

CARDTRONICS INC
Form 8-K
May 17, 2010

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

**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): May 17, 2010 (May 11, 2010)**

Cardtronics, Inc.

(Exact name of registrant as specified in its charter)

Delaware

001-33864

76-0681190

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

3250 Briarpark, Suite 400, Houston, Texas

77042

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(832) 308-4000**

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

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

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

On May 11, 2010, the Compensation Committee (the Committee) of the Board of Directors of Cardtronics, Inc. (the Company) approved the Company's 2010 Annual Executive Cash Incentive Plan (the Plan). The purpose of the Plan is to incentivize and reward covered employees, including all of the Company's executive officers, for achieving and/or exceeding certain Company earnings and other pre-established performance objectives.

Under the Plan, incentive cash awards to be paid to covered executives located in the United States (the Worldwide group) will be based on the Company's performance with respect to a consolidated Adjusted EBITDA target, as defined within the Plan, as well as the achievement of a consolidated return on invested capital (ROIC) target and a consolidated revenue target. Incentive cash awards to be paid to executives located in the United Kingdom (the UK Only group) will be based on that particular segment's performance with respect to Adjusted EBITDA, ROIC, and revenue targets, as defined in the Plan. Additionally, any incentive cash award to be paid under the Plan will require the achievement of specific pre-established objectives (MBOs) for each covered executive and may be modified by the level of achievement.

The following table outlines the 2010 performance targets for each group discussed above, and the relative weighting of each targeted performance metric, as applicable (*in thousands, except percentages*):

| Group | Metric | Weighting | Threshold | Target | Maximum |
|-----------|-------------------|-----------|------------|-------------|------------|
| Worldwide | Adjusted EBITDA | 40% | \$ 110,000 | \$ 120,000* | \$ 140,000 |
| | ROIC | 40% | 17.1% | 20.2% | 26.4% |
| | Total Revenues | 20% | \$ 527,534 | \$ 538,300 | \$ 559,832 |
| UK Only | Adjusted EBITDA | 45% | £ 11,903 | £ 12,980 | £ 15,147 |
| | ROIC | 45% | 16.6% | 20.9% | 29.4% |
| | Total UK Revenues | 10% | £ 60,459 | £ 61,693 | £ 64,161 |

* This target was set by the Company's Board of Directors on December 12, 2009.

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

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

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

| MBO Rating | Performance | Percentage of Award Paid |
|-------------------|---|---------------------------------|
| 10 | All MBOs exceeded | 120% |
| 9 | All MBOs attained; other exceptional achievements | 110% |
| 8 | All MBOs attained | 100% |
| 7 | Substantially all MBOs attained | 90% |
| 6 | Most but not all MBOs attained | 80% |
| 5 | MBOs partially attained | 60% |
| 4 | Most MBOs missed | 30% |
| 3 | Substantially all MBOs not attained | 10% |
| 1-2 | All MBOs missed | 0% |

For the Company's Named Executive Officers (as such term is defined by the Securities and Exchange Commission), the 2010 targeted percentages are as follow:

| Named Executive Officer | 2010 Incentive Payout Target as a Percentage of Base Salary |
|---|--|
| Steven A. Rathgaber Chief Executive Officer | 50% |
| J. Chris Brewster Chief Financial Officer | 50% |
| Michael H. Clinard President of Global Services | 50% |
| Rick Updyke President of Global Development | 50% |
| Carleton K. Tres Thompson, III Chief Accounting Officer | 40% |

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

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

Item 9.01 Financial Statements and Exhibits

(d) *Exhibits.*

10.1 Cardtronics, Inc. 2010 Annual Executive Cash Incentive Plan

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 thereunto duly authorized.

Cardtronics, Inc.

Date: May 17, 2010

By: /s/ Tres Thompson

Name: Tres Thompson

Title: Chief Accounting Officer