and Chief Financial Officer	12/31/01*	\$270,000	\$ -0-	\$ -0-	\$ 725,900	3
	2001	343,000	-0-	14,064	-0-	3
	2000	343,000	245,588	18,858	55,875	2
	1999	330,000	219,450	14,136	78,625	2
Michael G. Fortado Vice President, General Counsel and Corporate Secretary	12/31/01*	\$180,000	\$ -0-	\$ 2,037	\$ 169,670	1
	2001	230,000	-0-	10,457	-0-	1
	2000	220,000	118,140	13,202	27,938	1
	1999	205,000	102,295	8,438	58,969	1

*NINE MONTH PERIOD

(1) Mr. Adams joined the Company in January of 1999.

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

- (2) Other annual compensation for the nine month period ended December 31, 2001 is composed of amounts reimbursed for the payment of taxes for certain perquisites for Mr. Stiles and, in the case of Mr. Wallace, directors' meeting fees.
- (3) Amounts shown for each year are based on the closing price of the Common Stock on the date of grant. Messrs. Wallace, Adams, Stiles, Ivy and Fortado had restricted shares totaling 110,100, 48,500, 20,000, 36,000, and 11,500 shares, respectively, as of December 31, 2001 with a market value of \$2,991,000,

8

\$1,318,000, \$543,000, \$978,000, and \$312,000, respectively, based on a \$27.17 per share market price of the Company's Common Stock on that date. Dividends are paid on these restricted shares at the same rate as paid on the Company's Common Stock. The restrictions on transferability will be lifted at times that vary between awards ranging from three years to the recipient's retirement at age 65 or earlier with the consent of the Human Resources Committee, or upon death, disability, or a change in control of the Company. If the employment of the recipient is terminated without the consent of the Human Resources Committee for any reason before the restrictions have lapsed, then the restricted shares will be forfeited.

- (4) All other compensation for the nine month period ended December 31, 2001 is composed of the Company's matching amounts under the Company's Supplemental Profit Sharing Plan and Section 401(k) Plan (described below under "Retirement Plans") for Mr. Wallace \$18,731; Mr. Adams \$9,450; Mr. Stiles \$9,422; Mr. Ivy \$7,763 and Mr. Fortado \$4,950; and an amount equal to ten percent (10%) of the salaries and incentive bonuses set aside pursuant to long-term deferred compensation plans for Mr. Wallace \$55,500, Mr. Adams \$37,500, Mr. Stiles \$50,625 and Mr. Ivy \$27,000.

Option Grants In Last Fiscal Year

	Individual Grants				Potential Realizable at Assumed Annual Rates of Stock Price Appreciation for Options
Name	Number of Securities Underlying Options Granted (#) (1)	Percent of Total Options Granted	Exercise or Base Price (\$/Sh)	Expiration Date	5%(\$)
Timothy R. Wallace	155,000 (2)	15.4%	18.95	4/02/11	1,827,221
John L. Adams	45,000 (2)	4.5%	18.95	4/02/11	536,290

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

Mark W. Stiles	35,000 (2)	3.5%	18.95	4/02/11	417,114
	12,945 (3)	1.3%	26.50	4/13/03	28,895
Jim S. Ivy	35,000 (2)	3.5%	18.95	4/02/11	417,114
Michael G. Fortado	18,000 (2)	1.8%	18.95	4/02/11	214,516

- (1) The Company has not granted any stock appreciation rights.
- (2) Annual grants of stock options in Trinity common stock at the market price on the date of grant which vest 33-1/3% each year.
- (3) These stock options were granted pursuant to the reload provision of the 1993 Plan.

9

Aggregated Option Exercises in Last Fiscal Year
and Fiscal Year End Values

Trinity Stock Options

Name	Shares Acquired in Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options at Fiscal Year End (#)		Value of Unexercised In-the-Money Options at Fiscal Year End	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Timothy R. Wallace	--	--	338,039	322,536	561,426	1,
John L. Adams	--	--	72,367	127,043	109,143	
Mark W. Stiles	28,511	151,032	66,199	105,537	51,588	
Jim S. Ivy	--	--	63,126	84,374	41,700	
Michael G. Fortado	--	--	22,618	36,382	15,087	

RETIREMENT PLANS

The Trinity Industries, Inc. Standard Pension Plan is a noncontributory defined benefit retirement and death benefit plan which is available to all eligible employees who have completed specified periods of employment. Funds are contributed periodically to a trust that invests the Company's contributions and earnings thereon in order to pay the benefits to the employees. The plan provides for the payment of monthly retirement benefits determined under a calculation based on credited years of service and a participant's highest

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

compensation over five consecutive years in the last ten years of employment. Retirement benefits are paid to participants upon normal retirement at the age of 65 or later, or upon early retirement. The plan also provides for the payment of certain disability and death benefits. Covered compensation includes salary and bonus as shown in the Summary Compensation Table. Other elements of compensation in the Summary Compensation Table are not included in covered compensation.

The Company has also adopted a Supplemental Retirement Plan that permits the payment of supplemental benefits to certain employees who have been determined by the Plan Committee to be participants and whose annual benefits under the foregoing retirement plan would exceed those permitted by the Internal Revenue Code of 1986, as amended (the "Code"). The compensation that may be covered by a qualified plan is limited under the Code to \$200,000 adjusted for cost of living increases in accordance with the Code. The Supplemental Retirement Plan provides that if at any time the amount of the annual retirement benefit which would otherwise be payable under the Company's pension plan is or becomes limited by reason of compliance with the Code, such person shall be entitled to receive a supplemental pension benefit equal to the difference between the benefit that such person receives under the Company's pension plan and the benefit that such person would have received if such limitation had not been in effect. The benefits are payable from the general assets of the Company. Timothy R. Wallace is the only named executive officer who is a participant in the Supplemental Retirement Plan.

The following table reflects the estimated aggregate annual benefits, computed on the basis of a monthly benefit payable for ten (10) years certain and life thereafter, payable under such plans to a fully vested participant of the Company upon retirement at age 65 after 10, 20, 30 and 40 credited years of service at the annual remuneration levels set forth in the table and without regard to any limitations on the amount of benefits by the Code.

10

Pension Plan Table

Compensation	Years of Service			
	10	20	30	40
\$ 300,000	\$ 29,760	\$ 59,520	\$ 89,280	\$ 119,040
400,000	39,760	79,520	119,280	159,040
600,000	59,760	119,520	179,280	239,040
800,000	79,760	159,520	239,280	319,040
1,000,000	99,760	199,520	299,280	399,040
1,200,000	119,760	239,520	359,280	479,040
1,400,000	139,760	279,520	419,280	559,040
1,600,000	159,760	319,520	479,280	639,040

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

1,800,000	179,760	359,520	539,280	719,040
2,000,000	199,760	399,520	599,280	799,040

The annual benefits shown are not subject to any deduction for Social Security benefits or other offset amounts. At December 31, 2001, Mr. Timothy R. Wallace has 26 credited years of service under the plans under which he is covered; Messrs. Adams, Stiles, Ivy and Fortado have 3 years, 10 years, 4 years and 4 years, respectively.

The Company maintains a Section 401(k) plan that permits employees to elect to set aside up to fourteen percent (14%) of their compensation (subject to the maximum limit on the amount of compensation permitted by the Code to be deferred for this purpose) in a trust to pay future retirement benefits. Depending upon years of service, the Company may match from twenty-five (25%) to fifty percent (50%) of up to six percent (6%) of the employee's compensation set aside for this purpose. The Company also maintains a Supplemental Profit Sharing Plan ("Supplemental Plan") for certain of its "highly compensated employees", as defined in the Code. The highly compensated employees are not limited as to the percentage of their compensation which may be contributed to the Supplemental Plan. The first six percent (6%) of a Participant's base salary and bonus contributed to the Supplemental Plan, less any compensation matched under the 401(k) plan, may be matched from twenty-five percent (25%) to fifty percent (50%) by the Company. The Company's match vests 20% per year. An additional seventeen and one-half percent (17-1/2%) match may be made on up to twenty-five percent (25%) of a Participant's base salary and bonus deferrals directed into stock units. The additional match for stock units vests two plan years after the end of the plan year for which the match is made. The additional match does not apply to stock units acquired by transfer from existing account balances. All matches in the Supplemental Plan are made in stock units. Stock units may not be transferred into other investment accounts and may only be paid out in Common Stock.

CHANGE IN CONTROL AGREEMENTS

Each named executive officer has executed a change in control agreement with the Company that provides certain benefits in the event his or her employment is terminated subsequent to a change in control of the Company (as defined in the agreements). The agreements are for continuous two-year terms until terminated by the Company upon specified notice and continue for two years following a change in control. The agreements provide that if there is a change in control of the Company and if the Company terminates the executive's employment other than as a result of the executive's death, disability or retirement, or for cause (as defined in the

agreements), or if the executive terminates his or her employment for good reason (as defined in the agreements), then the Company will pay to such executive a lump sum equal to three (3) times the amount of the executive's base salary and the higher of the average bonus earned over the previous three years or the target bonus for the fiscal year in which the change in control occurs.

The severance benefits provided by the agreements also include certain fringe benefits to which each executive would have been entitled if the executive had continued in the employment of the Company for thirty-six (36) months after the executive's termination, a supplemental benefit based on the

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

Company's retirement plan, and the right to surrender unexercised stock options and receive cash for the net realizable value of the options based on the highest price of the Common Stock within 180 days prior to the date of termination.

The agreements further provide that if any payment to which the executive is entitled would be subject to the excise tax imposed by Section 4999 of the Code, then the Company will pay to the executive an additional amount so that the net amount retained by the executive is equal to the amount that otherwise would be payable to the executive if no such excise tax had been imposed.

REPORT OF THE HUMAN RESOURCES COMMITTEE ON EXECUTIVE COMPENSATION

The Company's executive compensation program is administered by the Human Resources Committee ("the Committee") of the Board of Directors. The Committee, which is composed entirely of outside directors, is responsible for setting and overseeing the administration of policies that govern the compensation of the Company's executives. It establishes base salary, incentive compensation, deferred compensation, stock options, performance units and other stock based awards for each executive officer and certain key operating officers of the Company, except the salary of the Chief Executive Officer is decided by the Board, after recommendation by the Committee. The Committee retains an independent consultant to advise on matters related to executive compensation.

It is the Committee's policy to provide a competitive and comprehensive compensation program to attract, motivate, reward and retain the key executives needed to enhance the profitability of the Company and to create value for its stockholders. The Committee believes that the Company's executive compensation should consist of competitive base salaries and incentive compensation plans that reward both short and long-term performance. The key components of the Company's short-term executive compensation program in the last fiscal year were base salary and incentive compensation. The long-term program consisted of stock options, restricted stock awards, and in some cases deferred compensation. The Committee periodically reviews each component of the Company's executive compensation program to ensure that pay levels and incentive opportunities are competitive, directly linked to performance and aligned with the interest of stockholders. The Committee determines each executive's compensation based upon past and expected future performance, the executive's responsibilities within the Company, and the executive's value to the Company as determined by the Committee.

Base Salary

The Committee each year reviews each executive's performance and establishes each executive's base salary based upon past and expected future performance, and the executive's responsibilities within the Company. In fixing base salaries, the Committee also considers salaries of senior executives of other comparable companies as reflected in a survey provided by an independent outside consultant.

Incentive Compensation

Annual incentive bonuses for the Company's named executive officers are tied to the Company's success in achieving certain financial and specific goals set each year by the Committee at the beginning of the year. Specific targets are tied to short-term goals applicable to the executive's job assignment and, in the case of

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

Timothy R. Wallace, to the Company's consolidated performance and enhancement of stockholder value. Of the named executive officers, only Mark W. Stiles was awarded short-term incentive compensation for the nine month period ended December 31, 2001.

Stock Options, LTP Units, Restricted Stock Grants and Deferred Compensation

Long-term incentive awards provided by the stockholder-approved stock option and incentive plans are designed to develop and retain strong management through stock ownership, stock options and other stock based incentive awards.

Stock options historically have been a significant portion of long-term incentive grants to executive officers. During the nine month period ended December 31, 2001, 14 executive officers and business group presidents and 159 key employees were granted options to purchase a total of 810,900 shares. An additional 160,000 options were awarded to certain executives of Thrall Car Manufacturing Company as an inducement to join the Company following the merger of a subsidiary of the Company and Thrall. The Committee believes that a significant portion of senior executives' compensation should be dependent on value created for stockholders. Options are an excellent vehicle to accomplish this by tying the executives' interests directly to the stockholders' interests. Options are granted at the fair market value of the Company's Common Stock on the date of grant and vest in annual increments over three years after such date if the optionee is still employed or vest fully at the date of death, disability or normal retirement.

The number of options that the Committee grants to executive officers is based on individual performance and level of responsibility. The number of options currently held by an executive is not a factor in determining individual grants.

During the nine month ended December 31, 2001, the Committee awarded certain key executives shares of restricted stock that vest over a five year period as a retention incentive and shares of restricted stock that vest after three years as special performance awards, including awards to Messrs. Timothy R. Wallace, John L. Adams, Mark W. Stiles, Jim S. Ivy and Michael G. Fortado totaling 82,100, 40,500, 13,000, 30,000, and 7,500 shares, respectively.

To encourage the retention of certain key and strategically important executives focused on continuous improvement and growth of the Company, the Company has established a deferred compensation plan for certain key officers of the Company including Timothy R. Wallace, John L. Adams, Jim S. Ivy and Mark W. Stiles. Under the deferred compensation plan, an amount equal to ten percent (10%) of each participant's annual base salary and annual incentive compensation is accrued to his deferred account on the books of the Company. All such deferrals bear interest at the annual LIBOR rate plus 6 points.

Chief Executive Officer Compensation

Compensation of the Chief Executive Officer is determined by the Board of Directors after recommendation by the Committee. The Chief Executive Officer's base salary, incentive compensation, stock option grants and stock-based awards are set within the philosophy and policies enunciated above for all other executives of the Company. The Chief Executive Officer's base salary for the nine month period ended December 31, 2001 was unchanged from the previous fiscal year.

In determining the compensation of the Chief Executive Officer, the Committee reviews the performance of the Company, considers the positioning of the Company for future years, assesses his past and ongoing personal performance

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

in the position of Chief Executive Officer, and considers the report of a nationally recognized consulting firm employed to survey the compensation of chief executive officers of other companies, with particular emphasis on companies comparable to the Company. Based on the Committee's consideration of these matters and after consulting with its outside adviser, in December 2001 the Committee recommended to the

13

Board, and the Board approved, a change in the Chief Executive Officer's base salary to \$900,000 beginning January 1, 2002.

Limitation on Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code denies a publicly held corporation a federal income tax deduction for the compensation of certain executive officers exceeding \$1 million per year. "Performance based" compensation is not subject to the limitation on deductibility and the Committee strives to structure compensation so as to qualify for deductibility. The Committee will continue to monitor future deductibility options. However, the Committee will authorize compensation that may not be deductible when it deems it to be in the best interest of the Company and its stockholders.

Conclusion

The Committee believes that the Company's compensation policies and practices are appropriately designed to attract, retain and motivate key executives to guide the Company in the future and to produce results which will enhance the Company's long-term prospects, thereby enriching shareholder values.

Ronald J. Gafford, Chairman
Human Resource Committee

Craig J. Duchossois, Member
Jess T. Hay, Member
Diana S. Natalicio, Member

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

David W. Biegler, Craig J. Duchossois, Ronald J. Gafford, Clifford J. Grum, Jess T. Hay and Diana S. Natalicio served on the Human Resources Committee during the last completed fiscal year. None of the members of the Human Resources Committee has ever served as an executive officer or employee of the Company or any of its subsidiaries. No current officer of the Company has ever served as a member of the board of directors or compensation committee of any other entity that has or has had one or more executive officers serving as a member of the Company's Board of Directors or Human Resources Committee. HCB Enterprises, Inc., of which Jess T. Hay is a stockholder, director and Chairman of the Board, leases space from the Company. The terms of the lease are at market rates and during the nine month period ended December 31, 2001, the Company was paid \$66,930 in rent. On October 26, 2001, a subsidiary of the Company merged with Thrall Car Manufacturing Company whereby the sole stockholder of Thrall, Thrall Car Management Company ("TCMC"), received at closing 7,150,000 shares of common stock of the Company and \$165,550,000 in cash and has the right to receive an additional \$45,000,000 depending on the number of cars sold through 2006. TCMC also received approximately \$15,200,000 as part of a working capital adjustment pursuant to the Merger Agreement. TCMC is an Associate of Mr. Duchossois.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended,

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

requires the Company's executive officers, directors and persons who own more than ten percent (10%) of the Company's Common Stock to file initial reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). These reports are also filed with the New York Stock Exchange and a copy of each report is furnished to the Company.

Additionally, SEC regulations require that the Company identify any individuals for whom one of the referenced reports was not filed on a timely basis during the most recent fiscal year. To the Company's knowledge, based solely on review of reports furnished to it and written representations that no other reports were required during and with respect to the nine month period ended December 31, 2001, each individual who was required to file such reports complied with the applicable filing requirements.

14

PERFORMANCE GRAPH

The following graph shows a comparison of the five (5) year cumulative return (assuming reinvestment of any dividends) for the Company, the New York Stock Exchange Index and the Dow Jones Transportation Equipment Index. The source for the information contained in this table in respect to the return for the Company and for the Dow Jones Transportation Equipment Index is Dow Jones & Company, Inc. and, in respect to the New York Stock Exchange Index, is Media General Financial Services.

FIVE YEAR CUMULATIVE TOTAL RETURN

[LINE CHART]

	1996	1997	1998	1999	2000	2001
	----	----	----	----	----	----
Trinity Industries, Inc.	100	121	107	81	73	82
Dow Jones Transportation Equipment Index	100	124	102	117	104	134
New York Stock Exchange Index	100	132	157	171	176	160

PROPOSAL TO RATIFY THE SELECTION OF ERNST & YOUNG LLP AS INDEPENDENT AUDITORS OF THE COMPANY FOR THE FISCAL YEAR ENDING DECEMBER 31, 2002

Upon recommendation of the Audit Committee, the Board of Directors has appointed Ernst & Young LLP as independent auditors for the fiscal year ending December 31, 2002, subject to ratification by stockholders.

Ernst & Young LLP, independent auditors, or a predecessor of that firm, have been the auditors of the accounts of the Company each year since 1958. It is anticipated that representatives of Ernst & Young LLP will be present at the 2002 Annual Meeting, will have the opportunity to make a statement if they so desire and will be available to respond to appropriate questions raised at the 2002 Annual Meeting or submitted to them in writing before the 2002 Annual Meeting.

15

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

AUDIT FEES

The aggregate fees billed for professional services rendered for the audit of the Company's annual financial statements for the nine months ended December 31, 2001, and for the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q for that period, were \$724,500.

FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES

Ernst & Young did not render professional services relating to financial information systems design and implementation for the nine months ended December 31, 2001.

ALL OTHER FEES

The aggregate fees billed by Ernst & Young for services rendered to the Company, other than the services described above under "Audit Fees" for the nine months ended December 31, 2001, were \$1,356,500, including audit related services of \$1,012,000 and non-audit services of \$344,500. Audit related services included fees primarily for employee benefit plan audits, foreign statutory audit reports, and due diligence on acquisitions. Non-audit services included fees for tax services.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF ITS SELECTION OF ERNST & YOUNG LLP AS INDEPENDENT AUDITORS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2002.

AUDIT COMMITTEE REPORT

The Audit Committee (the Committee) of the Board of Directors is a standing committee comprised of four independent directors. It operates under a written charter adopted by the Board of Directors. The Committee annually recommends to the Board of Directors the selection of the Company's independent auditors. That recommendation is subject to ratification by the Company's stockholders.

Management is responsible for the Company's internal control and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Company's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and issuing a report thereon. As provided in its Charter, the Committee's responsibilities include the monitoring and oversight of these processes.

Consistent with its Charter responsibilities, the Committee has met and held discussions with management and the independent auditors. In this context, management represented to the Committee that the Company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors and discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees).

The Company's independent auditors have also provided to the Committee the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Committee discussed with the independent auditors that firm's independence. The Audit Committee has

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

also considered whether the provision of non-audit services is compatible with maintaining the independent auditors' independence and concluded that such services have not impaired the auditor's independence.

Based upon Committee's discussion with management and the independent auditors and the Committee's review of the representation of management and the report of the independent auditors to the Committee, the Committee recommended that the Board of Directors include the audited consolidated financial statements in the

16

Company's Annual Report on Form 10-K for the nine months ended December 31, 2001 filed with the Securities and Exchange Commission.

Clifford J. Grum, Chairman
Audit Committee

David W. Biegler, Member
Barry J. Galt, Member
Dean P. Guerin, Member

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In December of 2001, the Company paid to an entity owned and controlled by Beatrice G. Wallace, wife of W. Ray Wallace, a director, \$560,000 for the purchase of a warehouse that was needed by the Company for document storage. The purchase price of the property was equivalent to the seller's cost and was comparable to similar property located within the same distance from the Company's headquarters.

OTHER MATTERS

Management of the Company is not aware of other matters to be presented for action at the 2002 Annual Meeting; however, if other matters are presented for action, it is the intention of the persons named in the accompanying form of proxy to vote in accordance with their judgment on such matters.

REPORT ON FORM 10-K

The Company's Transition Report on Form 10-K for the nine month period ended December 31, 2001, as filed with the Securities and Exchange Commission, including financial statements, was included with the Annual Report mailed to each stockholder. Stockholders may obtain without charge another copy of the Form 10-K, excluding certain exhibits, by writing to Michael G. Fortado, Vice President and Corporate Secretary, Trinity Industries, Inc., P.O. Box 568887, Dallas, Texas 75356-8887.

IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY TO AVOID UNNECESSARY EXPENSE. THEREFORE, STOCKHOLDERS ARE URGED, REGARDLESS OF THE NUMBER OF SHARES OWNED, TO DATE, SIGN AND RETURN THE ENCLOSED PROXY IN THE ENCLOSED BUSINESS REPLY ENVELOPE.

By Order of the Board of Directors

MICHAEL G. FORTADO
Vice President and Corporate Secretary

April 12, 2002

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

17

TRINITY INDUSTRIES, INC.
THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS
ANNUAL MEETING OF STOCKHOLDERS - MAY 13, 2002

The undersigned hereby appoints Timothy R. Wallace, Jess T. Hay and Michael G. Fortado and each of them with full power of substitution, attorneys, agents and proxies of the undersigned to vote as directed below the shares of stock which the undersigned would be entitled to vote, if personally present, at the Annual Meeting of Stockholders of Trinity Industries, Inc. to be held at its offices, 2525 Stemmons Freeway, Dallas, Texas 75207, on Monday, May 13, 2002 at 9:30 a.m. Central Daylight Saving Time, and at any adjournment or adjournments thereof. If more than one of the above attorneys shall be present in person or by substitution at such meeting or at any adjournment thereof, the majority of said attorneys so present and voting, either in person or by substitution, shall exercise all of the powers hereby given. The undersigned hereby revokes any proxy or proxies heretofore given to vote upon or act with respect to such shares of stock and hereby ratifies and confirms all that said attorneys, their substitutes, or any of them, may lawfully do by virtue hereof.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR EACH OF THE NAMED NOMINEES FOR DIRECTOR AND FOR PROPOSAL 2.

(Continued and to be marked, dated and signed on reverse side)

TRINITY INDUSTRIES, INC.
P.O. BOX 11369
NEW YORK, N.Y. 10203-0369

THE DIRECTORS RECOMMEND VOTING FOR PROPOSALS 1 and 2.

(1) Election of nine (9) Directors:

FOR ALL NOMINEES [] WITHHOLD AUTHORITY to vote [] EXCEPTIONS []
listed below for all nominees listed below.

Nominees: David W. Biegler, Craig J. Duchossois, Ronald J. Gafford, Barry J. Galt, Clifford J. Grum, Jess T. Hay, Diana S. Natalicio, Timothy R. Wallace and W. Ray Wallace.

(INSTRUCTION: TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEE, MARK THE "EXCEPTIONS" BOX AND STRIKE A LINE THROUGH THAT NOMINEE'S NAME.)

(2) To approve ratification of Ernst & Young as Independent Auditors for fiscal year ending December 31, 2002.

FOR [] AGAINST [] ABSTAIN []

(3) In their discretion on such other matters as may properly come before the Meeting.

Change of Address

Edgar Filing: TRINITY INDUSTRIES INC - Form DEF 14A

Mark Here []

PLEASE SIGN EXACTLY AS YOUR NAME APPEARS ON THE PROXY. IF YOUR STOCK IS JOINTLY OWNED, BOTH PARTIES MUST SIGN. FIDUCIARIES AND REPRESENTATIVES SHOULD SO INDICATE WHEN SIGNING, AND WHEN MORE THAN ONE IS NAMED, A MAJORITY SHOULD SIGN. IF SIGNED BY A CORPORATION, ITS SEAL SHOULD BE AFFIXED.

DATED:

SIGNATURE

SIGNATURE

VOTES MUST BE INDICATED []
(x) in Black or Blue ink.

PLEASE DATE, SIGN AND RETURN THIS PROXY PROMPTLY
IN THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED.