

GENESEE & WYOMING INC
Form 8-K
February 07, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): February 1, 2006

Genesee & Wyoming Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-31456
(Commission File Number)

06-0984624
(I.R.S. Employer
Identification No.)

66 Field Point Road,
Greenwich, Connecticut
(Address of principal executive offices)

06830
(Zip Code)

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.Establishment of 2006 Bonus Targets.

On February 1, 2006, the Compensation Committee (the *Committee*) of the Board of Directors of Genesee & Wyoming Inc. (the *Company*) approved the key terms of the Company's annual cash bonus plan, which is incorporated under the Company's 2004 Omnibus Incentive Plan (the *Plan*). As set forth in the Plan, which was approved by the Company's stockholders at the 2004 Annual Meeting of stockholders, the Committee may choose from a range of defined performance measures. For fiscal year 2006, as was the case in the prior four years, the Committee approved financial and safety performance goals and bonus formulas under the Company's Genesee Value Added methodology. The Genesee Value Added financial performance goals for the Company and each of its regions are derived from return on invested capital measurements. The Genesee Value Added safety performance goals for the Company and each of its regions are derived from ratios of the number of reportable injuries, as defined by the Federal Railroad Administration, to man hours worked. The following table illustrates the 2006 target amount of annual cash bonus payments for senior executives of the Company, as well as the relative weights assigned to each performance measure for such individuals:

| <u>Principal Position</u> | <u>Target Annual Cash Bonus Amount as a percentage of base salary</u> | <u>Relative weighting of different criteria in determining Annual Cash Bonus Amount</u> | | |
|---------------------------------------|---|---|-------------------------------------|-------------------------------------|
| | | <u>Corporate Financial Performance</u> | <u>Corporate Safety Performance</u> | <u>Individual Performance Goals</u> |
| Chief Executive Officer | 70% | 85% | 15% | |
| President | 50% | 85% | 15% | |
| Vice Chairman | 50% | 80% | 20% | |
| Chief Operating Officer | 50% | 20% | 20% | 60% (1) |
| General Counsel & Corporate Secretary | 50% | 85% | 15% | |
| Most other corporate executives | 35%-50% | 35%-85% | 15% | 0%-50% (2) |

- (1) The Chief Operating Officer's individual performance goals are based on the Genesee Value Added financial performance of the Company's U.S. and Canadian operations.
- (2) Certain other corporate executives with non-operational responsibilities also have individual performance goals, which are tied to the attainment of strategic or operational initiatives and vary depending on the positions held by such persons.

Financial performance based bonuses can vary from zero to 200% of the target bonus amounts. To the extent that the Company, generates a financial performance based bonus amount that would otherwise be greater than 200% of the target bonus amount or less than zero, the excess amount (positive or negative, as applicable) is carried forward to determinations of the subsequent year's bonus amount. However, no employee has any right to the excess positive amounts if his or her employment ends prior to the payment of such excess amounts, and no employee has any obligations related to excess negative amounts if his or her employment terminates. Safety performance based bonuses cannot exceed the targeted amount.

The actual bonuses payable for fiscal year 2006 (if any) will vary depending on the extent to which actual performance meets, exceeds or falls short of the goals approved by the Committee.

Payment of 2005 Bonuses to Certain Executive Officers.

On February 1, 2006, the Committee approved the payment of annual cash bonuses to certain executive officers, which were calculated pursuant to the Company's 2005 performance compared to financial and safety performance targets established in accordance with the Company's Genesee Value Added methodology. The amounts are as set forth below:

| <u>Principal Position</u> | <u>2005 Bonus Payments</u> |
|---|----------------------------|
| Chief Executive Officer | \$ 489,000 |
| President | \$ 194,000 |
| Vice Chairman | \$ 191,000 |
| Chief Operating Officer | \$ 175,000 |
| General Counsel and Corporate Secretary | \$ 104,000 |

Approval of 2006 Salary Increases.

On February 1, 2006, the Committee approved base salary increases for certain executive officers. As a result of the increases, the new annual base salaries of the executive officers, which are retroactively effective as of January 1, 2006, are as set forth below:

| <u>Principal Position</u> | <u>2006 Base Salary</u> |
|---|-------------------------|
| Chief Executive Officer | \$ 644,000 |
| President | \$ 365,000 |
| Vice Chairman | \$ 346,000 |
| Chief Operating Officer | \$ 236,000 |
| General Counsel and Corporate Secretary | \$ 283,000 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GENESEE & WYOMING INC.

February 7, 2006

By: /s/ Adam B. Frankel

Name: Adam B. Frankel
Title: Senior Vice President, General Counsel

& Corporate Secretary