

**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: June 14, 2023
(Date of earliest event reported)

ALBANY INTERNATIONAL CORP.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	1-10026 (Commission File Number)	14-0462060 (I.R.S Employer Identification No.)
216 Airport Drive Rochester, New Hampshire (Address of principal executive offices)		03867 (Zip Code)
Registrant's telephone number, including area code 603-330-5850		
None (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))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.001 par value per share	AIN	The New York Stock Exchange (NYSE)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act 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. Compensatory Arrangements of Certain Officers.

Retention Bonus Award

On June 14, 2023, the Compensation Committee of the Registrant's Board of Directors granted a special retention incentive in the form of a Special Incentive Award Agreement to the Registrant's President – Global MC, Mr. Daniel Halftermeyer, a named executive officer as defined by S-K Item 402(a)(3). A copy of the Form of Special Incentive Award Agreement used for such award is being filed with this report as Exhibit 10(m)(xx), and is incorporated by reference herein.

Pursuant to the Retention Bonus Agreement, Mr. Halftermeyer will have the opportunity to earn 16,436 shares of the Company's Class A common stock provided he remains employed with the Registrant through at least December 31, 2024, and achieves certain Milestone Objectives as stated in the Special Incentive Award Agreement. Payment shall be made in shares in one lump sum following the Compensation Committee's determination that Mr. Halftermeyer has achieved the Milestone Objectives. If the Milestone Objectives are not achieved by December 31, 2025, the incentive will not have been earned and no payment shall be made.

In the event Mr. Halftermeyer's employment with the Registrant terminates prior to payment of the special incentive award, the award shall be forfeited and shall not vest; provided however, that in the event that Mr. Halftermeyer's employment with the registrant is involuntarily terminated by Albany without Cause (as defined in the Severance Agreement signed between the Registrant and Mr. Halftermeyer dated January 1, 2016), prior to payment, the remainder of the special incentive award shall be earned, and Mr. Halftermeyer's entitlement to payment shall vest immediately.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibit is being furnished herewith:
10(m)(xx) Form of Special Incentive Award Agreement

Signature

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.

ALBANY INTERNATIONAL CORP.

By: /s/ Robert D. Starr

Name: Robert D. Starr

Title: Executive Vice President and Chief Financial Officer
(Principal Executive Officer)

Date: June 14, 2023

EXHIBIT INDEX

Exhibit No.

10(m)(xx)

104

Description

[Form of Special Incentive Award Agreement](#)

Inline XBRL cover page.

Exhibit 10(m)(xx)

SPECIAL INCENTIVE AWARD AGREEMENT

This SPECIAL INCENTIVE AWARD AGREEMENT (the “Agreement”) is dated as of the 14th day of June 2023, between Albany International Corp., a Delaware corporation (the “Company”), and Daniel Halftermeyer (the “Participant”).

WHEREAS, the Company adopted and maintains the Albany International Corp. 2017 Incentive Plan (the “Plan”);

WHEREAS, Section 8 of the Plan provides for the grant of incentive awards to Participants in the Plan, which awards may or may not be equity-based or equity-related awards; and

WHEREAS, Participant has been, and is currently, employed by Albany in a key senior management position, to wit: President, Machine Clothing; and

WHEREAS, Participant is employed by Albany on an at-will basis; and

WHEREAS, Albany wishes for Employee to continue his employment with Albany to participate in the acquisition and integration of a recently announced strategic acquisition and to assist during the anticipated Chief Executive Officer transition ; and

WHEREAS, Albany therefore seeks to incentivize Employee to continue his voluntary employment with Albany, at least, the accomplishment of certain strategic objectives; and

WHEREAS, as an incentive to encourage the Participant to remain in the employ of the Company by affording the Participant a greater interest in the success of the Company should it achieve such objectives, the Company desires to grant the Participant the opportunity to earn shares of the Company’s Class A Common Stock (“Common Stock”), as provided herein;

NOW THEREFORE, in consideration of the agreements and obligations hereinafter set forth, the parties hereto agree as follows:

1. Definitions; References.

As used herein, the following terms shall have the meanings indicated below. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Plan.

(i) “Beneficiary” shall mean the person(s) designated by the Participant in a written instrument delivered pursuant to the Plan to receive a payment due under the Plan upon the Participant’s death, signed by the Participant and delivered to the Company prior to the Participant’s death or, if no such written instrument is on file, the Participant’s estate.

(ii) “Cause” shall be deemed to exist if a majority of the members of the Board of Directors determine that the Participant has (i) caused substantial harm to the Company with intent to do so or as a result of gross negligence in the performance of his or her duties; (ii) not made a good faith effort to carry out his or her duties; (iii) wrongfully and substantially enriched himself or herself at the expense of the Company; or (iv) been convicted of a felony.

(iii) “Determination Date” shall mean the date on which the Compensation Committee of the Company’s Board of Directors (the “Committee”) shall have determined, in its sole discretion, that the hereinafter defined Milestone Objectives have been achieved, which date shall not be any sooner than December 31, 2024, nor later than December 31, 2025.

(iv) “Distribution Date” shall be the first Business Day of the second month following the Determination Date.

(v) “Milestone Objectives” shall be as specified in Section 3.

(vi) “Share Bonus” shall mean the number of shares of Common Stock specified in Section 2, which is the amount of the Common Stock to be paid to Participant in the event the Milestone Objectives are achieved before December 31, 2025, provided Participant is still employed with the Company on the Determination Date.

2. “Establishment of the Share Bonus Amount”. Pursuant to, and subject to, the terms and conditions set forth herein and, in the Plan, the Company hereby establishes the Participant’s Share Bonus amount at 16,436 shares of the Company’s Common Stock. The Share Bonus shall be earned and paid based on the criteria and in the manner set forth in Sections 3 and 4 hereof.

3. “Establishment of the Milestone Objectives”. Pursuant to, and subject to, the terms and conditions set forth herein and, in the Plan, the Company hereby establishes the Milestone Objectives as set forth in Exhibit “A” to evaluate the Participant’s performance. The Milestone Objectives shall represent the subjective basis for determining whether the Participant has satisfactorily performed his duties in implementing and executing the strategic business decisions to be adopted by the Company, so as to warrant the payment of the Share Bonus.

4. Determination of Achievement of the Milestone Objectives. Beginning in February 2024 the Committee shall, at least quarterly, confer and determine, in its sole discretion, whether the Milestone Objectives have been achieved to its satisfaction according to the criteria outlined in Exhibit “A”. In the event the Milestone Objectives are not achieved by December 31, 2025, no bonus shall be earned, and the Participant shall not be entitled to any other payment under this Agreement or have any other rights with respect to the Share Bonus. Participant shall report quarterly to the Committee on the progress of achieving the Milestone Objectives beginning in December 2023.

5. Time and Method of Payment of Bonus.

a. The Share Bonus shall be distributed in shares of Common Stock, less applicable taxes and withholdings, which may be satisfied with shares of Common Stock, and shall be distributed on the Distribution Date.

b. In the event that a payment is called for hereunder to the Participant at a time when the Participant is deceased, such payment shall be made to the Participant’s Beneficiary.

6. Effect of Termination of Employment.

a. In the event the Participant’s employment with the Company terminates prior to the achievement of the Milestone Objectives for any reason other than an involuntary termination without Cause, no bonus shall be earned, and the Participant shall not be entitled to any other payment under this Agreement or have any other rights with respect to the Share Bonus.

b. In the event the Company terminates the Participant’s employment without Cause at any time prior to the achievement of the Milestone Objectives, the Share Bonus Amount shall nevertheless be earned and paid to the Participant in accordance with the otherwise applicable provisions of this Agreement; provided however, that any unpaid Share Bonus shall be forfeited in its entirety should Participant engage in any business or activity, either on his own or as an employee, which is deemed to be in competition with the Company.

7. Clawback. In the event of the Company’s material restatement of its financial results the Participant shall repay the entire Share Bonus, or forfeit such if not already paid, whether vested or unvested, to the extent the restatement is caused or substantially caused by the fraud or intentional misconduct of the Participant.

8. Modification and Waiver. Except as provided in the Plan with respect to determinations of the Committee and subject to the Company’s Board of Directors’ right to amend the Plan, neither this Agreement nor any provision hereof can be changed, modified, amended, discharged, terminated or waived orally or by any course of dealing or purported course of dealing, but only by an agreement in writing signed by the Participant and the Company. No such agreement shall extend to or affect any provision of this Agreement not expressly changed, modified, amended, discharged, terminated or waived or impair any right consequent on such a provision. The waiver of or failure to enforce any breach of this Agreement shall not be deemed to be a waiver or acquiescence in any other breach thereof.

9. Notices. All notices and other communications hereunder shall be in writing, shall be deemed to have been given if delivered in person or by first-class registered or certified mail, return receipt requested, and shall be deemed to have been given when personally delivered or five (5) days after mailing to the following address (or to such other address as either party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt): If to the Company:

Albany International Corp.
216 Airport Drive
Rochester, New Hampshire 03867
Fax: (518) 445-2270
Attention: General Counsel

If to the Participant, to the most recent address of the Participant that the Company has in its records.

10. Participant Acknowledgement. The Participant hereby acknowledges receipt of a copy of the Plan.

11. Incorporation of the Plan. All terms and provisions of the Plan are incorporated herein and made part hereof as if stated herein. If any provision hereof and of the Plan shall be in conflict, the terms of the Plan shall govern. All capitalized terms used herein and not defined herein shall have the meanings assigned to them in the Plan.

12. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but each of which together shall constitute one and the same document.

13. Governing Law; Choice of Forum. This Agreement shall be governed by and interpreted in accordance with New York law, without regard to its conflicts of law principles, and the parties hereby submit to the jurisdiction of the courts and tribunals of New York.

14. Binding Effect. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the heirs, personal representatives and successors of the parties hereto. Nothing expressed or referred to in this Agreement is intended or shall be construed to give any person other than the parties to this Agreement, or their respective heirs, personal representatives or successors, any legal or equitable rights, remedy or claim under or in respect of this Agreement or any provision contained herein.

15. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

16. Miscellaneous. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the Company and the Participant have duly executed this Award Agreement as of the Award Date specified above.

ALBANY INTERNATIONAL CORP.

By: _____

Name:
Title:

Participant

Daniel A. Halftermeyer

EXHIBIT A

MILESTONE OBJECTIVES

Objective 1 - Succession Plan – President, Machine Clothing

Performance Goals and Criteria: Identify and develop a “ready-now” successor either internally or begin an external search to hire, onboard and develop an external candidate such that there is a candidate ready, able and capable to assume the position of President, Machine Clothing, regardless of whether such position is open or needs to be filled at that time. The determination of whether a candidate is “ready-now” shall be made by the Chief Executive Officer, in consultation with the Chief Human Resources Officer, according to the Company’s established talent management and succession planning processes, taking into consideration the input from a retained outside organizational consulting firm.

Objective 2 – Machine Clothing Strategic Plan

Performance Goals and Criteria: Participant will lead the review and pursuit of the recently announced strategic initiative for the Machine Clothing business, including due diligence and assessment of the opportunity, and the negotiation, completion and integration of the transaction if approved by the Board of Directors and ultimately consummated. The achievement of this Milestone Objective shall not require the actual consummation or integration of the strategic combination, but only the Participant’s focused, best efforts in pursuit of the transaction.