

LABORATORY CORP OF AMERICA HOLDINGS  
Form 8-K  
March 01, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

February 23, 2006  
(Date of earliest event reported)

**LABORATORY CORPORATION OF  
AMERICA HOLDINGS**

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(Exact Name of Registrant as Specified in its Charter)

**DELAWARE**

**1-11353**

**13-3757370**

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(State or other jurisdiction  
of Incorporation)

(Commission  
File Number)

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

**358 SOUTH MAIN STREET,  
BURLINGTON, NORTH CAROLINA**

**27215**

**336-229-1127**

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(Address of principal executive offices)

(Zip  
Code)

(Registrant's telephone number including area  
code)

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

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Information in Report

ITEM 1.01. Entry into a Material Definitive Agreement

On February 23, 2006, the Board of Directors of Laboratory Corporation of America Holdings (the Company), after discussion and input from outside compensation consultants, accepted and ratified the conclusions and recommendations of the Company's Compensation Committee (Committee) with respect to the following actions:

**2005 Management Incentive Bonus.** The Committee authorized the payment of the annual incentive awards with respect to the year ended December 31, 2005. These awards were made pursuant to the Company's Management Incentive Bonus Plan, as amended and restated (the MIB Plan). As in prior years, the Committee used the following factors for the 2005 MIB Plan: Corporate EBITDA, expense control, revenue growth, DSO goal (days), and EPS. A customer retention percentage and goal was established for the 2005 MIB Plan year. The table below sets forth the cash payments to the following executive officers with respect to their earned bonus for 2005.

| NAME                | TITLE  | MIB PAYMENT |
|---------------------|--|-------------|
| Thomas P. Mac Mahon | Chairman and Chief Executive Officer                                   | \$1,322,113 |
| Richard L. Novak    | Executive Vice President, Strategic Planning and Corporate Development | 542,315     |
| Bradford T. Smith   | Executive Vice President, Chief Legal Officer and Secretary            | 444,059     |
| Myla P. Lai-Goldman | Executive Vice President, Chief Scientific Officer and Medical Doctor  | 302,706     |
| David P. King       | Executive Vice President and Chief Operating Officer                   | 216,697     |

**2006 Base Salaries.** The 2006 base salary levels were effective January 1, 2006, for David P. King and William B. Hayes, and are effective March 1, 2006, for the other executive officers listed in the table below.

| NAME                | TITLE   | 2005 BASE  | 2006 BASE    |
|---------------------|---|------------|--------------|
| Thomas P. Mac Mahon | Chairman and Chief Executive Officer                            | \$ 937,125 | \$ 1,000,000 |
| David P. King       | Executive Vice President and Chief Operating Officer            | 341,000    | 450,000      |
| William B. Hayes    | Executive Vice President, Chief Financial Officer and Treasurer | 250,000    | 350,000      |
| Benjamin R. Miller  | Executive Vice President, Oncology Products and Services        | 250,000    | 275,000      |

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**2006 Management Incentive Bonus.** In connection with the Company's MIB Plan, the Committee used the following factors to set the guidelines for the 2006 MIB Plan: Corporate EBITDA, expense control, revenue growth, bad debt percentage, and EPS. The table below sets forth the 2006 bonus potential for the following executive officers for 2006.

| NAME                | TITLE  | 2006 BONUS TARGET |
|---------------------|--|-------------------|
| Thomas P. Mac Mahon | Chairman and Chief Executive Officer                                   | \$ 1,500,000      |
| Richard L. Novak    | Executive Vice President, Strategic Planning and Corporate Development | 660,000           |
| Bradford T. Smith   | Executive Vice President, Chief Legal Officer and Secretary            | 456,435           |
| Myla P. Lai-Goldman | Executive Vice President, Chief Scientific Officer and Medical Doctor  | 279,869           |
| David P. King       | Executive Vice President and Chief Operating Officer                   | 562,500           |

**SIGNATURES**

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

Laboratory Corporation of America Holdings  
(Registrant)

Date: March 1, 2006

By: /s/Bradford T. Smith  
Bradford T. Smith, Executive Vice  
President  
and Secretary