

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 24, 2022

FLEXSTEEL INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of incorporation)

0-5151
(Commission File Number)

42-0442319
(IRS Employer Identification No.)

385 Bell Street, Dubuque, Iowa 52001-0877
(Address of principal executive offices, including zip code)

563-556-7730
(Registrant's telephone number, including area code)

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 (Â§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (Â§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by a 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.

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, \$1.00 Par Value	FLXS	The NASDAQ Stock Market LLC

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

(c) Officer Appointment

The appointment of Gilbert “Alejandro” Huerta to Chief Financial Officer and Principal Financial and Accounting Officer

On May 24, 2022, Flexsteel Industries, Inc. (the “Company”) announced that Alejandro Huerta will join the Company and assume the role of Chief Financial Officer, Treasurer & Secretary on June 1, 2022. Mr. Huerta will serve as the Company’s Principal Financial and Accounting Officer.

In connection with Mr. Huerta’s appointment to the position of Chief Financial Officer, Treasurer & Secretary, the Company entered into a letter of agreement with Mr. Huerta, dated May 6, 2022, to become effective June 1, 2022 (the “Letter Agreement”). Pursuant to the Letter of Agreement, Mr. Huerta will serve as the Company’s Chief Financial Officer and will receive an annual base salary of \$290,000. In addition to his base compensation, Mr. Huerta will be entitled to additional compensation as described below.

1. Mr. Huerta will be eligible to participate in the Company’s Cash Incentive Plan with his initial participation set at 50% of his base salary at target performance with maximum funding of 200% of target performance. Mr. Huerta’s participation will be effective July 1, 2022, and will be guaranteed at the target for the fiscal year 2023 (July 1, 2022 – June 30, 2023).

2. Mr. Huerta will be eligible to participate in the Company’s Long-Term Incentive Plan beginning July 1, 2022, with his participation set at 50% of his base salary and paid in shares.

3. Mr. Huerta will be entitled to participate in such life insurance, disability, medical, dental, retirement plans, paid time off benefits, and other employee benefits and policies made available by the Company to its officers and/or executive employees generally, as they may change from time to time.

4. Mr. Huerta will be reimbursed, or the Company will pay, for certain relocation expenses, Mr. Huerta incurs in moving to Dubuque, Iowa. If Mr. Huerta terminates his employment prior to June 1, 2024, all relocation expenses (prorated for the length of service within the 2 years) will be immediately reimbursed to the Company.

5. Under the Company’s Severance Plan for Management Employees, if the Company terminates Mr. Huerta for other than cause, death, or disability, the Company will pay Mr. Huerta an amount equivalent to twelve (12) month’s base salary plus an amount equal to the value of the cash incentive plan payment at target performance in the year of termination. The Company will also pay Mr. Huerta a lump sum equal to twelve (12) months of COBRA premiums.

The Letter Agreement is attached hereto as Exhibit 10.1 and incorporated by reference in response to this Item 5.02. The foregoing description of such agreement is qualified in its entirety by reference to the full text of such agreement.

On June 1, 2022, in connection with the hiring of Mr. Huerta, Derek P. Schmidt is relinquishing his positions as Chief Financial Officer and Principal Financial and Accounting Officer and expanding his responsibilities as Chief Operating Officer.

Item 7.01 Regulation FD Disclosure

A copy of the press release dated May 24, 2022, announcing the naming of Mr. Huerta to the Chief Financial Officer position, is attached hereto as Exhibit 99.1.

The information in this Item 7.01, including Exhibit 99.1 attached hereto, is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

[Exhibit 10.1](#) Letter Agreement dated May 6, 2022, by and between the Company and Alejandro Huerta.

[Exhibit 99.1](#) Press Release by Flexsteel Industries, Inc. dated May 24, 2022.

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.

FLEXSTEEL INDUSTRIES, INC.
(Registrant)

Date: May 24, 2022

By: /s/ Jerald K. Dittmer
Jerald K. Dittmer
Chief Executive Officer
Principal Executive Officer

FLEXSTEEL

May 6, 2022

Dear Alejandro:

I am very pleased to extend this offer for the position of Chief Financial Officer with Flexsteel Industries, Inc. reporting to me.

This offer of employment is conditioned upon the satisfactory completion of certain requirements, as more fully explained in the following letter. The key components of our offer are described below.

BASE SALARY

As an exempt employee, your starting salary will be \$290,000 per year. In this position you will be paid semi-monthly with pay dates being on the 15th and last day of each month.

ANNUAL INCENTIVE

You will participate in the Flexsteel Cash Incentive Plan. Annual cash awards under this Plan are based on the Company's success in meeting specific annual goals as approved by the Compensation Committee of the Board.

Your participation in this Plan will be set at 50% of your base salary at Target Performance or "Funding" (i.e., \$145,000 per year). Maximum funding is 200% of Target, or \$290,000 per year. Your participation will be effective July 1, 2022 and be guaranteed at target for fiscal year 2023 (July 1, 2022 – June 30, 2023).

LONG-TERM INCENTIVE

You will be eligible to participate in Flexsteel's annual long-term incentives (LTI) effective July 1, 2022. Your participation level in the LTI will be 50% of base salary (\$145,000) at target performance and will be granted as:

- 60% (\$87,000) at target performance shares under Flexsteel's Long-term Incentive Plan. The LTIP uses overlapping 3-Year performance cycles, and awards are based on the Company's success in meeting specific goals approved by the Compensation Committee of the Board for the performance period. Maximum funding is 200% at target, or \$174,000 per year.
- 40% (\$58,000) of your annual LTI will be issued as Restricted Stock Units (RSUs) under Flexsteel's Omnibus Stock Plan with a 3-year cliff vesting schedule.

BENEFITS

Flexsteel offers a comprehensive benefits package that includes, but is not limited to, health and welfare, retirement benefits.

- Comprehensive Health and Welfare Benefits
 - Health Insurance: After a one month waiting period, this Company-sponsored plan provides medical, prescription, vision and dental coverage to office employees. There are two plan options:
The first one is an 80/20 plan with \$750 single and \$1,500 family deductibles. The employee premium cost per month is currently \$150 single, \$300 employee plus one, and \$400 family. The second plan is a HDHP with \$1,400 single and \$2,800 family deductibles. The employee cost per month is currently \$90 single, \$220 employee plus one, and \$250 family, and both plans are subject to annual review.

- Company Sponsored 401(k) Plan
 - Flexsteel's 401K plan matches 100% of the first 5% of gross wages. Based on what you contribute, total potential employer contribution equals 5%. You will be 100% vested in all contributions made by yourself and by Flexsteel.
- Short / Long Term Disability
- Life Insurance = \$150,000

In addition to your current benefit package, you will be eligible for:

- Supplemental Health Insurance: This is a supplemental policy for executives that will pay the deductible and out-of-pocket expenses not covered by the regular health insurance, subject to policy limitations and exclusions.
- Tax Preparation & Filing: The Company will pay your annual income tax preparation and filing fees.
- Furniture Purchase Program: As an officer, you are eligible to obtain Flexsteel furniture for personal use at no cost with the requirement that if/when you remove the furniture from your home, you return all proceeds from sale to the Company.

RELOCATION

This offer of employment is contingent on the relocation of you and your family to the Dubuque, IA area within 90 days of your start date. You are eligible for the relocation benefits described herein to relocate. These benefits remain available to you for up to 180 days following your date of hire. Flexsteel will either pay directly or reimburse you for the following:

- Closing Cost: Reasonable and customary closing costs for a new home in the Dubuque area which typically includes loan cost, buyer closing costs, legal and other expenses associated with the acquisition of a new home. Mortgage interest points will not be paid and/or reimbursed. The total payment or reimbursement will not exceed five percent (5%) of the purchase price of the new home.
- Relocation of Personal Belongings: Household goods will be packed, loaded, moved and unpacked via van line with full replacement insurance from your Texas home to your Dubuque, IA area home. Two bids must be submitted to us including one from Key City Moving and Storage in Dubuque IA, and we will select the moving company.
- Storage: Storage cost to store your household belongings until they can be moved into your new home in the Dubuque, IA area.
- House Hunting: House hunting trip expenses (mileage, hotel, meals) for you and your wife to conduct up to two trips lasting 2-3 days each.

We understand that every relocation is unique and are committed to working with you to ensure a timely and smooth transition. Additional benefits such as temporary living, dual rent/mortgage assistance, etc. may be made available to you upon my approval. If you leave the company, for any reason, within 2 years of your original start date, all relocations benefits/expenses (prorated for length of service within the 2 years) will be immediately repayable to Flexsteel.

SEVERANCE

You will be eligible to participate in the Flexsteel Industries, Inc. Severance Plan for Management Employees. Per this plan, upon a qualifying termination from the company, as defined within the plan, you will be eligible for:

- Salary continuation for 12 months after separation
- A lump sum equal to the value of your annual cash incentive at target performance
- A lump sum equal to 12 months COBRA health coverage premium

As an employee, you will be subject to all applicable employment and other policies of Flexsteel Industries, Inc, as outlined in the company handbook and elsewhere; and agree to devote your full business time, attention and best efforts to the performance of your duties and to the furtherance of Flexsteel's interest during your employment.

Your employment will be at-will, meaning that you or Flexsteel Industries, Inc. may modify compensation and benefits, and may terminate the employment relationship at any time, with or without cause, and with or without notice. Upon your termination of employment, whether by your resignation or termination by the company for any reason, you cease to be eligible for any and all of the company's benefits plans except as expressly provided otherwise in the plan documents.

This offer is contingent upon the following:

- (a)** Successful completion of a pre-employment drug screen
- (b)** Satisfactory completion of a background & credit check
- (c)** Verification of your right to work in the United States, as demonstrated by your completion of the I-9 form upon hire and your submission of acceptable documentation (as noted on the I-9) for verifying your identity and work authorization within three days of starting employment.
- (d)** Successful completion of the Confidentiality and Non-Competition Agreement

By accepting this offer, you confirm that you are able to accept this job and carry out the work that it will involve without breaching any legal restrictions on your activities, such as restrictions imposed by a current or former employers. You also confirm that you will inform Flexsteel about any such restrictions and provide as much information about them as possible, including any agreements between you and your current or former employer describing such restrictions on your activities.

We are eager to have you join our team upon acceptance of this letter. To confirm your acceptance of this offer, please sign and return this letter to me by Monday, May 9th.

Sincerely,

/s/ Jerry Dittmer
President & CEO

Accepted by:

/s/ Alejandro Huerta

Date: May 9, 2022

FLEXSTEEL

**Gilbert “Alejandro” Huerta Joins Flexsteel Industries, Inc.
as Chief Financial Officer**

Dubuque, Iowa – May 24, 2022 – Flexsteel Industries, Inc. (NASDAQ:FLXS), today announced that Alejandro Huerta will join Flexsteel and assume the role of Chief Financial Officer, Treasurer & Secretary on June 1, 2022, and Derek P. Schmidt will expand his responsibilities as Chief Operating Officer. Mr. Huerta brings over 18 years of progressive financial leadership and general management experience driving profitable growth across multiple industries including consumer products, hospitality and powersports.

Mr. Huerta most recently served as the Chief Financial Officer for Tucker Powersports, a leading distributor in the powersports industry. In this role, Mr. Huerta had executive responsibility for finance, accounting, information technology and risk management, where he led the turnaround of the business through cost reduction, automation, and financial integration projects. He also led major global bottom and top-line initiatives including footprint rationalization and global business strategy implementation and developed a strong culture of accountability by providing a clear understanding of business decisions impact on financial results.

“We are pleased to welcome Alejandro to the Flexsteel team. His proven financial and operational experience in continuously improving business results will be instrumental to Flexsteel’s return to profitable growth and value creation for all shareholders,” said Jerry Dittmer, President and Chief Executive Officer of Flexsteel. “We are equally excited about Derek’s expanded focus on driving operational excellence and product innovation as he continues in his role of Chief Operating Officer.”

Professional Background of Alejandro Huerta

Prior to joining Tucker Powersports, Mr. Huerta worked as an interim executive for multiple PE held portfolio companies. Prior to that he worked for Jarden Corporation (now known as Newell Brands), spending five years in the corporate office before moving into the operating businesses where he focused on expanding his knowledge as an operational finance leader, delivering best in class results across multiple business units in multiple geographic regions. Over the course of eleven years, Mr. Huerta rose to the position of Vice President of Finance for Jarden Home Brands. In that role, he held full accountability for the results of a \$500+ million revenue operating business across a North America wide network of manufacturing plants and warehouses. From 2011 to 2015, Mr. Huerta held various director level and management roles at Pure Fishing, a global provider of fishing tackle, lures, rods and reels, where he led multiple organizational changing projects and developed and implemented multiple reporting tools, data

analysis, system improvements and forecasting methodologies that significantly improved forecasting, reporting and planning process timelines.

Mr. Huerta holds an MBA, from the University of Connecticut and a BBA, from Western New Mexico University.

About Flexsteel

Flexsteel Industries, Inc. and Subsidiaries (the “Company”) is one of the largest manufacturers, importers and online marketers of furniture products in the United States. Product offerings include a wide variety of furniture such as sofas, loveseats, chairs, reclining and rocker-reclining chairs, swivel rockers, sofa beds, convertible bedding units, occasional tables, desks, dining tables and chairs, and bedroom furniture. A featured component in most of the upholstered furniture is a unique steel drop-in seat spring from which the name “Flexsteel” is derived. The Company distributes its products throughout the United States through its eCommerce channel and direct sales force.

For more information, visit our website at <http://www.flexsteel.com>.

INVESTOR CONTACT:

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