

ROCKWELL AUTOMATION INC

Form DEF 14A

December 20, 2006

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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.

Rockwell Automation, 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:

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- o Fee paid previously with preliminary materials.
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 - (1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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December 14, 2006

Dear Shareowner:

You are cordially invited to attend our 2007 Annual Meeting of Shareowners.

We will hold the annual meeting in the Imperial Ballroom at The Pfister Hotel, 424 East Wisconsin Avenue, Milwaukee, Wisconsin, on Wednesday, February 7, 2007, at 10 a.m. (Central Standard Time). At the meeting I will report on the Corporation's activities and performance during the past fiscal year, and we will discuss and act on the matters described in the Proxy Statement. At this year's meeting, you will have an opportunity to vote on the election of three directors and approve the selection of Deloitte & Touche LLP as our independent registered public accounting firm. Shareowners will then have an opportunity to comment on or to inquire about the affairs of the Corporation that may be of interest to shareowners generally.

Your vote is important to us. Whether or not you plan to attend the meeting, please return your proxy card as soon as possible. You also have the option of voting via the Internet or by telephone.

If you plan to attend the meeting, please request an admittance card in one of the ways described on the last page of the Proxy Statement.

We sincerely hope that as many shareowners as can conveniently attend will do so.

We have enclosed the Proxy Statement for our 2007 Annual Meeting of Shareowners and our 2006 Annual Report. I hope you find them interesting and useful in understanding your company.

Sincerely yours,

Keith D. Nosbusch

Chairman and Chief Executive Officer

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Rockwell Automation, Inc.

1201 South Second Street, Milwaukee, Wisconsin 53204

Notice of 2007 Annual Meeting of Shareowners

**To the Shareowners of
ROCKWELL AUTOMATION, INC.:**

The 2007 Annual Meeting of Shareowners of Rockwell Automation, Inc. will be held in the Imperial Ballroom at The Pfister Hotel, 424 East Wisconsin Avenue, Milwaukee, Wisconsin, on Wednesday, February 7, 2007, at 10 a.m. (Central Standard Time) for the following purposes:

- (a) to elect three members of our Board of Directors with terms expiring at the Annual Meeting in 2010;
- (b) to consider and vote on a proposal to approve the selection by the Audit Committee of our Board of Directors of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2007; and
- (c) to transact such other business as may properly come before the meeting.

Only shareowners of record at the close of business on December 11, 2006 will be entitled to notice of, and to vote at, the meeting.

By order of the Board of Directors.

Douglas M. Hagerman
Secretary

December 14, 2006

Note: The Board of Directors solicits votes by the execution and prompt return of the accompanying proxy in the enclosed return envelope or by use of the Corporation's telephone or Internet voting procedures.

**Rockwell Automation, Inc.
2007 Proxy Statement**

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**Rockwell Automation, Inc.
Proxy Statement**

2007 ANNUAL MEETING

The 2007 Annual Meeting of Shareowners of Rockwell Automation, Inc. will be held on February 7, 2007, for the purposes set forth in the accompanying Notice of 2007 Annual Meeting of Shareowners. This proxy statement and the accompanying proxy, which are first being sent to shareowners on or about December 21, 2006, are furnished in connection with the solicitation by the Board of Directors of proxies to be used at the meeting and at any adjournment of the meeting. We will refer to your company in this proxy statement as we , us , the Corporation or Rockwell Automation .

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

What am I Voting On?

You will be voting on the following:

the election of three members of our Board of Directors; and

the approval of the appointment of Deloitte & Touche LLP (D&T) as our independent registered public accounting firm for fiscal year 2007.

Who is Entitled to Vote at the Annual Meeting?

Only holders of record of the Corporation's Common Stock at the close of business on December 11, 2006, the record date for the meeting, may vote at the Annual Meeting. Each shareowner is entitled to one vote for each share of our Common Stock held on the record date. On December 11, 2006, we had outstanding 167,179,172 shares of our Common Stock.

Who may Attend the Annual Meeting?

All shareowners as of the record date, or individuals holding their duly appointed proxies, may attend the Annual Meeting. Please note that if you hold your shares through a broker or other nominee (in street name), you will need to provide a copy of a brokerage statement reflecting your stock ownership as of the record date to be admitted to the Annual Meeting.

How Do I Vote My Shares?

All shareowners may vote in person at the Annual Meeting. If your shares are held in street name, you should contact your broker or other nominee to obtain a broker's proxy card and bring it, together with proper identification and your brokerage statement reflecting your stock ownership as of the record date, with you to the Annual Meeting, in order to vote your shares. In addition you may vote:

for shareowners of record and participants in our savings plans and Mellon Investor Services Program (dividend reinvestment and stock purchase plan), by completing, signing and returning in the postage-paid envelope provided the enclosed proxy and direction card, or via the Internet or by telephone; or

for shares held in street name, by using the method directed by your broker or other nominee. You may vote over the Internet or by telephone if your broker or nominee makes those methods available, in which case they will provide instructions with your proxy materials.

How Will My Proxy Be Voted?

If you duly complete, sign and return a proxy or use our telephone or Internet voting procedures to authorize the named proxies to vote your shares, your shares will be voted as specified. If your proxy card is signed but does not contain specific instructions, your shares will be voted as recommended by our Board of Directors.

For shareowners participating in our savings plans or in the Mellon Investor Services Program (dividend reinvestment and stock purchase plan), the trustee or administering bank will vote the shares that it holds for a

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participant's account only in accordance with instructions given in a duly signed, completed and returned proxy and direction card, or in accordance with instructions given pursuant to our Internet or telephone voting procedures. Where no instructions are received, the shares will not be voted.

May I Revoke My Proxy?

For shareowners of record, whether you vote by mail, by telephone or via the Internet, you may revoke your proxy at any time before it is voted by:

- delivering a written notice of revocation to the Secretary of the Corporation;
- submitting a properly signed proxy card with a later date;
- casting a later vote using the telephone or Internet voting procedures; or
- voting in person at the Annual Meeting (except for shares held in the savings plans).

If your shares are held in street name, you must contact your broker or other nominee to revoke your proxy. Your proxy is not revoked simply because you attend the Annual Meeting.

Will My Vote be Confidential?

It is our policy to keep confidential all proxy cards, ballots and voting tabulations that identify individual shareowners, except as may be necessary to meet any applicable legal requirements and, in the case of any contested proxy solicitation, as may be necessary to permit proper parties to verify the propriety of proxies presented by any person and the results of the voting. The independent inspector of election and any employees involved in processing proxy cards or ballots and tabulating the vote are required to comply with this policy of confidentiality.

How Many Votes are Needed to Elect Directors and Approve the Selection of our Independent Registered Public Accounting Firm?

Election of Directors. Directors are elected by a plurality of votes cast. This means that the three nominees for election as directors who receive the greatest number of votes cast by the holders of our Common Stock entitled to vote at the meeting, a quorum being present, will become directors.

Majority Vote Policy. Our Guidelines on Corporate Governance set forth our policy if a director is elected by a plurality of votes cast but receives a greater number of votes withheld from his or her election than votes for such election. In an uncontested election, any nominee for director who receives more votes withheld than votes for his or her election must promptly tender his or her resignation to the Board. The Board Composition and Governance Committee will consider the resignation offer and make a recommendation to the Board of Directors. The Board will act on the tendered resignation within 90 days following certification of the election results. The Board Composition and Governance Committee, in making its recommendation, and the Board of Directors, in making its decision, may consider any factors or other information that it considers appropriate and relevant, including any stated reasons why the shareowners withheld votes from such director, the director's tenure, the director's qualifications, the director's past and expected contributions to the Board, and the overall composition of the Board. Thereafter, we will promptly disclose the Board's decision regarding whether to accept or reject the director's resignation offer in a Form 8-K furnished to the Securities and Exchange Commission. If the Board rejects the tendered resignation or pursues any additional action, the disclosure will include the rationale behind the decision. Any director who tenders his or her resignation may not participate in the Board Composition and Governance Committee deliberations and

recommendation or in the Board's decision whether to accept or reject the resignation offer.

Selection of our Independent Registered Public Accounting Firm. An affirmative vote of the holders of a majority of the voting power of our Common Stock present in person or represented by proxy and entitled to vote on the matter, a quorum being present, is necessary to approve the proposal to approve the selection of D&T as our independent registered public accounting firm.

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How are Votes Counted?

Under Delaware law and our Restated Certificate of Incorporation and By-Laws, all votes entitled to be cast by shareowners present in person or represented by proxy at the meeting and entitled to vote on the subject matter, whether those shareowners vote for , against or abstain from voting, will be counted for purposes of determining the minimum number of affirmative votes required for approval of the proposal to approve the selection of D&T as our independent registered public accounting firm. The shares of a shareowner who abstains from voting on a matter or whose shares are not voted by reason of a broker non-vote on a particular matter will be counted for purposes of determining whether a quorum is present at the meeting so long as the shareowner is present in person or represented by proxy. An abstention from voting on a matter by a shareowner present in person or represented by proxy at the meeting has no effect in the election of directors but has the same legal effect as a vote against the proposal to approve the selection of D&T as our independent registered public accounting firm. A broker non-vote on a matter has no effect in the election of directors or on the approval of the proposal to approve the selection of D&T as our independent registered public accounting firm.

Can I Receive Electronic Access to Shareowner Materials?

You can save the Corporation printing and mailing costs by electing to access proxy statements, annual reports and related materials electronically instead of receiving these documents in print. To enroll for these services, please go to www.icsdelivery.com/rockwellauto or visit our website at www.rockwellautomation.com, click on the heading: About Us , then the heading: Investor Relations , then the heading Shareowner Information, Transfer Agent & Dividends . If you own your shares through a broker or other nominee, you may contact them directly to request electronic access.

You must have an e-mail account and access to a computer and the Internet and expect to have such access in the future to be eligible for electronic access to such materials. Selecting this option means that you will no longer receive a printed copy of our annual report and proxy statement unless you request one.

Your consent to electronic access will be effective until you revoke it. You may cancel your consent at no cost to you at any time by going to www.icsdelivery.com/rockwellauto and following the instructions or by contacting your broker or other nominee.

ROCKWELL AUTOMATION

We are a leading global provider of industrial automation power, control and information products and services. We were incorporated in 1996 in connection with a tax-free reorganization completed December 6, 1996, pursuant to which we divested our former aerospace and defense business to The Boeing Company. In the reorganization, the former Rockwell International Corporation (RIC) contributed all of its businesses, other than the aerospace and defense business, to the Corporation and distributed all capital stock of the Corporation to RIC's shareowners. Boeing then acquired RIC. RIC was incorporated in 1928. Our principal executive office is located at 1201 South Second Street, Milwaukee, Wisconsin 53204. Our telephone number is (414) 382-2000 and our website is located at www.rockwellautomation.com. Our Common Stock trades on the New York Stock Exchange (NYSE) under the symbol ROK.

STOCK OWNERSHIP BY CERTAIN BENEFICIAL OWNERS

The following table shows, as of December 11, 2006, information with respect to the persons known to us, based on statements filed with the Securities and Exchange Commission (SEC) pursuant to Section 13(d) or 13(g) of the Securities Exchange Act of 1934 (Securities Exchange Act) or information otherwise furnished to us, to be the beneficial owners of more than 5% of our Common Stock.

Title of Class	Name and Address of Beneficial Owner	Shares	Percent of Class ⁽¹⁾
Common Stock	Fidelity Management Trust Company, as Trustee ⁽²⁾ 300 Puritan Way Marlborough, MA 01752	10,253,042 ⁽²⁾	6.1%

⁽¹⁾ The percent of class owned has been computed in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act.

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- (2) Shares are held as trustee under our savings plans for approximately 20,900 participating employees and former employees of the Corporation or its predecessors. Our Common Stock represents only one of many investment alternatives under the plans that can be selected by plan participants. Participants can reallocate their investments within these plans at any time (to the extent vested) and in their sole discretion, subject to our insider trading policy. The trustee will vote the shares held on account of participants in the plans in accordance with written instructions from the participants, or instructions from the participants given pursuant to our telephone or Internet voting procedures. Where no instructions are received, the shares will not be voted. The trustee has no investment power with respect to the shares held on account of participants.

ELECTION OF DIRECTORS

Our Restated Certificate of Incorporation provides that the Board of Directors will consist of three classes of directors serving staggered three-year terms that are as nearly equal in number as possible. One class of directors is elected each year with terms extending to the third succeeding Annual Meeting after election.

The terms of four directors expire at the 2007 Annual Meeting, including Don H. Davis, Jr., who will retire as a director immediately before the 2007 Annual Meeting. The Board has designated the other three directors, upon the recommendation of the Board Composition and Governance Committee, as nominees for election as directors at the 2007 Annual Meeting with terms expiring at the 2010 Annual Meeting. The Board also decreased the number of directors from ten to nine effective immediately before the 2007 Annual Meeting.

Proxies properly submitted will be voted at the meeting, unless authority to do so is withheld, for the election of the three nominees specified in *Nominees for Election as Directors with Terms Expiring in 2010* below. If for any reason any of those nominees is not a candidate when the election occurs (which is not expected), proxies and shares properly authorized to be voted will be voted at the meeting for the election of a substitute nominee or, instead, the Board of Directors may reduce the number of directors.

INFORMATION AS TO NOMINEES FOR DIRECTORS AND CONTINUING DIRECTORS

For each director nominee and each continuing director, we have stated the nominee's or continuing director's name, age (as of December 14, 2006) and principal occupation; the position, if any, with the Corporation; the period of service as a director of the Corporation (or a predecessor corporation); and other directorships held.

NOMINEES FOR ELECTION AS DIRECTORS WITH TERMS EXPIRING IN 2010

Barry C. Johnson, Ph.D. **Director Since 2005** **Age 63**
Retired Dean, College of Engineering, Villanova University. Dr. Johnson served as Dean, College of Engineering, Villanova University from August 2002 until March 2006. He served as Chief Technology Officer of Honeywell International Inc. (diversified technology and manufacturing company) from July 2000 to April 2002. Prior to that, Dr. Johnson served as Corporate Vice President of Motorola, Inc. (global communications company) and Chief Technology Officer for that company's Semiconductor Product Sector. Dr. Johnson also serves as a director of Cytec Industries Inc. and IDEXX Laboratories, Inc.

William T. McCormick, Jr. **Director Since 1989** **Age 62**
Retired Chairman of the Board and Chief Executive Officer, CMS Energy Corporation (Diversified Energy). Mr. McCormick served as Chairman of the Board and Chief Executive Officer of CMS Energy Corporation from November 1985 until May 2002.

Before joining CMS, he had been Chairman and Chief Executive Officer of American Natural Resources Company (natural gas company) and Executive Vice President and a director of its parent corporation, The Coastal Corporation (energy holding company).

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Keith D. Nosbusch Director Since 2004 Age 55

Chairman of the Board, President and Chief Executive Officer. Mr. Nosbusch has been our Chairman of the Board since February 2005 and our President and Chief Executive Officer since February 2004. He served as Senior Vice President and President, Rockwell Automation Control Systems from November 1998 until February 2004. Mr. Nosbusch is a director of The Manitowoc Company, Inc. and serves as a director or member of a number of business, civic and community organizations.

CONTINUING DIRECTORS WITH TERMS EXPIRING IN 2008

Bruce M. Rockwell Director Since 1969 Age 67

Retired Executive Vice President, Fahnstock & Co. Inc. (now part of Oppenheimer & Co., Inc.) (Investment Banking), member New York Stock Exchange. Mr. Rockwell joined First of Michigan Corporation (investment banking) in 1961, was elected Senior Vice President in 1983, and was named Vice Chairman, First of Michigan Division of Fahnstock & Co. Inc. in March 1998 following the acquisition of First of Michigan by Fahnstock & Co. He is past chairman of the Municipal Advisory Council of Michigan and past President of the Bond Club of Detroit.

Joseph F. Toot, Jr. Director Since 1977 Age 71

Retired President and Chief Executive Officer, The Timken Company (Tapered Roller Bearings and Specialty Steel). Mr. Toot joined The Timken Company in 1962 and served in various senior executive positions until his election as President in 1979 and Chief Executive Officer in 1992. He retired as President and Chief Executive Officer of Timken in December 1997 and then served as Chairman of the Executive Committee from January 1998 until April 2000. Mr. Toot has served as a director of Timken since 1968. He is also a director of Rockwell Collins, Inc. and a member of the Supervisory Board of PSA Peugeot Citroën.

Kenneth F. Yontz Director Since 2002 Age 62

Retired Chairman of the Board, Sybron Dental Specialties Inc. (Dental Supplies, Orthodontic Appliances and Related Products). Mr. Yontz served as Chairman of the Board of Sybron Dental Specialties from October 2000 until May 2006. He served as Chairman of the Board of Apogent Technologies Inc. (laboratory and life sciences company) (successor company to Sybron International Corporation) from December 1987 until August 2004, and as President and Chief Executive Officer from October 1987 until December 2000. Mr. Yontz is a director of AMN Healthcare Services, Inc. He also serves as a director or member of a number of civic and community organizations.

CONTINUING DIRECTORS WITH TERMS EXPIRING IN 2009

Betty C. Alewine Director Since 2000 Age 58*Retired President and Chief Executive Officer, COMSAT Corporation (Global Satellite Services and Digital Networking Services and Technology).* Ms. Alewine joined COMSAT in 1986 as Vice President of Sales and Marketing, and then served as the Vice President and General Manager and in 1994 as President of COMSAT International, the company's largest operating unit. Ms. Alewine was named Chief Executive Officer of COMSAT in July 1996 and served in

that position until the merger of COMSAT and Lockheed Martin Corporation in August 2000. Ms. Alewine is a director of the New York Life Insurance Company and The Brink s Company. She also serves as a director or member of a number of civic and charitable organizations.

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Verne G. Istock Director Since 2003 Age 66

Retired Chairman and President, Bank One Corporation (now part of JPMorgan Chase & Co.) (Financial Holding Company). Mr. Istock served as Chairman of the Board of Bank One Corporation from October 1998, following completion of the merger of First Chicago NBD Corporation and Banc One Corporation, until October 1999, and as President of Bank One Corporation from October 1999 until September 2000. He served as Acting Chief Executive Officer of Bank One Corporation from December 1999 until March 2000. He served as Chairman of First Chicago NBD from 1996 to 1998 and as President and Chief Executive Officer of First Chicago NBD from 1995 to 1998. Mr. Istock is lead director of Kelly Services, Inc. and a director of Masco Corporation. He also serves as a director or member of a number of civic and community organizations.

David B. Speer Director Since 2003 Age 55

Chairman and Chief Executive Officer, Illinois Tool Works Inc. (Engineered Components and Industrial Systems and Consumables). Mr. Speer joined Illinois Tool Works in 1978. In October 1995, he was elected Executive Vice President of worldwide construction products businesses and in 2003 assumed similar responsibilities for the company's Wilsonart businesses. He was elected President of Illinois Tool Works in August 2004, Chief Executive Officer in August 2005 and Chairman in May 2006. Mr. Speer is a member of the Chicago Economic Club and also a director or member of a number of other business and community organizations.

The Board of Directors recommends that you vote FOR the election as directors of the three nominees described above, which is presented as item (a).

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BOARD OF DIRECTORS AND COMMITTEES

Our business is managed under the direction of the Board of Directors. The Board has established the Audit Committee, the Board Composition and Governance Committee, the Compensation and Management Development Committee and the Technology, Environmental and Social Responsibility Committee, whose principal functions are briefly described below. The duties and responsibilities of each committee are set forth in committee charters that are available on our website at www.rockwellautomation.com; click on the heading: About Us , then the heading: Investor Relations , then the heading: Corporate Governance . The committee charters are also available in print to any shareowner upon request. In the 2006 fiscal year, the Board held nine meetings and acted on two occasions by written consent in lieu of a meeting. Average attendance by incumbent directors at Board and committee meetings was 96%, and all of the directors attended 86% or more of the meetings of the Board and the committees on which they served. Directors are expected to attend the Annual Meeting of Shareowners. All directors attended the 2006 Annual Meeting.

The Board has reviewed the independence of its members considering categorical standards adopted by the Board to assist in determining independence, the independence criteria of the NYSE and any other commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships between the directors and the Corporation. Based on this review, the Board has determined that none of the current directors, other than Mr. Nosbusch and Mr. Davis (who are current and former employees, respectively, of the Corporation), has a material relationship with the Corporation and each of our current directors (other than Mr. Nosbusch and Mr. Davis) meets the independence requirements of the NYSE.

The Board's categorical standards provide that the following relationships are deemed to be immaterial and would not in and of themselves impair a director's independence:

a director is an executive officer or current employee, or an immediate family member of such director is a current executive officer, of a company that has made payments to, or received payments from, the Corporation or any of its subsidiaries for property or services in an amount which in any of the last three fiscal years of the other company does not exceed the greater of \$1 million or 2% of such other company's consolidated gross revenues;

a director is an executive officer or employee, or an immediate family member of such director is an executive officer, of another company that is indebted to the Corporation or to which the Corporation is indebted, and the total amount of either company's indebtedness to the other is less than 2% of the total consolidated assets of each of the Corporation and such other company; or

a director serves as an executive officer of a tax exempt organization and the Corporation's discretionary charitable contributions (excluding the amount of any matching contributions under the Corporation's Matching Gifts Program) to the tax exempt organization in any of the last three fiscal years of the tax exempt organization are not more than the greater of \$1 million or 2% of the tax exempt organization's consolidated gross revenues.

The non-management directors meet in executive session without the presence of any corporate officer or member of management in conjunction with regular meetings of the Board. A director designated by the non-management directors chairs the session. The non-management directors' practice is to designate the Chairman of one of the Board Committees as chair, in part depending upon whether the principal items to be considered at the session are within the scope of the applicable Committee. The independent directors meet in executive session in connection with most regular meetings.

Audit Committee. The members of the Audit Committee are Verne G. Istock (Chairman), Barry C. Johnson, David B. Speer and Kenneth F. Yontz. All members of the Audit Committee are non-employee directors who meet the independence and financial literacy standards and requirements of the NYSE and the SEC. The Audit Committee assists the Board in overseeing and monitoring the integrity of our financial reporting processes, our internal control and disclosure control systems, the integrity and audits of our financial statements, our compliance with legal and regulatory requirements, the qualifications and independence of our independent registered public accounting firm and the performance of our internal audit function and independent registered public accounting firm. The Committee's duties and responsibilities are set forth in the Audit Committee Charter, and include: appointment of our independent registered public accounting firm, subject to shareowner approval; approval of all audit, audit-related and permitted non-audit fees and services of

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our independent registered public accounting firm; review with our independent registered public accounting firm and management the annual audited and quarterly financial statements; discussion periodically with management of quarterly earnings releases; and review with our independent registered public accounting firm and management of the quality and adequacy of internal controls. The Audit Committee met seven times during the 2006 fiscal year. The Board has determined that Messrs. Istock, Speer and Yontz qualify as audit committee financial experts as defined by the SEC.

Board Composition and Governance Committee. The members of the Board Composition and Governance Committee are William T. McCormick, Jr. (Chairman), Verne G. Istock, Joseph F. Toot, Jr. and Kenneth F. Yontz. The principal functions of the Board Composition and Governance Committee are to consider and recommend to the Board qualified candidates for election as directors of the Corporation and to consider matters of corporate governance. The Committee annually assesses and reports to the Board on the performance of the Board of Directors as a whole and of the individual directors. The Committee also recommends to the Board the members of the committees of the Board and the terms of our Guidelines on Corporate Governance. All members of the Committee are independent directors as defined by the NYSE. The Committee met twice during the 2006 fiscal year.

The Committee will consider candidates for director recommended by shareowners. Shareowners wishing to recommend director candidates can do so by writing to the Secretary of the Corporation at 1201 South Second Street, Milwaukee, Wisconsin 53204. The recommendation must include the candidate's name, biographical data and qualifications and any other information required by the SEC to be included in a proxy statement with respect to a director nominee. Any such recommendation must be accompanied by a written statement from the candidate indicating his or her willingness to serve if nominated and elected. The recommending shareowner also must provide evidence of being a shareowner of record of our Common Stock at that time.

The Committee, the Chairman and Chief Executive Officer or other members of the Board may identify a need to add new members to the Board or fill a vacancy on the Board. In that case, the Committee will initiate a search for qualified director candidates, seeking input from senior management and Board members, and to the extent it deems it appropriate, outside search firms. The Committee will evaluate qualified candidates and then make its recommendation to the Board for its consideration and approval.

In making its recommendations to the Board with respect to director candidates, the Committee considers various criteria set forth in our Board Membership Criteria (see Exhibit A to the Committee's Charter), including experience, professional background, specialized expertise and concern for the best interests of shareowners as a whole. In addition, directors must be of the highest character and integrity, be free of conflicts of interest with the Corporation, and have sufficient time available to devote to the affairs of the Corporation. The Committee from time to time reviews with the Board our Board Membership Criteria in the context of the current composition of the Board and our circumstances.

The Committee will evaluate properly submitted shareowner recommendations under substantially the same criteria and in substantially the same manner as other potential candidates.

In addition to recommending director candidates to the Committee, shareowners may also nominate candidates for election to the Board at annual shareowner meetings by following the procedures set forth in our By-Laws. See Shareowner Proposals for Annual Meeting in 2008 set forth later in this proxy statement.

Compensation and Management Development Committee. The members of the Compensation and Management Development Committee are Joseph F. Toot, Jr. (Chairman), Betty C. Alewine, William T. McCormick, Jr. and Bruce M. Rockwell. All members of the Committee are independent directors as defined by the NYSE and are not eligible to participate in any of our plans or programs administered by the Committee, except our 2003 and 1995 Directors Stock

Plans. The principal functions of the Compensation and Management Development Committee are to evaluate the performance of our senior executives and plans for management succession and development, review the design and competitiveness of our compensation plans, review and approve salaries of corporate officers and review the salary plan for other executives who are direct reports to the Chief Executive Officer, review and approve corporate goals and objectives and administer our incentive, deferred compensation and long-term incentives plans pursuant to the terms of the respective plans. The Committee determines salaries, incentive compensation and long-term incentive awards for all corporate

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officers. The Committee met five times and acted on one occasion by written consent in lieu of a meeting during the 2006 fiscal year.

Technology, Environmental and Social Responsibility Committee. The members of the Technology, Environmental and Social Responsibility Committee are Bruce M. Rockwell (Chairman), Betty C. Alewine, Barry C. Johnson and David B. Speer. All members of the Committee are independent directors as defined by the NYSE. The Committee reviews and assesses our technological activities as well as our policies and practices in the following areas: employee relations, with emphasis on diversity and inclusiveness; the protection and enhancement of the environment and energy resources; product integrity and safety; employee health and safety; and community and civic relations, including programs for and contributions to educational, cultural and other social institutions. The Committee met twice during the 2006 fiscal year.

Communications to the Board and Ombudsman. Shareowners and other interested parties may send communications to the Board, an individual director, the non-management directors as a group, or a specified Board Committee at the following address:

Rockwell Automation, Inc.
c/o Corporate Secretary
1201 South Second Street
Milwaukee, WI 53204
Attn: Board of Directors

The Secretary will receive and process all communications before forwarding them to the addressee. The Secretary will forward all communications unless the Secretary determines that a communication is a business solicitation or advertisement, or requests general information about us.

In accordance with procedures approved by the Audit Committee, concerns about accounting, internal controls or auditing matters should be reported to the Ombudsman as outlined in our Standards of Business Conduct, which are available on our website at www.rockwellautomation.com; please click on the heading: About Us , then the heading: Who We Are , then the heading: Ethics . The Ombudsman is required to report promptly to the Audit Committee all reports of questionable accounting or auditing matters that the Ombudsman receives. You may contact the Ombudsman by addressing a letter to:

Ombudsman
Rockwell Automation, Inc.
1201 South Second Street
Milwaukee, WI 53204

You may also contact the Ombudsman by telephone at (800) 552-3589, e-mail at ombudsman@rockwell.com or fax at (414) 382-8485.

Table of Contents**DIRECTOR COMPENSATION⁽¹⁾**

The following table sets forth compensation paid to and deferred by our non-employee directors in connection with their service as directors during fiscal year 2006.

Name	Retainer Fees		Retainer Fees Paid in Restricted Shares	Value of Annual Share Award ⁽³⁾	Grant Date Present Value of Stock Option Awards ⁽⁴⁾
	Retainer Fees Paid in Cash ⁽²⁾	Paid in Restricted Shares in Lieu of Cash ⁽²⁾			
Betty C. Alewine	\$ 69,000		\$ 27,000	\$ 32,895	\$ 30,870
Don H. Davis, Jr.	60,000		27,000	32,895	30,870
Verne G. Istock	76,500		27,000	32,895	30,870
Barry C. Johnson	68,000		27,000	32,895	30,870
William T. McCormick, Jr	72,000		27,000	32,675	30,870
Bruce M. Rockwell	74,750		27,000	32,675	30,870
David B. Speer	61,688	\$ 8,813	27,000	32,895	30,870
Joseph F. Toot, Jr.	73,000		27,000	32,895	&nbs