

GRAHAM CORP  
Form 8-K  
June 04, 2013

**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):** May 30, 2013

**Graham Corporation**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction)

1-8462

16-1194720

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of incorporation)

(Commission  
File Number)

(IRS Employer  
Identification No.)

20 Florence Avenue, Batavia, New York

(Address of principal executive offices)

14020

(Zip Code)

Registrant's telephone number, including area code: (585) 343-2216

N/A

(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))

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

*Fiscal 2014 Annual Stock-Based Long-Term Incentive Award Plan for Senior Executives.* On May 30, 2013, the Compensation Committee of the Board of Directors (the Compensation Committee) of Graham Corporation (the Company) adopted an Annual Stock-Based Long-Term Incentive Award Plan for Senior Executives (the Restricted Stock Bonus Program) for the fiscal year ending March 31, 2014 (Fiscal 2014) and approved grants of time-vested restricted stock and performance-vested restricted stock thereunder in the amounts set forth below to the Company's named executive officers. Also on May 30, 2013, the Compensation Committee approved the grant of time-vested restricted stock in the amounts set forth below to the Company's Directors.

All such grants under the Restricted Stock Bonus Program were made under the Amended and Restated 2000 Graham Corporation Incentive Plan to Increase Shareholder Value (the Plan). The time-vested restricted stock vests 33 1/3% per year over three years. The performance-vested restricted stock vests 50% based upon the Company's achievement of EBITDA margin goals for the fiscal year ended March 31, 2016 (Fiscal 2016) and 50% based on the Company's achievement of consolidated revenue goals for Fiscal 2016. The time-vested restricted stock granted to the Company's Directors vests on the first anniversary of the date of grant.

The number of shares of time-vested restricted stock and performance-vested restricted stock awarded by the Compensation Committee to the Company's named executive officers under the Restricted Stock Bonus Program was determined using each such officer's Long-Term Incentive Percentage (the L-T Percentage) in effect for Fiscal 2014. For Fiscal 2014, the L-T Percentage for each of the Company's named executive officers was as follows: Mr. Lines 42%; Mr. Glajch 35%; Mr. Smith 35%; and Ms. Condame 25%. The number of shares of time-vested restricted stock was determined by multiplying 50% of each named executive officer's base salary in effect on the date of grant by such officer's L-T Percentage, and then dividing the product by the closing price of the Company's Common Stock on the NYSE MKT on the date of grant. The number of shares of performance-vested restricted stock was determined by multiplying 50% of each named executive officer's base salary in effect on the date of grant by such officer's L-T Percentage, and then dividing the product by the closing price of the Company's Common Stock on the NYSE MKT on the date of grant. The number of shares of restricted stock awarded to each of the Company's Directors was determined by dividing \$25,000 by the closing price of the Company's Common Stock on the NYSE MKT on the date of grant. The closing price of the Company's Common Stock on the NYSE MKT on May 30, 2013 was \$24.00.

Named Executive Officer	Number of Shares of Time-Vested Restricted Stock Granted (1)	Number of Shares of Performance-Vested Restricted Stock Granted (1)(2)(3)
James R. Lines,	2,834	2,834
President and Chief Executive Officer		
Jeffrey Glajch,	1,724	1,724
Vice President of Finance and Administration and Chief Financial Officer		
Alan E. Smith,	1,470	1,470
Vice President of Operations		
Jennifer R. Condame	765	765
Controller and Chief Accounting Officer		

- (1) In the event a named executive officer's employment terminates prior to the conclusion of a vesting for reasons other than death or disability, such officer's right to receive any unvested time-vested restricted stock shall be forfeited.
- (2) The number of shares that will vest following the conclusion of Fiscal 2016 is based upon the Company's achievement of performance criteria. The number of shares set forth above assumes target achievement of such performance criteria. If maximum achievement is realized, the amounts set forth above will double. Once EBITDA margin and consolidated revenue are determined for Fiscal 2016, the actual number of shares to which each named executive officer is entitled will be adjusted accordingly.
- (3) In the event a named executive officer's employment terminates prior to the conclusion of Fiscal 2016 for reasons other than death or disability, such officer's right to receive the performance-vested restricted stock shall be forfeited.

Director	Number of Shares of Time-Vested Restricted Stock Awarded
James J. Barber	1,042
Helen H. Berkeley	1,042
Jerald D. Bidlack	1,042
Alan Fortier	1,042
James J. Malvaso	1,042
Gerard T. Mazurkiewicz	1,042

The Restricted Stock Bonus Program in effect for Fiscal 2014 is attached to this Current Report on Form 8-K as Exhibit 99.1 and the above summary of the Restricted Stock Bonus Program is qualified in its entirety by reference to such Exhibit.

*Fiscal 2014 Annual Executive Cash Bonus Program.* On May 30, 2013, the Compensation Committee adopted an Annual Executive Cash Bonus Program (the Cash Bonus Program ) for Fiscal 2014. The objective of the Cash Bonus Program is to compensate the Company's named executive officers for above-average performance through an annual cash bonus related both to Company and individual performance. For Fiscal 2014, the Compensation Committee has set target bonus levels at 100% attainment of both Company and personal objectives as follows: Mr. Lines 60% of base salary; Mr. Glajch 35% of base salary; Mr. Smith 35% of base salary; and Ms. Condamine 25% of base salary. Each named executive officer may receive anywhere from 0% to 200% of his or her target bonus level depending on the attainment of such objectives. A summary of the performance goal weightings for the Company's named executive officers for Fiscal 2014 is as follows:

Named Executive Officer	Net Income	Bookings	Personal Goals
James R. Lines	60%	20%	20%
Jeffrey Glajch	50%	25%	25%
Alan E. Smith	50%	25%	25%
Jennifer R. Condamine	50%	25%	25%

The Cash Bonus Program in effect for Fiscal 2014 is attached to this Current Report on Form 8-K as Exhibit 99.2 and the above summary of the Cash Bonus Program is qualified in its entirety by reference to such Exhibit.

*Fiscal 2013 Named Executive Officer Bonuses.* On May 30, 2013, the Compensation Committee approved the payment of cash bonuses to the Company's named executive officers, as set forth below. Such bonuses were approved in accordance with the Company's Annual Executive Cash Bonus Program in effect for the fiscal year ended March 31, 2013 ( Fiscal 2013 ) and were based on the Company's achievement during Fiscal 2013 of net income and working capital objectives as well as the achievement of personal objectives by each named executive officer during such year.

Named Executive Officer	Total Fiscal 2013 Bonus
James R. Lines	\$ 173,165
Jeffrey Glajch	\$ 80,785
Alan E. Smith	\$ 70,444
Jennifer R. Condamine	\$ 36,559

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit No.	Description
99.1	Graham Corporation Annual Stock-Based Long-Term Incentive Award Plan for Senior Executives in effect for the fiscal year ending March 31, 2014.
99.2	Graham Corporation Annual Executive Cash Bonus Program in effect for the fiscal year ending March 31, 2014.

**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.

**Graham Corporation**

Date: June 3, 2013

By: /s/ Jeffrey Glajch  
Jeffrey Glajch  
Vice President Finance & Administration and  
Chief Financial Officer