

SANDERSON FARMS INC
Form 8-K
January 30, 2019

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): January 24, 2019

SANDERSON FARMS, INC.

(Exact name of registrant as specified in its charter)

**Mississippi
(State or other jurisdiction
of incorporation)**

**1-14977
(Commission
File Number)**

**64-0615843
(I.R.S. Employer
Identification No.)**

**127 Flynt Road
Laurel, Mississippi**

39443

(Address of principal executive offices)

(Zip Code)

(601) 649-4030

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box 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

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.

Section 5 Corporate Governance and Management

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

On January 24, 2019, the Compensation Committee (the Committee) of the Board of Directors of Sanderson Farms, Inc. (the Registrant) adopted a Bonus Award Program for the Registrant's salaried employees and management trainees effective November 1, 2018. If the Registrant meets net income per share and minimum return on average stockholders' equity goals for the fiscal year ended October 31, 2019, the program provides for the award of bonuses to eligible participants equal to a percentage of their base salary. For the Named Executive Officers and certain other key members of management, the total potential award has two components: a percentage based on the Registrant's earnings per share, and a percentage based on the Registrant's operational performance as measured by Agristats, a private industry benchmarking service that analyzes performance data submitted by a significant majority of the poultry industry. If the Registrant earns the maximum earnings per share goal under the program, and if it performs at the top tier of operational performance specified in the program (as reported by Agristats), the Named Executive Officers would earn the maximum possible bonus under the program as follows: \$3,036,600 for the Chairman and CEO (200% of base salary), \$1,185,155 for the President and COO (160% of base salary), \$888,653 for the Treasurer and CFO (140% of base salary), and \$267,792 for the Secretary and Chief Accounting Officer (80% of base salary).

In setting the earnings per share goals under the program, the Committee attempted to neutralize the benefit the Registrant would receive from a lower effective tax rate that could apply to the Registrant in fiscal 2019 under the Tax Cuts and Jobs Act of 2017, as compared with the Registrant's effective tax rate prior to the enactment of that legislation.

The foregoing description of the Bonus Award Program does not purport to be complete and is qualified in its entirety by reference to the full text of the Bonus Award Program, which is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

Section 9 Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

| Exhibit No. | Description |
|-------------|--|
| 10.1 | <u>Sanderson Farms, Inc., Bonus Award Program Effective November 1, 2018</u> |

EXHIBIT INDEX

| Exhibit | Description |
|---------|--|
| No. | |
| 10.1 | <u>Sanderson Farms, Inc., Bonus Award Program Effective November 1, 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.

SANDERSON FARMS, INC.

(Registrant)

Date: January 30, 2019

*By: /s/ D. Michael Cockrell
D. Michael Cockrell
Treasurer and Chief Financial Officer*