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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

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**FORM 8-K**

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CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 19, 2020

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**Libbey Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State of incorporation)

**1-12084**  
(Commission File Number)

**34-1559357**  
(IRS Employer identification No.)

**300 Madison Avenue**  
**Toledo, Ohio**  
(Address of principal executive offices)

**43604**  
(Zip Code)  
Registrant's telephone number, including area code: **(419) 325-2100**

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$.01 par value	LBY	NYSE American

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 Instructions 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 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.

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### **Item 1.01 Entry into a Material Definitive Agreement**

On May 25, 2020, Libbey Inc. (the “Company” or “Libbey”) entered into Amendment No. 5 (“Amendment No. 5”) to the Senior Secured Credit Agreement, dated as of April 9, 2014 (the “Credit Agreement”), by and among the Company, Libbey Glass Inc., as borrower (the “Borrower”), each of the Loan Parties (as defined in the Credit Agreement) and the lenders party thereto, as amended by Amendment No. 1 to the Credit Agreement on April 9, 2020 (“Amendment No. 1”), Amendment No. 2 to the Credit Agreement on April 30, 2020 (“Amendment No. 2”), Amendment No. 3 to the Credit Agreement on May 7, 2020 (“Amendment No. 3”), and Amendment No. 4 to the Credit Agreement on May 15, 2020 (“Amendment No. 4”). Amendment No. 5 provides for an extension of the date on which the Borrower is required under the Credit Agreement to make a prepayment of approximately \$12 million from the Borrower’s Excess Cash Flow (as defined in the Credit Agreement) from May 25, 2020 to May 31, 2020, subject to certain conditions, including the Borrower’s provision of certain financial, operational and liquidity information to the lenders, and the maintenance by the Loan Parties of a minimum level of liquidity. As previously reported, Amendment No. 1 extended the Borrower’s Excess Cash Flow payment from April 9, 2020 to April 30, 2020, Amendment No. 2 extended the Borrower’s Excess Cash Flow payment from April 30, 2020 to May 7, 2020, Amendment No. 3 further extended the Borrower’s Excess Cash Flow payment from May 7, 2020 to May 17, 2020, and Amendment No. 4 further extended the Borrower’s Excess Cash Flow payment from May 17, 2020 to May 25, 2020.

A copy of the Credit Agreement was filed as exhibit 4.2 to Libbey’s Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on April 11, 2014. The foregoing description of Amendment No. 5 does not purport to be a complete description and is qualified in its entirety by reference to the full text of Amendment No. 5. A copy of each of Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, and Amendment No. 5 will be filed with Libbey’s Quarterly Report on Form 10-Q for the period ended March 31, 2020.

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

On May 19, 2020, the Company’s Board of Directors, following extensive consultation with the Company’s compensation and legal advisors, approved cash retention bonuses (each, a “Retention Bonus”) and a form of Retention Bonus Agreement (the “Retention Bonus Agreement”) for the Company’s executive officers and other key employees (each, a “Participant”). The Retention Bonuses will enable the Company to retain and motivate the Participants through the volatile and uncertain environment affecting the foodservice, hospitality and retail industries, as well as the previously disclosed disruptions to the Company’s business related to coronavirus disease 2019 (“COVID-19”). Pursuant to the Retention Bonus Agreements, Participants were paid the Retention Bonuses on or before May 22, 2020.

The aggregate amount of Retention Bonuses paid was approximately \$3.1 million. The Retention Bonuses received by our named executive officers and our principal financial officer are set forth in the table below.

<b>Name</b>	<b>Title</b>	<b>Retention Bonus</b>
Michael P. Bauer	Chief Executive Officer	\$900,000
James C. Burmeister	Senior Vice President, Chief Operating Officer	\$400,000
Sarah J. Zibbel	Senior Vice President, Chief Human Resources Officer	\$325,000
Juan Amezquita	Senior Vice President, Chief Financial Officer and Treasurer	\$400,000

Under the Retention Bonus Agreements, a Participant will be required to repay the full Retention Bonus to the Company in the event that the Company terminates the Participant’s employment for “Cause” or the Participant voluntarily resigns without “Good Reason” (each as defined in the Retention Bonus Agreement) prior to May 19, 2021.

The above summary of the Retention Bonuses is qualified in its entirety by reference to the complete terms and conditions as set forth in the Retention Bonus Agreement, the form of which is filed herewith as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference into this Item 5.02.

### **Cautionary Note on Forward-Looking Statements**

This Current Report on Form 8-K includes forward-looking statements as defined in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements reflect only the Company’s best assessment at this time and are indicated by words or phrases such as “goal,” “plan,” “expects,” “believes,” “will,” “estimates,” “anticipates,” or similar phrases. These forward-looking statements include all matters that are not historical facts. They include statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the impact of COVID-19 on our operations and the length of time of such impact, our results of operations, financial condition, liquidity, prospects, growth, strategies and the impact of COVID-19 on the industry in which we operate and the industries we serve. By their nature, forward-looking statements involve risks and uncertainties because they related to events and depend on circumstances that may or may not occur in the future. Investors are cautioned that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from these statements. Investors should not place undue reliance on such statements. Important factors potentially affecting performance include but are not limited to risks and uncertainties related to the impact of COVID-19 on the global economy, our associates, our customers and our operations, our high level of indebtedness and the availability and cost of credit; high interest rates that increase the Company’s borrowing costs or volatility in the financial markets that could constrain liquidity and credit availability; the inability to achieve savings and profit improvements at targeted levels in the Company’s operations or within the intended time periods; increased competition from foreign suppliers endeavoring to sell glass tableware, ceramic dinnerware and metalware in our core markets; global economic conditions and the related impact on consumer spending levels; major slowdowns or changes in trends in the retail, travel, restaurant and bar or entertainment industries, and in the retail and foodservice channels of distribution generally, that impact demand for our products; inability to meet the demand for new products; material restructuring charges related to involuntary

employee terminations, facility sales or closures, or other various restructuring activities; significant increases in per-unit costs for natural gas, electricity, freight, corrugated packaging, and other purchased materials; our ability to borrow under our ABL credit agreement; protracted work stoppages related to collective bargaining agreements; increased pension expense associated with lower returns on pension investments and increased pension obligations; increased tax expense resulting from changes to tax laws, regulations and evolving interpretations thereof; devaluations and other major currency fluctuations relative to the U.S. dollar and the euro that could reduce the cost competitiveness of the Company's products compared to foreign competition; the effect of exchange rate changes to the value of the euro, the Mexican peso, the Chinese renminbi and the Canadian dollar and the earnings and cash flows of our international operations, expressed under U.S. GAAP; the effect of high levels of inflation in countries in which we operate or sell our products; the failure of our investments in e-commerce, new technology and other capital expenditures to yield expected returns; failure to prevent unauthorized access, security breaches and cyber-attacks to our information technology systems; compliance with, or the failure to comply with, legal requirements relating to health, safety and environmental protection; our failure to protect our intellectual property; and the inability to effectively integrate future business we acquire or joint ventures into which we enter. These and other risk factors that could cause results to differ materially from the forward-looking statements can be found in the Company's Annual Report on Form 10-K and in the Company's other filings with the SEC. Refer to the Company's most recent SEC filings for any updates concerning these and other risks and uncertainties that may affect the Company's operations and performance. Any forward-looking statements speak only as of the date of this Current Report on Form 8-K, and the Company assumes no obligation to update or revise any forward-looking statement to reflect events or circumstances arising after the date of this report.

**Item 9.01 Financial Statements and Exhibits**

d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of Retention Bonus Agreement

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## 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.

Libbey Inc.  
Registrant

Date: May 26, 2020

By: /s/ Jennifer M. Jaffee  
Jennifer M. Jaffee  
Senior Vice President, General Counsel and Secretary



May 19, 2020

[NAME]

RE: Retention Bonus

Dear [NAME]:

To incentivize you to remain with and committed to Libbey Inc. (the “**Company**” or “**we**”) and its subsidiaries (collectively “**Libbey**”) we are offering you a retention bonus in the gross amount of \$[AMOUNT] (the “**Retention Bonus**”) upon the terms set forth in this letter agreement. In order to be eligible for the Retention Bonus you must sign and return this letter agreement to me by May 20, 2020 acknowledging your agreement to the terms specified in this letter agreement.

If you accept this offer, then no later than May 22, 2020 we will advance and pre-pay to you the full amount of the Retention Bonus (less required withholdings), subject to your agreement to repay the Retention Bonus to the Company in full if you resign without Good Reason (as defined below) or are terminated by a Libbey entity for Cause before May 19, 2021 (the “**Retention Date**”).

You will earn the Retention Bonus and will not have to repay it only if (i) you are employed by a Libbey entity on the Retention Date, or (ii) your employment is terminated by a Libbey entity without Cause or as a result of your resignation for Good Reason or you die or become disabled before the Retention Date and you (or your estate in the case of death) sign and do not revoke a general release of claims in a form satisfactory to the Company within forty-five (45) days of your termination.

If you resign without Good Reason or your employment is terminated by a Libbey entity for Cause before the Retention Date, then you will not earn the Retention Bonus and you will be required to repay the full gross amount of the Retention Bonus to the Company. If your employment is terminated without Cause or you resign with Good Reason before the Retention Date and you fail to return the required release within 45 days of your termination or revoke the release, then you also will not have earned the Retention Bonus and will be required to repay the full gross amount. Note, you will be considered to have been terminated without Cause if your employment with all Libbey entities is terminated in connection with a sale of assets, even if you accept employment with and are immediately rehired by a buyer.

If you are required to repay the Retention Bonus under this letter agreement, then you agree to do so promptly, but in no event more than fifteen (15) days following your termination. Upon your termination, you acknowledge and agree that Libbey may offset and reduce any other compensation owed to you (including, but not limited to, any leave or paid time off required to be paid to you, earned and unpaid wages, unreimbursed business expenses you may be entitled to, earned and unpaid commissions, deferred compensation and/or any severance payments you are or may become entitled to), by the amount of the Retention Bonus. However, no compensation will be reduced if doing so would violate applicable law or would result in penalty taxes under Section 409A of the Internal Revenue Code of 1986 and the rules and regulations thereunder. We reserve all other rights and remedies available to recoup the full amount of the Retention Bonus advanced under this letter agreement, including the right to file a legal claim in court.

Except as may otherwise be required by law, you agree not to disclose the existence of this Agreement or any of its terms to anyone other than your spouse or domestic partner and any financial, accounting, tax or legal advisor who agrees to be bound not to make any such disclosure.

This letter does not confer upon you any right to continue in the employment of Libbey for any period or interfere with or otherwise restrict in any way the rights of your employer or you to terminate your employment at any time for any reason whatsoever, with or without Cause.

For purposes of this agreement:

“**Cause**” means: (i) your willful and continuous failure (other than as a result of your incapacity due to physical or mental illness) to substantially perform your duties with Libbey after Libbey has delivered to you a written demand for substantial performance that specifically identifies the manner in which Libbey believes you have not substantially performed your duties; (ii) your willful and continuous failure (other than as a result of your incapacity due to physical or mental illness) to substantially follow and comply with the specific and lawful directives of Libbey, after Libbey has delivered to you a written demand for substantial performance that specifically identifies the manner in which Libbey believes you have not substantially followed or complied with the directives of the Company; (iii) your commission of an act of fraud or dishonesty that causes harm to Libbey; (iv) your failure to comply with a material Libbey policy or code of conduct; (v) your material breach of any material obligation under any written agreement between you and Libbey; (vi) your illegal conduct or gross misconduct that causes harm to Libbey; (vii) your conviction of a misdemeanor or felony that (A) is directly related to the position that you occupy with Libbey or (B) indicates that you are unsuitable for the position that you occupy with Libbey. The Compensation Committee of the Board of Directors of the Company has the sole authority and discretion to determine whether any termination is for Cause and such determination will be final and binding on you and the Company.

“**Good Reason**” means the occurrence of any of the following circumstances without your consent: (i) Libbey’s reduction of your annual base salary and the reduction is not applied in the same or similar manner to similarly situated employees; (ii) Libbey’s relocation of your principal place of employment by more than 50 miles; or (iii) Libbey’s material breach of any written agreement between Libbey and you and Libbey do not remedy it within sixty (60) days after receiving from you written notice of the breach. If you do not deliver to Libbey, within ninety (90) days after the date on which you knew or should have known of the Good Reason event, written notice specifying in reasonable detail the particulars giving rise to the Good Reason event, you will be deemed conclusively to have waived that particular Good Reason event (but not any subsequent Good Reason event) even if your failure to give timely notice of the Good Reason event is a result of your incapacity due to physical or mental illness. In all events, Libbey will be given a thirty (30)-day period to cure or remedy the condition giving rise

to your notice.

This agreement will in all respects be governed by, and construed in accordance with, the laws of the State of Ohio, without reference to conflicts of law principles thereunder. Any litigation arising out of this agreement shall be brought exclusively in the federal or state courts sitting in Toledo, Ohio, to which jurisdiction you and the Company hereby submit with respect to litigation arising out of this Agreement, and both you and the Company hereby knowingly and willingly waive their rights to a jury trial in any such litigation.

You should be aware that in addition to your obligation to repay the Retention Bonus under this letter agreement, the Retention Bonus could also be subject to recoupment in the event the Company files for bankruptcy in the future.

Please indicate your acceptance of the provisions of this agreement by signing the enclosed copy of this letter agreement and returning it to me by May 20, 2020.

Very truly yours,

LIBBEY INC.

Jennifer M. Jaffee  
Senior Vice President, General Counsel & Secretary

Agreed and Accepted:

\_\_\_\_\_  
[NAME]

Date \_\_\_\_\_