

SCHULMAN A INC
Form 8-K
October 24, 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) October 21, 2016

A.
SCHULMAN,
INC.

(Exact name of registrant as specified in its charter)

Delaware 0-7459 34-0514850
(State or other jurisdiction of incorporation) (Commission File Number) (IRS Employer Identification No.)

3637
Ridgewood
Road, 44333
Fairlawn,
Ohio
(Address
of
principal
executive
offices)

(330)
666-3751
(Registrant's telephone number, including area code)

(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:

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

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- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - o 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 PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

On October 13, 2016, the Compensation Committee of the Board of Directors of the Company confirmed the 2017 fiscal year cash bonus plan (“2017 Bonus Plan”) for the Company’s executive officers, including its current Named Executive Officers (“NEOs”). The 2017 Bonus Plan sets forth target bonus amounts for each participating executive officer, expressed as a percentage of base salary, and provides for awards ranging from 50% (threshold) to 200% (maximum) of such target. The target bonus award opportunities under the 2017 Bonus Plan applicable to each of our principal executive officer, principal financial officer, and named executive officers, are as follows:

Named Executive Officers	2017 Target Bonus Opportunity (as a % of base salary)
Joseph M. Gingo, President and Chief Executive Officer	100%
John W. Richardson, Executive Vice President and Chief Financial Officer*	70%
Heinrich Lingnau-Schneider, Senior Vice President and General Manager - EMEA	65%
Gustavo Pérez, Senior Vice President and General Manager - Latin Americas	55%

*Effective November 1, 2016

The entire portion of each executive officer’s 2017 Bonus Plan is based upon achievement of pre-established internal targets for certain consolidated corporate and/or segment financial performance metrics for the fiscal year, with possible upward or downward adjustments based upon individual performance as described below. For corporate level officers, this portion of the 2017 bonus will be evaluated based upon financial results for the following consolidated performance measures: (i) net income; (ii) operating income, and (iii) days of working capital (excluding in each case if it were to occur, certain unusual items as prescribed by the Compensation Committee). For General Managers of operating segments, their annual bonus opportunities include an element based on the Company’s consolidated net income and operating income, as well as the operating income performance and days of working capital within their respective operating regions. For each of these performance metrics, the following weighting has been established:

Named Executive Officer	Consolidated		Days of	
	Net Income	Operating Income	Operating	Working Capital
Joseph M. Gingo	50%	25%	25%	
John W. Richardson	50%	25%	25%	
	Consolidated		Region	
	Net Income	Operating Income	Operating	Working Capital
Heinrich Lingnau-Schneider	10%	25%	45%	20%
Gustavo Pérez	10%	25%	45%	20%

Under the 2017 Bonus Plan, Mr. Gingo will have authority at the end of the fiscal year to adjust award payouts for all directly reporting executive officers based on his assessment of individual annual performance

relative to performance objectives established at the beginning of each fiscal year, up to 200% of the target bonus amount for extraordinary individual contributions, or down to \$0 if the individual's performance significantly falls below expectations, although the total amount of all bonus payments, including discretionary adjustments, cannot exceed the total amount otherwise objectively determined by financial results under the performance metrics of the 2017 Bonus Plan.

A clawback policy applies with regard to payouts under the 2017 Bonus Plan. If the Company restates all or a significant portion of its financial statements, the Board of Directors may, in its discretion, cancel any unpaid portion or require reimbursement of any paid portion of compensation awarded to any participant under the 2017 Bonus Plan if: (i) the amount of the bonus was calculated based on the achievement of financial results that were subsequently the subject of a material restatement of our financial statements, and (ii) the amount of the bonus that would have been awarded to the participant, had the financial results been properly reported, would have been lower than the amount actually awarded. Additionally, if any participant in the 2017 Bonus Plan engages in misconduct related to the bonus program, the Board of Directors may take such actions as it deems appropriate to address the misconduct, including cancellation of any unpaid portion or requiring reimbursement of any paid portion of compensation awarded to that participant, as well as other disciplinary actions.

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.

A. Schulman, Inc.

By: /s/ Andrean Horton
Andrean Horton
Executive Vice President and
Chief Legal Officer

Date: October 24, 2016