

APOGEE ENTERPRISES, INC.
Form 8-K
May 02, 2011

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: April 26, 2011

(Date of earliest event reported)

APOGEE ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Commission File Number: 0-6365

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Minnesota
(State or other jurisdiction)

41-0919654
(IRS Employer

of incorporation)

4400 West 78th Street Suite 520

Identification No.)

Minneapolis, Minnesota 55435

(Address of principal executive offices, including zip code)

(952) 835-1874

(Registrant's telephone number, including area code)

Not Applicable

(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.**(e) Bonus Pool Award Agreements**

On April 26, 2011, Apogee Enterprises, Inc. (the Company) entered into a Bonus Pool Award Agreement with each of the named executive officers listed below, which sets forth the terms and conditions pursuant to which the executive officer may receive an annual bonus award under the Amended and Restated Apogee Enterprises, Inc. Executive Management Incentive Plan (the Executive MIP). The agreements provide that the executive officers' rights to receive annual cash bonus awards will be determined based on the attainment of certain pre-set performance metrics or goals for the fiscal year.

The performance metrics to be used for determining awards under the Executive MIP for fiscal 2012 for the named executive officers listed below other than Mr. Huffer are net sales and earnings per share from continuing operations at the corporate level. For each of the performance metrics there is a threshold, target and maximum performance level. Mr. Huffer's award under the Executive MIP for fiscal 2012 will be based on the achievement of certain goals relating to performance of the Viracon business unit and the Company's cash flow and goals related to the execution of the Company's enterprise resource planning implementation and other strategic initiatives. The table below sets forth certain information with respect to fiscal 2012 annual bonus award payout ranges as a percentage of fiscal 2012 salary for the named executive officers.

| | | Fiscal 2012 Annual Cash Incentive Compensation | | | |
|---------------------|---------------------------------------|---|---|---|---|
| Name | Position | Payout Range as a Percentage of Salary (%) | Threshold Payout as a Percentage of Salary (%)⁽¹⁾ | Target | Maximum Payout as a Percentage of Salary (%)⁽³⁾ |
| | | | | Payout as a Percentage of Salary (%)⁽²⁾ | |
| Russell Huffer | Chief Executive Officer and President | 0 75.00 | 18.75 | 75.00 | 75.00 |
| James S. Porter | Chief Financial Officer | 0 120.00 | 9.90 | 60.00 | 120.00 |
| Patricia A. Beithon | General Counsel and Secretary | 0 100.00 | 8.25 | 50.00 | 100.00 |
| Gary R. Johnson | Vice President and Treasurer | 0 50.00 | 4.13 | 25.00 | 50.00 |

(1) Assumes threshold performance level is achieved for only the performance metric/goal with the lowest weighting and is not achieved for any other performance metric/goal.

(2) Assumes target performance level is achieved for all performance metrics/goals.

(3) Assumes maximum performance level is achieved for all performance metrics/goals.

In the event an executive officer's employment is terminated during a fiscal year for any reason other than Disability or Retirement (as such terms are defined in the agreement) or death, the agreement provides that the executive officer will forfeit any and all rights under the Executive MIP and the agreement relating to such fiscal year. In accordance with the agreement, if an executive officer's employment with the Company is terminated during the fiscal year as a result of Disability, Retirement or death, the executive officer, or the executive officer's estate, as applicable, will receive a pro-rata cash payment after the end of the fiscal year to the extent that the threshold, target or maximum performance level of the performance metrics/goals is achieved.

The form of Bonus Pool Award Agreement used in connection with annual bonus awards under the Executive MIP, a copy of which is on file with the Securities and Exchange Commission as Exhibit 10.1, is incorporated herein by reference to the Company's Current Report on Form 8-K filed on May 4, 2009 (the Form of Bonus Pool Award Agreement).

Performance Share Unit and Restricted Stock Awards*Performance Share Units*

On April 26, 2011, the Company's Compensation Committee awarded to the named executive officers listed below performance share unit awards entitling the executive officers to the number of performance share units (the Units) equal to the target number of shares set forth below (the Target Award Number).

| Name | Number of Shares Subject to Award | | | | |
|---------------------|-----------------------------------|------|-----------------|--------------|---------------|
| | Measuring Period | | Threshold Award | Target Award | Maximum Award |
| | (Fiscal Years) | | Number | Number | Number |
| James S. Porter | 2012 | 2014 | 9,177 | 18,354 | 36,708 |
| Patricia A. Beithon | 2012 | 2014 | 7,261 | 14,522 | 29,044 |
| Gary R. Johnson | 2012 | 2014 | 2,314 | 4,628 | 9,256 |

Each Unit represents the right to receive one share of the Company's common stock, subject to the vesting requirements described below. The Units were awarded pursuant to the shareholder-approved Apogee Enterprises, Inc. 2009 Stock Incentive Plan (the 2009 Stock Incentive Plan), a copy of which is on file with the Securities and Exchange Commission as Exhibit 4.5 to the Company's Form S-8 filed on June 24, 2009. The form of Performance Share Unit Agreement used in connection with the awards to the executive officers listed above and to be used on a going-forward basis for performance share unit awards under the 2009 Stock Incentive Plan is attached hereto as Exhibit 10.2 and is incorporated herein by reference (the Form of 2009 Stock Incentive Plan Performance Share Unit Agreement).

The number of Units that will vest will be based on whether and to what extent the threshold, target or maximum performance level of the performance metrics for the period commencing on February 27, 2011 and ending on March 1, 2014 (the Performance Period) is achieved. The performance metrics for the Performance Period are average return on invested capital, cumulative earnings per share and market share growth. The Target Award Number will be increased to the Maximum Award Number set forth above if the Company's performance metrics are achieved at the maximum level or decreased to zero if none of the Company's performance metrics are achieved at the threshold performance level. The Threshold Award Number set forth above represents the number of Units that would vest if the Company achieved each performance metric at the threshold level.

In the event the executive officer's employment is terminated during the Performance Period, the Units shall be immediately and irrevocably forfeited, unless the executive officer's termination is by reason of involuntary termination without Cause (as defined in the agreement), Retirement (as defined in the agreement), Disability (as defined in the agreement), or death. In the event the executive officer's employment is terminated prior to the end of the Performance Period by reason of involuntary termination without Cause, the Compensation Committee has the right to permit the executive officer to retain a pro-rata portion (based on the amount of time elapsed between the beginning of the Performance Period and the date of termination) of the Units after the end of the Performance Period to the extent that the threshold, target or maximum performance level of the performance metrics is achieved and as determined by the Compensation Committee in its sole discretion. In the event the executive officer's employment is terminated prior to the end of the Performance Period by reason of Retirement, Disability or death, the executive officer or the executive officer's estate, as applicable, shall be entitled to retain the Units after the end of the Performance Period to the extent that the threshold, target or maximum performance level of the performance metrics is achieved and as determined by the Compensation Committee in its sole discretion.

In the event of a Change in Control (as defined in the 2009 Stock Incentive Plan) prior to the end of the Performance Period, the Performance Period shall be deemed to end on the date of the Change in Control and the executive officer shall be entitled to retain the Units to the extent that the threshold, target or maximum performance level of the performance metrics is achieved, as adjusted for the truncated Performance Period, and as determined by the Compensation Committee in its sole discretion if (1) the executive officer remains employed through the end of the Performance Period or (2) the executive officer's employment terminates prior to the end of the Performance Period due to Retirement, Disability, death, involuntary termination without Cause or Good Reason (as defined in the agreement).

Time-Based Restricted Stock

On April 26, 2011, the Company's Compensation Committee awarded to the named executive officers listed below shares of time-based restricted stock in the amounts indicated below:

| Name | Number of Shares of Restricted Stock Awarded | Vesting Date |
|---------------------|---|---------------------|
| James S. Porter | 12,113 | 4/26/2014 |
| Patricia A. Beithon | 10,359 | 4/26/2014 |
| Gary R. Johnson | 3,086 | 4/26/2014 |

Such restricted stock awards were made pursuant to the 2009 Stock Incentive Plan. The form of Restricted Stock Agreement used in connection with the awards to the executive officers listed above and to be used on a going-forward basis for restricted stock awards under the 2009 Stock Incentive Plan is attached hereto as Exhibit 10.3 and is incorporated herein by reference (the "Form of 2009 Stock Incentive Plan Restricted Stock Agreement").

The shares of restricted stock vest in three equal annual installments commencing on the first anniversary date of such grant (such three-year period is referred to herein as the "Restricted Period"). In the event the executive officer's employment is terminated prior to the end of the Restricted Period by reason of Retirement (as defined in the agreement) or involuntary termination without Cause (as defined in the agreement), the Compensation Committee has the right to cause the remaining unvested shares to be accelerated as of the date of such Retirement or involuntary termination without Cause. In the event the executive officer's employment is terminated prior to the end of the Restricted Period by reason of Disability or death, the shares of restricted stock will become immediately vested in full.

In the event of a Change in Control (as defined in the 2009 Stock Incentive Plan) during the Restricted Period and the executive officer's employment is simultaneously or subsequently terminated by the Company without Cause or by the executive officer for Good Reason (as defined in the agreement) during the restricted period, the restrictions with respect to all of the shares held by the executive officer at the time of termination shall lapse and the shares shall immediately vest as of the date of such termination of employment.

The description in this Current Report on Form 8-K of the Form of Bonus Pool Award Agreement is qualified in its entirety by reference to the copy of such agreement that is on file with the Securities and Exchange Commission as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 4, 2009. The descriptions in this Current Report on Form 8-K of the Form of 2009 Stock Incentive Plan Performance Stock Unit Agreement and the Form of 2009 Stock Incentive Plan Restricted Stock Agreement are qualified in their entirety by reference to the attached copies of the agreements.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 Form of Bonus Pool Award Agreement under the Apogee Enterprises, Inc. Executive Management Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 4, 2009).

10.2 Form of Performance Share Unit Agreement under the Apogee Enterprises, Inc. 2009 Stock Incentive Plan for awards made on or after April 26, 2011.*

10.3 Form of Restricted Stock Agreement under the Apogee Enterprises, Inc. 2009 Stock Incentive Plan for awards made on or after April 26, 2011.*

* Filed herewith

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.

APOGEE ENTERPRISES, INC.

By: /s/ Patricia A. Beithon
Patricia A. Beithon
General Counsel and Secretary

Date: May 2, 2011

EXHIBIT INDEX

Exhibit

| Number | Description |
|---------------|---|
| 10.1 | Form of Bonus Pool Award Agreement under the Apogee Enterprises, Inc. Executive Management Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 4, 2009). |
| 10.2 | Form of Performance Share Unit Agreement under the Apogee Enterprises, Inc. 2009 Stock Incentive Plan for awards made on or after April 26, 2011.* |
| 10.3 | Form of Restricted Stock Agreement under the Apogee Enterprises, Inc. 2009 Stock Incentive Plan for awards made on or after April 26, 2011.* |

* Filed herewith