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Roadrunner Transportation Systems, Inc.
Form 8-K
February 19, 2016

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 12, 2016
Date of report (Date of earliest event reported)

ROADRUNNER TRANSPORTATION SYSTEMS, INC.
(Exact Name of Registrant as Specified in Charter)

DELAWARE (State or Other Jurisdiction of Incorporation)	001-34734 (Commission File Number)	20-2454942 (IRS Employer Identification No.)
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4900 S. PENNSYLVANIA AVE. CUDAHY, WISCONSIN (Address of Principal Executive Offices) (414) 615-1500 (Registrant's telephone number, including area code)	53110 (Zip Code)
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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):

- ☐ 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))

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

Determination of 2016 Base Salaries and Cash Incentive Plan for Named Executive Officers

On February 12, 2016, our compensation committee approved the 2016 base salaries and 2016 cash incentive plan for our named executive officers, Mark A. DiBlasi, Peter R. Armbruster and Patrick K. McKay. The 2016 base salary increases are effective as of January 31, 2016. Our compensation committee determined that the 2016 cash incentive plan for our named executive officers will be based on a company-wide EBIT (earnings before interest and taxes) target that is consistent with our board-approved 2016 budget. In addition, a portion of the 2016 cash incentive plan for Mr. McKay will be based on an EBIT target for our truckload logistics segment that is consistent with our board-approved 2016 budget. Actual cash bonus payouts for our 2016 performance will be determined by our compensation committee and paid in early 2017, and may be above or below target bonus levels.

The table below lists the 2016 base salaries and the 2016 cash incentive plan levels for each of our named executive officers.

Name	2016 Base Salary	Cash Incentive Plan Levels as % of Base Salary			
		80% of Target ⁽¹⁾	90% of Target	100% of Target	150% of Target ⁽²⁾
Mark A. DiBlasi	\$538,000	30.0%	55.0%	80.0%	150.0%
Peter R. Armbruster	\$332,000	25.0%	42.5%	60.0%	110.0%
Patrick K. McKay ⁽³⁾	\$319,000	12.5%	25.0%	40.0%	90.0%

Represents the percentage of 2016 base salary that the named executive officer is eligible to receive if we achieve (1) 80% of the company-wide EBIT target. Bonuses will not be earned if company-wide EBIT is less than 80% of the target.

(2) Represents the maximum potential bonus payout

(3) 35% of Mr. McKay's 2016 cash incentive plan will be based on achieving at least 80% of the EBIT target for our truckload logistics segment (in the same percentages set forth in the table above)

Grants of Restricted Stock Units

On February 12, 2016, our compensation committee approved the grant of restricted stock units (RSUs) to Messrs. Armbruster and McKay. Messrs. Armbruster and McKay each received 9,644 RSUs. Each RSU is equal in value to one share of our common stock, and the RSUs vest 25% on each of March 1, 2017, 2018, 2019 and 2020. Recipients of RSU awards generally must remain employed by us on a continuous basis through the end of the relevant vesting period in order to receive any amount of the RSUs covered by that award, except that recipients may be entitled to accelerated delivery of a portion of unvested RSUs in the case of the recipient's death or disability, or upon a change in control.

The foregoing is a summary only and does not purport to be a complete description of all of the terms contained in the form of Restricted Stock Unit Agreement, and is subject to and qualified in its entirety by reference to the form of Restricted Stock Unit Agreement attached as Exhibit 10.20 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on March 7, 2011 and incorporated by reference into this Item 5.02.

Grants of Performance Restricted Stock Units

For 2016, our compensation committee determined to continue a performance-based element to our long-term incentive program (the "PRU Program"). Under this program, performance-based restricted stock units ("PRUs") are awarded to eligible employees, including our named executive officers other than Mr. DiBlasi. PRU awards are intended to reward employees to the extent we achieve specific pre-established financial performance goals. Under the PRU Program, a target number of PRUs is awarded at the beginning of each one-year performance period. The number of PRUs ultimately earned will range from zero to 1.5 times the target number depending on our performance during the period. Each PRU will be equal in value to one share of our common stock, and the PRUs earned will vest in four equal installments of 25% on the "performance determination date" (as defined below) and on

each of March 1, 2018, 2019, and 2020. Recipients of PRU awards generally must remain employed by us on a continuous basis through the end of the relevant vesting period in order to receive any amount of the PRUs earned, except that recipients may be entitled to accelerated delivery of a portion of unvested PRUs in the case of the recipient's death or disability, or upon a change in control.

Under the PRU Program, financial goals are set at the beginning of each fiscal year, and performance is reviewed at the end of that year. For 2016, the performance metric is company-wide EBITDA (earnings before interest, tax, depreciation and amortization expense). The calculation of EBITDA will exclude non-cash compensation expense attributable to the PRU Program,

acquisition transaction expenses and the results of any acquisitions that we make during the year. The percentage to be applied to each recipient's target number of PRUs ranges from zero to 150%, based upon the extent to which the performance goal is achieved. If we do not achieve a minimum level of 91.8% of the EBITDA performance target for the year, the number of PRUs earned will be zero. If we achieve this minimum level of the EBITDA performance target for the year, a percentage (ranging on a sliding scale from 50% to 150%) will be applied to the recipient's target number of PRUs to determine the number of PRUs earned. If we achieve a maximum level of 108.2% or more of the EBITDA performance target for the year, the number of PRUs earned will be 150% of the recipient's target number of PRUs. As soon as practicable following the end of the one-year performance period, our compensation committee will determine and certify whether the minimum financial performance level has been achieved, the level of attainment of the performance goal, and the number of PRUs earned by each recipient of a PRU award (such date of determination, the "performance determination date").

On February 12, 2016, our compensation committee approved the grant of PRUs to Messrs. Armbruster and McKay. Also on February 12, 2016, our compensation committee set the PRU EBITDA minimum, target and maximum goals for fiscal 2016. The following table sets forth the target number of PRUs awarded to our named executive officers for 2016.

Name	Number of PRUs
Peter R. Armbruster	19,288
Patrick K. McKay	19,288

The foregoing is a summary only and does not purport to be a complete description of all of the terms contained in the form of Performance Restricted Stock Unit Agreement, and is subject to and qualified in its entirety by reference to the form of Performance Restricted Stock Unit Agreement attached as Exhibit 10.26 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on February 24, 2015 and incorporated by reference into this Item 5.02.

Item 8.01. Other Events.

On February 12, 2016, our compensation committee approved grants of RSUs to our independent directors. The RSU grants are part of our previously disclosed plan to make equity-based awards to our independent directors in order to adjust director compensation levels to those customary for boards of directors for similarly situated companies. On February 12, 2016, we granted 7,072 RSUs to each of our independent directors. Each RSU is equal in value to one share of our common stock, and the RSUs vest 25% on each of March 1, 2017, 2018, 2019 and 2020. Each independent director receiving RSU awards generally must remain a member of our board of directors through the end of the relevant vesting period in order to receive any amount of the RSUs covered by that award, except that recipients may be entitled to accelerated delivery of a portion of unvested RSUs in the case of the independent director's death or disability, or upon a change in control.

The foregoing is a summary only and does not purport to be a complete description of all of the terms contained in the form of Restricted Stock Unit Agreement, and is subject to and qualified in its entirety by reference to the form of Restricted Stock Unit Agreement attached as Exhibit 10.20 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on March 7, 2011 and incorporated by reference into this Item 8.01.

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.

ROADRUNNER TRANSPORTATION SYSTEMS, INC.

Date: February 19,
2016

By: /s/ Peter R. Armbruster
Peter R. Armbruster
Chief Financial Officer