
**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 17, 2023

Graham Corporation

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-08462
(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 2024 Annual Stock-Based Long-Term Incentive Award Plan for Senior Executives. On May 17, 2023, the Compensation Committee (the “Compensation Committee”) of the Board of Directors of Graham Corporation (the “Company”) renewed and amended its Annual Long-Term Incentive Award Plan for Senior Executives (the “LTI Bonus Program”) for the fiscal year ending March 31, 2024 (“Fiscal 2024”) and approved grants of time-vesting restricted stock units (“RSUs”) and performance-vesting restricted stock units (“PSUs”) thereunder in the amounts set forth below to the Company’s named executive officers. All grants were made under the 2020 Graham Corporation Equity Incentive Plan (the “Plan”).

The RSUs granted to the Company’s named executive officers vest one-third on each of the first three anniversaries of the date of grant subject to continued employment through the vesting date.

Awards of PSUs vest based upon the Company’s three-year cumulative EBITDA metric (the “3-Year Cumulative EBITDA Metric”) with linear interpolation applied between points and no payout if the results are below threshold.

The number of shares of RSUs and PSUs awarded to the Company’s named executive officers under the LTI Bonus Program were determined using a Long-Term Incentive Percentage (the “L-T Percentage”) for each such officer. On May 17, 2023, the Compensation Committee set the L-T Percentage for each of the Company’s named executive officers as follows: Daniel J. Thoren – 100%; Christopher J. Thome – 50%; and Matthew Malone – 50%. The number of RSUs awarded 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 PSUs 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.

<u>Named Executive Officer</u>	<u>Number of RSUs Granted</u>	<u>Number of PSUs Granted⁽¹⁾</u>
Daniel J. Thoren President and Chief Executive Officer	18,265	36,530
Christopher J. Thome Vice President – Finance, Chief Financial Officer and Chief Accounting Officer	7,123	14,246
Matthew Malone Vice President and General Manager – Barber-Nichols	7,123	14,246

⁽¹⁾ Represents the maximum number of PSUs that may be earned if the maximum level of performance is achieved.

Fiscal 2024 Annual Executive Cash Bonus Program. On May 17, 2023, the Compensation Committee renewed and amended the Company's Annual Executive Cash Bonus Program (the "Cash Bonus Program") for Fiscal 2024. On May 17, 2023, the Compensation Committee set target bonus levels under the Cash Bonus Program for Fiscal 2024 at 100% attainment of both Company and personal objectives, as follows: Daniel J. Thoren – 100% of base salary; Christopher J. Thome – 50% of base salary; and Matthew Malone – 50% of base salary. Each named executive officer will be eligible to receive anywhere from 0% to 200% of his 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 2024 is as follows:

Named Executive Officer	Adjusted Net Income/Operating Income ⁽¹⁾	Bookings ⁽²⁾	Personal Goals
Daniel J. Thoren	50%	20%	30%
Christopher J. Thome	50%	20%	30%
Matthew Malone	50%	20%	30%

- (1) For Messrs. Thoren and Thome net income includes consolidated net income and for Mr. Malone net income includes consolidated net income (15%) and divisional operating income (35%).
- (2) For Messrs. Thoren and Thome bookings include consolidated bookings and for Mr. Malone bookings include consolidated bookings (6%) and divisional bookings (14%).

The foregoing descriptions of the LTI Bonus Program and the Cash Bonus Program in effect for Fiscal 2024 do not purport to be complete and are qualified in their entirety by the LTI Bonus Program and the Cash Bonus Program copies of which are attached to this Current Report on Form 8-K as Exhibit 99.1 and 99.2, respectively, and are incorporated herein by reference.

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, 2024.
99.2	Graham Corporation Annual Executive Cash Bonus Program in effect for Company's named executive officers for the fiscal year ending March 31, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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: May 23, 2023

By: /s/ Christopher J. Thome
Christopher J. Thome
Vice President – Finance, Chief Financial Officer
and Chief Accounting Officer

GRAHAM CORPORATION

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

(As Amended and Restated Effective as of May 17, 2023)

Purpose	The purpose of this Annual Stock-Based Long-Term Incentive Award Plan for Senior Executives (the “Plan”) is to incentivize the senior executive officers of Graham Corporation (the “Company”) to remain employed by the Company, focus on Company growth, align their compensation with the Company’s business strategy and to create stockholder value.
Administration	The Plan will be administered by the Compensation Committee (the “Compensation Committee”) of the Board of Directors of the Company, which shall have final and conclusive authority to administer and interpret the Plan.
Eligibility	Eligible employees will include the Chief Executive Officer and such officer’s direct reports, subject to the approval by the Committee of such participation.
Award Periods	Annual awards under the Plan will be based on the fiscal year of the Company, beginning with its April 1, 2023 through March 31, 2024 fiscal year (each, a “Fiscal Year”).
Awards	Unless the Committee determines otherwise, annual awards under the Plan for the Fiscal Year will consist of shares of time-vesting restricted stock units (“RSUs”) and shares of performance-vesting restricted stock units (“PSUs,”), which awards will be issued under the 2020 Graham Corporation Equity Incentive Plan, or a successor plan thereto or restatement thereof (the “Incentive Plan”) and will be subject to the terms thereof.

RSUs

Unless the Committee determines otherwise, RSUs will vest one-third on each of the first three anniversaries of the date of grant.

The number of shares of RSUs 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 long-term incentive percentage (the “Target L-T Percentage”) as listed in Exhibit A, and then dividing by the value of a share of stock on the date of grant, rounded to the nearest whole number.

PSUs

Unless the Committee determines otherwise, PSUs 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 2023 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 PSUs 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 RSUs and PSUs awarded under the Plan:

- Except as otherwise provided in an agreement with the executive, upon the death or Disability of the executive, or the termination of the executive's employment without Cause or the executive's resignation for Good Reason within the 12 month period following a Change in Control, any outstanding RSUs awarded under the Plan will vest in full, and any outstanding PSUs will vest pro-rata based on the target level of the applicable performance goals. Terms have the meaning given to them by the Incentive Plan.
- Upon the retirement of the executive at the age of 65 or later, outstanding RSUs awarded under the Plan will vest in accordance with the vesting schedule for the award, and any outstanding PSUs will vest pro-rata based on the satisfaction of the applicable performance goals as determined at the end of the performance period.

Payment

Annual awards for a Fiscal Year will be approved by the Committee and will be issued as soon as practicable after approval.

Recoupment

The Plan and the compensation payable hereunder shall be subject to forfeiture, recovery by the Company or other action pursuant to any incentive compensation recoupment policy adopted by the Company's Board of Directors or the Compensation Committee at any time, including in response to the requirements of Section 10D of the Securities Exchange Act of 1934, as amended, the Securities and Exchange Commission's final rules thereunder (Listing Standards for Recovery of Erroneously Awarded Compensation, 87 Fed. Reg. 73076-73142), Section 303A.14 of the NYSE Listed Company Manual (when final) and any other listing rules or other rules and regulations implementing the foregoing, or as otherwise required by law.

Section 409A

The Plan and the RSUs and PSUs 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 and
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

Position	Target L-T Incentive %
President and Chief Executive Officer	100%
Vice President – Finance, Chief Financial Officer, and Chief Accounting Officer	50%
Vice President and General Managers	50%

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.

GRAHAM CORPORATION

ANNUAL EXECUTIVE CASH BONUS PLAN

(As Amended and Restated Effective May 17, 2023)

Summary

The objective of this Annual Executive Cash Bonus Plan (the “Plan”) is to compensate the Chief Executive Officer and his direct reports for above-average performance through annual bonuses related to both Company and individual performance.

Eligibility and Participation

1. Eligible employees shall include the Chief Executive Officer and his direct reports. “Direct reports” means the: (a) Vice President – Finance, Chief Financial Officer and Chief Accounting Officer, (b) Vice Presidents and General Managers, and (c) such other employees of the Company selected by the Chief Executive Officer to participate in this Plan, subject to the approval by the Compensation Committee of such participation.
2. Target participation levels shall be established by the Compensation Committee.
3. Newly hired or promoted employees are eligible for participation in the Plan upon employment unless otherwise determined by the Chief Executive Officer for Direct Reports and by the Compensation Committee in the case of the Chief Executive Officer.
4. Participants who voluntarily terminate employment or whose employment is involuntarily terminated, in each case, for any reason before the end of the fiscal year shall receive no bonus except as approved by the Compensation Committee, in its sole discretion.

Establishment and Level of Goals

1. Financial goals shall be approved by the Board of Directors.
2. The Chairman of the Compensation Committee shall approve individual goals for the Chief Executive Officer. The Chief Executive Officer shall approve individual goals for Direct Reports. The Chairman of the Compensation Committee or Chief Executive Officer, as applicable, shall determine the number and weighting of goals.

Payment Calculation

At the end of each fiscal year, the Compensation Committee shall determine the extent to which the applicable financial goals and individual goals have been satisfied and the corresponding goal payout factors. The Compensation Committee shall then determine each Participant’s preliminary payout value, which shall be the Participant’s Target Participation Level multiplied by the product of each performance goal’s weighting times its payout factor. The Compensation Committee may then adjust each Participant’s preliminary payout value, either upwards or downwards, in the Compensation Committee’s sole discretion, to determine each Participant’s final payout value.

The final payout values, as determined by the Compensation Committee, will be paid to Participant’s as soon as practicable after the end of the fiscal year, but in no event later than 75 days immediately following the end of the fiscal year.

Recoupment

The Plan and the compensation payable hereunder shall be subject to forfeiture, recovery by the Company or other action pursuant to any incentive compensation recoupment policy adopted by the Company's Board of Directors or the Compensation Committee at any time, including in response to the requirements of Section 10D of the Securities Exchange Act of 1934, as amended, the Securities and Exchange Commission's final rules thereunder (Listing Standards for Recovery of Erroneously Awarded Compensation, 87 Fed. Reg. 73076-73142), Section 303A.14 of the NYSE Listed Company Manual (when final) and any other listing rules or other rules and regulations implementing the foregoing, or as otherwise required by law.

Other Considerations

1. Participants who change their position during the fiscal year shall receive bonus on a pro rated basis.
2. Special awards may be made to any person who has made an extraordinary contribution to the Company during the year. Such awards must be recommended by the Chief Executive Officer to the Chairman of the Compensation Committee and may be approved by the Compensation Committee.
3. Unusual or non-recurring events that either positively or negatively affect financial performance may be included or excluded in financial calculations at the discretion of the Compensation Committee.
4. Nothing herein shall be construed to limit or affect the normal and usual powers of management, including right to terminate any individual at any time.
5. The Compensation Committee shall have final and conclusive authority on the existence and administration of this plan.
6. In the event that the Company is in danger of failing to meet its bank covenants, the Compensation Committee may consider granting equity awards in lieu of paying cash bonuses.
7. In the event of death, a Participant's designated beneficiary will be entitled to the Participant's plan benefits. If the Participant has not designated a beneficiary, the Participant's beneficiary or beneficiaries will be determined in accordance with the Participant's will. If there is no will, the beneficiary or beneficiaries shall be determined by the laws of descent and distribution in the state in which the Participant was a resident at the time of death. In the event of death prior to the end of a fiscal year, the Participant will be entitled to a receive plan benefits on a pro rated basis, which shall be paid to a Participant's designated beneficiary.

Section 409A

The Plan and the compensation payable thereunder are intended to be exempt 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.

ANNUAL EXECUTIVE CASH BONUS PLAN

**FISCAL YEAR 2024
TERMS FOR
NAMED EXECUTIVE OFFICERS**

Target Participation Levels

<u>Position</u>	<u>% Base Pay</u>
Chief Executive Officer	100%
Vice President – Finance, Chief Financial Officer and Chief Accounting Officer	50%
Vice Presidents and General Managers	50%

Goal Weightings

<u>Position</u>	<u>Adjusted Net Income/Operating Income ⁽¹⁾</u>	<u>Bookings ⁽²⁾</u>	<u>Personal Goals</u>
Chief Executive Officer	50%	20%	30%
Vice President – Finance, Chief Financial Officer and Chief Accounting Officer	50%	20%	30%
Vice Presidents and General Managers	50%	20%	30%

- (1) For the Chief Executive Officer and Chief Financial Officer net income includes consolidated net income and for the Vice Presidents and General Managers net income includes consolidated net income (15%) and divisional operating income (35%).
- (2) For the Chief Executive Officer and Chief Financial Officer bookings include consolidated bookings and for the Vice Presidents and General Managers bookings include consolidated bookings (6%) and divisional bookings (14%).

Bookings is defined as new orders received by the Company and entered into backlog during fiscal year 2024, defined as April 1, 2023 through March 31, 2024, and shall be reduced by the impact of any backlog cancellations. The consolidated bookings calculation for bonus purposes shall be consolidated net orders for Batavia, NY, Barber-Nichols, Ahmedabad, India, and Suzhou, PRC, plus any new orders that may be received by a company acquired by the Company during the fiscal year. For any acquired company, only new bookings subsequent to acquisition apply.

Net Income shall be based upon fiscal year-end results.

Currency exchange rates will be calculated monthly at a fixed rate to eliminate currency fluctuations from incentive calculations.