

CSS INDUSTRIES INC  
Form 8-K  
May 31, 2016

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): May 24, 2016

CSS Industries, Inc.  
(Exact name of registrant as specified in its charter)

Delaware	1-2661	13-1920657
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

450 Plymouth Road, Suite 300, Plymouth Meeting, PA	19462
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 610-729-3959

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))
-

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

On May 24, 2016, the Human Resources Committee of our Board of Directors approved payouts to certain of our named executive officers under our bonus program for fiscal 2016. The bonus program had a performance component, which is under our management incentive program, and discretionary component. The approved payouts for the two components combined were as follows: Christopher J. Munyan - \$378,008; Vincent A. Paccapaniccia - \$173,993; William G. Kiesling - \$168,277; Carey Edwards - \$143,076; and Christian A. Sorensen \$96,067.

On May 31, 2016, the Human Resources Committee granted stock options and restricted stock units (“RSUs”) under our 2013 Equity Compensation Plan to the named executive officers listed below as follows:

Executive	Shares Underlying Stock Option Grants (#)	Shares Underlying RSU Grants (#)
Christopher J. Munyan	50,000	10,700
Vincent A. Paccapaniccia	21,000	4,250
William G. Kiesling	13,500	2,500
Carey Edwards	21,000	4,250
Christian A. Sorensen	13,500	2,500

The stock options have an exercise price of \$27.48 per share and a seven-year term. Stock options vest and become exercisable to the extent of 25% of the underlying shares on each of the 1st, 2nd, 3rd and 4th anniversaries of the grant date, contingent upon satisfaction of the service-based vesting condition described below. Each RSU constitutes a phantom right and will automatically be redeemed for one share of CSS common stock on the fourth anniversary of the grant date, contingent upon satisfaction of the performance-based and service-based conditions described below.

The RSUs will not vest unless a performance goal is satisfied within the four-year period ending on the fourth anniversary of the grant date (the “Performance Period”), except that vesting is accelerated upon a change of control. In order for the performance goal to be satisfied, the Company must attain total shareholder return (“TSR”) of at least 25% during the Performance Period. TSR is measured by stock price performance and dividend accumulation and reinvestment. Satisfaction of the performance goal will be determined by comparing (a) the average closing price for a share of the Company’s common stock (as adjusted to reflect reinvestment of dividends paid during the Performance Period) over a period of 60 consecutive trading days during the Performance Period to (b) \$27.48 per share, the closing price per share on May 27, 2016 (the last trading day prior to the grant date).

If the performance goal described above is not satisfied by the fourth anniversary of the grant date, then the RSUs will not vest, and the same will expire on the fourth anniversary of the grant date. Otherwise, vesting will depend on the period in which the performance goal is satisfied, as reflected below:

Period in which Performance Goal is Satisfied	Vesting Schedule for RSUs
On or prior to the 3rd anniversary of the grant date	50% on the 3 <sup>rd</sup> anniversary of the grant date, and 50% on the 4 <sup>th</sup> anniversary of the grant date
Within the 4 <sup>th</sup> year following the grant date	100% on the 4 <sup>th</sup> anniversary of the grant date

A service-based vesting condition is applicable to the aforementioned stock options and RSUs. In order for the service-based vesting condition to be satisfied, the executive must remain in the employment of the Company or a subsidiary of the Company on the applicable vesting date.

The foregoing description of the stock options and RSUs is qualified in its entirety by the terms and conditions of the applicable grant instruments.



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.

CSS Industries, Inc.  
(Registrant)

Date: May 31, 2016 By: /s/ William G.  
Kiesling  
William G.  
Kiesling  
Vice  
President–Legal  
and Licensing  
and General  
Counsel