

USG CORP
Form 8-K
February 13, 2006

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): February 13, 2006

USG Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

1-8864

(Commission File Number)

36-3329400

(IRS Employer Identification No.)

125 South Franklin Street, Chicago, Illinois 60606-4678

(Address of Principal executive offices, including Zip Code)

(312) 606-4000

(Registrant's telephone number, including area code)

Not applicable

(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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Annual Management Incentive Program

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On February 8, 2006, the USG Corporation Board of Directors ratified prior year bonus awards (to be reported in the Corporation's 2006 proxy statement) and approved current year salary levels for the Named Executives (as well as for other executive officers) as follows:

| Named Executive | 2006 Salary Level | 2005 Bonus Award |
|---|--------------------------|-------------------------|
| William C. Foote, Chairman and Chief Executive Officer | \$ 1,095,000 | \$ 1,387,130 |
| Richard H. Fleming, Executive Vice President and Chief Financial Officer | \$ 500,000 | \$ 450,759 |
| Edward M. Bosowski, Executive Vice President and Chief Strategy Officer; President, USG International | \$ 452,000 | \$ 381,054 |
| James S. Metcalf, President and Chief Operating Officer | \$ 540,000 | \$ 422,877 |
| Stanley L. Ferguson, Executive Vice President and General Counsel | \$ 400,000 | \$ 357,819 |

On the same date, the USG Corporation Board of Directors approved additional awards for Messrs. Foote, Fleming, and Ferguson in the amounts of \$1,000,000, \$500,000, and \$500,000 respectively. The additional awards approved are in recognition of outstanding individual performance and leadership.

On February 8, 2006, the USG Corporation Board of Directors also approved strategic focus targets (which represent 50% of the target earned for each participant) under the 2006 USG Corporation Annual Management Incentive Program, as amended, applicable to the Named Executives, as follows: wallboard cost 10%, Auratone gross margin 10%, L&W Supply Corporation sales 10%, customer satisfaction 10%, financial (overhead and working capital) 10%. A copy of the 2006 USG Corporation Annual Management Incentive Program, as amended, is filed herewith as exhibit 10.1 and is incorporated herein by reference.

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SIGNATURES

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

USG CORPORATION

/s/ Peter K. Maitland
Peter K. Maitland, Vice President,
Compensation, Benefits, and
Administration

Date: February 13, 2006

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EXHIBIT INDEX

| Exhibit Numer | Description |
|---------------|---|
| 10.1 | 2006 USG Corporation Annual Management Incentive Program, as amended. |