

---

---

**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): June 9, 2020**

---

**Graham Corporation**

(Exact name of Registrant as specified in its charter)

---

**Delaware**  
(State or other jurisdiction of  
incorporation)

**1-8462**  
(Commission  
File Number)

**16-1194720**  
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	GHM	NYSE

---

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).

Emerging growth company

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.**

*Fiscal 2021 Annual Stock-Based Long-Term Incentive Award Plan for Senior Executives.* On June 9, 2020, the Compensation Committee of the Board of Directors (the “Compensation Committee”) of Graham Corporation (the “Company”) renewed and amended its Annual Stock-Based Long-Term Incentive Award Plan for Senior Executives (the “Restricted Stock Bonus Program”) for the fiscal year ending March 31, 2021 (“Fiscal 2021”) 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. All grants were made under the Amended and Restated 2000 Graham Corporation Incentive Plan to Increase Shareholder Value (the “Plan”).

Time-vested restricted stock awards are designed to encourage the Company’s named executive officers to remain employed by the Company. The time-vested restricted stock granted to the Company’s named executive officers vests 33<sup>1</sup>/<sub>3</sub>% per year over three years and the time-vested restricted stock granted to the Company’s Directors, as described below, vests on the first anniversary of the date of grant.

Performance-vested restricted stock awards are designed to incent the Company’s named executive officers to focus on Company growth, align their compensation with the Company’s business strategy and to create stockholder value. Awards of performance-vested restricted stock vest based upon the Company’s achievement over a three-year period of Total Shareholder Return compared to the Russell 2000 Capital Goods and Energy Composite Ranking (using a 20-day price average at the start and end of the three-year period commencing April 1, 2020 and ending March 31, 2023) (“Relative TSR”). The threshold, target and maximum payout matrixes for the performance-vested restricted stock are set forth below:

**Relative TSR**

Threshold	25th percentile	50% payout
Target (1)	50th percentile	100% payout
Maximum	75th percentile	200% payout

(1) If the Company’s TSR is negative, maximum payout is Target.

The number of shares of time-vested restricted stock and performance-vested restricted stock awarded to the Company’s named executive officers under the Restricted Stock Bonus Program were determined using a Long-Term Incentive Percentage (the “L-T Percentage”) for each such officer. On June 9, 2020, the Compensation Committee set the L-T Percentage for each of the Company’s named executive officers as follows: James R. Lines – 80%; Jeffrey F. Glajch – 50%; Alan E. Smith – 50%; and Jennifer R. Condame – 35%. The number of shares of time-vested restricted stock awarded were 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 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 on the date of grant. The number of shares of restricted stock awarded to each of the Company's Directors was determined by dividing \$50,000 by the closing price of the Company's Common Stock on the NYSE on the date of grant. The closing price of the Company's Common Stock on the NYSE on June 9, 2020 was \$14.11.

<u>Named Executive Officer</u>	<u>Number of Shares of Time-Vested Restricted Stock Granted (1)</u>	<u>Number of Shares of Performance-Vested Restricted Stock Granted (2)(3)</u>
James R. Lines President and Chief Executive Officer	14,174	28,348
Jeffrey Glajch Vice President of Finance and Administration and Chief Financial Officer	5,758	11,516
Alan E. Smith Vice President of Operations	4,563	9,126
Jennifer R. Condame Controller and Chief Accounting Officer	2,238	4,476

- (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 is forfeited.
- (2) The number of shares that will vest following the conclusion of the fiscal year ending March 31, 2023 ("Fiscal 2023") is based upon the Company's achievement of performance criteria. The number of shares set forth above assumes the maximum achievement of such performance criteria. If maximum achievement is not realized, any unearned shares will be forfeited back to the Company. Once the achievement of the performance measures are determined for Fiscal 2023, 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 2023 for reasons other than death or disability, such officer's right to receive the performance-vested restricted stock shall be forfeited.

The foregoing description of the Restricted Stock Bonus Program in effect for Fiscal 2021 does not purport to be complete and is qualified in its entirety by the Restricted Stock Bonus Program, a copy of which is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

*Annual Stock-Based Grant to Non-Employee Directors.* Also on June 9, 2020, the Compensation Committee approved the grant of time-vested restricted stock under the Plan in the amounts set forth below to the Company's non-employee Directors.

<u>Director</u>	<u>Number of Shares of Time-Vested Restricted Stock Awarded</u>
James Barber	3,543
Alan Fortier	3,543
James Malvaso	3,543
Gerard Mazurkiewicz	3,543
Jonathan Painter	3,543
Lisa Schnorr	3,543

*Fiscal 2020 Named Executive Officer Bonuses* On June 9, 2020, the Compensation Committee approved the payment of cash bonuses to certain of 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 ending March 31, 2020 ("Fiscal 2020") and were based on the Company's achievement during Fiscal 2020 of personal objectives by each named executive officer listed below during such year.

<u>Named Executive Officer</u>	<u>Total Fiscal 2020 Bonus</u>
Alan E. Smith	\$32,710
Jennifer R. Condame	\$18,943

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

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#"><u>Graham Corporation Annual Stock-Based Long-Term Incentive Award Plan for Senior Executives in effect for the fiscal year ending March 31, 2021.</u></a>

---

**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.

Date: June 11, 2020

**Graham Corporation**

By: /s/ Jeffrey Glajch

Jeffrey Glajch  
Vice President – Finance & Administration and  
Chief Financial Officer

**GRAHAM CORPORATION**  
**ANNUAL STOCK-BASED LONG-TERM INCENTIVE AWARD PLAN**  
**FOR SENIOR EXECUTIVES**

(As Amended and Restated Effective June 9, 2020)

<b>Purpose</b>	The purpose of this Annual Stock-Based Long-Term Incentive Award Plan for Senior Executives (the “Plan”) is to motivate the senior executive officers of Graham Corporation (the “Company”) to increase shareholder value by providing them long-term stock-based awards for above-average Company performance.
<b>Administration</b>	The Plan will be administered by the Compensation Committee of the Board of Directors of the Company (the “Committee”), which shall have final and conclusive authority to administer and interpret the Plan.
<b>Eligibility</b>	Eligible employees will include the President and Chief Executive Officer and such officer’s direct reports, subject to the approval by the Committee of such participation.
<b>Award Periods</b>	Annual awards under the Plan will be based on the fiscal year of the Company, beginning with its April 1, 2020 through March 31, 2021 fiscal year (each, a “Fiscal Year”).
<b>Awards</b>	Unless the Committee determines otherwise, annual awards under the Plan for the Fiscal Year will consist of shares of time-vesting restricted stock (“Time-Vested Restricted Stock”) and shares of performance-vesting restricted stock (“Performance-Vested Restricted Stock,” and together with Time-Vested Restricted Stock, “Restricted Stock”), which awards will be issued under the Amended and Restated 2000 Graham Corporation Incentive Plan to Increase Shareholder Value, or a successor plan thereto or restatement thereof (the “Incentive Plan”), and will be subject to the terms thereof.

Time-Vested Restricted Stock.

Unless the Committee determines otherwise, Time-Vested Restricted Stock will vest as follows: one-third of the shares on the first anniversary of the date of grant, an additional one-third of the shares on the second anniversary of the date of grant and the remaining one-third of the shares on the third anniversary of the date of grant.

The number of shares of Time-Vested Restricted Stock to be issued to an eligible employee for a Fiscal Year will be determined by multiplying 50 percent (or such other percentage as may be determined by the Committee) of the eligible employee’s base salary then in effect by such employee’s Target L-T Incentive Percentage, and then dividing by the value of a share of stock on the date of grant, rounded to the nearest whole number.

---

Performance-Vested Restricted Stock.

Unless the Committee determines otherwise, Performance-Vested Restricted Stock will vest on the third anniversary of the date of grant, depending on the satisfaction of the performance goal matrices for the three-year period commencing with the 2021 Fiscal Year, which matrices will be determined by the Committee. In determining the performance for the three-year period commencing with a Fiscal Year, the Committee shall have the discretion to include or exclude any extraordinary events that positively or negatively affected the Company's financial performance for the Fiscal Year.

The number of shares of Performance-Vested Restricted Stock to be issued to an eligible employee for a Fiscal Year will be determined by multiplying 50 percent (or such other percentage as may be determined by the Committee) of the eligible employee's base salary then in effect by such employee's Target L-T Incentive Percentage, and then dividing by the value of a share of stock on the date of grant, rounded to the nearest whole number.

Effect of Certain Events.

Notwithstanding any other provision of the Plan, the following terms shall apply to all Restricted Stock awarded under the Plan:

- Upon the death of an eligible employee, any outstanding Time-Vested Restricted Stock awarded under the Plan will vest in full, and any outstanding Performance-Vesting Restricted Stock will vest pro-rata based on the satisfaction of the applicable performance goals through the end of the quarter immediately preceding the date of death.
- Upon the Disability (as such term is defined by the Incentive Plan) of an eligible employee, any outstanding Time-Vested Restricted Stock awarded under the Plan will vest in full, and any outstanding Performance-Vesting Restricted Stock will vest pro-rata based on the satisfaction of the applicable performance goals through the end of the quarter immediately preceding the date of Disability.
- Except as otherwise provided by the Plan or by the Committee, the unvested portion of Restricted Stock awarded under the Plan will terminate upon the termination or resignation of an eligible employee's employment.
- Unless the Committee determines otherwise, upon the termination of an eligible employee for cause (as such term shall be defined by the Committee), the unvested portion of all Restricted Stock awarded under the Plan will terminate.

---

**Payment and Dividends**

Annual awards for a Fiscal Year will be approved by the Committee and will be issued as soon as practicable after approval. Eligible employees shall be entitled to retain any dividends paid on shares of Restricted Stock awarded under the Plan.

**Section 409A**

The Plan and the Restricted Stock awarded thereunder, are intended to qualify for an exemption from Section 409A of the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated and other official guidance issued thereunder, and shall be administered and interpreted consistent with such intention.

**Amendment & Termination**

The Plan may be amended or terminated by the Committee at any time. No eligible employee will have any right to an award under the Plan until such award is approved by the Committee.

Neither the existence of the Plan nor the grant of an award in any year shall give an eligible employee any right to an award or similar award in future years or any right to continue such eligible employee's employment relationship with the Company. All eligible employees shall remain subject to discharge to the same extent as if the Plan were not in effect.

---

**EXHIBIT A**

**TARGET L-T INCENTIVE PERCENTAGES**

<b>Position</b>	<b>Target L-T Incentive %</b>
President and Chief Executive Officer	80%
Vice President, Finance and Administration and Chief Financial Officer	50%
Vice President, General Manager	50%
Controller and Chief Accounting Officer	35%

Notwithstanding the foregoing, the Committee shall have the discretion to specify a different Target L-T Incentive Percentage for a given position or employee for a given Fiscal Year.