
**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): August 27, 2019 (August 23, 2019)



NN, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-23486
(Commission
File Number)

62-1096725
(I.R.S. Employer
Identification No.)

6210 Ardrey Kell Road
Charlotte, North Carolina
(Address of principal executive offices)

28277
(Zip Code)

(980) 264-4300
(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, par value \$0.01	NNBR	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of class)

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.

ITEM 5.02. DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

On August 23, 2019, the Board of Directors of NN, Inc. (the “Company”) appointed Thomas D. DeByle as the Company’s Senior Vice President and Chief Financial Officer, effective as of his employment start date, which is anticipated to be on or before September 23, 2019 (the “Start Date”).

In connection with Mr. DeByle’s appointment, the Company and Mr. DeByle entered into a letter of understanding and relocation agreement, effective as of August 23, 2019 (the “Letter of Understanding”), setting forth the terms of his employment, compensation and relocation benefits. Pursuant to the Letter of Understanding, Mr. DeByle’s annual base salary will be \$515,000, and he will be eligible to receive a one-time conditional equity grant as an inducement to his employment with the Company. In addition, Mr. DeByle will be eligible to receive (i) an annual incentive award based on a target amount of 70% of his annual base salary under the Company’s Executive Incentive Compensation Program, and (ii) long-term incentive awards based on a target amount of 170% of his annual base salary under the Company’s Long-Term Incentive Program. Mr. DeByle’s long-term incentive compensation will be divided equally among performance stock units that vest based on the Company’s total shareholder return, performance stock units that vest based on the Company’s return on invested capital and restricted stock awards, all of which will vest over a three-year period from the time of grant. Further, pursuant to the Letter of Understanding, Mr. DeByle will receive certain relocation benefits, including reimbursement for temporary living expenses, real estate closing costs, certain moving expenses and one home-finding trip, subject to Mr. DeByle’s continued employment and other limitations set forth in the Letter of Understanding.

Prior to joining the Company, Mr. DeByle, 59, served as Vice President, Chief Financial Officer and Treasurer of Standex International Corporation, a global, multi-industry manufacturer, from March 2008 to August 2019, where he was responsible for external reporting, financial planning and analysis, treasury, tax, internal audit, information technology, risk management and investor relations. Prior to joining Standex, Mr. DeByle spent more than six years at Ingersoll Rand, a leading diversified industrial firm, where he held a series of financial management positions of increasing responsibility culminating in his appointment as Chief Financial Officer for the Compact Vehicle Technology Sector, which had annual sales of \$2.9 billion and included the Club Car and Bobcat product brands. Mr. DeByle’s tenure at Ingersoll Rand also included serving as vice president of finance for the company’s Climate Control Sector, which included the Thermo King and Hussmann business units in Europe. Prior to his employment at Ingersoll Rand, Mr. DeByle spent five years working for the Enerpac division of Actuant Corporation in senior financial management positions in both the United States and Europe. Earlier in his career, DeByle worked for five years at Milwaukee-based Johnson Controls and six years at two regional public accounting firms. Mr. DeByle holds a Master of Business Administration Degree from Marquette University in Milwaukee, Wisconsin and a Bachelor of Science Degree from St. Norbert College in DePere, Wisconsin.

The Company will enter into its standard form of separation agreement with Mr. DeByle (the “Separation Agreement”) as of the Start Date. Under the Separation Agreement, if terminated without cause, Mr. DeByle would continue to receive his annual salary, paid on a monthly basis, for eighteen months from the date of termination, plus a lump sum payment of \$12,000 as a transition assistance payment. The Separation Agreement also includes a non-competition term that ends two years after the conclusion of his employment with the Company. Further, under the Separation Agreement, if terminated within two years following a change of control (i.e., a “double-trigger”), as defined therein, he will receive: (i) a lump sum payment equal to the sum of two-times his base salary (as of the date of termination) plus his target bonus; (ii) a lump sum payment equal to the target annual bonus to which he would have been entitled for the year of termination, if any, pro-rated for the portion of the year during which he was employed with the Company; and (iii) a lump sum payment of \$12,000 as a transition assistance payment.

The Company will enter into its standard form of indemnification agreement with Mr. DeByle (the “Indemnification Agreement”) as of the Start Date. The Indemnification Agreement provides, among other things, that the Company will indemnify Mr. DeByle under the circumstances and to the extent provided for therein, for certain expenses incurred by him in any action or proceeding arising out of his service as an officer of the Company, any subsidiary of the Company or any other company or enterprise to which he provides services at the Company’s request.

The foregoing descriptions of the terms of the Letter of Understanding, the Separation Agreement and Indemnification Agreement are only summaries and are qualified in their entirety by the full text of (i) the Letter of Understanding, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K, (ii) the Separation Agreement, the form of which is filed as Exhibit 10.2 to this Current Report on Form 8-K, and (iii) the Indemnification Agreement, the form of which was previously filed as [Exhibit 10.6](#) to the Company’s Registration Statement on Form S-3/A, as originally filed on July 15, 2002, each of which are incorporated herein by reference.

ITEM 7.01. REGULATION FD DISCLOSURE.

On August 27, 2019, the Company issued a press release regarding Mr. DeByle's appointment. A copy of this press release is included as Exhibit 99.1 to this Current Report on Form 8-K.

The information, including the press releases, furnished under this Item 7.01 shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and shall not be deemed incorporated by reference into any other filing by the Company under the Exchange Act or the Securities Act of 1933, as amended, except as otherwise expressly stated in such filing.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit No.	Description
10.1	<u>Letter of Understanding and Relocation Agreement, effective as of August 23, 2019, by and between NN, Inc. and Thomas DeByle</u>
10.2	<u>Form of Separation Agreement</u>
10.3	<u>Form of Indemnification Agreement (filed as Exhibit 10.6 to the Company's Registration Statement on Form S-3/A, as originally filed on July 15, 2002 and incorporated herein by reference)</u>
99.1	<u>Press Release issued by NN, Inc. dated August 27, 2019</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.

Date: August 27, 2019

NN, INC.

By: /s/ Matthew S. Heiter

Name: Matthew S. Heiter

Title: Senior Vice President, General Counsel



NN, Inc.

Corporate Headquarters
6210 Ardrey Kell Road • Charlotte, NC 28277
Phone: 980-264-4300

August 19, 2019

Mr. Thomas DeByle
c/o Egon Zehnder

RE: Letter of Understanding (LOU) and Relocation Agreement

Dear Tom:

We are pleased to extend you an offer to join NN, Inc. (“NN” or the “Company”) as its Senior Vice President and Chief Financial Officer (“CFO”). In this salaried exempt role, you will report to Richard D. Holder, President and Chief Executive Officer, and will be located at the Company’s headquarters in Charlotte, NC. Following is a summary of the terms of our offer:

- Duties:** Partner with the CEO to develop and execute the Company’s strategic plan by driving change, improving financial and operating performance, and analyzing business opportunities. Provide executive-level financial focus, accounting and tax management, and controls oversight within the business, while ensuring compliance with financial regulations and leading NN’s tax, treasury, risk management, and investor relations efforts.
- Effective Date:** As soon as practicable, but no later than **September 23, 2019**. The term “Effective Date” refers to the date you actively begin employment with NN.
- Base Salary:** Your gross pay will be at the bi-weekly rate of Nineteen Thousand Eight Hundred Seven Dollars and seventy cents (\$19,807.70), which equates to an annualized sum of **\$515,000**. You will receive regular performance and salary reviews to evaluate your progress in attaining goals; these will be conducted at intervals commensurate with other similarly-situated associates.
- Annual Incentive Award:** You will be eligible to participate in a discretionary executive-level bonus plan; the target is **70%** of your base annual salary during the year. If a bonus is offered, its availability will be dependent upon corporate, group and individual performance, and any bonus amounts will be determined in accordance with NN corporate guidelines. Bonuses of this type are distributed after final financial audit, which is typically completed in March. Bonuses may be prorated for partial years worked.

Annual incentive awards are subject to the execution, and governed by the terms, of the Executive Incentive Compensation (“EIC”) Program document. A copy of the 2019 document will be provided to you for your review.

In consideration of other sums that you may have forfeited by joining the Company, your 2019 award will not be prorated; rather, if you work through the end of calendar year 2019 you will be eligible to receive an amount commensurate with a full-year award. Any payout amount will be determined in accordance with Company’s corporate guidelines and, if offered, will be distributed after final financial audit, which is typically completed in March.

Long-Term Incentive Award:	<p>You will be eligible to participate in NN's executive equity program. Awards are generally granted in March of each year. The next grant cycle is in March 2020, and the target is 170% of your base annual salary at the time of the grant.</p> <p>The total dollar value of the LTI award target is divided equally among the following:</p> <ul style="list-style-type: none">• Restricted Stock Awards (RSAs), which are time-based awards that vest ratably over three years;• Performance Share Units (PSUs), performance-based awards tied to Relative Total Shareholder Returns (TSR); and,• Performance Share Units (PSUs), performance-based awards tied to Company performance relative to Return on Invested Capital (ROIC). <p>Long-term incentive awards are subject to the execution, and governed by the terms, of the Long-Term Incentive ("LTI") Program document. A copy of the 2019 document will be provided to you for your review.</p>
Conditional Equity Grant:	<p>In the event the Standex equity that is scheduled to vest on September 6, 2019 (1818 management stock purchase plan units and 1214 restricted stock units) is not made available to you, at the next regularly scheduled NN, Inc. Board of Directors' meeting following your Effective Date, the Chief Executive Officer will recommend that the Board approve a one-time restricted stock award (RSA) in the equivalent cash amount of the aforementioned awards that were foregone, valued as of the close of the market on September 6, 2019. These RSAs will vest ratably over three years.</p>
Separation Provisions:	<p>You will be eligible for additional separation provisions related to qualifying terminations—specifically, terminations both prior to and following a Change in Control. This Separation Agreement will be executed separately from the LOU; the current form of this agreement will be provided to you for your review.</p>
Contingent Items:	<p>This offer will be contingent upon successful execution of other employment-related items; namely, the Immigration Reform Control Act of 1986 (Form I-9), a post-offer drug screen and physical, a reference check, and a criminal background check. NN will bear the costs of these items, and we will discuss them upon your acceptance of the position.</p>
Employment-at-Will:	<p>Except as expressly set forth herein, nothing in this Letter of Understanding and Relocation Agreement is intended to supersede NN, Inc.'s employment-at-will policy. Under these provisions, employment with NN, Inc. is voluntarily entered into, and the associate is free to resign at will at any time, with or without cause. Similarly, NN, Inc. may terminate the employment relationship at will at any time, with or without notice or cause, so long as there is no violation of applicable federal and state law.</p>
Relocation:	<p>Relocation provisions are described in Exhibit A of this document.</p>

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- Confidentiality:** Since you will be in a position of trust requiring the maintenance of confidence, you will be required to sign a confidentiality and non-disclosure agreement on your first day of employment. A copy of the current agreement will be provided to you for your review.
- Benefits:** The Company offers a broad range of benefits and amenities for you and your eligible dependents. All such benefits are subject to the terms of the benefit plans and are available to employees generally. Plans include medical, dental, life, and disability benefits, as well as voluntary offerings such as vision, 401(k), and other voluntary offerings are also available; a copy of the current enrollment guide will be provided to you for your review.
- Paid Leave:** You are eligible to receive pay for holidays NN, Inc. observes during your employ (currently ten per year), and your annual vacation allocation will be four (4) weeks per full calendar year. You will also have access to up to 40 hours' PTO for illness (self or immediate family members) per year. Time off benefits are prorated for partial years worked.
- Executive Disability:** The Company currently offers an executive disability benefit, providing income replacement of up to 75% of pre-disability earnings. HR will provide additional information on this offering as part of the onboarding process.

Any provision of this Agreement to the contrary notwithstanding, all payments made by the Company hereunder to you, your estate, or your beneficiaries shall be subject to the withholding of such amounts, if any, relating to tax and other payroll deductions as the Company may reasonably determine should be withheld pursuant to any applicable law or regulation.

Tom, we look forward to welcoming you to the NN team. If you are in agreement with the terms of this offer, please sign and return a copy of the executed letter to us for your file. If you have any questions, please feel free to call me directly.

Sincerely,

/s/ Richard D. Holder
Richard D. Holder
President and Chief Executive Officer

Enclosures

EXHIBIT A

NN, Inc. Relocation Agreement

The following guidelines set forth the provisions of the Company's relocation offer. These relocation benefits are only available in conjunction with the purchase of a primary residence in the Charlotte, NC area. It may not be used to purchase vacation property, vacant land or other non-primary housing. Sections A through D below must each be initiated within 12 months of the LOU Effective Date or they will be forfeited.

A. Temporary Living and Duplicate Real Estate Costs

The Company will pay temporary living expenses (room, meals and incidentals) while you are purchasing a home or arranging for other permanent housing, and/or will pay any duplicate costs associated with mortgages payable including the mortgage payment, utilities and routine maintenance on the home beginning with the LOU effective date (or as long as the property is held in the name of the associate, whichever is shorter), less the amount of time paid under the temporary living provision. As such, the benefit for these two provisions combined shall not exceed a total of twelve (12) months, and the amount of the reimbursement shall not exceed Two Thousand Five Hundred Dollars (\$2,500.00) per month.

B. Purchase/Sale of Real Estate

The Company will pay usual and customary closing costs on the purchase of a new home and will also pay the real estate commission on the sale of your existing home (up to 6% of the sale price).

C. Relocation Allowance

The Company will pay for movement of standard household items (excluding boats, antiques, and other similar or heavy/oversized items) and up to one automobile, as well as reasonable travel of household family members. You will be required to first submit two (2) moving estimates to corporate Human Resources for review and approval.

D. Home Finding Trip

You will be reimbursed for one (1) trip, not to exceed three (3) days, including actual and reasonable expenses from the departure location to the destination location. This shall only include reimbursement for members of your immediate family that currently reside with you. Reimbursable expenses include:

- **Airfare** (provided if the distance to the destination location is over 300 miles one-way): Coach fare, with 7-day advance purchase required; and reasonable and appropriate car rental fees (full size or smaller), in accordance with the Company's travel policy
- **Vehicle Mileage** (required if the distance to the new location is 300 or fewer miles one-way): Reimbursed at Company's current mileage reimbursement rate
- **Meals and Lodging**: Reasonable meals and overnight lodging for you and your immediate family members traveling with you

Your trip must be made by the most direct route; i.e., no vacation, extended trips, personal side trips, or leisure travel will be covered.

E. Termination of Benefits

Relocation benefits will cease if you resign your employment or are terminated for cause, including for performance. In addition, if you resign your employment or are terminated for cause, including for performance, within the first twenty-four (24) months following your first date of work in this position, you will be required to reimburse the Company for relocation expenses and relocation benefits paid for by the Company under this program.

If separated from employment for one of the above reasons within the first twelve (12) months following your first date of work in this position, 100% of the expenses and benefits must be reimbursed to the Company. For the period between twelve (12) and twenty-four (24) months following your first date of work in this position, the required repayment to the Company shall be prorated as follows:

$((\text{Total dollar value of benefits} / 2) / 12) * \text{Remaining months in year 2}$

F. Tax Treatment

The IRS requires all relocation expenses, which are reimbursed or paid directly by the company, be reported as income. Certain reimbursements are taxed by the federal and appropriate state taxing authorities and are subject to withholding for the current tax year. The company will “gross up” the amount of tax to meet the expense of income taxes associated with the amount of relocation at the end of the year.

Letter of Understanding and Relocation Agreement

for Thomas DeByle

Agreement and Acceptance:

I hereby acknowledge and accept the terms and conditions cited in the foregoing Letter of Understanding and Relocation Agreement. I understand and agree that this Letter of Understanding and Relocation Agreement may be terminated at any time by NN, Inc. or its affiliates. I further understand and agree that, notwithstanding the terms, conditions and benefits of this Letter of Understanding and Relocation Agreement, all employment with NN, Inc. or its affiliates is at will, and for an indefinite duration and there is no guarantee of employment with NN, Inc. or any affiliate thereof.

Signed: /s/ Thomas DeByle

Printed Name: Thomas DeByle

Date: 8/23/19 _____

SEPARATION AGREEMENT

THIS SEPARATION AGREEMENT (this "Agreement") is made as of this ____ day of _____, 20____, (the "Effective Date") by and between NN, Inc., a Delaware Corporation with its principal place of business in Charlotte, North Carolina (the "Company"), and _____ (the "Executive").

WITNESSETH:

WHEREAS, the Company will employ the Executive for the success of the Company and recognizes that the Executive will perform key functions for the Company; and

WHEREAS, the Company has determined that it is in the best interests of the Company to institute a formalized separation arrangement with the Executive in the event of a separation of employment; and

WHEREAS, the Executive desires to enter into this Agreement with the Company;

NOW, THEREFORE, in consideration of the foregoing and of the promises, covenants and mutual agreements set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

- 1. *Compensation and Benefits in the Event of Separation from Service.*** In the event of the Executive's Separation from Service, compensation and benefits shall be paid as set forth below.
- (a) Qualifying Termination Prior To A Change In Control. If the Executive has a Qualifying Termination after the Effective Date and prior to a Change in Control, then upon such Qualifying Termination the Executive shall be entitled to receive the following:
- (i) The Executive's annual salary through the effective date of Separation from Service, at the annual rate in effect at the time the Notice of Termination is given (or death occurs), to the extent unpaid prior to such Separation from Service.
 - (ii) In consideration of Executive's prior service to the Company an amount equal to 18 months of his annual base salary in effect on the date of his Separation from Service. These amounts shall be payable in accordance with the Company's regular payroll procedures over the 18 month period following the Executive's Separation from Service.
 - (iii) Any vested rights of Executive in accordance with the Company's plans, programs or policies. A payment equal to the target annual bonus to which the Executive would have been entitled but for the Qualifying Termination, prorated for the portion of the year during which the Executive was employed by the Company (which bonus will be determined in accordance with the Company's corporate guidelines and distributed after completion of the Company's fiscal year end audit).
 - (iv) Prompt reimbursement for any and all reimbursable business expenses (to the extent not already reimbursed) upon Executive's properly accounting for the same.
 - (v) \$12,000.00 payable in a single lump sum to assist with the Executive's transition from employment.

Payments under (ii) and (v) above shall commence or shall be paid within 60 days following the Executive's receipt of, and signing and not revoking, a general release, upon terms acceptable to the Company and shall be likewise contingent on Executive's full compliance with the covenants under paragraphs 2, 3, 4, and 6 of this Agreement.

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- (b) Termination By The Company For Cause Or By The Executive Without Good Reason. In the event Executive's Separation from Service is terminated by: (A) action of the Company for Cause; (B) action of the Executive without Good Reason; or (C) reason of the Executive's death, Disability or retirement, the following compensation and benefits shall be paid and provided the Executive (or his beneficiary):
- (i) The Executive's annual salary provided through the effective date of Separation from Service, at the annual rate in effect at the time the Notice of Termination is given (or death occurs), to the extent unpaid prior to such Separation from Service.
 - (ii) Any vested rights of Executive in accordance with the Company's plans, programs or policies.
 - (iii) Prompt reimbursement for any and all reimbursable business expenses (to the extent not already reimbursed) upon Executive's properly accounting for the same.
- (c) Qualifying Termination Following a Change in Control.
- (i) In the event that Executive has a Qualifying Termination within 24 months following a Change in Control, Executive shall receive the following, subject to paragraph 1(c)(ii):
 - (1) The annual salary due to the Executive through the date of his Separation from Service.
 - (2) A lump sum payment equal to an amount set forth on Schedule A to this Agreement (the "Severance Payment"). The Severance Payment shall be made by wire transfer or immediately available funds to an account designated by Executive following the date of the Separation from Service.
 - (3) A payment equal to the target annual bonus to which Executive would have been entitled but for Executive's Separation from Service, for the year of Executive's termination; pro-rated for the portion of the year during which he was employed by the Company ("Pro-rated Bonus").
 - (4) Any vested rights of Executive in accordance with the Company's plans, programs or policies.
 - (5) Prompt reimbursement for any and all reimbursable business expenses (to the extent not already reimbursed) upon Executive's properly accounting for the same.
 - (6) \$12,000.00 payable in a single lump sum to assist with the Executive's transition from employment.Payments under (2), (3) and (6) above shall commence or shall be paid within 60 days following the Executive's receipt of, and signing and not revoking, a general release, upon terms acceptable to the Company and shall be likewise contingent on Executive's full compliance with the covenants under paragraphs 2, 3, 4, and 6 of this Agreement.
 - (ii) Excise Tax.
 - (1) If it is determined that any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Change in Control Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, then the Company shall pay to the Executive whichever of the following gives the Executive the highest net after-tax amount (after taking into account all applicable federal, state, local and social security taxes): (i) the Change in Control Payment, or (ii) the amount that would not result in the imposition of excise tax on the Executive under Section 4999 of the Code. Any

required reduction in the Change in Control Payment pursuant to the foregoing shall be accomplished solely by reducing the amount of severance payment payable pursuant to paragraph 1(c)(i)(1) of this Agreement and then, to the extent necessary, paragraph 1(c)(i)(2) of this Agreement.

- (2) All determinations to be made under this paragraph 1(c)(ii) shall be made by an independent public accounting firm selected by the Company immediately prior to the Change in Control (the "Accounting Firm"), which shall provide its determinations and any supporting calculations both to the Company and the Executive within ten (10) days of the Change in Control. Any such determination by the Accounting Firm shall be binding upon the Company and the Executive. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this paragraph 1(c)(iii) shall be borne solely by the Company.
- (d) Continuation of Benefits. Following Executive's Separation from Service, the Executive shall have the right to continue in the Company's group health insurance plan or other Company benefit program, at his or her own cost and without any contribution by the Company, as may be required by COBRA or any other federal or state law or regulation.
- (e) Limit on Company Liability. Except as expressly set forth in this paragraph 1, the Company shall have no obligation to Executive under this Agreement following Executive's Separation from Service. Without limiting the generality of the provision of the foregoing sentence, the Company shall not, following Executive's Separation from Service, have any obligation to provide any further benefit to Executive under this Agreement or make any further contribution for Executive's benefit under this Agreement except as provided in this paragraph 1.
2. ***Disclosure of Confidential Information.*** The Company has developed confidential information, strategies and programs, which include customer lists, prospects, lists, expansion and acquisition plans, market research, sales systems, marketing programs, computer systems and programs, product development strategies, manufacturing strategies and techniques, budgets, pricing strategies, identity and requirements of national accounts, customer lists, methods of operating, service systems, training programs and methods, other trade secrets and information about the business in which the Company is engaged that is not known to the public and gives the Company an opportunity to obtain an advantage over competitors who do not know of such information (collectively, "Confidential Information"), provided that the term "Confidential Information" shall not include (i) any such information that, prior to its use or disclosure by Executive, can be shown to have been in the public domain or generally known or available to customers, suppliers or competitors of the Company through no breach of the provisions of this Agreement or other non-disclosure covenants; (ii) any such information that, prior to its disclosure by the Executive, was rightfully in the receiving third party's possession, without violation of the provisions of this Agreement or other non-disclosure covenants; and (iii) any such information that, prior to its disclosure by the Executive, was independently developed by the receiving third party without violation of the provisions of this Agreement or other non-disclosure covenants. In performing duties for the Company, Executive regularly will be exposed to and work with Confidential Information of the Company. Executive may also be exposed to and work with Confidential Information of the Company's affiliates and subsidiaries. Executive acknowledges that Confidential Information of the Company and its affiliates and subsidiaries is critical to the Company's success and that the Company and its affiliates and subsidiaries have invested substantial sums of money in developing the Confidential Information. While Executive is employed by the Company and after such employment ends for any reason, Executive will never reproduce, publish, disclose, use, reveal, show or otherwise communicate to any person or entity

any Confidential Information of Company, its affiliates, and/or its subsidiaries unless specifically directed by the Company to do so in writing, provided that nothing herein shall prohibit the Executive from disclosing Confidential Information as required by law or pursuant to legal process. Executive agrees that whenever Executive's employment with the Company ends for any reason, all documents containing or referring to Confidential Information of the Company, its affiliates, and/or its subsidiaries that may be in Executive's possession or control will be delivered by Executive to the Company promptly upon the Company's request.

3. ***Non-Interference with Personnel Relations.*** At any time while Executive is employed by the Company and at any time during the Restrictive Period, Executive acting either directly or indirectly, or through any other person, firm, or corporation, will not then, at such time, hire, contract with or employ any then employee of the Company, and/or any then employee of an affiliate or subsidiary of the Company with which Executive interacted or about which Executive gained Confidential Information during his employment with Company ("Restricted Employees"). Further, Executive will not induce or attempt to induce or influence any of the Restricted Employees to terminate employment with the Company, affiliate, and/or subsidiary.
4. ***Non-Competition.*** While Executive is employed by the Company and for the Restrictive Period, Executive will not, directly or indirectly, or through any other person, firm or corporation (i) be employed by, consult for, have any ownership interest in or engage in any activity on behalf of any company that engages in a Competing Business, as defined below, or (ii) call on, solicit or communicate with any of the Company's customers or suppliers for any purpose related to a Competing Business, as defined below. A "Competing Business" is one that engages in the production, sale, or marketing of a product or service that is substantially similar to, or serves the same purpose as, any product or service produced, sold or marketed by the Company or any parent, subsidiary or affiliate of the Company with which Executive interacted or about which Executive gained Confidential Information during his employment with the Company. The term "customer" or "supplier" means any customer or supplier (whether actual or potential) with whom Executive or any other employee of the Company or any parent, subsidiary or affiliate of the Company had business contact during the eighteen (18) months immediately before Executive's employment with the Company ended. Notwithstanding the foregoing, this paragraph shall not be construed to prohibit Executive from owning less than five percent (5%) of the outstanding securities of a corporation which is publicly traded on a national securities exchange or over-the-counter.
5. ***Notification to Subsequent Employers.*** Executive grants the Company the right to notify any future employer or prospective employer of Executive concerning the existence of and terms of this Agreement and grants the Company the right to provide a copy of this Agreement to any such subsequent employer or prospective employer.
6. ***Company Proprietary Rights.***
 - (a) Company to Retain Rights. Executive agrees that all right, title and interest of every kind and nature whatsoever in and to copyrights, patents, ideas, business or strategic plans and concepts, studies, presentations, creations, inventions, writings, properties, discoveries and all other intellectual property conceived by Executive during the term of this Agreement and pertaining to or useful in or to (directly or indirectly) the activities of the Company and/or any parent, subsidiary or affiliate of the Company (collectively, "Company Intellectual Property") shall become and remain the exclusive property of the Company and/or such parent, subsidiary or affiliate, and Executive shall have no interest therein.

This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amount would still be payable to him hereunder if he had continued to live, all such amounts, except to the extent otherwise provided under this Agreement, shall be paid in accordance with the terms of this Agreement to his devisee, legatee or other designee, or if there be no such designee, to the Executive's estate.

11. **Modification, Waiver or Discharge.** No provision of this Agreement may be modified or discharged unless such modification or discharge is authorized by the Board of Directors of the Company and is agreed to in writing, signed by the Executive and by an officer of the Company duly authorized by the Board. However, the Company may unilaterally revise the provisions of this Agreement governed by the provisions of Section 409A of the Code in order to make the Agreement compliant therewith, and as necessary under any provision of the Code or any other federal or state statute or regulation to prevent the imposition of any federal or state fine, tax, or penalty upon Company or Executive that would result from the performance of any provisions of this Agreement. No waiver by either party hereto of any breach by the other party hereto of any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the time or at any time or at any prior or subsequent time.
12. **Entire Agreement.** This Agreement constitutes the entire understanding of the parties hereto with respect to its subject matter and supersedes all prior agreements between the parties hereto with respect to its subject matter, including, but not limited to, all employment agreements, change of control agreements, non-competition agreements or any other agreement related to Executive's employment with the Company; provided, however, nothing herein shall affect the terms of any indemnification agreement by and between the Company and Executive or any general indemnification policy in favor of Executive, which shall continue and remain in full force and effect.
13. **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware, without regard to its conflict of laws principles, to the extent federal law does not apply.
14. **Resolution of Disputes.** Any dispute or claim arising out of or relating to this Agreement shall be settled by final and binding arbitration in Charlotte, North Carolina in accordance with the Commercial Arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The fees and expenses of the arbitration panel shall be equally borne by the Company and Executive. Each party shall be liable for its own costs and expenses as a result of any dispute related to this Agreement.
15. **Validity.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the other provisions of this Agreement, which latter provisions shall remain in full force and effect.
16. **Compliance with Section 409A.**
 - (a) **General.** It is intended that the Agreement will comply with Section 409A of the Code and the regulations and other guidance thereunder ("Section 409A"), and the Agreement shall be interpreted consistent with such intent. As permitted by Section 409A, each installment or other payment made or benefit provided hereunder shall be treated as "separate payment" for purposes of Section 409A and the available exemptions under Section 409A shall be stacked to the maximum

extent possible. This Agreement may be amended in any respect deemed necessary (including retroactively) by the Company in order to pursue compliance with Section 409A. The foregoing shall not be construed as a guarantee of any particular tax effect for benefits under this Agreement. The Executive or any beneficiary, as applicable, is solely responsible and liable for the satisfaction of all taxes, interest and penalties that may be imposed on the Executive or any beneficiary in connection with any payments to the Executive or beneficiary under the Agreement, including any taxes, interest and penalties under Section 409A, and neither the Company nor any director, officer or affiliate shall have any obligation to indemnify or otherwise hold the Executive or a beneficiary harmless from any and all of such taxes, interest and penalties. To the extent Executive is entitled to be paid or reimbursed for any taxable expenses under this Agreement, and such payments or reimbursements are includible in Executive's federal gross taxable income, the amount of such expenses reimbursable in any one calendar year shall not affect the amount reimbursable in any other calendar year, and the reimbursement of an eligible expense shall be made no later than December 31 of the year after the year in which the expense was incurred. Executive's right to reimbursement of expenses under this Agreement shall not be subject to liquidation or exchange for another benefit.

- (b) Six Month Delay for Specified Employees. Notwithstanding anything in the Agreement to the contrary, if the Executive is determined to be a "specified employee" (as defined in Section 409A) for the year in which the Executive incurs a Separation from Service, any payment due under the Agreement that is not permitted to be paid on the date of such separation without the imposition of additional taxes, interest and penalties under Section 409A shall be paid on the first business day following the six-month anniversary of the Executive's date of separation or, if earlier, the Executive's death.
17. **No Adequate Remedy At Law**. The Company and the Executive recognize that each party may have no adequate remedy at law for breach by the other of any of the agreements contained herein, and particularly a breach of paragraphs 2, 3, 4, and 6, and, in the event of any such breach, the Company and the Executive hereby agree and consent that the other shall be entitled to injunctive relief or other appropriate remedy to enforce performance of such agreements.
18. **Non-Assignability**. This Agreement, and the rights and obligations of the parties hereunder, are personal and neither this Agreement, nor any right, benefit or obligation of either party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other party; provided, however, that the Company may assign this Agreement in connection with a merger or consolidation involving the Company or a sale of substantially all of its assets to the surviving corporation or purchaser, as the case may be, so long as such assignee assumes the Company's obligations hereunder.
19. **Headings**. The section headings contained in this Agreement are for convenience of reference only and will not be deemed to control or affect the meaning or construction of any provision of this Agreement. Reference to paragraphs are to paragraphs in this Agreement.
20. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but of which together will constitute one and the same instrument.
21. **Definitions**. For purposes of this Agreement, the following terms shall have the following meanings:
- (a) "Cause" means any of the following:
- (i) the willful and continued failure of the Executive to substantially perform the Executive's duties to the Company (other than as a result of physical or mental illness or injury), after demand for substantial performance is delivered by the Company that specifically identifies the manner in which the Company believes

the Executive has not substantially performed the Executive's duties, which failure, if correctable, and provided it does not constitute willful misconduct or gross negligence, remains uncorrected for 30 days following written notice to Executive by the Chief Executive Officer or the Board of Directors of the Company of such failure;

- (ii) willful misconduct or gross negligence by the Executive in either case that results in material damage to the business of the Company, monetarily or otherwise, including any conduct that is in violation of the written workplace policies of the Company;
- (iii) a material breach by Executive of this Agreement which, if correctable, remains uncorrected for 10 days following written notice to Executive by the Chief Executive Officer or the Board of Directors of the Company of such breach; or
- (iv) the Executive is convicted of a felony or any other crime (other than traffic violations) involving dishonesty or moral turpitude (whether or not in connection with the performance by Executive of his duties under this Agreement).

For purposes of this subsection, no act, or failure to act, shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith, and without reasonable belief that such action or omission was in the best interest of the Company.

(b) "Change in Control" means, and shall occur on the date that any of the following occurs:

- (i) A person, corporation, entity or group (1) makes a tender or exchange offer for the issued and outstanding voting stock of NN, Inc., ("NN") and beneficially owns fifty percent (50%) or more of the issued and outstanding voting stock of NN after such tender or exchange offer, or (2) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person, corporation, entity or group), directly or indirectly, the beneficial ownership of fifty percent (50%) or more of the issued and outstanding voting stock of NN in a single transaction or a series of transactions (other than any person, corporation, entity or group for which a Schedule 13G is on file with the Securities and Exchange Commission, so long as such person, corporation, entity or group has beneficial ownership of less than fifty percent (50%) of the issued and outstanding voting stock of NN); or
- (ii) NN is a party to a merger, consolidation or similar transaction and following such transaction, fifty percent (50%) or more of the issued and outstanding voting stock of the resulting entity is not beneficially owned by those persons, corporations or entities that constituted the stockholders of NN immediately prior to the transaction;
- (iii) NN sells fifty percent (50%) or more of its assets to any other person or persons (other than an affiliate or affiliates of NN); or
- (iv) Individuals who, during any 12-month period, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least seventy-five percent (75%) of the Board of Directors of NN; provided, however, that any individual becoming a director whose election or nomination was approved by a majority of the directors than comprising the Incumbent Board, shall be considered a member of the Incumbent Board, but not including any individual whose initial board membership is a result of an actual or threatened election contest (as that term is used in Rule 14a-11 promulgated under the Securities Act of 1934, as amended) or an actual or threatened solicitation of proxies or consents by or on behalf of a party other than the Board.

It is not intended that a Change in Control, in and of itself, will serve as an event which entitles Executive to any payment hereunder.

- (c) “Code” means the Internal Revenue Code of 1986 as amended.
- (d) “Disability” means the Executive (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees or directors of the Company. Executive will be deemed Disabled if he is determined to be totally disabled by the Social Security Administration, or if Executive is determined to be disabled in accordance with a disability insurance program maintained by the Company if the definition of “disability” applied under such disability insurance program complies with the requirements of the preceding sentence. Upon the request of the plan administrator, the Executive must submit proof to the plan administrator of the Social Security Administration’s or the provider’s determination.
- (e) “Good Reason” means any of the following events if not remedied by the Company within 30 days after receipt of notice thereof from the Executive: (i) any material diminution in the Executive’s position, authority, duties or responsibilities; (ii) any material failure by the Company to comply with this Agreement; (iii) any material adverse change in Executive’s annual compensation; or (iv) a requirement to relocate Executive’s place of employment in excess of fifty (50) miles from the current principal office of the Company as of the date hereof.

Notwithstanding anything in this definition to the contrary, an alleged act by the Company shall not constitute a “Good Reason” event for purposes of this Agreement unless Executive gives written notice of the same to the Company within 60 days of the initial existence of such act. Further, for avoidance of doubt, nothing in this Agreement shall preclude the Company from reducing Executive’s annual base salary and/or incentive opportunity as part of an across-the-board compensation adjustment to other employees at Executive’s level of employment.
- (f) “Notice of Termination” means a written notice which shall include the specific termination provision under this Agreement relied upon, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment. Any purported termination of the Executive’s employment hereunder by action of either party shall be communicated by delivery of a Notice of Termination to the other party. Any termination by Executive of his employment without Good Reason shall be made on not less than 14 days’ notice.
- (g) “Qualifying Termination” means a Separation from Service by action of the Company that is not for Cause, or a Separation from Service by action of the Executive that is for Good Reason.
- (h) “Restrictive Period” means a period of months following the end of Executive’s employment, regardless of reason, which is equal to twelve (12) months or the number of months for which Executive has received base salary payments (whether in the form of continuation payments or lump sum payment), whichever is greater.
- (i) “Separation from Service” means Executive’s “separation from service” as defined in Treasury Regulation Section 1.409A-1(h).

IN WITNESS WHEREOF, the Executive and the Company (by action of its duly authorized officers) have executed this Agreement as of the date first above written.

NN, INC.

By: _____

Name: _____

Title: _____

EXECUTIVE:

Name: _____

SCHEDULE A

Executive's Severance Payment subsequent to a Change in Control as provided in paragraph 1(c)(i) shall be a lump sum payment equal to:

1. 2.0 times Executive's base salary (as of the date of Executive's termination); plus
2. 1.0 times Executive's target bonus.

news



FOR FURTHER INFORMATION:

AT ABERNATHY MACGREGOR
Claire Walsh
(General info)
(212) 371-5999

FOR IMMEDIATE RELEASE
August 27, 2019

NN, Inc. Names Thomas DeByle as New Chief Financial Officer

Charlotte, N.C., August 27, 2019 – NN, Inc. (NASDAQ: NNBR), a diversified industrial company, today announced the approval of the appointment of Thomas DeByle as the Company’s Senior Vice President and Chief Financial Officer, which is anticipated to be effective on or before September 23, 2019.

Mr. DeByle brings over 30 years of public company finance and capital markets experience, a deep background in financial planning and operational management, and extensive knowledge of the diversified industrial manufacturing industry. He most recently served as Vice President, Chief Financial Officer and Treasurer of Standex International Corporation. Prior to that, he held various finance and leadership roles at leading industrial manufacturer Ingersoll-Rand as well as at Actuant Corporation and Johnson Controls.

“Tom has significant experience helping drive strategic growth initiatives at leading diversified industrial companies, and the Board and I are excited to welcome someone of his caliber to the NN team,” said Richard Holder, President and CEO. “We expect to benefit from Tom’s mix of operational experience and deep financial expertise as we execute our strategic plan to position us for long term success.”

“I am eager to join the NN team at an exciting point in the Company’s journey,” said Mr. DeByle. “I am confident that my finance and operational experience will allow me to help lead the successful execution of our strategic plan and drive value creation for all our stakeholders.”

Mr. DeByle holds a Master of Business Administration from Marquette University in Milwaukee, WI and a Bachelor of Science Degree from St. Norbert College in DePere, WI.

NN, Inc., a diversified industrial company, combines advanced engineering and production capabilities with in-depth materials science expertise to design and manufacture high-precision components and assemblies for a variety of markets on a global basis. Headquartered in Charlotte, North Carolina, NN has 50 facilities in North America, Europe, South America and China.

Except for specific historical information, many of the matters discussed in this press release may express or imply projections of revenues or expenditures, statements of plans and objectives or future operations or statements of future economic performance. These, and similar statements, are forward-looking statements concerning matters that involve risks, uncertainties and other factors which may cause the actual performance of NN, Inc. and its subsidiaries to differ materially from those expressed or implied by this discussion. All forward-looking information is provided by the Company pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “assumptions”, “target”, “guidance”, “outlook”, “plans”, “projection”, “may”, “will”, “would”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “potential” or “continue” (or the negative or other derivatives of each of these terms) or similar terminology. Factors which could materially affect actual results include, but are not limited to: general economic conditions and economic conditions in the industrial sector, inventory levels, regulatory compliance costs and the Company’s ability to manage these costs, start-up costs for new operations, debt reduction, competitive influences, risks that current customers will commence or increase captive production, risks of capacity underutilization, quality issues, availability and price of raw materials, currency and other risks associated with international trade, the level of the Company’s indebtedness, the restrictions contained in the Company’s debt agreements, the Company’s ability to obtain financing at favorable rates, if at all, and to refinance existing debt as it matures, the Company’s dependence on certain major customers, and the successful implementation of the global growth plan including development of new products. Similarly, statements made herein and elsewhere regarding pending and completed transactions are also forward-looking statements, including statements relating to the future performance and prospects of an acquired business, the expected benefits of an acquisition on the Company’s future business and operations and the ability of the Company to successfully integrate recently acquired businesses or the possibility that the Company will be unable to execute on the intended redeployment of proceeds from a divestiture, whether due to a lack of favorable investment opportunities or otherwise.

For additional information concerning such risk factors and cautionary statements, please see the section titled “Risk Factors” in the Company’s periodic reports filed with the Securities and Exchange Commission, including, but not limited to, the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018. Except as required by law, we undertake no obligation to update or revise any forward-looking statements we make in our press releases, whether as a result of new information, future events or otherwise.