

HOOKER FURNITURE CORP
Form 8-K
April 12, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): April 6, 2017

HOOKER FURNITURE CORPORATION
(Exact name of registrant as specified in its charter)

<u>Virginia</u> (State or other jurisdiction of incorporation or organization)	<u>000-25349</u> (Commission File No.)	<u>54-0251350</u> (I.R.S. Employer Identification No.)
440 East Commonwealth Boulevard, <u>Martinsville, Virginia</u> (Address of principal executive offices)	<u>24112</u> (Zip Code)	<u>(276) 632-2133</u> (Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Edgar Filing: HOOKER FURNITURE CORP - Form 8-K

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

On April 6, 2017, the Compensation Committee of the Board of Directors of Hooker Furniture Corporation (the “Company”) approved annual cash incentives and long-term incentive awards for the Company’s executive officers.

Annual Base Salary

The base salary for each executive officer for the 2017 calendar year will be:

	Base Salary
Paul B. Toms, Jr., Chairman and CEO	\$415,000
Paul A. Huckfeldt, Senior VP – Finance and Accounting and CFO	250,000
Michael W. Delgatti, Jr., Pres.-Hooker Furniture legacy companies	300,000
Anne M. Jacobsen, Senior VP-Administration	200,000
George Revington, COO, Pres. & COO Home Meridian	400,000

Annual Cash Incentives

The annual cash incentive for each executive officer for the Company’s 2018 fiscal year, which ends January 28, 2018, will be paid if the Company attains 80% or more of its budgeted fiscal 2018 consolidated net income target, as approved by the Board of Directors. Each executive officer is eligible to receive a percentage of his or her calendar 2017 base salary under the annual incentive program. No cash bonus is payable if the Company fails to reach at least 80% of the budgeted consolidated net income target and a maximum cash bonus is payable if the Company reaches 125% or more of target consolidated net income. For net income achieved at levels between the target percentages shown below, a bonus percentage is interpolated such that each 1% increase in net income between the target levels results in additional bonus earned. The annual cash incentive potential, expressed as a percentage of calendar 2017 base salary, for each of the executive officers is as follows:

	If the Company Attains:				
	80% of Target Net Income	90% of Target Net Income	100% of Target Net Income	110% of Target Net Income	125% or More of Target Net Income
Paul B. Toms, Jr.	30.0%	54.0 %	60 %	75.00 %	99.00 %
Paul A. Huckfeldt	22.5%	40.5 %	45 %	56.25 %	74.25 %
Michael W. Delgatti, Jr.	22.5%	40.5 %	45 %	56.25 %	74.25 %
Anne M. Jacobsen	22.5%	40.5 %	45 %	56.25 %	74.25 %
George Revington	22.5%	40.5 %	45 %	56.25 %	74.25 %

Long-Term Incentive Awards

Time-Based Restricted Stock Units (RSUs). Each time-based RSU entitles the executive officer to receive one share of the Company's common stock if he remains continuously employed with the Company through the end of a three-year service period that ends April 13, 2020. At the discretion of the Committee, the RSUs may be paid in shares of the Company's common stock, cash (based on the fair market value of a share of the Company's common stock on the date payment is made), or both. In addition to the service-based vesting requirement, 100% of an executive officer's RSUs will vest upon a change of control of the Company and a prorated number of the RSUs will vest upon the death, disability or retirement of the executive officer.

The number of RSUs awarded to each executive officer is set forth in the table below.

Executive Officer	Number of RSUs
Paul B. Toms, Jr.	0
Paul A. Huckfeldt	968
Michael W. Delgatti, Jr.	1,935
Anne M. Jacobsen	774
George Revington	2,580

Performance Grants. Each performance grant entitles the executive officer to receive a payment based on the achievement of two specified performance conditions. The payout will be the sum of two amounts, based on the Company's absolute and relative EPS growth over a three-year performance period that began January 30, 2017 and ends January 29, 2020. At the discretion of the Committee, the payout can be made in cash, shares of the Company's common stock (based on the fair market value of a share of the Company's common stock on the date payment is made), or both. The executive officer also must remain continuously employed with the Company through the end of the performance period to be eligible for a payment.

The payment for each executive officer under his or her performance grant will be the sum of the following amounts:

An amount set forth in the table below based on the growth of the Company's fully diluted earnings per share from a. continuing operations ("EPS") over the performance period. The Company's EPS growth must be at least 5% over the performance period for a payment to be made.

Executive Officer	Payout Amount Based on EPS Growth (%) for Performance Period				
	5%	10%	15%	20%	25%
Paul B. Toms, Jr.	\$31,125	\$93,375	\$124,500	\$155,625	\$186,750
Paul A. Huckfeldt	15,000	45,000	60,000	75,000	90,000
Michael W. Delgatti, Jr.	15,003	45,009	60,012	75,015	90,018
Anne M. Jacobsen.	12,000	36,000	48,000	60,000	72,000
George Revington	20,004	60,012	80,016	100,020	120,024

An amount set forth in the table below based on the growth of the Company's EPS over the performance period relative to a group of specified peer companies. However, if the Company's EPS growth is not positive for the performance period, this payment will be capped at the amount for the 50th percentile.

	Payout Amount Based on Relative EPS Growth for Performance Period		
	50 th percentile	Less than 50 th percentile, but less than 75 th percentile	Equal to or greater than 75 th percentile
Executive Officer			
Paul B. Toms, Jr.	\$0	\$ 124,500	\$ 186,750
Paul A. Huckfeldt	0	60,000	90,000
Michael W. Delgatti, Jr.	0	59,994	89,991
Anne M. Jacobsen	0	48,000	72,000
George Revington	0	79,992	119,988

In addition, a payment will be made to an executive officer under each performance grant upon a change of control of the Company, consistent with attaining 15% EPS growth and relative EPS growth at the 50th percentile for the performance period, or a prorated amount following the death, disability or retirement of the executive officer as described in the executive officer's grant agreement.

The terms of the time-based RSUs and the performance grants are more completely described in the respective forms of grant agreements filed as exhibits to the Company's Current Report on Form 8-K filed with the SEC on February 13, 2012, and which are incorporated by reference into this Item 5.02.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit 10.1. Form of Time-Based Restricted Stock Unit Agreement (incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on February 13, 2012)

Exhibit 10.2. Form of Performance Grant Agreement (incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on February 13, 2012)

Signature

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

HOOKER FURNITURE CORPORATION

By: /s/ Paul A. Huckfeldt

Paul A. Huckfeldt
Senior Vice President - Finance and Accounting
Chief Financial Officer

Date: April 12, 2017