

H&R BLOCK INC
Form 8-K
June 28, 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): June 25, 2018

H&R BLOCK, INC.

(Exact name of registrant as specified in charter)

Missouri	1-06089	44-0607856
(State of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

One H&R Block Way, Kansas City, MO 64105
(Address of Principal Executive Offices) (Zip Code)
(816) 854-3000

(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 (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 ☐ q

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. ☐ q

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

(e) On June 25, 2018, the Compensation Committee (the “Committee”) of the Board of Directors of H&R Block, Inc. (the “Company”) approved forms of equity award agreements for long term incentive grants of restricted share units (“RSUs”), market stock units (“MSUs”), performance share units (“PSUs”), and non-qualified stock options under the Company’s 2018 Long Term Incentive Plan (the “2018 Plan”), as well as amended alternate forms of equity award agreements for long term incentive grants of RSUs, MSUs, and PSUs under the 2018 Plan.

The approved forms of equity award agreements are substantially similar to the forms used for grants under the Company’s 2013 Long Term Incentive Plan, with amendments that include the following, along with other immaterial amendments:

EBITDA Annual Growth Target for PSUs. Under the prior year forms of equity award agreement for PSUs, the performance metric used in calculating a participating executive’s PSU payout was based in part on the Company’s performance against a pre-established targeted percentage of year-over-year growth in earnings from continuing operations excluding interest expense, taxes, depreciation and amortization (“EBITDA”) for each year of the three-year performance period. Under the amended forms of equity award agreement for PSUs, the pre-established performance metric is a set level of EBITDA from continuing operations for the first fiscal year in the performance period, followed by year-over-year percentage growth in EBITDA from continuing operations at percentage levels set at the time of grant for the second and third fiscal years in the performance period.

Additional Cap on Fiscal Year 2019 for PSUs. As with the prior year forms of equity award agreement for PSUs, performance for each year in the three-year PSU performance period is determined by the Committee, and then performance is compared to each year’s target and averaged over the three-year performance period to determine the number of PSUs that ultimately vest; however, under the amended forms of equity award agreement for PSUs, the maximum payout attributable to the first fiscal year of the performance period is reduced to 150%, as compared to 200% in the second and third fiscal years.

The amended forms of equity award agreements will be utilized beginning with grants of fiscal year 2019 long term incentive compensation under the Company’s long term incentive program. Consistent with the Company’s previously disclosed practices, the alternate forms of equity award agreements will be utilized for fiscal year 2019 long term incentive compensation for Thomas A. Gerke, the Company’s General Counsel and Chief Administrative Officer.

The other material terms of the forms of equity award agreements remain unchanged. The foregoing summary of the amended forms of equity award agreements is qualified in its entirety by reference to the full text of the amended forms, copies of which are filed as Exhibits 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, and 10.7 hereto, and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1	<u>Form of 2018 Long Term Incentive Plan Award Agreement for Restricted Share Units, as approved on June 25, 2018</u>
10.2	<u>Form of 2018 Long Term Incentive Plan Award Agreement for Market Stock Units, as approved on June 25, 2018</u>
10.3	<u>Form of 2018 Long Term Incentive Plan Award Agreement for Performance Share Units, as approved on June 25, 2018</u>
10.4	<u>Form of 2018 Long Term Incentive Plan Award Agreement for Non-Qualified Stock Options, as approved on June 25, 2018</u>
10.5	<u>Alternate Form of 2018 Long Term Incentive Plan Award Agreement for Restricted Share Units, as approved on June 25, 2018</u>
10.6	<u>Alternate Form of 2018 Long Term Incentive Plan Award Agreement for Market Stock Units, as approved on June 25, 2018</u>
10.7	<u>Alternate Form of 2018 Long Term Incentive Plan Award Agreement for Performance Share Units, as approved on June 25, 2018</u>

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.

H&R BLOCK, INC.

Date: June 28, 2018 By: /s/ Scott W. Andreasen
Scott W. Andreasen
Vice President and Secretary