SeaCube Container Leasing Ltd.
Form 10-K/A
April 24, 2013
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(Mark One)

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

or

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission File Number 001-34931

SeaCube Container Leasing Ltd.

(Exact name of registrant as specified in its charter)

Bermuda	**98-0655416**
(State of other jurisdiction of	**(I.R.S. Employer**
incorporation or organization)	**Identification Number)**

1 Maynard Drive, Park Ridge, New Jersey 07656

(Address of principal executive offices)

(Registrant s telephone number, including area code) (201) 391-0800

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Shares, par value $.01 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	x
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

The aggregate market value of shares held by non-affiliates as of June 30, 2012 was approximately $187.3 million.

The number of Registrant s outstanding common shares as of March 14, 2013 was 20,413,359.

Table of Contents

SEACUBE CONTAINER LEASING LTD.

TABLE OF CONTENTS

EXPLANATORY NOTE		1
	PART III	
ITEM 10.	Directors, Executive Officers and Corporate Governance.	1
ITEM 11.	Executive Compensation.	4
ITEM 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.	14
ITEM 13.	Certain Relationships and Related Transactions, and Director Independence.	17
ITEM 14.	Principal Accounting Fees and Services.	19
	PART IV	
ITEM 15.	Exhibits, Financial Statement Schedules.	21
SIGNATURES		25

Table of Contents

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this Amendment) amends our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, that was filed with the Securities and Exchange Commission (the SEC) on February 21, 2013 (the Original Filing). We are filing this Amendment to include the information required by Part III and not included in the Original Filing, as we will not file our definitive proxy statement within 120 days of the end of our fiscal year ended December 31, 2012. The reference on the cover of the Original Filing to the incorporation by reference of our definitive proxy statement into Part III of the Original Filing is hereby deleted.

Except as set forth in Part III below and the correction of the List of Exhibits and Index to Exhibits, no other changes are made to the Original Filing. The Original Filing continues to speak as of the date of the Original Filing. Unless expressly stated, this Amendment does not reflect events occurring after the filing of the Original Filing, nor does it modify or update in any way the disclosures contained in the Original Filing.

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

DIRECTORS AND EXECUTIVE OFFICERS

Class I Directors

Douglas A. Hacker, 57, was appointed to our board on October 27, 2010. He is Chairman of the Compensation Committee and serves on the Audit Committee and the Nominating, Corporate Governance and Conflicts Committee of the Board. Mr. Hacker is currently, and has been since August 2006, a member of the board of directors of Aircastle Limited, a NYSE listed company that acquires, leases and sells commercial jet aircraft to airlines throughout the world. Mr. Hacker is currently an independent business executive and formerly served from December 2002 to May 2006 as Executive Vice President, Strategy for UAL Corporation, the airline holding company for United Airlines. Prior to this position, Mr. Hacker served with UAL Corporation as President, UAL Loyalty Services from September 2001 to December 2002, and as Executive Vice President and Chief Financial Officer from July 1999 to September 2001. Mr. Hacker also serves as a director or trustee of a series of open-end investment companies that are part of the Columbia family of mutual funds and as a director of Nash Finch Company. Mr. Hacker received an A.B. in Economics from Princeton University and an M.B.A. from Harvard Business School.

Mr. Hacker s extensive experience in financial and operating management, including his prior service as an Executive Vice President, Strategy, of a major U.S. airline and his service as Chief Financial Officer of a major U.S. airline, in addition to his depth of knowledge in executive compensation, provide to the board excellent perspective and expertise on finance matters, on strategic matters relevant to the Company and on executive compensation matters. The board has determined that Mr. Hacker is financially literate as defined by NYSE rules and is a financial expert as defined by SEC regulations.

Joseph Kwok, 58, was appointed to our board effective March 15, 2011, and became our Chief Executive Officer in March 2010. Mr. Kwok is the Chairman of Seacastle Inc. and served as the Chief Executive Officer of Seacastle Inc. from June 1, 2007 through March 2010. Prior to joining Seacastle Inc., Mr. Kwok was Group Advisor of AET (formerly known as American Eagle Tankers, Inc.) from April 2005 until March 2007 and Chief Executive Officer of AET from 1994 until March 2005, including following the sale of AET by Neptune Orient Lines Ltd. (NOL), a global transportation company and parent of the container carrier APL, to MISC Group. Previously, Mr. Kwok spent more than twenty years at NOL. While at NOL, in addition to serving as Chief Executive Officer of AET, from 1997 to 2003, Mr. Kwok served as Group Chief Operating Officer of NOL, and Chief Executive Officer of NOL s Chartering and Enterprises Division and Chairman of Neptune Shipmanagement Services (Pte), Ltd., NOL s ship operating arm. Mr. Kwok received a Naval Architecture degree from Hamburg Fachhochschule and an M.S. from MIT in Ocean Systems Management.

As the Company s chief executive officer for the past year, complemented by more than 20 years of experience in container leasing and steamship operations, Mr. Kwok brings to the Board a superior and in-depth understanding of all aspects of the Company, including its customers, operations and key business drivers.

Table of Contents

Class II Directors

Jonathan G. Atkeson, 40, was appointed to our board in March 2010. Mr. Atkeson joined Fortress Investment Group LLC (Fortress) in July 2003 and is a Managing Director in the acquisitions area. From 2000 to 2003, Mr. Atkeson worked as a Vice President in the private equity group at Whitney & Co., LLC. Prior to that, he was a member of the mergers & acquisitions group at Credit Suisse First Boston. Mr. Atkeson received a B.S.P.H. in Environmental Science and Engineering from the University of North Carolina at Chapel Hill and a J.D. from Yale Law School.

Mr. Atkeson s experience as a private equity investor focusing on the transportation sector and as an investment banker provides the board with valuable insights on financial, strategic planning and investor relations matters, particularly as it relates to transportation-related industries.

Donald P. Hamm, 69, was appointed to our board on October 27, 2010. He is Chairman of the Nominating, Corporate Governance and Conflicts Committee and serves on the Audit Committee of the Board. Mr. Hamm is a seasoned maritime executive with broad experience in the shipping and stevedoring industries, both in the U.S. and internationally. From June 2003 through October 2009, Mr. Hamm served as President of the Port Newark Container Terminal. Mr. Hamm also served as Senior Vice President of Ports America from 2007 through 2009. From June 1993 until June 2003, Mr. Hamm served as General Manager of American Stevedoring Inc. From 1991 to 1993, Mr. Hamm served as Principle and Consultant at DP Hamm & Associates, a consulting business he established that was focused on all aspects of the maritime industry including terminal services, budgeting and vessel deployment. Prior to that, Mr. Hamm held senior operational roles at Puerto Rican Maritime Management and Trans Freight Line. Mr. Hamm also held various sales and operations positions over a 10-year period at Sea-Land Service (now Maersk) in the U.S. and overseas. Mr. Hamm graduated from Niagara University with a Bachelor of Arts in Political Science. Mr. Hamm also served as First Lieutenant, Transportation Officer in the U.S. armed forces, is a Vietnam veteran and was awarded a bronze star.

Mr. Hamm s extensive experience across the transportation industry both in the U.S. and internationally, is highly relevant to our business. His experience provides the Board with a deep understanding of the container shipping business as well as other related maritime transportation businesses. The Board has determined that Mr. Hamm is financially literate as defined by NYSE rules.

Martin Tuchman, 72, was appointed to our board effective March 15, 2011. Mr. Tuchman serves on the Compensation Committee and the Nominating, Corporate Governance and Conflicts Committee of the Board. From August 2000 until October 2007, Mr. Tuchman served as a member of the board of directors of Yardville National Bank. Since December 2008, Mr. Tuchman has served as Vice Chairman of the First Choice Bank in Lawrenceville, New Jersey. Mr. Tuchman also is currently, and has been since 2007 the Chief Executive Officer of The Tuchman Group, which overseas holdings in real estate, banking and international shipping, and has headed Kingstone Capital V, a private investment group, since 2007. In 1968, after helping develop the current standard for intermodal containers and chassis in connection with the American National Standards Institute, Mr. Tuchman co-founded Interpool, Inc., a leading container leasing business, which was sold to funds affiliated with Fortress in July 2007. In 1987, Mr. Tuchman formed Trac Lease, a chassis leasing company which was subsequently merged into Interpool, Inc. Mr. Tuchman graduated from New Jersey Institute of Technology (Newark College of Engineering) in 1962 with a Bachelor of Science in mechanical engineering and earned an M.B.A. from Seton Hall University in 1968. Currently, Mr. Tuchman is a member of the United Nations Business Council, a council comprised of leading international executives organized to promote understanding and cooperation between business and government.

Mr. Tuchman s experience in the container leasing and shipping industry and as Chief Executive Officer of The Tuchman Group provides the board with valuable insights on financial and strategic planning matters, particularly as they relate to transportation related industries.

Class III Directors

Joseph P. Adams, Jr., 55, was appointed to our board in March 2010, and serves as Chairman. He is a Managing Director at Fortress within the Private Equity Group and is a member of the Management Committee of Fortress. Prior to joining Fortress in April 2004, Mr. Adams was a partner at Brera Capital Partners and at Donaldson, Lufkin & Jenrette where he was in the transportation industry group. In 2002, Mr. Adams served as the first Executive Director of the Air Transportation Stabilization Board. Mr. Adams received a B.S. in Engineering from the University of Cincinnati and an M.B.A. from Harvard Business School.

Mr. Adams experience, including his role serving as Deputy Chairman on a number of boards for portfolio companies of Fortress, provides the board with valuable insights into how boards at other companies address issues similar to those faced by the Company. In addition, his experience as a private equity investor and investment and merchant banker provides the board with valuable guidance on financial, strategic planning and investor relations matters, particularly as it relates to transportation related industries.

2

Table of Contents

Paul R. Goodwin, 70, was appointed to our board on October 27, 2010. He is Chairman of the Audit Committee and serves on the Compensation Committee of the Board. Mr. Goodwin served from October 2009 to December 2012 as a member of the board of directors of RailAmerica, Inc., chaired its Audit Committee and served as a member of its Nominating, Corporate Governance and Conflicts Committee and Compensation Committee. Mr. Goodwin also served from April 2003 to May 2011 as a member of the board of directors of Manhattan Associates, Inc. (a supply chain consulting company listed on NASDAQ) and chaired its Nominating and Governance Committee. From June 2003 through 2004, Mr. Goodwin served as a consultant to CSX Corporation, an NYSE listed company, which, through its subsidiaries, operates the largest rail network in the eastern United States. Mr. Goodwin also served on the board of the National Railroad Retirement Investment Trust from 2003 through 2006. From April 2000 until June 2003, Mr. Goodwin served as Vice-Chairman and Chief Financial Officer of CSX Corporation. Mr. Goodwin started with CSX Corporation in 1965 and held various senior management positions with entities affiliated with CSX Corporation Group, including Executive Vice President and Chief Financial Officer, Senior Vice President finance and planning and Executive Vice President of finance and administration. Mr. Goodwin graduated from Cornell University with a Bachelor of Civil Engineering and received an M.B.A from George Washington University.

Mr. Goodwin s forty-five years of experience, including serving as Vice-Chairman and Chief Financial Officer of CSX Corporation, is highly relevant to our business. His experience provides the board with a deep understanding of the transportation industry and also provides financial expertise to the board, including an understanding of financial accounting and reporting, including internal controls, and corporate finance and capital markets. The board has determined that Mr. Goodwin is financially literate as defined by NYSE rules and is a financial expert as defined by SEC regulations.

Executive Officers

Joseph Kwok, 58, became our Chief Executive Officer in March 2010. Mr. Kwok s biographical information and business experience is described above under Continuing Class I Directors.

Stephen P. Bishop, 56, became our Chief Operating and Chief Financial Officer in March 2010. Prior to joining SeaCube, Mr. Bishop was Executive Vice President and Chief Financial Officer of Greatwide Logistics Services (a non asset transportation and logistics company). Mr. Bishop joined Greatwide Logistics Services in 2007 and in conjunction with the Board and advisors led Greatwide through a sale process under Section 363 of the Bankruptcy Code. Greatwide filed for bankruptcy in October 2008 and emerged in March 2009 upon completion of the sale process. Mr. Bishop previously served as Executive Vice President and Chief Financial Officer of GeoLogistics Corp. (a global provider of integrated logistics), which was acquired by a subsidiary of Agility Logistics. Prior to that, Mr. Bishop was Executive Vice President and Chief Financial Officer of NetJets, Inc. (an on-demand airline that offers fractional airplane ownership). Mr. Bishop graduated with a B.S. in Accounting from the University of Maine and an M.B.A. from Northeastern University.

Lisa D. Leach, 58, became our Vice President and General Counsel in March 2010. Ms. Leach was Vice President and General Counsel of Container Leasing International, LLC (CLI), formerly a wholly owned subsidiary of Seacastle and presently an indirect wholly owned subsidiary of the Company, working with the company from its inception in 1993 through 2010. Prior to that, Ms. Leach was Vice-President and General Counsel of Itel Containers International Corporation (a container leasing company) based in San Francisco, California. From 1978 through 1985, Ms. Leach practiced as a maritime and transportation litigation attorney in New Orleans. Ms. Leach is a graduate of Tulane University and the Tulane School of Law. She is a member of the bars of California, Colorado and Louisiana.

CORPORATE GOVERNANCE

Principles of Corporate Governance

The Board has adopted Corporate Governance Guidelines that reflect corporate governance principles and practices that reflect high standards of corporate governance in accordance with rules of the NYSE. The Company also has adopted a Code of Business Conduct and Ethics applicable to all employees and directors of the Company, and a Code of Ethics for Principal Executive and Senior Financial Officers. The Corporate Governance Guidelines, the Code of Business Conduct and Ethics, the Code of Ethics for Principal Executive and Senior Financial Officers, and the charters of each standing committee are available on the Company s website at www.seacubecontainers.com under the heading Investors/Corporate Governance. Shareholders may also request a free copy of these documents by writing to Office of the General Counsel/Corporate Secretary, SeaCube Container Leasing Ltd., 1 Maynard Drive, Park Ridge, New Jersey 07656.

Table of Contents

Shareholders who wish to communicate with the Board generally, or with a particular director, may forward the appropriate correspondence to the Board member c/o Office of the General Counsel/Corporate Secretary, SeaCube Container Leasing Ltd., 1 Maynard Drive, Park Ridge, New Jersey 07656. Appropriate correspondence generally includes any legitimate, non-harassing inquiries or statements.

Audit Committee

The members of the Audit Committee are Mr. Goodwin, Chairman, and Mr. Hacker and Mr. Hamm as committee members. All three members have been determined to meet all applicable independence and financial literacy and other requirements as defined under NYSE rules and Rule 10A-3 of the Exchange Act. Mr. Goodwin has been designated as the Audit Committee s financial expert. The duties and responsibilities of the Audit Committee include:

- reviewing the audit plans and findings of our independent registered public accounting firm and our internal audit and risk review staff, as well as the results of regulatory examinations, and tracking management s corrective action plans where necessary;
- reviewing the Company s financial statements, including any significant financial items and/or changes in accounting policies, with our senior management and independent registered public accounting firm;
- reviewing the Company s financial risk and control procedures, compliance programs and significant tax, legal and regulatory matters; and
- making recommendations to our shareholders regarding the annual appointment by our shareholders of our independent registered public accounting firm (which constitutes the auditor for purposes of Bermuda law), evaluating its independence and performance and setting clear hiring policies for employees or former employees of the independent registered public accounting firm.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company s executive officers and directors, and any persons who beneficially own more than 10% of a class of the company s stock, to file certain reports of ownership and changes in ownership with the SEC. Based solely on its review of the copies of Forms 3, 4, and 5 received by it, the Company believes that the Company s executive officers and directors complied with the SEC s reporting requirements with respect to transactions which occurred during the fiscal year ended December 31, 2012.

Item 11. Executive Compensation.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Compensation

The following Compensation Discussion and Analysis provides, in respect of 2012, information regarding the objectives and elements of our compensation philosophy, policies and practices with respect to the compensation of our executive officers who appear in the Summary Compensation Table below (referred to collectively throughout this section as our named executive officers). Our named executive officers for the year ended December 31, 2012 are:

- Joseph Kwok, Chief Executive Officer;

- Stephen P. Bishop, Chief Operating Officer and Chief Financial Officer; and

- Lisa D. Leach, Vice President and General Counsel.

Messrs. Kwok and Bishop are named executive officers based on their roles as our CEO and Chief Financial Officer (CFO), respectively, and Ms. Leach is a named executive officer by reason of being our only other executive officer during 2012.

Table of Contents

Amalgamation

On January 18, 2013, we entered into an Agreement and Plan of Amalgamation with 2357575 Ontario Limited (Parent) and SC Acquisitionco Ltd. (Acquisition Sub), pursuant to which the Company and Acquisition Sub will amalgamate under the laws of Bermuda and the amalgamated company will continue as a subsidiary of Parent (the Amalgamation). In connection with the Amalgamation, certain changes were made in 2013 to the elements of our compensation program to cause them to differ from what is otherwise discussed herein, as more fully disclosed in our Definitive Proxy Statement on Schedule 14A, filed on March 21, 2013 (the Amalgamation Proxy). The sections of the Amalgamation Proxy titled The Amalgamation Interests of SeaCube s Directors and Executive Officers in the Amalgamation and The Amalgamation Quantification of Potential Payments to Named Executive Officers in Connection with the Amalgamation are incorporated herein to the extent the matters discussed there could affect a fair understanding of the compensation paid to our named executive officers for 2012.

Objectives of Our Executive Compensation Program

Our primary compensation goals for our named executive officers are to attract, motivate and retain the most talented and dedicated executives and to align annual and long-term incentives for those executives with enhancing shareholder value. To achieve these goals we maintain compensation plans for our named executive officers that:

- Balance short-term and long-term goals by delivering a substantial portion of total compensation through restricted share grants;
- Deliver a mix of fixed and at-risk compensation, including through the use of restricted share grants, the value of which is directly related to our performance; and
- Through the payment of dividends on restricted share grants, tie a substantial portion of overall compensation to the dividends we pay to our shareholders.

Role of Compensation Committee

The compensation committee of our board of directors evaluates our performance, including achievement of key investment and capital raising goals, and the individual performance of each named executive officer with a goal of setting overall compensation at levels that the compensation committee believes are appropriate. Our named executive officers are not in any way directly responsible for determining our CEO s compensation, although they regularly provide information to the compensation committee that is relevant to the compensation committee s evaluation of our CEO s compensation (for instance, in terms of our performance against established compensation goals and otherwise). By contrast, our CEO plays a more active role in determining the compensation of the other named executive officers, who are his subordinates. He regularly advises the compensation committee of his own evaluation of their job performance and, from time to time, offers for consideration by the compensation committee his own recommendations for their compensation levels. The compensation committee has the discretion to consider these recommendations in making compensation determinations.

We did not retain a compensation consultant to review our policies and procedures with respect to executive compensation in respect of 2012.

Elements of Compensation

Our compensation program for our named executive officers consists of the elements set forth below. Determinations regarding any one element of compensation affects determinations regarding each other element of compensation because the goal of the compensation committee is to set overall compensation for our named executive officers at an appropriate level. In this regard, the compensation committee takes into account the extent to which different compensation elements are at risk. Accordingly, for example, the amount of salary paid to a named executive officer is considered by the compensation committee in determining the amount of any cash bonus or restricted share award, but the relationship among the elements is not formulaic because of the need to balance the likelihood that the at-risk components of the compensation will actually be paid at any particular level.

Table of Contents

Base Salary. Base salaries for our named executive officers are established based upon the scope of their responsibilities and by taking into account the compensation levels from their recent prior employment. Base salaries are reviewed annually and adjusted from time to time in view of individual responsibilities, performance and experience. The compensation committee conducts annual salary reviews in December of each year. In January 2013, Mr. Kwok s base salary was increased to $425,000, Mr. Bishop s base salary was increased to $315,000 and Ms. Leach s base salary was increased to $285,000. The current base salaries for our named executive officers are as follows:

Joseph Kwok, $425,000;

Stephen P. Bishop, $315,000; and

Lisa D. Leach, $285,000.

These base salaries are intended to complement the at-risk components of our compensation program for our named executive officers by assuring that the executives will receive an appropriate minimum level of compensation.

Cash Bonuses and Restricted Share Bonus Grants. The compensation committee has the authority to award annual bonuses to our named executive officers in the form of cash and/or restricted share grants or other share-based awards. These annual incentive bonuses are intended to compensate officers for individual performance achievements, for our overall financial performance and for achieving important milestones. Bonus levels vary depending on the individual executive and generally include such factors as our overall financial performance, quality and amount of new investments, enhancing our dividend paying capability and improving our operations. The compensation committee makes annual discretionary bonus determinations in December of each year. Discretionary cash bonuses are ordinarily paid in a single installment in January of the year following determination, and discretionary bonus restricted share grants or other share-based awards are ordinarily made in February of the year following determination. In addition to discretionary bonus restricted share grants, the compensation committee has the authority to award special restricted share grants to our named executive officers. These awards are made only to certain executives, reflecting exceptional performance, to provide additional retention benefits and performance incentives through additional restricted share ownership. No special restricted shares grants were made to our named executive officers for 2012.

For 2012, except for the formulaic bonus restricted share grants described below, the compensation committee did not set specific corporate or individual performance objectives for the determination of annual bonuses. Rather, the compensation committee considered 2012 corporate performance and the contribution of each individual executive on a more subjective basis in light of traditional financial metrics that the company considers most significant. Those metrics include total revenue, adjusted net income (as described above), total amount invested in new equipment, and average utilization for the fleet (excluding assets held for sale and new units at the factory). An evaluation of these metrics showed that the company performed exceptionally well in 2012 on a year-over-year basis. Revenue increased 17% to $198.9 million. Adjusted net income increased 17% to $51.5 million. Total amount invested in new equipment in 2012 reached $410.2 million. In addition, average utilization of the fleet continued to be strong in 2012 with average fourth quarter utilization of 97.8%. The compensation committee also considered the company s successful achievement of a variety of strategic initiatives, including ensuring the availability of low cost, long-term financing for equipment purchases, entering into profitable long-term leases with creditworthy customers, and maintaining steady and consistent cash flows under all market conditions. Based on the company s year-over-year performance, as well as the successful procurement of additional capital and the achievement of its strategic initiatives, the compensation committee concluded that the company had demonstrated exceptional continued performance during uncertain economic times and that each of the named executive officers contributed to that success. The compensation committee further concluded that Mr. Kwok s contribution was particularly significant, given his substantial involvement on the marketing side of the business, in the deployment of investment capital that resulted in positive returns, and in generating a high volume of profitable leasing transactions, each of which had a resultant favorable short-term and anticipated long-term impact on revenue, earnings, and cash flow. As a consequence, the compensation committee concluded that Mr. Kwok s contribution to the company s success warranted a discretionary cash bonus of $500,000 ($100,000 above the target range set forth in his employment agreement).

The 2012 annual discretionary cash bonuses for our named executive officers (inclusive of the bonus for Mr. Kwok referenced in the preceding paragraph) are as follows:

Joseph Kwok, $500,000 cash;

Stephen P. Bishop, $220,000 cash; and

Lisa D. Leach, $175,000 cash.

Table of Contents

For bonus restricted share grants in respect of 2012 service, the compensation committee determined that 50% of such grants would be discretionary based on the 2012 corporate performance factors described above and 50% of such grants would be formulaic. The formulaic grants were dependent on the Company achieving a performance target of $2.50 of adjusted net income per share for 2012. Adjusted net income is defined as net income before non-cash interest expense related to terminations and modifications of derivative instruments, losses on retirement of debt, fair value adjustments on derivative instruments, loss on swap terminations, write-offs of goodwill and gain on the sale of assets. Adjusted net income is a measure of financial and operational performance that is not defined by U.S. GAAP. For a reconciliation of this non-GAAP measure to net income (loss), see the section titled Non-GAAP Measure in our Annual Report on Form 10-K for the fiscal year ended on December 31, 2012, filed on February 21, 2013. For 2012, the Company achieved an adjusted net income per share of $2.54.

The 2012 discretionary and formulaic bonus restricted share grants vesting ratably over 3 years were awarded in respect of 2012 service on February 13, 2013 as follows: Mr. Kwok: 31,250 shares; Mr. Bishop: 18,750 shares, and Ms. Leach: 10,625 shares.

Dividends. A key component of our compensation program for our named executive officers consists of dividends paid on restricted shares, whether such shares are vested or unvested. Under our 2010 Omnibus Equity Incentive Plan, described below in Equity Incentive Plan, restricted shares pay dividends prior to vesting, and because growing our dividends per share over time is an important goal for us, we believe that payment of dividends on vested and unvested shares aligns the interests of our executives with the interests of our shareholders.

Severance Benefits. We have entered into employment agreements with Messrs. Kwok and Bishop, each of which became effective in May 2010 and each of which provides severance benefits in the circumstances described in greater detail below in Employment Agreements. We believe that the severance and change in control benefits contained in these agreements are essential elements of our compensation package for Messrs. Kwok and Bishop and assist us in recruiting and retaining talented executives. Reference is made to the Amalgamation Proxy for changes made to these agreements in connection with the Amalgamation and for the status of an agreement with Ms. Leach executed in 2013.

Other Compensation. All of our named executive officers are eligible to participate in our employee benefit plans, including medical, dental, life insurance and 401(k) plans. These plans are available to all employees and do not discriminate in favor of our named executive officers. Mr. Kwok also received reimbursements for tax advisory services. We do not view perquisites as a significant element of our comprehensive compensation structure.

Equity Incentive Plan

We maintain the SeaCube Container Leasing Ltd. 2010 Omnibus Equity Incentive Plan (the Plan) for the purposes of providing additional incentives to selected employees, directors and independent contractors and consultants, including our named executive officers. The Plan provides for the issuance of share options, share appreciation rights, restricted shares, deferred shares, performance shares, unrestricted shares and other share-based awards. While we issue restricted shares and other share-based awards under the Plan to employees as a recruiting and retention tool, we have not established specific parameters regarding grants to our employees. Our compensation committee determines the specific criteria surrounding other equity issuances under the Plan.

Shareholder Votes on Executive Compensation

At our 2011 annual general meeting of shareholders, our shareholders voted to hold an advisory vote on executive compensation every three years. Consistent with that vote, the Board resolved to accept the shareholders recommendation.

At our 2011 annual general meeting of shareholders, our shareholders also expressed their support of the Company s executive compensation programs. Approximately 99% of the votes cast supported our executive compensation policies and practices. The Compensation Committee viewed the vote as a strong expression of our shareholders general satisfaction with the Company s current executive compensation programs. As a result, the Compensation Committee decided that it was not necessary to implement changes to our executive compensation programs as a result of the shareholder advisory vote.

COMPENSATION OF DIRECTORS

An annual fee of $50,000, payable in semi-annual installments, is paid to each independent director. In addition, an annual fee of $10,000 is paid to each member of the Audit Committee ($15,000 to the chair) of the Board and an annual fee of $5,000 is paid to each member of the Nominating, Corporate Governance and Conflicts Committee and each member of the Compensation Committee ($10,000 to each chair) of the Board. Fees owed to independent directors may be paid by issuance of our common shares, based on the value of the common shares at the date of issuance, rather than in cash, so long as the issuance does not prevent the director from qualifying as an independent director and the shares are either granted pursuant to a shareholder-approved plan or the issuance is

7

Table of Contents

otherwise exempt from NYSE listing requirements. Affiliated directors (i.e., Messrs. Adams, Atkeson, and Kwok), however, are not separately compensated by us. All members of the Board are reimbursed for reasonable costs and expenses incurred in attending meetings of our Board.

Messrs. Goodwin, Hacker and Hamm and Mr. Tuchman were granted a number of restricted common shares on October 28, 2010 and March 15, 2011, respectively, equal in value to $300,000, based on the fair market value of our Common Shares on the date of grant. These restricted shares vest in three equal portions on June 30 of each of 2011, 2012 and 2013, in respect of Messrs. Goodwin, Hacker and Hamm, and 2012, 2013 and 2014 in respect of Mr. Tuchman, provided the director is still serving as of the applicable vesting date. The directors holding these restricted shares will be entitled to any dividends that become payable on such shares during the restricted period.

Director Compensation for 2012

The following table summarizes the compensation earned by each of our non-affiliated directors in 2012.

Director	Fees Earned or Paid in Cash ($)	Stock Awards ($) (2)	All Other Compensation ($)	Total ($)
Paul R. Goodwin	70,000			70,000
Douglas A. Hacker	75,000			75,000
Donald P. Hamm	70,000			70,000
Martin Tuchman	60,000			60,000

(1) The following table shows the aggregate number of restricted common shares outstanding as of December 31, 2012 for each non-affiliated director.

Director	Number of Shares or Units of Stock That Have Not Vested (#)(a)
Paul R. Goodwin	10,000
Douglas A. Hacker	10,000
Donald P. Hamm	10,000
Martin Tuchman	13,698

(a) These restricted shares vest on June 30, 2013, in respect of Messrs. Goodwin, Hacker and Hamm, and in two equal portions on June 30 of each of 2013 and 2014 in respect of Mr. Tuchman, provided the director is still serving as of the applicable vesting date. The directors holding these restricted shares will be entitled to any dividends that become payable on such shares during the restricted period.

Table of Contents

Compensation Committee Interlocks and Insider Participation

During 2012, the Compensation Committee of the Board of Directors was composed of Messrs. Hacker, Goodwin and Tuchman None of these persons has at any time been an officer or employee of the Company or any of its subsidiaries. In addition, there are no relationships among the Company s executive officers, members of the Compensation Committee or entities whose executives serve on the Board of Directors or the Compensation Committee that require disclosure under applicable SEC regulations.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis beginning on page 4 with management and, based on that review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Amendment No. 1 to the Company s Annual Report on Form 10-K for the year ended December 31, 2012.

Compensation Committee

Douglas A. Hacker, Chairman

Paul R. Goodwin

Martin Tuchman

HISTORICAL COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Set forth below is information concerning the cash and non-cash compensation earned by, awarded to or paid by us for 2012, 2011, and 2010 to our Named Executive Officers. Our Named Executive Officers are our CEO, COO/CFO and VP/General Counsel.

Summary Compensation Table for 2012

Name and Principal Position	Year	Salary ($)	Bonus ($) (1)	Stock Awards ($)	All Other Compensation ($)	Total ($)
Joseph Kwok	2012	350,000	500,000	521,250(2)	24,074(3)	1,395,324
(Chief Executive Officer)	2011	350,000	450,000	481,875	18,066	1,299,941
	2010	339,311	375,000		26,176	740,487
Stephen Bishop	2012	306,000	220,000	312,750(2)	17,119(3)	855,869
(Chief Operating Officer and Chief Financial Officer)	2011	300,000	200,000	289,125	15,630	807,755
	2010	255,769	200,000	335,815	34,464	826,048
Lisa D. Leach	2012	279,659	175,000	135,508(2)	17,119(3)	607,286
(Vice President and General Counsel)	2011	268,601	140,000	125,288	15,630	549,519
	2010	267,200	132,000	89,114	15,630	503,944

(1) Represents annual cash bonuses paid to the executives in respect of services performed for the applicable year. In addition to annual cash bonuses disclosed in the table, in respect of 2012 performance, Messrs. Kwok and Bishop and Ms. Leach also each received a grant of

31,250, 18,750 and 10,625 bonus restricted shares, respectively, on February 13, 2013 to vest ratably over 3 years as discussed in Discretionary Cash Bonus and Restricted Share Bonus Grants above and Bonus Restricted Share Agreements below.

Table of Contents

(2) Represents the grant date fair value of bonus restricted shares grants made in 2012 in the amounts of 31,250, 18,750 and 8,124 shares granted to Messrs. Kwok and Bishop and Ms. Leach, respectively, in respect of 2011 performance, computed in accordance with FASB ASC Topic 718. For a summary of the assumptions used in the valuation of awards made in 2012, please see note 10 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended on December 31, 2012, filed on February 21, 2013.

(3) For Mr. Kwok the amount represents: $6,955 in tax preparation services; $14,700 in a 401(k) match; and $2,419 in life insurance. For Ms. Leach and Mr. Bishop the amount represents $14,700 in a 401(k) match and $2,419 in life insurance.

The following table summarizes grants of plan-based awards made in 2012 to each of our named executive officers.

Grants of Plan-Based Awards for 2012

Name	Grant Date (2)	Estimated Possible Payout Under Equity Incentive Plan Awards Target (#)(3)	All Other Stock Awards: Number of Shares of Stocks or Units	Grant Date Fair Market Value of Awards (4) ($)
Joseph Kwok	02/23/2012(1)	15,625	31,250	521,250
Stephen Bishop	02/23/2012(1)	9,375	18,750	312,750
Lisa D. Leach	02/23/2012(1)		8,124	135,508

(1) Each of the named executive officers was granted restricted shares on February 23, 2012, as part of their bonus restricted share grants in respect of performance in 2011. The bonus restricted share grants generally vest ratably over 3 years from the grant date. For further information on the bonus restricted share grant, please see Bonus Restricted Share Agreements below.

(2) Represents the date the bonus restricted shares were granted.

(3) Represents the number of bonus restricted shares that each of Messrs. Kwok and Bishop were eligible to earn in respect of performance in 2012 based on the achievement of $2.50 of adjusted net income per share for 2012, as described in Plan-Based Restricted Share Bonus Grants above. On February 13, 2013, Messrs. Kwok and Bishop were awarded 15,625 and 9,375 bonus restricted shares, respectively, in respect of 2012 performance.

(4) Represents th