

Edgar Filing: Air Transport Services Group, Inc. - Form 8-K

Air Transport Services Group, Inc.
Form 8-K
May 11, 2018

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 10, 2018

(Exact name of registrant as specified in its charter)

DE 000-50368 26-1631624
(State or other jurisdiction Commission (IRS Employer
of incorporation) File Number: Identification No.)
145 Hunter Drive, Wilmington, OH 45177
(Address of principal executive offices, including zip code)
(937) 382-5591
(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:

- ☐ 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

On May 9, 2018, the Compensation Committee of the Board of Directors of Air Transport Services Group, Inc. (the "Company"), finalized the performance measures under the Company's Executive Incentive Compensation Plan ("EIC Plan") for fiscal year 2018.

The Company's executives, including the named executive officers, have the potential to earn incentive compensation under the EIC Plan. The purpose of the EIC Plan is to incentivize executive management to achieve short-term corporate goals. Under the EIC Plan, participants are eligible to receive a cash bonus utilizing a formula that establishes a bonus amount, expressed as a percentage of base salary, based upon the extent of achievement of performance measures that are prescribed under the EIC Plan. The performance measures selected, and the relevant weight given to each such performance measure, may vary by participant, provided that, unless otherwise determined by the Compensation Committee, bonuses will be based on at least two performance measures. The EIC Plan provides that one of the performance measures will be net income from continuing operations, while the other performance measures will consist of one or more of the following: revenue growth, return on capital, earnings per share, shipment growth, increase in stock price, return on assets, service or the achievement of strategic objectives.

Under the EIC Plan for 2018, the cash-incentive bonus opportunity for each participant for fiscal year 2018: (i) shall be based upon the position held and range from 4.8% to 160% of the participant's base salary earned during the year; and (ii) the threshold, target and maximum bonus potentials for the participants shall consist of the following:

Position	Threshold	Target	Maximum
Chief Executive Officer	11.5%	115%	160%
Chief Financial Officer; Chief Operating Officer; Chief Legal Officer; Chief Commercial Officer; Subsidiary President	6%	60%	100%
Vice President; Subsidiary Vice President	4.8%	48%	80%

The Compensation Committee determines the performance measures, and the extent of the achievement thereof, for the Chief Executive Officer and the other executives, although the latter are determined in consultation with the Chief Executive Officer.

Joseph C. Hete, the President and Chief Executive Officer; Quint O. Turner, the Chief Financial Officer; Richard F. Corrado, the Chief Operating Officer; and W. Joseph Payne, the Chief Legal Officer and Secretary, each of whom is a named executive officer, are participants in the EIC Plan at the levels reflected in the table above. For fiscal year 2018, 80% of their bonus opportunity will be based upon the level of achievement of net income targets established by the Compensation Committee, and 20% of their bonus opportunity will be based upon the level of achievement of strategic objectives, as determined in accordance with the preceding paragraph.

The foregoing description of the amendment to the EIC Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the EIC Plan, a copy of which is filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 8, 2016, and is incorporated herein by reference.

Item 5.07 Submission of Matters to a Vote of Security Holders.

On May 10, 2018, Air Transport Services Group, Inc. ("ATSG") held its Annual Stockholders' Meeting (the "Annual Meeting"). At the close of business on March 15, 2018, the voting record date, there were 59,237,512 ATSG shares of common stock outstanding and entitled to vote. At the Annual Meeting, 54,557,175, or 92%, of the outstanding shares of common stock entitled to vote were represented by proxy or in person.

(i) Directors elected at the Annual Meeting for a one year term to expire at the 2019 Annual Meeting of Stockholders:

	Number of Votes Cast:			
	For	Against	Abstain	Broker Non-Votes
Richard M. Baudouin	43,247,332	2,704,295	380,217	8,225,331
Joseph C. Hete	45,437,102	673,285	221,457	8,225,331
Raymond E. Johns, Jr.	45,353,537	681,203	297,104	8,225,331

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Randy D. Rademacher	45,117,058	952,001	262,785	8,225,331
J. Christopher Teets	44,930,374	1,138,846	262,624	8,225,331
Jeffrey J. Vorholt	44,656,725	1,410,558	264,561	8,225,331

(ii) Approval of an amendment to ATSG's Amended and Restated Certificate of Incorporation to increase from nine to twelve the maximum number of directors that may serve on the Board:

Number of Votes Cast:

For Against Abstain

53,195,161 1,007,858 354,156

(iii) Ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of ATSG for fiscal year 2018:

Number of Votes Cast:

For Against Abstain

53,692,587 626,835 237,753

(iv) Approval, on an advisory basis, of the compensation of ATSG's named executive officers disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables, notes and narratives in the Proxy Statement for ATSG's 2018 Annual Meeting of Stockholders:

Number of Votes Cast:

For Against Abstain Broker Non-Votes

45,155,816 850,140 325,886 8,225,331

(v) Approval of an amendment to ATSG's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 85,000,000 to 110,000,000:

Number of Votes Cast:

For Against Abstain

52,837,401 1,336,911 382,863

(vi) Approval of an amendment to ATSG's Amended and Restated Certificate of Incorporation to remove all stockholder supermajority vote requirements:

Number of Votes Cast:

For Against Abstain Broker Non-Votes

45,797,562 261,170 273,112 8,225,331

(vii) Approval to adjourn the Annual Meeting, if necessary, to solicit additional proxies in favor of Proposals (ii), (v) and (vi) above, if there are not sufficient votes for such proposals:

Number of Votes Cast:

For Against Abstain

51,118,979 3,065,636 372,560

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 thereunto duly authorized.

AIR TRANSPORT SERVICES
GROUP, INC.

By: /S/ W. JOSEPH PAYNE
W. Joseph Payne
Chief Legal Officer & Secretary

Date: May 11, 2018