

Clear Channel Outdoor Holdings, Inc.
Form 8-K
November 21, 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): November 13, 2018

CLEAR CHANNEL OUTDOOR HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-32663
(Commission

File Number)
20880 Stone Oak Parkway

86-0812139
(I.R.S. Employer

Identification No.)

San Antonio, Texas 78258

(Address of principal executive offices)

Registrant's telephone number, including area code: (210) 832-3700

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))
Indicate by check mark whether the registrant is an emerging growth company as defined in 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.

On November 13, 2018, the Compensation Committee (the "iHeartMedia Compensation Committee") of the Board of Directors of iHeartMedia, Inc. ("iHeartMedia"), the indirect parent of Clear Channel Outdoor Holdings, Inc. (the "Company"), approved the terms and conditions governing the iHeartMedia 2019 Key Incentive Bonus Plan (the "2019 KEIP") and quarterly bonus opportunities for the first, second, third and fourth quarters of 2019 for certain key employees of iHeartMedia, who are also executive officers of the Company. The 2019 KEIP and the quarterly bonus opportunities described below are subject to approval by the United States Bankruptcy Court for the Southern District of Texas.

Under the 2019 KEIP, each participant is eligible to earn a performance bonus in cash at the end of each of the first, second, third and fourth quarters of 2019 (the "Quarterly Bonuses"), depending upon the extent to which iHeartMedia's OIBDAN goal has been achieved for each such quarter. In addition to being measured on a quarterly basis, iHeartMedia's OIBDAN goal will be measured cumulatively through the end of each of the second, third and fourth quarters of 2019 and a participant will be eligible to earn, in addition to the Quarterly Bonuses for the second, third and fourth quarters, an amount equal to the Quarterly Bonuses based on achievement of the cumulative iHeartMedia OIBDAN goal minus the Quarterly Bonuses actually paid for each such quarter. In order to earn a Quarterly Bonus for any quarter, a participant must generally remain employed by iHeartMedia through the end of the applicable quarter. A participant whose employment with iHeartMedia terminates due to death or disability or by iHeartMedia without cause or by the participant for good reason prior to the end of the applicable quarter will receive a pro-rated portion of the bonus that would otherwise have been earned for that quarter. iHeartMedia, in its sole discretion, has the right to amend or terminate this Plan at any time; provided that in no event shall any amendment or termination adversely affect the rights of the participants regarding any Quarterly Bonus for a quarter that has commenced as of the date of such action without the prior written consent of the affected participants.

The iHeartMedia Compensation Committee approved the following Quarterly Bonus opportunities under the 2019 KEIP for the following named executive officers:

Robert W. Pittman, Chief Executive Officer, will be eligible to earn a target Quarterly Bonus for each of the first, second, third and fourth quarters of 2019 of \$2,325,000.

Richard J. Bressler, President, Chief Operating Officer and Chief Financial Officer, will be eligible to earn a target Quarterly Bonus for each of the first, second, third and fourth quarters of 2019 of \$1,325,000.

Steven J. Macri, Senior Vice President, Corporate Finance, will be eligible to earn a target Quarterly Bonus for each of the first, second, third and fourth quarters of 2019 of \$275,000.

Pursuant to the Corporate Services Agreement between the Company and iHeartCommunications, Inc., a subsidiary of iHeartMedia, a portion of the Quarterly Bonuses payable to Messrs. Bressler and Macri will be allocated to the Company based on the Company's OIBDAN (as defined below) as a percentage of iHeartMedia's OIBDAN for the prior year, each as reported in connection with year-end financial results. For purposes of these allocations, OIBDAN is defined as: consolidated net income (loss) adjusted to exclude non-cash compensation expenses and amortization of deferred system implementation costs as well as the following line items presented in the Statement of Operations: income tax benefit (expense); other income (expense), net; equity in earnings (loss) of nonconsolidated affiliates; interest expense; interest income on the Due from iHeartCommunications Note; other operating income, net; depreciation and amortization; and impairment charges. Mr. Pittman's compensation is paid by iHeartMedia and is not allocated to the Company.

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.

CLEAR CHANNEL OUTDOOR HOLDINGS, INC.

Date: November 20, 2018

By: /s/ Lauren E. Dean
Lauren E. Dean
Senior Vice President, Associate General Counsel
and
Assistant Secretary