

SYNEX CORP
Form 8-K
February 07, 2019

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 1, 2019

SYNEX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-31892
(Commission
File Number)

94-2703333
(I.R.S. Employer
Identification Number)

44201 Nobel Drive,
Fremont, California **94538**
(Address of principal executive offices) **(Zip Code)**
(510) 656-3333

(Registrant's telephone number, including area code)

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 obligations 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))
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

(e) On February 1, 2019, the Compensation Committee of the Board of Directors of SYNEX Corporation granted under SYNEX long-term incentive program the following performance-based restricted stock units (RSUs) to the following executive officers (each, an Officer).

| Officer | Number of Shares Underlying RSU |
|----------------|--|
| Dennis Polk | 14,482 |
| Chris Caldwell | 9,868 |
| Michael Urban | 9,450 |
| Peter Larocque | 9,268 |
| Marshall Witt | 4,290 |
| Simon Leung | 2,660 |

(Messrs. Polk, Larocque, Caldwell and Witt are current executive officers who were named in SYNEX 2018 annual meeting proxy statement, and Mr. Urban was appointed President of Worldwide Technology Solutions Distribution of SYNEX effective February 1, 2019.)

The RSUs will vest based upon (1) the achievement, on a cumulative basis, of the minimum threshold financial performance measure based on a formula derived from earnings per share (EPS Formula) target performance and (2) the achievement of an average return on invested capital (ROIC) target performance, with both performance metrics measured over a 3-year period ending November 30, 2021. The minimum threshold EPS Formula target performance percentage is 75% and the maximum target performance percentage is 166.7% for each Officer. The actual number of RSUs, if the applicable minimum threshold EPS Formula percentage is met, will vest on a sliding scale of the EPS Formula target performance percentage actually achieved. The resulting number of shares that will vest based on the EPS Formula metric will then be adjusted by a percentage increase or decrease corresponding with SYNEX performance as measured by the ROIC performance percentages, but in no event will an Officer be entitled to receive more than the number of shares set forth in the table above (the Maximum Amount). If the minimum threshold EPS Formula target performance is not achieved, no RSUs will vest, regardless of the achievement of the ROIC performance.

At 100% target EPS Formula and ROIC performance, the Officers RSUs will vest as to 50% of the Maximum Amount. Any unvested shares underlying the RSUs will not vest and will be canceled. In addition, the vesting of the RSUs is contingent upon the Officer still being employed by SYNEX on the date of vesting. In the event of an Officer s death prior to the vesting date, SYNEX will transfer to such Officer s estate the number of shares that would have vested on or prior to such Officer s death.

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.

Date: February 7, 2019

SYNEX CORPORATION

By: /s/ Simon Y. Leung
Simon Y. Leung
Senior Vice President, General Counsel
and Corporate Secretary