

HENRY SCHEIN INC
Form 8-K
April 07, 2016

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 5, 2016

Henry Schein, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

0-27078
(Commission

File Number)

11-3136595
(IRS Employer

Identification No.)

135 Duryea Road, Melville, New York
(Address of principal executive offices)

11747
(Zip Code)

Registrant's telephone number, including area code: (631) 843-5500

(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.

Amendment and Restatement of Stanley M. Bergman's Employment Agreement

On April 5, 2016, Henry Schein, Inc. (the Company) and Stanley M. Bergman, Chairman of the Board of Directors and Chief Executive Officer of the Company (the Executive) entered into an amendment and restatement (the Restated Agreement) of the current employment agreement by and between the Company and the Executive effective as of December 31, 2011 (the Current Agreement). The Restated Agreement becomes effective December 31, 2016, the date the Current Agreement expires. The terms of the Restated Agreement are substantially similar to the Current Agreement, except as set forth below.

The Restated Agreement provides for a three-year term expiring on December 31, 2019, with successive one year extensions upon the Company's 6 months advance notice of extension to Executive, subject to his refusal to extend within 90 days after notice of extension.

In order to induce the Executive to accept the terms of the Restated Agreement, the Restated Agreement provides that the Company will grant the Executive two restricted stock unit (RSU) awards under the Company's 2013 Stock Incentive Plan (As Amended and Restated as of May 14, 2013), as amended from time to time, with an aggregate value of \$5 million (RSU Awards), as described below; one grant will be awarded in the form of a performance-based RSU award (Performance-Based RSU Award) and the other grant will be awarded in the form of a time-based RSU award (Time-Based RSU Award), both to be effective on the first business day following the 20th trading day after the opening of the Company's first closed trading window (*i.e.*, blackout period) that ends after approval of the RSU Awards, provided, however, that the grant of the RSU Awards will occur no later than June 3, 2016, subject in all cases to Executive's continued employment through the date of grant. The number of RSUs granted under each type of award will equal \$2.5 million divided by the 20-trading day volume weighted average price of the Company's common stock for the period immediately prior the grant date.

In recognition of the delayed grant date of the RSU Awards, the Restated Agreement provides for a lump sum payment in the amount of \$5 million upon Mr. Bergman's death or disability prior to the grant of the RSU Awards. In the event that such payment is made, any rights that the Executive, his spouse or his estate may have with respect to the grant of the RSU Awards will be extinguished in their entirety.

The Restated Agreement clarifies (i) the definition of Good Reason with respect to relocation protection, and (ii) the exception allowing offset of health and medical benefits in instances where Executive and his spouse become eligible to receive such benefits from a subsequent employer. The Restated Agreement also expands the restrictive covenant provisions to apply to the Company's affiliates (in addition to the Company) and restrict certain other activities.

The Restated Agreement also provides that any incentive compensation paid to the Executive will be subject to the Company's recoupment policy, except that in the event of a change in control, only a clawback policy mandated by law or that recoups incentive compensation due to certain types of misconduct will apply.

The above summary is qualified in its entirety by the Restated Agreement, attached hereto as Exhibit 10.1 and incorporated by reference.

Stanley M. Bergman's Restricted Stock Unit Awards

In order to promote strong retention and induce the Executive to accept the terms of the Restated Agreement, the Compensation Committee of the Company's Board of Directors approved the grant of the RSU Awards at the time set forth above.

Except with respect to pro rata or full acceleration of the vesting of the RSU Awards that will apply in the event of certain termination events, the Performance-Based RSU Award will become vested on December 31, 2019, subject to the achievement of performance goals (that will be set by March 31, 2017) and the Executive's continued employment through such date, and the Time-Based RSU Award will vest on December 31, 2019, subject to the Executive's continued employment through that date.

Once vested, the RSUs will generally be settled within 30 days of the specified event except that upon certain terminations, the pro rata vested portion of RSUs will be settled on the 6 month anniversary of termination of employment, with any remaining RSUs that vest on December 31, 2019 generally being settled within 30 days of the earlier of December 31, 2019 or a change in control.

The above summary is qualified in its entirety by the Performance-Based RSU Award Agreement attached hereto as Exhibit 10.2, and the Time-Based RSU Award Agreement, attached hereto as Exhibit 10.3, both of which are incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Amended and Restated Employment Agreement dated as of December 31, 2016, by and between Henry Schein, Inc. and Stanley M. Bergman.
- 10.2 Form of Performance-Based RSU Award Agreement Pursuant to the Henry Schein, Inc. 2013 Stock Incentive Plan (As Amended and Restated as of May 14, 2013).
- 10.3 Form of Time-Based RSU Award Agreement Pursuant to the Henry Schein, Inc. 2013 Stock Incentive Plan (As Amended and Restated as of May 14, 2013).

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.

HENRY SCHEIN, INC.

(Registrant)

Date: April 7, 2016

By: /s/ Walter Siegel
Walter Siegel
Senior Vice President and General Counsel

EXHIBIT INDEX

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