FIRST INDUSTRIAL REALTY TRUST INC
Form DEF 14A
April 09, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý
Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
ý Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

FIRST INDUSTRIAL REALTY TRUST, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

FIRST INDUSTRIAL REALTY TRUST, INC.
311 South Wacker Drive
Suite 4000
Chicago, Illinois 60606

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 13, 2009

NOTICE IS HEREBY GIVEN that the 2009 Annual Meeting of Stockholders (the Annual Meeting) of First Industrial Realty Trust, Inc. (the Company) will be held on Wednesday, May 13, 2009 at 9:00 a.m. at the 10th Floor Conference Room, 311 South Wacker Drive, Chicago, Illinois 60606 for the following purposes:

1. To elect three Class III Directors of the Company to serve until the 2012 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified, and one Class II Director to serve until the 2011 Annual Meeting of Stockholders and until his successor is duly elected and qualified;

2. To approve the Company s 2009 Stock Incentive Plan;

3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2009; and

4. To consider and act upon any other matters that may properly be brought before the Annual Meeting and at any adjournments or postponements thereof.

Any action may be taken on the foregoing matters at the Annual Meeting on the date specified above, or on any date or dates to which, by original or later adjournment, the Annual Meeting may be adjourned, or to which the Annual Meeting may be postponed.

The Board of Directors has fixed the close of business on March 20, 2009 as the record date for the Annual Meeting. Only stockholders of record of the Company s common stock, $.01 par value per share, at the close of business on that date will be entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof.

You are requested to fill in and sign the enclosed Proxy Card, which is being solicited by the Board of Directors, and to mail it promptly in the enclosed postage-prepaid envelope. Any proxy may be revoked by delivery of a later dated proxy. Stockholders of record who attend the Annual Meeting may vote in person, even if they have previously delivered a signed proxy. Street name stockholders who wish to vote in person will need to obtain a duly executed proxy form from the institution that holds their shares prior to the Annual Meeting.

By Order of the Board of Directors

John H. Clayton
Secretary

Chicago, Illinois
April 9, 2009

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE POSTAGE-PREPAID ENVELOPE PROVIDED.

FIRST INDUSTRIAL REALTY TRUST, INC.
311 South Wacker Drive
Suite 4000
Chicago, Illinois 60606

PROXY STATEMENT

FOR THE 2009 ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 13, 2009

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of First Industrial Realty Trust, Inc. (First Industrial or the Company) for use at the 2009 Annual Meeting of Stockholders of the Company to be held on Wednesday, May 13, 2009, and at any adjournments or postponements thereof (the Annual Meeting). At the Annual Meeting, stockholders will be asked to vote on the election of three Class III Directors and one Class II Director of the Company, to approve the 2009 Stock Incentive Plan, to ratify the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the current fiscal year and to act on any other matters properly brought before them.

This Proxy Statement and the accompanying Notice of Annual Meeting and Proxy Card are first being sent to stockholders on or about April 9, 2009. The Board of Directors has fixed the close of business on March 20, 2009 as the record date for the Annual Meeting (the Record Date). Only stockholders of record of the Company s common stock, par value $.01 per share (the Common Stock), at the close of business on the Record Date will be entitled to notice of and to vote at the Annual Meeting. As of the Record Date, there were 44,667,681 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. Holders of Common Stock outstanding as of the close of business on the Record Date will be entitled to one vote for each share held by them on each matter presented to the stockholders at the Annual Meeting.

Stockholders of the Company are requested to complete, sign, date and promptly return the accompanying Proxy Card in the enclosed postage-prepaid envelope. Shares represented by a properly executed Proxy Card received prior to the vote at the Annual Meeting and not revoked will be voted at the Annual Meeting as directed on the Proxy Card. If a properly executed Proxy Card is submitted and no instructions are given, the persons designated as proxy holders on the Proxy Card will vote (i) FOR the election of the three nominees for Class III Directors and the one nominee for Class II Director of the Company named in this Proxy Statement, (ii) FOR the approval of the First Industrial Realty Trust, Inc. 2009 Stock Incentive Plan (the 2009 Stock Incentive Plan), (iii) FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the current fiscal year and (iv) in their own discretion with respect to any other business that may properly come before the stockholders at the Annual Meeting or at any adjournments or postponements thereof. It is not anticipated that any matters other than those set forth in the Proxy Statement will be presented at the Annual Meeting.

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. The affirmative vote of the holders of a majority of the votes cast with a quorum present at the Annual

Meeting is required for the election of directors, the approval of the 2009 Stock Incentive Plan and the ratification of the appointment of the Company s independent registered public accounting firm. Abstentions and broker non-

PROXY STATEMENT

votes will not be counted as votes cast and, accordingly, will have no effect on the majority vote required, although they will be counted for quorum purposes.

A stockholder of record may revoke a proxy at any time before it has been exercised by filing a written revocation with the Secretary of the Company at the address of the Company set forth above, by filing a duly executed proxy bearing a later date, or by appearing in person and voting by ballot at the Annual Meeting. Any stockholder of record as of the Record Date attending the Annual Meeting may vote in person whether or not a proxy has been previously given, but the presence (without further action) of a stockholder at the Annual Meeting will not constitute revocation of a previously given proxy. Street name stockholders who wish to vote in person will need to obtain a duly executed proxy form from the institution that holds their shares prior to the Annual Meeting.

In the pages preceding this Proxy Statement is a Letter to Stockholders from the Company s President and Chief Executive Officer. Also, Appendix B to this Proxy Statement contains the Company s 2008 Annual Report, including the Company s financial statements for the fiscal year ended December 31, 2008 and certain other information required by the rules and regulations of the Securities and Exchange Commission (the SEC). Neither the Letter to Stockholders from the Company s President and Chief Executive Officer nor the Company s 2008 Annual Report, however, are part of the proxy solicitation material. See Other Matters-Incorporation by Reference herein.

PROPOSAL I

ELECTION OF DIRECTORS

Pursuant to the Articles of Amendment and Restatement of the Company, as amended (the Articles), the maximum number of members allowed to serve on the Company s Board of Directors is 12. The Board of Directors of the Company currently consists of ten seats and is divided into three classes, with the directors in each class serving for a term of three years and until their successors are duly elected and qualified. The term of one class expires at each Annual Meeting of Stockholders. Pursuant to the Amended and Restated Bylaws of the Company, vacancies on the Board of Directors may be filled by a majority vote of the directors, and directors elected to fill vacancies shall hold office until the next Annual Meeting of Stockholders.

At the Annual Meeting, three directors will be elected to serve as Class III Directors until the 2012 Annual Meeting of Stockholders and until their successors are duly elected and qualified, and one director will be elected to serve as a Class II Director until the 2011 Annual Meeting of Stockholders and until his successor is duly elected and qualified. The Board of Directors has nominated John Rau, Robert J. Slater and W. Ed Tyler to serve as Class III Directors (the Class III Nominees) and Bruce W. Duncan to serve as a Class II Director (the Class II Nominee and, together with the Class III Nominees, the Nominees). Each of the Class III Nominees is currently serving as a Class III Director of the Company. Mr. Duncan, the Class II Nominee, was elected as a Class II Director by the Board of Directors in January 2009 to fill a vacancy. Each of the Nominees has consented to be named as a nominee in this Proxy Statement. The Board of Directors anticipates that each of the Nominees will serve as a director if elected. However, if any person nominated by the Board of Directors is unable to accept election, the proxies will vote for the election of such other person or persons as the Board of Directors may recommend.

The Board of Directors recommends a vote FOR the Nominees.

INFORMATION REGARDING NOMINEES AND DIRECTORS

The following biographical descriptions set forth certain information with respect to the three Nominees for election as Class III Directors and the one Nominee for election as a Class II Director at the Annual Meeting, the continuing directors whose terms expire at the Annual Meetings of Stockholders in 2010 and 2011 and certain executive officers, based on information furnished to the Company by such persons. The following information is as of March 20, 2009, unless otherwise specified.

PROXY STATEMENT

Class III Nominees for Election at 2009 Annual Meeting Term to Expire in 2012

John Rau Director since 1994

Mr. Rau, 60, has been a director of the Company since June 1994. Since December 2002, Mr. Rau has served as President and Chief Executive Officer and as a director of Miami Corporation, a private asset management firm. From January 1997 to March 2000, he was a director, President and Chief Executive Officer of Chicago Title Corporation, a New York Stock Exchange listed company, and its subsidiaries, Chicago Title and Trust Co., Chicago Title Insurance Co., Ticor Title Insurance Co. and Security Union Title Insurance Co. Mr. Rau is a director of Nicor Inc. and Harris Financial Corp. and Harris Bank, N.A. From July 1993 until November 1996, Mr. Rau was Dean of the Indiana University School of Business. From 1991 to 1993, Mr. Rau served as Chairman of the Illinois Economic Development Board and as special advisor to Illinois Governor Jim Edgar. From 1990 to 1993, he was Chairman of the Banking Research Center Board of Advisors and a Visiting Scholar at Northwestern University s J.L. Kellogg Graduate School of Management. During that time, he also served as Special Consultant to McKinsey & Company, a worldwide strategic consulting firm. From 1989 to 1991, Mr. Rau served as President and Chief Executive Officer of LaSalle National Bank. From 1979 to 1989, he was associated with The Exchange National Bank, serving as President from 1983 to 1989, at which time The Exchange National Bank merged with LaSalle National Bank. Prior to 1979, he was associated with First National Bank of Chicago.

Robert J. Slater Director since 1994

Mr. Slater, 71, has been a director of the Company since June 1994. From 1988 until his retirement in 2004, Mr. Slater was President of Jackson Consulting, Inc., a private investment and consulting company that specializes in advising manufacturing and distribution companies on strategic, organizational, and economic planning. He retired as President, Chief Operating Officer and Director of Crane Co., a multinational manufacturing, distribution, and aerospace company, after serving the company from 1969 to 1988. Mr. Slater also held several executive level positions at Crane Co. subsidiaries including CF&I Corporation, Medusa Corporation, and Huttig Sash & Door Co. Mr. Slater has served on the boards of directors of a number of public companies during his career. Most recently, he was a director of Southdown, Inc. and National Steel Corporation.

W. Ed Tyler Director since 2000

Mr. Tyler, 56, has been a director of the Company since March 2000, served as Lead Director from October 2008 to January 2009 and has served as non-executive Chairman of the Board of Directors since January 2009. Mr. Tyler also served as the Company s interim Chief Executive Officer from October 2008 to January 2009. Mr. Tyler was appointed CEO of Ideapoint Ventures in 2002. Ideapoint Ventures is an early stage venture fund that focuses on nanotechnologies. Prior to joining Ideapoint Ventures, Mr. Tyler served as Chief Executive Officer and a director of Moore Corporation Limited, a provider of data capture, information design, marketing services, digital communications and print solutions, from 1998 to 2000. Prior to joining Moore Corporation, Mr. Tyler served in various capacities at R.R. Donnelley & Sons Company, most recently as Executive Vice President and Chief Technology Officer, from 1997 to 1998, and as Executive Vice President and Sector President of Donnelley s Networked Services Sector, from 1995 to 1997.

Class II Nominee for Election at 2009 Annual Meeting Term to Expire in 2011

Bruce W. Duncan Director since 2009

Mr. Duncan, 57, has been President, Chief Executive Officer and a Director of the Company since January 2009. He also presently serves as the chairman of the Board of Directors of Starwood Hotels & Resorts Worldwide, Inc. (NYSE: HOT) (Starwood), a leading worldwide hotel and leisure company, a position he has held since May 2005. From April to September 2007, Mr. Duncan served as Chief Executive Officer of Starwood on an interim basis. Mr. Duncan has served as a Director of Starwood since 1999. He also was a senior advisor to Kohlberg Kravis & Roberts & Co. from July 2008 until January 2009. From May 2005 to December 2005, Mr. Duncan was Chief Executive Officer and Trustee of Equity Residential (NYSE: EQR) (EQR), a publicly traded apartment company. From January 2003 to May 2005, he was President, Chief Executive Officer and Trustee, and from April 2002 to December 2002, President and Trustee of EQR. From December 1995 until March 2000, Mr. Duncan served as Chairman, President and Chief Executive Officer of Cadillac Fairview Corporation, a real estate operating company. From January 1992 to October 1994, Mr. Duncan was President and Co-Chief Executive Officer of JMB Institutional Realty Corporation providing advice and management for investments in real estate by tax-exempt investors and from 1978 to 1992, he worked for JMB Realty Corporation where he served as Executive Vice President and a member of the Board of Directors.

Class I Continuing Directors Term to Expire in 2010

Jay H. Shidler Director since 1993

Mr. Shidler, 62, has been a director of the Company since its formation in August 1993, and served as Chairman of the Board of Directors from August 1993 until January 2009. Mr. Shidler is the founder and Managing Partner of The Shidler Group, a national real estate investment firm. Since forming The Shidler Group in 1972, Mr. Shidler and his affiliates have acquired and managed over 2,000 properties in 40 states and Canada. Mr. Shidler has founded and has been the initial investor in numerous public and private companies, including three other public real estate investment trusts TriNet Corporate Realty Trust, Inc. (formerly NYSE:TRI), now part of iStar Financial; Corporate Office Properties Trust (NYSE:OFC) and Pacific Office Properties Trust, Inc. (NYSE Alternext:PCE). Mr. Shidler serves as Chairman of the Board of Trustees of Corporate Office Properties Trust and as Chairman of the Board of Directors of Pacific Office Properties Trust, Inc. From 1998 through 2005, Mr. Shidler also served as a director of Primus Guaranty, Ltd. (NYSE:PRS), a Bermuda company of which Mr. Shidler is a founder.

J. Steven Wilson Director since 1994

Mr. Wilson, 65, has been a director of the Company since June 1994. In 2008, Mr. Wilson became Managing Member of Besco Engineering, LLC, a company providing maintenance and repair services on turbines and generators. Additionally he became a Managing Director of the London Manhattan Company, a corporate and commercial finance firm. Since April 2006, Mr. Wilson has been owner and President of AIP Group, LLC, located in Jacksonville, Florida, a company providing building products and construction and installation services to commercial builders. Since 1985, Mr. Wilson has been President, Chief Executive Officer and Chairman of the Board of Directors of Riverside Group, Inc. and Wilson Financial Corporation, both holding companies. From 1991 to April 2003, Mr. Wilson was Chairman of the Board of Directors and Chief Executive Officer of Wickes Inc., a building and supply company.

Class II Continuing Directors Term to Expire in 2011

Michael G. Damone Director since 1994

Mr. Damone, 74, has served as Director of Strategic Planning for the Company, and has been a director of the Company, since June 1994. Between 1973 and 1994, Mr. Damone was Chief Executive Officer of Damone/Andrew, a full service real estate organization, which developed several million square feet of industrial, warehouse, distribution and research and development buildings. Prior to co-founding Damone/Andrew in 1973, Mr. Damone was the executive vice president of a privately held, Michigan based real estate development and construction company, where he was responsible for the development of industrial/business parks. His professional affiliations include the Society of Industrial and Office Realtors, the National Association of Realtors, the Michigan Association of Realtors and the Detroit Area Commercial Board of Realtors.

Kevin W. Lynch Director since 1994

Mr. Lynch, 56, has been a director of the Company since June 1994. Mr. Lynch is the co-founder and Principal of The Townsend Group (Townsend), an institutional real estate consulting firm, which provides real estate consulting for pension funds and institutional investors. In his capacity as Principal, Mr. Lynch is responsible for strategic development and implementation of client real estate portfolios. Mr. Lynch is also responsible for new product development. Prior to founding Townsend, Mr. Lynch was associated with Stonehenge Capital Corporation, where he was involved in the acquisition of institutional real estate properties and the structuring of institutional real estate transactions. Mr. Lynch is a director of Lexington Realty Trust (NYSE: LXP). Mr. Lynch is a member of the Pension Real Estate Association, the National Council of Real Estate Investment Fiduciaries and the European Association for Investors in Non-listed Real Estate Vehicles. He is a frequent speaker at industry conferences and has presented in Amsterdam and Frankfurt for the benefit of the Association of Foreign Investors in Real Estate and as a guest lecturer at Columbia University and Tel Aviv University. Mr. Lynch is currently on the Advisory Board for the European Institutional Real Estate Letter.

INFORMATION REGARDING EXECUTIVE OFFICERS AND OTHER SENIOR MANAGEMENT

Scott A. Musil

Mr. Musil, 41, has been acting Chief Financial Officer of the Company since December 2008 and Chief Accounting Officer of the Company since March 2006. Mr. Musil has also served as Senior Vice President of the Company since March 2001, Controller of the Company since December 1995, Treasurer of the Company since May 2002 and Assistant Secretary of the Company since May 1996. In addition, he served as a Vice President of the Company from May 1998 to March 2001. Prior to joining the Company, he served in various capacities with Arthur Andersen & Company, culminating as an audit manager specializing in the real estate and finance industries. Mr. Musil is a certified public accountant. His professional affiliations include the American Institute of Certified Public Accountants and National Association of Real Estate Investment Trusts (NAREIT).

Johannson L. Yap

Mr. Yap, 46, has been the Chief Investment Officer of the Company since February 1997. From April 1994 to February 1997, he served as Senior Vice President Acquisitions of the Company. Prior to joining the Company, Mr. Yap joined The Shidler Group in 1988 as an acquisitions associate, and became Vice President in 1991, with responsibility for acquisitions, property management, leasing, project financing, sales and construction management functions. Between 1988 and 1994, he participated in the acquisition, underwriting and due diligence of several hundred million dollars of commercial properties. His professional affiliations include Urban Land Institute, NAREIT and the Council of Logistics Management.

David Harker

Mr. Harker, 50, has been Executive Vice President Central Region since March 2009. From April 2005 to March 2009 he served as Executive Director Investments of the Company. From 2002 to April 2005, he served as a Senior Regional Director of the Company and from 1998 to 2002 he served as a Regional Director of the Company, with responsibility for the Company s portfolio in Nashville, St. Louis, Louisville and Memphis. Prior to joining the Company, Mr. Harker was a Vice President of the Trammell Crow Company from 1992 to 1998. His professional affiliations include the Society of Industrial and Office Realtors.

Peter O. Schultz

Mr. Schultz, 46 has been Executive Vice President East Region since March 2009. From January 2009 to March 2009 he served as Senior Vice President Portfolio Management of the Company. From November 2007 to December 2008, he served as a Managing Director of the Company, with responsibility for the Company s East Region. From September 2004 to November 2007, he served as a Vice President Leasing of the Company, with responsibility for the Company s leasing team and asset management plan implementation in the East Region. From January 2001 to September 2004, he served as a Senior Regional Director of the Company, with responsibility for the Company s portfolio in Eastern Pennsylvania and Southern New Jersey. From March 1998 to December 2000, he served as a Regional Director of the Company, with responsibility for the Company s portfolio in Eastern Pennsylvania. Prior to joining the Company, Mr. Schultz served as President and Managing Partner of PBS Properties, Inc. from November 1990 to March 1998, prior to which time he was Director of Marketing and Sales for the Pickering Group and Morgantown Properties. His professional affiliations include National Association of Industrial and Office Properties.

PROXY STATEMENT

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The Board of Directors. The Board of Directors currently consists of ten seats and, effective as of the date of the Annual Meeting, the Board will reduce its size to nine seats. A majority of the members of the Board of Directors are independent as affirmatively determined by the Board of Directors. In determining the independence of its members, the Board of Directors applied the following standards:

1) The member must meet the definition of Independent Director contained in the Company s Articles, which requires that he or she be neither an employee of the Company nor a member of The Shidler Group.

2) After taking into account all relevant facts and circumstances, the Board must determine that the member has no material relationships with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Relationships to be considered include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships.

3) The member must satisfy the independence tests set forth in Section 303A.02(b) of the Listed Company Manual of the New York Stock Exchange (the NYSE).

Applying such standards, the Board of Directors has affirmatively determined that each of Messrs. Lynch, Rau, Slater, Tyler and Wilson are independent directors. In reaching this determination with respect to Mr. Tyler, the Board of Directors considered, among other things, Mr. Tyler s recent service as the Company s interim Chief Executive Officer and the compensation of Mr. Tyler in connection with that service.

In addition, the Board of Directors determined that each of Mr. Brenninkmeijer, who will complete his service as a member of the Board of Directors on the date of the Annual Meeting, and Mr. Newman, who resigned from the Board of Directors in February 2009, were independent during their respective service terms in 2008 and 2009.

Pursuant to the terms of the Company s Articles, the directors are divided into three classes. Class III Directors, Messrs. Brenninkmeijer, Rau, Slater and Tyler, as well as Class II Director, Mr. Duncan, hold office for a term expiring at this Annual Meeting. The other Class II Directors, Messrs. Damone and Lynch, hold office for a term expiring at the Annual Meeting of Stockholders to be held in 2011. Class I Directors, Messrs. Shidler and Wilson, hold office for a term expiring at the Annual Meeting of Stockholders to be held in 2010. Each director will hold office for the term to which he is elected and until his successor is duly elected and qualified. At each Annual Meeting of Stockholders, the successors to the class of directors whose term expires at that meeting will be elected to hold office for a term continuing until the Annual Meeting of Stockholders held in the third year following the year of their election and the election and qualification of their successors.

The Board of Directors held 14 meetings and acted once by unanimous consent during 2008. Each of the directors serving in 2008 attended at least 75% of the total number of meetings of the Board of Directors and of the respective committees of the Board of Directors of which he was a member. Although the Company does not have a formal policy regarding director attendance at Annual Meetings of Stockholders, all of the directors then serving attended the 2008 Annual Meeting of Stockholders.

The Board of Directors has adopted Corporate Governance Guidelines to reflect the principles by which it operates. These guidelines, as well as the charters of the Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee of the Board of Directors, are accessible at the investor relations pages of the Company s website at www.firstindustrial.com and are available in print to any stockholder who requests them. The Company has adopted a Code of Business Conduct and Ethics which includes the principles by which the Company expects its employees, officers and directors to conduct Company business and which is accessible at the investor relations pages of the Company s website at www.firstindustrial.com and is available in print to any stockholder who requests them. The Company intends to post on its website amendments to, or waivers from, any provision of the Company s Code of Business Conduct and Ethics. We also post or otherwise make available on our website from time to time other information that may be of interest to our investors. However, none of the information provided on our website is part of the proxy solicitation material. See Other Matters-Incorporation by Reference herein.

PROXY STATEMENT

The Board of Directors has appointed an Audit Committee, a Compensation Committee, an Investment Committee, a Nominating/Corporate Governance Committee and a Special Committee.

Audit Committee. The Audit Committee is directly responsible for the appointment, discharge, compensation, and oversight of the work of any independent registered public accounting firm employed by the Company for the purpose of preparing or issuing an audit report or related work. In connection with such responsibilities, the Audit Committee approves the engagement of independent public accountants, reviews with the independent public accountants the audit plan, the audit scope, and the results of the annual audit engagement, pre-approves audit and non-audit services provided by the independent public accountants, reviews the independence of the independent public accountants, pre-approves audit and non-audit fees and reviews the adequacy of the Company s internal control over financial reporting.

The membership of the Audit Committee currently consists of Messrs. Rau, Lynch and Wilson, each of whom, in the judgment of the Company s Board of Directors, is independent as required by the listing standards of the NYSE and the rules of the SEC. In the judgment of the Company s Board of Directors, each member is financially literate as required by the listing standards of the NYSE. Further, in the judgment of the Company s Board of Directors, Mr. Rau is an audit committee financial expert, as such term is defined in the SEC rules, and has accounting or related financial management expertise, as defined in the listing standards of the NYSE. See Mr. Rau s biography above. The Audit Committee met 11 times in 2008.

Compensation Committee. The Compensation Committee has overall responsibility for approving and evaluating the compensation plans, policies and programs relating to the executive officers of the Company. The Compensation Committee administers, and has authority to grant awards under, the First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan (the 1994 Stock Plan), the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan (the 1997 Stock Plan), the First Industrial Realty Trust, Inc. Deferred Income Plan, the First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan (the 2001 Stock Plan) and, if approved by stockholders, the 2009 Stock Incentive Plan. The Compensation Committee currently consists of Messrs. Slater, Lynch and Wilson, each of whom, in the judgment of the Company s Board of Directors, is independent as required by the listing standards of the NYSE. Each of Mr. Tyler, prior to his appointment as interim Chief Executive Officer in October 2008, and Mr. Newman, prior to his resignation from the Board of Directors in February 2009, served as a member of the Compensation Committee and was, in the judgment of the Board of Directors, independent during the term of his service as required by the listing standards of the NYSE. The Compensation Committee met 10 times in 2008.

Investment Committee. The Investment Committee provides oversight and discipline to the investment process. Investment opportunities are described in written reports based on detailed research and analyses in a standardized format applying appropriate underwriting criteria. The Investment Committee meets with the Company s acquisition personnel, reviews each submission thoroughly and approves acquisitions of land having a total investment of greater than $5 million and all other acquisitions and development projects having a total investment of greater than $20 million. The Investment Committee makes a formal recommendation to the Board of Directors for all acquisitions and development projects with a total investment in excess of $50 million. The membership of the Investment Committee currently consists of Messrs. Damone, Duncan and Shidler. The Investment Committee met 21 times and acted six times by unanimous consent in 2008.

Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee recommends individuals for election as directors at the Annual Meeting of Stockholders of the Company and in connection with any vacancy that may develop on the Board of Directors. The Board of Directors, in turn, as a whole by a majority vote either approves all of the nominations so recommended by the Nominating/Corporate Governance Committee or rejects all of the nominations in whole, but not in part. In the event that the Board of Directors as a whole by a majority vote rejects the recommended nominations, the Nominating/Corporate Governance Committee would develop a new recommendation. In addition, the Nominating/Corporate Governance Committee develops and oversees the Company s corporate governance policies. The current Nominating/Corporate Governance Committee consists of Messrs. Lynch, Tyler and Rau, each of whom, in the judgment of the Company s Board of Directors, is independent as required by the listing standards of the NYSE. In 2008, Nominating/Corporate Governance Committee consisted of Messrs. Lynch, Slater and Wilson, each of whom, in the judgment of the Company s Board of Directors, is independent as required by the listing standards of the NYSE. Mr. Lynch is the current Chairman of the Nominating/Corporate Governance Committee and also presides at meetings of non-management directors. The Nominating/Corporate Governance Committee met four times during 2008 and met in February 2009 to determine its nominations for this Proxy Statement.

The Nominating/Corporate Governance Committee will consider nominees recommended by stockholders of the Company. In order for a stockholder to nominate a candidate for election as a director at an Annual Meeting, notice must be given in accordance with the Bylaws of the Company to the Secretary of the Company not more than 180 days nor less than 75 days prior to the first anniversary of the preceding year s Annual Meeting. The fact that the Company may not insist upon compliance with the requirements contained in its Bylaws should not be construed as a waiver by the Company of its right to do so at any time in the future.

In general, it is the Nominating/Corporate Governance Committee s policy that, in its judgment, its recommended nominees for election as members of the Board of Directors of the Company must, at a minimum, have business experience of a breadth, and at a level of complexity, sufficient to understand all aspects of the Company s business and, through either experience or education, have acquired such knowledge as is sufficient to qualify as financially literate. In addition, recommended nominees must be persons of integrity and be committed to devoting the time and attention necessary to fulfill their duties to the Company.

The Nominating/Corporate Governance Committee may identify nominees for election as members of the Board of Directors of the Company through its own sources (including through nominations by stockholders made in accordance with the Company s Bylaws), through sources of other directors of the Company, and through the use of third-party search firms. The Company has previously engaged a third party search firm to identify potential nominees, including Mr. Brenninkmeijer, and may do so again in the future. Subject to the foregoing minimum standards, the Nominating/Corporate Governance Committee will evaluate each nominee on a case-by-case basis, assessing each nominee s judgment, experience, independence, understanding of the Company s business or that of other related industries, and such other factors as the Nominating/Corporate Governance Committee concludes are pertinent in light of the current needs of the Company s Board of Directors.

Special Committee. The Special Committee is authorized, within limits specified by the Board of Directors, to approve the terms under which the Company issues or repurchases Common Stock, preferred stock or depository shares representing fractional interests in preferred stock, or under which the Company or any of the Company s subsidiaries, including First Industrial, L.P., issues or repurchases debt. The membership of the Special Committee currently consists of Messrs. Shidler, Duncan and Rau. The Special Committee acted by unanimous consent five times during 2008.

Communications by Stockholders. Stockholders of the Company may send communications to the Board of Directors as a whole, its individual members, its committees or its non-management members as a group. Communications to the Board of Directors as a whole should be addressed to The Board of Directors ; communications to any individual member of the Board of Directors should be addressed to such individual member; communications to any committee of the Board of Directors should be addressed to the Chairman of such committee; and communications to non-management members of the Board of Directors as a group should be addressed to the Chairman of the Nominating/Corporate Governance Committee. In each case, communications should be further addressed c/o First Industrial Realty Trust, Inc., 311 South Wacker Drive, Suite 4000, Chicago, Illinois 60606. All communications will be forwarded to their respective addressees and, if a stockholder marks his or her communication Confidential , will be forwarded directly to the addressee.

DIRECTOR COMPENSATION

Directors of the Company who are also employees, namely Bruce W. Duncan (our Chief Executive Officer) and Michael G. Damone (a non-executive employee), receive no additional compensation for their services as a director. W. Ed Tyler did not receive additional compensation for his service as a director during his tenure as the

Company s interim Chief Executive Officer. Due to his service as our interim Chief Executive Officer, compensation received by Mr. Tyler for his service as a director is included in the Executive Summary Compensation Table.

Compensation of non-employee directors is reviewed annually by the Compensation Committee of the Board of Directors, which makes any recommendations of compensation changes to the entire Board of Directors. Currently, non-employee directors of the Company receive an annual director s fee equivalent in value to $40,000. At least 50% of the value of such fee must be taken in the form of restricted Common Stock but directors can elect to receive a greater proportion of their fee in restricted Common Stock. The Chairman of the Board of Directors receives an additional fee of $50,000 for his service as Chairman of the Board of Directors; the Chairman of the Audit Committee receives an additional fee of $20,000 for his service as Chairman of the Audit Committee; the Chairman of the Compensation Committee receives an additional fee of $10,000 for his service as Chairman of the Compensation Committee; and the Chairman of the Nominating/Corporate Governance Committee receives an additional fee of $5,000 for his service as Chairman of the Nominating/Corporate Governance Committee. Each non-employee director also receives $2,000 for each in-person meeting of the Board of Directors attended, $1,500 for each telephonic Board meeting in which he participated, $2,000 for each in-person committee meeting attended and $1,500 for each telephonic committee meeting in which he participated. In addition, Mr. Lynch received a fee of $15,000, and each of Messrs. Rau and Slater received a fee of $10,000, for their respective service in connection with the Board s search for a new Chief Executive Officer. Shares of restricted Common Stock issued to directors receive dividends at the same rate as the Company s Common Stock. Non-employee directors are not entitled to retirement benefits, incentive compensation or perquisites, although they are reimbursed for their out-of-pocket expenses for meeting attendance.

DIRECTOR COMPENSATION SUMMARY

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	All Other Compensation ($)(3)	Total Compensation ($)
John W. M. Brenninkmeijer	$ 19,000	$ 12,898(4)	$ 3,759	$ 35,657
Kevin W. Lynch	$ 63,500	$ 81,321(5)	$ 23,045	$ 167,866
Robert D. Newman	$ 40,500	$ 41,390(6)	$ 9,589	$ 91,479
John Rau	$ 83,500	$ 75,603(7)	$ 22,862	$ 181,965
Jay H. Shidler	$ 55,000	$ 88,767(8)	$ 28,532	$ 172,299
Robert J. Slater	$ 71,500	$ 88,746(9)	$ 28,532	$ 188,778
J. Steven Wilson	$ 78,000	$ 88,767(10)	$ 28,532	$ 195,299

(1) Does not include that portion of non-employee directors annual director fees paid in the form of Stock Awards. See under Stock Awards in the adjacent column.

(2) All reported awards are of shares of restricted Common Stock and amounts reported represent the amount of expense recognized by the Company during 2008 under Statement of Financial Accounting Standard No. 123R (Share-Based Payments) (FAS 123R) for grants made in 2008 and prior years. The grant date fair value of each stock award granted in 2008 to a director is reflected in the footnotes below. The grant date fair value determined under FAS 123R for each award is approximately equal to the product of the number of shares of restricted

Common Stock granted multiplied by the closing price of the Common Stock as reported by the NYSE on the applicable date of grant ($30.92 on January 8, 2008; $31.39 on April 8, 2008; $28.54 on July 8, 2008; $15.02 on October 9, 2008).

(3) Amounts represent dividends on shares of unvested restricted Common Stock. Amounts do not include dividends/distributions paid on original shares of Common Stock issued in connection with the Company s initial public offering, shares of Common Stock purchased subsequently in the open market or by exercise of options, shares of formerly restricted Common Stock after such stock has vested or on limited partnership units of First Industrial, L.P. (which generally are exchangeable on a one-for-one basis, subject to adjustments, for Common Stock).

(4) On January 8, 2008, April 8, 2008, July 8, 2008 and October 9, 2008, Mr. Brenninkmeijer received grants of restricted Common Stock with the following grant date fair values: $8,936; $10,170; $53,199; and $5,242, respectively. As of December 31, 2008, Mr. Brenninkmeijer held 3,083 shares of unvested restricted Common Stock.

(5) On January 8, 2008, April 8, 2008, July 8, 2008 and October 9, 2008, Mr. Lynch received grants of restricted Common Stock with the following grant date fair values: $8,936; $10,170; $53,199; and $5,242, respectively. As of December 31, 2008, Mr. Lynch held 10,488 shares of unvested restricted Common Stock.

(6) On January 8, 2008, April 8, 2008, July 8, 2008 and October 9, 2008, Mr. Newman received grants of restricted Common Stock with the following grant date fair values: $8,936; $10,170; $53,199; and $5,242, respectively. As of December 31, 2008, Mr. Newman held 5,502 shares of unvested restricted Common Stock.

(7) On January 8, 2008, April 8, 2008, July 8, 2008 and October 9, 2008, Mr. Rau received grants of restricted Common Stock with the following grant date fair values: $4,483; $4,552; $48,004; and $2,613, respectively. As of December 31, 2008, Mr. Rau held 10,098 shares of unvested restricted Common Stock.

(8) On January 8, 2008, April 8, 2008, July 8, 2008 and October 9, 2008, Mr. Shidler received grants of restricted Common Stock with the following grant date fair values: $8,936; $10,170; $53,199; and $5,242, respectively. As of December 31, 2008, Mr. Shidler held 12,765 shares of unvested restricted Common Stock.

(9) On January 8, 2008, April 8, 2008, July 8, 2008 and October 9, 2008, Mr. Slater received grants of restricted Common Stock with the following grant date fair values: $8,936; $10,170; $53,199; and $5,242, respectively. As of December 31, 2008, Mr. Slater held 12,765 shares of unvested restricted Common Stock.

(10) On January 8, 2008, April 8, 2008, July 8, 2008 and October 9, 2008, Mr. Wilson received grants of restricted Common Stock with the following grant date fair values: $8,936; $10,170; $53,199; and $5,242, respectively. As of December 31, 2008, Mr. Wilson held 12,765 shares of unvested restricted Common Stock and 40,000 options.

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

FUNDAMENTAL CHANGES

There were fundamental changes to our business and leadership during the fourth quarter of 2008. To adjust to the continuing difficulty in the capital markets, the lower level of transactions anticipated in the real estate market and the more challenging general economic environment, we implemented a significant cost reduction plan, which included substantial personnel reductions and the closure of our European operations. In addition, we reduced our dividend to align it with more predictable income streams, such as income from property rental operations. Also during Fall 2008, but separately and on different dates, each of our Chief Executive Officer, Chief Financial Officer and Executive Vice President Operations resigned. Our Chief Executive Officer role was filled for the remainder of 2008 on an interim basis by W. Ed Tyler, one of our directors since 2000, and by Bruce W. Duncan upon his hiring on January 9, 2009. Our Chief Financial Officer role has been filled on an interim basis by Scott A. Musil, our Chief Accounting Officer and an employee of First Industrial in various capacities since 1995. As a result of all of these changes, many of the compensation plans and employment agreements in effect at the beginning of 2008 are no longer in effect or no longer serve their intended purpose.

OBJECTIVES AND DESIGN OF COMPENSATION PROGRAM

The Company maintains the philosophy that compensation of its executive officers and other employees should serve the best interests of the Company s stockholders. Accordingly, the Company believes its executive compensation program should not only serve to attract and retain talented, capable individuals, but also to provide them with proper incentives linked to performance criteria that are designed to maximize the Company s overall performance. To this end, the Company s compensation program consists of a mix of compensation that is intended to compensate executive officers for their contributions during the year and to reward them for achievements that lead to increased Company performance and increases in stockholder value.

THE EXECUTIVE COMPENSATION PROCESS AND THE ROLE OF EXECUTIVE OFFICERS IN COMPENSATION DECISIONS

The Compensation Committee of the Company s Board of Directors (the Committee) has overall responsibility for approving and evaluating the compensation plans, policies and programs relating to the executive officers of the Company. The Compensation Committee typically formulates senior executive compensation beginning in the December before and in the first quarter of the applicable fiscal year by setting that year s salary and, if applicable, target maximum cash and equity bonus for the Chief Executive Officer, the Chief Financial Officer and other senior executive officers (Senior Management). Also, typically, in the first quarter of the applicable fiscal year, the Compensation Committee adopts, and the full Board of Directors ratifies, the performance criteria (the Performance Criteria) to be used to determine the incentive compensation of Senior Management (other than those covered by separate plans or agreements) for that year. Then, after the end of the applicable fiscal year, the Compensation Committee meets to determine incentive compensation to be paid to Senior Management with respect to that year pursuant to the Performance Criteria or, as applicable, pursuant to separate plans or agreements. Per such determination, the Company pays cash bonuses, typically in February, and issues restricted stock, typically in March.

Periodically, though not every year, the Company and the Compensation Committee engage the services of outside consultants to evaluate the Company s executive compensation program. In 2008, the Compensation Committee retained FPL Associates, an outside consultant, to review the appropriateness of the compensation of the Company s Chief Executive Officer, Chief Financial Officer, Chief Investment Officer and Executive Vice President Operations, and certain other members of senior management. As part of its review, the outside consultant surveyed a range of real estate companies that included not only the Company s industrial peers, but similarly sized companies and companies with similar operating strategies from other sectors of the REIT industry. Peers identified were: AMB Property Corp., PS Business Parks, Inc., Eastgroup Properties, Inc., Liberty Property Trust, ProLogis, Duke Realty Corp., Taubman Centers, Inc., Corporate Office Properties Trust, Crescent Real Estate Equities, FelCor Lodging Trust, Inc., Home Properties, Inc., Maguire Properties, Inc., Essex Property Trust, Inc., BRE Properties, Inc., Realty Income Corporation, Pennsylvania REIT, Cousins Properties, Inc., Crescent Real Estate Equities, Vornado Realty Trust, Kimco Realty Corporation, Mack-Cali Realty Corp., SL Green Realty Corp., Boston Properties, Inc. and Developers Diversified Realty. The Compensation Committee used this survey not as a benchmark, per se, but rather to gauge generally the appropriateness of the Company s executive compensation programs and to gauge the appropriateness of the levels of base compensation paid to its Senior Management. In addition, the Compensation Committee used this survey to develop the Performance Criteria for 2008 incentive compensation, as described below.

Historically, the Company s Chief Executive Officer and Chief Financial Officer have participated in meetings with the Compensation Committee at various times throughout the year. During the December before and first quarter of the applicable fiscal year, they typically meet with the Compensation Committee to present and discuss recommendations with respect to the applicable fiscal year s salaries and target maximum cash and equity bonus for Senior Management not covered by separate plans or agreements. In the first quarter of each year, they typically meet with the Compensation Committee to present and discuss recommendations with respect to incentive compensation for the year just ended. They also traditionally meet with the Compensation Committee regarding employment agreements that the Company has entered into and assist the Compensation Committee in providing compensation information to outside consultants engaged to evaluate the Company s compensation programs.

In 2008 and 2009, an ad hoc committee of the Board of Directors, including Messrs. Lynch, Rau, Shidler, Slater and Tyler, which was formed for evaluating and selecting a new chief executive officer (the Search Committee), also had a significant role in determining the compensation for Mr. Duncan. As Mr. Duncan was not previously employed by First Industrial, his employment arrangements reflect terms and conditions that were negotiated with him. Among factors considered by the Search Committee during these negotiations were:

Mr. Duncan s reputation, experience and skill;

the compensation that would be payable to an alternative candidate for the position; and

the compensation payable to and structure utilized for the employment of a new chief executive officer of a real estate investment trust in circumstances that the committee considered to be comparable to the Company s.

The committee did not consider the employment terms of the Company s former Chief Executive Officer, Michael W. Brennan, important to its evaluation because Mr. Duncan was not promoted from within First Industrial as was Mr. Brennan.

During its negotiations, the Search Committee relied upon analysis provided by FPL Associates L.P., which has advised the Compensation Committee in various compensation determinations for the Company in the past. The committee considered the compensation available to Mr. Duncan both annually and in the aggregate over a period of four years assuming appreciation of the price of First Industrial s common stock. The committee also considered the amounts that would be payable to Mr. Duncan in the event of the termination of his employment due to a change of control or other factors.

EXECUTIVE COMPENSATION COMPONENTS

The components of the Company s executive compensation program are base salary, incentive bonuses (both cash and equity awards) and benefits/perquisites (including premiums paid by the Company on term life insurance and long-term disability insurance, car allowances, moving and housing allowances, personal financial planning allowances, 401(k) matching contributions and standard health, life and disability insurance).

Each component of the Company s executive compensation program serves to attract and retain talented, capable individuals to the Company s management ranks. Incentive bonuses serve the added purpose of providing such individuals with proper incentives linked to performance criteria that are designed to maximize the Company s overall performance.

The Company considers base salary, incentive bonuses and benefits/perquisites as independent components of the Company s executive compensation program. Base salary and benefits/perquisites are intended to compensate Senior Management for services rendered and increases to their base salary are a function of individual performance and general economic conditions. Incentive bonuses, by contrast, are linked to, and are a function of the achievement of, Performance Criteria that are designed to maximize the Company s overall performance. Historically, base salary and benefits/perquisites have constituted approximately 1/3 of Senior Management s compensation in a typical year, while incentive bonus has made up approximately 2/3. Although this proportion may vary from year to year, this allocation between base salary and incentive compensation is consistent with the Compensation Committee s compensation philosophy that Senior Management s compensation should be largely tied to performance criteria designed to maximize the Company s overall performance.

The Compensation Committee does not have a specific policy regarding the mix of cash and non-cash compensation awarded to Senior Management, although it believes that a significant portion of Senior Management compensation should be paid in the form of equity. For members of Senior Management with employment agreements, the mix of target maximum cash and non-cash incentive compensation they are entitled to receive is set forth in their respective employment agreements. Depending on the individual, non-cash compensation makes up approximately 40% of the potential incentive compensation for executive officers who have been or were employed by First Industrial for a long term. For Mr. Duncan, annual bonuses will be payable in a combination of cash and fully vested shares of common stock, and it is expected that the portion paid in common stock will be proportionate to the non-cash incentive compensation received by the Company s senior executives generally.

When granting non-cash compensation to Senior Management, the Compensation Committee has typically utilized restricted stock awards. Typically, these awards vest ratably over 3 years and are denominated based on the closing price of the Company s Common Stock on the day prior to the submission of award information and recommendations to the Compensation Committee for purposes of its award determinations. The Compensation Committee believes that restricted stock awards and restricted stock unit awards play an important role in aligning management s interests with those of the Company s stockholders in that restricted stock and restricted stock units (other than the vesting and transfer restrictions applicable to them) are economically identical to stockholders common stock. For this reason, restricted stock awards have been a significant part of executive compensation, although the Compensation Committee may use other forms of equity compensation, such as stock options, in the future.

SETTING EXECUTIVE COMPENSATION

Base Salary

The Company provides Senior Management with base salary to compensate them for services rendered during the fiscal year. The base salaries of Senior Management are a function of either the minimum base salaries specified in their employment agreements or the base salary negotiated at the time of their hire, and any subsequent increases to such base salaries approved by the Compensation Committee. In determining increases to such base salaries for the following year, the Compensation Committee considers individual performance of Senior Management in the most recently completed year, including organizational and management development and sales leadership exhibited from year-to-year and peer information provided by compensation consultants. The Compensation Committee also considers general economic conditions prevailing at the end of such year, when the increases for the following year are typically determined.

On January 23, 2008, the Compensation Committee determined 2008 salaries for Senior Management, except for Mr. Musil whose salary was set in accordance with Company policy applicable to employees generally as he was not among the members of Senior Management within the Compensation Committee s purview at that time. Mr. Pientka s 2008 base salary was not increased over his 2007 base salary. The increase in the 2008 base salary over the 2007 base salary of Mr. Brennan reflects a cost of living increase. The increase in the 2008 base salary over the 2007 base salary of Messrs. Yap, Havala, Draft and Cutlip reflects, in addition to a cost of living increase, the Compensation Committee s consideration of their contributions to the Company s strong performance during 2007. Mr. Tyler s base salary for his service, commencing in October 2008, as interim Chief Executive Officer was set at $250,000 per month, with a minimum, non-refundable four months due and payable in advance. This monthly salary was intended to compensate Mr. Tyler at a rate consistent with the market rates for full-time chief executive officers.

In meetings during December 2008, the Compensation Committee determined not to increase base salaries for 2009 due to the general economic conditions prevailing at the end of 2008, and in order to conserve cash.

Incentive Bonuses

The Company provides its senior executives with incentive compensation, which currently includes cash and equity awards in the form of restricted stock, to incentivize and reward them for Company and individual performance in specified areas that serves the best interests of the Company s stockholders.

2008 Executive Officer Bonus Plan

For 2008, Messrs. Yap, Brennan, Havala and Draft participated in an incentive compensation plan (the 2008 Executive Officer Bonus Plan) which derived from the Company s strategic plan at the time of adoption. Under the 2008 Executive Officer Bonus Plan, cash and restricted stock awards are based on a target maximum cash and equity bonus, expressed as a percentage of participants base salaries. The target maximum cash and equity bonus are based on targets required by participants employment agreements and are subject to increase by the

Compensation Committee. The target maximum bonus for 2008 for Messrs. Yap, Brennan, Havala and Draft for purposes of the 2008 Executive Officer Bonus Plan were as follows: