

CARDTRONICS INC
Form 8-K
August 14, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): August 14, 2009 (August 11, 2009)**

Cardtronics, Inc.

(Exact name of registrant as specified in its charter)

Delaware

001-33864

76-0681190

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

**3250 Briarpark Drive,
Suite 400, Houston, Texas**

77042

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(823-308-4000)**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry Into a Material Definitive Agreement

On August 11, 2009, the Compensation Committee (the **Committee**) of the Board of Directors of Cardtronics, Inc. (the **Company**) approved the Company's 2009 Annual Executive Cash Incentive Plan (the **Plan**). The purpose of the Plan is to incentivize and reward covered executives for achieving and/or exceeding certain earnings and other pre-established performance objectives.

Under the Plan, incentive cash bonuses to be paid to covered executives located in the United States (the **Worldwide** group), will be based on the Company's performance with respect to a consolidated Adjusted EBITDA target, as defined within the Plan, as well as the achievement of a consolidated return on invested capital (**ROIC**) target.

Incentive cash bonuses to be paid to executives located in the United Kingdom (the **UK Only** group) will be based on that particular segment's performance with respect to an Adjusted EBITDA target, as defined in the Plan. Additionally, any incentive cash bonuses to be paid under the Plan will require the achievement of specific pre-established objectives (**MBOs**) for each covered executive.

The following table outlines the 2009 performance targets for each group discussed above, and the relative weighting of each targeted performance metric, as applicable (*in thousands, except percentages*):

| Group | Metric | Weighting | Threshold | Target | Maximum |
|--------------|-----------------|------------------|------------------|---------------|----------------|
| Worldwide | Adjusted EBITDA | 50% | \$72,000 | \$80,000* | \$96,000 |
| | ROIC | 50% | 19.2% | 23.5% | 32.0% |
| UK Only | Adjusted EBITDA | 100% | £7,538 | £8,376 | £10,051 |

* **This target was set by the Company's Board of Directors on January 23, 2009.**

The Plan is designed to pay bonuses relative to the Company's actual performance using the schedule shown below, and is structured to reward the attainment of performance targets and to provide for substantially increased rewards when these performance targets are exceeded. Bonus payouts will not be made unless the Company exceeds certain critical threshold levels.

| Performance Level | Bonus Payout for Performance (% of Target) |
|--------------------------|---|
| Maximum | 200% |
| Target | 100% |
| Threshold | 50% |
| Below Threshold | No Payout |

For the Adjusted EBITDA metric, the threshold level is set at 90% of the Target (budgeted) Adjusted EBITDA level, and the Maximum level is set at 120% of the Target EBITDA level. Fifty percent (50%) of the bonus pool will be based on ROIC performance. For the ROIC metric, the Threshold ROIC level is set at 19.2% (which is the level achieved if capital invested is at budgeted levels and Adjusted EBITDA is 90% of budget), and the Maximum ROIC level is set at 32.0% (which is the level achieved if capital invested is at budgeted levels and Adjusted EBITDA is at 120% of budget).

Regardless of the Company's financial performance, cash bonus awards will be adjusted for the performance of each covered executive based on the attainment of his or her previously established MBOs. The MBO adjustment scale, as outlined in the Plan, is as follows:

| MBO Rating | Performance | Percentage of Bonus Paid |
|-------------------|---------------------------------|---------------------------------|
| 5 | All MBOs exceeded | 120% |
| 4 | All MBOs attained | 100% |
| 3 | Substantially all MBOs attained | 80% |
| 2 | Most but not all MBOs attained | 50% |
| 1 | Most MBOs missed | 0% |

Although the parameters and metrics of the Plan are straight-forward and objective, nothing construed in the Plan constitutes a promise or other binding agreement by the Company to pay any bonus to any member of the executive leadership team. Further, although the size of any such bonus shall be calculated in accordance with the Plan, the decision to pay any bonus to any member of the executive leadership team remains within the discretion of the Compensation Committee and the Board.

The foregoing description of the Plan is qualified in its entirety by reference to the Plan, a copy of which is attached hereto as Exhibit 10.1, and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) *Exhibits.*

10.1 Cardtronics, Inc. 2009 Annual Executive Cash Incentive Plan effective August 11, 2009.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cardtronics, Inc.

Date: August 14, 2009

By: /s/ **J. CHRIS BREWSTER**

Name: J. Chris Brewster

Title: Chief Financial Officer

EXHIBIT INDEX

| Exhibit No. | Description |
|----------------|--|
| 10.1 | Cardtronics, Inc. 2009 Annual Executive Cash Incentive Plan effective August 11, 2009. |