

GANDER MOUNTAIN CO
Form 8-K
March 09, 2005

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

March 3, 2005

Date of report (Date of earliest event reported)

GANDER MOUNTAIN COMPANY

(Exact Name of Registrant as Specified in its Charter)

Minnesota
(State of Incorporation)

0-50659
(Commission File Number)

41-1990949
(I.R.S. Employer Identification
No.)

4567 American Boulevard West
Minneapolis, Minnesota
(Address of Principal Executive Offices)

55437
(Zip Code)

(952) 830-8700
(Registrant's Telephone Number, Including Area Code)

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 (*see* General Instruction A.2. below):

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- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - o 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 Material Definitive Agreement.

Fiscal 2005 Bonus Program

At a meeting on March 3, 2005, the Compensation Committee (the Committee) of the Board of Directors (the Board) of Gander Mountain Company (the Company) implemented a bonus program for the fiscal year ending January 28, 2006 (fiscal 2005) pursuant to which the Company's executive officers are eligible to receive cash bonuses. Pursuant to this program, the Company's executive officers will receive bonuses based upon the achievement by the Company of certain pre-tax income targets for fiscal 2005 that were established by the Committee. The maximum awards payable to the Company's executive officers under this program, as a percentage of their base salaries for fiscal 2005, are equal to 200% for the Company's Chief Executive Officer and 100% for the Company's five other executive officers. The Company's executive officers did not receive any increase in their base salaries for fiscal 2005.

Revised Director Compensation Program

At a meeting on March 3, 2005, the Board approved the following revised compensation program for its non-employee directors, commencing with the Company's next annual meeting of shareholders:

Annual retainer: \$20,000

Additional annual retainer for lead independent director: \$5,000

Board meeting fees: \$1,000 per meeting

Committee meeting fees:

Audit Committee chair: \$1,000 per meeting
Audit Committee member: \$750 per meeting
Other committees: \$500 per meeting

Stock option grants to independent directors: An option to purchase 10,000 shares of the Company's common stock will be granted annually at the Company's Annual Meeting of Shareholders to each independent director. These options will vest on the first anniversary of the date of grant, will have an exercise price equal to fair market value on the date of grant and will have a term of ten years.

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.

GANDER MOUNTAIN COMPANY

Date: March 9, 2005

/s/ Dennis M. Lindahl
Dennis M. Lindahl
*Executive Vice President,
Chief Financial Officer and Secretary*