TRINITY INDUSTRIES INC
Form DEF 14A
April 01, 2010

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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 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

Trinity Industries, Inc.

(Name of Registrant as Specified In Its Charter)

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

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2) Aggregate number of securities to which transaction applies:

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3) Filing Party:

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Trinity Industries, Inc.
2525 Stemmons Freeway
Dallas, Texas 75207-2401
www.trin.net

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on May 3, 2010

TO: Trinity Industries, Inc. Stockholders:

Please join us for the 2010 Annual Meeting of Stockholders of Trinity Industries, Inc. The meeting will be held at the principal executive offices of the Company, 2525 Stemmons Freeway, Dallas, Texas 75207, on **Monday, May 3, 2010**, **at 8:30 a.m.**, Central Daylight Time.

At the meeting, the stockholders will act on the following matters:

(1) Election of the eleven nominees named in the attached proxy statement as directors;

(2) Approval of the Amended and Restated Trinity Industries, Inc. 2004 Stock Option and Incentive Plan;

(3) Ratification of the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the year ending December 31, 2010; and

(4) Any other matters that may properly come before the meeting.

All stockholders of record at the close of business on March 19, 2010 are entitled to vote at the meeting or any postponement or adjournment of the meeting. A list of the stockholders is available at the Company s offices in Dallas, Texas.

By Order of the Board of Directors

JARED S. RICHARDSON
Associate General Counsel
and Corporate Secretary

April 1, 2010

YOUR VOTE IS IMPORTANT!

Please vote as promptly as possible by using the internet or telephone or by signing, dating, and returning the enclosed proxy card to the address listed on the card.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on May 3, 2010:

This Proxy Statement and the Annual Report to Stockholders for the fiscal year ended December 31, 2009, are available for viewing, printing, and downloading at http://materials.proxyvote.com/896522.

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Trinity Industries, Inc.
2525 Stemmons Freeway
Dallas, Texas 75207-2401
www.trin.net

PROXY STATEMENT
For
ANNUAL MEETING OF STOCKHOLDERS
To Be Held on May 3, 2010

This Proxy Statement is being mailed on or about April 1, 2010 to the stockholders of Trinity Industries, Inc. (Trinity or the Company) in connection with the solicitation of proxies by the Board of Directors of the Company to be voted at the Annual Meeting of Stockholders of the Company to be held at the offices of the Company, 2525 Stemmons Freeway, Dallas, Texas, on Monday, May 3, 2010, at 8:30 a.m., Central Daylight Time (the Annual Meeting), or at any postponement or adjournment thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The Company s mailing address is 2525 Stemmons Freeway, Dallas, Texas, 75207.

You may vote in person by attending the meeting, by completing and returning a proxy by mail, or by using the Internet or telephone. To vote your proxy by mail, mark your vote on the enclosed proxy card, then follow the instructions on the card. To vote your proxy using the Internet or telephone, see the instructions on the proxy form and have the proxy form available when you access the Internet website or place your telephone call.

The named proxies will vote your shares according to your directions. If you sign and return your proxy but do not make any of the selections, the named proxies will vote your shares FOR the election of the eleven nominees for Directors as set forth in this Proxy Statement, FOR the approval of the Amended and Restated Trinity Industries, Inc. 2004 Stock Option and Incentive Plan and FOR the ratification of Ernst & Young LLP as independent registered public accounting firm of the Company for the fiscal year ending December 31, 2010. The proxy may be revoked at any time before it is exercised by filing with the Company a written revocation, by executing a proxy bearing a later date or by attending the Annual Meeting and voting in person.

The outstanding voting securities of the Company consist of shares of common stock, $1.00 par value per share (Common Stock). The record date for the determination of the stockholders entitled to notice of and to vote at the Annual Meeting, or any postponement or adjournment thereof, has been established by the Board of Directors as the close of business on March 19, 2010. At that date, there were outstanding and entitled to vote 79,212,092 shares of Common Stock.

The presence, in person or by proxy, of the holders of record of a majority of the outstanding shares entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting, but if a quorum should not be present, the meeting may be adjourned from time to time until a quorum is obtained. A holder of Common Stock will be entitled to one vote per share on each matter properly brought before the meeting. Cumulative voting is not permitted in the election of directors.

The proxy card provides space for a stockholder to withhold voting for any or all nominees for the Board of Directors. The election of directors requires a plurality of the votes cast at the meeting. The approval of the Amended and Restated Trinity Industries, Inc. 2004 Stock Option and Incentive Plan and the ratification of the independent registered public accounting firm each require the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the meeting. Shares of a stockholder who abstains from voting on any or all proposals will be included for the purpose of determining the presence of a quorum. However, votes withheld with respect to the election of the Company s directors will not be counted either in favor of or against the election of the nominees. Such shares as to which authority to vote is withheld are called broker non-votes. Effective July 1, 2009, the New York Stock Exchange (the NYSE) amended its rule regarding discretionary voting by brokers such that any investor who does not instruct the investor s broker how to vote in an election of directors will cause the broker to be unable to vote that investor s shares on an election of directors. Previously, the broker could exercise its own discretion in determining how to vote the investor s shares even when the investor did not instruct the broker how to vote. In the case of the other proposals being submitted for stockholder approval, an abstention will effectively count as a vote cast against such proposal. Broker non-votes on any matter, as to which the broker has indicated on the proxy that it does not have discretionary authority to vote, will be treated as shares not entitled to vote with respect to that matter. However, such shares will be considered present and entitled to vote for quorum purposes so long as they are entitled to vote on other matters.

CORPORATE GOVERNANCE

The business affairs of Trinity are managed under the direction of the Board of Directors (also referred to in this proxy statement as the Board) in accordance with the General Corporation Law of the State of Delaware and the Company s Certificate of Incorporation and Bylaws. The role of the Board of Directors is to oversee the management of the Company for the benefit of the stockholders. This responsibility includes monitoring senior management s conduct of the Company s business operations and affairs; reviewing and approving the Company s financial objectives, strategies, and plans; risk management oversight; evaluating the performance of the chief executive officer and other executive officers; and overseeing the Company s policies and procedures regarding corporate governance, legal compliance, ethical conduct, and maintenance of financial and accounting controls. The Board of Directors first adopted Corporate Governance Principles in 1998, which are reviewed annually by the Corporate Governance and Directors Nominating Committee and were last amended in December 2007. The Company has a long-standing Code of Business Conduct and Ethics, which is applicable to all employees of the Company, including the chief executive officer, the chief financial officer, and principal accounting officer, as well as the Board of Directors. The Company intends to post any amendments to or waivers from its Code of Business Conduct and Ethics on the Company s website to the extent applicable to an executive officer or a director of the Company. The Corporate Governance Principles and the Code of Business Conduct and Ethics are available on the Company s web site at *www.trin.net* under the heading Investor Relations-Governance.

The directors hold regular and special meetings and spend such time on the affairs of the Company as their duties require. During 2009, the Board of Directors held eight meetings. The Board also meets regularly in non-management executive sessions and selects the Presiding Director, who serves as the lead independent director and chairs the non-management executive sessions. Mr. Rhys J. Best currently serves in that capacity. In 2009, all directors of the Company attended at least 75% of the meetings of the Board of Directors and the committees on which they served. It is Company policy that each of our directors is expected to attend the Annual Meeting. All of our directors were in attendance at the 2009 Annual Meeting.

Independence of Directors

The Board of Directors makes all determinations with respect to director independence in accordance with the NYSE listing standards and the rules and regulations promulgated by the Securities and Exchange Commission (SEC). In addition, the Board of Directors has established certain guidelines to assist it in making any such determinations regarding director independence (the Independence Guidelines), which are available on our website at *www.trin.net* under the heading Investor Relations-Governance. The Independence Guidelines set forth commercial and charitable relationships that may not rise to the level of material relationships that would impair a director s independence as set forth in the NYSE listing standards and SEC rules and regulations. The actual determination of whether such relationships as described in the Independence Guidelines actually impair a director s independence is made by the Board on a case-by-case basis. The Board undertook its annual review of director independence and considered transactions and relationships between each director or any member of his or her immediate family and the Company and its subsidiaries and affiliates. In making its determination, the Board applied the NYSE listing standards and SEC rules and regulations together with the Independence Guidelines. In making such determinations, the Board, amongst other things, considered transactions between our subsidiaries and subsidiaries of Austin Industries, Inc. for which Mr. Ronald J. Gafford serves as President and Chief Executive Officer. These transactions, which totaled $2,768,126 in 2009 and constituted less than 2% of the consolidated gross revenues of Austin Industries, Inc. in 2009, were made in the ordinary course of business in arms-length transactions and substantially all were determined by competitive bids. The transactions involved the purchase by Austin Industries, Inc. or its subsidiaries from our subsidiaries of concrete, highway products, and steel highway bridge girders. Mr. Gafford did not have a direct pecuniary interest in any of the transactions. The Board also considered that the son-in-law of Mr. Hay was employed by the Company full-time in a non-executive officer capacity for seven months during 2009 and currently is employed by the Company on a part-time basis in a non-executive officer capacity. Mr. Hay s son-in-law also provides certain legal services to the Company through an outside law firm at which a portion of his compensation is related to such legal services provided to the Company. As a result of its review, the Board affirmatively determined that the following directors are independent of the Company and its management under the standards set forth in the listing standards of the NYSE and the SEC rules and regulations: John L. Adams, Rhys J. Best, David W. Biegler, Leldon E. Echols, Ronald J. Gafford, Ronald W. Haddock, Jess T. Hay, Adrian Lajous, Charles W. Matthews and Diana S. Natalicio; and that Timothy R. Wallace is not independent because of his employment as Chairman, Chief Executive Officer, and President of the Company.

Board Leadership Structure

Mr. Wallace serves as the Chairman, Chief Executive Officer, and President of the Company. As stated in the Corporate Governance Principles, the Board believes that the decision as to whether the offices of Chairman and Chief Executive Officer should be combined or separated is the proper responsibility of the Board. The members of the Board possess considerable experience and unique knowledge of the challenges and opportunities the Company faces. They are, therefore, in the best position to evaluate the current and future needs of the Company and to judge how the capabilities of the directors and senior managers can be most effectively organized to meet those needs. Given his deep knowledge of the Company and experience in leading it through a range of business environments, the Board believes that the most effective leadership structure for the Company is to have Mr. Wallace serve as both Chairman and Chief Executive Officer.

While Mr. Wallace serves as both Chairman and Chief Executive Officer, our Board is comprised of Mr. Wallace and ten independent directors. After considering the recommendations of our Human Resources Committee, the independent directors determine Mr. Wallace s compensation. Further, we have four standing committees and a rotating Presiding Director, who is independent. Mr. Wallace does not serve on any Board committee. We also have a succession plan in place for Mr. Wallace. We believe that each of those measures counter-balances any risk that may exist in having Mr. Wallace serve as both Chairman and Chief Executive Officer. For these reasons, the Board believes that this leadership structure is effective for the Company.

As described above, Mr. Best currently serves as Presiding Director. The Presiding Director has the following roles and responsibilities:

- Serve as a member of the Corporate Governance and Directors Nominating Committee;
- Preside at each executive session of non-management and independent directors;
- Preside at all meetings when the Chairman and Chief Executive Officer is not present;
- As needed or appropriate, develop agendas for executive sessions of non-management and independent directors;
- Serve as the principal liaison to advise the Company s Chairman and Chief Executive Officer of actions and/or suggestions taken or made during executive sessions;
- Confer periodically with the Chairman and Chief Executive Officer regarding the quality, quantity and timeliness of information to be furnished from time to time to the members of the Board;

To the extent that the Presiding Director is not the Chairman of the Corporate Governance and Directors Nominating Committee, the Presiding Director assists the Chairman of the Corporate Governance and Directors Nominating Committee in planning and executing each self-evaluation process of the Board;

In those instances where an ongoing dialog between the stockholders and the non-management directors is appropriate, serve as a conduit for communications between the stockholders and the non-management directors; and

Perform such other duties as the Board from time to time may assign.

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Board Committees

The standing committees of the Board of Directors are the Audit Committee, Human Resources Committee, Corporate Governance and Directors Nominating Committee, and Finance and Risk Committee. Each of the committees is governed by a charter, a current copy of which is available on our website at *www.trin.net* under the heading Investor Relations-Governance. Mr. Wallace, Chairman, Chief Executive Officer, and President of the Company, does not serve on any Board committee. Director membership of the committees is identified below.

Director	Audit Committee	Human Resources Committee	Corporate Governance & Directors Nominating Committee	Finance & Risk Committee
John L. Adams				**
Rhys J. Best	*		**	*
David W. Biegler	*		*	*
Leldon E. Echols	**	*		
Ronald J. Gafford		*	*	
Ronald W. Haddock	*	*		
Jess T. Hay		**	*	*
Adrian Lajous	*			*
Charles W. Matthews			*	
Diana S. Natalicio		*		

* Member

** Chair

Audit Committee

The Audit Committee s function is to oversee the integrity of the Company s financial statements and related disclosures; the Company s compliance with legal and regulatory requirements; the qualifications, independence, and performance of the Company s independent auditing firm; the performance of the Company s internal audit function; the Company s internal accounting and disclosure control systems; the Company s procedures for monitoring compliance with its Code of Business Conduct and Ethics; and the Company s policies and procedures with respect to risk assessment, management, and mitigation. In carrying out its function, the Audit Committee (i) reviews with management, the chief audit executive, and the independent auditors the Company s financial statements, the accounting principles applied in their preparation, the scope of the audit, any comments made by the independent auditors upon the financial condition of the Company and its accounting controls and procedures; (ii) reviews with management its processes and policies related to risk assessment, management, and mitigation, compliance with corporate policies, compliance programs, internal controls, corporate aircraft usage, summaries of management s travel and entertainment reports; and (iii) performs such other matters as the Audit Committee deems appropriate. The Audit Committee also pre-approves all auditing and all allowable non-audit services provided to the Company by the independent auditors. The Audit Committee selects and retains the independent auditors for the Company, subject to stockholder ratification, and approves audit fees. The Audit Committee met eight times during 2009. The Board of Directors has determined that all members of the Audit Committee are independent as defined by the rules of the SEC and the listing standards of the NYSE. The Board has determined that Mr. Echols, Chair of the Audit Committee, Mr. Best, Mr. Biegler, and Mr. Haddock are each qualified as an audit committee financial expert within the meaning of SEC regulations.

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Finance and Risk Committee

The oversight duties of the Finance and Risk Committee (the Finance Committee) generally are to periodically review the financial status of the Company; review the Company s compliance with certain debt instruments that may exist; make recommendations to the Board regarding financings and authorize financings within limits prescribed by the Board; review and assess risk exposure related to the Company s operations; monitor the funds for the Company s benefit plans; review the Company s insurance coverages; and review significant acquisitions and dispositions of businesses or assets and authorize such transactions within limits prescribed by the Board. The Finance Committee met three times in 2009. The Company periodically identifies, assesses, and risk rates the business, commercial, operational, financial, and personal risks associated with its products and services. A cross-section of corporate and business segment executives meets quarterly to review the identified risks and assessed exposures and suggest changes to the Finance Committee as warranted. This management group reports to the Finance Committee at each regularly scheduled meeting and follows through on any action items requested by the Finance Committee to further define risk, assess or improve a mitigation initiative, or otherwise improve the overall enterprise risk management process.

Corporate Governance and Directors Nominating Committee

The functions of the Corporate Governance and Directors Nominating Committee (Nominating Committee) are to identify and recommend to the Board individuals qualified to be nominated for election to the Board; review the qualifications of the members of each committee (including the independence of directors) to ensure that each committee s membership meets applicable criteria established by the SEC and NYSE; recommend to the Board the members and Chairperson for each Board committee; periodically review and assess the Company s Corporate Governance Principles and the Company s Code of Business Conduct and Ethics and make recommendations for changes thereto to the Board; periodically review the Company s orientation program for new directors and the Company s practices for continuing education of existing directors; annually review director compensation and benefits and make recommendations to the Board regarding director compensation and benefits; review, approve, and ratify all transactions with related persons that are required to be disclosed under the rules of the SEC; annually conduct an individual director performance review of each incumbent director; and oversee the annual self-evaluation of the performance of the Board. Each of the members of the Nominating Committee is an independent director under the NYSE listing standards. The Nominating Committee met three times during 2009.

In performing its annual review of director compensation, the Nominating Committee utilizes independent compensation consultants from time to time to assist in making its recommendations to the Board. The Nominating Committee reviewed the director compensation for 2009 and determined it was appropriate and not in need of modification.

The Nominating Committee will consider director candidates recommended to it by stockholders. In considering candidates submitted by stockholders, the Nominating Committee will take into consideration the needs of the Board and the qualifications of the candidate. To have a candidate considered by the Nominating Committee, a stockholder must submit the recommendation in writing and must include the following information:

- The name of the stockholder, evidence of the person s ownership of Company stock, including the number of shares owned and the length of time of ownership, and a description of all arrangements or understandings regarding the submittal between the stockholder and the recommended candidate; and

- The name, age, business, and residence addresses of the candidate, the candidate s résumé or a listing of his or her qualifications to be a director of the Company, and the person s consent to be a director if selected by the Nominating Committee, nominated by the Board, and elected by the stockholders.

The stockholder recommendation and information described above must be sent to the Corporate Secretary at 2525 Stemmons Freeway, Dallas, Texas 75207 and must be received by the Corporate Secretary not less than 120 days prior to the anniversary date of the date the Company s proxy statement was released in connection with the previous year s Annual Meeting of Stockholders.

The Nominating Committee believes that the qualifications for serving as a director of the Company are that a nominee demonstrate depth of experience at the policy-making level in business, government or education, possess the ability to make a meaningful contribution to the Board s oversight of the business and affairs of the Company and a willingness to exercise independent judgment, and have an impeccable reputation for honest and ethical conduct in both his or her professional and personal activities. In addition, the Nominating Committee examines a candidate s time availability, the candidate s ability to make analytical and probing inquiries, and financial independence to ensure he or she will not be financially dependent on director compensation.

The Nominating Committee identifies potential nominees by asking, from time to time, current directors and executive officers for their recommendation of persons meeting the criteria described above who might be available to serve on the Board. The Nominating Committee also may engage firms that specialize in identifying director candidates. As described above, the Nominating Committee will also consider candidates recommended by stockholders.

Once a person has been identified by the Nominating Committee as a potential candidate, the Nominating Committee makes an initial determination regarding the need for additional Board members to fill vacancies or expand the size of the Board. If the Nominating Committee determines that additional consideration is warranted, the Nominating Committee will review such information and conduct interviews as it deems necessary to fully evaluate each director candidate. In addition to the qualifications of a candidate, the Nominating Committee will consider such relevant factors as it deems appropriate, including the current composition of the Board, the evaluations of other prospective nominees, and the need for any required expertise on the Board or one of its committees. The Nominating Committee also contemplates multiple dynamics that promote and advance diversity amongst its members. Although the Nominating Committee does not have a formal diversity policy, the Nominating Committee considers a number of factors regarding diversity of personal and professional backgrounds (both domestic and international), national origins, specialized skills and acumen, and breadth of experience in industry, manufacturing, financing transactions, and business combinations. The Nominating Committee s evaluation process will not vary based on whether or not a candidate is recommended by a stockholder.

Human Resources Committee

The Human Resources Committee (the HR Committee) advises the Board of Directors in its responsibilities relating to the fair and competitive compensation of the Company s Chief Executive Officer and other senior executives. Each of the members of the HR Committee is an independent director under the NYSE listing standards. The HR Committee met five times during 2009.

The HR Committee reviews management succession and approves awards under the Company s incentive compensation and equity based plans. The HR Committee annually evaluates the leadership and performance of Mr. Wallace, our Chairman, Chief Executive Officer, and President (collectively referred to as the CEO). The HR Committee annually recommends to the Company s independent directors the total compensation for the CEO. The independent directors are responsible for approving the CEO s compensation. The CEO provides to the HR Committee his assessment of the performance of his direct reports. The HR Committee also has access to the Company s key leaders. The HR Committee reviews and approves compensation for the Chief Financial Officer (the CFO) and the other executive officers named in the Summary Compensation Table. The CEO, the CFO, and the other executive officers named in the Summary Compensation Table are referred to in this proxy statement as the named executive officers.

The Role of the Compensation Consultant

The HR Committee hires independent executive compensation consultants to provide an assessment of the Company s executive compensation program and to perform five key tasks. The consultants (i) review and assist in the design of the Company s compensation programs, (ii) provide insight into compensation best practices used by other companies,

(iii) benchmark the Company s compensation pay levels with relevant industry surveys, (iv) provide proxy disclosure information for comparator companies, and (v) provide input to the HR Committee on the structure and overall competitiveness of the Company s compensation programs.

The HR Committee retained the services of Hewitt Consulting (referred to in this proxy statement as Hewitt), an internationally-recognized compensation consulting firm, as its compensation consultant to assist in providing an independent assessment of the executive compensation program. Hewitt reported directly to the HR

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Committee for the purposes of advising it on matters relating to 2009 compensation. The services of Hewitt were used only in conjunction with executive compensation matters. Hewitt was not retained by the Company for any other purpose.

The HR Committee instructed Hewitt to provide analyses, insight, and benchmarking information for 2009 on the 25 highest compensated executives to determine whether the compensation packages for these executives were competitive with the market and met the objective of the Company to attract, hire, and retain the best talent. Hewitt was instructed to:

- review the total direct compensation (base salary, annual incentive, and long term incentive);
- confirm that the comparator companies selected by the HR Committee were appropriate; and
- gather publicly traded comparator company proxies and market surveys to ascertain market competitive rates specifically for the named executive officers.

Hewitt benchmarked all components of compensation for 2009, excluding our Executive Perquisite Allowance, and determined the 50th percentile (market median) and the 75th percentile for each position.

The Role of Management

The CEO, the CFO, and the Vice President of Human Resources work with the HR Committee and the compensation consultant to develop the framework and design the plans for all compensation components. The CEO and CFO recommend the financial performance measurements for the annual incentive awards and the long term performance-based restricted stock awards, subject to HR Committee approval for all named executive officers, excluding themselves and, for the CFO s recommendation, excluding the CEO. The HR Committee recommends to the independent directors Mr. Wallace s compensation for their approval. The CFO certifies as to the achievement of these financial performance measures. The Vice President of Human Resources implements compensation-related policies and procedures and oversees the execution of each plan. The CEO makes recommendations to the HR Committee on compensation for each of the other named executive officers.

The Role of the HR Committee

The HR Committee annually reviews management s assessment of the performance of the 25 highest paid executives of the Company and its subsidiaries. The review is conducted prior to the year in which any adjustment to base salary, annual incentive or long term incentive becomes effective. Both annual incentives and long term incentives are established as a percent of base salary with threshold, target, and maximum payout levels.

The HR Committee realizes that benchmarking and comparing peer group proxy disclosure require certain levels of interpretation due to the complexities associated with executive compensation plans. The HR Committee uses the benchmarking information and the peer group proxy disclosure provided by the compensation consultant as general guidelines and retains the right to make adjustments to compensation levels based on what the HR Committee believes is in the best interests of the Company s stockholders. The HR Committee uses its judgment and bases its consideration of each executive s compensation on past and expected future performance in respect to specific financial, strategic, and operating objectives; the scope of each executive s responsibilities within the Company; the executive s value to the Company; and competitive market survey data that establishes the market ranges against which compensation is benchmarked.

Board s Role in Risk Oversight

The Audit Committee has the responsibility to oversee the Company s policies and procedures relating to risk assessment, management, and mitigation. The Finance Committee has the responsibility to review and assess risk exposure related to the Company s operations, including safety, environmental, financial, contingent liabilities, and other risks which may be material to the Company, as well as the activities of management in identifying, assessing, and mitigating against business, commercial, operational, financial, and personal risks associated with the Company s products and services. The Finance Committee accomplishes this responsibility as described in Corporate Governance Board Committees Finance and Risk Committee. In addition, the Audit Committee,

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in its discretion, reviews the Company s major risks and exposures, including (i) any special-purpose entities, complex financing transactions and related off-balance sheet accounting matters; and (ii) legal matters that may significantly impact the Company s financial statements or risk management.

Compensation Committee Interlocks and Insider Participation

Messrs. Echols, Gafford, Haddock, and Hay and Dr. Natalicio served on the HR Committee during the last completed fiscal year. None of the members of the HR Committee has ever served as an executive officer or employee of the Company or any of its subsidiaries. There were no compensation committee interlocks during 2009.

Communications with Directors

The Board has established a process to receive communications from stockholders and other interested parties by mail. Stockholders and other interested parties may contact any member of the Board, including the Presiding Director, Mr. Best, or the non-management directors as a group, any Board committee or any chair of any such committee. To communicate with the Board of Directors, any individual director or any group or committee of directors, correspondence should be addressed to the Board of Directors or any such individual director or group or committee of directors by either name or title. All such correspondence should be sent c/o Corporate Secretary at 2525 Stemmons Freeway, Dallas, Texas 75207.

All communications received as set forth in the preceding paragraph will be opened by the office of our Corporate Secretary for the sole purpose of determining whether the contents represent a message to our directors. Any contents that are not in the nature of advertising, promotions of a product or service, or offensive material will be forwarded promptly to the addressee. In the case of communications to the Board or any group or committee of directors, the Corporate Secretary will make sufficient copies of the contents to send to each director who is a member of the group or committee to which the envelope is addressed.

PROPOSAL 1 ELECTION OF DIRECTORS

Our Board of Directors currently consists of eleven members.

Following a recommendation from the Nominating Committee, each of the members of the Board of Directors has been nominated by the Board for election at the Annual Meeting to hold office until the later of the next Annual Meeting or the election of their respective successors. The director nominees are John L. Adams, Rhys J. Best, David W. Biegler, Leldon E. Echols, Ronald J. Gafford, Ronald W. Haddock, Jess T. Hay, Adrian Lajous, Charles W. Matthews, Diana S. Natalicio and Timothy R. Wallace. The Board of Directors has determined that all of the director nominees other than Mr. Wallace are independent directors. Mr. Wallace is our Chairman, Chief Executive Officer, and President. Therefore, the Board of Directors has concluded that Mr. Wallace is not an independent director.

The Board of Directors believes that each of the director nominees possesses the qualifications described above in Corporate Governance Board Committees Corporate Governance and Directors Nominating Committee. That is, the Board believes that each nominee possesses: (i) deep experience at the policy making level in business, government or education, (ii) the ability to make a meaningful contribution to the Board s oversight of the business and affairs of the Company, (iii) a willingness to exercise independent judgment, and (iv) an impeccable reputation for honest and ethical conduct in both his or her professional and personal activities.

The information provided below is biographical information about each of the nominees, as well as a description of the experience, qualifications, attributes or skills that led the Board to conclude that the individual should be nominated for election as a director of the Company.

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Nominees

Timothy R. Wallace, 56. Director since 1992. Mr. Wallace has been Chairman, Chief Executive Officer, and President of the Company since 1999. From June 2004 until March 2008, Mr. Wallace was a director of MoneyGram International, Inc., which is a payment service and money transfer business.

Mr. Wallace joined the Company in 1975. During his long tenure with the Company, Mr. Wallace has consistently shown strong performance in a variety of roles, requiring a wide range of business and interpersonal skills. He has provided excellent leadership to the Company in his current positions, exhibiting sound judgment and business acumen.

John L. Adams, 65. Director since 2007. Mr. Adams is Chairman of the Finance and Risk Committee. Mr. Adams served as Executive Vice President of the Company from January 1999 June 2005, serving thereafter on a part time basis as Vice Chairman until leaving the employ of the Company to join the Board of Directors in March 2007. Since 2007, he has served on several corporate and not-for-profit boards. Mr. Adams is the Chairman of the board and a director of Group 1 Automotive, Inc., a company engaged in the ownership and operation of automotive dealerships and collision centers. He also serves on the audit committee and is a director of Dr Pepper Snapple Group, Inc., a company that is a leading brand owner, bottler, and distributor of non-alcoholic beverages in the U.S., Canada, and Mexico.

As a result of his past employment by the Company, Mr. Adams brings significant knowledge and understanding of the Company s operations and business environment. In addition, he has experience as a senior executive in the banking industry, which provides the Board with experience in managing financing transactions. His service on the boards of other significant companies provides the Board with additional perspective on the Company s operations.

Rhys J. Best, 63. Director since 2005. Mr. Best is Chairman of the Corporate Governance and Directors Nominating Committee, and a member of the Finance and Risk Committee and the Audit Committee. Mr. Best served, beginning in 1999, as Chairman, President, and CEO of Lone Star Technologies, Inc., a company engaged in the production and marketing of casing, tubing, line pipe, and couplings for the oil and gas, industrial, automotive, and power generation industries. He was also a director of, and remained in these positions with, Lone Star Technologies, Inc., until its acquisition by United States Steel Corporation in June 2007. Mr. Best has been engaged in private investments since 2007. He is also Chairman of Crosstex Energy, L.P., an energy company engaged in the gathering, transmission, treating, processing, and marketing of natural gas and natural gas liquids. He is a member of the board of directors of Cabot Oil & Gas Corporation, a leading North American oil and gas exploration and production company; Austin Industries, Inc., a civil, commercial, and industrial construction company; McJunkin Red Man Corporation, a company engaged in the distribution of industrial PVF products, serving the refining, chemical, petrochemical, gas distribution and transmission, oil and gas exploration and production, pharmaceutical, and power generation industries; and Commercial Metals Corporation, which recycles, manufactures, and markets steel and metal products and related materials.

Mr. Best has broad experience in managing and leading significant industrial enterprises. His service on the boards of other significant companies provides the Board with additional perspective on the Company s operations, including its international operations and future international opportunities.

David W. Biegler, 63. Director since 1992. Mr. Biegler is a member of the Audit Committee, the Corporate Governance and Directors Nominating Committee, and the Finance and Risk Committee. Mr. Biegler serves as the Chairman and CEO of Southcross Energy, LLC, a company engaged in natural gas transportation and processing. He retired as Vice Chairman of TXU Corp. at the end of 2001, having served TXU Corp. as President and Chief Operating Officer from 1997 2001. Mr. Biegler is also a director of Dynegy Inc., a company engaged in power generation; Southwest Airlines, Inc., a major domestic airline; Animal Health International, a company engaged in selling and distributing animal health products; and Austin Industries, Inc., a civil, commercial, and industrial construction company. In addition, Mr. Biegler served as a director of Guaranty Financial Group Inc., a company conducting consumer and business banking activities, from February 2008 until August 2009.

Mr. Biegler has broad experience in managing and leading significant industrial enterprises. His service on the boards of other significant companies provides the Board with additional perspective on the Company s operations.

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Leldon E. Echols, 54. Director since 2007. Mr. Echols is Chairman of the Audit Committee and a member of the Human Resources Committee. He served as Executive Vice President and Chief Financial Officer of Centex Corporation (Centex) from 2000 2006 when he retired. Prior to joining Centex, he spent 22 years with Arthur Andersen LLP and served as Managing Partner, Audit Practice for the North Texas, Colorado, and Oklahoma Region from 1997 2000. Mr. Echols is a certified public accountant and a member of the American Institute of Certified Public Accountants and the Texas Society of CPAs. Mr. Echols has been engaged in private investments since 2006. He is a member of the board of directors and Chairman of the audit committee of Crosstex Energy, L.P., an energy company engaged in the gathering, transmission, treating, processing, and marketing of natural gas and natural gas liquids and Crosstex Energy, Inc., a company holding partnership interests of Crosstex Energy, L.P. He is also a member of the board of directors of Holly Corporation, an independent petroleum refiner; Roofing Supply Group Holdings, Inc., a company engaged in the distribution of roofing and related construction materials; and Colemont Corporation, a company engaged in insurance and reinsurance brokerage and related services. In addition, Mr. Echols served as a director of TXU Corp. from August 2005 until October 2007.

In addition to having gained substantial managerial experience as an executive officer of Centex, Mr. Echols possesses important skills and experience gained through his service as a certified public accountant. His service on the boards of other significant companies provides the Board with additional perspective on the Company s operations.

Ronald J. Gafford, 60. Director since 1999. Mr. Gafford is a member of the Human Resources Committee and the Corporate Governance and Directors Nominating Committee. Mr. Gafford has been President and Chief Executive Officer of Austin Industries, Inc., a civil, commercial, and industrial construction company, since 2001 and Chairman since 2008. From July 2005 until September 2007, Mr. Gafford served as a member of the board of directors of Chaparral Steel Company, a leading supplier of structural steel and steel bar products.

Mr. Gafford has broad experience in managing and leading a significant industrial enterprise. His service as the Chief Executive Officer of Austin Industries, Inc. provides the Board with additional perspective on the Company s operations.

Ronald W. Haddock, 69. Director since 2005. Mr. Haddock is a member of the Human Resources Committee and the Audit Committee. Mr. Haddock was Chief Executive Officer of FINA, Inc. from December 1989 until his retirement in July 2000. He was also the Executive Chairman, CEO, and director of Prisma Energy International, a power generation, power distribution, and natural gas distribution company from August 2003 until its acquisition by Ashmore Energy International Limited. He currently serves as Chairman of the board of AEI Services, LLC, an international power generator and distributor and natural gas distribution company; Rubicon Offshore International, an offshore oil storage and production well services company; and Safety-Kleen Systems, Inc., an environmental services, oil recycling, and refining company; and is a director of Alon USA Energy, Inc., a petroleum refining and marketing company; Adea Solutions, Inc., a high-tech personnel and consulting firm; and Petron, a refining and marketing company based in the Philippines. From March 2002 until August 2005, Mr. Haddock served as a director of SWS Group, Inc., a full-service securities and banking firm delivering a broad range of investment, commercial banking, and related financial services to individual, corporate and institutional investors, broker/dealers, governmental entities, and financial intermediaries.

Mr. Haddock has broad experience in managing and leading significant enterprises. His service on the boards of other significant companies provides the Board with additional perspective on the Company s operations, including its international opportunities.

Jess T. Hay, 79. Director since 1965. Mr. Hay is Chairman of the Human Resources Committee and a member of Corporate Governance and Directors Nominating Committee and the Finance and Risk Committee. Mr. Hay is the retired Chairman and Chief Executive Officer of Lomas Financial Corporation, a diversified financial services company formerly engaged principally in mortgage banking, retail banking, commercial leasing, and real estate lending, and of Lomas Mortgage USA, a mortgage banking institution. He is also Chairman of the Texas Foundation for Higher Education. Mr. Hay is a director of Viad Corp. which is a convention and event services, exhibit design and construction, and travel and recreational services company; a director of MoneyGram International, Inc. which is a payment services and money transfer business; and a director of Hilltop Holdings, a financial services company. He also is a former director of Exxon Mobil Corporation, where he retired in 2001, and

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of SBC Communications, Inc. (now AT&T), where he retired in 2004. Under the Board s retirement policy applicable to Mr. Hay, this will be the last year that he will be nominated for election to the Board.

Mr. Hay has broad experience in managing and leading significant enterprises in the financial services industry. His service on the boards of other significant companies provides the Board with additional perspective on the Company s operations.

Adrian Lajous, 66. Director since 2006. Mr. Lajous is a member of the Audit Committee and the Finance and Risk Committee. Mr. Lajous has been Senior Energy Advisor for McKinsey & Company, a management consulting firm, and President of Petrométrica, SC., an energy consulting company, since 2001. Mr. Lajous served Pemex in several capacities between 1982 and 1999, having served as Director General and CEO from 1994-1999. Mr. Lajous is Chairman of the Oxford Institute for Energy Studies and is a director of Schlumberger, Ltd., an oilfield services company supplying technology, project management, and information solutions to the oil and gas industry; Ternium, S.A., a company engaged in the production and distribution of semi-finished and finished steel products; and Grupo Petroquímico Beta, a private Mexican chemical company.

Mr. Lajous has broad experience in managing and leading significant industrial enterprises in Mexico, where the Company has a number of operations. His service on the boards of other significant companies provides the Board with additional perspective on the Company s operations.

Charles W. Matthews, 65. Director since March 2010. Mr. Matthews is a member of the Corporate Governance and Directors Nominating Committee. Mr. Matthews served Exxon Mobil Corporation, one of the leading global energy companies in the world, and its predecessor, Exxon Corporation, in several capacities in its legal department since 1971 before being appointed Vice President and General Counsel in 1995 until his retirement in 2010.

During his long employment at Exxon Mobil Corporation, Mr. Matthews accumulated broad experience in legal, managerial, and other matters in the energy industry around the world. Mr. Matthews was recommended to the Nominating Committee for service as a director by Mr. Adams.

Diana S. Natalicio, 70. Director since 1996. Dr. Natalicio is a member of the Human Resources Committee. Dr. Natalicio has been President of the University of Texas at El Paso since 1988. Dr. Natalicio was appointed by President George H.W. Bush to the Commission on Educational Excellence for Hispanic Americans and by President William J. Clinton to the National Science Board and to the President s Committee on the Arts and Humanities.

During her long tenure at the University of Texas at El Paso, Dr. Natalicio has gained deep experience in dealing with a broad range of constituencies and competing interests. In addition, her service as a Presidential appointee has given her experience in working with significant governmental and civic officials across the political spectrum.

The Board of Directors recommends that you vote FOR all of the Nominees.

PROPOSAL 2 APPROVAL OF THE AMENDED AND RESTATED TRINITY INDUSTRIES, INC. 2004 STOCK OPTION AND INCENTIVE PLAN

Upon recommendation of the HR Committee, the Board of Directors of the Company adopted, subject to stockholder approval, the Amended and Restated Trinity Industries, Inc. 2004 Stock Option and Incentive Plan (the Amended 2004 Plan) on March 4, 2010. The Amended 2004 Plan amends and restates the Trinity Industries, Inc. 2004 Stock Option and Incentive Plan (the 2004 Plan), and includes (i) an increase in the number of shares of Common Stock available for awards under the 2004 Plan from 3,750,000 to 6,000,000 shares; (ii) an increase in the number of shares of Common Stock available for issuance under incentive stock options, non-qualified stock options and other awards under the 2004 Plan from 3,750,000 to 6,000,000 shares; (iii) an adjustment to the number of shares of Common Stock that may be granted to any executive officer in one calendar year for stock options, stock appreciation rights (SARs) and performance-based awards to 300,000; (iv) an increase in the number of shares of Common Stock that may be granted to a non-employee director from 15,000 shares per calendar year to 20,000 shares per calendar year; (v) a prohibition on the granting of dividend equivalent rights as a component of stock options and stock appreciation rights; (vi) an extension of the expiration date of the 2004 Plan from May 10, 2014 to May 3, 2020; and (vii) a modification of the amendment provision based on current stock exchange and inter-dealer quotation system requirements. The HR Committee had previously adjusted the share numbers in the 2004 Plan to reflect the 3-for-2 Common Stock split in the form of a 50% stock dividend effectuated on May 26, 2006, so the amendments summarized above reflect changes from those previously adjusted share numbers.

The Amended 2004 Plan provides for the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, dividend equivalent rights, and other awards that may be paid in cash or Common Stock. The Amended 2004 Plan does not permit the repricing of stock options or the granting of discounted stock options. The Amended 2004 Plan provides the Company with flexibility to adapt the compensation of key employees to a changing business environment, after giving due consideration to competitive conditions and the impact of federal tax laws. Based on the amount of historical grants and future grants planned, we expect within the next few years to have an insufficient number of shares to allow us to continue offering the 2004 Plan to our employees unless the Amended 2004 Plan is approved. The additional shares that may be granted and our related ability to continue offering the Amended 2004 Plan not only provide an opportunity for employees to acquire shares of our Common Stock, thereby aligning their interests with those of our stockholders, but also enables us to continue to attract and retain talented employees. Increasing the number of shares of Common Stock that may be granted under the Amended 2004 Plan for incentive stock options, non-qualified stock options and other awards to executive officers also provides an opportunity for employees to acquire shares of our Common Stock, thereby aligning their interests with those of our stockholders, but also enables us to continue to attract and retain talented employees. Adjusting the number of shares of Common Stock that may be granted in one calendar year under the Amended 2004 Plan for stock options, stock appreciation rights and performance-based awards to executive officers provides uniformity with respect to the number of shares of Common Stock that may be granted in connection with stock options, SARs and performance-based awards to executive officers. Increasing the number of shares of Common Stock that may be granted under the Amended 2004 Plan to non-employee directors gives us the ability to grant the appropriate number of shares to such non-employee directors in order to properly align their interests with those of our stockholders and to provide them with the appropriate equity compensation. Prohibiting the granting of dividend equivalent rights as a component of stock options and stock appreciation rights aligns the Amended 2004 Plan with our historical granting practices. Extending the expiration date of the Amended 2004 Plan from May 10, 2014 to May 3, 2020, along with the additional shares of Common Stock, will allow us to utilize the Amended 2004 Plan for a number of years. Amending the amendment section of the Amended 2004 Plan based on current stock exchange and inter-dealer quotation system requirements aligns the Amended 2004 Plan with our historical amendment practices, which have been in compliance with the NYSE rules. A copy of the Amended 2004 Plan is attached as Appendix A to this Proxy Statement and is marked to show the changes from the 2004 Plan (with the share numbers already adjusted for the 3-for-2 Common Stock split in the form of a 50% stock dividend effectuated on May 26, 2006 as stated above), and the following description is qualified in its entirety by reference to the Amended 2004 Plan.

It is the judgment of the Board of Directors that approval of the Amended 2004 Plan is in the best interest of the Company and our stockholders.

Summary of Amendments in the Proposed Amended 2004 Plan

The Amended 2004 Plan was adopted, subject to stockholder approval, by the Board of Directors on March 4, 2010, to make the following changes to the 2004 Plan.

> First, the Amended 2004 Plan increases the number of shares of Common Stock authorized under the 2004 Plan by 2,250,000 shares of Common Stock for a total of 6,000,000 authorized shares.

Second, the Amended 2004 Plan increases the number of shares of Common Stock authorized for issuance under the 2004 Plan by 2,250,000 shares of Common Stock for incentive stock options, non-qualified stock options and other awards for a total of 6,000,000 authorized shares.

Third, the Amended 2004 Plan adjusts the number of shares of Common Stock authorized for issuance under the 2004 Plan for stock options, stock appreciation rights and performance-based awards to 300,000, decreasing the number of shares of Common Stock that may be granted as stock options and SARs by 150,000 and increasing the number of shares of Common Stock that may be granted as performance-based awards by 150,000.

Fourth, the Amended 2004 Plan increases the number of shares which may be granted to a non-employee director each year, by 5,000 shares of Common Stock to 20,000 shares of Common Stock.

Fifth, the Amended 2004 Plan prohibits granting dividend equivalent rights as a component of stock options and stock appreciation rights.

Sixth, the Amended 2004 Plan extends the expiration date of the 2004 Plan from May 10, 2014 to May 3, 2020.

Seventh, the Amended 2004 Plan modifies the amendment provision based on current stock exchange and inter-dealer quotation system requirements.

Description of the Amended 2004 Plan

Expiration Date

No award may be made under the Amended 2004 Plan after May 3, 2020, but awards made prior thereto may extend beyond that date.

Share Authorization

Subject to certain adjustments, the number of shares of Common Stock that may be issued pursuant to awards under the Amended 2004 Plan is 6,000,000 plus any shares under prior plans that cease to be subject to such awards (other than by exercise or settlement).

A maximum of 300,000 shares may be granted in any one year in the form of stock options, stock appreciation rights or performance-based awards (or any combination of the foregoing) to any one executive officer.

Administration

The Amended 2004 Plan will be administered by the HR Committee of the Board of Directors, as is the 2004 Plan currently. The HR Committee will have the power to: (i) determine the persons to whom awards are to be made, (ii) determine the type, size, and terms of awards, (iii) interpret the Amended 2004 Plan, (iv) establish and revise rules and regulations relating to the Amended 2004 Plan, and (v) make any other determinations that it believes necessary for the administration of the Amended 2004 Plan.

Eligibility

Employees of the Company or its affiliates who are directors, officers or who are in managerial or other key positions, consultants who provide key consulting services to the Company, and non-employee directors are eligible to participate in the Amended 2004 Plan.

Stock Options

The HR Committee may grant either non-qualified stock options or incentive stock options qualifying under Section 422 of the Internal Revenue Code of 1986, as amended (the Code). The exercise price of a stock option is to be at least the fair market value of the Common Stock on the date of grant. At the HR Committee s discretion, the option exercise price may be paid in cash, by delivering to the Company shares of Common Stock already owned by the optionee having a fair market value equal to the aggregate option exercise price, or by providing with the notice of exercise an order to a designated broker to sell part or all of the shares and to deliver the proceeds to the Company to pay the full purchase price and all applicable withholding taxes.

Stock options will be exercisable as set forth in the option agreements pursuant to which they are issued, but in no event will stock options be exercisable after the expiration of ten (10) years from the date of grant. Unless otherwise determined by the HR Committee and provided in the option agreement, the Amended 2004 Plan provides for the acceleration of the vesting of stock options in the event of death, disability, retirement or a change in control (as defined in the Amended 2004 Plan) of the Company.

Stock Appreciation Rights

SARs may, but need not, relate to options. A SAR is the right to receive an amount equal to the excess of the fair market value of a share of Common Stock on the date of exercise over the fair market value of the Common Stock on the date of grant. The HR Committee determines the terms of each SAR at the time of the grant. A SAR may not be granted at less than the fair market value of a share of Common Stock on the date the SAR is granted and cannot have a term of longer than ten years. Distributions to the recipient may be made in Common Stock, in cash or in a combination of both as determined by the HR Committee.

Restricted Stock and Restricted Stock Units

Restricted stock consists of shares of Common Stock which are transferred or sold by the Company to a participant, but are subject to substantial risk of forfeiture and to restrictions on their sale or other transfer by the participant. Restricted stock units give the participant the right to receive shares at a future date in accordance with the terms of such grant upon the attainment of certain conditions specified by the HR Committee, which include substantial risk of forfeiture and restrictions on their sale or other transfer by the participant. The HR Committee determines the eligible participants to whom, and the time or times at which, grants of restricted stock or restricted stock units will be made, the number of shares or units to be granted, the price to be paid, if any, the time or times within which the shares covered by such grants will be subject to forfeiture, the time or times at which the restrictions will terminate, and all other terms and conditions of the grants.

Performance Awards

The HR Committee may grant performance awards payable in cash or shares of Common Stock at the end of a specified performance period. Payment will be contingent upon achieving pre-established performance goals (as discussed below) by the end of the performance period. Subject to minimum vesting periods discussed below, the HR Committee will determine the length of the performance period, the maximum payment value of an award, and the minimum performance goals required before payment will be made.

Other Awards

The HR Committee may grant other forms of awards payable in cash or shares of Common Stock if the HR Committee determines that such other form of award is consistent with the purpose and restrictions of the Amended 2004 Plan. The terms and conditions of such other form of award shall be specified by the grant, subject to minimum vesting periods discussed below. Such other awards may be granted for no cash consideration, for such minimum consideration as may be required by applicable law, or for such other consideration as may be specified by the grant.

Dividend Equivalent Rights

The HR Committee may grant a dividend equivalent right either as a component of another award or as a separate award, except that the HR Committee is not permitted to grant dividend equivalent rights as a component of a stock option or a SAR. The terms and conditions of the dividend equivalent right shall be specified by the grant.

Performance Goals

Awards of restricted stock, restricted stock units, performance awards (whether relating to cash or shares) and other awards (whether relating to cash or shares) under the Amended 2004 Plan may be made subject to the attainment of performance goals within the meaning of Section 162(m) of the Code relating to one or more of the following business criteria: cash flow; cost; ratio of debt to debt plus equity; profit before tax; economic profit; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; earnings per share; operating earnings; economic value added; ratio of operating earnings to capital spending; free cash flow; net profit; net sales; sales growth; price of the Common Stock; return on net assets, equity or stockholders equity; market share; or total return to stockholders (Performance Criteria). Any Performance Criteria may be used to measure the performance of the Company as a whole or any business unit of the Company and may be measured in absolute terms, relative to a peer group or index, relative to past performance, or as otherwise determined by the HR Committee. Any Performance Criteria may include or exclude (i) extraordinary, unusual and/or non-recurring items of gain or loss, (ii) gains or losses on the disposition of a business, (iii) changes in tax or accounting regulations or laws, or (iv) the effect of a merger or acquisition, as identified in the Company s quarterly and annual earnings releases. In all other respects, Performance Criteria shall be calculated in accordance with the Company s financial statements, under generally accepted accounting principles, or under a methodology established by the HR Committee within 90 days after the beginning of the performance period relating to the Award (but not after more than 25% of the performance period has elapsed) which is consistently applied and identified in the audited financial statements, including footnotes, or the Management Discussion and Analysis section of the Company s annual report. However, the HR Committee may not in any event increase the amount of compensation payable to an individual upon the attainment of a performance goal.

For any performance awards or other awards that are denominated in cash, such that the annual performance stock award limit in the Amended 2004 Plan is not an effective limitation for purposes of Treasury Regulations, the maximum amount payable to any executive officer with respect to all performance periods beginning in a fiscal year of the Company shall not exceed $2,000,000.

Non-Employee Directors

The Board or the HR Committee will grant all awards to non-employee directors. The maximum number of shares that may be issued to non-employee directors shall be 450,000 shares, and no non-employee director may receive awards subject to more than 20,000 shares in any calendar year. Awards made to non-employee directors shall be with terms and conditions otherwise consistent with the provisions of the Amended 2004 Plan.

Change in Control

Except as determined by the HR Committee at the time of grant of an award and provided for in the agreement evidencing the grant of the award, upon a change in control, all outstanding stock options and SARs will become vested and exercisable; all restrictions on restricted stock and restricted stock units will lapse; all performance goals will be deemed achieved at target levels and all other terms and conditions met; all restricted stock units and performance awards (whether relating to cash or shares) will be paid out as promptly as practicable; and all other awards (whether relating to cash or shares) will be delivered or paid.

Limitation on Vesting of Certain Awards

Awards of restricted stock, restricted stock units, performance awards payable in shares, or other awards in the form of shares, if granted to persons who do not pay cash consideration or elect to forgo a right to cash consideration substantially equal in value to the shares subject to such award are subject to minimum vesting provisions set forth in the Amended 2004 Plan. Such awards, if their grant or vesting is subject to performance conditions, shall have a minimum vesting period of no less than one year, and such awards, if neither their grant or vesting is subject to performance conditions, shall have a minimum vesting period of no less than three years; provided such awards may vest on an accelerated basis in the event of a participant s death, disability, or retirement, or in the event of a change in control. However, up to 12 percent of the shares authorized under the Amended 2004 Plan may be granted without meeting the minimum vesting requirements.

Amendment of the Plan

All provisions of the Amended 2004 Plan (including without limitation, any award made under the Amended 2004 Plan) may at any time or from time to time be modified or amended by the Board; provided, however, (i) no amendment for which stockholder approval is required either (a) by any securities exchange or inter-dealer quotation system on which the Common Stock is listed or traded or (b) in order for the Amended 2004 Plan and awards granted under the Amended 2004 Plan to continue to comply with Sections 162(m), 421, and 422 of the Code, including any successors to such sections, or other applicable law, shall be effective without stockholder

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approval; (ii) no award at any time outstanding under the Amended 2004 Plan may be modified, impaired, or canceled adversely to the holder of the award without the consent of such holder; and (iii) no increase in the number of shares of Common Stock subject to awards to non-employee directors may be made without stockholder approval.

Plan Benefits

Future benefits under the Amended 2004 Plan are not currently determinable. Our management has a financial interest in this proposal because they are potentially eligible for awards under the Amended 2004 Plan. The following table indicates shares awarded under the 2004 Plan during fiscal year 2009 to the named executive officers, to all executive officers as a group, the non-employee directors as a group and to all employees (excluding executive officers) as a group:

	Shares Awarded in Fiscal 2009	
Name and Position	**Dollar Value[1]**	**Number of Shares**
Timothy R. Wallace, Chairman, Chief Executive Officer and President	$ 1,254,400	80,000
William A. McWhirter, Senior Vice President and Chief Financial Officer	470,400	30,000
Mark W. Stiles, Senior Vice President and Group President	504,896	32,200
D. Stephen Menzies, Senior Vice President and Group President	504,896	32,200
S. Theis Rice, Vice President and Chief Legal Officer	285,376	18,200
All executive officers (12 persons)	4,243,008	270,600
All directors, excluding Mr. Wallace	591,152	37,701
All employees, excluding executive officers	8,919,964	568,900

(1) The dollar value is based on the grant date fair value of the awards computed in accordance with ASC 718.

Market Value of the Securities.

The market value of our Common Stock is $19.85 per share based on the closing price of our Common Stock on March 19, 2010.

Federal Income Tax Consequences

Incentive Stock Options

An optionee does not generally recognize taxable income upon the grant or upon the exercise of an incentive stock option (ISO). However, to the extent that the fair market value (determined as of the date of grant) of the shares with respect to which the optionee s ISO is exercisable for the first time during any calendar year exceeds $100,000, the ISO for the shares over $100,000 will be treated as a non-qualified option, and not an ISO, for federal tax purposes, and the optionee will recognize income as if the ISO was a non-qualified option. Upon the sale of ISO shares, the optionee recognizes income in an amount equal to the difference, if any, between the exercise price of the ISO shares and the fair market value of those shares on the date of sale. The income is taxed at long-term capital gains rates if the optionee has not disposed of the Common Stock within two years after the date of the grant of the ISO and has held the shares for at least one year after the date of exercise and the Company is not entitled to a federal income tax deduction. The holding period requirements are waived when an optionee dies.

If an optionee sells ISO shares before having held them for at least one year after the date of exercise and two years after the date of grant, the optionee recognizes ordinary income to the extent of the lesser of: (i) the gain realized upon the sale; or (ii) the difference between the exercise price and the fair market value of the shares on the date of exercise. Any additional gain is treated as long-term or short-term capital gain depending upon how long the optionee has held the ISO shares prior to disposition. In the year of disposition, the Company receives a federal income tax deduction in an amount equal to the ordinary income that the optionee recognizes as a result of the disposition.

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Non-qualified Stock Options

An optionee generally does not recognize taxable income upon the grant of a non-qualified stock option (NSO). Upon the exercise of such a stock option, the optionee recognizes ordinary income to the extent the fair market value of the shares received upon exercise of the NSO on the date of exercise exceeds the exercise price. The Company receives an income tax deduction in an amount equal to the ordinary income that the optionee recognizes upon the exercise of the stock option.

The optionee s tax basis for NSO shares will be equal to the option price paid for such shares, plus any amounts included in the optionee s income as compensation. When an optionee disposes of NSO shares, any amount received in excess of the optionee s tax basis for such shares will be treated as short-term or long-term capital gain, depending upon how long the optionee has held the NSO shares. If the amount received is less than the optionee s tax basis for such shares, the loss will be treated as short-term or long-term capital loss, depending upon how long the optionee has held the shares.

Special Rule if Option Price is Paid for in Common Shares

If an optionee pays the exercise price of an option with previously-owned shares of Common Stock and the transaction is not a disqualifying disposition of shares previously acquired under an ISO, the shares received equal to the number of shares surrendered are treated as having been received in a tax-free exchange. The optionee s tax basis and holding period for these shares received will be equal to the optionee s tax basis and holding period for the shares surrendered. The shares received in excess of the number of shares surrendered will be treated as compensation taxable as ordinary income to the optionee to the extent of their fair market value. The optionee s tax basis in these shares will be equal to their fair market value on the date of exercise, and the optionee s holding period for such shares will begin on the date of exercise.

If the use of previously acquired shares to pay the exercise price of an option constitutes a disqualifying disposition of shares previously acquired under an ISO, the optionee will have ordinary income as a result of the disqualifying disposition in an amount equal to the excess of the fair market value of the shares surrendered, determined at the time such shares were originally acquired on exercise of the ISO, over the aggregate option price paid for such shares. As discussed above, a disqualifying disposition of shares previously acquired under an ISO occurs when the optionee disposes of such shares before the end of the holding period. The other tax results from paying the exercise price with previously-owned shares are as described above, except that the optionee s tax basis in the shares that are treated as having been received in a tax-free exchange will be increased by the amount of ordinary income recognized by the optionee as a result of the disqualifying disposition.

Restricted Stock

A recipient of an award of restricted stock does not generally recognize taxable income at the time of the award. Instead, the recipient recognizes ordinary income in the first taxable year in which his or her interest in the shares becomes either: (i) freely transferable; or (ii) no longer subject to substantial risk of forfeiture. The amount of taxable income is equal to the fair market value of the shares less the cash, if any, paid for the shares.

A recipient may make an election under Section 83(b) of the Code, within 30 days of the date he or she receives restricted stock, to recognize ordinary income in an amount equal to the fair market value of the restricted stock (less any cash paid for the shares) on the date of the award. If a recipient does not make an election under Section 83(b) of the Code, then the recipient will recognize as ordinary income any dividends received with respect to shares.

The Company receives a compensation expense deduction in an amount equal to the ordinary income recognized by the recipient in the taxable year in which restrictions lapse (or in the taxable year of the award if, at that time, the recipient had filed a timely Section 83(b) election to accelerate recognition of income).

At the time of sale of such shares, any gain or loss realized by the recipient will be treated as either short-term or long-term capital gain (or loss) depending on the holding period. For purposes of determining any gain or loss realized, the recipient s tax basis will be the amount previously taxable as ordinary income.

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Stock Appreciation Rights

Generally, the recipient of a stand-alone SAR will not recognize taxable income at the time the stand-alone SAR is granted.

If an employee receives the appreciation inherent in the SARs in cash, the cash will be taxed as ordinary income to the recipient at the time it is received. If a recipient receives the appreciation inherent in the SARs in Common Stock, the spread between the then current market value and the grant price, if any, will be taxed as ordinary income to the employee at the time it is received.

In general, there will be no federal income tax deduction allowed to the Company upon the grant or termination of SARs. However, upon the exercise of an SAR, the Company will be entitled to a deduction equal to the amount of ordinary income the recipient is required to recognize as a result of the exercise.

Other Awards

In the case of an award of restricted stock units, performance awards, dividend equivalent rights or other Common Stock or cash awards, the recipient will generally recognize ordinary income in an amount equal to any cash received and the fair market value of any shares received on the date of payment or delivery. In that taxable year, the Company will receive a federal income tax deduction in an amount equal to the ordinary income which the recipient has recognized.

Current Equity Compensation Plans

The following table sets forth information about the Company s Common Stock that may be issued under all of the Company s existing equity compensation plans as of December 31, 2009.

Equity Compensation Plan Information

	(a)	(b)	(c)
Plan Category	**Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights**	**Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights**	**Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))**
Equity compensation plans approved by security holders:			
Stock Options	1,015,465		
Restricted stock units	159,670		

	1,175,135	$	14.00(1)	1,496,209
Equity compensation plans not approved by security holders	(2)			
Total	1,175,135	$	14.00	1,496,209

(1) Includes 159,670 shares of Common Stock issuable upon the vesting and conversion of restricted stock units. The restricted stock units do not have an exercise price.

(2) Excludes information regarding the Company s Deferred Plan for Director Fees. This plan permits the deferral of the payment of the annual retainer fee and board and committee meeting fees. At the election of the participant, the deferred fees may be converted into phantom stock units with a fair market value equal to the value of the fees deferred, and such phantom stock units are credited to the director s account (along with the amount of any dividends or stock distributions). At the time a participant ceases to be a director, cash will be distributed to the participant. At December 31, 2009, 69,600 phantom stock units were credited to the accounts of participants. Also excludes information regarding the Trinity Industries, Inc. Supplemental Profit Sharing Plan (Supplemental Plan) for certain of its highly compensated employees. For more information about the

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Supplemental Plan please refer to the description in Executive Compensation Compensation Discussion and Analysis Post-Employment Benefits. At December 31, 2009, 50,772 stock units were credited to the accounts of participants under the Supplemental Plan.

The Board of Directors recommends that you vote FOR the approval of the Amended and Restated Trinity Industries, Inc. 2004 Stock Option and Incentive Plan.

PROPOSAL 3 RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP

The Audit Committee has appointed Ernst & Young LLP (Ernst & Young) as independent registered public accounting firm of the Company for the fiscal year ending December 31, 2010, subject to ratification of stockholders.

The Company has been advised by Ernst & Young that the firm has no relationship with the Company or its subsidiaries other than that arising from the firm s engagement as auditors, tax advisors, and consultants.

Ernst & Young, or a predecessor of that firm, has been the auditors of the accounts of the Company each year since 1958. The Company has also been advised that representatives of Ernst & Young will be present at the Annual Meeting where they will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

Fees of Independent Registered Public Accounting Firm for Fiscal Years 2009 and 2008

The following table presents fees for professional audit services rendered by Ernst & Young for the audits of the Company s annual financial statements for the years ended December 31, 2009 and 2008, and fees for other services rendered by Ernst & Young during those periods:

	2009	2008
Audit fees	$ 2,404,500	$ 2,613,400
Audit-related fees	51,200	50,760
Tax fees	288,957	355,544
All other fees		

Services rendered by Ernst & Young in connection with fees presented above were as follows:

Audit Fees

In fiscal years 2009 and 2008, audit fees includes fees associated with the annual audit of the Company s financial statements, the assessment of the Company s internal control over financial reporting as integrated with the annual audit of the Company s financial statements, the quarterly reviews of the financial statements included in the Company s Form 10-Q filings, statutory audits in Mexico and Europe, and consents included in other SEC filings.

Audit-Related Fees

Audit-related fees include fees for employee benefit plan audits, use of online research tools, and certain compliance audits.

Tax Fees

Tax fees in fiscal years 2009 and 2008 include fees for tax advice, tax planning, and tax return review.

All Other Fees

There were no fees for other services not included above.

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The Audit Committee pre-approves all audit and permissible non-audit services provided by Ernst & Young. These services may include audit services, audit-related services, tax services, and other services. The Audit Committee has adopted a policy for the pre-approval of services provided by Ernst & Young. In addition, the Audit Committee also may pre-approve particular services on a case-by-case basis. The Audit Committee has delegated pre-approval authority to the Chair of the Audit Committee. Pursuant to this delegation, the Chair must report any pre-approval decision by him to the Audit Committee at its first meeting after the pre-approval was obtained. Under this policy, pre-approval is generally provided for up to one year, and any pre-approval is detailed as to the particular services or category of services and includes an anticipated budget.

Report of the Audit Committee

We are a standing committee comprised of independent directors as independence is currently defined by SEC regulations and the applicable listing standards of the NYSE. Our Board of Directors has determined that four of the members of the Audit Committee are audit committee financial experts as defined by applicable SEC rules. We operate under a written charter adopted by our Board of Directors. A copy of the charter is available free of charge on our website at *www.trin.net* under the heading Investor Relations Governance.

We annually select the Company s independent auditors. That recommendation is subject to ratification by the Company s stockholders.

Management is responsible for the Company s internal controls and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Company s consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and issuing a report thereon. As provided in our charter, our responsibilities include the monitoring and oversight of these processes.

Consistent with our charter responsibilities, we have met and held discussions with management and the independent auditors. In this context, management and the independent auditors represented to us that the Company s consolidated financial statements for the fiscal year ended December 31, 2009 were prepared in accordance with U.S. generally accepted accounting principles. We reviewed and discussed the consolidated financial statements with management and the independent auditors and discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards No. 61, as amended.

The Company s independent auditors have also provided to us the written disclosures and the letter required by applicable requirements of The Public Company Accounting Oversight Board regarding the independent auditor s communications with the Audit Committee, and we discussed with the independent auditors that firm s independence. We also considered whether the provision of non-audit services is compatible with maintaining the independent auditors independence and concluded that such services have not impaired the auditors independence.

Based upon our reviews and discussions with management and the independent auditors and our review of the representation of management and the report of the independent auditors to the Audit Committee, we recommended that the Board of Directors include the audited consolidated financial statements in the Company s Annual Report on Form 10-K for the year ended December 31, 2009 filed with the Securities and Exchange Commission.

Audit Committee

Leldon E. Echols, Chairman
Rhys J. Best
David W. Biegler
Ronald W. Haddock

Adrian Lajous

The Board of Directors recommends that you vote FOR the ratification of the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2010.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

The Company s long term strategic corporate vision is to become a premier multi-industry growth company that provides superior value to our stockholders. The Company s executive compensation program is designed to facilitate and motivate its executives to conduct an orderly transition from a highly successful diversified industrial cyclical company into a premier multi-industry growth company.

Objectives of the Executive Compensation Program

The HR Committee s primary objectives for the Company s executive compensation program are to:

- attract, motivate, and retain the key executives needed to enhance the profitability of the Company;
- encourage the highest level of performance and accountability for the overall success of the Company;
- provide an incentive for long term value creation for our stockholders;
- align compensation with short term and long term business objectives and strategies, financial targets, and the core values of the Company; and
- align compensation as appropriate with the cyclical nature of the Company s businesses.

Design of the Executive Compensation Program

The Company s compensation program is intended to reinforce the importance of performance and accountability at both the individual and corporate achievement levels. The Company s compensation program is designed to:

- provide a reasonable balance between short term and long term compensation;
- provide a reasonable mix of fixed and incentive-based compensation;
- retain key executives through the cycles of our businesses;
- be competitive with our compensation comparator company group;
- use equity-based awards, stock ownership guidelines, and annual incentives that are linked to stockholder value; and
- be transparent and easy to understand.

Components of Compensation

The executive compensation program has