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 26, 2019

LEGGETT & PLATT, INCORPORATED
(Exact name of registrant as specified in its charter)

Missouri	001-07845	44-0324630
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

No. 1 Leggett Road, Carthage, MO	64836
(Address of principal executive offices)	(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))

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.

Amendment to the Company's 2019 Key Officers Incentive Plan

On February 26, 2019, the Compensation Committee (the "*Committee*") amended the Company's Key Officers Incentive Plan (the "*KOIP*"). Our executive officers earn an annual cash incentive paid under the KOIP, based on achieving certain performance objectives for the year. Prior to the Tax Cuts and Jobs Act of 2017 (the "*TCJA*"), cash incentive plans for certain executive officers (such as the KOIP) were required to include several procedural and substantive limitations in order to qualify as deductible compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended ("*Section 162(m)*"). These plans also had to be submitted for shareholder approval every five years. The TCJA eliminated the deduction previously available under Section 162(m). As such, the Company can no longer deduct certain compensation paid under the KOIP (i.e. compensation over $1 million), and the Company is no longer bound by the Section 162(m) limitations in place prior to the enactment of the TCJA. The Committee amended the KOIP as follows:

a. **Shareholder Approval**. The provisions related to shareholder approval were deleted.

b. **Section 162(m)**. The provisions related to compliance with Section 162(m) were deleted.

c. **Non-Financial Metrics**. Non-financial metrics, such as the Individual Performance Goals (the "*IPGs*"), were added to the types of potential performance objectives.

d. **Adjustments to Award Calculations**. Certain enumerated items were included as potential adjustments to gain, loss, impairment or expense used in the calculation of incentive awards.

e. **Non-Compete Covenant**. A non-compete restrictive covenant was added.

f. **Vesting on Death or Disability**. The vesting conditions for death or disability were changed. Before the amendment, if the participant's termination was due to death or disability, the participant would receive a pro rata award, after the performance period, equal to the number of days of service prior to termination. After the amendment, in the event of death or disability during the performance period, the participant's award will be payable within 60 days of such event, based upon the participant's target percentage (as defined below) multiplied by the participant's salary in effect at the date of termination.

g. **Maximum Potential Award**. The maximum potential annual award was changed from 2 times to 3 times the participant's base salary.

h. **Discretion of the Committee**. Prior to the amendment, the Committee had the discretion to reduce any participant's award by up to 20%. After the amendment, the Committee also has the discretion to increase a participant's award by up to 20%.

The foregoing is only a brief description of the 2019 KOIP and the amendments, and is qualified in its entirety by the 2019 Key Officers Incentive Plan, which is attached hereto and incorporated by reference as **Exhibit 10.1**.

Adoption of 2019 Award Formula under the Company's 2019 Key Officers Incentive Plan

On February 26, 2019, the Committee adopted the 2019 Award Formula (the "*2019 KOIP Award Formula*") under the 2019 KOIP. The 2019 KOIP Award Formula is applicable to the Company's executive officers, including the named executive officers listed below. Under the 2019 KOIP Award Formula, an executive officer is eligible to receive a cash award calculated by multiplying his annual base salary at the end of the year by a percentage set by the Committee (the "*Target Percentage*"), then applying the award formula. Corporate Participants and Profit Center Participants have separate award calculations based on factors defined in the 2019 KOIP Award Formula as follows:

Participant Type	Performance Objectives	Relative Weight
Corporate Participants	Return on Capital Employed (ROCE)	60%
(Glassman, Dolloff, Flanigan[1] & Douglas)	Cash Flow	20%
	Individual Performance Goals (IPGs)[1]	20%
Profit Center Participants	ROCE	60%
(Davis)	Free Cash Flow (FCF)	20%
	IPGs	20%

1 As previously reported, Matthew C. Flanigan has announced his intention to retire from the Company, although his actual retirement date has yet to be determined. Mr. Flanigan's 2019 KOIP Award Formula will not be based on the normal 60% ROCE, 20% Cash Flow and 20% IPGs, but rather will be based on 70% ROCE and 30% Cash Flow, prorated for the number of days prior to his retirement.

Corporate Participants. Karl G. Glassman (President & CEO), J. Mitchell Dolloff (EVP & COO, President – Specialized Products & Furniture Products), Matthew C. Flanigan (EVP & CFO) and Scott S. Douglas (SVP – General Counsel & Secretary) are Corporate Participants. Awards for Corporate Participants are determined by the Company's aggregate 2019 financial results. No awards are paid for ROCE achievement below 30.5% and Cash Flow below $300 million. The maximum payout percentage for ROCE and Cash Flow achievement is capped at 150%.

Below are the 2019 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.

2019
Corporate Targets and Payout Schedule

ROCE			Cash Flow	
Achievement	**Payout**		**Achievement**	**Payout**
< 30.5%	0%		<$ 300M	0%
30.5%	50%	Threshold	$ 300M	50%
37.5%	100%	Target	$ 375M	100%
44.5%	150%	Maximum	$ 450M	150%

Profit Center Participants. Perry E. Davis (EVP, President – Residential Products & Industrial Products) is a Profit Center Participant. Achievement for ROCE and FCF targets for Profit Center Participants is determined by aggregate 2019 financial results for the profit centers for which the participant is responsible. For Profit Center Participants, no awards are paid for achievement below 80% of the ROCE and FCF targets. The ROCE and FCF payouts are each capped at 150%.

Below are the 2019 Profit Center Payout Schedule and Targets for Mr. Davis. 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.

2019 Profit Center Payout Schedule			2019 Profit Center Targets		
ROCE /FCF Achievement		**Payout**	**Segment**	**ROCE Target**	**FCF Target**
<80%		0%	Residential & Industrial (Davis)	30.0%	$225.2M
80%	Threshold	60%			
100%	Target	100%			
125%	Maximum	150%			

Individual Performance Goals

The 2019 IPGs are incorporated into the 2019 KOIP Award Formula and will be paid out under the KOIP. Corporate and Profit Center Participants have IPGs. As previously reported in the Company's Form 8-K, filed November 8, 2018, the Committee adopted the 2019 IPGs for our named executive officers as follows:

Named Executive Officers	IPGs
Karl G. Glassman, President & CEO	Acquisition integration, succession planning, CFO onboarding, and communications strategy
J. Mitchell Dolloff, EVP & COO, President – Specialized Products & Furniture Products	Implementation of growth strategy and succession planning
Matthew C. Flanigan, EVP & CFO[1]	N/A
Perry E. Davis, EVP, President – Residential Products & Industrial Products	Acquisition integration and succession planning
Scott S. Douglas, SVP – General Counsel & Secretary	Implementation of growth strategy, succession planning and operational initiatives

1 As previously reported, Mr. Flanigan announced his intention to retire from the Company. As such, he did not receive IPGs for 2019.

The achievement of the IPGs is measured by the following schedule.

Individual Performance Goals Payout Schedule

Achievement	Payout
1 – Did not achieve goal	0%
2 – Partially achieved goal	50%
3 – Substantially achieved goal	75%
4 – Fully achieved goal	100%
5 – Significantly exceeded goal	up to 150%

The foregoing is only a brief description of the 2019 KOIP Award Formula and is qualified in its entirety by such formula, which is attached and incorporated by reference as **Exhibit 10.2**. The definitions of ROCE, Cash Flow and FCF and a sample calculation are included in the attached 2019 KOIP Award Formula. Also incorporated by reference as **Exhibit 10.3**, is the Company's Summary Sheet of Executive Cash Compensation which was previously reported and includes each named executive officer's 2019 base salary and Target Percentages.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT INDEX

Exhibit No.	Description
10.1*	2019 Key Officers Incentive Plan
10.2*	2019 Award Formula for the 2019 Key Officers Incentive Plan
10.3	Summary Sheet of Executive Cash Compensation, filed November 8, 2018 as Exhibit 10.1 to the Company's Form 8-K, is incorporated by reference. (SEC File No. 001-07845)

* Denotes filed herewith.

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 28, 2019	By:	**/s/ SCOTT S. DOUGLAS**
		Scott S. Douglas **Senior Vice President –** **General Counsel & Secretary**

LEGGETT & PLATT, INCORPORATED
2019 KEY OFFICERS INCENTIVE PLAN

SECTION 1 ESTABLISHMENT, DEFINITIONS AND ADMINISTRATION

1.1 Establishment of the Plan. Leggett & Platt, Incorporated hereby establishes the 2019 Key Officers Incentive Plan (the "*Plan*"), which shall become effective as of January 1, 2019 and shall supersede the 2014 Key Officers Incentive Plan.

1.2 Purpose of the Plan. The purpose of the Plan is to attract, motivate, and retain the services of participants in the Plan ("*Participants*") who make significant contributions to the Company's success by allowing them to share in that success through incentive payments based upon the Company's performance.

1.3 Definitions. The following terms, when used in the Plan, shall have the following meanings:

(a) "*Award"* means the incentive payment, if any, to which a Participant is entitled under the Plan based on the attainment of one of more Performance Objectives.

(b) "*Award Formula*" means the formula by which the amount of an Award is determined, including the Performance Objectives and the Performance Period.

(c) "*Company*" means Leggett & Platt, Incorporated or any successor thereto and also includes the subsidiaries and affiliates of Leggett & Platt, Incorporated.

(d) "*Corporate Participant*" means a Participant whose Award is determined based on the Company's consolidated business results.

(e) *"Performance Objectives"* are the measures of the Company's, one or more Profit Centers', or an individual's achievement, as determined by the Committee, used to calculate attainment of an Award.

(f) *"Performance Period"* is the time period over which the achievement of Performance Objectives is measured to determine the amount, if any, of a potential Award to which a Participant shall be entitled. Unless the Committee determines otherwise, the Performance Period shall be a Year.

(g) "*Profit Center"* means a separate operating unit or branch for which the Company budgets an operating income for a Performance Period.

(h) "*Profit Center Participant*" means a Participant whose Award is determined in whole or in part on the performance of one or more Profit Centers.

(i) "*Target Percentage*" means the percentage of a Participant's annual base salary, as of the last day of the Performance Period, established by the Committee to determine the potential Award for that Participant.

(j) "*Year*" means the calendar year.

1.4 Administration. The Plan shall be administered by the Compensation Committee of the Company's Board of Directors (the "*Board*"), or such other committee as may be appointed by the Board (the "*Committee*"). The Committee shall have full and sole discretionary power and authority to administer and interpret the Plan and to establish rules and procedures for its administration. Any interpretations or decisions of the Committee with respect to the Plan shall be final and binding. The Committee has sole discretionary responsibility and authority for: (i) selecting Participants, (ii) setting Target Percentages, (iii) establishing Performance Objectives, Performance Periods and Award Formulas, and (iv) determining Awards.

SECTION 2 ELIGIBILITY, PERFORMANCE OBJECTIVES AND AWARDS

2.1 Eligibility and Participation. Eligibility for participation in the Plan shall be limited to Section 16 Officers of the Company. The Committee will determine the Participants, designating each as either a Corporate Participant or a Profit Center Participant, before or during the applicable Performance Period.

2.2 Performance Objectives. Awards are paid based on the achievement of one or more Performance Objectives established by the Committee. Performance Objectives may be different for different Participants and may be based on financial measures relating to the consolidated results of the Company, financial measures relating to one or more Profit Centers, individual measures, or non-financial metrics.

The Committee may at any time in its sole discretion adjust any evaluation of performance under a Performance Objective to remove the effect of equity compensation expense under ASC 718; amortization of acquired technology and intangibles; asset write-downs; litigation or claim judgments or settlements; the effect of changes in or provisions under tax law, accounting principles or other such laws or provisions affecting reported results; gain, loss or expense related to reorganization and restructuring programs or to the disposal of a segment of a business; discontinued operations; non-cash impairments; results from non-operating branches; currency and hedging-related gains and losses; gains and losses from asset disposals; any items that are outside the Company's or Profit Center's core, on-going business activities, or any other adjustments that the Committee determines are necessary or advisable in order that the Performance Objectives appropriately reflect the underlying operational performance of the Company or applicable Profit Centers during the Performance Period.

2.3 Award Formula. The Committee will establish the Award Formula that will be used to calculate Awards by the later of (i) the date that 25% of the Performance Period has elapsed or (ii) 30 days after an individual first becomes a Participant. The Award Formula will include the Performance Objectives, the relative weighting of each, and any other factors necessary to calculate an Award.

2.4 Potential Award. The amount of each Participant's Award is determined by applying the Award Formula to a Participant's Target Percentage of base salary in effect at the end of the Performance Period. The Committee will determine each Participant's Target Percentage by the later of (i) the date that 25% of the Performance Period has elapsed or (ii) 30 days after an individual first becomes a Participant.

2.5 Determination of Final Awards. As soon as practicable after the end of the Performance Period, the Committee will determine the final Awards, calculated solely on the basis of the attainment of Performance Objectives. The Committee shall have discretion to reduce or increase by up to 20% the Award to which a Participant would be entitled based on achievement of the Performance Objectives.

2.6 Maximum Award. Notwithstanding any other provision of the Plan, a Participant's Award may not exceed three times the Participant's annual base salary in effect at the end of the Performance Period.

2.7 Payment of Awards. A Participant's Award will be paid in the manner and at the time or times established by the Committee but in no event later than March 15th of the Year following the end of the Performance Period. Payment of an Award will be made in cash unless deferred under the Company's Deferred Compensation Program.

(a) Except as provided in Section 2.7(b) and Section 2.7(c), a Participant must be employed by the Company on the last working day of the Performance Period to be eligible for Award payments.

(b) If a Participant's termination of employment during the Performance Period is due to Retirement (as defined below), the Participant will receive a pro rated Award following the end of the Performance Period for the Participant's days of service prior to termination.

"*Retirement*" means the Participant voluntarily quit (*i*) on or after age 65, or (*ii*) on or after age 55 and had at least 20 years of service with the Company or any company or division acquired by the Company.

(c) If a Participant's termination of employment during the Performance Period is due to death or Disability (as defined below), the Participant's Award will be payable within 60 days of such event and based upon the Participant's Target Percentage multiplied by the annual base salary in effect at the date of termination.

"*Disability*" means the Participant's inability to substantially perform duties and responsibilities by reason of any accident or illness that can be expected to result in death or to last for a continuous period of not less than one year.

2.8 Repayment of Awards. If, within 24 months after an Award is paid, the Company is required to restate previously reported financial results, the Committee will require all Participants to repay any amounts paid in excess of the amounts that would have been paid based on the restated financial results. The Committee will issue a written Notice of Repayment to Participants documenting the corrected Award calculation and the amount and terms of repayment.

In addition, the Committee may require repayment of the entire Award from those Participants determined, in its discretion, to be personally responsible for gross misconduct or fraud that caused the need for the restatement.

A Participant must repay the amount specified in the Notice of Repayment. The Committee may, in its discretion, reduce a current year Award payout as necessary to recoup any amounts outstanding under a previously issued Notice of Repayment.

The Company's ability to require Participant to repay the amount specified in the Notice of Repayment shall be in addition to, not in lieu of, any equitable or legal remedies, monetary damages, or other available forms of relief to the Company.

2.9 Restrictive Covenants. Due to the Participants' leadership roles in the Company, they are in a position of trust and confidence and have access to and knowledge of valuable confidential information of the Company, including business processes, techniques, plans, and strategies across the Company, trade secrets, sensitive financial and legal information, terms and arrangements with business partners, customers, and suppliers, trade secrets, and other confidential information that if known outside the Company would cause irreparable harm to the Company.

During the Performance Period and for two years after the payment of any Award, a Participant will not directly or indirectly (i) engage in any Competitive Activity, (ii) solicit orders from or seek or propose to do business with any customer or supplier of the Company relating to any Competitive Activity, or (iii) influence or attempt to influence any employee, representative or advisor of the Company to terminate his or her employment or relationship with the Company. "Competitive Activity" means any manufacture, sale, distribution, engineering, design, promotion or other activity that competes with any business of the Company in which the Participant was involved as an employee, consultant or agent. By accepting an Award, each Participant agrees that the covenants in this Section are reasonable in time and scope and justified based on his or her position and receipt of the Award. In the event a Participant violates the terms of this Section, the two-year term of the restrictive covenants shall be automatically extended by the period the Participant was violating any term of this Section.

Any Participant in violation of the preceding paragraph will forfeit any Award that would otherwise be payable to the Participant under the Plan and will pay to the Company immediately upon written demand by the Company an amount equal to (i) the amount of all Awards paid to the Participant within the two year period prior to such violation in cash (including the tax withholding) and/or deferred by the Participant under the Deferred Compensation Program within the two year period prior to such violation, minus (ii) any non-refundable taxes paid by the Participant as a result of the distribution. In addition, the Company shall be entitled to seek a temporary or permanent injunction or other equitable relief against the Participant for any breach or threatened breach of this Section from any court of competent jurisdiction, without the necessity of showing any actual damages or showing money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. Such equitable relief shall be in addition to, not in lieu of, any legal remedies, monetary damages, or other available forms of relief.

If any restriction in this Section is deemed unenforceable, then the appropriate court will reduce the scope or other provisions and enforce the restrictions set out in this Section in their reduced form. The covenants in this Section are in addition to any similar covenants under any other agreement between the Company and any Participant.

SECTION 3 WITHHOLDING

The Company will withhold (at the Company's required withholding rate) any amount required to satisfy applicable tax laws in connection with the payment of any Awards.

SECTION 4 NO EMPLOYMENT CONTRACT

Participation in the Plan or receipt of an Award shall not confer upon any Participant any right to continued employment nor shall it interfere in any way with the right of the Company to terminate the employment of any Participant at any time.

SECTION 5 SECTION 409A

The Company believes that Awards issued under this Plan will be exempt from Section 409A of the Internal Revenue Code as "short-term deferrals" within the meaning of Section 409A and the regulations thereunder. Notwithstanding anything contained in this Plan or any Award, it is intended that the Awards will at all times meet the requirements of Section 409A and any regulations or other guidance issued thereunder, and that the provisions of this Plan and any Awards will be interpreted to meet such requirements. To the extent permitted by Section 409A, the Committee retains the right to delay a distribution of an Award if the distribution would result in material harm to the Company.

SECTION 6 GOVERNING LAW

The Plan and all Awards will be governed by Missouri law, excluding any conflicts or choice of law provision that might otherwise refer construction or interpretation of the Plan or any Award to the substantive law of another jurisdiction.

Any action or proceeding arising from or related to the Plan or any Award is subject to the exclusive venue and subject matter jurisdiction of the Circuit Court for Jasper County, Missouri or the United States District Court for the Western District of Missouri, and the parties agree to submit to the jurisdiction of such Courts. The parties also waive the defense of an inconvenient forum and agree not to seek any change of venue from such Courts.

SECTION 7 AMENDMENT AND TERMINATION

The Committee may amend or terminate the Plan at any time, provided that no amendment or termination of the Plan may materially and adversely affect any outstanding Award without the Participant's consent.

2019 AWARD FORMULA
FOR THE
2019 KEY OFFICERS INCENTIVE PLAN

The 2019 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, 2019 and ending December 31, 2019, Awards under the Plan will be determined by achievement of the following Performance Objectives.

Participant Type	Performance Objectives	Relative Weight
Corporate Participants[1]	Return on Capital Employed (ROCE)	60%
	Cash Flow	20%
	Individual Performance Goals (IPGs)	20%
Profit Center Participants	Return on Capital Employed (ROCE)	60%
	Free Cash Flow (FCF)	20%
	Individual Performance Goals (IPGs)	20%

1 Chief Financial Officer Matthew C. Flanigan will not have IPGs in 2019, and his Performance Objectives will be weighted 70% ROCE and 30% Cash Flow.

Award Formula for Corporate Participants

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

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

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, 2019 Consolidated Balance Sheet

Cash Flow = Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) ± Change in Working Capital[1] + Non-Cash Impairments – Capital Expenditures

[1] Change in Working Capital, excluding cash and current maturities of long-term debt, from December 31, 2018 to December 31, 2019, 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 2019 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 2018 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 30.5% or Cash Flow below $300 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.

2019 Corporate Targets and Payout Schedule

ROCE			Cash Flow	
Achievement	Payout		Achievement	Payout
< 30.5%	0%		<$ 300M	0%
30.5%	50%	Threshold	$ 300M	50%
37.5%	100%	Target	$ 375M	100%
44.5%	150%	Maximum	$ 450M	150%

The 2019 IPGs for each of the Corporate Participants were approved by the Committee on November 5, 2018. The Committee will determine the Corporate Participants' achievement of the 2019 IPGs based upon the following payout schedule:

Rating Scale		Payout%
1	Did not achieve goal	0%
2	Partially achieved goal	50%
3	Substantially achieved goal	75%
4	Fully achieved goal	100%
5	Significantly exceeded goal	Up to 150%

Award Formula for Profit Center Participants

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

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

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.

FCF = EBITDA (adjusted for currency effects) ± Change in Working Capital[1] + Non-Cash Impairments – Capital Expenditures

1 Change in Working Capital from December 31, 2018 to December 31, 2019, 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 2019 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 2018 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 80% 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.

2019 Profit Center Targets

	ROCE Target	FCF Target
Residential + Industrial Products	30.0%	$225.2M

2019 Profit Center Payout Schedule

Achievement		Payout
<80%		0%
80%	Threshold	60%
100%	Target	100%
125%	Maximum	150%

The 2019 IPGs for the Profit Center Participant were approved by the Committee on November 5, 2018. The Committee will determine the Profit Center Participant's achievement of the 2019 IPGs based upon the following payout schedule:

Rating Scale		**Payout%**
1	Did not achieve goal	0%
2	Partially achieved goal	50%
3	Substantially achieved goal	75%
4	Fully achieved goal	100%
5	Significantly exceeded goal	Up to 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%, a Cash Flow/FCF payout of 80%, and an IPG payout of 100%:

Performance Objective	Participant's Base Salary	Participant's Target%	Relative Weight	Payout Percentage	Award
ROCE	$ 500,000	80%	60%	120%	$288,000
Cash Flow/FCF	$ 500,000	80%	20%	80%	64,000
IPGs	$ 500,000	80%	20%	100%	80,000
Total Award:					**$432,000**