

Edgar Filing: STERLING CHEMICALS INC - Form 8-K

STERLING CHEMICALS INC
Form 8-K
March 01, 2006

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: March 1, 2006
Date of earliest event reported: February 24, 2006

Sterling Chemicals, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

000-50132

76-0502785

(Commission File Number)

(IRS Employer Identification No.)

333 Clay Street, Suite 3600
Houston, Texas 77002-4109

(Address of Principal Executive Offices and Zip Code)

(713) 650-3700

(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 (see General Instruction A.2. below):

- 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))

INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 1.01 ENTRY INTO A DEFINITIVE MATERIAL AGREEMENT

Edgar Filing: STERLING CHEMICALS INC - Form 8-K

On February 24, 2006, the Compensation Committee of the Board of Directors of Sterling Chemicals, Inc., a Delaware corporation ("Sterling"), authorized the payment of discretionary bonuses to each of its employees, including each of Sterling's executive officers in respect of the year ended December 31, 2005. The bonuses were discretionary in that Sterling did not attain the financial performance goals under its Bonus Plan for 2005. The Compensation Committee considered various factors in setting the amounts of the bonuses, including the significant efforts of management and other employees in achieving Sterling's fixed cost reduction goal, job scope and responsibility and Sterling's need to attract, retain and reward executive talent. In addition, the Compensation Committee evaluated each executive's leadership by considering a variety of factors, including, among others, developing effective cost reduction strategies, driving results and maintaining environmental, health and safety performance. The following table sets forth cash payments in respect of bonuses for 2005 and 2004 to each of Sterling's executive officers who will be included as the "Named Executive Officers" in Sterling's 2006 proxy statement:

NAME AND PRINCIPAL POSITION -----	FISCAL YEAR -----	BONUS -----
Richard K. Crump	2005	\$ 46,875
President and Chief Executive Officer	2004	126,140
Paul G. Vanderhoven	2005	40,625
Senior VP - Finance and Chief Financial Officer	2004	50,256
Kenneth M. Hale	2005	34,375
Senior VP, General Counsel and Secretary	2004	38,250
Paul C. Rostek	2005	34,375
Senior VP - Commercial	2004	32,980
Walter B. Treybig	2005	34,375
Senior VP - Manufacturing	2004	30,430

On February 27, 2006, the Compensation Committee also approved the annual base salaries (effective as of March 1, 2006) of Sterling's executive officers after a review of performance and competitive market data. The following table sets forth the annual base salary levels for 2006 and 2005 for each of Sterling's Named Executive Officers:

2

NAME AND PRINCIPAL POSITION -----	FISCAL YEAR -----	BASE SALARY -----
Richard K. Crump	2006	\$ 390,000
President and Chief Executive Officer	2005	380,000
Paul G. Vanderhoven	2006	257,000
Senior VP - Finance and Chief Financial Officer	2005	246,000
Kenneth M. Hale	2006	222,250
Senior VP, General	2005	212,250

Edgar Filing: STERLING CHEMICALS INC - Form 8-K

Counsel and Secretary

Paul C. Rostek	2006	211,250
Senior VP - Commercial	2005	201,750
Walter B. Treybig	2006	195,000
Senior VP - Manufacturing	2005	186,500

Sterling intends to provide additional information regarding the compensation awarded to the Named Executive Officers in respect of and during the year ended December 31, 2005 in the proxy statement for Sterling's 2006 annual meeting of stockholders, which is expected to be filed with the Securities and Exchange Commission in March of 2006.

3

SIGNATURES

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

STERLING CHEMICALS, INC.

By: /s/ Richard K. Crump

Richard K. Crump
President and Chief Executive Officer

Dated: March 1, 2006

4