

PAM TRANSPORTATION SERVICES INC

Form 8-K

August 10, 2016

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): August 4, 2016

P.A.M. TRANSPORTATION SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

0-15057

(Commission File Number)

71-0633135

(I.R.S. Employer Identification No.)

297 West Henri De Tonti, Tontitown, Arkansas 72770

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (479) 361-9111

N/A

(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))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On August 4, 2016, the Board of Directors (the “Board”) of P.A.M. Transportation Services, Inc. (the “Company”) approved a short-term cash incentive plan (the “Plan”) for certain employees, including the Company’s named executive officers, providing for cash bonus awards to be determined based on the achievement of certain operating ratio and revenue growth performance targets for the year ended December 31, 2016. The amount of the bonus can vary from zero to 100% of base salary for our Chief Executive Officer, Daniel H. Cushman, and from zero to 60% of base salary for our Chief Financial Officer, Allen W. West. Under the Plan, if the Company’s revenue growth for 2016 is greater than 8.0% and the Company’s operating ratio for 2016 is less than 95%, Mr. Cushman will receive a bonus ranging from 40% to 80% of base salary. If the Company’s revenue growth for 2016 is greater than 8.0% and the Company’s operating ratio for 2016 is less than 94%, Mr. West will receive a bonus ranging from 10% to 40% of base salary. If the Company’s revenue growth for 2016 is greater 11.0% and the Company’s operating ratio for 2016 is less than 95%, Mr. Cushman will receive a bonus ranging from 60% to 100% of base salary and Mr. West will receive a bonus ranging from 20% to 60% of base salary. The bonus amounts increase incrementally based on each lower operating ratio percentage, assuming the revenue growth targets described above are met. The maximum bonus under the Plan is earned if the Company’s revenue growth for 2016 is greater than 11.0% and the Company’s operating ratio for 2016 is less than 91%. If either of the revenue growth targets are achieved but the Company’s operating ratio for 2016 is 95% or above, the Board will have discretion to award a bonus to the named executive officer.

For purposes of the Plan, the applicable base salary will be the officer’s base salary in effect as of December 31, 2016. Operating ratio will be determined by dividing the Company’s operating expenses for the year ended December 31, 2016, by the Company’s operating revenues for the year ended December 31, 2016, as each is determined in accordance with U.S. generally accepted accounting principles, except that operating revenues will include revenue from trucking operations only, excluding fuel surcharge revenue and brokerage revenue, and fuel surcharge revenue will be netted against fuel expense. Operating expenses will also exclude the expense associated with this bonus. Bonuses earned will be payable in five installments with 50% of the bonus amount payable in 2017 and the remaining amount to be payable in four equal annual installments.

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.

P.A.M. TRANSPORTATION SERVICES, INC.

(Registrant)

Date: August 9, 2016 By: /s/ Allen W. West
Allen W. West

Vice President of Finance, Chief Financial Officer,

Secretary and Treasurer