

SILGAN HOLDINGS INC
Form 8-K
March 06, 2014

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 28, 2014

SILGAN HOLDINGS INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-22117
(Commission
File Number)

06-1269834
(IRS Employer
Identification No.)

4 Landmark Square, Stamford, Connecticut
(Address of principal executive offices)

06901
(Zip Code)

Registrant's telephone number, including area code: (203)
975-7110

N/A
(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))
- ☐

Edgar Filing: SILGAN HOLDINGS INC - Form 8-K

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
(17 CFR 240.13e-4(c))

Section 5—Corporate Governance and Management

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Compensatory Arrangements of Certain Officers

On February 28, 2014, the Compensation Committee of the Board of Directors of Silgan Holdings Inc., or the Company, (i) set the performance goal and performance goal target for 2014 under the Company's Senior Executive Performance Plan, as amended, or the Performance Plan, for Mr. Anthony J. Allott, the President and Chief Executive Officer of the Company and the only participant under the Performance Plan, (ii) set financial targets and other goals for bonuses for 2014 for the other executive officers of the Company who, in addition to Mr. Allott, are named in the Summary Compensation Table in the Company's most recent proxy statement (together with Mr. Allott, the "Named Executive Officers"), (iii) granted a performance award of restricted stock units to Mr. Allott and established performance criteria for 2014 for such performance award under the Company's 2004 Stock Incentive Plan, as amended, or the Stock Incentive Plan, and (iv) established performance criteria for 2014 for potential performance awards of restricted stock units to be granted in 2015 under the Stock Incentive Plan, including to the Named Executive Officers.

The Compensation Committee set the performance goal for 2014 for Mr. Allott under the Performance Plan as the Company's earnings before interest, taxes, depreciation and amortization and rationalization charges, acquisition termination fees (net of related costs) and the impact from any foreign currency devaluations ("Adjusted EBITDA") and the performance goal target for 2014 as the achievement of the Adjusted EBITDA level of the Company from 2013. The Compensation Committee also determined that the maximum amount that could be awarded to Mr. Allott under the Performance Plan for 2014 would be 100% of his annual base salary for 2014, with the actual amount being determined pursuant to a formula based on the Company's Adjusted EBITDA for 2014 as compared to the Company's Adjusted EBITDA for 2013.

The Compensation Committee also approved annual bonuses for 2014 for each of Messrs. Robert B. Lewis, Executive Vice President and Chief Financial Officer of the Company, Adam J. Greenlee, Executive Vice President and Chief Operating Officer of the Company, and Frank W. Hogan, III, Senior Vice President, General Counsel and Secretary of the Company, each a Named Executive Officer of the Company, in an amount up to a maximum amount of 40% of his annual salary received in 2014, with the amount of such annual bonus being calculated on the same basis that an annual bonus is calculated for the Chief Executive Officer of the Company for 2014 under the Performance Plan.

The Compensation Committee set a target level of earnings before interest and taxes and rationalization charges, the foreign currency impact from certain intercompany agreements and the impact from any foreign currency devaluations and subject to further adjustment as determined by the Compensation Committee for unusual gains and unusual

losses (“Adjusted EBIT”) and organizational goals (management development, working capital management, market leadership, operational leadership and financial reporting and controls) for Silgan Plastics LLC for the payment of annual bonuses for 2014 to officers of Silgan Plastics LLC, including Ms. Sarah T. Macdonald, President of Silgan Plastics LLC and a Named Executive Officer of the Company. Following the end of the year, the Compensation Committee will confirm the level of Adjusted EBIT and organizational goals attained by Silgan Plastics LLC for 2014, and bonuses will be awarded to officers of Silgan Plastics LLC on a sliding scale (from zero to two times “target”) on such basis. If the targeted level of Adjusted EBIT and organizational goals for Silgan Plastics LLC are attained for 2014, Ms. Macdonald would receive a bonus for 2014 at “target”, or at 35% of her salary for 2014.

The Compensation Committee approved and granted a performance award to Mr. Allott under the Stock Incentive Plan. Mr. Allott received a performance award of 200,000 restricted stock units, with each restricted stock unit representing the right to receive one share of Common Stock of the Company. The Compensation Committee established the performance criteria for such performance award as the Company’s Adjusted EBITDA for 2014 and the minimum level of performance for such performance award as 75 percent of the Company’s Adjusted EBITDA for 2013. In the event such minimum level of performance is not attained, such performance award will be cancelled and will be null and void. If such minimum level of performance is attained, then all such restricted stock units under such performance award will vest all at once on March 1, 2019, subject to the terms of the Stock Incentive Plan, and such restricted stock units carry with them the right to receive dividend equivalents in an amount equal to all cash dividends paid on one share of Common Stock of the Company for each restricted stock unit while such restricted stock unit is outstanding and until such restricted stock unit vests.

Additionally, the Compensation Committee approved potential performance awards of restricted stock units under the Stock Incentive Plan for an aggregate of up to 223,400 shares of Common Stock of the Company to a total of 47 officers and other key employees of the Company and its subsidiaries, and fixed and established the performance criteria for the Company’s 2014 fiscal year for the granting of such performance awards under the Stock Incentive Plan. Messrs. Allott, Lewis, Greenlee and Hogan and Ms. Macdonald are included in such group of officers and other key employees. The performance criteria for the 2014 fiscal year selected by the Compensation Committee is the Company’s Adjusted EBITDA for 2014, and the minimum level of performance that must be attained for 2014 for the performance awards to be granted is 75% of the level of the Company’s Adjusted EBITDA for 2013. If the minimum level of performance for 2014 is attained as confirmed by the Compensation Committee following the end of 2014, then the Compensation Committee may grant performance awards for an aggregate of up to 223,400 restricted stock units to such 47 officers and other key employees of the Company and its subsidiaries, including Messrs. Allott, Lewis, Greenlee and Hogan and Ms. Macdonald. In determining the amount of a performance award to grant to a particular officer or other key employee, the Compensation Committee targets a multiple of such individual’s annual base salary as the level of the nominal value of unvested stock awards for such individual. The multiple for each individual is determined on the basis of the individual’s anticipated long-term contribution to the Company. In determining the 2014 performance award to be granted

to any individual, the Compensation Committee will review the nominal value of unvested stock awards previously granted to such individual as compared to such individual's target multiple of salary, and may grant a performance award to such individual in an amount up to the maximum amount approved by the Compensation Committee for such individual on February 28, 2014. Generally, in making such grants the Compensation Committee will consider performance awards for individuals whose aggregate nominal value of unvested stock awards is less than their target multiple of salary so that their total nominal value of unvested stock awards approximates their target multiple of salary. Such restricted stock units will be granted at the earliest upon the date on which the Compensation Committee confirms that the minimum level of performance was attained, will vest in five equal installments annually beginning one year from the date of grant, and will carry with them the right to receive dividend equivalents in an amount equal to all cash dividends paid on one share of Common Stock of the Company for each restricted stock unit while such restricted stock unit is outstanding and until such restricted stock unit vests.

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.

SILGAN HOLDINGS INC.

By: /s/ Frank W. Hogan, III
Frank W. Hogan, III
Senior Vice President, General
Counsel
and Secretary

Date: March 6, 2014

