

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) February 21, 2022

LEGGETT & PLATT, INCORPORATED

(Exact name of registrant as specified in its charter)

Missouri
(State or other jurisdiction
of incorporation)

001-07845
(Commission
File Number)

44-0324630
(IRS Employer
Identification No.)

No. 1 Leggett Road,
Carthage, MO
(Address of principal executive offices)

64836
(Zip Code)

Registrant's telephone number, including area code 417-358-8131

N/A
(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 (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))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.01 par value	LEG	New York Stock Exchange

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.

Approval of 2022 Base Salaries for Named Executive Officers

On February 21, 2022, upon the recommendation of the senior management team, the Human Resources and Compensation Committee of the Board of Directors (the “Committee”), except as provided below, approved the bi-weekly rate for the 2022 base salaries for our principal executive officer, principal financial officer, and other named executive officers.

<u>Named Executive Officers¹</u>	<u>2021 Annual Base Salary Rate</u>	<u>2022 Annual Base Salary Rate</u>
J. Mitchell Dolloff, President & CEO	\$ 800,000	\$ 1,120,000
Karl G. Glassman, Executive Chairman	\$ 1,225,000	\$ 750,000
Jeffrey L. Tate, EVP & CFO	\$ 600,000	\$ 618,000
Steven K. Henderson, EVP, President – Specialized Products and Furniture, Flooring & Textile Products	\$ 541,000	\$ 552,000
Scott S. Douglas, SVP – General Counsel & Secretary	\$ 480,000	\$ 494,400

¹ The 2022 annual base salary rates for Mr. Dolloff and Mr. Glassman were set by the Committee and the independent directors of the Company’s Board in November 2021.

Setting of 2022 Target Percentages under the Key Officers Incentive Plan for Named Executive Officers

The named executive officers will be eligible to receive an annual cash incentive under the 2020 Key Officers Incentive Plan (the “KOIP”), which was filed February 19, 2020 as Exhibit 10.1 to the Company’s Form 8-K. Each executive’s cash award is to be calculated by multiplying his annual base salary at the end of the KOIP plan year by a percentage set by the Committee (the “Target Percentage”), then applying the award formula adopted by the Committee for that year. The Award Formula in 2022 establishes two performance criteria: (i) Return on Capital Employed (“ROCE”) (60% Relative Weight), and (ii) Cash Flow, or the alternative of Free Cash Flow (“FCF”) for Mr. Henderson (40% Relative Weight). The Target Percentages for 2022 for the principal executive officer, principal financial officer, and other named executive officers were approved, except as noted below, by the Committee on February 21, 2022 and are shown in the following table.

<u>Named Executive Officers¹</u>	<u>2021 KOIP Target Percentage</u>	<u>2022 KOIP Target Percentage</u>
J. Mitchell Dolloff, President & CEO	100%	125%
Karl G. Glassman, Executive Chairman	125%	100%
Jeffrey L. Tate, EVP & CFO	80%	80%
Steven K. Henderson, EVP, President – Specialized Products and Furniture, Flooring & Textile Products	80%	80%
Scott S. Douglas, SVP – General Counsel & Secretary	70%	70%

¹ The 2022 KOIP Target Percentages for Mr. Dolloff and Mr. Glassman were set by the Committee and the independent directors of the Company’s Board in November 2021.

Attached and incorporated herein by reference as [Exhibit 10.1](#) is the Company’s updated Summary Sheet of Executive Cash Compensation.

Adoption of 2022 Award Formula under the Company's Key Officers Incentive Plan

Our executive officers earn an annual cash incentive paid under the KOIP, based on achieving certain performance objectives for the year. On February 22, 2022 the Committee adopted the 2022 Award Formula (the "2022 KOIP Award Formula") under the KOIP. The 2022 KOIP Award Formula is applicable to the Company's executive officers, including the named executive officers listed below. Under the 2022 KOIP Award Formula, an executive officer is eligible to receive a cash award calculated by multiplying his or her annual base salary at the end of the year by the Target Percentage, then applying weighted achievement percentages for the Performance Objectives. Corporate Participants and Profit Center Participants have separate award calculations based on factors defined in the 2022 KOIP Award Formula as follows:

<u>Participant Type</u>	<u>Performance Objectives</u>	<u>Relative Weight</u>
Corporate Participants	Return on Capital Employed (ROCE)	60%
(Dolloff, Glassman, Tate & Douglas)	Cash Flow	40%
Profit Center Participants	ROCE	60%
(Henderson)	Free Cash Flow (FCF)	40%

Corporate Participants. J. Mitchell Dolloff (*President & CEO*), Karl G. Glassman (*Executive Chairman*), Jeffrey L. Tate (*EVP & CFO*) and Scott S. Douglas (*SVP – General Counsel & Secretary*) are Corporate Participants. Awards for Corporate Participants are determined by the Company's aggregate 2022 financial results. No awards will be paid for ROCE achievement below 28.1% or Cash Flow below \$476.25 million. The maximum payout percentage for ROCE and Cash Flow achievement is capped at 150%.

Below are the 2022 Corporate Targets and Payout Schedule. Payouts will be interpolated for achievement levels falling between those in the schedule. Financial results from acquisitions are excluded from the calculations in the year of acquisition. Financial results from divestitures will be included in the calculations; however, the ROCE and Cash Flow targets relating to the divested businesses will be prorated to reflect only that portion of the year prior to the divestiture. Financial results from businesses classified as discontinued operations will be included in the calculations. Financial results will exclude (i) certain currency and hedging-related gains and losses; (ii) gains and losses from asset disposals; and (iii) items that are outside the scope of the Company's core, on-going business activities.

ROCE and Cash Flow are adjusted for all items of gain, loss or expense for the fiscal year, as determined in accordance with standards established under Generally Accepted Accounting Principles, (i) from non-cash impairments; (ii) related to loss contingencies identified in footnotes to the financial statements in the Company's 2021 Form 10-K; (iii) related to the disposal of a segment of a business; or (iv) related to a change in accounting principle.

**2022
Corporate Targets and Payout Schedule**

ROCE			Cash Flow		
Achievement		Payout		Achievement	Payout
<28.1%		0%		<\$476.25M	0%
28.1%		50%	Threshold	\$476.25M	50%
37.5%		100%	Target	\$635M	100%
46.9%		150%	Maximum	\$793.75M	150%

Profit Center Participants. Steven K. Henderson (*EVP, President – Specialized Products & Furniture, Flooring & Textile Products*) is a Profit Center Participant. Achievement for ROCE and FCF targets for Profit Center Participants is determined by aggregate 2022 financial results for the profit centers for which the participant is responsible. For Profit Center Participants, no awards are paid for achievement below 75% of the ROCE and FCF targets. The ROCE and FCF payouts are each capped at 150%.

Below are the 2022 Profit Center Targets and Profit Center Payout Schedule for Mr. Henderson. Payouts will be interpolated for achievement levels falling between those in the schedule. Financial results for each profit center may include a critical compliance adjustment, ranging from a potential 5% increase for exceptional safety performance to a 20% deduction for critical compliance failures. Financial results from acquisitions are excluded from the calculations in the year of acquisition. Financial results from divestitures will be included in the calculations; however, the ROCE and FCF targets relating to the divested businesses will be prorated to reflect only the portion of the year prior to the divestiture. Financial results from businesses classified as discontinued operations will be included in the calculations.

Financial results will exclude (i) results from non-operating branches, (ii) certain currency and hedging-related gains and losses, (iii) gains and losses from asset disposals, (iv) items that are outside the scope of the Company's core, on-going business activities or relating to any other special events or change in business conditions, and (v) the impact of corporate allocations.

ROCE and FCF are adjusted for all items of gain, loss or expense for the fiscal year, as determined in accordance with standards established under Generally Accepted Accounting Principles, (i) from non-cash impairments; (ii) related to loss contingencies identified in footnotes to the financial statements in the Company's 2021 Form 10-K; (iii) related to the disposal of a segment of a business; or (iv) related to a change in accounting principle.

Segments	2022 Profit Center Targets		2022 Profit Center Payout Schedule		
	ROCE Target	FCF Target	ROCE/FCF Achievement		Payout
Specialized & FF&T	39.8%	\$296.8M	<75%		0%
			75%	Threshold	50%
			100%	Target	100%
			125%	Maximum	150%

The definitions of ROCE, Cash Flow and Free Cash Flow and a sample calculation are included in the [2022 KOIP Award Formula](#), which is attached and incorporated herein by reference as [Exhibit 10.2](#).

Setting of Long-Term Incentive Award Multiples for Named Executive Officers

Each year equity-based long-term incentive (“LTI”) awards are granted to our named executive officers and other executives of the Company. Each named executive officer has an LTI award multiple (set by senior management and approved by the Committee), which, except as noted below, is allocated between performance stock units (“PSUs”) making up 67% of the overall 2022 LTI award and restricted stock units (“RSUs”) making up 33% of the overall 2022 LTI award. The number of PSUs and RSUs to be granted to each executive is determined by multiplying the executive’s 2022 annual base salary by his or her respective LTI award multiple and dividing this amount by the average closing price of the Company’s common stock for the 10 trading days following the 2021 fourth quarter earnings release. Below are the 2021 LTI award multiples set by the Committee on February 23, 2021, and the 2022 LTI award multiples set, except as noted below, by the Committee on February 21, 2022, for our named executive officers:

<u>Named Executive Officers¹</u>	<u>2021 LTI Multiple</u>	<u>2022 LTI Multiple</u>
J. Mitchell Dolloff , <i>President & CEO</i>	343%	400%
Karl G. Glassman , Executive Chairman	480%	200%
Jeffrey L. Tate , <i>EVP & CFO</i>	250%	250%
Steven K. Henderson , <i>EVP, President – Specialized Products and Furniture, Flooring & Textile Products²</i>	200%	200%
Scott S. Douglas , <i>SVP – General Counsel & Secretary</i>	175%	175%

- 1 The 2022 LTI Multiples for Mr. Dolloff and Mr. Glassman were set by the Committee and the independent directors of the Company’s Board in November 2021. Mr. Glassman’s 2022 LTI Award will consist of 100% RSUs.
- 2 In addition to the RSUs awarded pursuant to the LTI award multiples disclosed above, Mr. Henderson receives 4,000 RSUs annually in connection with his [Agreement](#) with the Company, dated November 4, 2019, which was filed February 24, 2021 as Exhibit 10.4 to the Company’s Form 8-K.

The PSUs will be granted pursuant to the Company’s [2021 Form of Performance Stock Unit Award Agreement](#), filed May 6, 2021 as Exhibit 10.4 to the Company’s Form 10-Q, which is incorporated herein by reference. The RSUs will be granted pursuant to the Company’s [2021 Form of Restricted Stock Unit Award Agreement](#), filed February 24, 2021 as Exhibit 10.6 to the Company’s Form 8-K, which is incorporated herein by reference.

(d) Exhibits.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1*,**	Summary Sheet of Executive Cash Compensation
10.2*,**	2022 Key Officers Incentive Plan Award Formula
10.3**	2020 Key Officers Incentive Plan filed February 19, 2020 as Exhibit 10.1 to the Company's Form 8-K, is incorporated by reference. (SEC File No. 001-07845)
10.4**	Agreement between the Company and Steven K. Henderson, dated November 4, 2019 (regarding annual award of restricted stock units) filed February 24, 2021 as Exhibit 10.4 to the Company's Form 8-K, is incorporated by reference. (SEC File No. 001-07845)
10.5**	2021 Form of Performance Stock Unit Award Agreement filed May 6, 2021 as Exhibit 10.4 to the Company's Form 10-Q, is incorporated by reference. (SEC File No. 001-07845)
10.6**	2021 Form of Restricted Stock Unit Award Agreement, filed February 24, 2021 as Exhibit 10.6 to the Company's Form 8-K, is incorporated by reference. (SEC File No. 001-07845)
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document)
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the inline XBRL document contained in Exhibit 101)

* Denotes filed herewith.

** Denotes management contract or compensatory plan or arrangement.

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.

LEGGETT & PLATT, INCORPORATED

Date: February 24, 2022

By: _____ /s/ SCOTT S. DOUGLAS
Scott S. Douglas
Senior Vice President –
General Counsel & Secretary

SUMMARY SHEET OF EXECUTIVE CASH COMPENSATION

This Summary Sheet contains (i) the 2020 annual base salary rates and target percentages under the Key Officers Incentive Plan (the “KOIP”) adopted by the Board’s Human Resources and Compensation Committee (the “Committee”) on November 4, 2019 for our named executive officers; (ii) the 2021 annual base salary rates and target percentages under the KOIP adopted on February 23, 2021 for our named executive officers; (iii) the 2022 annual base salary rates and target percentages under the KOIP for J. Mitchell Dolloff and Karl G. Glassman adopted on November 9, 2021; (iv) the 2022 annual base salary rates and target percentages for the named executive officers other than Mr. Dolloff and Mr. Glassman under the KOIP adopted on February 21, 2022; and (v) information concerning the 2019-2021 Business Unit Profit Sharing (the “BUPS”) Award Agreement granted to Steven K. Henderson.

	2020	2021	2022
<u>Named Executive Officers</u>	<u>Annual Base Salary Rate¹</u>	<u>Annual Base Salary Rate</u>	<u>Annual Base Salary Rate</u>
J. Mitchell Dolloff , <i>President & CEO</i>	\$ 700,000	\$ 800,000	\$1,120,000
Karl G. Glassman , <i>Executive Chairman</i>	\$1,225,000	\$1,225,000	\$ 750,000
Jeffrey L. Tate , <i>EVP & CFO</i>	\$ 570,000	\$ 600,000	\$ 618,000
Steven K. Henderson , <i>EVP, President – Specialized Products and Furniture, Flooring & Textile Products</i>	\$ 530,000	\$ 541,000	\$ 552,000
Scott S. Douglas , <i>SVP – General Counsel & Secretary</i>	\$ 450,000	\$ 480,000	\$ 494,400

¹ The 2020 annual base salary rates were originally approved by the Committee on November 4, 2019. Because of various cost-cutting measures adopted by the Company in response to the economic downturn and uncertainty caused by the COVID-19 pandemic, the rates were reduced, effective April 12, 2020, by 50%. On June 29, 2020, effective July 5, 2020, the annual base salary rates were reinstated to their original levels.

The named executive officers were eligible to receive an annual cash incentive for 2020 and 2021, and are eligible to receive an annual cash incentive for 2022 under the 2020 KOIP (filed February 19, 2020 as Exhibit 10.1 to the Company’s Form 8-K) in accordance with the KOIP Award Formulas adopted each respective year. The 2022 KOIP Award Formula is attached as Exhibit 10.2 to the Company’s Form 8-K filed February 24, 2022. The cash award for 2020 and 2021 was, and for 2022 is, to be calculated by multiplying the executive’s annual base salary at the end of the KOIP plan year by a percentage set by the Committee (the “Target Percentage”), then applying the award formula adopted by the Committee for that year. The Award Formula in 2020, 2021 and 2022 established two performance criteria: (i) Return on Capital Employed (60% Relative Weight) and (ii) Cash Flow, or Free Cash Flow for Mr. Henderson, (40% Relative Weight).

The Target Percentages for 2020, 2021 and 2022 for our named executive officers are shown in the following table.

<u>Named Executive Officers</u>	<u>2020 KOIP Target Percentage</u>	<u>2021 KOIP Target Percentage</u>	<u>2022 KOIP Target Percentage</u>
J. Mitchell Dolloff , <i>President & CEO</i>	100%	100%	125%
Karl G. Glassman , <i>Executive Chairman</i>	120%	125%	100%
Jeffrey L. Tate , <i>EVP & CFO</i>	80%	80%	80%
Steven K. Henderson , <i>EVP, President – Specialized Products and Furniture, Flooring & Textile Products</i>	80%	80%	80%
Scott S. Douglas , <i>SVP – General Counsel & Secretary</i>	60%	70%	70%

Mr. Henderson accepted the 2019-2021 Business Unit Profit Sharing Award Agreement, which was filed February 24, 2021 as Exhibit 10.9 to the Company's Form 8-K. The agreement provides that Mr. Henderson will receive a cash payment equal to 1.50% of the incremental earnings before interest and taxes ("EBIT"), subject to certain adjustments and limitations, produced by the business units under his direction during the three-year performance period. However, the EBIT results of these businesses did not result in a payout for this performance period pursuant to the 2019-2021 BUPS Award Agreement.

The Company changed its vehicle policy resulting in the loss of use of a Company vehicle by each of the named executive officers. As part of this change, the Company approved cash payments of \$800 per month for a 12-month period in lieu of use of the vehicles (beginning in the month the executive returns the vehicle to the Company, which can be no later than September 30, 2022).

**2022 AWARD FORMULA
FOR THE
2020 KEY OFFICERS INCENTIVE PLAN**

The 2020 Key Officers Incentive Plan (the “Plan”) provides cash Awards to Participants based on achievement of Performance Objectives for a specified Performance Period. Capitalized terms not defined in this document have the meaning ascribed under the Plan.

Participants in the Plan are the Section 16 Officers of the Company. There are separate Award Formulas under the Plan for Corporate Participants and Profit Center Participants. Under both formulas, a Participant’s Award is calculated by reference to the Target Percentage of the Participant’s base salary at the end of the Performance Period. The Award Formulas and each Participant’s Target Percentage are determined by the Committee.

For the Performance Period commencing January 1, 2022 and ending December 31, 2022, Awards under the Plan will be determined by achievement of the following Performance Objectives.

Participant Type	Performance Objectives	Relative Weight
Corporate Participants	Return on Capital Employed (ROCE)	60%
	Cash Flow	40%
Profit Center Participants	Return on Capital Employed (ROCE)	60%
	Free Cash Flow (FCF)	40%

Award Formula for Corporate Participants

ROCE and Cash Flow for Corporate Participants are calculated as follows:

$$\text{ROCE} = \frac{\text{Earnings Before Interest and Taxes (EBIT)}}{\text{Net Property Plant and Equipment (PP\&E) + Working Capital}^{1,2}}$$

1 Quarterly averaging of Net PP&E and Working Capital

2 Working Capital, excluding cash and current maturities of long-term debt, as presented on the Company’s December 31, 2022 Consolidated Balance Sheet

$$\text{Cash Flow} = \text{Earnings Before Interest Taxes Depreciation and Amortization (EBITDA)} \pm \text{Change in Working Capital}^1 + \text{Non-Cash Impairments} - \text{Capital Expenditures}$$

1 Change in Working Capital, excluding cash and current maturities of long-term debt, from December 31, 2021 to December 31, 2022, as reflected on the Company’s Consolidated Balance Sheets

Achievement of ROCE and Cash Flow targets for Corporate Participants is determined by the Company's aggregate 2022 financial results. Financial results from acquisitions are excluded from calculations in the year of acquisition. Financial results from businesses divested during the year will be included in the calculations; however, the ROCE and Cash Flow targets relating to the divested businesses will be prorated to reflect only that portion of the year prior to the divestiture. Financial results from businesses classified as discontinued operations will be included in the calculations. Financial results will exclude (i) certain currency and hedging-related gains and losses, (ii) gains and losses from asset disposals, and (iii) items that are outside the scope of the Company's core, on-going business activities.

ROCE and Cash Flow shall be adjusted for all items of gain, loss or expense for the fiscal year, as determined in accordance with standards established under Generally Accepted Accounting Principles, (i) from non-cash impairments; (ii) related to loss contingencies identified in footnotes to the financial statements in the Company's 2021 10-K; (iii) related to the disposal of a segment of a business; or (iv) related to a change in accounting principle.

Achievement targets and payout percentages for Corporate Participants' ROCE and Cash Flow are set forth below. No Awards are paid for ROCE achievement below 28.1% or Cash Flow below \$476.25 million. The ROCE and Cash Flow payouts are each capped at 150%. Payouts will be interpolated for achievement levels falling between those set out in the schedule.

2022 Corporate Targets and Payout Schedule

ROCE			Cash Flow	
<u>Achievement</u>	<u>Payout</u>		<u>Achievement</u>	<u>Payout</u>
< 28.1%	0%		<\$476.25M	0%
28.1%	50%	Threshold	\$476.25M	50%
37.5%	100%	Target	\$635M	100%
46.9%	150%	Maximum	\$793.75M	150%

Award Formula for Profit Center Participants

ROCE and FCF for Profit Center Participants are calculated as follows:

$$\text{ROCE} = \frac{\text{EBIT}}{\text{Net PP\&E} + \text{Working Capital}^{1, 2}}$$

¹ Monthly averaging of Net PP&E and Working Capital, adjusted for currency effects.

² Working Capital excludes cash, current maturities of long-term debt, and balance sheet items not directly related to on-going Profit Center activity, such as interest receivable and payable, income taxes receivable and payable, current deferred tax assets and liabilities, and dividends payable.

$$\text{FCF} = \text{EBITDA (adjusted for currency effects)} \pm \text{Change in Working Capital}^1 + \text{Non-Cash Impairments} - \text{Capital Expenditures}$$

- ¹ Change in Working Capital from December 31, 2021 to December 31, 2022, excluding cash, current maturities of long-term debt, and balance sheet items not directly related to on-going Profit Center activity, such as interest receivable and payable, income tax receivable and payable, current deferred taxes assets and liabilities, and dividends payable.

Achievement of ROCE and FCF targets for Profit Center Participants is determined by aggregate 2022 financial results for the Profit Centers for which the Participant is responsible. Financial results from acquisitions are excluded from calculations in the year of acquisition. Financial results from businesses divested during the year will be included in the calculations; however, the ROCE and FCF targets relating to the divested businesses will be prorated to reflect only that portion of the year prior to the divestiture. Financial results from businesses classified as discontinued operations will be included in the calculations. Financial results will exclude (i) results from non-operating branches, (ii) certain currency and hedging-related gains and losses, (iii) gains and losses from asset disposals, (iv) items that are outside the scope of the Company's core, on-going business activities or relating to any other special events or change in business conditions, and (v) the impact of corporate allocations.

ROCE and FCF shall be adjusted for all items of gain, loss or expense for the fiscal year, as determined in accordance with standards established under Generally Accepted Accounting Principles, (i) from non-cash impairments; (ii) related to loss contingencies identified in footnotes to the financial statements in the Company's 2021 10-K; (iii) related to the disposal of a segment of a business; or (iv) related to a change in accounting principle.

Financial results for each Profit Center may include a critical compliance adjustment, ranging from a potential 5% increase for exceptional safety performance to a 20% deduction for critical compliance failures.

Achievement targets and payout percentages for the Profit Center Participant's ROCE and FCF are set forth below. No Awards are paid for achievement below 75% of the ROCE and FCF targets. The ROCE and FCF payouts are each capped at 150%. The payout will be interpolated for achievement levels falling between those set out in the schedule.

2022 Profit Center Targets

<u>Segment</u>	<u>ROCE Target</u>	<u>FCF Target</u>
Bedding Products Segment	31.6%	\$412.9M
Specialized Products + Furniture, Flooring & Textile Products	39.8%	\$296.8M

2022 Profit Center Payout Schedule

Achievement		Payout
<75%		0%
75%	Threshold	50%
100%	Target	100%
125%	Maximum	150%

Sample Calculation

For Corporate and Profit Center Participants, the Award is calculated by multiplying the Participant's salary, Target Percentage, the relative weight of the Performance Objective, and the payout percentage for each Performance Objective. The sample calculation below assumes a Participant with a base salary of \$500,000, a Target Percentage of 80%, a ROCE payout of 120%, and a Cash Flow/FCF payout of 80%:

<u>Performance Objective</u>	<u>Participant's Base Salary</u>	<u>Participant's Target%</u>	<u>Relative Weight</u>	<u>Payout Percentage</u>	<u>Award</u>
ROCE	\$ 500,000	80%	60%	120%	\$288,000
Cash Flow/FCF	\$ 500,000	80%	40%	80%	128,000
Total Award:					\$416,000