

Edgar Filing: Kraton Corp - Form 8-K

Kraton Corp
Form 8-K
February 09, 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): February 7, 2018

Commission File Number
001-34581

Kraton Corporation
(Exact name of registrant as specified in its charter)

Delaware 20-0411521
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

15710 John F. Kennedy Blvd., Suite 300
Houston, TX 77032
(Address of principal executive offices, including zip code)
281-504-4700
(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))

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

Establishment of Targets for 2018 Annual Cash Incentive Compensation

On February 7, 2018, the Compensation Committee (the “Committee”) of the Board of Directors of Kraton Corporation (the “Company”, “we”, “our”) approved the target bonus under our 2016 Equity and Cash Incentive Plan for the Kraton Leadership Team, which includes our named executive officers. For the bonus year that ends December 31, 2018, the Committee has established the following target bonus amounts for our named executive officers:

| Named Executive Officer | Target Bonus |
|--|-------------------|
| Kevin M. Fogarty President and Chief Executive Officer | 1.0 x Base Salary |
| Stephen E. Tremblay Executive Vice President and Chief Financial Officer | .70 x Base Salary |
| Holger R. Jung Senior Vice President and Polymer Segment President | .60 x Base Salary |
| Marcello C. Boldrini Senior Vice President and Chemical Segment President | .60x Base Salary |
| Vijay Mhetar Senior Vice President, Chief Technology Officer | .50x Base Salary |

Depending on the level of achievement of the business performance targets (described below) each named executive officer’s actual annual cash incentive compensation can be from zero to two times his target bonus. Any such bonuses will be paid in cash, and we expect that such payments, if any, will be made in the first quarter of 2019.

The Committee has determined that the business performance targets determining the 2018 annual cash incentive compensation, and the weighting of each, will be achievement of Adjusted EBITDA (75%) and the attainment of Net Debt (25%). The Committee has established threshold, target and stretch multipliers for both of these business performance targets, which if achieved, will provide a multiplier that can range from 0.3, if the minimum, or threshold, level of performance is achieved, to 2.0, assuming the Company meets or exceeds the maximum, or stretch, goal.

Based on the business performance targets and the multipliers, each disclosed above, and assuming the threshold performance level is achieved, the 2018 cash incentive compensation for any given named executive officer will be calculated as follows:

(Adjusted
EBITDA
Multiplier)(Target
Bonus)(0.75)
(Net Debt
+Multiplier)(Target
Bonus)(0.25)
2018 Annual Cash
Incentive
Compensation

The Adjusted EBITDA and Net Debt performance targets for 2018 have been established based on our 2018 business plan and with reference to market conditions and year-over-year performance in comparison to 2017; however, as such information is competitively sensitive, the exact targets will be disclosed in the proxy statement for our annual general meeting of stockholders in 2019.

Establishment of Named Executive Officer Base Compensation for 2018

On February 7, 2018, the Committee established annual base compensation for our executive officers, including our named executive officers. Effective April 1, 2018, Mr. Fogarty’s base compensation will be \$1,000,000,

Edgar Filing: Kraton Corp - Form 8-K

Mr. Tremblay's will be \$500,000, Dr. Jung's will be \$400,000, Mr. Boldrini's will be \$400,000 and Dr. Mhetar's will be \$325,000.

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.

Kraton Corporation

Date:

February 28, 2018
By: /s/ Stephen E. Tremblay

2018

Stephen E. Tremblay

Executive Vice President and Chief Financial Officer