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GRAHAM CORP
Form 8-K
March 09, 2005

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): March 3, 2005

GRAHAM CORPORATION
(exact name of registrant as specified in Charter)

Delaware	1-8462	16-1194720
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(State or other jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

20 Florence Avenue, Batavia, New York 14020

(Address of principal executive offices)

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 (see General Instruction A.2. below):

- 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))

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Item 1.01. Entry Into A Material Definitive Agreement

(1) On March 3, 2005 the Compensation Committee of Graham Corporation's Board of Directors and the Board of Directors approved increased annual base salary for three of the Company's named executive officers, as follows:

Officer and Title -----	Salary -----
J. Ronald Hansen Vice President - Finance and Administration and Chief Financial Officer	\$165,000
James R. Lines Vice President and General Manager - Batavia	\$163,000
Stephen P. Northrup Vice President and Chief Technology Officer	\$155,125

(2) On March 3, 2005 the Compensation Committee of Graham Corporation's Board of Directors and the Board of Directors amended the Graham Corporation Outside Directors' Long Term Incentive Plan ("Plan"). The Plan credits Outside Directors, defined as Directors who are not employees of the Company, with Share Equivalent Units ("SEUs") for five fiscal years during the term of such a director's service, subject to the Company's attainment of certain performance objectives. Upon termination of an Outside Director's service, the Director may redeem each SEU for 1 share of Graham Corporation common stock or, alternatively and subject to the discretion of the Company, for the cash equivalent at the closing price of the stock on the American Stock Exchange on the date of termination of service, subject to certain limitations.

Amendments approved on March 3, 2005: (a) change the event triggering a grant of SEUs from attaining \$500,000 in consolidated net income for the fiscal year to attaining budgeted consolidated net income for the fiscal year; and (b) provide that the cash redemption value of each SEU upon termination of service shall be the closing market price on the date of termination of service, subject to a limitation to the greater of either (i) the closing market price on the date the SEU was granted, or (ii) sixteen dollars (\$16.00) per SEU.

A copy of the amended Plan is filed herewith as Exhibit 10.1.

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(c) Exhibits

Exhibit Number -----	Description of Exhibits -----
10.1	Graham Corporation Outside Directors' Long Term Incentive Plan

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 thereunto duly authorized.

GRAHAM CORPORATION
(Registrant)

Date: March 8, 2005

By /s/ J. Ronald Hansen

J. Ronald Hansen
Vice President - Finance
& Administration and
Chief Financial Officer

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