

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

Edgar Filing: HUB GROUP INC - Form DEF 14A

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

Edgar Filing: HUB GROUP INC - Form DEF 14A

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.

Edgar Filing: HUB GROUP INC - Form DEF 14A

- (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.

Edgar Filing: HUB GROUP INC - Form DEF 14A

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

Edgar Filing: HUB GROUP INC - Form DEF 14A

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