

HUB GROUP INC
Form DEF 14A
April 12, 2004

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

HUB GROUP, 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):

No fee required

\$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), 14a-6(i)(2) or Item 22(a)(2) of Schedule 14A.

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 is determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials

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:

April 12, 2004

Dear Stockholder:

You are cordially invited to attend the 2004 Annual Meeting of Stockholders of Hub Group, Inc. This meeting will be held at the Chicago Marriott Oak Brook, 1401 W. 22nd Street, Oak Brook, Illinois at 10:00 a.m. Chicago time on Thursday, May 13, 2004.

The attached Notice of 2004 Annual Meeting of Stockholders and Proxy Statement describe the matters to be acted upon. The Annual Report to Stockholders on Form 10-K is also enclosed.

We hope you will be able to attend the meeting. However, even if you anticipate attending in person, we urge you to mark, sign, date, and return the enclosed proxy card to ensure that your shares will be represented. If you attend, you will, of course, be entitled to vote in person.

Sincerely,

PHILLIP C. YEAGER
Chairman

HUB GROUP, INC.

NOTICE OF 2004 ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Hub Group, Inc.:

The Annual Meeting of Stockholders of Hub Group, Inc., a Delaware corporation (the Company), will be held at the Chicago Marriott Oak Brook, 1401 W. 22nd Street, Oak Brook, Illinois on Thursday, May 13, 2004, at 10:00 a.m., Chicago time, for the following purposes:

- (1) To elect six directors of the Company to hold office until the next annual meeting of stockholders;
- (2) To approve the Amended and Restated Hub Group, Inc. 2002 Long-Term Incentive Plan; and
- (3) To transact such other business as may properly be presented at the Annual Meeting or any adjournment thereof.

A proxy statement with respect to the Annual Meeting accompanies and forms a part of this Notice. The Company's Annual Report to Stockholders on Form 10-K also accompanies this Notice.

The Board of Directors has fixed the close of business on March 29, 2004, as the record date for determining stockholders entitled to notice of, and to vote at, the Annual Meeting.

By order of the Board of Directors,

DAVID C. ZEILSTRA
Vice President, Secretary and General Counsel

Downers Grove, Illinois
April 12, 2004

YOUR VOTE IS IMPORTANT

**PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY AND
RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE WHETHER
OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING.**

HUB GROUP, INC.

**3050 HIGHLAND PARKWAY, SUITE 100
DOWNERS GROVE, ILLINOIS 60515**

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Hub Group, Inc., a Delaware corporation (Hub Group or the Company), of proxies for use at the 2004 Annual Meeting of Stockholders of the Company to be held on Thursday, May 13, 2004, and any adjournment thereof (the Annual Meeting). This Proxy Statement and accompanying form of proxy are first being sent to stockholders on or about April 12, 2004.

The Company's Class A common stock, \$.01 par value (the Class A Common Stock), and the Class B common stock, \$.01 par value (the Class B Common Stock, together with the Class A Common Stock, the Common Stock), are the only issued and outstanding classes of stock. Only stockholders of record at the close of business on March 29, 2004 (the Record Date), are entitled to notice of and to vote at the Annual Meeting. As of the Record Date, the Company had 7,436,277 shares of Class A Common Stock (each a Class A Share) and 662,296 shares of Class B Common Stock (each a Class B Share, and collectively with the Class A Shares, the Shares) outstanding and entitled to vote.

VOTING RIGHTS AND PROCEDURES

Shares represented by an effective proxy given by a stockholder will be voted as directed by the stockholder. If a properly signed proxy form is returned to the Company and one or more proposals are not marked, it will be voted in accordance with the recommendation of the Board of Directors on all such proposals. A stockholder giving a proxy may revoke it at any time prior to the voting of the proxy by giving written notice to the Secretary of the Company, by executing a later dated proxy or by attending the Annual Meeting and voting in person.

Each Class A Share is entitled to one (1) vote and each Class B Share is entitled to twenty (20) votes. The holders of Shares having a majority of the votes that could be cast by the holders of all Shares, present in person or represented by proxy, will constitute a quorum at the Annual Meeting. Abstentions will be treated as Shares that are present and entitled to vote for purposes of determining the presence of a quorum. If a broker indicates on the proxy that it does not have discretionary authority as to certain Shares to vote on a particular matter, those Shares will be considered as present and entitled to vote for purposes of determining the presence of a quorum. As of March 29, 2004, the Yeager family members own all 662,296 shares of Class B Common Stock and 894,250 shares of Class A Common Stock. Consequently, the Yeager family controls approximately 68% of the voting power of the Company on all matters presented for stockholder action. The Yeager family members are parties to a stockholders' agreement, pursuant to which they have agreed to vote all of their shares of Class B Common Stock in accordance with the vote of the holders of a majority of such shares.

Votes cast by proxy or in person at the Annual Meeting will be tabulated by the election inspectors appointed for the meeting and such election inspectors will determine whether or not a quorum is present.

The Board of Directors knows of no matters to be presented at the Annual Meeting other than those set forth in the Notice of 2004 Annual Meeting of Stockholders enclosed herewith. However, if any other matters do come before the meeting, it is intended that the holders of the proxies will vote thereon in their discretion. Any such other matter will require for its approval the affirmative vote of the holders of Shares having a majority of the votes present in person or represented by proxy at the Annual Meeting, provided a quorum is present, or such greater vote as may be required under the Company's Certificate of Incorporation, the Company's By-laws or applicable law. A list of stockholders as of the record date will be available for inspection at the Annual Meeting and for a period of ten days prior to the Annual Meeting at the Company's offices in Downers Grove.

ELECTION OF DIRECTORS

The number of directors of the Company, as determined by the Board of Directors under Article III of the Company's By-laws, is currently six. Each director holds office until his or her successor is elected and qualified or until his or her earlier death, resignation, retirement, disqualification or removal.

The nominees for whom the enclosed proxy is intended to be voted are set forth below. Other than Mr. Mark Yeager, who is currently an executive officer of the Company, each nominee for election as director currently serves as a director of the Company. It is not contemplated that any of these nominees will be unavailable for election, but if such a situation should arise, the proxy will be voted in accordance with the best judgment of the proxyholder for such person or persons as may be designated by the Board of Directors unless the stockholder has directed otherwise.

Directors are elected by a plurality of the votes cast at the Annual Meeting, provided a quorum is present. The outcome of the election is not affected by abstentions or the withholding of authority to vote in the election, or by broker non-votes. Stockholders are not allowed to cumulate their votes in the election of directors.

Nominees for Election as Directors

<u>Name</u>	<u>Age</u>	<u>Business Experience During the Past Five Years and Other Information</u>
Phillip C. Yeager	76	Phillip C. Yeager has been Chairman of the Board since October 1985. From April 1971 to October 1985, Mr. Yeager served as President of Hub City Terminals, Inc. ("Hub Chicago"). Mr. Yeager became involved in intermodal transportation in 1959, five years after the introduction of intermodal transportation in the United States, as an employee of the Pennsylvania and Pennsylvania Central Railroads. He spent 19 years with the Pennsylvania and Pennsylvania Central Railroads, 12 of which involved intermodal transportation. In 1991, Mr. Yeager was named the Man of the Year by the Intermodal Transportation Association. In 1995, he received the Salzburg Practitioners Award from Syracuse University in recognition of his lifetime achievements in the transportation industry. In October 1996, Mr. Yeager was inducted into the Chicago Area Entrepreneurship Hall of Fame sponsored by the University of Illinois at Chicago. In March 1997, he received the Presidential Medal from Dowling College for his achievements in transportation services. In September 1998 he received the Silver Kingpin award from the Intermodal Association of North America and in February 1999 he was named Transportation Person of the Year by the New York Traffic Club. Mr. Yeager graduated from the University of Cincinnati in 1951 with a Bachelor of Arts degree in Economics. Mr. Yeager is the father of David P. Yeager and Mark A. Yeager.
David P. Yeager	51	David P. Yeager has served as the Company's Vice Chairman of the Board since January 1992 and as Chief Executive Officer of the Company since March 1995. From October 1985 through December 1991, Mr. Yeager was President of Hub Chicago. From 1983 to October 1985, he served as Vice President, Marketing of Hub Chicago. Mr. Yeager founded the St. Louis Hub in 1980 and served as its President from 1980 to 1983. Mr. Yeager founded the Pittsburgh Hub in 1975 and served as its President from 1975 to 1977. Mr. Yeager received a Masters in Business Administration degree from the University of Chicago in 1987 and a Bachelor of Arts degree from the University of Dayton in 1975. Mr. Yeager is the son of Phillip C. Yeager and the brother of Mark A. Yeager.
Mark A. Yeager	39	Mark A. Yeager has been the Company's President-Field Operations since July 1999. From November 1997 through June 1999 Mr. Yeager was Division President, Secretary and General Counsel. From March 1995 to November 1997, Mr. Yeager was Vice President, Secretary and General Counsel. From May 1992 to March 1995, Mr. Yeager served as the Company's Vice President-Quality. Prior to joining the Company in 1992, Mr. Yeager was an associate at the law firm of Grippo & Elden from January 1991 through May 1992 and an associate at the law firm of Sidley & Austin from May 1989 through January 1991. Mr. Yeager received a Juris Doctor degree from Georgetown University in 1989 and a Bachelor of Arts degree from Indiana University in 1986. Mr. Yeager is the son of Phillip C. Yeager and the brother of David P. Yeager.
Gary D. Eppen	67	Gary D. Eppen has served as a director of the Company since February 1996. Currently retired, Mr. Eppen is formerly the Ralph and Dorothy Keller Distinguished Service Professor of Operations Management and Deputy Dean for part-time programs in the Graduate School of Business at The University of Chicago. He received a Ph.D. in Operations Research from Cornell University in 1964, a Master of Science in Industrial Engineering from the University of Minnesota in 1960, a Bachelor of Science from the University of

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Minnesota in 1959 and an Associate in Arts degree in Pre-Engineering from Austin Junior College in 1956. Mr. Eppen also serves as a director of Landauer, Inc.

Charles R. Reaves	65	Charles R. Reaves has served as a director of the Company since February 1996. Since 1994, Mr. Reaves has been President and Chief Executive Officer of Reaves Enterprises, Inc., a real estate development company. From April 1962 until November 1994, Mr. Reaves worked for Sears Roebuck & Company in various positions, most recently as President and Chief Executive Officer of Sears Logistics Services, Inc., a transportation, distribution and home delivery subsidiary of Sears Roebuck & Company. Mr. Reaves received a Bachelor of Science degree in Business Administration from Arkansas State University in 1961.
Martin P. Slark	49	Martin P. Slark has served as a director of the Company since February 1996. Since 1976, Mr. Slark has been employed by Molex Incorporated ("Molex"), a manufacturer of electronic, electrical and fiber optic interconnection products and systems. Having worked for Molex in Europe, the United States and Asia, Mr. Slark is presently a Director and President and Chief Operating Officer of Molex. Mr. Slark is a fellow of the British Institute of Management and received a Masters in Business Administration degree from the London Business School in 1993, a Post-Graduate Diploma in Management Studies from Portsmouth University and a Bachelors of Science degree in Engineering from Reading University in 1977.

The Board of Directors recommends that the stockholders vote FOR the election of each nominee for director named above.

MEETINGS AND COMMITTEES OF THE BOARD

The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. During the fiscal year ended December 31, 2003, the full Board of Directors met four times, the Audit Committee met eight times and the Compensation Committee met four times. The Nominating and Governance Committee was recently formed and had its first meeting in February 2004. During 2003, all directors attended at least 75% of the meetings of the Board of Directors and the committees thereof on which they served. The Company encourages each member of the Board of Directors to attend each annual meeting of shareholders. All directors attended the Company's 2003 annual meeting of shareholders held on May 13, 2003.

Audit Committee

The duties of the Audit Committee are to oversee the Company's internal control structure, review the Company's financial statements and other financial information to be included in the Company's 10-K and annual report to stockholders, select the independent auditors for the Company and its subsidiaries and review the Company's annual audit plan. The members of the Audit Committee are Messrs. Eppen, Reaves and Slark. The Audit Committee has a written charter which is available on the Company's website at www.hubgroup.com and is also attached as Exhibit A to this Proxy Statement.

The Board of Directors has determined that Messrs. Eppen, Reaves and Slark are independent as that term is defined by Nasdaq. The Board of Directors has determined that the Audit Committee does not have an audit committee financial expert as that term is defined in the Securities and Exchange Commission regulations. However, the Board of Directors has determined that all of the members of the Audit Committee are able to read and understand fundamental financial statements within the meaning of the Nasdaq Audit Committee requirements and that at least one of its members has the financial sophistication required by Nasdaq. The Board of Directors has determined that by satisfying the requirements of the Nasdaq listing standards with a member of the Audit Committee that has the requisite financial sophistication qualifications, the Audit Committee has the financial expertise necessary to fulfill the duties and the obligations of the Audit Committee. The Board of Directors has concluded that the appointment of an additional director to the Audit Committee is not necessary at this time.

Compensation Committee

The duties of the Compensation Committee are to determine the compensation of the Company's Chief Executive Officer and to make recommendations to the Board of Directors concerning the salaries of the Company's other officers, to exercise the authority of the Board of Directors concerning the Company's various long-term incentive plans and to advise the Board of Directors on other compensation and benefit matters. The members of the Compensation Committee are Messrs. Eppen, Reaves and Slark. Each member of the Compensation Committee is independent in accordance with the applicable corporate governance listing standards of the Nasdaq Stock Market. The Compensation Committee has a written charter which is available on the Company's website at www.hubgroup.com.

Nominating and Governance Committee

The duties of the Nominating and Governance Committee are to identify individuals qualified to become Board members and nominate the director nominees for the next annual meeting of shareholders and develop and recommend to the Board the corporate governance guidelines

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applicable to the Company. The members of the Nominating and Governance Committee are Messrs. Eppen, Reaves and Slark. Each member of the Nominating and Governance Committee is independent in accordance with the applicable corporate governance listing standards of the Nasdaq Stock Market. The Nominating and Governance Committee has a written charter which is available on the Company's website at www.hubgroup.com.

Nominations of Directors

Directors may be nominated by the Board of Directors or by shareholders in accordance with the Bylaws of the Company. As a matter of course, the Nominating and Governance Committee will review the qualifications of various persons to determine whether they might make good candidates for consideration for membership on the Board of Directors. The Nominating and Governance Committee will review all proposed nominees for the Board of Directors, including those proposed by shareholders, in accordance with the mandate contained in its charter. This will include a review of the person's judgment, experience, independence, understanding of the Company's business or other related industries and such other factors as the Nominating and Governance Committee determines are relevant in light of the needs of the Board of Directors and the Company. The Nominating and Governance Committee will select qualified candidates and review its recommendations with the Board of Directors, which will decide whether to invite the candidate to be a nominee for election to the Board of Directors.

The Company has not paid a fee to any third party to identify or assist in identifying or evaluating potential nominees. Each nominee for election as a director is either an executive officer of the Company or is standing for reelection.

For a shareholder to submit a candidate for consideration by the Nominating and Governance Committee, a shareholder must notify the Company's Secretary. In addition, the Bylaws permit shareholders to nominate directors at a shareholder meeting. If a stockholder desires to nominate persons for election as directors at the next Annual Meeting of Stockholders written notice of such stockholder's intent to make such a nomination must be given and received by the Secretary of the Company at 3050 Highland Parkway, Suite 100, Downers Grove, IL 60515, either by personal delivery or by United States mail no earlier than February 12, 2005 nor later than March 14, 2005. Each notice must describe the nomination in sufficient detail for the nomination to be summarized on the agenda for the meeting and must set forth: (i) the name and address, as it appears on the books of the Company, of the stockholder making the nomination, (ii) a representation that the stockholder is a holder of record of stock in the Company entitled to vote at the annual meeting of stockholders and intends to appear in person or by proxy at the meeting to present the nomination, (iii) a statement of the class and number of shares beneficially owned by the stockholder, (iv) the name and address of any person to be nominated, (v) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder, (vi) such other information regarding such nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission (the Commission), and (vii) the consent of such nominee to serve as a director of the Company if elected. The presiding officer of the annual meeting of stockholders will, if the facts warrant, refuse to acknowledge a nomination not made in compliance with the foregoing procedure, and any such nomination not properly brought before the meeting will not be considered.

Controlled Company

The Board of Directors has determined that the Company is a controlled company as that term is defined by Nasdaq since the Yeager family, pursuant to their ownership of all Class B Common Stock, control 64% of the voting power of the Company. Pursuant to the Yeager Family Stockholder Agreement, the Yeager family members have agreed to vote all of their shares of Class B Common Stock in accordance with the vote of the holders of a majority of such shares.

Code of Ethics

The Company has adopted a Code of Business Conduct and Ethics that applies to all employees. The Company's Code of Business Conduct and Ethics may be found on the Company's website, www.hubgroup.com.

Communicating with the Board

Shareholders may communicate directly with the Board of Directors. All communications should be directed to the Company's Secretary at the address set forth above and should prominently indicate on the outside of the envelope that it is intended for the Board of Directors or for non-management directors. Each communication intended for the Board of Directors and received by the Secretary which is not otherwise commercial in nature will be forwarded to the specified party following its clearance through normal security procedures.

OWNERSHIP OF THE CAPITAL STOCK OF THE COMPANY

The following table sets forth information with respect to the number of shares of Class A Common Stock and Class B Common Stock beneficially owned by (i) each director of the Company, (ii) the executive officers of the Company named in the table under Compensation of Directors and Executive Officers Summary Compensation Table, (iii) all directors and executive officers of the Company as a group, and (iv) based on information available to the Company and a review of statements filed with the Commission pursuant to Section 13(d) and 13(g) of the Securities Exchange Act of 1934, as amended (the Exchange Act), each person that owns beneficially (directly or together with affiliates) more than 5% of the Class A Common Stock or Class B Common Stock, in each case as of March 22, 2004, except as otherwise noted. The Company believes that each individual or entity named has sole investment and voting power with respect to shares of the Class A Common Stock or Class B Common Stock indicated as beneficially owned by them, except as otherwise noted.

<u>Name</u>	<u>Number (1)</u>		
	<u>Class A</u>	<u>Class B</u>	<u>Percentage(2)</u>
Phillip C. Yeager(3)(4)(5)	84,600	662,296	9.1%
David P. Yeager(3)(6)	426,018	662,296	13.3%
Thomas L. Hardin(7)	96,484	--	1.2%
Thomas M. White(8)	45,697	--	*
Richard M. Rogan(9)	14,300	--	*
Mark A. Yeager(3)(10)	431,567	662,296	13.4%
Gary D. Eppen(11)	32,560	--	*
Charles R. Reaves(11)	31,560	--	*
Martin P. Slark(12)	31,560	--	*
All directors and executive officers (17 people) (13)	1,464,229	662,296	26.3%
Debra A. Jensen(3)(14)	126,733	662,296	9.7%
T. Rowe Price Associates, Inc. (15)	552,500	--	6.8%
Dimensional Fund Advisors, Inc. (16)	385,500	--	4.8%
Wellington Management Company, LLP (17)	446,600	--	5.5%
Columbia Wanger Asset Management, L.P./ WAM Acquisition GP, Inc./ Columbia Acorn Trust (18)	1,503,300	--	18.6%

* Represents less than 1% of the outstanding shares of Common Stock.

- (1) Calculated pursuant to Rule 13d-3(d) under the Exchange Act. Under Rule 13d-3(d), shares not outstanding which are subject to options, warrants, rights, or conversion privileges exercisable within 60 days are deemed outstanding for the purpose of calculating the number and percentage owned by such person, but not deemed outstanding for the purpose of calculating the percentage owned by each other person listed.
- (2) Represents percentage of total number of outstanding shares of Class A Common Stock and Class B Common Stock.
- (3) The Yeager family members are parties to a stockholders' agreement (the "Yeager Family Stockholder Agreement"), pursuant to which they have agreed to vote all of their shares of Class B Common Stock in accordance with the vote of the holders of a majority of such shares. Except as provided in footnotes 6 and 10, each of the Yeager family members disclaims beneficial ownership of the shares of Class B Common Stock held by the other Yeager family members. The Class B Common Stock represents approximately 64% of the total votes allocable to the Common Stock. Members of the Yeager family own all of the Class B Common Stock.
- (4) Includes 563,934 shares of Class B Common Stock as to which Phillip C. Yeager may be deemed to have shared voting discretion pursuant to the Yeager Family Stockholder Agreement. See Note 3. Also includes 65,000 shares of Class A Common Stock issuable upon exercise of options. Also includes 10,600 shares of restricted stock.
- (5) Includes 1000 shares of Class A Common Stock held by his wife. Mr. Yeager disclaims beneficial ownership of these shares.
- (6) Includes 46,794 shares of Class B Common Stock owned by the Laura C. Yeager 1994 GST Trust, 46,794 shares of Class B Common Stock owned by the Matthew D. Yeager 1994 GST Trust and 46,794 shares of Class B Common Stock owned by the Phillip D. Yeager 1994 GST Trust and 54,909 shares of Class A Common Stock owned by the David P. Yeager Perpetual Trust, for which David P. Yeager serves as sole trustee and has sole investment and voting discretion and 419,127 shares of Class B Common Stock as to which David P. Yeager may be deemed to have shared voting discretion pursuant to the Yeager Family Stockholder Agreement. See Note 3. Includes 63,334 shares of Class A Common Stock issuable upon exercise of options. Includes 32,800 shares of restricted stock.

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- (7) Includes 55,334 shares of Class A Common Stock issuable upon exercise of options and 21,150 shares of restricted stock.
- (8) Includes 23,667 shares of Class A Common Stock issuable upon exercise of options and 17,250 shares of restricted stock.
- (9) Includes 9,000 shares of Class A Common Stock issuable upon exercise of options and 5,300 shares of restricted stock.
- (10) Includes 43,758 shares of Class A Common Stock and 36,794 shares of Class B Common Stock owned by the Alexander B. Yeager 1994 GST Trust and 43,758 shares of Class A Common Stock and 36,794 shares of Class B Common Stock owned by the Samantha N. Yeager 1994 GST Trust and 54,908 shares of Class A Common Stock owned by the Mark A. Yeager Perpetual Trust, for which Mark A. Yeager serves as sole trustee and has sole investment and voting discretion and 501,914 shares of Class B Common Stock as to which Mark A. Yeager may be deemed to have shared voting discretion pursuant to the Yeager Family Stockholder Agreement. See Note 3. Also includes 46,334 shares of Class A Common Stock issuable upon exercise of options. Also includes 21,150 shares of restricted stock.
- (11) Includes 28,000 shares of Class A Common Stock issuable upon exercise of options and 3,560 shares of restricted stock.
- (12) Includes 24,000 shares of Class A Common Stock issuable upon exercise of options and 3,560 shares of restricted stock.
- (13) Includes 483,138 shares of Class A Common Stock issuable upon exercise of options.
- (14) Includes 25,000 shares of Class B Common Stock owned by the Elizabeth A. Jensen 1994 GST Trust and 25,000 shares of Class B Common Stock owned by the Patrick R. Jensen 1994 GST Trust and 501,913 shares of Class B Common Stock as to which Debra Jensen may be deemed to have shared voting discretion pursuant to the Yeager Family Stockholder Agreement. See Note 3. Includes 54,908 shares of Class A Common Stock owned by the Debra A. Jensen Perpetual Trust, for which Debra Jensen serves as sole trustee and has sole investment and voting discretion. Debra Jensen is the daughter of Phillip C. Yeager.
- (15) T. Rowe Price Associates, Inc. ("Price") filed a Schedule 13G with the Commission indicating beneficial ownership of shares of Class A Common Stock. According to the Schedule 13G, Price has sole dispositive power with respect to all 552,500 shares of Class A Common Stock beneficially owned and sole voting power with respect to 202,500 shares of Class A Common Stock beneficially owned. These securities are owned by various individual and institutional investors which Price serves as investment advisor with power to direct investments and/or sole power to vote the securities. For purposes of the Exchange Act, Price is deemed the beneficial owner of such securities; however, Price expressly disclaims that it is, in fact, the beneficial owner of such securities. The number of shares beneficially owned by Price is indicated as of February 13, 2004. The address of Price is 100 E. Pratt Street, Baltimore, MD 21202.
- (16) Dimensional Fund Advisors, Inc. ("Dimensional") filed a Schedule 13G with the Commission indicating beneficial ownership of shares of Class A Common Stock. According to the Schedule 13G, Dimensional has sole dispositive power and sole voting power with respect to all 385,500 shares of Class A Common Stock beneficially owned. The number of shares beneficially owned by Dimensional is indicated as of February 6, 2004. The address of Dimensional is 1299 Ocean Avenue, 11th Floor, Santa Monica, CA 90401.
- (17) Wellington Management Company, LLP ("Wellington") filed a Schedule 13G with the Commission indicating beneficial ownership of shares of Class A Common Stock. Wellington has shared voting power with respect to 174,000 shares of Class A Common Stock beneficially owned and shared dispositive power with respect to 446,600 shares of Class A Common Stock beneficially owned. The number of shares beneficially owned by Wellington is indicated as of February 13, 2004. The address of Wellington is 75 State Street, Boston, MA 02109.
- (18) Columbia Wanger Asset Management, L.P., WAM Acquisition GP, Inc. (collectively "Wanger") and Columbia Acorn Trust ("Acorn") filed a Schedule 13G with the Commission indicating beneficial ownership of shares of Class A Common Stock. According to the Schedule 13G, Wanger has shared dispositive power and shared voting power with respect to all 1,503,300 shares of Class A Common Stock beneficially owned. Acorn has shared voting and dispositive power with respect to 1,105,000 shares of Class A Common Stock beneficially owned. The number of shares beneficially owned by Wanger and Acorn are indicated as of February 10, 2004. The address of Wanger and Acorn is 227 West Monroe Street, Suite 3000, Chicago, IL 60606.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who own more than ten percent of a registered class of the Company's equity securities, to file with the Commission initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Officers, directors, and greater than ten-percent stockholders are required by Commission regulation to furnish the Company with copies of all Section 16(a) forms they file.

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To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the Company's 2003 fiscal year all applicable Section 16(a) filing requirements were complied with by the officers, directors, and greater than ten-percent beneficial owners, except Messrs. White, Polsen and Zeilstra each mistakenly reported one purchase transaction on a Form 5 rather than a Form 4 and Mr. Phillip Yeager was late in filing one Form 4 regarding stock held by his wife and was late in filing one Form 4 reporting stock transferred to certain family members.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Summary Compensation Table

The following table sets forth a summary of the annual, long-term and other compensation for services rendered to the Company for the fiscal years ended December 31, 2001, December 31, 2002 and December 31, 2003 paid or awarded to those persons who were, at December 31, 2003: (i) the Company's chief executive officer, and (ii) the Company's four most highly compensated executive officers other than the chief executive officer (collectively, together with the Company's chief executive officer, the Named Executive Officers).

<u>Name and Principal Position</u>	<u>Year</u>	<u>Annual Compensation</u>			<u>Long-Term Compensation</u>		
		<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Other Annual Compensation (\$)</u>	<u>Options/ SARs (#)</u>	<u>Restricted Stock(6) (\$)</u>	<u>All Other Compensation (\$)</u>
David P. Yeager Vice Chairman and Chief Executive Officer	2003	485,000(1)	459,765	30,845(4)	20,000	369,656	5,719(7)
	2002	485,000(1)	--	20,122(5)	50,000	--	5,090(7)
	2001	539,123	--	13,726(5)	--	--	5,184(7)
Thomas L. Hardin President and Chief Operating Officer	2003	296,000(2)	233,586	32,865(5)	--	238,360	5,719(7)
	2002	296,000(2)	--	30,799(5)	46,000	--	5,090(7)
	2001	316,418	100,000	22,939(5)	--	--	5,184(7)
Mark A. Yeager President-Field Operations	2003	315,000(3)	265,335	18,408(5)	--	238,360	5,719(7)
	2002	253,418(3)	--	16,337(5)	46,000	--	5,090(7)
	2001	242,550	100,000	11,355(5)	--	--	5,184(7)
Thomas M. White Sr. Vice President, Treasurer and Chief Financial Officer	2003	268,035	200,812	1,644(4)	21,000	194,407	4,646(8)
	2002	132,692	75,000	--	50,000	--	80(8)
	2001	--	--	--	--	--	--
Richard M. Rogan Executive Vice President - Marketing	2003	252,200	155,103	4,010(5)	--	59,731	5,719(7)
	2002	252,200	--	3,607(5)	37,000	--	5,090(7)
	2001	242,500	60,000	2,044(5)	--	--	5,184(7)

- (1) Represents a decrease of \$54,123 from the amount that Mr. Yeager would have otherwise received to enable the Company to lease certain assets, which Mr. Yeager used for personal purposes from time to time in 2002 and 2003.
- (2) Represents a decrease of \$33,074 from the amount that Mr. Hardin would have otherwise received to enable the Company to lease certain assets, which Mr. Hardin used for personal purposes from time to time in 2002 and 2003.
- (3) Represents a decrease of \$42,000 from the amount that Mr. Yeager would have otherwise received to enable the Company to lease certain assets, which Mr. Yeager used for personal purposes from time to time in 2002 and 2003.
- (4) Represents above market earnings on deferred compensation and reimbursement for taxes paid in respect of certain perquisites.
- (5) Represents above market earnings on deferred compensation.
- (6) These restricted stock grants vest ratably over three years. These restricted shares are eligible for dividend payments but such dividends are restricted to the same extent as the underlying security. Mr. David Yeager's grant of 32,800 shares of restricted stock had a value of \$705,856 at the end of 2003. Mr. Hardin's grant of 21,150 shares of restricted stock had a value of \$455,148 at the end of 2003. Mr. Mark Yeager's grant of 21,150 shares of restricted stock had a value of \$455,148 at the end of 2003. Mr. White's

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grant of 17,250 shares of restricted stock had a value of \$371,220 at the end of 2003. Mr. Rogan's grant of 5,300 shares of restricted stock had a value of \$114,056 at the end of 2003.

- (7) Represents the Company's matching contribution to the Company's Section 401(k) deferred compensation plan of \$5,653 in 2003, \$5,010 in 2002 and \$5,100 in 2001, and the value of insurance premiums paid by the Company for term life insurance for the benefit of each Named Executive Officer equal to \$66 during 2003, \$80 during 2002, and \$84 during 2001.
- (8) Represents the Company's matching contribution to the Company's Section 401(k) deferred compensation plan of \$4,580 in 2003 and the value of insurance premiums paid by the Company for term life insurance for the benefit of Mr. White equal to \$66 during 2003 and \$80 during 2002.

Change of Control Agreements

Mr. White is a party to an arrangement with the Company pursuant to which he will be paid one-year of base salary and his options will vest if (i) his employment is terminated within 12 months following a change in control or (ii) his position is eliminated within 12 months following a change in control and a like position is not offered within the Company. A change in control is deemed to occur for these purposes when there has been a change to the majority voting position in the Company.

Option/SAR Grants In Last Fiscal Year

The following table summarizes the grants of stock options awarded to the Named Executive Officers during the fiscal year ended December 31, 2003, under the Company's 2002 Long-Term Incentive Plan.

<u>Name</u>	<u>Individual Grants</u>		<u>Exercise Price (\$/sh)(1)</u>	<u>Expiration Date(2)</u>	<u>Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (3)</u>	
	<u># of Securities Underlying Options/SARs Granted (#)</u>	<u>% of Total Options/SARs Granted</u>			<u>5%(\$)</u>	<u>10%(\$)</u>
David P. Yeager	20,000	10.3%	5.02	01/02/13	63,141	160,012
Thomas M. White	21,000	10.9%	5.02	01/02/13	66,298	168,012

- (1) The exercise price equals the closing stock price on January 2, 2003.
- (2) The options were granted on January 2, 2003 and vest ratably over a three-year period, expiring ten years after their grant date.
- (3) The potential realizable dollar value of a grant is the product of: (a) the difference between (i) the product of the per-share market price at the time of the grant and the sum of 1 plus the stock appreciation rate compounded annually over the term of the option (here, 5% and 10%), and (ii) the per-share exercise price of the option, and (b) the number of securities underlying the grant at fiscal year-end.

Aggregated Option/SAR Exercises In Last Fiscal Year and Fiscal Year-End Option/SAR Values

The following table provides information concerning options exercised by the Named Executive Officers during the fiscal year ended December 31, 2003, and the value at December 31, 2003, of unexercised options.

<u>Name</u>	<u>Shares Acquired on Exercise (#)</u>	<u>Value Realized (\$)</u>	<u>Number of Shares of Class A Common Stock Underlying Unexercised Options at December 31, 2003</u>	<u>Value (\$)</u> of <u>Unexercised In-the-Money Options at December 31, 2003</u>
			<u>Exercisable/Unexercisable</u>	<u>Exercisable/Unexercisable</u>
David P. Yeager	0	0	56,667/53,333	535,205/873,995
Thomas L. Hardin	0	0	55,333/30,667	513,451/500,469
Mark A. Yeager	0	0	46,334/32,166	454,871/504,624
Thomas M. White	0	0	16,667/54,333	223,521/793,529
Richard M. Rogan	12,333	198,875	24,000/25,667	123,880/405,335

Compensation of Directors

Directors who are not employees of the Company received \$35,000 for serving as a director during 2003. Directors who are employees of the Company do not receive additional compensation for such services. Both employee and non-employee directors are reimbursed for their travel and other expenses incurred in connection with attending meetings of the Board of Directors or committees thereof. In connection with their 2003 compensation package, on December 10, 2002, Messrs. Eppen, Reaves and Slark each received options to purchase 12,000 shares of Class A Common Stock exercisable at \$5.66 per share. These options vest ratably over a three-year period. In connection with their 2004 compensation package, on December 3, 2003, Messrs. Eppen, Reaves and Slark each received a grant of 3,560 shares of restricted Class A Common Stock. This restricted stock vests ratably over a three-year period and is subject to shareholder approval of the amended and restated 2002 Long-Term Incentive Plan described below.

Board of Directors Compensation Committee Report on Executive Compensation

The Compensation Committee approves the policies under which compensation is paid or awarded to the Company's executive officers. The Compensation Committee consists of the three independent members of the Board.

In September 2001, the Board of Directors commissioned a third party to conduct a study of the Company's compensation program. This study included a survey of compensation practices in the transportation industry using a broad sample of companies within the industry. This independent study was used as the benchmark to determine competitive compensation ranges for senior executives. The Compensation Committee implemented certain recommendations from the independent study and, using this study, determined the compensation structure for 2002. Except for individuals accepting increased responsibility, the Compensation Committee froze salary levels for the executive officers for 2003 in light of the Company's 2002 results. The Compensation Committee intends to have a third party periodically conduct an independent study of compensation practices in the transportation industry to update the Company's benchmark of competitive compensation ranges for senior executives.

The 2003 Compensation structure approved by the Compensation Committee was based on the following philosophy:

Compensation Philosophy

The Company's compensation philosophy is designed to link executive performance to long-term stockholder value, connect pay with individual performance, maintain a compensation system that is competitive with the industry standards and attract and retain outstanding executives.

Description of Compensation Programs

The Company's executive compensation program has three components—base salary, annual incentives, and long-term incentives. Base salary and annual incentives are primarily designed to reward current and past performance. Long-term incentives are primarily designed to provide strong incentives for long-term future Company growth.

Base Salary To attract and retain qualified executives, base salary is determined using competitive criteria within the transportation industry. Salary increases are based on individual performance and, to a lesser extent, trends within the industry.

Annual Incentive The Company's bonus plan recognizes and rewards executives for taking actions that build the value of the Company, generate competitive total returns for stockholders, and provide value-added solutions for the Company's customers. For most executive officers, bonus compensation is based on individual performance and Company performance. The component of the bonus based on individual performance is conditioned on the individual meeting certain pre-determined objectives and the component of the bonus based on Company performance is based on the Company meeting certain performance goals.

Long-Term Incentives The Company's Long-Term Incentive Program serves to reward executive performance that successfully executes the Company's long-term business strategy and builds stockholder value. The program allows for the awarding of options and stock appreciation rights, restricted stock and performance units.

Section 162(m) Compensation Committee Report Disclosure

Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code) limits the Company's deduction for compensation paid to the executive officers named in the Summary Compensation Table to \$1 million unless certain requirements are met. The policy of the Committee with respect to section 162(m) is to establish and maintain a compensation program which will optimize the deductibility of compensation. The Committee, however, reserves the right to use its judgment, where merited by the Committee's need to respond to changing business conditions or by an executive officer's individual performance, to authorize compensation which may not, in a specific case, be fully deductible to the

Company.

Compensation Administration

The Compensation Committee will follow an annual cycle to administer each of the three components of executive compensation. The independent study of competitive compensation practices within the transportation industry will continue to be used as the benchmark to determine competitive compensation ranges for senior executives. Individual performance and contribution to the achievement of strategic objectives will be considered in the determination of annual compensation for each executive. The integrity of the Company's compensation program relies on an annual performance evaluation process.

Discussion of CEO Compensation

Consistent with the Company's compensation philosophy, the Compensation Committee approved Mr. David P. Yeager's total compensation during fiscal year 2003. Mr. Yeager's base salary was based on overall performance of the Company, on relative levels of compensation for CEOs within the benchmark companies in the transportation industry and on individual performance related to strategic objectives. Mr. Yeager's incentive compensation was based on achievement of goals relating to the Company's earnings per share target.

For 2003, the Compensation Committee approved a package allowing Mr. Yeager to earn \$485,000 in salary and \$296,623 in bonus if the Company met its earnings goal with the possibility to earn additional bonus if the Company exceeded its earnings goal. Mr. Yeager's 2003 salary represents a decrease of \$54,123 from the amount that he would have otherwise received in order to enable the Company to lease certain assets, which Mr. Yeager used for personal purposes from time to time in 2003. In addition, Mr. Yeager was awarded 70,000 options in connection with his 2003 compensation package that were valued at \$242,500 at the time of their grant. Mr. Yeager was paid his salary of \$485,000 during 2003 and received a bonus of \$459,765 due to the Company substantially exceeding its earnings target.

COMPENSATION COMMITTEE

Gary D. Eppen
Charles R. Reaves
Martin P. Slark

Audit Committee Report

Each member of the Audit Committee is independent of the Company and its management, as required of audit committee members by the National Association of Securities Dealers listing standards. In October 2003, the Audit Committee amended its written charter. The charter specifies the scope of the Audit Committee's responsibilities and how it carries out those responsibilities. A copy of this charter is attached as Exhibit A to this Proxy Statement.

The Audit Committee has reviewed and discussed the Company's quarterly and annual audited financial statements with management and with Ernst & Young, LLP, the Company's independent public accountants. The Company has also discussed with Ernst & Young LLP the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended, by the Auditing Standards Board of the American Institute of Certified Public Accountants. The Audit Committee has also received from Ernst & Young LLP the written disclosures required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, regarding their independence. The Audit Committee has discussed with Ernst & Young LLP their independence and considered whether the provision of non-audit services referred to under Independent Public Accountants on page 23 is compatible with maintaining their independence. Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the December 31, 2003 audited financial statements be included in the Company's Annual Report on Form 10-K for 2003.

AUDIT COMMITTEE

Gary D. Eppen
Charles R. Reaves
Martin P. Slark

Performance Graph

The following line graph compares the Company's cumulative total stockholder return on its Class A Common Stock since March 13, 1996, the date that the Class A Common Stock began trading, with the cumulative total return of the Nasdaq Stock Market Index and the Nasdaq Trucking and Transportation Index. These comparisons assume the investment of \$100 on March 13, 1996 in each index and in the Company's Class A Common Stock and the reinvestment of dividends.

COMPARISON OF CUMULATIVE TOTAL RETURN

	<u>3/13/96</u>	<u>12/31/96</u>	<u>12/31/97</u>	<u>12/31/98</u>	<u>12/31/99</u>	<u>12/31/00</u>	<u>12/31/01</u>	<u>12/31/02</u>	<u>12/31/03</u>
Hub Group, Inc.	100	191	212	138	142	64	75	34	154
Nasdaq Stock Market	100	119	146	206	382	230	182	126	189
Nasdaq Trucking & Transp.	100	103	132	119	114	103	122	125	178

APPROVAL OF 2002 LONG-TERM INCENTIVE PLAN

(As Amended and Restated effective December 3, 2003)

A proposal will be presented at the Annual Meeting to approve the Hub Group, Inc. 2002 Long-Term Incentive Plan (the Plan) as amended and restated effective December 3, 2003. The Plan was adopted by the Board of Directors of Hub Group effective as of April 4, 2002, and subsequently approved by shareholders. Subject to the approval of shareholders, the Plan was amended and restated, effective December 3, 2003.

The Plan was amended in December of 2003 to provide for an increase in the number of Company shares that may be utilized for awards under the Plan. Additionally, the Plan was amended to remove the formula-based awards for Non-Employee Directors, thereby allowing the Board to determine what is the appropriate compensation with respect to the duties and responsibilities of such Non-Employee Directors.

General Description

The purpose of the Plan is to (a) attract and retain key executive and managerial employees; (b) attract and retain the services of experienced and knowledgeable directors; (c) motivate participating employees by means of appropriate incentives to achieve long-range goals; (d) provide incentive compensation opportunities that are competitive with those of other corporations; and (e) further identify participants interests with those of the Company's other shareholders through compensation that is based on the price appreciation of common stock of the Company, and thereby promote the long-term financial interest of the Company, including the growth in value of the Company's equity and enhancement of long-term shareholder return.

A committee (the Committee) comprised of members of the Board of Directors, and selected by the Board of Directors, administers the Plan. Currently, the Compensation Committee of the Board of Directors serves as the Committee. The Committee determines, from time to time, from among the employees who are key executives or managerial employees of Hub Group and its related companies (as defined in the Plan) or non-employee Directors of the Company (Eligible Directors), those employees or Directors who will receive awards under the Plan and thereby become participants in the Plan. The Committee may grant to employees non-qualified stock and incentive stock options, stock appreciation rights (SARs), restricted stock and performance units, subject to the terms and conditions established by the Committee. Based upon the recommendation of Directors who are not Eligible Directors, the Board may grant to Eligible Directors non-qualified stock options, SARs, restricted stock award and performance units.

The number of shares of Hub Group common stock which may be issued or granted under the Plan with respect to all participants shall not exceed 1,100,000 shares in the aggregate. Any shares of Hub Group common stock covered by an award that expires, is forfeited or is terminated for any reason without issuance of the shares may again become subject to awards under the Plan. In addition, the number of shares of Hub Group common stock that may be issued or granted under the Plan is subject to equitable adjustment in the event of a reorganization, recapitalization, stock dividend, stock split, or other capital readjustment of Hub Group common stock, and is subject to the ability to award again shares that were subject to an award but were not delivered.

The number of shares of Hub Group common stock which may be issued under the Plan with respect to options and stock appreciation rights awarded to any one participant during any one fiscal year of the Company may not exceed 250,000. The number of shares of Hub Group common stock which may be issued under the Plan with respect to awards, other than options and SARs, which are intended to be performance based compensation (as that term is used in section 162(m) of the Code) granted to any one participant during any one fiscal year of the Company may not exceed 250,000. If such awards are denominated in cash value, no more than \$5,000,000 may be subject to such awards granted to any one participant during any one fiscal year of the Company. The Hub Group common stock with respect to which awards may be made under the Plan shall be shares currently authorized but unissued or currently held or subsequently acquired by the Company as treasury shares, including shares purchased in the open market or in private transactions. At the discretion of the Committee, an award under the Plan may be settled through cash payments, the delivery of Hub Group common stock, the granting of replacement awards, or any combination of the foregoing.

The Plan is unlimited in duration, and in the event of Plan termination, will remain in effect as long as any awards under it are outstanding; provided, however, that no new award shall be made under the Plan on a date that is more than ten years from the date that the Plan is adopted. The Plan may be amended or terminated at any time by the Board of Directors, without the consent of shareholders; provided, however, that no

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such amendment or termination may adversely affect the rights of any participant or beneficiary under any award made under the Plan prior to the date such amendment is adopted by the Board of Directors.

The Plan is not subject to any provisions of the Employee Retirement Income Security Act of 1974, as amended.

Awards under the Plan are not transferable except as designated by the participant by will or by the laws of descent and distribution; provided that once the participant is in receipt of the common stock under an award and all restrictions on the award have lapsed, then the common stock awarded is transferable. Notwithstanding the foregoing, the Committee may permit awards to be transferred to or for the benefit of the participant's family, subject to such limits as the Committee may establish.

Termination provisions in the event of death or termination of employment shall be in accordance with the restrictions and conditions contained in the individual awards; provided, however, that if a participant's termination of employment (or termination of service, in the case of an Eligible Director) occurs on account of retirement, death or disability, awards may expire no later than the one year anniversary of the termination and if the participant's termination of employment (or termination of service in the case of an Eligible Director) occurs for other reasons, awards may expire no later than 60 days after such termination. With respect to automatic options awarded to Eligible Directors, a participant who ceases to be a Director (and does not become an employee of Hub Group or a related company) will have three months from the date he ceases to be a Director to exercise any vested options, unless he ceases to be a Director by reason of his death, disability or retirement, in which case he (or his estate) will have twelve months to exercise any options.

The employees of the Company and related companies are eligible to become participants in the Plan. As of February 29, 2004, there were approximately 1,197 employees of the Company and related companies. As of the date of this Proxy Statement 537,000 options and 152,027 shares of restricted stock have been granted under the Plan. Included in the foregoing amounts are 95,687 shares of restricted stock that were granted subject to shareholder approval of the Plan, as amended and restated, where such awards shall become null and void in the absence of such approval.

The following table shows the number of shares of restricted stock and the dollar value for each of the listed executive officers, the executive officers as a group, the non-executive directors as a group and the non-executive officer employees as a group.

NEW PLAN BENEFITS 2002 Amended and Restated Long Term Incentive Plan

Name and Position	Dollar Value(\$)	Number of Shares of Restricted Stock
Listed Executive Officers		
David P. Yeager	--	--
Thomas L. Hardin	--	--
Mark A. Yeager	--	--
Thomas M. White	--	--
Richard M. Rogan	--	--
Executive Group	1,117,700	57,892
Non-Executive Director Group	179,000	10,680
Non-Executive Officer Employee Group	485,750	27,115

Equity Compensation Plan Information

The following chart contains certain information regarding the Company's Long-Term Incentive Plans prior to the proposed amendment.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	1,418,934	\$ 11.43	35,660

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Equity compensation
plans not approved
by security holders

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--

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Total

1,418,934

\$ 11.43

35,660

Stock Options

The Committee may determine the type and terms of stock options granted pursuant to the Plan to participants who are employees, provided that such options are either non-qualified stock options or incentive stock options (within the meaning of Section 422 of the Code); and provided that (1) the option price per share shall not be less than the greater of (a) the fair market value of a share of Hub Group common stock on the date the option is granted or (b) the par value of a share of Hub Group common stock on such date, and (2) each option must expire not later than 10 years after the date of grant. Generally, no option may be exercised by a participant prior to the date the participant completes one continuous year of employment with the Company or a related company after the date as of which the option is granted (provided that the Committee may permit earlier exercise following the participant's termination of employment (or service in the case of a director) by reason of retirement, death or disability). The exercise of any option will result in the surrender of any SARs granted in tandem therewith.

If a participant elects to exercise an option by paying all or a portion of the purchase price in common stock, as permitted and in accordance with the terms of the Plan, then such participant may, in the Committee's discretion, be issued a new option to purchase additional shares of common stock equal to the number of shares of common stock surrendered to the Company in such payment. Such new option shall have a purchase price equal to the fair market value per share on the date such new option is granted, shall first be exercisable six months from the date of grant of the new option and shall have an expiration date on the same date as the expiration date of the original option so exercised by payment of the purchase price in shares of common stock.

The Committee may award dividend equivalents with respect to non-qualified stock options and, subject to the limitations of the Code, with respect to incentive stock options. The award of dividend equivalents shall permit the participant to earn an amount equal to the dividends payable with respect to the number of shares of common stock subject to the option for the period the option is outstanding and unexercised. The right to payment of such earned dividends shall be subject to such restrictions and limitations as may be imposed by the Committee.

The Company may award non-qualified stock options to Eligible Directors. In the case of a grant of a stock option to an Eligible Director, the foregoing actions of the Committee must be taken by the Board. Incentive stock options may not be granted to Eligible Directors.

Stock Appreciation Rights

The Committee may award SARs in connection with all or any portion of a previously or contemporaneously granted option or not in connection with an option, in such number and on such terms as the Committee may decide. If an SAR is granted in connection with an option, then in the discretion of the Committee, the SAR may, but need not, be granted in tandem with the option. The SAR must expire no later than 10 years after the date of grant, or if granted in tandem with an option, the expiration date of th