

Edgar Filing: FOSTER L B CO - Form 8-K

FOSTER L B CO  
Form 8-K  
March 08, 2007

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) March 8, 2007 (March 2, 2007)  
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L.B. Foster Company

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(Exact name of registrant as specified in its charter)

Pennsylvania	000-10436	25-1324733
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(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

415 Holiday Drive, Pittsburgh, Pennsylvania	15220
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(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 412-928-3417  
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None

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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 (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 1.01

### 2007 Management Incentive Plan -----

On March 2, 2007, Registrant's board of directors, upon the recommendation of its Compensation Committee (the "Committee"), approved the 2007 Management Incentive Plan (the "Plan"), which is attached hereto and incorporated herein by reference.

Participants in the Plan are assigned initial target percentages ranging from 5% to 45%. For example, the Registrant's President and Chief Executive Officer's initial target percentage is 45% and the remainder of the Registrant's five most highly compensated employees' target percentages range from 30% to 35%.

Target awards will be calculated by multiplying the participant's target percentage by the participant's base compensation in 2007. Target awards are then allocated between "corporate" and/or applicable operating units and/or departmental/individual goals. For example, the President and Chief Executive Officer's target award is 100% allocated to corporate; the Sr. Vice President and Chief Financial Officer's target award is 80% allocated to corporate and is 20% allocated to departmental/individual goals; and the Sr. Vice President - Rail Products' target award is 20% allocated to corporate, 60% allocated to his operating unit and 20% allocated to departmental/individual goals.

Participants' actual incentive awards are then calculated by multiplying the target award by a percentage (the "Performance Percentage") based upon the Registrant's consolidated results (with respect to "corporate") and/or the applicable operating units' pre-tax income (in both cases subject to certain adjustments and herein "incentive income") compared to their respective planned pre-tax income (herein "planned incentive income").

For example, if an operating unit's incentive income was 125% of its planned incentive income, the participant's portion of target award allocated to the operating unit's performance would be 130% of the allocated target award. Target awards are, however, subject to adjustment under the circumstances described below.

If corporate's or an operating unit's incentive income exceeds 100% of applicable planned incentive income, target awards are, if necessary, initially adjusted so that the sum of the resulting target awards allocated to the operating unit or to corporate does not exceed 16% of the Registrant's or the applicable operating unit's planned incentive income; this adjusted target award is then multiplied by the Performance Percentage.

The Chief Executive Officer may reduce any incentive award by 25%.

The Plan also provides for discretionary awards equal to the sum of: (i) \$100,000; (ii) amounts not paid because the individual was terminated for cause or resigned prior to the date incentive awards were paid under the Plan; (iii) the amount of any reduction in incentive awards made by the Chief Executive Officer and (iv) any amount which was not paid due to a failure to achieve a department/individual goals.

Any discretionary awards to executive officers must be approved by the Committee. Payment of awards under the Plan shall be made on or before March 15, 2008 and the completion of the Registrant's 2007 financial statement audit.

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Item 9.01 Exhibits

10.55 2007 Management Incentive Compensation Plan

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.

L.B. FOSTER COMPANY  
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(Registrant)

Date: March 8, 2007  
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/s/ David J. Russo  
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David J. Russo  
Senior Vice President  
Chief Financial Officer and Treasurer

Exhibit Index  
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Exhibit Number Description  
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10.55 2007 Management Incentive Compensation Plan