

GENESEE & WYOMING INC

Form DEF 14A

April 21, 2003

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**SCHEDULE 14A  
(RULE 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**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 Section 240.14a-12

GENESEE & WYOMING INC.

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- 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:

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(2) Aggregate number of securities to which transaction applies:

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

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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- Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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**GENESEE & WYOMING INC.**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**May 29, 2003**

The Annual Meeting of Stockholders of Genesee & Wyoming Inc. will be held at the Hyatt Regency Greenwich, 1800 East Putnam Avenue, Old Greenwich, Connecticut 06870, on Thursday, May 29, 2003 at 10:00 a.m., local time, for the following purposes more fully described in the accompanying proxy statement:

1. to elect three directors;
2. to consider and act upon a proposal to approve and ratify an amendment and restatement of our Employee Stock Purchase Plan;
3. to consider and act upon a proposal to approve and ratify the selection of PricewaterhouseCoopers LLP as our independent auditors for our fiscal year ending December 31, 2003; and
4. to transact such other business as may properly come before the Annual Meeting or any adjournments of that meeting.

The Board of Directors has fixed the close of business on April 11, 2003 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting and any adjournments of that meeting.

Stockholders who do not expect to be present at the Annual Meeting should complete, sign and date the enclosed proxy card and return it promptly in the enclosed return envelope. No postage is required for the mailing of proxy cards within the United States.

BY ORDER OF THE BOARD OF DIRECTORS

Mark W. Hastings  
*Secretary*

Dated: April 21, 2003

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**Genesee & Wyoming Inc.**

**66 Field Point Road  
Greenwich, Connecticut 06830**

**Proxy Statement**

**GENERAL INFORMATION**

We are furnishing this proxy statement to our stockholders in connection with the solicitation of proxies by the Board of Directors for use at our Annual Meeting of Stockholders for our fiscal year ended December 31, 2002 ( Fiscal Year 2002 ), which will be held on Thursday, May 29, 2003, and any adjournments of that meeting, for the following purposes:

to elect three directors

to consider and act upon a proposal to approve and ratify an amendment and restatement of our Employee Stock Purchase Plan

to consider and act upon a proposal to approve and ratify the selection of PricewaterhouseCoopers LLP as our independent auditors for our fiscal year ending December 31, 2003 ( Fiscal Year 2003 )

to transact such other business as may properly come before the Annual Meeting or any adjournments of that meeting

This proxy statement and accompanying form of proxy are being first mailed to our stockholders on or about April 21, 2003.

**Record Date and Shares Outstanding**

The record date for our Annual Meeting is April 11, 2003. Our records indicate that as of April 11, 2003 there were issued and outstanding (i) 13,211,246 shares of our Class A Common Stock, (ii) 1,805,290 shares of our Class B Common Stock, and (iii) 25,000 shares of our Preferred Stock. If you were a holder of our Class A Common Stock on April 11, 2003, then you are entitled to one vote at our Annual Meeting for each share of our Class A Common Stock that you held on that date. If you were a holder of shares of our Class B Common Stock on April 11, 2003, then you are entitled to ten votes at our Annual Meeting for each share of our Class B Common Stock that you held on that date. The holder of our Preferred Stock on April 11, 2003 is entitled to an aggregate of 2,445,652 votes.

**Proxy Cards and Voting**

The proxy, when properly executed and received by us prior to the Annual Meeting, will be voted by the individuals identified as proxies in accordance with the instructions marked on the proxy unless it is properly revoked before the Annual Meeting. Unless authority to vote for one or more of the director nominees is specifically withheld according to the instructions, a signed proxy will be voted FOR the election of the three director nominees and, unless otherwise indicated, FOR each of the other two proposals described in this proxy statement and the accompanying notice of meeting.

All actions submitted to a vote at our Annual Meeting will be voted on by the holders of our Class A Common Stock, Class B Common Stock and Preferred Stock, all voting together as a single class. A majority of the votes represented by the shares of issued and outstanding stock will constitute a quorum for the transaction of all business at our Annual Meeting. Under our By-laws, directors are elected by a plurality of the votes cast at the Annual Meeting. Stockholders are not entitled to cumulate votes for the election of directors. The vote required for approval of any other matter before the Annual Meeting is a majority of the votes cast, in person or by proxy, and entitled to vote on the matter. Under Delaware law, the total votes received, including abstentions and votes on routine matters by brokers holding shares in street name or in some other fiduciary capacity, are counted in determining the presence of a quorum at the Annual Meeting. With respect to the election of directors, votes may be cast for or withheld from voting for any or all director nominees. Votes that are withheld will have no effect on the election of directors. Abstentions may be specified

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on all proposals other than the election of directors and will count as present for purposes of the matter with respect to which the abstention is noted. Accordingly, under our By-laws and under Delaware law, assuming the presence of a quorum at the Annual Meeting, non-votes by brokers will have no effect on any proposal to be acted upon at the Annual Meeting. However, abstentions would have the effect of no votes with respect to approving and ratifying the amendment and restatement of our Employee Stock Purchase Plan and approving and ratifying the selection of PricewaterhouseCoopers LLP as our independent auditors for Fiscal Year 2003.

**Revocability of Proxies**

Your presence at our Annual Meeting will not automatically revoke your proxy. However, you can revoke your proxy at any time prior to its exercise at the Annual Meeting by:

delivering to our corporate secretary a written notice of revocation prior to our Annual Meeting;

delivering to our corporate secretary a duly executed proxy bearing a later date; or

attending our Annual Meeting, filing a written notice of revocation with our corporate secretary, and voting in person.

Notices of revocation and revised proxies should be sent to our corporate secretary at the following address: Genesee & Wyoming Inc., Attention: Corporate Secretary, 66 Field Point Road, Greenwich, Connecticut 06830. In addition, notices of revocation and revised proxies can be delivered in person to our corporate secretary or his agents at our Annual Meeting.

**Solicitation of Proxies**

This proxy solicitation is made by the Board of Directors on our behalf, and we will bear the cost of soliciting these proxies.

In addition to solicitation by use of the mails, our directors, officers or regular employees, without extra compensation, may solicit proxies personally or by telephone or other means of communication. We will provide proxy materials to persons holding shares for others in their names or in the names of nominees to deliver to the beneficial owners of those shares and will, if requested, reimburse the record owners for their reasonable expenses in doing so.

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**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS  
AND MANAGEMENT**

The following table sets forth as of April 11, 2003 certain information concerning beneficial ownership of our stock held by (i) each stockholder known by us to own beneficially more than 5% of any class of stock, (ii) each of our directors and director nominees, (iii) each Named Executive (see EXECUTIVE COMPENSATION below), and (iv) all of our directors, director nominees and executive officers as a group.

We have calculated beneficial ownership based upon the requirements promulgated by the Securities and Exchange Commission (the SEC). Unless otherwise indicated below in the footnotes to the table, each stockholder named in the table has sole voting and investment power with respect to all shares shown as beneficially owned by that stockholder, and the designated address of each individual listed in the table is as follows: Genesee & Wyoming Inc., 66 Field Point Road, Greenwich, CT 06830. We have calculated percentage of class ownership on 13,211,246 issued and outstanding shares of our Class A Common Stock, 1,805,290 issued and outstanding shares of our Class B Common Stock, and 25,000 issued and outstanding shares of our Preferred Stock. We have omitted percentages of less than 0.1% from the table.

Name and Address of Beneficial Owner	Class A Common Stock Beneficially Owned		Class B Common Stock Beneficially Owned		Preferred Stock Beneficially Owned		Percent of Vote (1)
	No. of Shares	Percent of Class	No. of Shares	Percent of Class	No. of Shares	Percent of Class	
Mortimer B. Fuller, III(2)(3)	135,192	1.0%	1,384,173	76.7%	-	-	41.4%
Robert W. Anestis(4)	2,000	-	-	-	-	-	-
C. Sean Day(5)	14,205	0.1	-	-	-	-	-
James M. Fuller(6)	30,705	0.2	24,975	1.4	-	-	0.8
Louis S. Fuller(7)	172,823	1.3	299,574	16.6	-	-	9.4
T. Michael Long(3)(8)	7,478	-	-	-	25,000	100%	-(3)
Robert M. Melzer(9)	31,947	0.2	-	-	-	-	-
John M. Randolph(10)	92,750	0.7	-	-	-	-	0.3
Philip J. Ringo(11)	39,357	0.3	-	-	-	-	0.1
Peter O. Scannell	0	-	-	-	-	-	-
M. Douglas Young(12)	25,313	0.2	-	-	-	-	-
Charles N. Marshall(13)	255,473	1.9	-	-	-	-	0.8
Charles W. Chabot(14)	27,986	0.2	-	-	-	-	-
Mark W. Hastings(15)	70,197	0.5	33,300	1.8	-	-	1.2
John C. Hellmann(16)	70,093	0.5	832	-	-	-	0.2
The 1818 Fund III, LP(3)(8) 59 Wall Street New York, New York 10005	2,453,130	18.6	-	-	25,000	100%	7.3
Palisade Capital Management, L.L.C.(17) One Bridge Plaza, Suite 695 Fort Lee, New Jersey 07024	1,473,000	11.1	-	-	-	-	4.4
All Directors, Director Nominees and Executive Officers as a Group (18 persons)(18)	1,028,353	7.6	1,742,854	96.5	25,000	100%	54.1

(1) Reflects the voting power of the share holdings shown on the table as a result of the fact that the Class A Common Stock is entitled to one vote per share, the Class B Common Stock is entitled to ten votes per share and the 25,000 outstanding shares of Preferred Stock are entitled to an aggregate of 2,445,652 votes.



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- (2) The amounts shown include: (i) 28,125 shares of Class A Common Stock owned by Mr. Fuller individually; (ii) 987,103 shares of Class B Common Stock owned by Mr. Fuller individually; (iii) 4,262 shares of Class A Common Stock held by Mr. Fuller's wife, as to which shares Mr. Fuller disclaims beneficial ownership; (iv) 15,000 shares of Class A Common Stock held by Overlook Estate Foundation, Inc., of which Mr. Fuller is President; (v) presently exercisable options to purchase 87,805 shares of Class A Common Stock; and (vi) presently exercisable third-party options to purchase 397,070 shares of Class B Common Stock, which shares are subject to a Voting Agreement under which Mr. Fuller has been granted an irrevocable proxy through March 20, 2008.
- (3) By reason of a voting agreement, under Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, a group comprised of Mortimer B. Fuller, III, The 1818 Fund III, L.P. (the "1818 Fund") and T. Michael Long may be deemed to beneficially own substantially all of the shares of our Stock beneficially owned by the members of the group. See "ELECTION OF DIRECTORS-VOTING AGREEMENT" below. Mr. Long beneficially owns 7,478 shares of Class A Common Stock, consisting of units under the Company's Deferred Stock Plan for Non-Employee Directors (the "Deferred Stock Plan") representing 3,728 shares of Class A Common Stock and presently exercisable options to purchase 3,750 shares of Class A Common Stock, and the 1818 Fund beneficially owns 25,000 shares of Series A Preferred Stock, convertible into 2,445,652 shares of Class A Common Stock. Mr. Fuller, on the one hand, and the 1818 Fund and Mr. Long, on the other hand, disclaim beneficial ownership of the shares owned by the other, and they are not reflected in the respective amounts shown on the table. The amount of Class A Common Stock shown on the table for Mr. Long does not include those shares beneficially owned by the 1818 Fund.
- (4) These shares of Class A Common Stock are held by an HR-10 plan for the benefit of Mr. Anestis.
- (5) The amount shown includes: (i) 9,078 shares of Class A Common Stock owned by Mr. Day individually; (ii) units under the Company's Deferred Stock Plan representing 1,377 shares of Class A Common Stock; and (iii) presently exercisable options to purchase 3,750 shares of Class A Common Stock.
- (6) The amounts shown include: (i) 20,475 shares of Class A Common Stock and 24,975 shares of Class B Common Stock owned by Mr. Fuller individually; (ii) 6,855 shares of Class A Common Stock held by a revocable trust for the benefit of Mr. Fuller; (iii) 1,125 shares of Class A Common Stock owned by Mr. Fuller's wife, as to which shares he disclaims beneficial ownership; and (iv) presently exercisable options to purchase 2,250 shares of Class A Common Stock.
- (7) The amounts shown include: (i) 18,130 shares of Class A Common Stock and 299,574 shares of Class B Common Stock owned by Mr. Fuller individually; (ii) 943 shares of Class A Common Stock owned jointly by Mr. Fuller and his wife; (iii) 135,000 shares of Class A Common Stock owned by Mr. Fuller's wife, as to which shares he disclaims beneficial ownership; and (iv) presently exercisable options to purchase 18,750 shares of Class A Common Stock.
- (8) The 25,000 shares of Series A Preferred Stock owned by the 1818 Fund are convertible, subject to certain exceptions, at any time into 2,445,652 shares of Class A Common Stock. Mr. Long is a general partner of Brown Brothers Harriman & Co. ("BBH"), the general partner of the 1818 Fund and, as such, his pecuniary interest in the Preferred Stock is limited to his percentage interest in BBH's interest in such shares. Voting and investment power with respect to the Preferred Stock is shared equally by Mr. Long and Lawrence C. Tucker, in their respective capacities as partners of BBH. The Class A Common Stock shown on the table for the 1818 Fund consists of units under the Deferred Stock Plan held by Mr. Long representing 3,728 shares of Class A Common Stock, presently exercisable options held by Mr. Long to purchase 3,750 shares of Class A Common Stock and the 2,445,652 of shares of Class A Common Stock into which the 25,000 shares of Series A Preferred Stock are convertible.
- (9) The amount shown includes: (i) 6,750 shares of Class A Common Stock owned by Mr. Melzer individually; (ii) 5,000 shares of Class A Common Stock held by a self-directed IRA; (iii) presently exercisable options to purchase 11,250 shares of Class A Common Stock; and (iv) units under the Deferred Stock Plan representing 8,947 shares of Class A Common Stock.

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- (10) The amounts shown include: (i) 35,250 shares of Class A Common Stock held by a trust for the benefit of Mr. Randolph, of which he is co-trustee; (ii) 35,000 shares of Class A Common Stock held by a charitable trust, of which he is co-trustee; (iii) 2,250 shares of Class A Common Stock held by a trust for the benefit of Mr. Randolph's wife, of which he is co-trustee and as to which shares he disclaims beneficial ownership; and (iv) presently exercisable options to purchase 20,250 shares of Class A Common Stock.
- (11) The amount shown includes: (i) 8,325 shares of Class A Common Stock owned by Mr. Ringo's wife, as to which shares he disclaims beneficial ownership; (ii) presently exercisable options to purchase 20,250 shares of Class A Common Stock; and (iii) units under the Deferred Stock Plan representing 10,782 shares of Class A Common Stock.
- (12) The amount shown includes: (i) presently exercisable options to purchase 9,000 shares of Class A Common Stock; and (ii) units under the Deferred Stock Plan representing 16,313 shares of Class A Common Stock.
- (13) The amount shown includes: (i) 216,721 shares of Class A Common Stock owned by Mr. Marshall individually; and (ii) presently exercisable options to purchase 38,752 shares of Class A Common Stock.
- (14) The amount shown includes: (i) 17,359 shares of Class A Common Stock owned by Mr. Chabot individually; and (ii) presently exercisable options to purchase 10,627 shares of Class A Common Stock.
- (15) The amounts shown include: (i) 26,826 shares of Class A Common Stock and 33,300 shares of Class B Common Stock owned jointly by Mr. Hastings and his wife; (ii) 900 shares of Class A Common Stock beneficially owned by Mr. Hastings' minor children, as to which shares he disclaims beneficial ownership; and (iii) presently exercisable options to purchase 42,471 shares of Class A Common Stock.
- (16) The amount shown includes: (i) 3,375 shares of Class A Common Stock and 832 shares of Class B Common Stock owned by Mr. Hellmann individually; and (ii) presently exercisable options to purchase 66,718 shares of Class A Common Stock.
- (17) The amount and percentage shown and the information contained in this footnote is derived from Amendment No. 1 to Schedule 13G dated February 3, 2002. Palisade Capital Management, L.L.C., ( Palisade ) an investment adviser, has sole power to vote 1,411,000 of such shares and sole power to dispose of all of such shares. The shares beneficially owned by Palisade are held on behalf of Palisade's clients in accounts over which Palisade has complete investment discretion. No other person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such shares. No other person's interest relates to more than five percent of the class. No client account contains more than five percent of the class.
- (18) See footnotes 2 through 16 to this table. The amounts shown include: (i) presently exercisable options to purchase an aggregate of 364,340 shares of Class A Common Stock; (ii) presently exercisable third-party options to purchase an aggregate of 397,070 shares of Class B Common Stock; and (iii) units under the Deferred Stock Plan representing an aggregate of 41,147 shares of Class A Common Stock.

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We currently have nine directors. Our By-laws provide for a classified Board of Directors, consisting of three classes of directors, with each class serving staggered three-year terms. As a result, only a portion of our Board of Directors is elected each year.

Three of our nine directors are to be elected by our stockholders at the Annual Meeting, each to hold office for a three-year term expiring in 2006 or until his successor is duly elected and qualifies. The Board of Directors recommends the election of Robert W. Anestis, Peter O. Scannell and Hon. M. Douglas Young, P.C., each of whom has been nominated by the Corporate Governance Committee of the Board of Directors. Messrs. Anestis and Scannell are being nominated for the first time, and Mr. Young is currently a director. Unless authority to vote for one or more of the nominees is specifically withheld according to the instructions, proxies in the enclosed form will be voted FOR the election of Messrs. Anestis, Scannell and Young.

The Board of Directors does not contemplate that any of the nominees will be unable to serve as a director, but if that contingency should occur prior to the voting of the proxies, the persons named in the enclosed proxy reserve the right to vote for such substitute nominee or nominees as they, in their discretion, may determine.

James M. Fuller, who has been one of our directors since 1974, and John M. Randolph, who has been one of our directors since 1986, are not standing for re-election at the Annual Meeting. However, in recognition of their many years of dedicated service to us, the Board of Directors has bestowed the honorary title of Director Emeritus on Mr. Fuller and Mr. Randolph.

***Proposed for Election as Directors******for a Three-Year Term Expiring in 2006***

Name and Background	Director Since
<b>Robert W. Anestis</b> , age 57, has been active in the railroad industry for more than 20 years as an attorney, executive, financial advisor and principal. Since January 1, 1999, Mr. Anestis has been Chairman, President and Chief Executive Officer of Florida East Coast Industries, Inc., a holding company based in St. Augustine, Florida with interests in railroad and real estate businesses. From 1986 through 1998, Mr. Anestis was President of Anestis & Company, a Westport, Connecticut-based investment banking and financial advisory firm. This firm had extensive involvement in the railroad industry and provided advice to nearly all Class I rail carriers in the United States and to the two principal Canadian rail carriers. Mr. Anestis also serves on the Board of Directors of Champion Enterprises, Inc. and is a Trustee of the Jacksonville Museum of Modern Art.	-
<b>Peter O. Scannell</b> , age 44, is the founder and Managing General Partner of Rockwood Holdings LP, a private investment firm focused on the acquisition and development of operating businesses. Mr. Scannell currently is Chairman and Chief Executive Officer of Rockwood Service Corporation, a materials testing and inspection firm, and is also Chairman and Chief Executive Officer of Kane Holding Company, a manufacturer of architectural products.	-
<b>Hon. M. Douglas Young, P.C.</b> , age 62, has been Chairman of Summa Strategies Canada Inc., a firm that provides strategic counsel and business advice in matters relating to international trade and investment, public policy and relationships with government, since 1997. Between 1993 and 1997, he served as Canada's Minister of Transport, Minister of Human Resources Development and Minister of National Defense. Mr. Young is counsel to the law firm of Patterson Palmer Hunt Murphy, and also serves on the Boards of Directors of Magellan Aerospace Corporation, CPCS Transcom Ltd., Connors Bros. Income Fund, Australian Railroad Group Pty Ltd., a joint venture between us and Wesfarmers Limited, Tesma International Inc. and as Chairman of Heating Oil Partners Income Fund.	1999



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The following table sets forth certain information with respect to each of our directors whose term in office does not expire at the Annual Meeting.

Name and Background	Director Since	Term Expires
<b>C. Sean Day</b> , age 53, has been Chairman of Teekay Shipping Corporation, a provider of international crude oil and petroleum transportation services, since 1999 and a director of Teekay Shipping Corporation since 1998. Mr. Day was President and CEO of Navios Corporation, a shipping company, from 1989 to 1999. He has also been Chairman of Seagin International, LLC, a consulting company, since 1999. Mr. Day also serves on the Board of Directors of Kirby Corporation.	2000	2004
<b>Louis S. Fuller</b> , age 61, retired in 1999 from Courtright and Associates, an executive search firm, of which he had been a member since 1992. Mr. Fuller also serves on the Board of Directors of Cherry Ridge Corp. He is a first cousin of Mortimer B. Fuller, III and James M. Fuller.	1974	2004
<b>Mortimer B. Fuller, III</b> , age 60, has served as our Chairman of the Board and Chief Executive Officer since 1977. He also served as President from 1977 until October 1997. Mr. Fuller is a graduate of Princeton University, Boston University School of Law and Harvard Business School. He also serves as Chairman of the Board of Australian Railroad Group Pty Ltd., a joint venture between us and Wesfarmers Limited. Mr. Fuller is a first cousin of James M. Fuller and Louis S. Fuller.	1973	2005
<b>T. Michael Long</b> , age 59, has been with Brown Brothers Harriman & Co. since 1971 and has been a Partner at the firm since 1984. Mr. Long currently shares management and investment responsibility for The 1818 Fund II, L.P. and The 1818 Fund III, L.P., two private equity partnerships managed by Brown Brothers Harriman & Co. Prior to assuming his current responsibilities, Mr. Long was Department Head of the Corporate Finance Department and advised Brown Brothers Harriman & Co. clients on financing strategies, mergers and acquisitions, project financing and similar matters. Mr. Long also serves as a director of HCA Inc., VAALCO Energy, Inc., CMS, Inc., MedSource Technologies, Inc., and Picis, Inc. He is also a Trustee of Ithaca College and The Upper Canada College Educational Foundation, Inc.	2001	2005
<b>Robert M. Melzer</b> , age 62, was President and Chief Executive Officer of Property Capital Trust, a real estate investment trust, from 1992 to 1999, when he retired. From 1990 to 1996, he was also the Chief Financial Officer of Property Capital Trust. Mr. Melzer serves as a director of Beacon Capital Partners, Inc., The Cronos Group and Lawson Products, Inc.	1997	2005
<b>Philip J. Ringo</b> , age 61, has been Chairman and CEO of RubberNetwork.com, LLC, a global tire and rubber industry purchasing consortium, since June 2001. From January 2001 to May 2001, Mr. Ringo was a consultant to ChemConnect, Inc., an electronic commerce company. From March 1999 to January 2001, Mr. Ringo was President and Chief Operating Officer of ChemConnect, Inc. He was President and CEO of Chemical Leaman Tank Lines Inc., a trucking firm, from 1995 to 1998. From 1992 to 1995, he served as President and Chief Operating Officer of The Morgan Group, Inc. and Chairman and Chief	1978	2004

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Executive Officer of Morgan Drive Away, Inc., a common and contract carrier for the manufactured housing and recreational vehicle industries. From 1988 to 1992, Mr. Ringo was Chief Executive Officer and President of Energy Innovations, Inc., a monitoring and communications equipment firm. Prior to that, he served as President of ATE Management and Service Co., Inc., now known as Ryder/ ATE, Inc. (municipal transportation services). Mr. Ringo also serves on the Boards of Directors of Internet Capital Group, Trimac Transportation and Australian Railroad Group Pty Ltd., a joint venture between us and Wesfarmers Limited.

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### **Voting Agreement**

In connection with our sale of Preferred Stock to the 1818 Fund on December 12, 2000, we entered into an agreement with Mortimer B. Fuller, III and the 1818 Fund pursuant to which Mr. Fuller has agreed, so long as the 1818 Fund continues to own at least 20% of the shares of our Class A Common Stock issued or issuable upon conversion of the Preferred Stock, to vote substantially all stock owned or, to the extent permitted by law, controlled by him to cause the election to our Board of Directors of the 1818 Fund's designee. See RELATED TRANSACTIONS below for further information with respect to this agreement. Pursuant to this agreement, the 1818 Fund designated T. Michael Long as its designee for election to our Board of Directors.

### **Other Matters**

Mr. Scannell is Chairman and Chief Executive Officer of Rockwood Service Corporation. One of Rockwood Service Corporation's subsidiaries, Sperry Rail, Inc. provides rail flaw inspection services to our company and a number of our subsidiaries. In Fiscal Year 2002, the billings for those services were approximately \$120,000.

## **CORPORATE GOVERNANCE**

### **Board Meetings and Committees of the Board**

The Board of Directors held eight meetings during Fiscal Year 2002. The Board of Directors has an Executive Committee, an Audit Committee, a Compensation Committee and a Corporate Governance Committee. The function, composition and number of meetings of each of these committees are described below.

#### ***Executive Committee***

The Executive Committee has the responsibility and authority to act on our behalf in lieu of the full Board of Directors. Such authority is limited to actions specifically authorized by the Board of Directors in instances where full Board of Directors action is required but the Board of Directors does not believe it is practical or necessary for the full Board of Directors to convene. The current members of the Executive Committee are Mortimer B. Fuller, III, (Chairman) Louis S. Fuller, and Hon. M. Douglas Young, P.C. The Executive Committee held four meetings during Fiscal Year 2002.

#### ***Audit Committee***

The Audit Committee makes recommendations to the Board regarding the selection of our independent auditors, reviews the scope of audit and other services by our independent auditors, reviews the accounting principles and auditing practices and procedures to be used for our financial statements and reviews the results of those audits, and reviews, with our independent auditors, our financial statements and internal accounting procedures, the independent auditors' auditing procedures and fees, and the possible effects of professional services upon the independence of our independent auditors. The Audit Committee Charter adopted by our Board of Directors sets forth the duties and responsibilities of the Audit Committee. The current members of the Audit Committee are Robert M. Melzer (Chairman), T. Michael Long, John M. Randolph and Philip J. Ringo. Each of the members of the Audit Committee is independent in accordance with the listing standards of the New York Stock Exchange. The Audit Committee held 12 meetings during Fiscal Year 2002.

#### ***Compensation Committee***

The Compensation Committee makes recommendations to our Board of Directors with respect to compensation paid to our management and administers our Stock Option Plan. The current members of the Compensation Committee are C. Sean Day (Chairman), John M. Randolph and James M. Fuller. The

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Compensation Committee's report relating to Fiscal Year 2002 appears on pages 14 to 16 of this proxy statement. The Compensation Committee held seven meetings during Fiscal Year 2002.

***Corporate Governance Committee***

The Corporate Governance Committee reviews the composition, performance and membership of our Board of Directors and makes recommendations on new appointments, in consultation with our Chairman and Chief Executive Officer. The Corporate Governance Committee recommends to our Board of Directors (i) the acceptance of the resignation of a director; (ii) the appropriateness of a director who resigns having an on-going affiliation with our company; (iii) the appropriateness of the Board's compensation; and (iv) the appropriateness, when each director's three-year term expires, of continuation on the Board. The Corporate Governance Committee will also provide our Board of Directors with an annual assessment of the Board's performance (including the Board's committees) as a whole for the purpose of full Board of Directors discussion. The Corporate Governance Committee considers and establishes procedures regarding recommendations for nomination to the Board of Directors submitted by stockholders. Such recommendations should be sent to us, to the attention of the Chairman of the Board. The current members of the Corporate Governance Committee are Hon. M. Douglas Young P.C. (Chairman), C. Sean Day and Philip J. Ringo. The Corporate Governance Committee was established in the fourth quarter of Fiscal Year 2002 and held one meeting during that year.

***Meeting Attendance***

Each director attended at least 75% of the aggregate of (a) the total number of meetings of the Board of Directors and (b) the total number of meetings of all committees of the Board of Directors on which he served (during the periods that he served).

***Directors' Compensation***

During Fiscal Year 2002, we paid to, accrued for or deferred for our non-employee directors cash directors' fees (including those for serving on the Board of Directors of our joint venture, Australian Railroad Group Pty Ltd. ( ARG )) in the aggregate amount of \$350,719, which amount includes \$32,313 for services rendered during Fiscal Year 2001. These fees consisted of \$15,000 per year (payable quarterly), \$1,500 per Board meeting attended, \$500 per Board Committee meeting attended (not held in conjunction with a Board Meeting), and \$250 per Board or Committee meeting attended by telephone. All of our directors other than Mortimer B. Fuller, III qualify for such payments or deferral. We also reimburse our directors for travel expenses in connection with their attendance at Board meetings.

Under our Deferred Stock Plan, each non-employee director may elect to be paid all or a portion of his cash directors' compensation instead in units representing shares of our Class A Common Stock. Each participating director's Deferred Stock Plan account is credited with 125% of the cash compensation he elects to defer under the Deferred Stock Plan. Dividends (if any) payable on the Class A Common Stock are likewise credited as additional units in the Deferred Stock Plan accounts, and the number of units in the Deferred Stock Plan accounts are subject to customary anti-dilution adjustments. A non-employee director is not entitled to vote, and does not have any other indicia of ownership of, the Class A Common Stock represented by the units in his Deferred Stock Plan account until those units are paid out to him in shares. These shares will be paid out to the participating director or his designated beneficiaries (i) on the deferred payment date previously elected by him or (ii) if earlier, upon his death, long-term disability or cessation of service as a director. An aggregate of 112,500 shares of Class A Common Stock have been authorized for issuance under the Deferred Stock Plan.

Messrs. Ringo and Young also serve at our request on the Board of Directors of ARG, a joint venture between us and Wesfarmers Limited. We pay each of them fees of \$20,000 per year, plus \$5,000 for each ARG Board meeting attended in person and \$1,000 for each ARG Board meeting attended by telephone. We also reimburse them for travel expenses in connection with attendance at ARG Board meetings. During Fiscal Year 2002, for these services, we paid to or deferred for Messrs. Ringo and Young cash directors' fees in the



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aggregate amount of \$114,250, which amount includes \$27,625 for services rendered during Fiscal Year 2001. The ARG fees are included in the aggregate amount of directors' fees (\$350,719) reported above.

### ***Directors' Options***

The Genesee & Wyoming Inc. Stock Option Plan for Outside Directors (the "Directors' Plan") provides for formula grants to each of our non-employee directors (that is, each director other than Mortimer B. Fuller, III) of nonstatutory 10-year options to purchase shares of our Class A Common Stock. Options to purchase up to an aggregate of 202,500 shares of Class A Common Stock have been authorized for grant under the Directors' Plan. Each option granted under the Directors' Plan becomes exercisable in three equal annual installments commencing on the first anniversary of its grant date, is not transferable except by will or intestacy, and lapses within stated periods following the death of the director or cessation of his service as a director. These options are subject to customary anti-dilution provisions and acceleration of vesting upon a change in control.

During Fiscal Year 2002, T. Michael Long and C. Sean Day were each granted options under the Directors' Plan to purchase 2,250 shares of Class A Common Stock. Mr. Long's option is exercisable at \$19.9667 per share (that being the market value of the Class A Common Stock on the grant date) and expires on January 10, 2012. Mr. Day's option is exercisable at \$16.70 per share (that being the market value of the Class A Common Stock on the option grant date) and expires on July 27, 2012.

During Fiscal Year 2002, James M. Fuller exercised an option to purchase 18,000 shares of Class A Common Stock at an exercise price of \$7.5555 per share, and Louis M. Fuller exercised an option to purchase 1,500 shares of Class Common Stock at an exercise price of \$6.6667 per share.

## **EXECUTIVE OFFICERS**

We are currently served by eight executive officers, who are elected annually by the Board of Directors and serve until their successors are elected and qualify:

**Mortimer B. Fuller, III**, age 60, has been our Chairman of the Board and Chief Executive Officer since 1977. See "ELECTION OF DIRECTORS" above for further information about Mr. Fuller.

**Charles N. Marshall**, age 61, has been our President and Chief Operating Officer since October 1997. He has 42 years of railroad industry experience with Consolidated Rail Corporation (Conrail), Southern Railway and the Chessie System Railroad (now part of CSX Transportation, Inc.). He was Senior Vice President-Development when he left Conrail in 1995 and also served as Senior Vice President-Marketing & Sales and in positions in legal, public and government affairs. Immediately prior to joining us in 1997, Mr. Marshall worked as a consultant to short line and regional railroads, including our railroads, specializing in developing acquisition opportunities within and outside the United States. Mr. Marshall served as one of our directors from July to October 1997, when he resigned in accordance with our policy that all directors other than the Chairman and Chief Executive Officer be non-employees.

**Mark W. Hastings**, age 53, has been Executive Vice President, Corporate Development since January 2000 and Secretary since April 2000. Prior to that, he served as Senior Vice President, Chief Financial Officer and Treasurer, and had been our Chief Financial Officer, since he joined us in 1978. Prior to joining us, Mr. Hastings was a credit analyst for Marine Midland Bank (now HSBC Bank USA). Mr. Hastings serves on the Board of Directors of Helm Holdings Corporation.

**John C. Hellmann**, age 33, Chief Financial Officer, joined us in January 2000. From 1999 until January 2000, Mr. Hellmann was an investment banker at Lehman Brothers Inc. in the Emerging Communications Group, and from 1997 to 1999, he was an investment banker at Schroder & Co. Inc. in the Transportation Group. From 1992 to 1994, Mr. Hellmann worked for Weyerhaeuser Company in Japan and the People's Republic of China. Mr. Hellmann received an A.B. from Princeton University, an M.B.A. from The Wharton School at the University of Pennsylvania, and an M.A. in China Studies from Johns Hopkins University School of Advanced International Studies.

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**Charles W. Chabot**, age 56, became President-Marketing & Development in February 2002. Previously, he was Senior Vice President-Australia, a position to which he was appointed in October 1997. In addition, from December 2000 until February 2002, he served as Chief Executive Officer of Australian Railroad Group Pty Ltd. From 1992 to 1997, Mr. Chabot served as Senior Vice President-New York and Pennsylvania. He joined us as Senior Vice President-Marketing and Sales in 1991 and was President of Buffalo & Pittsburgh Railroad, Inc. from 1992 to 1997. Prior to joining us, Mr. Chabot was employed for over ten years by the Chessie System Railroad (now part of CSX Transportation, Inc.), where he served in various capacities in marketing and freight equipment planning. He also served as a management consultant with Booz, Allen and Hamilton.

**Alan R. Harris**, age 54, Senior Vice President and Chief Accounting Officer, joined us in 1990 as our Chief Accounting Officer. Mr. Harris is a certified public accountant and from 1985 to 1990, he was Director of Accounting, and subsequently Secretary and Treasurer, of Preston Trucking Company, Inc., an interstate carrier.

**Thomas P. Loftus**, age 44, became Senior Vice President-Finance in May 2000. He joined us in 1996 as Vice President-Finance. From 1993 to 1996, Mr. Loftus worked for RailTex, Inc., where he held various financial management positions, including Manager-Acquisitions.

**Robert A. Grossman**, age 61, became Executive Vice President-Government & Industry Affairs in March 2002. Prior to that, he was employed as an officer and director of Emons Transportation Group, Inc. and its predecessors since 1971. From 1986 until its acquisition by us in February 2002, Mr. Grossman served as Chairman of the Board and Chief Executive Officer of Emons Transportation Group, Inc., a public company in the short line railroad business with annual revenues of \$25 million.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Since the 2002 Annual Meeting of Stockholders, Mortimer B. Fuller, III inadvertently filed late with the SEC one report disclosing one transaction in the Class A Common Stock beneficially owned by him, Robert M. Melzer inadvertently filed late with the SEC one report disclosing one transaction, and Thomas P. Loftus inadvertently filed late with the SEC one report disclosing three transactions. Such reports have since been filed, and all of our directors and executive officers are now current in such filings. In making the foregoing statements, we have relied upon the written representations of our directors and executive officers and copies of the reports that they have filed with the SEC.

**Table of Contents****EXECUTIVE COMPENSATION**

The following table sets forth the annual and long-term compensation for services rendered to us in all capacities, for the past three fiscal years, paid by us to those persons who were, at December 31, 2002, the Chief Executive Officer and our other four most highly compensated executive officers (collectively, the Named Executives ).

*Summary Compensation Table*

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation		All Other Compensation (\$)(5)
		Salary (\$)(1)	Bonus (\$)(2)	Other Annual Compensation (\$)(3)	Awards Options(#)(4)	Payouts LTIP Payouts(\$)	
<b>Mortimer B. Fuller, III</b> Chairman and Chief Executive Officer	2002	\$560,000	\$119,174	-	42,500	-	\$ 81,045
	2001	510,000	355,400	-	56,250	-	169,007
	2000	412,650	292,400	-	56,250	-	145,975
<b>Charles N. Marshall</b> President and Chief Operating Officer	2002	309,000	22,284	-	20,000	-	51,647
	2001	294,387	105,400	-	22,500	-	70,362
	2000	277,729	143,400	-	22,500	-	81,122
<b>Charles W. Chabot</b>	2002						