

GENESEE & WYOMING INC  
Form DEF 14A  
April 10, 2012

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
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.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per the Exchange Act Rules 14a-6(i)(1) and 0-11.

Title of each class of securities to which transaction applies:

(1 )

Aggregate number of securities to which transaction applies:

(2 )

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):

(3 )

Proposed maximum aggregate value of transaction:

(4 )

(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.

Amount Previously Paid:

(1 )

Form, Schedule or Registration Statement No.:

(2 )

Filing Party:

(3 )

Date Filed:

(4 )

---

GENESEE & WYOMING INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 22, 2012

The annual meeting of stockholders of Genesee & Wyoming Inc. (the “Company”, “we”, “us” or “our”) will be held at the Hyatt Regency Greenwich, 1800 East Putnam Avenue, Old Greenwich, Connecticut 06870, on May 22, 2012, at 10:00 a.m., local time, for the following purposes:

- to elect the three directors listed herein;
- to ratify the selection of PricewaterhouseCoopers LLP (“PwC”) as our independent registered public accounting firm for our fiscal year ending December 31, 2012; and
- to transact such other business as may properly come before our annual meeting, or any adjournments or postponements of the meeting.

The Board of Directors of the Company has fixed the close of business on April 2, 2012 as the record date for the determination of stockholders entitled to notice of and to vote at our annual meeting and any adjournments or postponements of the meeting.

This year we are taking advantage of the Securities and Exchange Commission rules that allow us to furnish our proxy materials over the Internet to our stockholders rather than in paper form. We believe that this delivery process will expedite our stockholders’ receipt of our proxy materials, reduce the environmental impact of our annual meeting of stockholders, and lower the costs of printing and distributing our proxy materials. Accordingly, unless you have previously requested to receive our proxy materials in paper form, you will receive a Notice of Internet Availability of Proxy Materials (the “Notice”), which we expect to mail on or about April 10, 2012.

To ensure that your shares are properly represented at our annual meeting, whether you attend it or not, please vote your shares over the Internet, by telephone or if you elect to receive a hard copy of your proxy materials, by completing, signing and returning the proxy card by mail. Please review the voting instructions on the Notice or the proxy card, as the case may be. If your shares are held in “street name,” please contact your bank, broker or other holder of record to determine whether you will be able to transmit voting instructions by telephone or through the Internet, or follow the instructions on the voting form they send to you. Voting procedures are described in the General Information section beginning on page 1 of the proxy statement, on the proxy card and on the Notice.

This Notice of Annual Meeting of Stockholders and proxy statement, along with our annual report to stockholders, which includes our Form 10-K for our fiscal year ended December 31, 2011 and our related audited financial statements, are first being distributed or made available to stockholders, as the case may be, on or about April 10, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

Allison M. Fergus  
General Counsel and Secretary

April 10, 2012

---

GENESEE & WYOMING INC.

Principal Executive Offices:

66 Field Point Road

Greenwich, Connecticut 06830

PROXY STATEMENT

Our Board of Directors, or the Board, is soliciting proxies to be voted at our annual meeting of stockholders to be held at the Hyatt Regency Greenwich, 1800 East Putnam Avenue, Old Greenwich, Connecticut 06870, on May 22, 2012, at 10:00 a.m., local time, or at any adjournments or postponements of the annual meeting.

TABLE OF CONTENTS

<u>GENERAL INFORMATION</u>	<u>1</u>
<u>ANNUAL REPORT</u>	<u>5</u>
<u>PROPOSAL ONE: ELECTION OF DIRECTORS</u>	<u>6</u>
<u>RELATED PERSON TRANSACTIONS</u>	<u>11</u>
<u>CORPORATE GOVERNANCE</u>	<u>12</u>
<u>2011 DIRECTOR COMPENSATION</u>	<u>18</u>
<u>EXECUTIVE OFFICERS</u>	<u>24</u>
<u>EXECUTIVE COMPENSATION</u>	<u>25</u>
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	<u>25</u>
<u>COMPENSATION COMMITTEE REPORT</u>	<u>35</u>
<u>SUMMARY COMPENSATION TABLE</u>	<u>36</u>
<u>2011 GRANTS OF PLAN-BASED AWARDS</u>	<u>38</u>
<u>OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2011</u>	<u>41</u>
<u>2011 OPTION EXERCISES AND STOCK VESTED</u>	<u>44</u>
<u>2011 PENSION BENEFITS</u>	<u>44</u>
<u>2011 NONQUALIFIED DEFERRED COMPENSATION</u>	<u>45</u>
<u>POTENTIAL PAYMENTS UPON TERMINATION, CHANGE OF CONTROL AND CERTAIN OTHER EVENTS</u>	<u>48</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>51</u>
<u>PROPOSAL TWO: APPROVAL OF THE SELECTION OF INDEPENDENT AUDITORS</u>	<u>55</u>
<u>STOCKHOLDER PROPOSALS FOR 2013 ANNUAL MEETING</u>	<u>56</u>
<u>HOUSEHOLDING OF PROXY MATERIALS</u>	<u>56</u>
<u>REPORT OF THE AUDIT COMMITTEE</u>	<u>57</u>
<u>OTHER MATTERS</u>	<u>58</u>

---

## GENERAL INFORMATION

Why am I being provided with these proxy materials?

We have made this proxy statement, and our annual report for the fiscal year ended December 31, 2011 (the "Annual Report" and collectively with this proxy statement, the "Proxy Materials") available to you on the Internet or, upon your request, have delivered printed versions of these materials to you by mail in connection with the solicitation by our Board of proxies to be voted at our annual meeting of stockholders. Directors, officers and other Company employees may solicit proxies by telephone or otherwise. We will bear the cost of this solicitation. Our Board has fixed the close of business on April 2, 2012 as the record date ("Record Date") for our annual meeting. Only stockholders of record as of the Record Date are entitled to notice of and to vote at our annual meeting or at any adjournments or postponements thereof, in person or by proxy. The Proxy Materials are being made available to you because you owned shares of our stock as of the close of business on the Record Date. This proxy statement describes the matters on which we would like you to vote and provides information on those matters so that you can make an informed decision when you do vote.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of Proxy Materials?

Pursuant to rules adopted by the United States Securities and Exchange Commission ("SEC"), this year we have elected to provide stockholders access to our Proxy Materials over the Internet. We believe that this e-proxy process will expedite our stockholders' receipt of Proxy Materials, lower costs and reduce the environmental impact of our annual meeting. Accordingly, we sent a Notice of Internet Availability of Proxy Materials (the "Notice") on or about April 10, 2012 to stockholders of record entitled to vote at the annual meeting. If you receive the Notice by mail, you will not receive a printed copy of the Proxy Materials unless you specifically request a printed copy.

All stockholders will have the ability to access the Proxy Materials on a website referred to in the Notice, to download printable versions of the Proxy Materials from our website or to request and receive a printed copy of the Proxy Materials from us. Instructions on how to access the Proxy Materials over the Internet or to request a printed copy from us may be found on the Notice. If you receive paper copies of the Proxy Materials, a proxy card will also be enclosed.

What will I be voting on?

- to elect the three directors listed herein (see page 6);
- to ratify the selection of PricewaterhouseCoopers LLP ("PwC") as our independent registered public accounting firm for our fiscal year ending December 31, 2012 (see page 55); and
- to transact such other business as may properly come before our annual meeting or any adjournments or postponements of the meeting.

How many votes must be present to hold the meeting?

The holders of a majority of the voting power of the Company's Class A common stock, par value \$0.01 per share ("Class A Common Stock"), and Class B common stock, par value \$0.01 per share ("Class B Common Stock"), must be present in person or by proxy to hold our annual meeting.

How many votes do I have?

If you are a holder of our Class A Common Stock, then you are entitled to one vote per share of Class A Common Stock that you held as of the close of business on April 2, 2012. If you are a holder of our Class B Common Stock, then you are entitled to ten votes per share of Class B Common Stock that you held as of the close of business on April 2, 2012. All matters to be voted on at our annual meeting will be voted on by the holders of our Class A Common Stock and Class B Common Stock, voting together as a single class.

How many shares are entitled to vote?

As of the close of business on April 2, 2012, there were 40,521,990 shares of our Class A Common Stock issued, outstanding and entitled to vote, and 2,112,048 shares of our Class B Common Stock issued, outstanding and entitled to vote.

How do I vote my shares without attending the annual meeting?

If you are a stockholder of record or a participant in our employee stock purchase plan, you may vote by granting a proxy in one of the three following ways:

- By Internet - If you have Internet access, you may submit your proxy by going to [www.proxyvote.com](http://www.proxyvote.com) and by following the instructions on how to complete an electronic proxy card. You will need the 12-digit Control Number included on your Notice or your proxy card in order to vote by Internet.
  
- By Telephone - You may submit your proxy by dialing (800) 690-6903. You will need the 12-digit Control Number included on your Notice or your proxy card in order to vote by telephone.
  
- By Mail - If you elect to receive a hard copy of your Proxy Materials, you may vote by mail by requesting a proxy card from us, indicating your vote by completing, signing and dating the card where indicated and by mailing or otherwise returning the card in the envelope that will be provided to you. You should sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example, as guardian, executor, trustee, custodian, attorney or officer of a corporation), indicate your name and title or capacity.

If you hold your shares in street name, you may vote by submitting voting instructions to your bank, broker or other nominee. In most instances, you will be able to do this over the Internet, by telephone or by mail as indicated above. Please refer to information from your bank, broker or other nominee on how to submit voting instructions.

Internet and telephone voting will close at 11:59 p.m. (Eastern Daylight Time) on May 21, 2012 for the voting of shares held by stockholders of record or held in street name.

Mailed proxy cards with respect to shares held by stockholders of record or held in street name must be received no later than May 21, 2012.

What is the difference between holding shares as a stockholder of record and in "street name" as a beneficial owner?

If your shares are registered directly in your name with our transfer agent, Computershare, you are considered, with respect to those shares, the "stockholder of record." We have sent the Notice or, if requested, the Proxy Materials directly to you.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the "beneficial owner" of shares held in "street name." The Notice, or Proxy Materials, if you elected to receive a hard copy, have been forwarded to you by your broker, bank or other holder of record who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by following their instructions for voting.

How do I vote my shares in person at the annual meeting?

First, as described below, you must satisfy the requirements for admission to the annual meeting. Then, if you are a stockholder of record and prefer to vote your shares at the annual meeting, you must bring proof of identification along with your Notice or proof of ownership. You may vote shares held in street name at the annual meeting only if you obtain a signed proxy from the record holder (the broker or other nominee) giving you the right to vote the shares. Even if you plan to attend the annual meeting, we encourage you to vote in advance by Internet, telephone or proxy card, if you elected to receive a hard copy of your Proxy Materials, so that your vote will be counted even if you later decide not to attend the annual meeting.

Can I change or revoke my vote?

Yes. If you are a stockholder of record or a participant in the employee stock purchase plan, you may change your vote at any time before your proxy is voted. The last vote cast is what counts. To change your vote, you must use the same means as you did to originally cast your vote, unless you vote in person at our annual meeting:

• if you voted by telephone or through the Internet, follow the same "vote by telephone" or "vote by Internet" instructions provided in the Notice before the closing of those voting facilities at 11:59 p.m. (Eastern Daylight



Time) on May 21, 2012; or

if you voted by mail, send written notice to our Secretary at the address set forth in this proxy statement, provided such notice is received no later than May 21, 2012.

If your shares are held in "street name," please refer to the information forwarded to you by your bank, broker or other holder of record for procedures on revoking or changing your proxy vote.

How many votes are required for the proposals to pass?

Directors are elected by a plurality vote, which means that the three director nominees with the greatest number of votes cast, even if less than a majority, will be elected. The proposal to ratify the selection of PwC as the Company's independent registered public accounting firm for the Company's fiscal year ending December 31, 2012 requires the affirmative vote of a majority of the voting power of the shares of our common stock present in person or represented by proxy and entitled to vote on the matter.

How are votes counted?

With respect to the election of directors, you may vote "FOR" all nominees for the Board, or you may "WITHHOLD" authority to vote for one or more nominees. A "WITHHOLD" vote and broker non-vote will have the same effect as an abstention and will not count as a vote "FOR" or "AGAINST" a director because directors are elected by plurality voting, but will be counted for purposes of determining if a quorum is present at the annual meeting.

With respect to the ratification of the selection of PwC as the Company's independent registered public accounting firm for the Company's fiscal year ending December 31, 2012, you may vote "FOR," "AGAINST," or "ABSTAIN." Abstentions will count as an "AGAINST" vote and will count as shares present for determining if a quorum is present at the annual meeting. There are no broker non-votes for auditor ratification because brokers have discretion to vote.

What if I do not specify a choice for a matter when returning a proxy?

Stockholders should specify their choice for each matter described in the Notice, or the proxy card, as the case may be. If no specific instructions are given, proxies which are signed and returned will be voted FOR the election of each of the director nominees listed herein and FOR the proposal to ratify the appointment of PwC as our independent registered public accounting firm for our fiscal year ending December 31, 2012, and in accordance with the discretion of the holders of the proxy with respect to all other matters that properly come before our annual meeting or any adjournment or postponement thereof.

What if I don't vote my shares by proxy and don't attend our annual meeting?

If you are a "stockholder of record" (that is, your shares are registered in your own name with our transfer agent) or a participant in our employee stock purchase plan and you do not vote your shares, your shares will not be voted. If you are a "beneficial owner" of shares held in "street name," and you do not give your bank, broker or other holder of record specific voting instructions for your shares, under rules of the New York Stock Exchange ("NYSE"), your bank, broker or other holder of record will be unable to exercise discretionary authority for you with regard to the election of director nominees listed herein. However, if you are a "beneficial owner" of shares held in "street name," and you do not give your bank, broker or other holder of record specific voting instructions for your shares, your bank, broker or other holder of record will be able to exercise discretionary authority for you with regard to the ratification of the selection of PwC as the Company's independent registered public accounting firm for the Company's fiscal year ending December 31, 2012.

Abstentions and "broker non-votes" will be counted for purposes of determining if a quorum is present at the Annual Meeting. In determining whether a director nominee has been elected by the stockholders, abstentions and "broker non-votes" will have no effect. With respect to whether the selection of PwC as the Company's independent registered public accounting firm for the Company's fiscal year ending December 31, 2012 has been ratified, abstentions will be counted as a vote against this proposal.

What happens if a nominee for director declines or is unable to accept election?

Our Board 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 proxy card reserve the right to vote for such substitute nominee or nominees as they, in their discretion, may determine. Therefore, if you vote by proxy, and if unforeseen circumstances make it necessary or desirable for our Board to substitute another person for a director nominee, we will vote your shares for that other person.





Will anyone contact me regarding this vote?

No arrangements or contracts have been made with any proxy solicitors as of the date of this proxy statement, although we reserve the right to engage solicitors if we deem them necessary. Such solicitations may be made by mail, telephone, facsimile, e-mail or personal interviews.

Will the annual meeting be webcast?

Our annual meeting will not be webcast.

What do I need to do if I want to attend the annual meeting?

You do not need to make a reservation to attend the annual meeting. However, please note that you will need to demonstrate that you were a stockholder on the Record Date to be admitted to the meeting. If your shares are held in the name of your bank, broker or other holder of record, you will need to bring evidence of your stock ownership. If you do not have proof that you owned our stock as of the Record Date, you may not be admitted to the meeting.

Attendance at the annual meeting is limited to our stockholders of record and beneficial owners, in each case as of the Record Date, members of their immediate families or their named representatives as well as other invitees of the Company. We reserve the right to limit the number of representatives and immediate family members who may attend the meeting. Directions to the meeting are set forth on our website at [www.gwrr.com/annualmeeting](http://www.gwrr.com/annualmeeting).

## ANNUAL REPORT

How can I access the Company's Proxy Materials, including the Annual Report, electronically?

This proxy statement, the proxy card and the Company's Annual Report are being made available to the Company's stockholders on the Internet at [www.proxyvote.com](http://www.proxyvote.com) through the notice and access process. The Annual Report includes our audited financial statements for our fiscal year ended December 31, 2011, along with other financial information about our Company, which we urge you to read carefully.

All stockholders will have the ability to access the Proxy Materials on the website referred to in the Notice of Internet Availability and to download printable versions of the Proxy Materials or to request and receive a printed set of the Proxy Materials from us. If you own your shares of common stock of the Company in your name and wish to receive a printed copy or stop receiving printed copies from us, you can make such a request by phone at (800) 579-1639, by e-mail at [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com) and through the Internet at [www.proxyvote.com](http://www.proxyvote.com). You will need your 12-digit Control Number located on your Notice of Internet Availability to make such a request. If you hold your shares of common stock through a bank, broker or other holder of record, please refer to the information provided by that entity for instructions on how to request printed copies of future Proxy Materials. Your choice will remain in effect unless you change your election. You will be provided with the opportunity to receive hard copies of the Proxy Materials in future mailings.

How can I receive a copy of the Form 10-K?

Our Form 10-K is included in our Annual Report, which is being made available to the Company's stockholders on the Internet at [www.proxyvote.com](http://www.proxyvote.com) on or around April 10, 2012.

You can also obtain, free of charge, a copy of our Form 10-K by:

• accessing our Internet site at [www.gwrr.com/investors](http://www.gwrr.com/investors);

• writing to us at Genesee & Wyoming Inc., Corporate Communications, 66 Field Point Road, Greenwich, CT 06830; or

• telephoning us at: (203) 629-3722.

You can also obtain a copy of our Form 10-K and other periodic filings that we make with the SEC from the SEC's EDGAR database at [www.sec.gov](http://www.sec.gov).

PROPOSAL ONE:  
ELECTION OF DIRECTORS

Our by-laws allow us to set the size of our Board to be between three and 15 directors, and currently our Board is composed of 11 directors. On September 20, 2011, Mr. David C. Hurley, one of our directors, notified us that he intends to retire from the Board at our annual meeting, which coincides with the end of his term. In addition, Mr. Peter O. Scannell, one of our directors, has elected not to stand for re-election at our annual meeting, which also coincides with the end of his term. As a result, assuming the election by our stockholders at the annual meeting of the three directors identified below, our Board will be composed of nine directors following the annual meeting.

Our Restated Certificate of Incorporation provides for a classified Board, consisting of three classes of directors, with each class serving staggered three-year terms. As a result, only a portion of our Board is elected each year. The three directors identified below, Messrs. Allert and Norkus and Ms. Reese, are to be elected by our stockholders for a three-year term expiring in 2015, or until their respective successors are duly elected and qualified.

Our Board unanimously recommends that stockholders vote FOR the election of each of

Richard H. Allert, Michael Norkus and Ann N. Reese

Proposed For Election as Director

for a Three-Year Term Expiring in 2015

Name and Age on April 3,  
2012

Principal Occupation, Business Experience and Other Directorships

Richard H. Allert

Principal Occupation: Professional director of public companies in the United States and Australia

Business Experience: Partner of Peat Marwick Mitchell & Co. from 1973 to 1979. Founder and partner of Allert, Heard & Co. from 1979 to 1989

Other Directorships:

- Gerard Lighting Group Ltd. - Deputy Chairman of the board of directors (listed in Australia)
- Western Desert Resources Ltd. - Chairman of the board of directors (listed in Australia)
- AMP Ltd. (listed in Australia)
- AXA Asia Pacific Holdings Ltd. until 2011 (listed in Australia until acquired)
- Coles Group Ltd. until 2007

Age: 69

Director since 2011

Mr. Allert currently serves as a member of the Australia Committee of our Board.

In connection with his nomination to the Board, the Board considered that Mr. Allert has extensive public company board experience in Australia and is familiar with the Company's business since he has been a director of our Australian subsidiary, Genesee & Wyoming Australia Pty Ltd, since 2008. In addition, the Board believes that Mr. Allert's experience in Australian business will continue to be of significant benefit to the Company as we experience growth in our Australian operations. Further, Mr. Allert's experience as a chartered public accountant is also beneficial to the Board in its oversight of accounting matters.



Name and Age on April 3,  
2012

Michael Norkus

Principal Occupation, Business Experience and Other Directorships

Principal Occupation: Founder and President of Alliance Consulting Group since 1986

Business Experience: Vice President and Director of The Boston Consulting Group from 1975 to 1986

Other Directorships:

Acco Brands Corporation - Audit Committee Member and Nominating and Governance Committee Chairman

Overland Storage, Inc. until January 2011

Age: 65

Director since 2009

Mr. Norkus currently serves as a member of the Audit and Governance Committees of our Board.

In connection with his nomination to the Board, the Board considered that Mr. Norkus founded a company that provides strategic, organizational and human resource consulting services to boards of directors and senior management teams. The Board believes that Mr. Norkus brings to the Board international business experience, entrepreneurial experience and expertise in strategic planning, assisting companies with growth and organizational effectiveness.

Ann N. Reese

Age 59

Director since 2012

Principal Occupation: Co-Executive Director and Co-Founder of the Center for Adoption Policy since 2001

Business Experience: Trustee of the University of Pennsylvania and Chair of the Board of Overseers of the School of Social Policy and Practice; Principal, Clayton, Dubilier & Rice from 1999 to 2000; Executive Vice President and Chief Financial Officer, ITT Corporation from 1995 to 1998; Treasurer, ITT Corporation from 1992 to 1995

Other Directorships:

Xerox Corporation - Chairman of the Corporate Governance Committee and Finance Committee Member

Sears Holdings Corporation - Chairman of the Audit Committee and Compensation Committee Member

The Jones Group Inc. until 2011

Merrill Lynch & Co., Inc. until 2008

Ms. Reese currently serves as a member of the Audit Committee of our Board.

In connection with her nomination to the Board, the Board recognized Ms. Reese's extensive executive experience in corporate finance and financial reporting, as well as her knowledge, perspective and corporate governance expertise. The Board also noted Ms. Reese's significant involvement with the University of Pennsylvania. In addition, the Board considered that her experience as the Chief Financial Officer and Treasurer of a large public

company and her service on other public company boards and committees would significantly benefit the Company.

7

---

Directors Whose Terms Do Not Expire at the Annual Meeting

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.

Terms Expiring at Annual Meeting in 2013

Name and Age on April 3,  
2012

Principal Occupation, Business Experience and Other Directorships

Øivind Lorentzen III

Principal Occupation: Chief Executive Officer of SEACOR Holdings Inc. since September 2010; President and Chief Executive Officer of Northern Navigation International, Ltd. since June 1990

Business Experience: Founded Northern Navigation International, Ltd. in 1990; Chairman of NFC Shipping Funds from 2001 to 2008; Founding Sponsor of Northern Shipping Funds from 2008-2010

Other Directorships:

SEACOR Holdings Inc.

Age 61

Director since 2006

Mr. Lorentzen currently serves as a member of the Governance Committee of our Board.

In connection with his nomination to the Board, the Board recognized Mr. Lorentzen's experience as the founder, President and Chief Executive Officer of an international shipping company, which provides the Board with valuable experience in evaluating international opportunities. Mr. Lorentzen's recent experience as the Chief Executive Officer of a public company also provides a valuable and unique perspective to the Board.

Philip J. Ringo

Age 70

Director since 1978

Principal Occupation: Senior Strategic Advisor to Elemica, a leading global supply services provider, since July 2009

Business Experience: Chairman and Chief Executive Officer of RubberNetwork.com, LLC, a tire and rubber industry strategic sourcing and technology consortium, from June 2001 to July 2009; Consultant to ChemConnect, Inc., an operator of an electronic marketplace for buyers and sellers of chemicals, feedstocks and plastics, from January 2001 to May 2001; President and Chief Operating Officer of ChemConnect, Inc. from March 1999 to January 2001; President and Chief Executive Officer of Chemical Leaman Tank Lines Inc., a trucking firm, from 1995 to 1998; President and Chief Operating Officer of The Morgan Group, Inc. and Chairman and Chief Executive Officer of Morgan Drive Away, Inc., a common and contract carrier for the manufactured housing and recreational vehicle industries, from 1992 to 1995

Other Directorships:

ICG Group, Inc. (f/k/a Internet Capital Group, Inc.) - Nominating and Governance Committee Member and Audit Committee Member



Trimac Equipment Leasing, Inc. - Compensation Committee Member and  
Audit Committee Chairman

Mr. Ringo currently serves as a member of the Audit, Governance and Australia  
Committees of our Board.

In connection with his nomination to the Board, the Board recognized Mr.  
Ringo's international business experience, his experience in the field of global  
supply chain services and his transportation industry experience and information  
technology background, which are particularly important to the Board.

Name and Age on April 3,  
2012

Principal Occupation, Business Experience and Other Directorships

Mark A. Scudder

Principal Occupation: Chief Executive Officer and President of Scudder Law Firm, P.C., L.L.O. since January 2010; President of Scudder Law Firm since 2002

Business Experience: Attorney with Scudder Law Firm since 1993 representing public and private companies in mergers and acquisitions, financing transactions and general corporate matters, with a particular focus on the U.S. trucking industry

Other Directorships:

Knight Transportation, Inc. - Executive Committee Member until November 2007

- Covenant Transport, Inc. until November 2007

Age 49

Director since 2003

Mr. Scudder currently serves as Chairman of the Compensation Committee and as a member of the Audit Committee of our Board.

In connection with his nomination to the Board, the Board recognized Mr. Scudder's background as an attorney, his expertise in advising public companies on mergers and acquisitions and governance matters, his extensive experience in the transportation industry, his extensive experience advising public companies on financial transactions and financial analysis, and his significant involvement on audit committee matters for other public companies, which provide a valuable perspective to the Board.

Terms Expiring at Annual Meeting in 2014

Name and Age on April 3,  
2012

Principal Occupation, Business Experience and Other Directorships

Mortimer B. Fuller III

Principal Occupation: Chairman of the Board of Genesee & Wyoming Inc. since January 1, 2010

Age 69

Director since 1973

Business Experience: Chairman of the Board and Executive Chairman of Genesee & Wyoming Inc. from 2007 to December 31, 2009; Chairman of the Board and Chief Executive Officer of Genesee & Wyoming Inc. from 1977 to 2007 and President of Genesee & Wyoming Inc. from 1977 to 1997

In connection with his nomination to the Board, the Board believes that Mr. Fuller's previous experience as the Chief Executive Officer of Genesee & Wyoming Inc. gives him invaluable insights into the Company's challenges, opportunities and operations.

John C. Hellmann

Principal Occupation: Chief Executive Officer of Genesee & Wyoming Inc. since 2007 and President since 2005

Business Experience: Chief Financial Officer of Genesee & Wyoming Inc. from 2000 to 2005

Other Directorships:

Association of American Railroads

Age 41

Director since 2007

In connection with his nomination to the Board, the Board considered Mr. Hellmann's extensive involvement in orchestrating the Company's growth in his existing and previous managerial capacities, which provides him with in-depth knowledge of the Company's operations, the leadership traits he has exhibited as Chief Executive Officer and his skill in developing effective strategies for the Company. Mr. Hellmann's significant international business experience and his expertise in valuing and acquiring companies were also recognized when Mr. Hellmann was considered as a nominee.

For additional information on Mr. Hellmann's business experience, see "Executive Officers."

Robert M. Melzer

Age 71

Director since 1997

Principal Occupation: Retired

Business Experience: President and Chief Executive Officer of Property Capital Trust (real estate investment trust) from 1992 to 1999; Chief Financial Officer of Property Capital Trust from 1990 to 1996

Other Directorships:

The Cronos Group - Audit Committee Chairman, Special Litigation Committee Member and Transaction Committee Member until August 2007

Mr. Melzer currently serves as the Chairman of our Audit Committee and as a member of the Compensation Committee of our Board.

In connection with his nomination to the Board, the Board considered Mr. Melzer's extensive knowledge of all facets of managing an organization and his expertise in deal structuring and financial and accounting matters, which are of significant importance to the Board. In his capacity as the Chairman of the Company's Audit Committee, Mr. Melzer has been particularly focused on the quality and integrity of the Company's financial statements since he joined the Board in 1997.

Unless authority to vote for one or more of the nominees is specifically withheld according to the instructions, proxies received will be voted FOR the election of Messrs. Allert and Norkus and Ms. Reese. Our Board 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 proxy card reserve the right to vote for such substitute nominee or nominees as they, in their discretion, may determine.

## RELATED PERSON TRANSACTIONS

### Non-Management Directors

Commercial Relationship with Sperry Rail. Mr. Scannell, a current director whose term expires at the annual meeting, is the Chairman and Chief Executive Officer of Rockwood Service Corporation. One of Rockwood Service Corporation's subsidiaries, Sperry Rail, Inc. ("Sperry Rail"), provides rail flaw inspection services to railroads, including to a number of our subsidiaries. Mr. Scannell is also a significant indirect stockholder of Sperry Rail. For the year ended December 31, 2011, the billings for those services were approximately \$532,392 which, according to representations made by Mr. Scannell, accounted for less than 1% of the 2011 consolidated gross revenues of Sperry Rail.

### Other

Class B Stockholders' Agreement. The Company, Mortimer B. Fuller III, our Chairman of the Board, our officers with policy-making functions who are subject to the reporting obligations of Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as set forth on page 24 (collectively, the "Executive Officers"), and all holders of our Class B Common Stock are parties to a Class B Stockholders' Agreement dated as of May 20, 1996 (the "Class B Stockholders' Agreement"). Under the agreement, if a party proposes to transfer shares of Class B Common Stock in a transaction that would result in the automatic conversion of those shares into shares of Class A Common Stock, the Executive Officers have the right to purchase up to an aggregate of 50% of those shares, and Mr. Fuller has the right to purchase the balance, all at the then-current market price of the Class A Common Stock. If Mr. Fuller does not purchase the entire balance of the shares, the Executive Officers have the right to purchase the shares that remain. In the event that the employment of any Executive Officer terminates, these purchase rights also apply to any Class B Common Stock held by the Executive Officer. The effect of this agreement is to concentrate ownership of the Class B Common Stock, which entitles the holders thereof to ten times the voting power per share of the Class A Common Stock, in the hands of our management and Mr. Fuller. See "Security Ownership of Certain Beneficial Owners and Management."

### Policies and Procedures for Review, Approval or Ratification of Related Person Transactions

The Board adopted a written Related Person Transaction Policy which requires (1) the review and approval, or ratification, by the Governance Committee, or by a sub-committee of the Board composed solely of independent directors who are disinterested, of all related person transactions that would be required to be disclosed pursuant to the rules and regulations of the SEC and (2) that any employment relationship or employment transaction involving an Executive Officer and any related compensation to such Executive Officer must be approved by the Compensation Committee of the Board or recommended by the Compensation Committee to the Board for its approval. In connection with the review and approval or ratification of related person transactions, management must disclose the material terms of the transaction, including the approximate dollar value associated with the transaction and the nature of the related person's interest in the transaction. Information with respect to compliance with any applicable agreements and any disclosure obligations must also be provided. To the extent that the transaction involves an independent director, consideration must also be given, as applicable, to the NYSE listing standards, our categorical standards of independence included in our Corporate Governance Guidelines, the requirements of Internal Revenue Code ("IRC") Section 162(m) and other relevant rules under the Exchange Act related to independence.

## CORPORATE GOVERNANCE

### Director Independence

#### General

Pursuant to the General Corporation Law of the State of Delaware, the state where we are incorporated, and our by-laws, our business, property and affairs are managed by or under the direction of our Board. Members of our Board are kept informed of our business through discussions with our Chief Executive Officer (“CEO”) and other officers, by reviewing materials provided to them by management, by participating in meetings of the Board and its committees and by visiting various facilities and operations. We currently have eleven Board members, which includes nine independent non-management directors, one management director and our non-independent Chairman.

Mr. Hurley, one of our directors, notified us he intends to retire from the Board at our annual meeting, and Mr. Scannell, another of our directors, has elected not to stand for re-election at our annual meeting.

#### Corporate Governance Principles and Categorical Independence Standards

In order to provide guidance on the composition and function of our governing body, our Board adopted our Corporate Governance Principles, which include, among other things, our categorical standards of director independence. These categorical independence standards establish certain relationships that our Board, in its judgment, has deemed to be material or immaterial for purposes of assessing a director’s independence. In the event that a director maintains any relationship with us that is not addressed in these standards and could reasonably be expected to impact a director’s independence, the independent members of our Board or the Governance Committee, as applicable, will determine whether such relationship is material and whether such relationship would compromise the director’s independence under our Corporate Governance Principles, which are consistent with the NYSE standards regarding director independence. You may find a link to our Corporate Governance Principles, which include our independence standards, on our website at [www.gwrr.com/governance](http://www.gwrr.com/governance). We will provide a printed copy of the Corporate Governance Principles free of charge to any stockholder or interested party upon request to our Company’s Corporate Communications department.

#### Evaluations of Director Independence

The Governance Committee undertook its annual review of director independence and reviewed with our Board its findings. During this review, our Board considered transactions and relationships between each director and nominee (or members of their immediate families) and our Company, its subsidiaries and affiliates, including those reported under “Related Person Transactions” above. Our Board also examined transactions and relationships between directors, the nominees, or their affiliates and members of our senior management. The purpose of this review was to determine whether any such relationships or transactions compromised a director’s independence.

As a result of this review, our Board affirmatively determined that all of our directors and nominees for director are independent, with the exception of John C. Hellmann and Mortimer B. Fuller III. By virtue of Mr. Hellmann’s position as CEO and Mr. Fuller’s previous role as CEO and his significant ownership interest in the Company, the Board determined that Messrs. Hellmann and Fuller are not independent directors.

In reaching its conclusion regarding Mr. Scannell, our Board considered that our Company and its subsidiaries in the ordinary course of business purchase products and services from Sperry Rail and that Mr. Scannell serves as an executive officer of the parent company of Sperry Rail and is also a significant indirect stockholder of Sperry Rail. As discussed above, the amount paid to, received or otherwise claimed from Sperry Rail was less than 1% of Sperry Rail’s 2011 consolidated revenues. Our Board also determined that the Sperry Rail relationship was not otherwise material to us or to Mr. Scannell personally and therefore determined that this relationship did not impair the independence of Mr. Scannell.

Our Board has also determined that all of the directors who serve on board committees are “independent” for purposes of Section 303A of the Listed Company Manual of the NYSE, that the members of the Audit Committee are also “independent” for purposes of Section 10A(m)(3) of the Exchange Act and that the members of the Compensation Committee are also “outside directors” within the meaning of Section 162(m) of the IRC and “non-employee directors” for purposes of Rule 16b-3 under the Exchange Act.



### Leadership and Board Structure

The Board believes that the decision as to whether to combine or separate the CEO and Chairman positions will depend on the facts and circumstances facing the Company at a given time and could change over time. As the Company has grown and diversified internationally, our business has become more complex and our directors are required to spend a substantial amount of time and energy navigating a wide variety of issues and guiding the policies and practices of the Company. To that end, we believe that, although we do not have a formal policy with respect to separation of the Chairman and CEO positions, that having a separate Chairman, whose sole job is to lead the Board, allows our CEO, Mr. Hellmann, to focus his time and energy on running the day-to-day operations of our Company and on strategic initiatives. We believe that this structure is particularly effective for our Company since our CEO and our Chairman have open lines of communication and an excellent working relationship that has developed for over ten years, including when our Chairman, Mr. Fuller, served as our Chairman and CEO and our current CEO served as our Chief Financial Officer, and later, as our President.

The Board currently has eleven members and the following four standing committees: Audit, Compensation, Governance and Australia. Each of the four committees is comprised of independent directors, and we believe that the number of independent, experienced directors that make up our Board, along with the independent leadership of each of our committees, benefits our Company and our stockholders. The following table shows the current membership of each of our Board's standing committees and the number of meetings held by each of those committees during 2011:

Director (1)	Audit Committee	Compensation Committee	Governance Committee	Australia Committee
Richard H. Allert (2)				X
David C. Hurley		X		
Øivind Lorentzen III			X	
Robert M. Melzer	Chair	X		
Michael Norkus	X		X	
Philip J. Ringo	X		X	Chair
Peter O. Scannell			Chair	
Mark A. Scudder	X	Chair		
2011 Meetings	11	4	7	7

(1) The table does not include Ms. Reese, who joined our Board on February 2, 2012.

Mr. Allert was elected to the Board on July 26, 2011 and was elected to the Australia Committee on April 3, 2012.

(2) Mr. Allert has also served as a director of our Australian subsidiary, Genesee & Wyoming Australia Pty Ltd since 2008.

### Issuances of Class B Common Stock

In 2012, the Board amended our Corporate Governance Principles to formalize the Company's policy on additional issuances of Class B Common Stock. Generally, pursuant to the Corporate Governance Principles, the Board does not expect to approve any new issuances of Class B Common Stock other than (a) any transfer of outstanding Class B Common Stock (i) by gift to a spouse, child or grandchild of a holder of record of any Class B Common Stock, or to a trust for the benefit thereof; (ii) to a spouse, child or grandchild of a holder of record of any Class B Common Stock, or to a trust for the benefit thereof, which results, whether by bequest, operation of the laws of intestate succession or otherwise, from the death of such holder of record; or (iii) to Mr. Fuller or any Executive Officer, in accordance with the terms of the Class B Stockholders' Agreement; and (b) issuances in connection with the subdivision (whether in the form of a stock dividend or otherwise), consolidation, reclassification or other change in the Class B Common Stock, in each case in accordance with the conditions set forth in the Company's Certificate of Incorporation then in effect. You may find a link to our Corporate Governance Principles on our website at [www.gwrr.com/governance](http://www.gwrr.com/governance).





#### Committee Charters

Our Board has adopted a charter for each of the four standing committees that addresses the composition and function of each committee. You may find links to these materials on our website at [www.gwrr.com/governance](http://www.gwrr.com/governance).

#### Audit Committee

The Audit Committee assists our Board in fulfilling its responsibility relating to the oversight of (1) the quality and integrity of our financial statements, (2) our compliance with legal and regulatory requirements, (3) our independent registered public accounting firm's qualifications and independence and (4) the performance of our internal audit function and independent registered public accounting firm. The Report of the Audit Committee relating to 2011 appears on page 57 of this proxy statement. Our Board has determined that each of the members of the Audit Committee is "financially literate" within the meaning of the listing standards of the NYSE. In addition, our Board has determined that Mr. Melzer qualifies as an "Audit Committee Financial Expert" as defined by applicable SEC regulations. The Board reached its conclusion as to Mr. Melzer's qualification based on, among other things, his education and experience, most notably his service as the Chief Financial Officer of Property Capital Trust from 1990 through 1996 and his previous experience as an audit committee chairman at another public company.

#### Compensation Committee

The Compensation Committee discharges the responsibilities of our Board relating to the (1) oversight of the Company's compensation programs, which includes approval of the compensation paid to our Executive Officers and other key personnel, and (2) evaluation of the CEO. The Compensation Committee's report relating to 2011 appears on page 35 of this proxy statement. The Compensation Committee also reports and makes recommendations to the Board regarding the Company's compensation philosophy and new executive compensation policies and informs the other members of the Board about its decisions regarding compensation for the Executive Officers. The Compensation Committee also has the authority under its charter to retain outside consultants or advisors as it deems necessary or advisable. The Compensation Committee retained Frederick W. Cook & Co., Inc. in connection with executive compensation studies in 2008 and 2011. Additional information with respect to the Compensation Committee's retention of outside advisors is set forth under "Executive Compensation—Compensation Discussion and Analysis" beginning on page 25 of this proxy statement.

#### Compensation Committee Processes and Procedures

In performing its duties, the Compensation Committee meets periodically with our CEO. Our CEO participates in discussions of the Compensation Committee and makes recommendations with respect to compensation decisions (other than with respect to himself), but he does not vote or otherwise participate in the Compensation Committee's ultimate decisions, which are determined in executive session. Our Board believes that it is prudent to have our CEO participate in these discussions because his evaluations and recommendations with respect to the compensation and benefits paid to Executive Officers other than himself are extremely valuable to the Compensation Committee. Generally, the Compensation Committee considers the compensation of Executive Officers and other key personnel at the first regularly scheduled Compensation Committee meeting of the year. At this meeting, each element of the compensation paid under the compensation program is reviewed and approved, which includes annual incentive compensation for the prior year, as well as base salaries and long-term incentive compensation for the current year. The fair value of the annual stock-based long-term incentive compensation awards to employees, including Executive Officers, is also determined at this meeting and the actual stock-based long-term incentive compensation awards are granted in four equal quarterly installments on February 28<sup>th</sup>, May 31<sup>st</sup>, August 31<sup>st</sup> and November 30<sup>th</sup> (or the preceding business day), with the number of shares being equal to the value of the installment divided by the stock price for restricted stock and the Black-Scholes value for options on that day. The Compensation Committee has also authorized our CEO to approve grants of options to newly hired or promoted employees who are not Executive Officers, subject to an option grant date fair value limit of \$200,000, with such grants ratified by the Compensation Committee at the next regularly scheduled meeting.

Additional information with respect to the participation of our CEO with respect to matters that are the responsibility of the Compensation Committee and the criteria used by the Compensation Committee in making compensation decisions is set forth under “Executive Compensation—Compensation Discussion and Analysis” beginning on page 25 of this proxy statement. Information with respect to the role of the Compensation Committee's compensation consultant is also set forth under “Executive Compensation—Compensation Discussion and Analysis” beginning on page 25 of this proxy statement.

#### Governance Committee

The Governance Committee assists our Board in fulfilling its responsibility relating to corporate governance by (1) identifying and evaluating qualified individuals under consideration for a directorship, (2) recommending that our Board select particular candidates for any directorships to be filled by our Board, (3) developing and recommending the content of our Corporate Governance Principles to our Board, and (4) otherwise taking a leadership role in shaping our corporate governance. In evaluating candidates for directorships, our Board, with the help of the Governance Committee, takes into account a variety of factors it considers appropriate, which include certain minimum individual qualifications including strength of character, mature judgment, and an ability to work collegially with other members of the Board. Other factors considered in evaluating candidates include the following: leadership skills; industry knowledge or experience; general business acumen and experience; broad knowledge of the rail freight business or of other modes of transportation; knowledge of strategy, finance and international business; government affairs related to transportation; legal considerations; experience with corporate governance; age; number of other board seats; and willingness to commit the necessary time to ensure an active Board whose members work well together and possess the collective knowledge and expertise required. Although the Governance Committee does not have a specific policy with respect to diversity, diversity is one of the factors considered when evaluating candidates for directorship. The Governance Committee is also tasked with, among other matters, enforcing the Company's corporate governance policies associated with the issuances of new shares of Class B Common Stock and responsibility for reviewing and recommending compensation of non-management directors to the Board. Additional information on non-management director compensation in 2011 is set forth under “2011 Director Compensation” beginning on page 18 of this proxy statement.

#### Australia Committee

The Australia Committee was formed in 2010 in light of the increase in the size and scope of the Company's operations in Australia. In 2011, Mr. Ringo was the sole member of the Australia Committee and served as a representative of the Board on the board of directors of GWI's subsidiary, Genesee & Wyoming Australia Pty Ltd. (“GWA”). Mr. Allert was appointed to the Australia Committee on April 3, 2012. Through participation in GWA's board meetings and interaction with the members of management of GWA, the Australia Committee provides regular updates to the Board on the business and affairs of GWA.

#### Stockholder Recommendations for Director Nominations

As noted above, the Governance Committee considers and establishes procedures regarding recommendations for nomination to our Board, which includes nominations submitted by stockholders. Such recommendations should be sent to the attention of our Secretary. Any recommendations submitted to the Secretary should be in writing and include any supporting material the stockholder considers appropriate in support of that recommendation and must include the information that would be required under the rules of the SEC to be included in a proxy statement soliciting proxies for the election of such candidate and a signed consent of the candidate to serve as one of our directors if elected. Stockholders must also satisfy the notification, timeliness, consent and information requirements set forth in our by-laws. For an explanation of such requirements, see “Stockholder Proposals for 2013 Annual Meeting” on page 56 of this proxy statement.

The Governance Committee evaluates all potential candidates in the same manner, regardless of the source of the recommendation. Based on the information provided to the Governance Committee, it will make an initial determination whether to conduct a full evaluation of a candidate. As part of the full evaluation process, the Governance Committee may conduct interviews, obtain additional background information and conduct reference checks of candidates. The Governance Committee may also ask the candidate to meet with management and other



members of our Board. When the Governance Committee reviews a potential candidate, the Governance Committee considers the candidate's qualifications in light of the needs of the Board and the Company at that time, given the current mix of director attributes. In evaluating a candidate, our Board, with the assistance of the Governance Committee, also takes into account a variety of additional factors as described in our Corporate Governance Principles. During 2011, the Governance Committee engaged Egon Zehnder International to assist in the identification of potential new Board members.

As discussed above, Mr. Allert was elected to the Board on July 26, 2011 and Ms. Reese was elected to the Board on February 2, 2012. Each of Mr. Allert and Ms. Reese were separately recommended to the Board by Mr. Fuller. Each of Mr. Fuller's recommendations was forwarded to Mr. Scannell as the Chair of the Governance Committee. Pursuant to our Governance Committee policies and procedures, Mr. Scannell contacted each of Mr. Allert and Ms. Reese, interviewed the candidate and arranged for the candidate to be interviewed by certain of our other directors. Mr. Scannell discussed each of Mr. Allert's and Ms. Reese's qualifications as a director with the Governance Committee and the Board as appropriate and brought the matter to the Board for approval.

#### Meeting Attendance

During 2011, our Board held six in-person meetings and three telephonic meetings, and our Board's standing committees held a total of 29 meetings. During 2011, each director attended 75% or more of the aggregate of (a) the total number of meetings of the Board held and (b) the total number of committee meetings of which such director was a member. All directors who served on the Board at that time attended last year's annual meeting of stockholders. We encourage and expect all of the directors to attend each annual meeting of stockholders. To that end, and to the extent reasonably practicable, we regularly schedule a meeting of the Board on the day of or following the annual meeting of stockholders.

#### Independent Sessions

Our Corporate Governance Principles require our independent directors to have at least four regularly scheduled meetings per year without management present. Our independent directors met without management presence at four meetings during 2011. During these sessions, the director acting in the role of presiding director is the Chairman of the Governance Committee unless a different director is chosen by the directors based upon the topics under consideration.

#### Communicating with the Board

Stockholders and other interested parties who would like to communicate directly with our Board, our non-management directors or any individual director may do so by writing to our Secretary at Genesee & Wyoming Inc., 66 Field Point Road, Greenwich, Connecticut 06830, and specifying whether such communication is addressed to the attention of (1) the Board as a whole, (2) non-management directors as a group or (3) the name of the individual director, as applicable. Communications will be distributed to our Board, non-management directors as a group or to any individual director or directors, as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, our Board has requested that certain items that are unrelated to its duties and responsibilities should be excluded, such as junk mail and mass mailings, resumes and other forms of job inquiries, surveys and business solicitations or advertisements.

In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any communication that is filtered out must be made available to any non-management director upon request. Any concerns relating to accounting, internal controls or auditing matters will be brought to the attention of our Audit Committee. In addition, for such matters, stockholders and other interested parties are encouraged to use our hotline, which is discussed below.

#### Hotline for Accounting or Auditing Matters

As part of the Audit Committee's role to establish procedures for the receipt of complaints regarding accounting, internal accounting controls or auditing matters, we have established a hotline for the confidential and anonymous submission of concerns regarding questionable accounting or auditing matters. Any matters reported

through the hotline that involve accounting, internal controls over financial reporting or audit matters, or any fraud involving management or persons who have a significant role in our internal controls over financial reporting, will be reported to the Chairman of our Audit Committee. Our hotline number in the United States and Canada is 1-800-589-3280. In Australia, our hotline number is 1-800-141-924 and in the Netherlands, our hotline number is 0800-022-5890.

#### Risk Management

The Board is actively involved, as a whole and through its committees, in overseeing management of the Company's risks. The Board regularly reviews information regarding the Company's credit, liquidity and operations, as well as the risks associated with each. The Company's Compensation Committee is responsible for overseeing the risks that could arise out of the Company's compensation policies, practices, plans and arrangements. The Audit Committee oversees management of financial risks. The Governance Committee manages risks associated with the independence of the Board and potential conflicts of interest. While each committee is responsible for evaluating particular types of risk and overseeing the management of such risks, the entire Board is regularly informed through committee reports about such risks. In addition, the Company's Chief Financial Officer ("CFO") is responsible for the Company's Enterprise Risk Management function and reports both to the CEO and to the Audit Committee in this capacity. In fulfilling his risk management responsibilities, the CFO works closely with other Executive Officers to keep the Audit Committee and the Board apprised of the Company's ongoing Enterprise Risk Management efforts.

#### Code of Ethics

We have a Code of Ethics applicable to all employees of our Company, including our CEO, CFO, Chief Accounting Officer and, to the extent it applies to their activities, all members of our Board. You can find a link to our Code of Ethics on our website at [www.gwrr.com/governance](http://www.gwrr.com/governance), and we will provide a printed copy of our Code of Ethics, free of charge, to any stockholder or other interested party upon request to our Corporate Communications department. To the extent required to be disclosed, we will post amendments to, and any waivers or implied waivers of, our Code of Ethics at the same location on our website as our Code of Ethics.

#### Board Evaluations

Each year, our Board evaluates its performance through a self-evaluation process developed by the Governance Committee. Each member of our Board provides specific feedback on various aspects of the Board's role, organization and meetings, and the Chairman of our Governance Committee presents the findings of the self-evaluation process to our Board. As part of the evaluation, our Board develops, as appropriate, recommendations to enhance its effectiveness. In addition to this process, each committee of our Board conducts its own annual performance evaluation.

## 2011 DIRECTOR COMPENSATION

The following table and footnotes provide information on the compensation of our directors, other than to our CEO. Following the table and footnotes, we describe our standard compensation arrangements for service on the Board, including service on Board committees, the annual retainer and meeting fees for the year ended December 31, 2011.

Name (1)	Fees Earned or Paid in Cash (2)	Stock Awards (3)	All Other Compensation (4)	Total
Richard H. Allert	\$16,880	\$72,641	\$61,479	\$151,000
Mortimer B. Fuller III	44,000	83,277	475,969	603,246
David C. Hurley	45,000	83,512	2,500	131,012
Øivind Lorentzen III	50,000	84,737	5,000	139,737
Robert M. Melzer	68,000	89,257	5,000	162,257
Michael Norkus	61,000	87,536	4,500	153,036
Philip J. Ringo	86,000	93,749	2,750	182,499
Peter O. Scannell	53,000	85,807	5,000	143,807
Mark A. Scudder	62,000	87,805	6,500	156,305

(1) Mr. Allert was elected to the Board on July 26, 2011. Mr. Hellmann receives no additional compensation for his services as a director and, accordingly, is not included in the table above.

(2) Reflects amounts earned during 2011, all of which were deferred. Our non-management directors can elect to defer their director compensation and in lieu of cash, receive payments for fees earned in the form of deferred stock units (“DSUs”), with a value equal to 125% of the cash fees earned. For 2011, all of the Company’s non-management directors elected to receive all of their payments in the form of DSUs.

(3) Reflects the aggregate grant date fair value of awards computed in accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification Topic 718 “Compensation—Stock Compensation” (“ASC Topic 718”), without taking into account estimated forfeitures, with respect to restricted stock awards (“restricted stock”) and the 25% premium associated with the DSUs that have been issued to our non-management directors under the Second Amended and Restated 2004 Omnibus Incentive Plan (“Omnibus Plan”) in 2011. For a discussion of the assumptions made in the valuations, refer to Note 15 of our consolidated financial statements for the fiscal year ended December 31, 2011. In addition to the grant date fair value of the annual restricted stock awards, the Stock Awards column includes the grant date fair value with respect to the 25% premium associated with the DSU awards earned by all directors in the form of DSUs as described in footnote (2) above. The fees forgone by these directors in favor of the DSUs are included in the Fees Earned or Paid in Cash column. Details of stock awards are set forth in the table below.

(4) In addition to his compensation for his services as a director during 2011, Mr. Fuller (who previously served as our Executive Chairman and our Chief Executive Officer) received \$120,000 in consulting fees, \$208,823 in life insurance premiums and \$142,146 for tax gross-ups of such amount, in each case, in accordance with his Employment Agreement dated May 30, 2007, as amended and restated on December 30, 2009 and described in more detail below under “Chairman Employment Agreement”. Mr. Fuller also received a \$5,000 company contribution to the Directors’ Matching Gift Plan. Mr. Allert’s all other compensation reflects fees paid for serving on the Board of Directors of the Company’s wholly-owned subsidiary, GWA. All other Director amounts reflect the company contributions to the Directors’ Matching Gift Plan described in additional detail below.

The following table details grants of stock awards to each of our non-management directors in 2011. The table includes the grant date and grant date fair value of each 2011 stock award and the aggregate number of outstanding, unvested stock awards held by each of the non-management directors, as of December 31, 2011:

Name	Grant Date (a)	Stock Awards (#)	Grant Date Fair Value (b)	Total Number of Outstanding, Unvested Stock Awards (#) (c)
Richard H. Allert	3/31/2011	—	\$—	1,175
	6/30/2011	—	—	
	7/26/2011	1,175	68,420	
	9/30/2011	44	2,101	
	12/30/2011	35	2,120	
Mortimer B. Fuller III	3/31/2011	41	\$2,390	2,840
	5/26/2011	1,253	72,524	
	6/30/2011	54	3,135	
	9/30/2011	60	2,865	
	12/30/2011	39	2,363	
David C. Hurley	3/31/2011	41	\$2,390	2,806
	5/26/2011	1,253	72,524	
	6/30/2011	58	3,367	
	9/30/2011	55	2,626	
	12/30/2011	43	2,605	
Øivind Lorentzen III	3/31/2011	49	\$2,856	2,517
	5/26/2011	1,253	72,524	
	6/30/2011	67	3,890	
	9/30/2011	65	3,104	
	12/30/2011	39	2,363	
Robert M. Melzer	3/31/2011	64	\$3,731	1,253
	5/26/2011	1,253	72,524	
	6/30/2011	82	4,761	
	9/30/2011	99	4,727	
	12/30/2011	58	3,514	
Michael Norkus	3/31/2011	54	\$3,148	2,201
	5/26/2011	1,253	72,524	
	6/30/2011	71	4,122	
	9/30/2011	86	4,107	
	12/30/2011	60	3,635	



Name	Grant Date (a)	Stock Awards (#)	Grant Date Fair Value (b)	Total Number of Outstanding, Unvested Stock Awards (#) (c)
Philip J. Ringo	3/31/2011	58	\$3,381	2,517
	5/26/2011	1,253	72,524	
	6/30/2011	118	6,851	
	9/30/2011	97	4,632	
	12/30/2011	105	6,361	
Peter O. Scannell	3/31/2011	50	\$2,915	2,806
	5/26/2011	1,253	72,524	
	6/30/2011	64	3,716	
	9/30/2011	67	3,199	
	12/30/2011	57	3,453	
Mark A. Scudder	3/31/2011	59	\$3,439	2,517
	5/26/2011	1,253	72,524	
	6/30/2011	68	3,948	
	9/30/2011	93	4,441	
	12/30/2011	57	3,453	

(a) The May 26, 2011 grants relate to the annual restricted stock awards issued to the non-management directors, which are subject to vesting conditions. Mr. Allert received his annual restricted stock award on July 26, 2011 when he joined the Board. See additional discussion below under “Restricted Stock Grants.” All other grants relate to the director’s election to receive DSUs in lieu of cash payments for their annual retainer and Board and Committee meeting fees. The number of DSUs shown as awarded and the grant date fair value thereof reflect only the 25% premium associated with the DSU awards. See “Deferral of Cash Compensation” below.

(b) This column shows the full grant date fair value of restricted stock awards and the 25% premium associated with the DSU awards granted in 2011, computed in accordance with ASC Topic 718. The grant date fair value is the amount that the Company will expense in its financial statements over the award’s required period of service, not taking into account any estimated forfeitures.

(c) Notwithstanding any deferral elections by non-management directors, DSUs are deemed to be vested on the grant date and are, therefore, not included in outstanding unvested stock awards as of December 31, 2011.

The following table shows the aggregate number of outstanding option awards held by each of our non-management directors as of December 31, 2011. There were no grants of options to our non-management directors in 2011. We ceased option awards to non-management directors in 2003, with the exception of Mr. Fuller, who received options until 2009 as a result of his previous employment in various management capacities with the Company, including as our CEO and Executive Chairman.

Name	Total Number of Outstanding Option Awards (#)
Richard H. Allert	—
Mortimer B. Fuller III	59,465
David C. Hurley	—
Øivind Lorentzen III	—
Robert M. Melzer	—
Michael Norkus	—
Philip J. Ringo	—
Peter O. Scannell	10,125
Mark A. Scudder	10,125
Directors' Cash Compensation General	

During fiscal year 2011, our non-management directors earned an aggregate amount of \$485,880 in fees for service on our Board and its committees. We also reimburse our non-management directors for travel expenses in connection with their attendance of Board and committee meetings and trips to our facilities and operations. Our non-management directors are also granted DSUs representing shares of our Class A Common Stock associated with the deferral of fees for service on our Board, committees and chair fees as discussed below under "Deferral of Cash Compensation." Only our non-management directors are entitled to receive fees for Board service.

#### Board and Committee Fees

In 2011, our Board and Committee fees for the Audit, Compensation and Governance Committees included an annual retainer of \$30,000, with an additional fee of \$2,000 for each Board meeting the director attended in person and \$1,000 for each Board meeting the director attended telephonically. Directors who served on a Board committee (including an ad hoc committee) received a \$1,000 fee for each committee meeting attended in person or telephonically. In addition, the Chairman of the Audit Committee received an additional annual retainer of \$10,000, and the Chairman of the Governance Committee and the Chairman of the Compensation Committee received an additional annual retainer of \$5,000. In addition, members of the Australia Committee received \$10,000 for attending an Australia Committee meeting in person in Australia and \$1,000 for each Australia Committee meeting attended telephonically. These fees are pro-rated and paid quarterly.

## Fees Paid or Earned in Cash

The following table outlines the fees earned by each of our non-management directors in 2011 for service on our Board, but excludes any additional amounts associated with the deferral of fees discussed below. In 2011, our non-management directors elected to defer all of the fees that they earned.

Name	Annual Retainer	Committee Meeting Fees		Board Meeting Fees			Total
		In person	Telephonic	In person	Telephonic	Chair Fees	
Richard H. Allert	\$12,880	\$—	\$—	\$2,000	\$2,000	\$—	\$16,880
Mortimer B. Fuller III	30,000	—	—	12,000	2,000	—	44,000
David C. Hurley	30,000	2,000	1,000	8,000	4,000	—	45,000
Øivind Lorentzen III	30,000	3,000	5,000	10,000	2,000	—	50,000
Robert M. Melzer	30,000	7,000	7,000	10,000	4,000	10,000	68,000
Michael Norkus	30,000	9,000	7,000	12,000	3,000	—	61,000
Philip J. Ringo	30,000	29,000	12,000	12,000	3,000	—	86,000
Peter O. Scannell	30,000	4,000	2,000	10,000	2,000	5,000	53,000
Mark A. Scudder	30,000	9,000	5,000	10,000	3,000	5,000	62,000
Total	\$252,880	\$63,000	\$39,000	\$86,000	\$25,000	\$20,000	\$485,880

## Deferral of Cash Compensation

Under the Omnibus Plan, each non-management director can elect to have all or a portion of his earned annual retainer, Board and committee fees, and chair fees paid in DSUs representing shares of our Class A Common Stock. To the extent a director elects to defer all or a portion of these fees, the participating director's account is credited on a quarterly basis with DSUs having a value equal to 125% of the cash compensation he elected to defer. Specifically, the number of DSUs credited to each participating director's account is equal to the result obtained by dividing the dollar amount credited to such director's account by the per share market price of the Class A Common Stock at the close of business on the second to last business day of the quarter in which such director would have otherwise been entitled to receive the cash compensation and multiplying that number by 1.25. DSUs in the accounts are subject to customary anti-dilution adjustments. A non-management director is not entitled to vote or transfer the Class A Common Stock represented by the DSUs in his account until the shares represented by DSUs are issued to him. These shares will be issued to the participating director or his designated beneficiaries (1) on the deferred payment date previously elected by him or (2) if earlier, upon his death, long-term disability or cessation of service as a director. In 2011, our non-management directors received additional shares valued at \$119,709 resulting from the 25% premium associated with the deferral of fees for service on our Board, and committee and chair fees.

## Restricted Stock Grants

Our non-management directors receive an annual equity award in the form of a grant of restricted stock. The grants are made on the date of the annual meeting or the date on which a new, non-management director joins the Board. In 2011, each non-management director (other than Mr. Allert) received an annual equity award in the form of a grant of restricted stock with a value of \$60,000 on May 26, 2011, based on a 12-month average stock price of \$47.87. Mr. Allert received his annual equity award in the form of a grant of restricted stock units on July 26, 2011 (the date he joined the Board), based on a 12-month average stock price of \$51.07. The grant date fair values of these awards, computed in accordance with ASC Topic 718, without taking into account estimated forfeitures, is shown in the table on pages 19 to 20. The annual restricted stock grant issued in the first year of a director's term vests in three equal installments on the dates of each of the next three annual meetings. The annual restricted stock grant issued in the second year of a director's term vests in two equal installments on the dates of each of the next two annual meetings. For the final year of the directors' three-year term and for new, non-management directors that have yet to be elected by our stockholders, the entire amount of the annual restricted stock grant vests on the date of the following year's annual meeting.



#### Director Stock Ownership Guidelines

Our Board believes that ownership of our stock by our directors aligns their interests with the interests of our stockholders. Therefore, our Board has adopted stock ownership guidelines that require our non-management directors to beneficially own 5,000 shares within five years of first being elected to our Board. All our non-management directors, except Mr. Allert and Ms. Reese, who only recently joined the Board, have met these share ownership guidelines.

#### Directors' Matching Gift Plan

Our Directors' Matching Gift Plan is designed to provide an additional incentive for our non-management directors to contribute to educational, cultural, environmental and charitable organizations of their choice. We will match gifts up to a total of \$5,000 per donor per year. Non-educational recipient organizations must be tax-exempt under Section 501(c)(3) of the IRC and must not be a religious organization. In addition, arts or cultural organizations must be open to and operated for the benefit of the public; environmental conservation organizations must be affiliated with national, regional or state-level organizations, must provide public benefits beyond individual communities and must engage in conservation efforts related to land, air and water use; and charitable organizations must be affiliated with local, state-regional or state-level organizations. Educational institutions can either be secondary schools, schools which offer two-year or four-year degrees above the high school level, graduate level schools or programs, accredited educational institutions or educational institutions that are tax-exempt under Section 501(c)(3) of the IRC. In 2011, we contributed \$36,250 pursuant to this plan. All charitable deductions made pursuant to this plan are taken solely by our Company, and our individual directors do not derive any personal financial benefit from the plan's implementation.

#### Chairman Employment Agreement

Pursuant to an employment agreement with Mr. Fuller, dated as of May 30, 2007, and as amended and restated December 30, 2009 ("Employment Agreement"), Mr. Fuller, in addition to serving as Chairman of the Board, can provide consulting services to the Company as an independent contractor until December 31, 2017 (the "Transitional Period"). Mr. Fuller is entitled to receive a retainer during the Transitional Period of \$10,000 per month to the extent he provides consulting services. He is also entitled to be paid life insurance premiums, plus a tax gross up on such premiums. Mr. Fuller has further agreed that during the Transitional Period and for a period of two years from the last day of the Transitional Period, which ends December 31, 2019, he will not, directly or indirectly, compete with the business of, solicit employees of, or induce business relations to cease doing business with, the Company or its subsidiaries.

## EXECUTIVE OFFICERS

Set forth below is certain information regarding each of our current Executive Officers.

John C. Hellmann, age 41, has been a director since 2006, our CEO since June 2007 and our President since May 2005. Previously, Mr. Hellmann was our CFO from 2000 to May 2005. Prior to that, Mr. Hellmann was an investment banker at Lehman Brothers Inc. and Schroder & Co. Inc. Mr. Hellmann also worked for Weyerhaeuser Company in Japan and the People's Republic of China. Mr. Hellmann has an A.B. from Princeton University, an M.B.A. from the Wharton School of the University of Pennsylvania and an M.A. in International Studies from the Johns Hopkins University School of Advanced International Studies (SAIS).

Timothy J. Gallagher, age 49, has been our CFO since May 2005. Prior to joining the Company, Mr. Gallagher was Senior Vice President and Treasurer of Level 3 Communications from 2004 to 2005. Prior to that, Mr. Gallagher held a number of financial positions during nearly five years at WilTel Communications and eight years at BP Amoco Corporation. Mr. Gallagher has a B.S.E. from Princeton University, an M.B.A. from the Wharton School of the University of Pennsylvania and an M.S. in Financial Mathematics from the University of Chicago.

James W. Benz, age 63, has been our Chief Operating Officer since May 2005. Previously, Mr. Benz was President of our Rail Link region for eight years. He founded Rail Link, Inc. in 1987, which was subsequently acquired by us in 1996, and he built the business into one of our largest operating units. His 40 years of railroad industry experience have included positions with the Seaboard Coast Line and CSX Transportation. Mr. Benz has a B.S. in Business Administration from the University of Tennessee. Mr. Benz also completed Harvard University's Advanced Management Program in 2006.

Allison M. Fergus, age 38, has been our General Counsel and Secretary since October 2006. Ms. Fergus joined the Company as Senior Counsel in November 2005. Prior to joining the Company, Ms. Fergus was an associate at Shearman & Sterling LLP in New York where she practiced in the capital markets group from 2001 to 2005. Prior to her employment at Shearman & Sterling, Ms. Fergus worked in the treasury group of Omnicom Group Inc. and at JPMorgan Chase, formerly Chase Manhattan Bank. Ms. Fergus has a B.S. in International Business from Georgetown University and a J.D. from Fordham University School of Law.

Christopher F. Liucci, age 43, joined the Company as Chief Accounting Officer and Global Controller in March 2006. Prior to joining the Company, Mr. Liucci worked with Genencor International, Inc. as Director of Global Financial Planning and Reporting from 1998 to 2006 and Controller of Financial Reporting/Internal Controls from 1997 to 1998. Prior to that, Mr. Liucci was an Audit Manager with Coopers & Lybrand L.L.P. (a predecessor to PwC), where he was an independent auditor for six years. Mr. Liucci is a certified public accountant and has a B.S. in Accounting from the State University of New York at Geneseo and an M.B.A. from The Simon School of the University of Rochester.

The Executive Officers serve at the discretion of our Board without specified terms of office.

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

Section 16(a) of the Exchange Act requires the Company's directors and Executive Officers, and any persons who beneficially own more than 10% of the Company's stock, to file with the SEC initial reports of ownership and reports of changes in ownership in our stock. Such persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. As a matter of practice, the Company's administrative staff assists the Company's Executive Officers and directors in preparing and filing these reports with the SEC.

To the Company's knowledge, based solely on the review of the reports filed by the Company on behalf of these individuals, the copies of such reports furnished to the Company, and written representations that no other reports were required, all such Section 16(a) filing requirements were met during 2011.

## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

#### The Compensation Committee

The Compensation Committee oversees our executive compensation program and reviews and approves all compensation decisions relating to Executive Officers on an annual basis.

#### Role of CEO and Compensation Consultants

In performing its duties, the Compensation Committee meets periodically with the CEO to review compensation policies and specific levels of compensation paid to Executive Officers and certain other key personnel. The CEO assists the Compensation Committee in evaluating the other Executive Officers' performance, establishing business performance targets and objectives, and recommending salary levels and incentive awards. The CEO also works with the Compensation Committee Chairman to establish the agenda for the Compensation Committee meetings, and management then prepares the information required for the meetings. This information typically includes reports, data and analyses with respect to current and proposed compensation, answers to inquiries from members of the Compensation Committee, and documents related to our compensation program. As necessary, the Compensation Committee meets in executive session.

The Compensation Committee has the authority under its charter to retain outside consultants or advisors as it deems necessary or advisable. In accordance with this authority, the Compensation Committee has historically engaged Frederick W. Cook & Co., Inc. ("Cook") as its independent outside compensation consultant to provide it with objective and expert analysis, advice and information with respect to compensation decisions relating to the CEO, other Executive Officers and certain other key personnel.

With the exception of the services provided by Cook to the Governance Committee with respect to non-management director compensation, which services continued in 2011, neither Cook nor any of its affiliates maintains other direct or indirect business relationships with the Company or any of its affiliates. To the extent Cook provides executive compensation services to the Compensation Committee, the services are conducted under the direction and authority of the Compensation Committee, and all work performed by Cook is pre-approved by the Chairman of the Compensation Committee.

#### Compensation Philosophy

The Compensation Committee has designed the Company's executive compensation program to reward safe operations as well as profitable annual results (as measured under the GVA methodology as discussed below) and long-term increases in stockholder value as reflected in our share price.

Consistent with the Company's performance-based culture and desire to attract and retain outstanding executives, the Compensation Committee has designed the Company's executive compensation program to total target compensation near the market median (based on the peer group), with the opportunity for compensation to exceed the market median in the event of noteworthy performance as reflected in GVA bonus payments or through the impact of share price increases on stock-based compensation. This approach seeks to more heavily weight executive compensation to reward the creation of long-term stockholder value, rather than toward short-term financial performance. Moreover, to encourage the stability of our leadership team, several elements of our executive compensation program include multi-year vesting provisions. In addition, our executive compensation program requires Executive Officers to retain significant ownership of the Company's stock to further align the interests of these individuals with the interests of our stockholders.

For our Executive Officers and certain other key personnel at higher levels of the organization, we place a greater emphasis on annual incentive compensation and long-term incentive compensation relative to annual base salary when compared to executives and managers in the rest of the organization. We believe that the mix of annual base salary, annual incentive compensation and long-term incentive compensation aligns the interests of management with the long-term interests of our stockholders by rewarding the achievement of meaningful annual goals and encouraging a long-term management perspective which discourages executives from taking unnecessary or excessive risks. The Compensation Committee periodically engages Cook to perform executive compensation studies to assess whether





the total target compensation for each of the Company's Executive Officers is consistent with the market median. In March 2008, the Compensation Committee engaged Cook to complete a market compensation benchmarking study of the compensation paid to Executive Officers. The results of the 2008 compensation study formed the basis of the compensation paid to the Executive Officers in 2009, and sought to establish the Executive Officers' total target compensation at the market median (based on the peer group). In 2011, Cook was engaged by the Compensation Committee to refresh the 2008 compensation study. The results of the 2011 compensation study are set forth below under "—2011 Executive Compensation Study Overview" on page 32 of this proxy statement.

#### Elements of the Company's Compensation Program

Our current executive compensation program consists primarily of:

• annual base salary;

• annual incentive compensation in the form of cash bonuses payable based on our performance as compared with our annual financial objectives calculated in accordance with our Genesee Value Added ("GVA") methodology (an economic value-added model), our safety objectives and individual performance objectives; and

• long-term incentive compensation in the form of stock option and restricted stock awards.

Executive Officers and other employees are also entitled to participate in the Company's 401(k) Savings Incentive Plan ("401(k) Plan"), which provides retirement benefits to employees and includes both employer and employee contributions. Executive Officers, as highly compensated employees, are also permitted to defer receipt of their salary or cash bonuses into accounts that mirror the gains and/or losses of several different investment funds we have selected under our Deferred Compensation Plan ("DCP"). The investment funds offered in the DCP are similar but not identical to those offered under our 401(k) Plan. In addition, the Company provides the Executive Officers with supplemental executive retirement benefits in the form of Defined Contribution Accounts under our DCP. The Company also provides additional long-term disability coverage to Executive Officers. Executive Officers and other employees are entitled to participate in the Company's employee stock purchase plan (the "Stock Purchase Plan") which permits participants to purchase our Class A Common Stock at approximately 90% of the lower of the closing price of the stock on the first day of the month and the second-to-last business day of the month, subject to specified limitations. Executive Officers also participate in other employee benefit plans on the same terms as all other Company employees. Information on these programs is set forth below under "Other Compensation." Additional information on these programs and amounts paid to the Executive Officers under these programs is set forth below under "Summary Compensation Table."

#### 2011 Annual Base Salary

We provide base salaries to recognize the scope of responsibilities, skills, competencies, experience and individual performance of each Executive Officer. The base salary paid to each Executive Officer serves as the foundation of the overall compensation program for the Executive Officer, and the pay-outs under the annual incentive compensation plan and long-term incentive compensation program are generally tied to, or expressed as a percentage of, base salary. The Compensation Committee annually reviews the base salaries of each Executive Officer.

Factors considered by the Compensation Committee in establishing base salaries each year include the Executive Officers' performance review for the prior year and recommendations of the CEO (for Executive Officers other than himself), changes in competitive compensation levels, changes in responsibilities, the work ethic of our management team, the demands associated with managing an international business, changes in the cost of living, peer group information, the Company's recent financial performance and retention considerations. The Compensation Committee also considers the Board evaluation of the CEO in connection with the annual review of the CEO's base salary. In certain years, the results of an executive compensation study are also considered. In 2011, the Compensation Committee deemed it appropriate to increase all Executive Officer base salaries by 2.5% to reflect typical salary increases in our industry (Class I railroads, general industry). This increase was also consistent with the increase provided to our general employee population. The base salaries for 2011 are set forth in the following table.

Name and Principal Position	2011 Base Salary
John C. Hellmann President and Chief Executive Officer	\$720,575
Timothy J. Gallagher Chief Financial Officer	415,125
James W. Benz Chief Operating Officer	356,700
Allison M. Fergus General Counsel and Secretary	307,500
Christopher F. Liucci Chief Accounting Officer and Global Controller	199,445

Annual Incentive Compensation Program—Cash Bonuses Under the GVA Methodology Under the Omnibus Plan  
We use our annual incentive compensation program as a tool to align our Executive Officers' interests with stockholders' interests and, to the extent possible, we seek to have annual incentive compensation qualify as tax deductible, performance-based compensation for the Company under Section 162(m) of the IRC. In 2011, the Compensation Committee established cash bonuses targeted at 35% to 90% of Executive Officers' annual base salary (the "total target annual cash bonus"), with such cash bonuses based upon several components, including Company-wide financial performance as measured under our GVA methodology, Company-wide safety performance and individual performance.

The financial performance targets for the Company are derived based on GVA. GVA is a measure of our after-tax operating profit less a capital charge. The capital charge is calculated by multiplying the Company's assumed, long-term weighted average cost of capital by the total capital invested in the business, a particularly relevant metric for our capital intensive railroad operations. We believe evaluating financial performance based on GVA motivates Executive Officers and other key employees to produce results that increase stockholder value and encourages individual and team behavior that helps the Company achieve both its short- and long-term corporate objectives. The financial performance component weight ranges from 35% to 85% of the total target annual cash bonus amount depending on the Executive Officer's responsibility for the Company's financial results. The safety performance targets for the Company are derived from the ratio of the number of reportable injuries per 200,000 man-hours worked, as defined by the United States Federal Railroad Administration ("FRA"). FRA reportable injuries represent a verifiable way of monitoring safety and benchmarking our safety results against other railroads. Safety performance is included as a component of our annual incentive compensation program with a component weight ranging from 15% to 20% of the total target annual cash bonus amount, because we are committed to protecting the personal well-being of our employees and the communities in which we operate. We believe safe operations minimize high cost injuries and insurance-related expenses and translate into efficient and profitable railroads. For the General Counsel and the Chief Accounting Officer, an individual performance component weighted at 50% is also included in the calculation of the total target annual cash bonus to motivate attainment of personal goals specific to their departmental functions that further our corporate objectives and to mitigate the risk of pressure to influence financial disclosure or legal decisions that could affect overall compensation.

The following table illustrates the total target amount of annual cash bonus payments as a percentage of base salary established on February 2, 2011 (for fiscal year 2011) for each of our Executive Officers, the weighting assigned to each component measure, and the range for the annual potential cash bonuses as a percentage of the total target cash bonus and as a percentage of base salary. The range for potential cash bonuses as a percentage of base salary is calculated as the product of the total target bonus amount as a percentage of base salary multiplied by the total target annual cash bonus at both zero and 200%.

Name and Principal Position	Total Target Annual Cash Bonus as a % of Base Salary	Financial Performance Component Weight % of Total Target Annual Cash Bonus		Safety Performance Component Weight % of Total Target Annual Cash Bonus		Individual Performance Component Weight % of Total Target Annual Cash Bonus		Range of Annual Cash Bonus as a % of Target	Range of Annual Cash Bonus as a % of Base Salary							
		%	%	%	%	%	%									
John C. Hellmann President and Chief Executive Officer	90	%	85	%	77	%	15	%	14	%	—	—	0% - 200%	0% - 180%		
Timothy J. Gallagher Chief Financial Officer	60	%	85	%	51	%	15	%	9	%	—	—	0% - 200%	0% - 120%		
James W. Benz Chief Operating Officer	60	%	80	%	48	%	20	%	12	%	—	—	0% - 200%	0% - 120%		
Allison M. Fergus General Counsel and Secretary	50	%	35	%	18	%	15	%	8	%	50	%	25	%	0% - 200%	0% - 100%
Christopher F. Liucci Chief Accounting Officer and Global Controller	35	%	35	%	12	%	15	%	5	%	50	%	18	%	0% - 200%	0% - 70%

The Company calculates the actual annual cash bonus earned independently for each of the financial, safety and individual performance components, with the amounts earned for each component added together, with negative and positive amounts netted to determine the total cash bonus earned. In the event that the total cash bonus earned is in excess of 200% of the total target annual cash bonus amount (or less than zero), the amount paid is reduced to 200% or increased to zero, respectively. Positive and negative amounts earned each year but not paid as a result of the 200% cap and the floor of zero are carried forward to subsequent years' bonus calculations, and amortized over a three year period. However, no employee has any right to any amounts carried forward if his or her employment terminates before the carried forward amounts are paid in subsequent years, and no employee has any obligations related to negative amounts carried forward if his or her employment terminates. Therefore, when the Company performs well, based on financial or safety performance targets, Executive Officers receive greater cash bonuses. Conversely, in the event financial or safety performance fall below established targets, Executive Officers may receive reduced or even no cash bonuses and could even have a negative bonus carried forward that would reduce bonuses paid in subsequent years. In addition, Executive Officers with sustained high individual performance are rewarded more than those in similar positions with lesser performance to the extent individual performance represents a portion of the target bonus. Annual incentive compensation for 2011 was based on the Company's financial performance, safety performance and individual performance, as applicable. For 2011, as was the case in the prior years, at the beginning of the year the Compensation Committee approved annual financial and safety goals and total target cash bonuses as a percentage of base salary unchanged from prior years, with the exception of Mr. Hellmann, whose target cash bonus increased from 80% to 90% of base salary in 2011. This increase established Mr. Hellmann near the peer group cash bonus percentage average, and was made in recognition of Mr. Hellmann's leadership and continued success in his role as CEO. It was also noted that the compensation adjustments to Mr. Hellmann's annual incentive compensation in prior

years were reflective of his relatively short tenure in his position as CEO. The Compensation Committee set the financial performance target at a level that would make it reasonably difficult to achieve when taking into account the business environment at the time the target was established. Actual corporate financial performance payouts between 2002 to 2011 met or exceeded the established targets only four times. The safety performance target was also set at a level that would make it reasonably difficult to achieve when compared with the historic safety results of Class II and Class III railroads and at a level that encourages year-over-year safety improvements. In 2011, the corporate safety performance target was set at 0.75 FRA reportable injuries per 200,000 man-hours worked for a 100% payout. Actual corporate safety performance payouts for 2002 to 2011 met or exceeded the established targets seven times. For 2002 to 2011, actual total payouts to Executive Officers have ranged from 31% to 200% of the targeted bonuses (excluding the impact of positive carryover bonus amounts).

In 2011, the Company realized 87% of its target bonus for financial performance and 172% of its target bonus for safety performance as a result of its consistent corporate financial performance and exceptional safety performance of 0.53 FRA reportable injuries per 200,000 man-hours worked, which results yielded an average aggregate bonus payout of 102% of the

2011 total target cash bonus amount for the Executive Officers. In addition, amounts earned in 2010 over 200% of the financial performance target were carried over to the 2011 bonus calculations, as described above, and are reflected in the bonuses paid for 2011. Including the amortization of excess bonus amounts from 2010, the actual 2011 bonus awards paid to our Executive Officers were between 108% and 112% of target annual cash bonuses (and yielded an average aggregate bonus payout of 110% of the 2011 target cash bonus amount). The Company's 2011 performance resulted in approximately \$5.8 million of annual cash bonuses for all participants in the annual incentive compensation program, with \$1.5 million of the cash bonuses attributable to our Executive Officers. Specifically, based on 2011 performance and inclusive of 2010 financial performance carryover amounts, Messrs. Hellmann, Gallagher and Benz were paid a bonus equal to 108%, 109% and 112%, respectively, of their target annual cash bonus. For 2011, Ms. Fergus and Mr. Liucci earned a bonus equal to 110% and 112%, respectively, of their target annual cash bonus and inclusive of 2010 financial performance carryover amounts. Ms. Fergus and Mr. Liucci received 100% and 105%, respectively, of their individual performance components in 2011. The attainment of the individual performance metric by Ms. Fergus and Mr. Liucci was determined by the CEO and CFO, respectively, based on their achievement of pre-established goals and objectives specific to their respective functions. Mr. Liucci's enhanced responsibilities and ongoing efforts associated with integrating acquisitions were also recognized by the Compensation Committee as part of his individual performance bonus. For additional information on actual amounts of annual incentive compensation paid to Executive Officers, see the Non-Equity Incentive Plan Compensation column included in the "Summary Compensation Table."

#### Long-Term Incentive Compensation Program—Equity Awards under the Omnibus Plan—Stock Options and Restricted Stock Awards

We use our long-term incentive program to provide equity awards, including stock options and restricted stock awards, to our Executive Officers and other key personnel. Awards are granted to our Executive Officers at the discretion of the Compensation Committee and are based on each executive's contribution and expected future contribution to our success, with input from the CEO with respect to Executive Officers other than himself. The Compensation Committee views stock options as an important component of overall executive compensation because stock options emphasize our objective of increasing stockholder value. The Compensation Committee views restricted stock awards as providing compensation that promotes a long-term financial interest in the Company. Historically, the program provided an opportunity for Executive Officers to receive long-term incentive compensation in the form of annual equity awards valued at between 50% and 213% of annual base salary. The actual amount of the annual equity award has been based on both individual and corporate financial performance as assessed by the CEO, with respect to Executive Officers other than himself, and by the Compensation Committee, based on guidance from independent consultants, when requested. Additional considerations have included the amounts paid as annual incentive compensation, individual performance of the Executive Officers, share retention requirements and other factors that were deemed relevant by the Compensation Committee.

Prior to 2010, the Compensation Committee delivered long-term incentive compensation through awards comprised of 70% stock options and 30% restricted stock. In 2010, the Compensation Committee indicated its intent to move to a 50%/50% mix of stock options and restricted stock awards for 2011 and subsequent years. The Compensation Committee determined that a 50%/50% allocation between stock options and restricted stock awards provides a better balance between the highly leveraged nature of stock options and the stock ownership benefits of restricted stock. In 2010, for each Executive Officer, stock options constituted approximately 30% of the value of total long-term incentive compensation, and restricted stock awards constituted the remaining 70% to balance out the historic mix in furtherance of achieving the goal of a 50%/50% mix. This emphasis on long-term incentives is intended to align the long-term financial interests of our Executive Officers with those of our long-term stockholders and provide a retention incentive to our Executive Officers. In 2011, the 50%/50% mix of stock options and restricted stock awards was implemented.

Consistent with the Company's philosophy of aligning management and stockholder interests and considering the future contributions expected of our Executive Officers, the Compensation Committee granted 2011 long-term incentive equity awards to our Executive Officers ranging in value from 84% to 250% of 2011 annual base salary, largely unchanged from 2010, with the exception of Mr. Hellmann. Mr. Hellmann's 2011 equity award as a percentage

of base salary in 2011 increased from 213% in 2010 to 250% in 2011 as a result of Compensation Committee's determination that Mr. Hellmann's voluntary reduction in compensation in fiscal years 2009 and 2010 rendered his long-term equity compensation significantly below the market median for the peer group identified during the 2008 compensation study. The increase to a 250% equity award as a percentage of base salary moved Mr. Hellmann closer to the market median. In addition, in early 2011 the Compensation Committee approved a special restricted stock grant in the amount of \$300,000 to Mr. Hellmann in recognition of the Company's success in fiscal year 2010. The Compensation Committee approved the vesting of this special restricted stock grant over two years, to achieve a result more consistent with a grant that would have been awarded in 2010 but for Mr. Hellmann's voluntary compensation reduction.

The 2011 long-term incentive program equity awards for each Executive Officers as a percentage of base salary are set forth below:

Name and Principal Position	2011 Equity Award as a Percentage of Base Salary
John C. Hellmann President and Chief Executive Officer	250%
Timothy J. Gallagher Chief Financial Officer	150%
James W. Benz Chief Operating Officer	150%
Allison M. Fergus General Counsel and Secretary	100%
Christopher F. Liucci Chief Accounting Officer and Global Controller	84%

For additional information on the value of the 2011 long-term equity incentive awards to Executive Officers, see the Grant Date Fair Value of Stock and Option Awards column included in the “2011 Grants of Plan-Based Awards” table on page 38.

In 2011, the total dollar value of annual long-term incentive compensation equity awards was approved by the Compensation Committee on February 2, 2011, and the total dollar value was delivered through four quarterly grants on February 28, May 31, August 31 and November 30, 2011, consistent with the Company’s stock-based award policy. The Compensation Committee believes that using the share price on four distinct days to calculate the number and exercise price of stock options and number of shares of restricted stock to be granted to the Executive Officers will be more indicative of the actual average share price performance during the year than using a single date during the year. The stock option awards and restricted stock awards for Executive Officers and other key personnel include confidentiality and non-compete obligations, which if violated would result in a forfeiture of unexercised options and unvested restricted stock awards and disgorgement of any gains on option awards and restricted stock awards during the previous six months. The option awards and restricted stock awards for Executive Officers are also subject to acceleration of vesting upon a change of control, which the Compensation Committee believes allows our Executive Officers to focus on their responsibilities and provides security against unpredictable actions of successor corporations following a qualifying change of control of the Company.

#### Share Retention Guidelines

The Compensation Committee has adopted share retention guidelines for the Executive Officers and other key personnel to further align the interests of these individuals with the interests of our stockholders. Under the guidelines, the Executive Officers are expected to maintain a significant ownership position in our Class A Common Stock, which is based on a multiple of such executive’s then current base salary and the then current stock price on the date of adoption or revision of the guidelines, but expressed as a number of shares. Notwithstanding the guidelines, Executive Officers are permitted to sell shares to finance the exercise price of an equity award, if applicable, and to settle any tax obligations in connection with the exercise or vesting of an equity award. Although the share ownership guideline amount is not required to be satisfied in any particular period of time, until the share guideline is satisfied, Executive Officers are required to retain 50% of any net shares that remain following the payment of exercise prices and tax obligations related to the exercise of stock options and the payment of tax obligations following the vesting of restricted stock awards. Waivers of the guidelines can be granted by the CEO for Executive Officers (other than himself) and key employees and by the Compensation Committee for the CEO. Waivers are generally granted only for serious and unforeseen hardship circumstances. It has been our practice to reevaluate the retention guidelines in connection with significant changes to base salaries. No changes to the share retention guideline amounts or required retention percentages were deemed necessary in 2011.





The share retention guideline amounts for our Executive Officers are set forth below:

Principal Position	Share Guideline Amount
President and CEO	135,000
Chief Financial Officer	30,000
Chief Operating Officer	30,000
General Counsel and Secretary	30,000
Chief Accounting Officer and Global Controller	15,000

In determining whether our share retention guidelines have been met, restricted stock, shares held by a spouse or minor child who resides with the Executive Officer or key employee and shares held by a trust established for estate or tax planning purposes that is revocable by the Executive Officer, key employee or his or her spouse are considered owned. With the exception of the General Counsel and Chief Accounting Officer, all of the Executive Officers meet the share guideline amount.

#### Other Compensation

##### 401(k) Plan

Executive Officers and other employees are entitled to participate in our 401(k) Plan, which provides retirement benefits to employees and provides for employer and employee contributions. For 2011, the Company matched 100% of employee contributions to the 401(k) plan, up to the lesser of 4% of the employee's salary or \$9,800.

##### Stock Purchase Plan

Executive Officers and other employees who have been employed for more than one year and customarily work more than 20 hours per week are entitled to participate in our Stock Purchase Plan. Our Stock Purchase Plan permits participants to purchase our Class A Common Stock at approximately 90% of the lower of the closing price of our Class A Common Stock on the first business day of the month and the second-to-last business day of the month. Participants in the Stock Purchase Plan may not purchase stock with an aggregate fair market value in excess of \$25,000 during any calendar year or make purchases that would cause such participant to own 5% or more of the Company's then-outstanding Class A Common Stock. Stock purchases under the Stock Purchase Plan are funded through payroll deductions of up to 10% of a participant's regular earnings. The Stock Purchase Plan is intended to encourage ownership of our Class A Common Stock by our employees at all levels of employment and thereby provide them with the incentive created by stock ownership. The Stock Purchase Plan is also intended to provide a more efficient mechanism for our employees to acquire stock ownership. The Compensation Committee administers the Stock Purchase Plan.

##### Long-Term Disability Insurance

Executive Officers and certain other employees receive coverage under our long term-disability insurance program, which provides a monthly income in the event of the executive's disability. The Compensation Committee believes that this benefit is a normal component of a competitive executive compensation program and that it is useful to the retention of talented executives. For 2011, this coverage provided a monthly benefit of 60% of the Executive Officer's base salary and annual incentive compensation, up to a maximum payment of \$15,000 per month.

##### Deferred Compensation Plan

Starting in 2004, we began offering a deferred compensation plan. The DCP allows senior employees, including our Executive Officers, to defer receipt of their salary and/or bonus payments into accounts that mirror the gains and/or losses of several different investment funds we have selected. Please see "2011 Nonqualified Deferred Compensation" for a more detailed discussion of the DCP.

The Company has established a supplemental executive retirement benefit in the form of a Defined Contribution Account under the Company's DCP for each Executive Officer. The Defined Contribution Accounts are considered as part of the Compensation Program. The Compensation Committee believes supplemental executive retirement plans such as the Defined Contribution Accounts are an important part of executive compensation and are utilized by many companies that compete with the Company for executive talent. Retirement benefits, including those provided through the Defined Contribution Accounts, are an important component of an executive's overall compensation program and

are necessary to attract and retain talented executives. Retirement benefits are an important factor in an executive's decision to accept or reject a new position. Annual Company contributions to the Executive Officer's account vest at the rate of 20% per year, subject to

31

---

acceleration of vesting in the event of a change of control, death or disability, each as defined under the DCP. The Company reserves the right to change the annual Company contributions made to an Executive Officer's account from time to time, in such amount as it may determine, as a result of changes in specified assumptions. Additional information regarding the Deferred Contribution Accounts is set forth in "2011 Nonqualified Deferred Compensation" below.

For Mr. Benz, the Company also established a benefit that is administered through the DCP, such that he receives an annual contribution to his Defined Contribution Account that is equal to the amount that he previously received to fund his modified split-dollar life insurance policies which were terminated by mutual agreement in 2009.

Notwithstanding the vesting schedule set forth above, each of Mr. Benz's contributions is immediately vested when credited to his account, as the benefit to Mr. Benz was established in lieu of his historic split-dollar life insurance policies.

There were no material changes to Defined Contribution Account contributions made on behalf of the Executive Officers in 2011.

#### Perquisites

We provide certain of our Executive Officers perquisites and other personal benefits. The Compensation Committee has reviewed and approved each of the perquisites provided to Executive Officers. While the Compensation Committee does not consider these perquisites to be a significant component of executive compensation, it recognizes that such perquisites are a factor in attracting and retaining talented executives. Additional information with respect to the perquisites paid to our Executive Officers is set forth in "Summary Compensation Table" below.

#### 2011 Executive Compensation Study Overview

In 2011, Cook provided services to the Compensation Committee and the Governance Committee of the Company. In April 2011, the Compensation Committee engaged Cook to complete a market compensation benchmarking study of the compensation paid to our senior executive team, which included all Executive Officers (the "2011 Compensation Study"). The goal of the 2011 Compensation Study was to ensure the continued alignment of our executive compensation programs with the Company's business objectives and performance and to ensure that the Company's compensation programs permit us to attract, retain and reward executives who contribute to our long-term success and increase stockholder value over the long term. As has been the past practice, the Compensation Committee sought to establish total target compensation near the market median (based on the peer group), with an emphasis on compensation that rewards the creation of long-term stockholder value. The results of the 2011 Compensation Study formed the basis of the decisions related to the changes made to Executive Officers' compensation for fiscal year 2012. The 2011 Compensation Study included the development of a peer group of 20 public companies with similar attributes to the Company. This peer group was used as an external reference point in benchmarking each element of the Company's compensation paid to the Executive Officers, including base salary, annual bonus opportunities, long-term equity incentives and other compensation. Since there is limited publicly disclosed compensation data for the direct competitors of the Company, the peer group used for benchmarking the Executive Officers' compensation was selected based on various objective criteria consistent with the criteria used to establish the peer group for the 2008 Compensation Study. The objective criteria included companies with U.S.-based operations, and publicly traded stock. The criteria also sought companies with similar revenue and market capitalizations (with comparable valuations), comparable financial performance, growth rates and earnings before interest, tax, depreciation and amortization, similar geographic locations to the Company as well as other relevant attributes (the "peer group"). The Compensation Committee also sought to include companies in the transportation industry with financial or investing exposure. The peer group for the 2011 Compensation Study was comprised of the following:

Kansas City Southern	Triumph Group, Inc.
Kirby Corporation	Hubbell Inc.
Hexcel Corporation	Carbo Ceramics Inc.
Westinghouse Air Brake Technologies Corporation	Waddell & Reed Financial, Inc.
Gartner Inc.	Atwood Oceanics, Inc.
Teledyne Technologies Incorporated	Valmont Industries, Inc.
Esterline Technologies Corporation	Woodward, Inc.

Knight Transportation, Inc.  
Bristow Group Inc.  
Heico Corporation

Atlas Air Worldwide Holdings, Inc.  
The Middleby Corporation  
RailAmerica, Inc

Of the 20 companies in the peer group, 12 had been in the 2008 Compensation Study. New companies were selected in 2011 to replace companies that had been in the peer group, but were eliminated due to weaker relative revenue or earnings performance as compared to the Company that resulted in their failure to satisfy the objective criteria applied to these measures. At the time the peer group was selected in July 2011, the Company was positioned relative to the peer group as follows: slightly above the 25<sup>th</sup> percentile for company size (as measured by annual revenue), slightly above the 75<sup>th</sup> percentile for total assets, near the median for market capitalization and enterprise value and significantly above the 75<sup>th</sup> percentile in terms of financial performance (as generally measured by 3-year growth in revenues and earnings before interest, taxes, depreciation and amortization) and above the 75<sup>th</sup> percentile for total stockholder return over a one and three year period.

Following the 2011 Compensation Study, the Compensation Committee determined it was appropriate to adjust the 2012 target compensation for each Executive Officer to generally align compensation levels near the 50<sup>th</sup> percentile of compensation for the peer group. A summary of the changes to each element of Company's compensation program for each Executive Officer as a result of the 2011 Compensation Study is set forth in the table below.

2012 Executive Officer Compensation	John C. Hellmann President and Chief Executive Officer	Timothy J. Gallagher Chief Financial Officer	James W. Benz Chief Operating Officer	Allison M. Fergus General Counsel and Secretary	Christopher F. Liucci Chief Accounting Officer and Global Controller	
Annual Base Salary	\$800,000	\$427,579	\$380,000	\$350,000	\$225,000	
% Increase v. 2011	11	% 3	% 7	% 14	% 13	%
Total Target Annual Cash Bonus (as a % of Base Salary) (1)	90	% 60	% 60	% 50	% 35	%
% Change v. 2011	—	% —	% —	% —	% —	%
Expected Cash Bonus (Based on Target)	\$720,000	\$256,547	\$228,000	\$175,000	\$78,750	
Total Target Annual Cash Compensation	\$1,520,000	\$684,126	\$608,000	\$525,000	\$303,750	
Equity Award (as a % of Base Salary) (2)	240	% 160	% —	% 100	% 84	%
% Change v. 2011	(10	%) 10	% (150	%) —	% —	%
Special Cash Bonus Opportunity	\$—	\$—	\$190,000	\$—	\$—	
Total Target Compensation	\$3,440,000	\$1,368,252	\$798,000	\$875,000	\$492,750	
DC/DCP Retirement Benefit	\$136,573	\$83,945	\$68,012	\$44,574	\$30,054	
% Change v. 2011	113	% 23	% —	% 6	% (6%)	%
Net Change in Total Target Compensation	8	% 2	% (28	%) 8	% 4	%

(1) Represents the Total Target Annual Cash Bonus Amount under the Company's Annual Incentive Compensation Program under the GVA methodology.

(2) Represents the Long-Term Incentive Compensation Program - Equity Awards.

When aligning total compensation for each of the Executive Officers near the 50<sup>th</sup> percentile of compensation for the peer group, the Compensation Committee noted the Company's continued growth in revenues and earnings as well as the significant contributions and positive performance reviews for each of the Executive Officers. Specifically, the increase in Mr. Hellmann's compensation was intended to align his annual base salary with that of his peers. For Mr. Gallagher, it was determined that his long-term incentive compensation program equity award was approximately 10% lower than market levels for his peers. Mr. Benz's base salary was increased to align with the 50<sup>th</sup> percentile of the peer group. However, in light of Mr. Benz's planned retirement in early 2013, it was determined that his compensation should be restructured to align with his expected tenure with the Company. As a result, in lieu of a

long-term incentive compensation program equity award that would vest over three years (consistent with the Company's compensation philosophy) and not be earned as a result of Mr. Benz's retirement, the Compensation Committee approved a special cash bonus opportunity of \$190,000 for Mr. Benz that is payable based upon the successful transition of his role to his successor. Ms. Fergus and Mr. Liucci both received increases in their annual base salary to generally align with the 50<sup>th</sup> percentile of the peer group. The increases for Ms. Fergus and Mr. Liucci also recognize the continued growth in their departments and the additional responsibilities associated with their roles as the Company continues to grow. As a result of the increases set forth above, the Company also increased the contributions made to the Defined Contribution DCP Retirement Benefit Accounts for Messrs. Hellmann and Gallagher and Ms. Fergus such that 2012 contributions will be \$136,573, \$83,945 and \$44,574, respectively. There were no other changes made to the Other Compensation paid to Executive Officers as a result of the 2011 Compensation Study.

### Continuity and Employment Agreements

The Compensation Committee believes that continuity agreements, or change of control arrangements, are necessary to attract and retain the talent necessary for our long-term success. However, the Compensation Committee does not view the potential payments payable to our Executive Officers under the applicable continuity agreements as an additional element of compensation. Rather, the Compensation Committee believes that these commitments by the Company provide security to our executives should their employment be terminated following a change of control through no fault of their own, thus, allowing our executives to focus on their responsibilities to the Company. Currently, all of our Executive Officers are parties to continuity agreements with the Company. These agreements require the Company to provide compensation to the Executive Officers as described below under “Potential Payments Upon Termination, Change of Control or Certain Other Events” in the event of a qualifying change of control of the Company followed by termination of the executive without cause or resignation by the executive for good reason, each as defined in the agreements. This double trigger approach results in payment under our change of control provisions only if the Executive Officer is harmed. In consideration for the payments under the continuity agreements, each executive has agreed to restrictions in his or her ability to compete for a period of 12 months following termination.

We believe our continuity agreements are generally consistent with those in our prevailing marketplace and are important for attracting and retaining executives whose leadership is critical to our long-term success and competitiveness. The components of our continuity agreements recognize that a significant portion of participating executives’ total compensation may at any point in time consist of unvested stock options or restricted stock holdings and that some measure of protection against possible but unpredictable actions of successor corporations is desirable for both the executive and the Company. Additionally, the structures of our continuity agreements help ensure management retention during any change of control. The amount of compensation payable to each Executive Officer under the continuity and employment agreements is set forth under “Potential Payments upon Termination, Change of Control and Certain Other Events.”

The Company has not entered into agreements with Executive Officers that provide for severance payments related to voluntary termination; involuntary, not for cause termination unrelated to a change of control; or termination for cause.

### Deductibility of Compensation

Section 162(m) of the IRC generally disallows public companies from claiming a tax deduction for compensation in excess of \$1 million paid to their chief executive officer or any of the three other most highly compensated Executive Officers other than the CFO. However, the statute exempts qualifying performance based compensation from the \$1 million limitation if specified requirements are met. Additionally, cash compensation voluntarily deferred by the Executive Officers named in this proxy statement under the DCP is not subject to the Section 162(m) limitation until the year paid. The tax impact of any compensation arrangement is one factor considered by the Compensation Committee in light of the Company’s overall compensation philosophy and objectives, but there are circumstances where the compensation awarded to Mr. Hellmann and other highly compensated Executive Officers may not be fully deductible to the Company.

### Policy on Non-Public Information and Trading in Company Stock

The Company’s policy permits directors, Executive Officers and other key employees to trade Company securities only during limited window periods following earnings releases and only after they have pre-cleared transactions with the legal department. Although we do not have a formal policy that prohibits transactions that hedge an individual’s economic risk of owning shares of our common stock, we believe all such transactions by directors and Executive Officers in 2011 have been publicly disclosed.

### Elements of Total Compensation—Risks and Mitigants

The Compensation Committee believes that the structure of the executive compensation program provides a mix of cash and equity compensation that balances short- and long-term incentives. We believe that the different time horizons and metrics used in the annual and long-term elements of compensation provide incentives to build the Company’s business prudently and profitably over time, while encouraging retention of our top talent. In addition, each element of compensation has been designed and is administered in a manner intended to minimize potential risks to

the Company. The result is a program that the Compensation Committee believes mitigates inappropriate risk taking and aligns the interests of Executive Officers with those of the Company's stockholders.

**Say-on-Pay and Say-on-Frequency Results**

The Compensation Committee considered the result of the 2011 advisory, non-binding "say-on-pay" proposal in connection with the discharge of its responsibilities. A substantial majority of our stockholders approved the compensation of



our named executive officers described in our proxy statement in 2011. As the stockholder advisory vote was held after the Compensation Committee had determined the compensation to be paid to the Company's named executive officers for 2011, the Compensation Committee did not take such results into account in determining executive compensation for 2011. However, in determining and deciding on executive compensation for fiscal year 2012, our Compensation Committee took into account the results of the 2011 shareholder advisory vote on executive compensation, particularly the strong support expressed by the Company's stockholders, as one of many factors considered in deciding that the Company's compensation policies and procedures for 2012 should largely remain consistent with our policies and procedures in prior years, subject to adjustment in accordance with the results of 2011 Compensation Study.

In light of the voting results with respect to the frequency of stockholder votes on executive compensation at the 2011 Annual Meeting of Stockholders in which a plurality of our stockholders voted for "say-on-pay" proposals to occur every three years, the Board of Directors decided that the Company will hold, in accordance with the results of such vote, a triennial advisory vote on the compensation of named executive officers until the next required vote on the frequency of stockholder votes on executive compensation. Accordingly, we currently expect to hold the next "say-on-pay" vote at the Company's 2014 Annual Meeting of Stockholders. We currently expect to next hold a stockholder vote on frequency to occur at the Company's 2017 Annual Meeting of Stockholders.

#### COMPENSATION COMMITTEE REPORT

We have reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on our review and discussions with management, we have recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and in the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

Compensation Committee  
Mark A. Scudder, Chairman  
David C. Hurley  
Robert M. Melzer

## SUMMARY COMPENSATION TABLE

The following table and footnotes set forth information for the years ended December 31, 2011, 2010 and 2009 concerning compensation awarded to, earned by or paid to our Executive Officers.

Name and Principal Position	Year	Salary (1)	Bonus (1)(2)	Stock Awards (3)	Option Awards (4)	Non-Equity Incentive Plan Compensation (5)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (6)	All Other Compensation (7)	Total
John C. Hellmann	2011	\$720,575	\$—	\$1,200,043	\$900,003	\$ 698,836	\$ —	\$ 92,852	\$3,612,309
President and Chief Executive Officer	2010	703,000	—	1,050,007	450,000	1,124,800	—	92,062	3,419,869
	2009	703,000	109,408	69,085	861,131	171,792	—	97,150	2,311,566
Timothy J. Gallagher	2011	415,125	—	311,353	311,350	270,765	—	102,655	1,411,248
Chief Financial Officer	2010	405,000	70,000	425,932	182,254	486,000	—	101,580	1,670,766
	2009	405,000	47,273	182,265	425,222	74,227	—	101,534	1,235,521
James W. Benz	2011	356,700	—	267,542	267,528	240,663	53,596	98,055	1,284,084
Chief Operating Officer	2010	348,000	30,000	365,418	156,597	417,600	17,619	96,194	1,431,428
	2009	348,000	19,806	156,586	365,377	84,594	8,562	98,614	1,081,539
Allison M. Fergus	2011	307,500	—	153,750	153,740	169,071	—	64,838	848,899
General Counsel and Secretary	2010	300,000	50,000	209,985	90,000	225,000	—	68,158	943,143
	2009	300,000	—	105,456	246,019	120,337	—	63,082	834,894
Christopher F. Liucci	2011	199,445	—	83,770	83,765	78,507	—	59,313	504,800
Chief Accounting Officer and Global Controller	2010	194,580	50,000	114,405	49,027	102,155	—	54,980	565,147
	2009	194,580	—	49,024	114,411	54,636	—	59,206	471,857

Salary and bonuses are reported in the year in which the compensable service was performed even if we paid the (1) compensation in a subsequent year or if the executive elected to defer a portion of such compensation. Mr. Benz deferred \$44,760 of his salary into the DCP. See “2011 Nonqualified Deferred Compensation.”

Amounts in 2010 reflect the discretionary bonuses paid to certain Executive Officers in February 2011 for the (2) significant 2010 efforts associated with the acquisition of FreightLink in Australia. Amounts in 2009 reflect the discretionary bonuses paid to certain Executive Officers in February 2010 for the significant efforts required to achieve the 2009 operating and financial results in light of the economic downturn.

(3) The amounts in the Stock Awards column reflect aggregate grant date fair value for restricted stock granted by us in 2011, 2010 and 2009 computed in accordance with ASC Topic 718, without taking into account estimated forfeitures. For discussion of the assumptions made in the valuation of these awards, refer to Note 15 to our consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended

December 31, 2011.

The amounts included in the Option Awards column reflect aggregate grant date fair value for stock options granted by us in 2011, 2010 and 2009 computed in accordance with ASC Topic 718, without taking into account (4) estimated forfeitures. For discussion of the assumptions made in the valuation of these options, refer to Note 15 to our consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

For 2011, 2010 and 2009, the amounts reflect the cash bonuses paid under the Annual Incentive Compensation Program based on targets that were established in early 2011, 2010 and 2009, respectively, by the Compensation (5) Committee and paid in February 2012, 2011 and 2010, respectively. For a discussion of the Annual Incentive Compensation Program, see “Executive Compensation—Compensation Discussion and Analysis—Annual Incentive Compensation Program—Cash Bonuses Under the GVA Methodology Under the Omnibus Plan.”

The amounts represent the increase in Mr. Benz’s actuarial accumulated pension benefit from December 31, 2010 to (6) December 31, 2011, December 31, 2009 to December 31, 2010 and December 31, 2008 to December 31, 2009, respectively, in the Rail Link Inc. Retirement Plan (“Rail Link Plan”). Pension benefits do not have above market or preferential interest rate returns. For additional information, see “2011 Pension Benefits” below.

The following table details each item of compensation of our Executive Officers for the fiscal years ended (7) December 31, 2011, required to be included in the All Other Compensation column:

Name	Company Contributions to Defined Contribution Plan	Company Contributions to Retirement 401(k) Plan (a)	Auto (b)	Other (c)	Total
John C. Hellmann	\$64,148	\$9,800	\$11,913	\$6,991	\$92,852
Timothy J. Gallagher	68,384	9,800	18,370	6,101	102,655
James W. Benz	68,012	9,800	13,000	7,243	98,055
Allison M. Fergus	42,133	9,800	9,364	3,541	64,838
Christopher F. Liucci	31,880	9,800	15,855	1,778	59,313

(a) Amounts reflect the Company's matching contributions to the Company's 401(k) Plan.

Amounts reflect cash payments for all annual automobile expenses, whether personal or business related. Mr. Benz

(b) receives a monthly cash car allowance. Amounts for Messrs. Hellmann, Gallagher and Liucci and Ms. Fergus reflect car leases, fuel, insurance and repairs paid on their behalf.

The amount for Mr. Hellmann represents premiums with respect to excess group life insurance, an additional term life policy and long-term disability insurance premiums, club dues, an executive physical exam and travel expenses. The amount for Mr. Gallagher represents the premiums with respect to excess group life insurance, an additional term life policy and long-term disability insurance premiums and health club dues. The amount for

(c) Mr. Benz represents the premiums with respect to excess group life insurance and long-term disability insurance, an executive physical examination and travel expenses. The amount for Ms. Fergus represents the premiums with respect to excess group life insurance and long-term disability insurance and travel expenses. The amount for Mr. Liucci represents premiums with respect to excess group life insurance and long-term disability insurance.

## 2011 GRANTS OF PLAN-BASED AWARDS

The following table provides information relating to estimated future payouts under non-equity incentive plan awards and grants of stock-based awards during the year ended December 31, 2011.

Name and Principal Position	Grant Date (1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#) (3)	All Other Option Awards: Number of Securities Underlying Options (#)(4)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) (5)
		Threshold (\$ (2))	Target (\$ (2))	Maximum (\$ (2))				
John C. Hellmann		\$—	\$720,000	\$1,440,000				
President and Chief Executive Officer	2/28/2011				4,319		\$224,977	
	2/28/2011 *				1,440		75,010	
	2/28/2011					15,453	\$52.09	224,996
	5/31/2011				3,791			224,996
	5/31/2011 *				1,264			75,018
	5/31/2011					14,268	59.35	225,006
	8/31/2011				4,332			225,004
	8/31/2011 *				1,444			75,001
	8/31/2011					14,754	51.94	224,999
	11/30/2011				3,685			225,043
	11/30/2011 *				1,228			74,994
	11/30/2011					12,512	61.07	225,002
Timothy J. Gallagher		\$—	\$256,603	\$513,205				
Chief Financial Officer	2/28/2011				1,494			\$77,823
	2/28/2011					5,346	\$52.09	77,838
	5/31/2011				1,311			77,808
	5/31/2011					4,936	59.35	77,841
	8/31/2011				1,499			77,858
	8/31/2011					5,104	51.94	\$77,836
	11/30/2011				1,275			77,864
	11/30/2011					4,329	61.07	77,835
James W. Benz		\$—	\$228,000	\$456,000				
Chief Operating Officer	2/28/2011				1,284			\$66,884
	2/28/2011					4,593	\$52.09	66,874
	5/31/2011				1,127			66,887
	5/31/2011					4,241	59.35	66,881
	8/31/2011				1,288			66,899
	8/31/2011					4,386	51.94	66,887
	11/30/2011				1,095			66,872
	11/30/2011					3,720	61.07	66,886
Allison M. Fergus		\$—	\$175,000	\$350,000				
General Counsel and	2/28/2011				738			\$38,442

Edgar Filing: GENESEE & WYOMING INC - Form DEF 14A

Secretary	2/28/2011		2,640	\$52.09	38,438
	5/31/2011	648			38,459
	5/31/2011		2,437	59.35	38,431
	8/31/2011	740			38,436
	8/31/2011		2,520	51.94	38,430
	11/30/2011	629			38,413
	11/30/2011		2,138	61.07	38,441

38

---

Name and Principal Position	Grant Date (1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#) (3)	All Other Awards: Number of Securities Underlying Options (#)(4)	Exercise or Base Price of Option Awards (\$/Sh) (5)	Grant Date Fair Value of Stock and Option Awards (\$) (5)
		Threshold (\$)(2)	Target (\$)(2)	Maximum (\$)(2)				
Christopher F. Liucci		\$—	\$78,750	\$157,500				
Chief Accounting Officer and Global Controller	2/28/2011				402		\$20,940	
	2/28/2011					1,438	\$52.09	\$20,937
	5/31/2011				353			20,951
	5/31/2011					1,328	59.35	20,943
	8/31/2011				403			20,932
	8/31/2011					1,373	51.94	20,938
	11/30/2011				343			20,947
	11/30/2011					1,165	61.07	20,947

(1) All option and restricted stock awards were approved at the February 2, 2011, Compensation Committee meeting.

The threshold, target and maximum amounts are established under our annual incentive compensation plan. For

(2) additional information, see “Annual Incentive Compensation Program — Cash Bonuses Under the GVA Methodology Under the Omnibus Plan.”

(3) Consists of restricted stock awards granted in 2011 under our long-term equity incentive compensation plan.

(4) Consists of stock options granted in 2011 under our long-term equity incentive compensation plan.

This column shows the full grant date fair value of restricted stock awards and stock option awards granted in 2011

(5) computed in accordance with ASC Topic 718. The grant date fair value is the amount that the Company will expense in its financial statements over the award’s required period of service as required under ASC Topic 718 without taking into account estimated forfeitures.

Represents Mr. Hellmann’s special restricted stock grant described under “Compensation Discussion and

\* Analysis — Long-Term Incentive Compensation Program — Equity Awards under the Omnibus Plan — Stock Options and Restricted Stock Awards.”

Narrative Supplement to the Summary Compensation Table and the Grants of Plan-Based Awards in 2011 Table Terms of Equity-Based Awards

Vesting Schedule

In February 2009, the Compensation Committee approved certain changes to the Company’s policies with respect to equity awards. The Compensation Committee moved the annual equity award from May to February of each year to align the equity award with other annual compensation decisions. Option awards and restricted stock awards granted prior to 2009 vest over three years following the date of grant with one-third of the Class A common shares underlying the award becoming exercisable on each of the first, second and third anniversaries of the grant date, subject to acceleration upon a change of control. Awards made after February 2009 will be made in four equal quarterly grants during the year and generally vest over three years following the date of grant on the anniversary of the first quarterly grant for such year, subject to acceleration upon a change of control. Each quarterly grant of stock options has a five-year term.

Forfeiture

Absent death or disability, unvested option awards at termination of employment are generally forfeited following a 90-day post-termination exercise period. In the event of death prior to the complete exercise of a vested option award, the vested portion of the option may be exercised, in whole or in part, within one year after the date of death by the designated beneficiary, but in all cases, prior to the option expiration date. In the event of disability prior to the

complete exercise of a vested option award, the vested portion of the option may be exercised in whole or in part prior to the option expiration date. With respect to restricted stock awards, in the event of termination or death, the unvested portion of any restricted stock award is forfeited. In the event of disability, the Compensation Committee has discretion to promulgate rules regarding the treatment of unvested restricted stock awards. The Company has entered into continuity agreements with key employees, including the Executive Officers, which provide for the vesting of otherwise unvested option awards in the circumstances described under “Potential Payments Upon Termination, Change Of Control And Certain Other Events.”



#### Covenants

The stock option awards and restricted stock awards for Executive Officers and other key employees include confidentiality and non-compete obligations, which if violated would result in a forfeiture of unexercised options and unvested restricted stock awards and disgorgement of any gains on option awards and restricted stock awards during the previous six months. The option awards and restricted stock awards for Executive Officers are also subject to acceleration of vesting upon a change of control.

#### Other

Option awards granted under the Omnibus Plan have an exercise price equal to the closing stock price of the underlying shares on the NYSE on the date of grant. With the exception of restricted stock units, prior to the vesting of restricted stock awards, holders of such awards have all other rights of a stockholder with respect to the shares underlying the award, including, but not limited to, the right to receive cash dividends, if any, and the right to vote the common shares underlying the award at any meeting of our stockholders. Holders of restricted stock units do not have any stockholder rights with respect to the common shares underlying the award until such unit vests and the underlying shares are issued. All equity award grants to Executive Officers are approved by the Compensation Committee.

## OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2011

The following table provides information regarding outstanding equity awards held by our Executive Officers at December 31, 2011.

Name	Grant Date (1)	Option Awards				Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Options Exercise Price	Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (2)
John C. Hellmann President and Chief Executive Officer	5/30/2007	59,770	—	\$32.35	5/29/2012	—	\$—
	5/27/2008	48,084	—	39.08	5/26/2013	—	—
	2/27/2009	21,779	10,890	20.89	2/26/2014	1,472	89,174
	5/29/2009	15,581	7,791	28.92	5/28/2014	1,063	64,397
	8/31/2009	14,385	7,192	31.38	8/30/2014	980	59,368
	11/30/2009	14,706	7,353	31.12	11/29/2014	989	59,914
	2/26/2010	4,238	8,474	31.85	2/25/2015	5,494	332,827
	5/28/2010	3,750	7,500	35.99	5/27/2015	4,862	294,540
	8/31/2010	3,189	6,377	38.81	8/30/2015	4,509	273,155
	11/30/2010	2,730	5,458	47.49	11/29/2015	3,684	223,177
	2/28/2011	—	15,453	52.09	2/27/2016	4,319	261,645
	2/28/2011 *	—	—	—	2/27/2016	1,440	87,235
	5/31/2011	—	14,268	59.35	5/30/2016	3,791	229,659
	5/31/2011 *	—	—	—	5/30/2016	1,264	76,573
	8/31/2011	—	14,754	51.94	8/30/2016	4,332	262,433
	8/31/2011 *	—	—	—	8/30/2016	1,444	87,478
11/30/2011	—	12,514	61.07	11/29/2016	3,685	223,237	
11/30/2011 *	—	—	—	11/29/2016	1,228	74,392	
		188,212	118,024			44,556	\$2,699,204
Timothy J. Gallagher Chief Financial Officer	5/30/2007	33,494	—	\$32.35	5/29/2012	—	\$—
	5/27/2008	27,943	—	39.08	5/26/2013	—	—
	2/27/2009	10,755	5,377	20.89	2/26/2014	727	44,042
	5/29/2009	7,694	3,847	28.92	5/28/2014	525	31,805
	8/31/2009	7,103	3,552	31.38	8/30/2014	484	29,321
	11/30/2009	7,261	3,631	31.12	11/29/2014	488	29,563
	2/26/2010	1,716	3,432	31.85	2/25/2015	2,225	134,791
	5/28/2010	1,519	3,037	35.99	5/27/2015	1,969	119,282
	8/31/2010	1,292	2,582	38.81	8/30/2015	1,826	110,619
	11/30/2010	1,106	2,211	47.49	11/29/2015	1,492	90,385
	2/28/2011	—	5,346	52.09	2/27/2016	1,494	90,507
	5/31/2011	—	4,936	59.35	5/30/2016	1,311	79,420
8/31/2011	—	5,104	51.94	8/30/2016	1,499	90,809	
11/30/2011	—	4,329	61.07	11/29/2016	1,275	77,240	
		99,883	47,384			15,315	\$927,784



Edgar Filing: GENESEE & WYOMING INC - Form DEF 14A

Name	Grant Date (1)	Option Awards				Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Options Exercise Price	Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (2)
James W. Benz Chief Operating Officer	5/27/2008	7,802	—	\$39.08	5/26/2013	—	\$—
	2/27/2009	9,241	4,621	20.89	2/26/2014	625	37,863
	5/29/2009	6,611	3,306	28.92	5/28/2014	451	27,322
	8/31/2009	3,051	3,052	31.38	8/30/2014	416	25,201
	11/30/2009	3,119	3,120	31.12	11/29/2014	419	25,383
	2/26/2010	1,475	2,949	31.85	2/25/2015	1,912	115,829
	5/28/2010	1,305	2,610	35.99	5/27/2015	1,692	102,501
	8/31/2010	1,110	2,219	38.81	8/30/2015	1,569	95,050
	11/30/2010	950	1,899	47.49	11/29/2015	1,282	77,664
	2/28/2011	—	4,593	52.09	2/27/2016	1,284	77,785
	5/31/2011	—	4,241	59.35	5/30/2016	1,127	68,274
	8/31/2011	—	4,386	51.94	8/30/2016	1,288	78,027
	11/30/2011	—	3,720	61.07	11/29/2016	1,095	66,335
		34,664	40,716			13,160	\$797,234
Allison M. Fergus General Counsel and Secretary	5/27/2008	15,653	—	\$39.08	5/26/2013	—	\$—
	2/27/2009	6,222	3,111	20.89	2/26/2014	421	25,504
	5/29/2009	4,451	2,226	28.92	5/28/2014	304	18,416
	8/31/2009	4,109	2,055	31.38	8/30/2014	280	16,962
	11/30/2009	4,202	2,101	31.12	11/29/2014	282	17,084
	2/26/2010	848	1,694	31.85	2/25/2015	1,098	66,517
	5/28/2010	750	1,500	35.99	5/27/2015	972	58,884
	8/31/2010	638	1,275	38.81	8/30/2015	902	54,643
	11/30/2010	546	1,092	47.49	11/29/2015	736	44,587
	2/28/2011	—	2,640	52.09	2/27/2016	738	44,708
	5/31/2011	—	2,437	59.35	5/30/2016	648	39,256
	8/31/2011	—	2,520	51.94	8/30/2016	740	44,829
	11/30/2011	—	2,138	61.07	11/29/2016	629	38,105
		37,419	24,789			7,750	\$469,495
Christopher F. Liucci Chief Accounting Officer and Global Controller	5/27/2008	11,771	—	39.08	5/26/2013	—	—
	2/27/2009	2,893	1,447	20.89	2/26/2014	196	11,874
	5/29/2009	2,070	1,035	28.92	5/28/2014	141	8,542
	8/31/2009	1,911	956	31.38	8/30/2014	130	7,875
	11/30/2009	1,954	977	31.12	11/29/2014	131	7,936
	2/26/2010	462	923	31.85	2/25/2015	598	36,227
	5/28/2010	409	817	35.99	5/27/2015	530	32,107
	8/31/2010	348	694	38.81	8/30/2015	491	29,745

Edgar Filing: GENESEE & WYOMING INC - Form DEF 14A

11/30/2010	298	594	47.49	11/29/2015	401	24,293
2/28/2011	—	1,438	52.09	2/27/2016	402	\$24,353
5/31/2011	—	1,328	59.35	5/30/2016	353	\$21,385
8/31/2011	—	1,373	51.94	8/30/2016	403	\$24,414
11/30/2011	—	1,165	61.07	11/29/2016	343	\$20,779
	22,116	12,747			4,119	\$249,530

All option and restricted stock awards were granted under the Omnibus Plan. One-third of each option and restricted stock award granted prior to 2009 vests each year for three years on the anniversary of the date of grant. (1) Option and restricted stock awards made after February 2009 generally vest over three years following the date of grant on the anniversary of the first quarterly grant for such year. The vesting schedule for the option and restricted stock awards are set forth below. For additional information on the acceleration

of vesting, see “Narrative Supplement to the Summary Compensation Table and 2011 Grants of Plan-Based Awards Table” and “Potential Payments upon Termination, Change of Control and Certain Other Events.”

Grant Date	Vesting schedule
5/30/2007	1/3 vests each year for three years on the anniversary of the date of grant.
5/27/2008	1/3 vests each year for three years on the anniversary of the date of grant.
2/27/2009	1/3 vests each year for three years on the anniversary of the date of grant.
5/29/2009	1/3 vests each year for three years on February 27.
8/31/2009	1/3 vests each year for three years on February 27.
11/30/2009	1/3 vests each year for three years on February 27.
2/26/2010	1/3 vests each year for three years on the anniversary of the date of grant.
5/28/2010	1/3 vests each year for three years on February 26.
8/31/2010	1/3 vests each year for three years on February 26.
11/30/2010	1/3 vests each year for three years on February 26.
2/28/2011	1/3 vests each year for three years on the anniversary of the date of grant.
2/28/2011	* 1/2 vests each year for two years on the anniversary of the date of grant.
5/31/2011	1/3 vests each year for three years on February 27.
5/31/2011	* 1/2 vests each year for two years on February 27.
8/31/2011	1/3 vests each year for three years on February 27.
8/31/2011	* 1/2 vests each year for two years on February 27.
11/30/2011	1/3 vests each year for three years on February 27.
11/30/2011	* 1/2 vests each year for two years on February 27.

(2) The market value of stock awards that have not vested was calculated using the closing stock price on the NYSE on December 30, 2011 of \$60.58.

Represents Mr. Hellmann’s special restricted stock grant described under “Compensation Discussion and Analysis  
 \* - Long-Term Incentive Compensation Program -- Equity Awards under the Omnibus Plan -- Stock Options and Restricted Stock Awards.”

## 2011 OPTION EXERCISES AND STOCK VESTED

The following table provides information regarding the amounts received by each Executive Officer upon exercise of options or the vesting of restricted stock during the year ended December 31, 2011.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (2)
John C. Hellmann President and Chief Executive Officer	128,134	\$3,596,334	15,746	\$826,604
Timothy J. Gallagher Chief Financial Officer	42,231	1,363,571	7,124	375,677
James W. Benz Chief Operating Officer	61,105	1,535,980	6,096	321,331
Allison M. Fergus General Counsel and Secretary	32,722	959,513	3,783	199,718
Christopher F. Liucci Chief Accounting Officer and Global Controller	12,325	346,461	2,090	111,201

Option award value realized on exercise was calculated by multiplying the number of shares acquired upon (1) exercise by the closing price of our stock on the NYSE on the exercise date and then deducting the aggregate exercise price of the option awards.

(2) Stock award value realized on vesting was calculated by multiplying the number of shares acquired upon vesting by the closing price of our stock on the NYSE on the vesting date.

## 2011 PENSION BENEFITS

The following table provides information regarding the pension benefits for our Executive Officers.

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit	Payments During Last Fiscal Year
John C. Hellmann President and Chief Executive Officer		—	\$ —	\$ —
Timothy J. Gallagher Chief Financial Officer		—	—	—
James W. Benz Chief Operating Officer	Rail Link Retirement Plan(1)	14.89	(2 ) 414,527	(3 ) —
Allison M. Fergus General Counsel and Secretary		—	—	—
Christopher F. Liucci Chief Accounting Officer and Global Controller		—	—	—

The Rail Link Retirement Plan, or Rail Link Plan, is a defined benefit pension plan sponsored by Rail Link, Inc., a wholly owned subsidiary of the Company. The Rail Link Plan covers approximately 50 Rail Link, Inc. eligible employees as of December 31, 2011. The accumulated benefit an employee earns over his or her career with Rail Link, Inc. is payable starting after retirement on a monthly basis for life. The normal





retirement age defined in the Rail Link Plan is 62. Mr. Benz is currently eligible for retirement under the Rail Link Plan.

Under the Rail Link Plan, Mr. Benz accumulated 5.25 creditable service years while working for the Company (2) from November 8, 1996 until the Rail Link Plan was frozen on January 31, 2002 and 9.64 years of service as President of Rail Link, Inc. before Rail Link, Inc. was purchased by the Company in November 1996.

All benefit accruals under the Rail Link Plan were frozen as of January 31, 2002. As applicable to Mr. Benz, the Rail Link Plan provides benefits based primarily on a formula that takes into account the executive's earnings for each fiscal year. The formula provides an annual benefit accrual equal to 1.0% of the five-year average earnings of the individual and 0.5% of the "Excess Amount" of compensation. "Excess Amount" is defined as the five-year average of earnings in excess of the social security average wage. The key assumptions used in quantifying the present value of the accrued benefit include: a 7.0% long-term rate of return on assets, a 5.5% discount rate and the (3) RP2000 mortality table. The executive's annual earnings taken into account under this formula include base salary and up to one-half of any bonus payments. The maximum annual benefit for Mr. Benz is frozen at \$28,145 annually (\$2,345 monthly) payable after retirement. Upon retirement, Mr. Benz may elect payment in the form of either a single life annuity or a joint and survivor annuity. While these two options would provide different annual benefit amounts to Mr. Benz (and his spouse, in the event he selects the joint and survivor annuity option), the total actuarial value of the two elections is equivalent over the life of the selected annuity.

#### 2011 NONQUALIFIED DEFERRED COMPENSATION (1)

The following table provides information regarding contributions, earnings and balances for our Executive Officers under our nonqualified deferred compensation plan for the year ended December 31, 2011.

Name	Executive Contribution in Last Fiscal Year (2)	Registrant Contributions in Last Fiscal Year (3)	Aggregate Loss in Last Fiscal Year (4)	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last Fiscal Year End (5)
John C. Hellmann President and Chief Executive Officer	\$—	\$64,148	\$(56,546)	\$—	\$1,177,602
Timothy J. Gallagher Chief Financial Officer	—	68,384	(17,535)	—	488,767
James W. Benz Chief Operating Officer	44,760	68,012	(14,597)	—	249,553
Allison M. Fergus General Counsel and Secretary	—	42,133	(11,444)	—	137,704
Christopher F. Liucci Chief Accounting Officer and Global Controller	—	31,880	(10,742)	—	108,405

The DCP was implemented in 2004 and allows certain employees, including the Executive Officers, to defer receipt of their salary and/or bonus payments into accounts that mirror gains and/or losses of several different investment funds we have selected. The investment funds offered are similar but not identical to those offered under our 401(k) Plan. The DCP does not offer above market or preferential interest rate returns or permit (1) participants to defer their cash compensation into our Class A Common Stock. Participant deferrals must be elected annually, with limits of 50% on base salary and 100% on bonus payments with a minimum aggregate deferral of \$2,000. Investment choices may be reallocated on a daily basis, but if selections are not made, the amounts deferred will automatically be allocated to the lowest-risk fund. Accounts are adjusted daily based on the performance of each measurement fund that is selected for the participant's account, and the account is 100% vested at the time of deferral. The Defined Contribution



Accounts are intended to provide, upon the executive's retirement, a target benefit amount equal to a 20-year annuity with payments equivalent to 38% of the estimated final five year average cash compensation (based on salary and target bonus objectives) of the participating executive, assuming retirement at age 65. Company contributions are funded into a rabbi trust (a grantor trust in which the grantor is the Company and the beneficiary is the executive) through investments in corporate-owned life insurance. Investments in the rabbi trust remain subject to claims from the Company's general creditors. Contributions credited to an executive's account are invested as the participant directs among the investment funds actually available from time to time under the DCP. Annual amounts credited to an executive's account vest at the rate of 20% per year, subject to acceleration of vesting in the event of a change of control, death or disability, each as defined under the DCP. The Company reserves the right to change its contribution to an executive's account from time to time, in such amount as it may determine, as a result of changes in specified assumptions. Upon retirement, vested amounts are payable to the executive in the form of a lump sum or installments not to exceed 15 years, as elected by the executive. Participant deferral elections are irrevocable and cannot be changed during the plan year. However, there are circumstances, such as an unforeseeable financial emergency, that can be considered for suspending a participant's current deferral election. The benefit distribution date selected may be either (1) separation of service, or (2) the attainment of whatever age specified, or (3) the earlier of (a) separation of service or (b) the attainment of whatever age specified, or (4) the later of (a) separation of service or (b) the attainment of whatever age specified. If a distribution date is not specified, the benefit distribution date will be the date of separation of service. The form of payment selected for an employee's distribution is either a lump sum or annual installments over any period an employee elects, not to exceed 15 years. No withdrawals or distributions were made in 2011. The DCP also allows for Company contributions and is the instrument used to allow Company and Executive contributions into the Defined Contribution Accounts, as discussed above below.

(2) Mr. Benz's contribution of \$44,760 is included in the Summary Compensation Table.

The amounts represent the Company contributions into the Defined Contribution Accounts for Messrs. Hellmann, Gallagher, Benz and Liucci and Ms. Fergus. The Company's contributions into these Executive Officers' Defined Contribution Accounts are reflected in the Summary Compensation Table in the All Other Compensation column.

(3) The contributions for Messrs. Hellmann, Gallagher and Liucci and Ms. Fergus vest proportionately over a five-year period, subject to acceleration of vesting in the event of a change of control, death or disability, each as defined under the DCP. The contributions for Mr. Benz vest immediately. For additional information on the DCP see "Executive Compensation—Compensation Discussion and Analysis—Other Compensation—Deferred Compensation Plan." Earnings on the Company contributions made on behalf of Messrs. Hellmann, Gallagher and Liucci and Ms. Fergus vest over a five-year period, or earlier upon a change of control. Earnings on Mr. Benz's account are fully vested. While the contribution amounts for Messrs. Hellmann, Benz, Gallagher and Liucci and Ms. Fergus are reported in the Summary Compensation Table, the earnings for all five Executive Officers are not, because all earnings in the Defined Contribution Accounts are not considered above market or preferential. Earnings are calculated based on the performance of some or all of the following funds: Capital Research American Fund Growth, Pacific Life Cash Management, Oppenheimer Emerging Markets, BlackRock Equity Index, FMR Co Inc Fid. VIP Contrafund, Pacific Life High Yield Bond, PIMCO Inflation Managed, Janus Aspen Series Enterprise Portfolio, Janus Aspen Series Overseas Portfolio Service Shares, Iridian Asset Management Business Opportunity Value, Frontier Capital Capital Appreciation, Brandes International Equity, PIMCO Managed Bond, Morgan Stanley Real Estate, NFJ Small-Cap Value and Van Eck Worldwide Hard Assets, based on the executive's investment allocation. In 2011, the Executive Officers selected the Capital Research American Fund Growth, Pacific Life Cash Management, Oppenheimer Emerging Markets, BlackRock Equity Index, FMR Co Inc Fid. VIP Contrafund, Pacific Life High Yield Bond, PIMCO Inflation Managed, Janus Aspen Series Enterprise Portfolio, Janus Aspen Series Overseas Portfolio Service Shares, Iridian Asset Management Business Opportunity Value, Frontier Capital Capital Appreciation, Brandes International Equity, PIMCO Managed Bond, Morgan Stanley Real Estate, NFJ Small-Cap Value and Van Eck Worldwide Hard Assets which funds yielded (4.66%), 0%, (17.97%), 1.82%, (2.78%), 3.42%, 11.85%, (1.65%), (32.34%), (4.11%), (7.22%), (13.56%), 3.84%, 6.12%, 2.31% and (16.45%), respectively for fiscal year 2011.

(5)

Amounts represent the balance of the Executive Officer's individual account as of December 31, 2011. As of December 31, 2011, the vested portion of Mr. Hellmann's aggregate balance was \$1,029,528, a portion

of which represents Mr. Hellmann's personal contributions, which are immediately vested. As of December 31, 2011, the vested portion of Mr. Gallagher, Mr. Benz, Ms. Fergus and Mr. Liucci's accounts were \$332,940, \$249,553, \$57,912 and \$46,392, respectively. The following table provides information regarding contributions previously reported in a Summary Compensation Table:

Name	Amounts Previously Reported in a Summary Compensation Table
John C. Hellmann	\$932,760
Timothy J. Gallagher	341,920
James W. Benz	104,625
Allison M. Fergus	84,266
Christopher F. Liucci	63,760

## POTENTIAL PAYMENTS UPON TERMINATION, CHANGE OF CONTROL AND CERTAIN OTHER EVENTS

### Payments upon Change of Control

The continuity agreements with each of our Executive Officers provide that upon termination of their employment without cause or resignation for good reason within three years following a change of control, (1) Mr. Hellmann, Mr. Gallagher, Mr. Benz and Ms. Fergus will receive a cash severance amount equal to three times the sum of their current salary plus target annual incentive compensation for that year plus their accrued but unpaid base salary and annual incentive compensation, and (2) Mr. Liucci will receive a cash severance amount equal to one times the sum of his current salary plus target annual incentive compensation for that year plus his accrued but unpaid base salary and annual incentive compensation.

A change of control is deemed to occur if (i) a person or outside group becomes a beneficial owner directly or indirectly of 35% or more of the combined voting power of the Company's then outstanding securities, unless the combined voting power of the Company's founder and Executive Officers or a group including the founder and Executive Officers exceeds 35% of the combined voting power of the Company's then outstanding securities and remains the person or group with beneficial ownership of the largest percentage of combined voting power of the Company's then outstanding securities, (ii) a merger of the Company occurs which results in the stockholders of the Company owning less than 51% of the shares of the Company, a sale of 51% or greater of the Company's assets or a liquidation or dissolution of the Company occurs, or (iii) our incumbent Board members (or persons elected by them) cease to be a majority of the board of directors of any successor of the Company during a twelve-month period. In the event of a change of control, the acceleration provisions of the DCP and award agreements under the Omnibus Plan provide for payments or benefits exclusive of our continuity agreements. In the event of a change of control under our DCP, participants are entitled to acceleration of unvested account balances, subject to the limitations of Section 280G of the IRC. In addition, pursuant to the award agreements for options and restricted stock awards to Executive Officers, the unvested portions of all such awards immediately vest and become exercisable upon a change of control.

In addition, upon termination without cause or resignation for good reason within three years following a change of control, all unvested stock options and restricted stock holdings immediately become vested, and any unvested balance under the DCP plan is accelerated to the extent such acceleration does not take place earlier under the applicable plan documents. Resignation for good reason by an executive occurs if (i) the executive's duties, titles or responsibilities decrease after a change of control, (ii) the executive's base salary, annual incentive target, or annual equity target is decreased after a change of control, (iii) the executive's work location changes to a different location more than 35 miles from his or her prior work location after a change of control, or (iv) the successor company fails to assume and perform the provisions under the continuity agreements. An executive can be terminated for cause upon the occurrence of (i) the willful and continued failure to perform substantially all of the executive's duties, (ii) dishonesty in the performance of the executive's duties, (iii) the executive's conviction or plea of guilty, or nolo contendere, to a crime constituting a felony or a misdemeanor involving fraudulent conduct or moral turpitude, (iv) the executive's willful malfeasance or willful misconduct in connection with the executive's duties or any act or omission that is injurious to the financial condition or reputation of the Company, or (v) the executive's breach of the confidentiality and non-solicitation of employees and customers obligations contained in the continuity agreements. The Company will conditionally pay the 20% excise tax for excess parachute payments and will gross up the resulting income tax due for Mr. Hellmann, Mr. Gallagher and Mr. Benz if their resulting change of control payment is more than 10% above the safe harbor limit of three times the base amount under Section 280G of the IRC. The base amount is defined as the average W-2 earnings of the executive in the last five years. A change of control payment that is up to 10% above the safe harbor limit will not result in payment of the excise tax and tax gross up, but instead will result in a reduction of the payment to the safe harbor limit less one dollar. Ms. Fergus and Mr. Liucci are not provided conditional payments of resulting excise tax for excess parachute payments and related income tax but are entitled to receive the greater of the after-tax change of control payment, including their payment of the 20% excise tax for excess parachute payments, or the after tax safe harbor limit less one dollar. This election



is referred to as the “Best After-Tax Provision” in the table below.

The payments set forth below assume that the applicable triggering event occurred on December 31, 2011 and include amounts received by each Executive Officer in the event of a change of control and in the event of a change of control followed by termination.

Name/Event	Cash Severance Payment (1)	Acceleration of Unvested DCP Amounts	Acceleration of Unvested Options (2)	Acceleration of Unvested Restricted Stock (3)	Gross	Adjustment	Total
					Payment Before Applying Tax Gross-Up Provisions (4)	for Best After-Tax Provision and Tax Gross Up (5)	
John C. Hellmann							
Change of Control (6)	\$—	\$ 148,074	\$ 2,019,888	\$ 2,699,204	\$—	\$—	\$ 4,867,166
Change of Control Followed by Termination (7)	4,806,114	148,074	2,019,888	2,699,204	9,673,280	—	3,695,300
Timothy J. Gallagher							
Change of Control (6)	—	155,827	899,887	927,784	—	—	1,983,498
Change of Control Followed by Termination (7)	2,263,365	155,827	899,887	927,784	4,246,863	—	1,772,832
James W. Benz							
Change of Control (6)	—	—	773,285	797,234	—	—	1,570,519
Change of Control Followed by Termination (7)	1,952,823	—	773,285	797,234	3,523,342	—	1,282,679
Allison M. Fergus							
Change of Control (6)	—	79,793	490,642	469,495	—	—	1,039,930
Change of Control Followed by Termination (7)	1,552,821	79,793	490,642	469,495	2,592,751	—	—
Christopher F. Liucci							
Change of Control (6)	—	62,013	242,092	249,530	—	—	553,635
Change of Control Followed by Termination (7)	347,758	62,013	242,092	249,530	901,393	(80,071 )	—

The cash severance payment is calculated by adding the 2011 accrued but unpaid annual incentive to either three (1) times the sum of current annual salary plus target annual incentive or one times the sum of current annual salary plus target annual incentive, depending on the individual Executive Officer’s continuity agreement outlined above.

The value of the accelerated vesting of stock options is calculated by multiplying the number of unvested stock (2) options by the difference between the closing stock price on the NYSE on December 30, 2011 of \$60.58 and the exercise price of the stock option.

The value of the accelerated vesting of restricted stock is calculated by multiplying the number of unvested (3) restricted stock shares by the closing stock price on the NYSE on December 30, 2011 of \$60.58.

Ms. Fergus’ after-tax change of control payment, including the 20% payment of the excise tax, would be greater (4) than the after-tax payment of the safe harbor limit and thus is not reduced. Mr. Liucci’s after-tax change in control payment, including the 20% payment of the excise tax, would be less than the after-tax payment of the safe harbor limit, and is thus reduced by \$80,071. A personal tax rate of 40% was used in calculating the after-tax amount.



Mr. Hellmann, Mr. Gallagher, and Mr. Benz's gross payments would be more than 10% above the Section 280G (5) safe harbor limit. Therefore, the Company would also pay the 20% excise tax and income taxes related to the excise tax. An estimated tax gross-up rate of 60% was used in the calculation.

Represents payments under the provisions of the DCP and award agreements under the Omnibus Plan, which provide for payments upon a change of control exclusive of our continuity agreements. In the event of a change of control under our DCP, participants are entitled to acceleration of unvested account balances, subject to the (6) Section 280G safe harbor provisions. In addition, pursuant to the award agreements for options and restricted stock awards to Executive Officers, the unvested portions of all such awards immediately vest and become exercisable upon a change of control.

Represents payments under the continuity agreements in the event of a change of control followed by termination (7) without cause or resignation for good reason by the executive within three years of the change of control.

#### Payments in the Event of Retirement, Death, or Disability

Messrs. Hellmann, Gallagher and Liucci and Ms. Fergus are entitled to receive accelerated vesting of their DCP accounts in the event of death or disability, pursuant to the DCP provisions. We have provided the DCP benefit to these Executive Officers in consideration of their role in the organization and as an incentive for their continued service. Assuming a December 31, 2011 death or disability, Messrs. Hellmann, Gallagher and Liucci and Ms. Fergus would be entitled to the acceleration of unvested DCP account balances, subject to the Section 280G safe harbor provisions, of \$148,074, \$155,827, \$62,013 and \$79,793, respectively. Mr. Benz' account balance is fully vested. In

the event of retirement at December 31, 2011, none of the participating Executive Officers are entitled to acceleration of unvested DCP balances. For additional information, see “Nonqualified Deferred Compensation for 2011” above. Mr. Benz is a participant in the Rail Link Plan, which was frozen on January 31, 2002. Based upon his average compensation and years of service accrued prior to the plan being frozen, the annual amount payable upon retirement at age 62 under the plan is \$28,145. In accordance with the plan provisions, assuming retirement, death or disability at December 31, 2011, Mr. Benz is entitled to receive unreduced annual payments of \$28,145, as Mr. Benz attained age 62 in 2010. For additional information, see “2011 Pension Benefits” above.

50

---

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table and related footnotes set forth as of April 2, 2012 (except to the extent indicated in the footnotes to the table below) certain information concerning beneficial ownership of our stock held by (1) each stockholder known to us to own beneficially more than 5% of any class of our voting stock, (2) each of our directors and each director nominee, (3) each of our named executive officers, and (4) all of our directors and executive officers as a group. We have calculated beneficial ownership in accordance with the rules of 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, Connecticut 06830. We have omitted percentages of less than 1.0% from the table. Unless otherwise indicated, all options to purchase shares of Class A Common Stock, restricted shares and DSUs were issued pursuant to the Omnibus Plan. Class A Common Stock that can be acquired upon conversion of Class B Common Stock are not included in the Class A Common Stock numbers set forth in the table below.

Name and Address of Beneficial Owner	Class A Common Stock Beneficially Owned		Class B Common Stock Beneficially Owned		% of Vote (1)	
	No. of Shares	% of Class	No. of Shares	% of Class		
<b>Directors and Nominees</b>						
Mortimer B. Fuller III (2)	79,772	*	1,449,286	68.62	%	23.62 %
John C. Hellmann (3)	542,249	1.33	% 1,872	*		*
Philip J. Ringo (4)	135,868	*	101,094	4.79	%	1.86 %
Robert M. Melzer (5)	100,377	*	—	—		*
Peter O. Scannell (6)	46,477	*	—	—		*
Mark A. Scudder (7)	44,214	*	—	—		*
Øivind Lorentzen (8)	27,963	*	—	—		*
David C. Hurley (9)	20,936	*	—	—		*
Michael Norkus (10)	9,836	*	—	—		*
Richard H. Allert (11)	1,786	*	—	—		*
Ann N. Reese (12)	1,227	*	—	—		*
<b>Other Named Executives</b>						
Timothy J. Gallagher (13)	154,855	*	—	—		*
James W. Benz (14)	82,593	*	—	—		*
Allison M. Fergus (15)	76,174	*	—	—		*
Christopher F. Liucci (16)	43,908	*	—	—		*
<b>Significant Stockholders</b>						
Louis S. Fuller (17)	298,365	*	459,004	21.73	%	7.93 %
Baron Capital Group, Inc. (18) 767 Fifth Avenue New York, New York 10153	3,803,509	9.48	% —	—		6.17 %
T. Rowe Price Associates, Inc. (19) 100 E. Pratt Street Baltimore, Maryland 21202	2,648,838	6.60	% —	—		4.30 %
BlackRock, Inc. (20) 40 East 52nd Street New York, New York 10022	2,028,022	5.06	% —	—		3.29 %
All Directors and Executive Officers as a Group (15 persons) (21)	1,368,235	3.32	% 1,552,252	73.50	%	27.10 %

\* Represents less than 1%.



- (1) Reflects the voting power of the outstanding share holdings shown on the table as a result of the fact that Class A Common Stock is entitled to one vote per share and Class B Common Stock is entitled to ten votes per share. The amounts shown include: (1) 10,487 shares of Class A Common Stock owned by Mr. Fuller individually; (2) 1,253 shares of Class A Common Stock represented by restricted stock; (3) 59,465 shares of Class A Common Stock that may be purchased pursuant to options exercisable within 60 days; (4) 2,611 shares of Class A Common Stock that may be received for DSUs; (5) 5,956 shares of Class A Common Stock held by Mr. Fuller's wife, as to which shares Mr. Fuller disclaims beneficial ownership; (6) 1,288,608 shares of Class B Common Stock owned by Mr. Fuller individually; (7) 154,930 shares of Class B Common Stock held by a grantor retained annuity trust of which Mr. Fuller is the trustee and principal beneficiary; and (8) 5,748 shares of Class B Common Stock held by Mr. Fuller's wife, as to which shares Mr. Fuller disclaims beneficial ownership.

The number of shares in the table includes shares that are subject to a variable prepaid forward transaction with Credit Suisse Capital LLC. On November 28, 2011, Mr. Fuller entered into a transaction relating to 50,000 shares of Genesee & Wyoming Inc. common stock, which contract expires on November 28, 2012, and for which Mr. Fuller received net proceeds of \$2,387,407. Under the terms of the contract, Mr. Fuller has agreed to deliver shares of Class B Common Stock (which are immediately convertible into shares of Class A Common Stock on a one-for-one basis) or shares of Class A Common Stock on the expiration date of the contract (or on an earlier date if the contract is terminated early) as follows: (1) if the final price is less than or equal to the floor price (\$55.85 per share) (the "Floor Price"), 50,000 shares; (2) if the final price is less than or equal to the cap price (\$72.60 per share) (the "Cap Price"), but greater than the Floor Price, then a number of shares equal to 50,000 times the Floor Price divided by the final price; and (3) if the final price is greater than the Cap Price, then a number of shares equal to 50,000 shares multiplied by a fraction, the numerator of which is the sum of the Floor Price and the difference between the final price and the Cap Price, and the denominator of which is the final price. In connection with the contract, Mr. Fuller has pledged 50,000 shares of Class B Common Stock to secure his obligations under the contract. Under the contract, in lieu of delivery of shares, Mr. Fuller may, at his option, settle the contract by delivery of cash.

The amounts shown include: (1) 261,233 shares of Class A Common Stock and 1,872 shares of Class B Common Stock owned by Mr. Hellmann individually; (2) 26,677 shares of Class A Common Stock represented by restricted (3) stock; and (3) 254,339 shares of Class A Common Stock that may be purchased pursuant to options exercisable within 60 days. The number of shares in the table includes 261,233 shares of Class A Common Stock held in a brokerage account pledged as collateral for a personal credit facility.

The amount shown includes: (1) 43,071 shares of Class A Common Stock owned by Mr. Ringo individually; (2) 56,582 shares of Class A Common Stock that may be received for DSUs; (3) 2,517 shares of Class A Common (4) Stock represented by restricted stock; (4) 33,698 shares of Class A Common Stock held in a trust for a family member of Mr. Fuller of which Mr. Ringo is the trustee, as to which shares he disclaims beneficial ownership; and (5) 101,094 shares of Class B Common Stock held in three trusts for three family members of Mr. Fuller of which Mr. Ringo is the trustee, as to which shares he disclaims beneficial ownership.

The amount shown includes: (1) 44,730 shares of Class A Common Stock owned by Mr. Melzer individually; (2) 11,250 shares of Class A Common Stock held by a self-directed IRA; (3) 43,144 shares of Class A Common (5) Stock that may be received for DSUs; and (4) 1,253 shares of Class A Common Stock represented by restricted stock.

The amount shown includes: (1) 14,175 shares of Class A Common Stock owned jointly by Mr. Scannell and his (6) wife; (2) 10,125 shares of Class A Common Stock that may be purchased pursuant to options exercisable within 60 days; (3) 19,371 shares of Class A Common Stock that may be received for DSUs; and (4) 2,806 shares of Class A Common Stock represented by restricted stock.

The amount shown includes: (1) 28,621 shares of Class A Common Stock owned by Mr. Scudder individually; (2) 10,125 shares of Class A Common Stock that may be purchased pursuant to options exercisable within 60 days; (7) (3) 2,951 shares of Class A Common Stock that may be received for DSUs; and (4) 2,517 shares of Class A Common Stock represented by restricted stock.

(8) The amount shown includes: (1) 14,531 shares of Class A Common Stock owned by Mr. Lorentzen



individually; (2) 10,915 shares of Class A Common Stock that may be received for DSUs; and (3) 2,517 shares of Class A Common Stock represented by restricted stock.

The amount shown includes: (1) 7,157 shares of Class A Common Stock owned by Mr. Hurley individually; (9)(2) 10,973 shares of Class A Common Stock that may be received for DSUs; and (3) 2,806 shares of Class A Common Stock represented by restricted stock.

The amount shown includes: (1) 4,002 shares of Class A Common Stock owned by Mr. Norkus individually; (10)(2) 3,633 shares of Class A Common Stock that may be received for DSUs; and (3) 2,201 shares of Class A Common Stock represented by restricted stock.

(11) The amount shown includes: (1) 611 shares of Class A Common Stock that may be received for DSUs; and (2) 1,175 shares of Class A Common Stock represented by restricted stock units.

(12) The amount shown includes: (1) 157 shares of Class A Common Stock that may be received for DSUs; and (2) 1,070 shares of Class A Common Stock represented by restricted stock.

The amount shown includes: (1) 50,967 shares of Class A Common Stock owned by Mr. Gallagher individually; (13)(2) 8,889 shares of Class A Common Stock represented by restricted stock; and (3) 94,999 shares of Class A Common Stock that may be purchased pursuant to options exercisable within 60 days.

The amount shown includes: (1) 27,654 shares of Class A Common Stock owned by Mr. Benz individually; (14)(2) 20,850 shares of Class A Common Stock owned by Mr. Benz jointly with his wife; (3) 6,423 shares of Class A Common Stock represented by restricted stock; and (4) 27,666 shares of Class A Common Stock that may be purchased pursuant to options exercisable within 60 days.

The amount shown includes: (1) 18,823 shares of Class A Common Stock owned by Ms. Fergus individually; (15)(2) 52,938 shares of Class A Common Stock that may be purchased pursuant to options exercisable within 60 days; and (3) 4,413 shares of Class A Common Stock represented by restricted stock.

The amount shown includes: (1) 11,694 shares of Class A Common Stock owned by Mr. Liucci individually; (16)(2) 29,814 shares of Class A Common Stock that may be purchased pursuant to options exercisable within 60 days; and (3) 2,400 shares of Class A Common Stock represented by restricted stock.

The amounts shown include: (1) 26,521 shares of Class A Common Stock owned by Mr. Louis Fuller individually; (2) 271,844 shares of Class A Common Stock held by multiple grantor retained annuity trusts each (17) of which Mr. Fuller is the trustee; (3) 370,004 shares of Class B Common Stock held by multiple grantor retained annuity trusts, each of which Mr. Fuller is the trustee; and (4) 89,000 shares of Class B Common Stock held by a family trust, of which Mr. Fuller is the trustee.

The amount and percentage shown solely with respect to the Class A Common Stock and the information contained in this footnote are based on a Schedule 13G/A filed by Baron Capital Group, Inc. ("BCG") on February 14, 2012. BCG has shared voting power with respect to 3,449,509 shares of Class A Common Stock and shared dispositive power with respect to 3,803,509 shares of Class A Common Stock. According to their joint Schedule 13G, BAMCO, Inc. ("BAMCO") has shared voting power with respect to 3,215,700 shares of Class A (18) Common Stock and shared dispositive power with respect to 3,565,700 shares of Class A Common Stock; Baron Capital Management, Inc. ("BCM") has shared voting power with respect to 233,809 shares of Class A Common Stock and shared dispositive power with respect to 237,809 shares of Class A Common Stock; Baron Growth Fund has shared voting and shared dispositive power with respect to 2,000,000 shares of Class A Common Stock; and Ronald Baron has shared voting power with respect to 3,449,509 shares of Class A Common Stock and shared dispositive power with respect to 3,803,509 shares of Class A Common Stock.

The amount and percentage shown solely with respect to the Class A Common Stock and the information contained in this footnote are based on a Schedule 13G/A filed by T. Rowe Price Associates, Inc. ("Price (19) Associates") on February 13, 2012. Price Associates has sole voting power with respect to 695,820 shares of Class A Common Stock and has sole dispositive power with respect to 2,648,838 shares of Class A Common Stock.

The amount and percentage shown solely with respect to the Class A Common Stock and the information (20) contained in this footnote are based on a Schedule 13G/A filed by BlackRock, Inc. ("BlackRock") on February 13, 2012. BlackRock has sole voting power and sole dispositive power with respect to 2,028,022 shares of Class A Common Stock.

See footnotes 2 through 16 to this table. The amounts shown include: (1) 608,899 shares of Class A Common (21) Stock owned individually, jointly with a spouse, by a spouse individually or in a self directed IRA; (2) 539,471 shares of Class A Common Stock that may be purchased pursuant to options exercisable



within 60 days; (3) 1,552,252 shares of Class B Common Stock owned individually or by a spouse individually, including 154,930 shares of Class B Common Stock which are held by grantor annuity trusts; (4) 68,917 shares of Class A Common Stock represented by restricted stock and restricted stock units; and (5) 150,948 shares of Class A Common Stock that may be received for DSUs.

**PROPOSAL TWO:****APPROVAL OF THE SELECTION OF INDEPENDENT AUDITORS**

PwC served as our independent registered public accounting firm for our fiscal year ended December 31, 2011. In addition to the audit of the 2011 financial statements, the Audit Committee engaged PwC to perform certain other services for which it was paid fees. PwC has served as our independent registered public accounting firm since 2002. Our Audit Committee has selected PwC as our independent registered public accounting firm for fiscal year 2012, subject to ratification by our stockholders at the annual meeting.

We are asking our stockholders to ratify the selection of PwC as our independent registered public accounting firm for fiscal year 2012. Although ratification is not required by our by-laws or otherwise, the Board is submitting the selection of PwC to our stockholders for ratification because we value our stockholders' views on our independent registered public accounting firm and as a matter of good corporate practice. In the event that our stockholders fail to ratify the selection, it will be considered as guidance to the Audit Committee to consider the selection of a different firm. Even if the selection is ratified, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders.

One or more representatives of PwC is planning to be present at the annual meeting and will be available to respond to appropriate questions. In addition, the representatives will have an opportunity to make a statement if they so desire. The Board of Directors unanimously recommends that stockholders vote FOR the ratification of PwC as the Company's independent registered public accounting firm for its fiscal year 2012.

**Principal Accountant Fees and Services**

Aggregate fees for professional services rendered to us by PwC for the years ended December 31, 2010 and 2011 were:

	2010 (a)	2011
Audit Fees	\$1,551,000	\$1,584,000
Audit-Related Fees	73,000	—
Tax Fees	10,000	14,000
All Other Fees	25,000	25,000
Total	\$1,659,000	\$1,623,000

The amounts included in the table above do not include \$1,269,000 reimbursed by the Company to FreightLink Pty (a)Ltd pursuant to the Purchase Sale Agreement for work done by PwC for FreightLink in connection with the preparation of FreightLink's audited United States GAAP financial statements.

Audit fees for the years ended December 31, 2010 and 2011 were for professional services rendered by PwC for the audits of the consolidated financial statements of the Company, including the audit of internal control over financial reporting, statutory audits and assistance with review of documents filed with the SEC.

Audit-Related fees for the year ended December 31, 2010 were for assurance and related services by PwC related to due diligence for mergers and acquisitions, accounting consultations in connection with acquisitions and consultations concerning financial accounting and reporting standards.

Tax fees for the years ended December 31, 2010 and 2011 were for services by PwC related to tax compliance, tax planning and tax advice.

All other fees for the years ended December 31, 2010 and 2011 were for services by PwC related to statutory financial statement presentation software and the license agreement for accounting research software.

Our Audit Committee has not adopted pre-approval policies and procedures for audit and permitted non-audit services. The engagement of PwC for non-audit accounting and tax services is limited to circumstances where these services are considered integral to the audit services that PwC provides or where there is another compelling rationale for using PwC. All audit, audit-related and permitted non-audit services for which PwC was engaged were pre-approved by the Audit Committee in compliance with applicable SEC requirements.

#### STOCKHOLDER PROPOSALS FOR 2013 ANNUAL MEETING

Under the SEC's rules and regulations, in order for any stockholder proposal to be included in our proxy statement to be issued in connection with our 2013 annual meeting, that proposal must be received by our Secretary at our principal executive offices located at 66 Field Point Road, Greenwich, Connecticut 06830, no later than December 11, 2012. If that proposal is in compliance with all of the requirements of Rule 14a-8 under the Exchange Act, it will be included in the proxy statement and set forth on the proxy card issued for that annual meeting. Pursuant to our by-laws, stockholders may wish to submit proposals at the 2013 annual meeting rather than include such proposals in our proxy materials, but in order for such proposals to be deemed timely, such proposals must be in writing and be received by our Secretary by no earlier than February 11, 2013, and no later than March 13, 2013. Failure to deliver a proposal in accordance with this procedure may result in it not being timely received.

#### HOUSEHOLDING OF PROXY MATERIALS

SEC rules permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements and notices with respect to two or more stockholders sharing the same address by delivering a single proxy statement or a single notice addressed to those stockholders. This process, which is commonly referred to as "householding", provides cost savings for companies. Some brokers household proxy materials, delivering a single proxy statement or notice to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement or notice, or if your household is receiving multiple copies of these documents and you wish to request that future deliveries be limited to a single copy, please notify your broker. You can request prompt delivery of a separate copy of the Annual Report, or proxy statement by writing to our Secretary at our principal executive offices, which are located at 66 Field Point Road, Greenwich, Connecticut 06830 or by calling (203) 629-3722.

REPORT OF THE AUDIT COMMITTEE\*

The duties and responsibilities of the Audit Committee are set forth in our Audit Committee Charter which can be found on our website at [www.gwrr.com/governance](http://www.gwrr.com/governance). The Audit Committee has:

selected PwC as our independent registered public accounting firm to audit and report on our consolidated financial statements as of and for the year ended December 31, 2011 and the effectiveness of the Company's internal control over financial reporting as of December 31, 2011, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

reviewed and discussed our audited financial statements for 2011 with management and with PwC, our independent registered public accounting firm;

discussed with PwC, our independent registered public accounting firm, the matters required to be discussed by Statement on Auditing Standards (SAS) No. 61, as amended (AICPA, Professional Standards Vol. 1. AU

Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, including the quality of the Company's accounting principles, the reasonableness of management's significant judgments and the clarity of disclosures in the financial statements; and

received and reviewed the written disclosures and the letter from PwC required by applicable requirements of the Public Company Accounting Oversight Board regarding PwC's communications with the Audit Committee concerning independence, and have discussed with PwC its independence from the Company and management.

In performing all of these functions, the Audit Committee acts in an oversight capacity. The Audit Committee reviews the Company's quarterly and annual reports on Form 10-Q and Form 10-K, respectively, prior to filing with the SEC.

In its oversight role, the Audit Committee relies on the work and assurances of:

the Company's management, which has the primary responsibility for establishing and maintaining adequate internal control over financial reporting and for preparing the financial statements and other reports; and

PwC, which is engaged to audit and report on the consolidated financial statements of the Company and the effectiveness of the Company's internal control over financial reporting.

In reliance on these reviews and discussions and the report of the independent registered public accounting firm, the Audit Committee recommended to the Board, and the Board approved, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for filing with the SEC.

Audit Committee:

Robert M. Melzer, Chairman

Michael Norkus

Ann N. Reese

Philip J. Ringo

Mark A. Scudder

\* The information in this report is not “soliciting material,” is not deemed filed with the SEC and, unless expressly provided, is not to be incorporated by reference in any of our filings under the Securities Act of 1933, as amended, or the Exchange Act whether made before or after the date hereof and irrespective of any general incorporation language in any such filings.

**OTHER MATTERS**

Our Board does not know of any other matters that are to be presented for action at the annual meeting. Should any other matter come before the annual meeting, however, the proxyholders will have discretionary authority to vote all proxies with respect to such matter in accordance with their judgment.

**BY ORDER OF THE BOARD OF DIRECTORS**

Allison M. Fergus  
General Counsel and Secretary

Dated: April 10, 2012

58

---



