

Commercial Vehicle Group, Inc.
Form 8-K
March 07, 2014

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): March 3, 2014

Commercial Vehicle Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-34365
(Commission

File Number)

41-1990662
(I.R.S. Employer

Identification No.)

7800 Walton Parkway, New Albany, Ohio
(Address of principal executive offices)

43054
(Zip Code)

Registrant's telephone number, including area code: 614-289-5360

Not Applicable

Former name or former address, if changed since last report

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

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

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

On March 3, 2014, the Compensation Committee of the Board of Directors of Commercial Vehicle Group, Inc. (the Company) approved the Commercial Vehicle Group, Inc. 2014 Bonus Plan (the 2014 Bonus Plan). Each executive officer is eligible to participate in the 2014 Bonus Plan. The 2014 Bonus Plan is based solely on Company-wide performance goals based on a Company Factor.

The Company Factor, for Richard P. Lavin, our President and Chief Executive Officer, C. Timothy Trenary, our Chief Financial Officer, and any executive officers who are not assigned to a business unit, is based on the Company's (at the consolidated level) achievement of net sales (weighted 20%), operating profit margin (weighted 60%) and return on average invested capital (ROAIC) (weighted 20%). For any executive officers assigned to a business unit, the Company Factor is a mix of Company and business unit metrics to promote both a high level of collaboration and divisional line of sight performance, as follows: the business unit's achievement of net sales (weighted 15%), Company operating profit margin (weighted 60%), business unit operating profit margin (weighted 10%), and ROAIC (weighted 15%).

The Company's net sales is defined as revenues as shown in the Company's audited financial statements for the fiscal year ending December 31, 2014. The Company's operating income margin is defined as operating income divided by net sales as shown in the Company's audited financial statements for the fiscal year ending December 31, 2014. ROAIC is defined as net income as shown in the Company's audited financial statements divided by the average of the beginning and ending values of net debt (total debt less cash and cash equivalents) plus stockholders' equity as shown in the Company's audited financial statements for the fiscal year ending December 31, 2014.

The 2014 Bonus Plan reflects the following formula for calculating the annual cash incentive payment: base salary will be multiplied by the individual's Target Factor multiplied by the Company Factor achievement. Award funding will be calculated independently for each component, with no payouts for below-threshold performance. The minimum payout of 25% of an individual's target bonus opportunity will be paid at the threshold level of performance. 100% of an individual's target bonus opportunity will be paid at the target level of performance. The maximum payout of 200% of an individual's target bonus opportunity will be paid at the maximum level of performance. Payouts for results between the threshold and target levels of performance and between the target and maximum levels of performance will be determined using a straight line interpolation.

The Target Factor was set as follows: for Mr. Lavin, 100% of his base salary; for Mr. Trenary, Kevin Frailey, President, Global Construction & Agriculture, Patrick Miller, President, Global Truck and Bus, and any other executives who are not assigned to a business unit, 75% of their base salary; and for Timo Haatanen, President, Global Aftermarket & Structures, 60% of his base salary.

The Compensation Committee has the right to review, modify and approve the calculation of the performance goals in the 2014 Bonus Plan for the sole purpose of ensuring that the incentive payments are calculated with the same intentions in which the targets have been set for the current year, including making adjustments to eliminate the effects of restructuring and other (income) expense, including mark to market gains or losses, on early extinguishment of debt or other extraordinary events not foreseen at the time the 2014 Bonus Plan was established. In addition, the Compensation Committee has the discretion to increase or decrease the payouts based on significant differences in individual performance of each of the executive officers.

SIGNATURES

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

COMMERCIAL VEHICLE GROUP, INC.

March 7, 2014

*By: /s/ Richard P. Lavin
Name: Richard P. Lavin
Title: President and Chief Executive Officer*