

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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): March 12, 2020

Hurco Companies, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Indiana

(State or Other Jurisdiction of Incorporation)

0-9143

(Commission File Number)

35-1150732

(IRS Employer Identification No.)

One Technology Way  
Indianapolis, Indiana

(Address of Principal Executive Offices)

46268

(Zip Code)

(317) 293-5309

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(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, no par value	HURC	Nasdaq Global Select Market

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 1.01 Entry into a Material Definitive Agreement.**

On March 13, 2020, Hurco Companies, Inc. (the “Company”) entered into an amendment (the “Amendment”) to the Credit Agreement among the Company and its wholly-owned subsidiary Hurco B.V., as the borrowers, certain other subsidiaries of the Company, as guarantors, and Bank of America, N.A., as lender, dated as of December 31, 2018 (the “2018 Credit Agreement”). The Amendment amends the 2018 Credit Agreement to provide an additional exception to the limitation on the Company’s ability to make Restricted Payments (as defined in the 2018 Credit Agreement), which new exception permits the Company to repurchase shares of its common stock as long as the Company is not in default before and after giving effect to such repurchases and the aggregate amount of payments made by the Company for all such repurchases during any fiscal year does not exceed \$10.0 million. The Amendment also adds to the Credit Agreement customary language related to the QFC stay rules. The Amendment does not otherwise modify the 2018 Credit Agreement. A copy of the Amendment is attached hereto as Exhibit 10.1 and is incorporated herein by reference. The foregoing description of the Amendment is qualified in its entirety by the express language set forth in the Amendment as attached hereto.

**Item 5.07 Submission of Matters to a Vote of Security Holders.**

The Company held its Annual Meeting of Shareholders on March 12, 2020. The shareholders:

- elected all nine of the Company’s nominees for director to serve until the next Annual Meeting of Shareholders;
- approved, on an advisory basis, the compensation for the Company’s named executive officers as disclosed in the proxy statement for the 2020 Annual Meeting; and
- ratified the appointment of RSM US LLP to serve as the Company’s independent registered public accounting firm for the fiscal year ending October 31, 2020.

Shares were voted on these proposals as follows:

	<u>Number of Votes FOR</u>	<u>Number of Votes WITHHELD</u>	<u>Broker Non- Votes</u>	
<b>Election of Directors:</b>				
Thomas A. Aaro	5,322,663	84,284	701,923	
Robert W. Cruickshank	3,829,477	1,577,470	701,923	
Michael Doar	5,334,174	72,773	701,923	
Cynthia Dubin	5,341,359	65,588	701,923	
Timothy J. Gardner	5,322,578	84,369	701,923	
Jay C. Longbottom	5,342,262	64,685	701,923	
Richard Porter	3,990,307	1,416,640	701,923	
Janaki Sivanesan	5,325,693	81,254	701,923	
Gregory Volovic	5,285,629	121,318	701,923	
			<u>Broker Non-Votes</u>	<u>Abstentions</u>
<b>Advisory vote to approve executive compensation:</b>	4,243,131	1,014,567	701,923	149,248
	<u>For</u>	<u>Against</u>	<u>Abstentions</u>	
<b>Ratification of appointment of public accounting firm:</b>	6,011,736	91,710	5,424	

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**Item 7.01 Regulation FD Disclosure.**

On March 13, 2020, the Company issued a press release announcing that the Company's Board of Directors approved (1) the payment of a cash dividend of \$0.13 per share of common stock, payable on April 13, 2020 to shareholders of record as of close of business on March 30, 2020 and (2) a share repurchase program in an aggregate amount of up to \$7.0 million. A copy of the press release is attached as Exhibit 99.1 to this report and is incorporated by reference herein.

**Item 8.01 Other Events.**

As noted above, on March 13, 2020, the Company announced that its Board of Directors approved a share repurchase program in an aggregate amount of up to \$7.0 million. Repurchases under the program may be made in the open market or through privately-negotiated transactions from time to time through March 11, 2022, subject to applicable laws and regulations. The program may be amended, suspended or discontinued at any time and does not commit the Company to repurchase any shares of its common stock.

**Item 9.01 Financial Statements and Exhibits.**

Exhibit Index

[10.1](#) [First Amendment to Credit Agreement, dated as of March 13, 2020, to the Credit Agreement, dated as of December 31, 2018, among Hurco Companies, Inc. and Hurco B.V., as the Borrowers, certain subsidiaries party thereto, as the Guarantors, and Bank of America, N.A., as the Lender.](#)

[99.1](#) [Press Release of Hurco Companies, Inc. dated March 13, 2020.](#)

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**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.

Dated: March 13, 2020

HURCO COMPANIES, INC.

By: /s/ Sonja K. McClelland  
Sonja K. McClelland, Executive Vice President,  
Secretary, Treasurer and Chief Financial Officer

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## FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment") dated as of March 13, 2020 to the Credit Agreement referenced below is by and among HURCO COMPANIES, INC., an Indiana corporation (the "Company"), HURCO B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, with its seat (*zetel*) in Amsterdam, the Netherlands, with its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 34114350 (the "Netherlands Borrower" and, together with the Company, the "Borrowers" and each a "Borrower"), the Guarantors party hereto and BANK OF AMERICA, N.A. (the "Lender").

## WITNESSETH

WHEREAS, credit facilities have been extended to the Borrowers pursuant to the Credit Agreement (as amended, modified, supplemented and extended from time to time, the "Credit Agreement") dated as of December 31, 2018 among the Company, the Netherlands Borrower, the Guarantors from time to time party thereto and the Lender; and

WHEREAS, the Borrowers have requested certain modifications to the Credit Agreement, and the Lender has agreed to the requested modifications on the terms set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement.

2. Amendments to the Credit Agreement. The Credit Agreement is hereby amended as follows:

(a) Section 7.04(c) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(c) (i) Permitted Investments and (ii) Restricted Payments permitted by Section 7.05;

(b) Section 7.05 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

**7.05 Restricted Payments.**

The Company will not, and will not permit any of its Subsidiaries to, declare, pay or make, or agree to declare, pay or make, directly or indirectly, any Restricted Payment, except (a) the Company may declare and pay dividends with respect to its Equity Interests (i) payable solely in additional shares of its common stock and (ii) payable in cash so long as (A) no Default or Event of Default shall have occurred and be continuing or would result therefrom, and (B) immediately before and after giving effect to such Restricted Payment, the sum of the unused amount of the Commitment plus the Company's cash on hand as demonstrated to the Lender to its reasonable satisfaction shall be not less than \$10,000,000, (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) the Company may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Company and its Subsidiaries, and (d) the Company may repurchase its Equity Interests; provided that (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) the aggregate amount of payments made by the Company for all such repurchases shall not exceed \$10,000,000 for any fiscal year.

(c) A new Section 10.20 is hereby added to the Credit Agreement to read as follows:

**10.20 Acknowledgement Regarding Any Supported QFCs.**

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, “*QFC Credit Support*”, and each such QFC, a “*Supported QFC*”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “*U.S. Special Resolution Regimes*”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States): In the event a Covered Entity that is party to a Supported QFC (each, a “*Covered Party*”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to the defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(a) As used in this Section 10.20, the following terms shall have the meanings set forth below:

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

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“Covered Entity” means any of the following: (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

4. Conditions Precedent. This Amendment shall become effective as of the date hereof upon receipt by the Administrative Agent of this Amendment properly executed by the Loan Parties and the Lender.

5. Amendment is a “Loan Document”. This Amendment is a Loan Document and all references to a “Loan Document” in the Credit Agreement and the other Loan Documents (including, without limitation, all such references in the representations and warranties in the Credit Agreement and the other Loan Documents) shall be deemed to include this Amendment.

6. Representations and Warranties; No Default. Each Loan Party represents and warrants to the Lender that, on and as of the date hereof, immediately after giving effect to this Amendment, (a) each of the representations and warranties of each Loan Party contained in Article V of the Credit Agreement or any other Loan Document, or which are contained in any document furnished at any time under or in connection therewith, are true and correct in all material respects (or, if qualified by materiality or material or Material Adverse Effect, in all respects), except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and (b) no Default exists.

7. Reaffirmation of Obligations. Each Loan Party (a) acknowledges and consents to all of the terms and conditions of this Amendment, (b) affirms all of its obligations under the Loan Documents and (c) agrees that this Amendment and all documents, agreements and instruments executed in connection with this Amendment do not operate to reduce or discharge such Loan Party’s obligations under the Loan Documents.

8. No Other Changes. Except as modified hereby, all of the terms and provisions of the Loan Documents shall remain in full force and effect.

9. Counterparts; Delivery. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of this Amendment by facsimile or other electronic imaging means shall be effective as an original.

10. Governing Law. This Amendment shall be deemed to be a contract made under, and for all purposes shall be construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGES FOLLOW]

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Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWERS:

HURCO COMPANIES, INC.

By: /s/ Michael Doar

Name: Michael Doar

Title: Chief Executive Officer

HURCO B.V.

By: /s/ Sonja K. McClelland

Name: Sonja K. McClelland

Title: Managing Director and Authorized  
Representative

GUARANTORS:

HURCO INTERNATIONAL HOLDINGS, INC.

By: /s/ Sonja K. McClelland

Name: Sonja K. McClelland

Title: Secretary/Treasurer

HURCO INTERNATIONAL, INC.

By: /s/ Sonja K. McClelland

Name: Sonja K. McClelland

Title: Secretary/Treasurer

MILLTRONICS USA, INC.

By: /s/ Sonja K. McClelland

Name: Sonja K. McClelland

Title: Secretary/Treasurer

MACHINERY SALES CO. LLC

By: /s/ Sonja K. McClelland

Name: Sonja K. McClelland

Title: Manager

HURCO MIDWEST LLC

By: /s/ Sonja K. McClelland

Name: Sonja K. McClelland

Title: Secretary/Treasurer

PROCOBOTS LLC

By: /s/ Sonja K. McClelland

Name: Sonja K. McClelland

Title: Manager

LENDER:

BANK OF AMERICA, N.A.,  
as Lender

By: /s/ Brian D. Smith

Name: Brian D. Smith

Title: Senior Vice President

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**FOR IMMEDIATE RELEASE**  
**FRIDAY, MARCH 13, 2020**

## **HURCO ANNOUNCES CASH DIVIDEND & SHARE REPURCHASE PROGRAM**

**INDIANAPOLIS, INDIANA – March 13, 2020**, Hurco Companies, Inc. (Nasdaq Global Select Market: HURC) today announced that its Board of Directors approved the payment of a cash dividend of \$0.13 per share of common stock. The dividend will be paid on April 13, 2020, to shareholders of record as of the close of business on March 30, 2020. Future declarations of dividends are subject to approval of the Board of Directors and may be adjusted as business needs or market conditions change.

Also today, Hurco announced that its Board of Directors approved a share repurchase program in an aggregate amount of up to \$7.0 million. Repurchases under the program may be made in the open market or through privately-negotiated transactions from time to time through March 11, 2022, subject to applicable laws and regulations. The program may be amended, suspended or discontinued at any time and does not commit Hurco to repurchase any shares of its common stock.

Michael Doar, Chief Executive Officer, stated “Hurco’s dividend and share repurchase program announcements today reinforce the company’s balanced approach to capital allocation strategy – a strategy that prioritizes a strong balance sheet and liquidity position, but also recognizes the importance of accretive growth and returning value to shareholders through dividends and stock repurchases, when appropriate. Our ability to return value to shareholders, even during periods of economic uncertainty or softness, is a testament to the company’s fiscally-conservative nature and long-term perspective. Of course, investments in research and development and acquisitions remain integral pillars of our capital allocation strategy. Hurco has closed five strategic acquisitions since 2013 – ranging from vertical integrations with suppliers of high-value, critical components and distributors in strategic machine tool markets, to additional machine tool brands with supplemental customer penetration or product line portfolios, to our most recent acquisition of a business that provides automation and material-handling solutions for the high-mix, low volume production environment. We remain committed to evaluating additional acquisitions and continue to believe that economic downturns represent an opportunity to acquire businesses, at great value.”

Hurco Companies, Inc. is an international, industrial technology company that sells its three brands of computer numeric control (“CNC”) machine tools to the worldwide metal cutting and metal forming industry. Two of the Company’s brands of machine tools, Hurco and Milltronics, are equipped with interactive controls that include software that is proprietary to each respective brand. The Company designs these controls and develops the software. The third brand of CNC machine tools, Takumi, is equipped with industrial controls that are produced by third parties, which allows the customer to decide the type of control added to the Takumi CNC machine tool. The Company also produces high-value machine tool components and accessories and provides automation solutions that can be integrated with any machine tool. The end markets for the Company’s products are independent job shops, short-run manufacturing operations within large corporations, and manufacturers with production-oriented operations. The Company’s customers manufacture precision parts, tools, dies, and/or molds for industries such as aerospace, defense, medical equipment, energy, transportation and computer equipment. The Company is based in Indianapolis, Indiana, with manufacturing operations in Taiwan, Italy, the U.S. and China, and sells its products through direct and indirect sales forces throughout the Americas, Europe, and Asia. The Company has sales, application engineering support and service subsidiaries in China, England, France, Germany, India, Italy, the Netherlands, Poland, Singapore, the U.S., and Taiwan. Web Site: [www.hurco.com](http://www.hurco.com)

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*Certain statements in this news release are forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others, the cyclical nature of the machine tool industry, changes in general economic and business conditions that affect demand for our products, the risks of our international operations, changes in manufacturing markets, fluctuations in foreign currency exchange rates, innovations by competitors, increases in prices of raw materials, the ability to protect our intellectual property, governmental actions and initiatives, including import and export restrictions and tariffs, breaches of our network and system security measures, quality and delivery performance by our vendors, our ability to effectively integrate acquisitions, negative or unforeseen tax consequences, loss of key personnel, failure to comply with data privacy and security regulations, and other risks and uncertainties discussed more fully under the caption "Risk Factors" in our filings with the Securities and Exchange Commission. We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

Contact: Sonja K. McClelland  
Executive Vice President, Secretary, Treasurer, & Chief Financial Officer  
317-293-5309

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