

Edgar Filing: Con-way Inc. - Form 8-K

Con-way Inc.
Form 8-K
February 11, 2010

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

February 9, 2010

Date of Report (Date of earliest event reported)

Con-way Inc.

(Exact name of registrant as specified in its charter)

Delaware	1-5046	94-1444798
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(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification Number)

2855 Campus Drive, Suite 300, San Mateo, California 94403

(Address of principal executive offices)
(zip code)

Registrant's telephone number, including area code:
(650) 378-5200

(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 obligations of the registrant under any of the following provisions (see General Instruction A.2 below):

- ☐ 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 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

On February 9, 2010, the Company's Compensation Committee (with the concurrence of the other independent members of the Board of Directors, in the case of the compensation of the Company's Chief Executive Officer), approved the following compensation:

A. 2010 ANNUAL CASH INCENTIVE AWARDS. The annual cash incentive awards are based upon performance metrics approved by the Compensation Committee. For each award the Compensation Committee has set a minimum achievement level below which no payouts are received, a target achievement level at which each executive will earn a target payout (equal to a specified percentage of the executive's base salary earned during the year), and a maximum achievement level at or above which each executive will earn a payout equal to twice his target amount. The specified percentages of base salary, as well as the target amounts for the 2010 awards (based on each executive's annual base salary as in effect as of the date of this Report on Form 8-K), are set forth in the table below.

Officer	Title	Percentage of Actual Base Salary	Target Amount (\$)
Douglas W. Stotlar	President and Chief Executive Officer	100%	\$625,508
Stephen L. Bruffett	Executive Vice President and Chief Financial Officer	70%	\$282,282
Robert L. Bianco	Executive Vice President	70%	\$287,269
John G. Labrie	Executive Vice President	70%	\$292,259
Herbert J. Schmidt	Executive Vice President	70%	\$280,899

The performance metrics applicable to the 2010 cash incentive awards made to Messrs. Bianco, Labrie and Schmidt are shown in the table below:

Officer	Title	Performance Metric
Robert L. Bianco	Executive Vice President	Adjusted Operating Income of Menlo Worldwide Logistics
John G. Labrie	Executive Vice President	Adjusted Operating Income of Con-way Freight

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Herbert	Executive Vice President	Operating Ratio of Con-way Truckload
J.		
Schmidt		

As used in the table above:

"Adjusted Operating Income" means operating income as determined in accordance with United States generally accepted accounting principles ("US GAAP"), as adjusted for (i) asset impairments pursuant to FASB Codification Topics 350 and 360, (ii) restructuring charges pursuant to FASB Codification Topic 420 and (iii) accounting charges pursuant to FASB Codification Topic 250.

"Operating Ratio" means Operating Expense divided by Revenue, with "Operating Expense" defined as Revenue less Operating Profit and "Revenue" defined as revenue determined in accordance with US GAAP before inter-segment eliminations.

The awards made to Messrs. Stotlar and Bruffett (i) are based on the percentage achievement levels of Con-way Freight, Menlo Worldwide Logistics and Con-way Truckload with respect to their performance metrics and (ii) are weighted as shown in the table below:

Business Unit	Weighting
Con-way Freight	71%
Con-way Truckload	15%
Menlo Logistics	14%
Total	100%

B. 2010 LONG-TERM INCENTIVE COMPENSATION AWARDS

2010 long-term incentive compensation awards include (i) cash-settled stock appreciation rights ("SARs") awards and (ii) restricted stock unit awards.

SARs. Each SARs award described in the table below is made pursuant to, and is governed by the terms of, the Company's 2006 Equity and Incentive Plan, as amended, and a stock appreciation rights award agreement in the form attached hereto as Exhibit 99.1. These documents provide that the SARs have a term of ten years, will vest in equal annual installments over three years, commencing January 1, 2011, or earlier in certain circumstances (including in the event of death or disability or upon a qualifying termination of employment in connection with a Change in Control). Upon retirement at age 65 or pursuant to the "Rule of 85" (that is, age plus years of service equal to or greater than 85), the SARs vest and are exercisable for a period of one year thereafter. The foregoing description of the SARs awards is qualified in its entirety by reference to the form of stock appreciation rights agreement attached hereto as Exhibit 99.1.

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Officer	Title	Number of SARs	Exercise Price
Douglas W. Stotlar	President and Chief Executive Officer	146,986	\$28.92
Stephen L. Bruffett	Executive Vice President and Chief Financial Officer	40,435	\$28.92
Robert L. Bianco	Executive Vice President	39,136	\$28.92
John G. Labrie	Executive Vice President	38,291	\$28.92
Herbert J. Schmidt	Executive Vice President	35,279	\$28.92

Restricted Stock Unit Awards. Each restricted stock unit award described in the table below is made pursuant to, and is governed by the terms of, the Company's 2006 Equity and Incentive Plan, as amended, and a restricted stock unit grant agreement, in the form attached hereto as Exhibit 99.2. These documents provide that the restricted stock units will vest on February 9, 2013 (the third anniversary of the grant date), or earlier in certain circumstances (including in the event of death or disability or upon a qualifying termination of employment in connection with a Change in Control). In addition, a pro rata portion (based on the number of months elapsed divided by 36) will vest upon retirement at age 65 or pursuant to the Rule of 85. Recipients do not receive dividends equivalents in the event that a cash dividend is declared on the Company's common stock, but do receive dividend equivalents if stock dividends are declared. The foregoing description of the restricted stock awards is qualified in its entirety by reference to the form of restricted stock unit grant agreement attached hereto as Exhibit 99.2.

Officer	Title	Number of Restricted Stock Units
Douglas W. Stotlar	President and Chief Executive Officer	28,840
Stephen L. Bruffett	Executive Vice President and Chief Financial Officer	12,341
Robert L. Bianco	Executive Vice President	11,945
John G. Labrie	Executive Vice President	11,687
Herbert J. Schmidt	Executive Vice President	10,767

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ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

Exhibit No. -----	Description -----
EX 99.1	Stock Appreciation Rights Award Agreement
EX 99.2	Restricted Stock Unit Grant Agreement

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.

Con-way Inc.

(Registrant)

February 10, 2010

/s/ Jennifer W. Pileggi

Jennifer W. Pileggi
General Counsel and Corporate Secretary