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SILGAN HOLDINGS INC  
Form 8-K  
March 07, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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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): March 1, 2006

SILGAN HOLDINGS INC.

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(Exact Name of Registrant as Specified in Charter)

Delaware	000-22117	06-1269834
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
4 Landmark Square, Stamford, Connecticut		06901
(Address of Principal Executive Offices)		(Zip Code)

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

N/A

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(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))

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

### Section 1--Registrant's Business and Operations

#### Item 1.01. Entry into a Material Definitive Agreement.

On March 1, 2006, the Compensation Committee of the Board of Directors of Silgan Holdings Inc., or the Company, (i) approved bonuses for 2005 for the executive officers of the Company, including those to be named in the Summary Compensation Table of the Company's proxy statement for its 2006 annual meeting of stockholders, (ii) set the performance goal and performance goal target for 2006 for participants under the Company's Senior Executive Performance Plan, or the Performance Plan, and approved amending the Performance Plan to, among other things, include Mr. Anthony J. Allott, the President and Chief Executive Officer of the Company, as a participant under the Plan, (iii) set financial targets and organizational goals for bonuses for 2006 for other executive officers of the Company, (iv) granted performance awards of restricted stock units under the Company's 2004 Stock Incentive Plan, or the Stock Incentive Plan, and (v) established performance criteria for 2006 for potential performance awards to be granted in 2007 under the Company's Stock Incentive Plan.

The Compensation Committee certified awards of the maximum amount of cash bonuses for 2005 under the Performance Plan because the maximum performance goal target for the 2005 fiscal year, as previously set by the Compensation Committee in early 2005, had been met. The performance goal for 2005 was the Company's EBITDA (as defined in the Performance Plan) and the maximum amount of the performance goal target for 2005 was the Company's EBITDA from the prior year. Accordingly, as required pursuant to the Performance Plan, each of Messrs. R. Philip Silver and D. Greg Horrigan, who served as Co-Chairmen of the Board and Co-Chief Executive Officers of the Company in 2005 and who are the participants under the Performance Plan, were awarded cash bonuses of \$1,669,692 as a result of the maximum performance goal target for 2005 having been met.

The Compensation Committee also confirmed the payment of cash bonuses for 2005 to each of Messrs. Anthony J. Allott, President and Chief Executive Officer of the Company, and Robert B. Lewis, Executive Vice President and Chief Financial Officer of the Company, as required pursuant to the terms of their respective employment agreements of \$200,827 and \$121,361, respectively, the maximum amount that could be paid for 2005 under their respective employment agreements, as a result of the maximum performance goal target for 2005 under the Performance Plan having been met.

Pursuant to applicable plans previously approved which provided for the payment of cash bonuses based on the level of earnings before interest and taxes achieved and organizational goals met, the Compensation Committee confirmed the payment of a cash bonus for 2005 to Mr. James D. Beam, President of Silgan Containers Corporation, or Containers, a wholly owned subsidiary of the Company. Mr. Beam was awarded \$205,405 based on the level of earnings before interest and taxes of Containers achieved for 2005 and the organizational goals of Containers met in 2005.

The Compensation Committee set the performance goal for 2006 for Messrs. Silver

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and Horrigan under the Performance Plan as the Company's EBITDA and the maximum amount of the performance goal target for 2006 at the Company's EBITDA from the prior year. The Compensation Committee also determined that the maximum amount that could be awarded to each of Messrs. Silver and Horrigan under the Performance Plan for 2006 would be \$1,669,692, which amount will be prorated for the time that Messrs. Silver and Horrigan served as officers of the Company. Effective March 1, 2006, Messrs. Silver and Horrigan no longer served as officers of the Company, and accordingly are eligible for cash awards under the Performance Plan for 2006 equal to a prorated amount of such maximum amount, or up to \$278,282 each, with the amount being determined pursuant to a formula based on the Company's EBITDA for 2006 as compared to the Company's EBITDA for 2005.

In connection with the election of Mr. Allott as Chief Executive Officer of the Company, the Compensation Committee approved an amendment to the Performance Plan, subject to approval by the stockholders of the Company at the Company's 2006 annual meeting of stockholders, to include Mr. Allott as a participant under the Performance Plan, to provide that the maximum amount that could be awarded under the Performance Plan to Mr. Allott be an amount equal to up to 200% of his annual base salary, such percentage to be determined by the Compensation Committee