

**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: February 19, 2021  
(Date of earliest event reported)

**ALBANY INTERNATIONAL CORP.**

(Exact name of registrant as specified in its charter)

<b>Delaware</b> (State or other jurisdiction of incorporation)	<b>1-10026</b> (Commission File Number)	<b>14-0462060</b> (I.R.S Employer Identification No.)
<b>216 Airport Drive Rochester, New Hampshire</b> (Address of principal executive offices)		<b>03867</b> (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:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Class A Common Stock, \$0.001 par value per share	AIN	The New York Stock Exchange (NYSE)
Class B 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. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

**Performance Bonus Awards and Restricted Stocks Unit Awards Granted Under 2017 Incentive Plan**

On February 19, 2021, the Registrant's Board of Directors approved the grant of 2021 Performance Bonus Awards under the Registrant's 2017 Incentive Plan to certain of the Registrant's executives, including certain of the Registrant's named executive officers (as defined by S-K Item 402(a)(3)). In addition, as part of each recipient's long-term performance incentive, the Board of Directors also approved the grant of share-settled Restricted Stock Unit awards under the 2017 Incentive Plan. As in past years, each recipient was granted both an Annual Performance Bonus Award and a Multi-Year Performance Bonus Award, pursuant to separate award agreements. However, for 2021 a new award agreement has been prepared and approved to reflect that half of the recipient's long-term incentive is being denominated and settled in restricted stock. Previously, the entire long-term incentive was denominated and settled in performance shares.

Annual Performance Bonus Award

For the Annual Performance Bonus Award, each recipient is provided the opportunity to earn a short-term bonus to be paid in cash. Each recipient, including the named executive officers specified below, was granted a Target Cash Amount. Each award entitles the recipient to receive an amount equal to from 0% to 200% of such target amounts, based upon the extent to which he or she attains certain performance goals during 2021. Success in achieving such goals will be determined during early 2022 by the Compensation Committee (or, if required, by a Performance Committee of "outside directors" (within the meaning of Section 162(m) of the Internal Revenue Code and related IRS regulations)). Once such determination is made, the bonuses shall be paid in their entirety in March 2022.

A copy of the Form of the Annual Performance Bonus Agreement used for such awards is being filed with this report as Exhibit 10(n)(vi), and is incorporated by reference herein.

The target amounts for the named executive officers' granted Annual Performance Bonus Awards are as follows:

<u>Named Executive Officer</u>	<u>Target Cash Amount</u>
A. William Higgins	\$ 925,000
Stephen Nolan	\$ 381,500
Daniel A. Halftermeyer	\$ 273,060
Greg Harwell	\$ 343,000
Alice McCarvill	\$ 183,964

Performance goals for the award recipients, including the named executive officers, consist of one or more of the following: adjusted EBITDA, safety-related, by reference to total recorded incident rates, compliance-related, by reference to internal and external audit findings, or lack thereof, and remediation, or other personal metrics tied to the recipient's specific job function. The foregoing might be, depending on the individual recipient, company-wide in scope or limited to specific business segment or areas of responsibility.

Multi-Year Performance Bonus Award

For the Multi-Year Performance Bonus Award, each recipient is provided the opportunity to earn a Share Bonus to be paid in shares of the Registrant's Class A Common Stock. Each recipient, including the named executive officers, was granted a Target Share Amount. Each award entitles the recipient to receive an amount equal to from 0% to 200% of such target amounts, based upon the extent to which he or she attains certain performance goals during the three-year period beginning January 1, 2021 and ending December 31, 2023. Success in achieving such goals will be determined during early 2024 by the Compensation Committee (or, if required, by a Performance Committee of "outside directors" (within the meaning of Section 162(m) of the Internal Revenue Code and related IRS regulations)). Once such determination is made, the bonuses shall be paid in their entirety in March 2024.

A copy of the Form of the Multi-Year Performance Bonus Agreement used for such awards is being filed with this report as Exhibit 10(m)(xix), and is incorporated by reference herein.

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The target amounts for the named executive officers' granted Multi-Year Performance Bonus Awards were as follows:

<u>Named Executive Officer</u>	<u>Target Share Amount</u>
A. William Higgin	12,531 shares
Stephen Nolan	4,951 shares
Daniel A. Halftermeyer	2,682 shares
Greg Harwell	3,684 shares
Alice McCarvill	1,729 shares

Performance goals for the award recipients, including the named executive officers, consist of one or more of the following: adjusted EBITDA, safety-related, by reference to total recorded incident rates, compliance-related, by reference to internal and external audit findings, or lack thereof, and remediation, or other personal metrics tied to the recipient's specific job function. The foregoing might be, depending on the individual recipient, company-wide in scope or limited to specific business segment or areas of responsibility.

#### Restricted Stock Unit Award Agreement

For the Restricted Stock Unit Awards, each recipient is granted a specific number of restricted stock units (RSUs). Upon vesting, the recipient is issued one share of the Company's Class A Common Stock for each RSU vesting. There is no exercise price. Cash dividends due not accrue to unvested RSUs. These RSU awards vest (and are immediately settled in shares) as to one-third of the awarded units on each of the vesting dates, but only if the holder is then employed by the Registrant or a subsidiary, or upon termination following a change of control as defined in the award agreement. In the event of termination of employment, all unvested RSUs terminate without payment, except that, in the case of death, disability, or involuntary termination, one-half of all unvested RSUs automatically vest and are paid at termination. The vesting dates are as follows: March 1, 2022, March 1, 2023 and March 1, 2024.

A copy of the Form of the Restricted Stock Unit Award Agreement used for such awards is being filed with this report as Exhibit 10(I)(xv) and is incorporated by reference herein.

The number of restricted stock unit granted to each named executive officer is as follows:

<u>Named Executive Officer</u>	<u>Units Granted</u>
A. William Higgin	12,531 units
Stephen Nolan	4,951 units
Daniel A. Halftermeyer	2,682 units
Greg Harwell	3,684 units
Alice McCarvill	1,729 units

#### **Severance agreement between the Company and key executives**

On February 19, 2021, the Registrant entered into a Severance Agreement (the "Severance Agreement") with Greg Harwell, its President, Albany Engineered Composites, and a named executive officer (the "Counterparty"). The entering into the Severance Agreement at that time was intended to correct an oversight at the time of the Counterparty's hiring, and is similar to the severance agreements the Registrant entered into with various corporate officers or key executives including other named executive officers, but excluding its principal executive officer, as of January 1, 2016, or subsequently upon hiring). The material terms of the Severance Agreement provides that in the event the Counterparty's employment is terminated by the Registrant at any time before the expiration of the Severance Agreement for any reason other than Cause, or if the Counterparty's employment is terminated by the Counterparty for Good Cause (as those terms are defined in the Severance Agreement, and in either case, a "Qualifying Termination"), the Counterparty shall be entitled to receive his gross monthly base salary in effect at the time of the Qualifying Termination, less applicable withholdings and deductions, for a period of 24 months. In the event the Qualifying Termination occurs within 12 months of a Change in Control (as defined in the Severance Agreement) the Counterparty shall be entitled to receive his gross monthly base salary in effect at the time of the Qualifying Termination, less applicable withholdings and deductions, for a period of 36 months, although in that case

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some of the monthly payments would be accelerated and paid as a lump sum to comply with applicable tax laws. The Counterparty would also remain eligible for a prorated payment of any bonus earned, if any, during the year in which the Qualifying Termination occurs, and 12 months of executive outplacement services. In addition, if elected, the Company will pay the required premium to continue healthcare coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). In order to receive the severance benefits, the Counterparty is obligated to execute a release in favor of the Company at the time of termination. The Counterparty is also bound to a restrictive covenant for the period during which the severance benefits are being paid. The initial term of the Severance Agreement is for a period of three years, but it will thereafter automatically renew for one-year periods unless the Company timely notifies the Counterparty of its intent not to renew. A copy of the form of Severance Agreement is attached and being filed as an exhibit to this current report on Form 8-K. The summary of its provisions is not complete, and reference is made to the exhibit for its complete terms.

A copy of the Form of the Severance Agreement is being filed with this report as Exhibit 10(l)(viii) and is incorporated by reference herein.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits. The following exhibit is being furnished herewith:

<b>10(n)(vi)</b>	Form of 2021 Annual Performance Bonus Agreement
<b>10(m)(xix)</b>	Form of 2021 Multi-year Performance Bonus Agreement
<b>10(l)(xv)</b>	Form of 2021 Restricted Stock Unit Award Agreement
<b>10(l)(viii)</b>	Form of Severance Agreement

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**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/ Stephen M. Nolan

Name: Stephen M. Nolan

Title: Chief Financial Officer and Treasurer  
(Principal Financial Officer)

Date: February 25, 2021

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## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10(n)(vi)	<a href="#">Form of 2021 Annual Performance Bonus Agreement</a>
10(m)(xix)	<a href="#">Form of 2021 Multi-year Performance Bonus Agreement</a>
10(l)(xv)	<a href="#">Form of 2021 Restricted Stock Unit Award Agreement</a>
10(l)(viii)	<a href="#">Form of Severance Agreement</a>
104	Inline XBRL cover page.

RESTRICTED STOCK UNIT AWARD AGREEMENT  
Pursuant to the  
ALBANY INTERNATIONAL CORP. 2017 INCENTIVE PLAN  
\* \* \* \* \*

Participant:

Award Date:

Number of Restricted Stock Units Awarded:

\* \* \* \* \*

THIS AWARD AGREEMENT, dated as of the Award Date specified above, is entered into by and between Albany International Corp., a Delaware corporation (the "Company"), and the Participant specified above, pursuant to the Albany International Corp. 2017 Incentive Plan (the "Plan"); and

WHEREAS, Section 8 of the Plan provides for the grant of incentive awards to Participants in the Plan, including equity-based or equity-related awards; and

WHEREAS, as an incentive to encourage the Participant to remain in the employ of the Company and its Subsidiaries by affording the Participant a greater interest in the success of the Company and its Subsidiaries, the Company desires to grant the Participant the Restricted Stock Units provided herein;

WHEREAS, the Participant desires to obtain such Restricted Stock Units on the terms and conditions provided for herein;

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein set forth and other good and valuable considerations receipt of which is hereby acknowledged, the Company and the Participant agree as follows:

1. Incorporation by Reference; Plan Document Receipt. Except as otherwise provided herein, this Award Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time and which are expressly intended to apply to the grant of the Restricted Stock Units provided for herein), all of which terms and provisions are made a part of and incorporated into this Award Agreement as if they were expressly set forth herein. Any capitalized term not defined in this Award Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of a conflict between the terms of this Award Agreement and the terms of the Plan, the terms of the Plan shall control.
2. Award of Restricted Stock Units. Subject to the terms hereof and the Plan, the Company hereby grants to the Participant, as of the Award Date specified above, the number of Restricted Stock Units specified above. Each Restricted Stock Unit represents the right to receive a share of Common Stock, subject to terms and conditions of this Award Agreement and the Plan.
3. Vesting. The Restricted Stock Units awarded hereunder will vest on the following dates (each, a "Vesting Date"):
  - (i) One third (33.33%) of the Restricted Stock Units shall vest on the first anniversary of the Award Date, subject to the Participant being employed with the Company or any of its Subsidiaries on such Vesting Date;
  - (ii) One third (33.33%) of the Restricted Stock Units shall vest on the second anniversary of the Award Date, subject to the Participant being employed with the Company or any of its Subsidiaries on such Vesting Date; and
  - (iii) One third (33.34%) of Restricted Stock Units shall vest on the third anniversary of the Award Date, subject to the Participant being employed with the Company or any of its Subsidiaries on such Vesting Date.
4. Special Vesting. In the event that the Participant's employment with the Company and its Subsidiaries terminates due to death, Disability, Retirement, or Involuntary Termination, 50% of all unvested Restricted Stock Units awarded under this Award Agreement will immediately vest on the date of such termination and the remainder of the unvested Restricted Stock Units will be forfeited for no consideration on the date of such termination and the Participant will have no further rights with respect to them. In the event any

unvested Restricted Stock Units are not assumed or substituted by the acquiring company (or its parent) in connection with a Change in Control, such unvested Restricted Stock Units will vest effective as of the closing of such Change in Control. In the event that the Participant's employment with the Company and its Subsidiaries terminates for any reason other than death, Disability, Retirement, or Involuntary Termination, all unvested Restricted Stock Units will be forfeited for no consideration on the date of such termination and the Participant will have no further rights with respect to them. For purposes of this Section 4:

"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.

"Disability" shall be deemed to exist if the Participant's employment with the Company terminates (i) by reason of mental or physical illness pursuant to which the Participant has not performed his or her duties for a period of six consecutive months prior to such termination; or (ii) after written notice is given by Company or one of its Subsidiaries that the Participant has been determined by the Committee to be "Disabled" under the Company's long term disability policy.

"Involuntary Termination" shall mean a termination of the employment of Participant by the Company or one of its Subsidiaries for any reason other than Cause.

"Retirement" shall mean a termination of the employment of the Participant, after the Participant has attained 62, for any reason other than death, Disability, Cause or Involuntary Termination.

5. Settlement; Payment Delay. Subject to Section 6 hereof, as soon as practicable following the applicable Vesting Date (or, if applicable, the date of the Participant's termination of employment or a Change in Control for any Restricted Stock Units vesting pursuant to Section 4 hereof) but in any event no later than the end of the calendar year in which such Vesting Date or date of termination or Change in Control occurs, as applicable, the Company shall deliver one share of Common Stock to the Participant in respect of each vested Restricted Stock Unit. Notwithstanding any provision to the contrary, if, pursuant to the provisions of Section 409A of the Code, and the regulations promulgated thereunder, any payment is required to be delayed as a result of the Participant being deemed to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code, then any such payments under the Plan shall not be made prior to the earlier of (i) the expiration of the six month period measured from the date of the "separation from service" (as such term is defined in Treasury Regulations issued under Section 409A of the Code) or (ii) the date of the Participant's death. Upon the expiration of such period, all payments under this Award Agreement delayed pursuant to this Section 5 shall be paid to the Participant in a lump sum.
6. Taxes. To the extent required by applicable federal, state, local or foreign law, the Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise with respect to the vesting of the Restricted Stock Units in accordance with Section 14 of the Plan. The Committee has approved the use of net-physical settlement, at the option of the Participant, solely to the extent necessary to satisfy the federal, state and/or local withholding tax requirements by withholding from delivery upon settlement of Restricted Stock Units a number of shares of Common Stock having a value equal to the amount of tax. Such shares of Common Stock shall be valued at their Fair Market Value on the date on which the amount of tax to be withheld is determined. To the extent such settlement would otherwise require delivery of a fractional share, such amounts will be settled in cash. The Company shall not be required to deliver shares of Common Stock to the Participant until it determines such obligations are satisfied.
7. Clawback. In the event of the Company's material restatement of its financial results, the Participant shall return any shares of Common Stock received upon vesting of Restricted Stock Units, or forfeit Restricted Stock Units if unvested, to the extent the restatement is caused or substantially caused by the fraud or intentional misconduct of the Participant.
8. Amendment and Waiver. Neither this Award Agreement nor any provision hereof may be amended, modified, changed, discharged, terminated or waived orally, by any course of dealing or purported course of dealing or by any other means except (i) in the case of an amendment, modification, change or waiver that does not impair the rights of the Participant with respect to outstanding Restricted Stock Units or that is deemed by the Committee to be advisable to avoid the imposition of any tax under Section 409A of the Code, by written notice to the Participant or (ii) an agreement in writing signed by the Company and the Participant. No such written notice of agreement shall extend to or affect any provision of this Award Agreement not expressly amended, modified, changed, discharged, terminated or waived or impair any



right consequent on such a provision. The waiver of or failure to enforce any breach of this Award Agreement shall not be deemed to be a waiver of or acquiescence in any other breach hereof.

9. Notices. Any notice required or permitted under this Award Agreement shall be in writing and shall be deemed properly given:

in the case of notice to the Company, if delivered in person to the Secretary of the Company, or mailed to the Company to the attention of the Secretary by registered mail (return receipt requested) at 216 Airport Drive, Rochester, New Hampshire, 03867, or at such other address as the Company may from time to time hereafter designate by written notice to the Participant; and

in the case of notice to the Participant, if delivered to him or her in person, or mailed to him or her by registered mail (return receipt requested) at the last known residence address provided by Participant to the Company or at such other address as the Participant may from time to time hereafter designate by written notice to the Company.

10. Governing Law. This Award Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to its conflict of law principles.

11. Binding Agreement; Assignment. This Award Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign any part of this Award Agreement without the prior express written consent of the Company.

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

13. Headings. The titles and headings of the various sections of this Award Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Award Agreement.

14. Further Assurances. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Award Agreement and the Plan and the consummation of the transactions contemplated thereunder.

15. Severability. The invalidity or unenforceability of any provisions of this Award Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Award Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Award Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

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

ALBANY INTERNATIONAL CORP.

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

**PERFORMANCE BONUS AGREEMENT  
MULTI-YEAR PERFORMANCE PLAN – 2020 through 2023**

This PERFORMANCE BONUS AGREEMENT (the "Agreement"), is dated as of the 19<sup>th</sup> day of February 2021, between Albany International Corp., a Delaware corporation (the "Company"), and \_\_\_\_\_ (the "Participant").

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

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, Section 9 of the Plan provides for the annual establishment of performance measures ("Performance Measures") for performance-based awards;

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. "Earned Bonus Percentage" for the Participant for the Performance Period shall mean the percentage established by the Committee for the Participant in accordance with Section 4 hereof. The Committee shall in every case provide for a specific Earned Bonus Percentage when the Performance Percentage is equal to 100%, which Earned Bonus Percentage will be used to determine the Target Share Amount.
- ii. "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.
- iii. "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.
- iv. "Determination Date" shall mean, with respect to the Performance Period, the date on which the Committee shall have determined the Performance Percentage for the Participant, which date shall not be later than the last day of February following the Performance Period.
- v. "Disability," shall be deemed to exist if (i) by reason of mental or physical illness the Participant has not performed his or her duties for a period of six consecutive months; and (ii) the Participant does not return to the performance of his or her duties within thirty days after written notice is given by Company or one of its subsidiaries that the Participant has been determined by the Committee to be "Disabled" under the Company's long term disability policy.
- vi. "Distribution Date" is the first Business Day on or after March 1 of the year immediately following the end of the Performance Period, provided the Company has received its certified financial statements from its auditors.
- vii. "Performance Percentage" shall mean with respect to the Performance Period the percentage determined pursuant to the Scorecard.
- viii. "Performance Period" shall mean the period that begins on January 1, 2021 and ends on December 31, 2023.
- ix. "Scorecard" shall mean a performance scorecard as set forth in Section 3 hereof.

- x. "Share Bonus" with respect to the Performance Period shall mean a number of shares of Common Stock equal to the product of the Target Share Amount multiplied by the Earned Bonus Percentage for the Performance Period, to the extent vested as of the Distribution Date as provided herein.
  - xi. "Target Share Amount", with respect to the Performance Period, shall mean a number of shares of Common Stock specified in Section 2, which is the amount of the Share Bonus for the Performance Period if the Performance Percentage is 100% and the award becomes 100% vested.
2. Establishment of the Target Amount. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby establishes the Participant's Target Share Amount at \_\_\_\_\_ shares of Common Stock for the Performance Period. The Share Bonus shall be determined based on Target Share Amount in the manner set forth in Sections 3 and 4 hereof.
3. Establishment of the Scorecard. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby establishes the Scorecard, attached hereto as Exhibit A, based on the objective criteria specified, with which to evaluate the Participant's performance during the Performance Period. The Scorecard shall represent an objective basis for determining the Performance Percentage for the Performance Period.
4. Adjustment of the Target Amount. As soon as practicable after the end of the Performance Period, and in no event later than the last day of the first February following the Performance Period, the Committee shall determine the Performance Percentage based on the Scorecard. The Earned Bonus Percentage with respect to the Participant for the Performance Period shall be equal to the Performance Percentage so determined. The Committee shall have discretion to reduce (but not increase) the amount of the Share Bonus determined for the Participant for the Performance Period at any time prior to the payment of either of such bonus to the Participant. The Committee may, but shall not be required to, set forth in Exhibit B hereto such criteria (which may be subjective) to be used as the basis by the Committee to make any such reduction.
5. Vesting; Time and Method of Payment of Bonuses.
- a. The Participant's entitlement to receive the Share Bonus shall vest pro-rata on a daily basis over the Performance Period for as long as the Participant remains employed by the Company, except as provided in Section 6 hereof. In the event Participant's employment with the Company terminates for any reason during the Performance Period, vesting of the Share Bonus shall cease immediately; in such case, the bonus shall, subject to Section 6 hereof, be determined in accordance with Sections 3 and 4 hereof based upon the amounts vested through termination and paid as hereinafter provided.
  - b. The Share Bonus determined to have been earned by the Participant shall be payable on the Distribution Date and distributed in Common Stock, less applicable taxes and withholdings, which may be satisfied with shares of Common Stock. Any partial shares may be settled in cash.
  - c. 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 that the Participant is terminated for Cause at any time before the Distribution Date, the entire amount of the Share Bonus, whether vested or unvested, shall be forfeited and the Participant shall not be entitled to any payment under Section 5 hereof or have any other rights with respect to the Share Bonus.
  - b. In the event that the Participant's employment with the Company is terminated prior to the Distribution Date for any reason other than for Cause, Participant's Share Bonus shall be determined based on the amounts vested up through and including the date of termination but distributed in accordance with the otherwise applicable provisions of this Agreement; provided however, that any undistributed Share Bonus shall be forfeited in their 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. In the event such material restatement is not caused or substantially caused by the fraud or intentional

misconduct of the Participant, the participant shall repay, or forfeit if not already paid, whether vested or unvested, so much of the Share bonus that was or would have been earned and awarded based on the achievement of financial results that were subsequently the subject of a restatement.

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: Legal Department

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:

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**PERFORMANCE BONUS AGREEMENT  
ANNUAL PERFORMANCE PLAN – 2021**

This PERFORMANCE BONUS AGREEMENT (the "Agreement"), is dated as of the 19<sup>th</sup> day of February 2021, between Albany International Corp., a Delaware corporation (the "Company"), and \_\_\_\_\_ (the "Participant").

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

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, Section 9 of the Plan provides for the annual establishment of performance measures ("Performance Measures") for performance-based awards;

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. "Earned Bonus Percentage" for the Participant for the Performance Period shall mean the percentage established by the Committee for the Participant in accordance with Section 4 hereof. The Committee shall in every case provide for a specific Earned Bonus Percentage, which Earned Bonus Percentage will be used to determine the Cash Bonus.
- ii. "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.
- iii. "Cash Bonus" with respect to the Performance Period shall mean the dollar amount which is equal to the product of the Target Amount multiplied by the Earned Bonus Percentage for the Performance Period.
- iv. "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.
- v. "Determination Date" shall mean, with respect to the Performance Period, the date on which the Committee shall have determined the Performance Percentage for the Participant, which date shall not be later than the last day of February following the Performance Period.
- vi. "Disability" shall be deemed to exist if (i) by reason of mental or physical illness the Participant has not performed his or her duties for a period of six consecutive months; and (ii) the Participant does not return to the performance of his or her duties within thirty days after written notice is given by Company or one of its subsidiaries that the Participant has been determined by the Committee to be "Disabled" under the Company's long term disability policy.
- vii. "Distribution Date" is the first Business Day on or after March 1 of the year immediately following the end of the Performance Period, provided the Company has received its certified financial statements from its auditors.
- viii. "Performance Percentage" shall mean with respect to the Performance Period the percentage determined pursuant to the Scorecard.
- ix. "Performance Period" shall mean the period that begins on January 1, 2021 and ends on December 31, 2021.
- x. "Scorecard" shall mean a performance scorecard as set forth in Section 3 hereof.
- xi. "Target Amount" with respect to the Performance Period, shall mean the dollar amount specified in Section 2.

xii.

2. Establishment of the Target Amounts. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby establishes the Participant's Target Amount at \$\_\_\_\_\_ for the Performance Period. The Cash Bonus shall be determined based on Target Amount in the manner set forth in Sections 3 and 4 hereof.
3. Establishment of the Scorecard. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby establishes the Scorecard, attached hereto as Exhibit A, based on the objective criteria specified, with which to evaluate the Participant's performance during the Performance Period. The Scorecard shall represent an objective basis for determining the Performance Percentage for 2021.
4. Adjustment of the Target Amount. As soon as practicable after the end of the Performance Period, and in no event later than the last day of the first February following the Performance Period, the Committee shall determine the Performance Percentage based on the Scorecard. The Earned Bonus Percentage with respect to the Participant for the Performance Period shall be equal to the Performance Percentage so determined. The Committee shall have discretion to reduce (but not increase) the amount of the Cash Bonus determined for the Participant for the Performance Period at any time prior to the payment of either such bonus to the Participant. The Committee may, but shall not be required to, set forth in Exhibit B hereto such criteria (which may be subjective) to be used as the basis by the Committee to make any such reduction.
5. Time and Method of Payment of Bonuses.
  - a. The Cash Bonus shall be paid in cash, less applicable taxes and withholdings, as soon as reasonably practical following 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 for any reason during the Performance Period, no bonus shall be earned and the Participant shall not be entitled any payment under Section 5 or have any other rights with respect to the Cash Bonus.
  - b. In the event the Participant's employment with the Company terminates at any time after the end of the Performance Period for any reason other than termination by the Company for Cause, the Cash Bonus shall nevertheless be determined and distributed to the Participant in accordance with the otherwise applicable provisions of this Agreement; provided however, that any unpaid Cash Bonus shall be forfeited in their 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.
  - c. In the event the Company terminates the Participant's employment for Cause at any time prior to the Distribution Date, any vested but unpaid Cash Bonus shall be forfeited and the Participant shall not be entitled to any other payment under Section 5 or have any other rights with respect to the Cash Bonus.
7. Clawback. In the event of the Company's material restatement of its financial results the Participant shall repay the entire Cash 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. In the event such material restatement is not caused or substantially caused by the fraud or intentional misconduct of the Participant, the participant shall repay, or forfeit if not already paid, whether vested or unvested, so much of the Cash Bonus that was or would have been earned and awarded based on the achievement of financial results that were subsequently the subject of a restatement.
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: Legal Department

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.
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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.
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ALBANY INTERNATIONAL CORP.

By: \_\_\_\_\_

Name:  
Title:

\_\_\_\_\_