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): December 8, 2020

ESCO TECHNOLOGIES INC.

(Exact Name of Registrant as Specified in Charter)

Missouri (State or Other Jurisdiction of Incorporation)	1-10596 (Commission File Number)	43-1554045 (I.R.S. Employer Identification No.)

9900A Clayton Road, St. Louis, Missouri (Address of Principal Executive Offices)	63124-1186 (Zip Code)

Registrant’s telephone number, including area code: 314-213-7200

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, par value $0.01 per share	ESE	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2 (b) under the Exchange Act (17 CFR 240.14d-2 (b))

☐ Pre-commencement communications pursuant to Rule 13e-4 (c) under the Exchange Act (17 CFR 240.113d-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

Amendments to Compensation Plan for Non-Employee Directors and Award Form

On December 8, 2020, the Human Resources and Compensation Committee of the Company's Board of Directors (the "Committee") amended the Company's Compensation Plan for Non-Employee Directors (the "Plan") to implement a one-year vesting period for future equity awards to non-employee directors, as previously agreed upon in principle and announced in the Company's Form 8-K filed on November 19, 2020. The Committee also approved other minor revisions to the text of the Plan. A copy of the Plan, marked to indicate the substantive changes, is attached as Exhibit 10.1.

The Committee also approved a form of Director Share Award Agreement reflecting the provisions of the Plan as amended. The approved form of Agreement is attached as Exhibit 10.2.

Fiscal 2021 Compensation of Chief Executive Officer

The Company has become aware that due to a misinterpretation of certain information provided by the Committee, the Company's Form 8-K filed on November 19, 2020 incorrectly reported the fiscal 2021 target total cash compensation which the Committee had approved for Victor L. Richey, the Company's Chief Executive Officer. The correct information is as follows: Mr. Richey's fiscal 2021 target total cash compensation will be increased by 6.0%, with a majority of the increase allocated to his base salary in order to achieve a better balance between his base salary and his cash incentive target; as a result Mr. Richey's fiscal 2021 base salary will be $898,100 and his fiscal 2021 cash incentive target will be $959,500.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description of Exhibit
10.1	Compensation Plan for Non-Employee Directors, As Amended and Restated to Reflect All Amendments Through December 8, 2020
10.2	Form of Director Share Award Agreement
104	Cover Page Inline Interactive Data File

Other Matters

The information in this report furnished pursuant to Item 2.02 and Item 7.01, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 as amended ("Exchange Act") or otherwise subject to the liabilities of that section, unless the Company incorporates it by reference into a filing under the Securities Act of 1933 as amended or the Exchange Act.

Any references to the Company's web site address included in this Form 8-K and the press release are intended only as inactive textual references and not as active links to its web site. Information contained on the Company's web site does not constitute part of this Form 8-K or the press release.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 9, 2020

ESCO TECHNOLOGIES INC.

By: /s/ Alyson S. Barclay
Senior Vice President, Secretary
and General Counsel

EXHIBIT 10.1

ESCO TECHNOLOGIES INC.

COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

Amended and Restated to Reflect All Amendments Through December 8, 2020

[Marked to indicate substantive additions or ~~deletions~~ from the previous version of the Plan]

1. Purpose. The purpose of this Plan is to ~~enable~~ attract and retain the best qualified individuals to serve on the board of directors of ESCO Technologies Inc. (the "Company") (such board of directors hereinafter referred to as the "Board") and to compensate each non-employee member of the Board (hereinafter referred to as the "Director") who contributes to the Company's success by his or her ability, ingenuity and knowledge, and to ~~better ensure that~~ align the interests of such Director more closely with the interests of the Company's shareholders by providing a significant portion of his or her compensation through shares of the Company's common stock ("Common Stock"), subject to certain restrictions as described herein.

2. Payment of Annual Retainer.

(a) Each Director shall receive an annual retainer fee (the "Retainer Fee") in an amount determined from time to time by action of the Human Resources and Compensation Committee of the Board ("HRCC"). The HRCC shall also determine from time to time the frequency of the payments and distributions of the Retainer Fee.

(b) The HRCC shall also determine what portion (if any) of the Retainer Fee shall be payable in cash (the "Cash Portion of the Retainer Fee"), and what portion (if any) of the Retainer Fee shall be distributed in shares of Common Stock (the "Stock Portion of the Retainer Fee"). The Stock Portion of the Retainer Fee shall be either a predetermined number of shares of Common Stock or a number of shares of Common Stock having an aggregate Fair Market Value as of the date as of which the Stock Portion of the Retainer Fee is to be ~~distributed~~ awarded (the "Award Date"). For purposes of this Plan, "Fair Market Value" as of a given date shall mean the closing price of the Common Stock on the New York Stock Exchange ("NYSE") on such date, or if such date is not a trading day on the NYSE, then on the last previous trading day. Distribution of the Stock Portion of the Retainer Fee to each Director shall occur ~~promptly after the beginning of the year for which it is paid~~ on the first NYSE trading day after the Vesting Date hereinafter defined. A new Director elected to the Board and serving as a Director for a partial year may be awarded only a portion of the Cash Portion of the Retainer Fee and or Stock Portion of the Retainer Fee as determined by the HRCC.

(c) To be entitled to the Cash Portion of the Retainer Fee, a Director must be serving on the Board on the day the Cash Portion of the Retainer Fee is paid ~~and on the day the Stock Portion of the Retainer Fee is distributed~~. To be entitled to the Stock Portion of the Retainer Fee, a Director must be serving on the Board continuously from the Award Date until the close of business on the first anniversary of the Award Date (the "Vesting Date").

3. Other Cash Compensation. In addition to payment of the Retainer Fee provided for in Section 2, each Director shall be paid such additional cash fees for service as chairman of a committee or service as lead director and/or such other fees as may be approved by the HRCC from time to time.

4. Elective Deferral of Compensation.

(a) Election to Defer. Directors may elect to defer the receipt of (i) all (but not less than all) of the Cash Portion of the Retainer Fee and other cash compensation (together, "Cash Compensation") and/or (ii) all (but not less than all) of the Stock Portion of the Retainer Fee ("Stock Compensation"), in each case by executing and delivering an election form to the Company no later than the end of the calendar year preceding the calendar year in which such amounts will be earned and subject to such other conditions as the HRCC shall determine. Any new Director may make such elections at any time up to 30 days after the date he or she becomes a Director, for Cash Compensation and/or Stock Compensation paid after the effective date of the election form. Any new deferral election form filed by a Director shall apply only to Cash Compensation and/or Stock Compensation ~~earned~~ awarded after the calendar year in which such new election form is filed and shall be irrevocable as to amounts ~~earned~~ awarded in the following calendar year, or in the case of an election by a new Director made in the same calendar year that he or she joins the Board such deferral election shall be irrevocable for the remainder of the calendar year. An election to defer receipt of the Cash Compensation and/or the Stock Compensation shall remain in effect until a new election form is delivered to the Company, provided that once distributions have commenced no further deferrals may be elected.

(b) Deferred Compensation Account.

(i) The Company shall establish a deferred compensation bookkeeping account (the "Account") for each Director electing to defer Cash Compensation and/or Stock Compensation. As of the date Cash Compensation or Stock Compensation would otherwise be paid or awarded to the Director absent the deferral election, the Company shall credit to the Account the amount of Cash Compensation and/or Stock Compensation which the Director has elected to defer. The credit shall be in stock units ("Stock Units") only, determined as follows:

(A) For each share of Common Stock which the Director elects to defer, the Company shall credit the Account with one Stock Unit.

(B) For any Cash Compensation which the Director elects to defer, the Company shall credit the Account with that number of Stock Units equal to the dollar amount of such compensation, divided by the Fair Market Value per share of the Common Stock as of the day such Cash Compensation would otherwise have been paid.

(ii) The Account shall be credited, as of the payment date of any cash dividends paid on Common Stock, with additional Stock Units equal to the product of the per share dividend and the number of Stock Units credited to the Account and dividing such product by the Fair Market Value per share of the Common Stock as of the dividend payment date. The Account shall be credited, as of the payment date of any stock dividends paid on Common Stock with additional Stock Units equal to the product of the per share dividend and the number of Stock Units credited to the Account.

(c) <u>Distribution of Deferred Compensation Account</u>.

(i) Except as otherwise provided in the Plan, the balance in the Account shall be distributed to the Director, or in the case of installment payments, the installments shall begin, on the date which the Director has specified on the election form; provided, however, that such distributions must begin no later than the Director's 65th birthday or upon termination of the Director's service as a Director, whichever is later. Distributions shall be made in cash and/or in shares of Common Stock as the Director has specified on the election form; provided that the portion of the Account representing deferrals of the Stock Portion of the Retainer Fee may only be distributed in the form of Common Stock.

(ii) Distributions shall be made either in a lump sum or, as specified on the Director's election form, in quarterly, semi-annual or annual installments, over a period not to exceed 5 years from the Commencement Date; provided, that Common Stock may not be distributed more frequently than semi-annually. An election to change the medium (i.e. cash or stock) of distribution with respect to the Account must be received by the Company prior to January 1 of the calendar year in which distributions are to be made pursuant to such election and must be approved in advance by the HRCC. An election to change the form (lump sum or installments) or the timing of distributions with respect to the Account must be approved in advance by the HRCC and (A) in the case of any such elections which were received by the Company prior to January 1, 2008, applied only to amounts that would not otherwise have been payable in 2007 and would not have caused an amount to be paid in 2007 that would not otherwise have been payable in 2007, and (B) in the case of any other such election, must be received by the Company at least one year prior to the date such distribution would otherwise be made or commence, and payment or commencement of such distribution shall be deferred for a period of five years (or such longer period elected by the Director) from the date such distribution would otherwise have been made or commenced.

(iii) Notwithstanding the provisions of any election under paragraph 4(c)(i) or 4(c)(ii):

(A) If the Director's service on the Board terminates by reason of the Director's death, the balance in the Account (determined in accordance with paragraph 4(c)(i) as of the date of death) shall be payable in a lump sum in cash on a date selected by the Company occurring within 30 days after January 1 of the following calendar year.

(B) If the Director's service on the Board terminates by reason of the Director's disability (as hereafter defined), the balance in the Account (determined in accordance with paragraph 4(c)(i) as of the date of disability) shall be paid in a lump sum in cash on a date selected by the Company which is within 30 days following the Director's disability. For this purpose, disability means only the Director's inability to engage in any substantial gainful activity (including but not limited to service on the Board) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

(iv) The amount of each distribution from the Account shall be determined as follows:

(A) If in cash, the distribution shall be a dollar amount equal to the number of Stock Units to be distributed multiplied by the Fair Market Value per share of Common Stock as of the Vesting Date.

(B) If in Common Stock, the distribution shall be a number of shares of Common Stock equal to the number of Stock Units to be distributed, rounded down to the nearest whole share of Common Stock, and any fractional share shall be paid in cash in an amount equal to the fractional share multiplied by the Fair Market Value per share as of the Vesting Date.

(d) Change in Control.

(i) Notwithstanding any other provision of the Plan, if a Change in Control occurs and within one year subsequent to such Change in Control the Director ceases to serve as a member of the Board for any reason, the balance in the Director's Account shall be paid in a lump sum to the Director, in the manner determined in paragraph 4(d)(ii) below, not later than 2½ months after the date the Director ceases to serve.

(ii) The payment made pursuant to 4(d)(i) shall be a Cash Distribution in an amount equal to the greater of the following:

(A) the number of Stock Units then credited to the Account multiplied by the Fair Market Value per share of Common Stock as of either (I) the date of termination of the Director's service on the Board (if such Common Stock is still in existence), or (II) the date of the Change in Control, whichever is greater; or

(B) the number of Stock Units then credited to the Account multiplied by the fair market value per share of the consideration received by holders of Common Stock in the Change in Control as of either (i) the date of termination of the Director's service on the Board, or (ii) the last day on which the Common Stock is traded prior to the date of the Change in Control, whichever is greater.

(iii) Notwithstanding paragraph 4(d)(ii) above, if the consideration in the Change in Control takes the form of stock of an acquiring corporation, payment may at the discretion of the HRCC be in the form of such stock of such corporation in lieu of cash, provided that for purposes of calculating the number of shares of the acquiring corporation to be received, a Director's Account shall be converted to stock of the acquiring corporation using the same conversion ratios applied to the Common Stock of the Company that is converted to shares of the acquiring corporation.

(iv) As used in this Plan, "Change in Control" means:

(A) A merger, consolidation or reorganization of the Company in which, as a consequence of the transaction, a majority of the incumbent Directors immediately prior to such transaction are replaced during the 12-month period following such transaction as directors of the continuing or surviving corporation by directors whose appointment or election is not endorsed by a majority of such incumbent Directors; or

(B) The acquisition, directly or indirectly, of the power to vote more than 50% of the outstanding Common Stock and/or any other stock of the Company with voting rights by any person, entity or "group" (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934); or

(C) Any sale or other transfer, in one or a series of related transactions occurring within a 12-month period, by any person, entity or "group" (within the meaning of Section 409A, as hereinafter defined) of all or substantially all of the assets of the Company.

(v) The Company shall promptly reimburse the Director for all legal fees and expenses reasonably incurred in successfully obtaining or enforcing any right or benefit provided under this Section.

5. Distribution of Common Stock. The maximum number of shares of Common Stock available for distribution pursuant to the Plan shall be 400,000[1] shares, subject to adjustment as set forth in Section 6. The shares of Common Stock issuable to Directors under the Plan shall be issued from shares held in the Company's treasury.

6. Adjustment to Shares of Stock Issuable Pursuant to Plan. In the event of any change in the outstanding shares of Common Stock of the Company by reason of any stock split, stock dividend or recapitalization of the Company, an equitable adjustment shall be made to the number of shares of Common Stock issuable under the Plan, the amount of the Stock Portion of the Retainer Fee set forth in Section 2 and the number of Stock Units credited to the Account for any Director, as the HRCC determines is necessary or appropriate, in its discretion, to give proper effect to such corporate action. Any such adjustment determined in good faith by the HRCC shall be conclusive and binding for all purposes of the Plan.

7. Amendments. Section 4(d) of the Plan may not be amended or modified or terminated after the occurrence of a Change in Control with respect to benefits accrued as of such occurrence. The Plan may otherwise be amended, modified or terminated by the HRCC at any time, provided that no such action shall reduce the amounts credited to the Account of any Director immediately prior to such action or change the time, method or manner of distribution of such Account.

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[1] Note: Originally authorized number of 200,000 shares was automatically doubled to 400,000 as a result of the 2005 stock split.

8. Section 409A Compliance. It is intended that no compensation awarded under the Plan shall be subject to any interest or additional tax under Section 409A of the Internal Revenue Code of 1986 (together with any successor statute, "Section 409A"), and the terms of the Plan should be construed accordingly. In the event Section 409A is amended after the date hereof, or regulation or other guidance is promulgated after the date hereof that would make any compensation under the Plan subject to the provisions of Section 409A, then the terms and conditions of the Plan shall be interpreted and applied, to the extent possible, in a manner to avoid the imposition of the provisions of Section 409A. If any award of compensation to a Director under the Plan may result in the application of Section 409A, then the Company and the Director will negotiate in good faith to amend the Plan and/or the award to the extent necessary to comply with the requirements of Section 409A, provided that no such amendment shall increase the total financial obligation of the Company under the award. Notwithstanding the preceding, the Director shall be responsible for any and all tax liabilities, including liability under Section 409A with respect to compensation Awards made to the participant; and neither the Committee nor the Company shall have any liability to a Director for reimbursement or otherwise on account of any such tax liabilities which may be imposed on the Director.

9. Miscellaneous.

(a) The provisions of the Plan shall be binding upon and enforceable against the Company and/or the continuing or surviving corporation in a Change of Control.

(b) Neither the Director nor any other person shall have any interest in any fund or in any specific asset of the Company by reason of amounts credited to the Account of a Director hereunder, or the right to exercise any of the rights or privileges of a shareholder (including the right to vote) with respect to any Stock Units credited to the Account or to receive any distribution under the Plan except as expressly provided for in the Plan. Distributions hereunder shall be made from the general assets of the Company, and the rights of the Director shall be those of an unsecured general creditor of the Company.

(c) The Company may require that the Directors shall agree to acquire shares of Common Stock under the Plan for investment and not for resale or distribution except pursuant to a registration statement under the Securities Act of 1933 or an exemption from such registration, and may require that certificates representing such shares shall bear a customary restrictive legend to this effect.

(d) The interest of the Director under the Plan shall not be assignable by the Director or the Director's beneficiary or legal representative, either by voluntary assignment or by operation of law, and any such attempted assignment shall be ineffective to transfer the Director's interest; provided, however, that (i) the Director may designate beneficiaries to receive any benefit payable under the Plan upon death, and (ii) the legal representative of the Director's estate may assign his or her interest under the Plan to the persons entitled to any such benefit.

(e) Nothing contained herein shall impose any obligation on the Company to continue the tenure of the Director beyond the term for which such Director has been elected or prevent his or her removal.

(f) Each Director shall be responsible for payment of any taxes required to be withheld by the federal or any state or local government on any payments or distributions of the Retainer Fee.

(g) The Plan shall be interpreted by and all questions arising in connection therewith shall be determined by the HRCC, whose interpretation or determination shall be conclusive and binding.

(h) If any amounts deferred pursuant to the Plan are found in a final judgment or other order to have been includible in gross income by a Director prior to payment of such amounts from his or her Account, such amounts shall be immediately paid to such Director, notwithstanding any election pursuant to Section 4.

(i) The provisions of the Plan shall be governed by and construed in accordance with the laws of the State of Missouri, without regard to the principles of conflicts of law which might otherwise apply.

10. Effective Date. The Plan became effective July 1, 2001 and has been amended and restated in its entirety as of November 8, 2017 and December 8, 2020.

EXHIBIT 10.2

DIRECTOR SHARE AWARD AGREEMENT
(NON-EMPLOYEE DIRECTOR)

To: _______________ ("you")

From: Human Resources and Compensation Committee of the ESCO Technologies Inc. ("Company") Board of Directors (the "Committee")

Subject: Equity Award under the Company's [*name of applicable plan*] (the "Plan")

1. Notice of Award.

(a) I am pleased to advise you that the Committee has awarded to you a Restricted Stock Unit Award of _______ units of ESCO Technologies Inc. Common Stock (the "Award Shares") effective __________, 20__ (the "Award Date"), based upon the fair market value on _________. This Award and the Award Shares are subject to the terms and conditions set forth in this Equity Award Agreement ("Agreement") and to the applicable provisions and definitions set forth in the Plan. See also Attachment A.

2. Vesting.

(a) The Award Shares are subject to a one-year vesting period ending at the close of business on the first anniversary of the Award Date (the "Vesting Date"). Prior to the Vesting Date the Award Shares will be represented by a number of "Stock Units" equal to the number of Award Shares and held in a bookkeeping account. In the event a dividend is paid on the Common Stock between the Award Date and the Vesting Date, an additional number of Stock Units will be accrued in your account equal to (A) the number of Stock Units held before the dividend, multiplied by (B) the dividend per share of Common Stock, divided by (C) the NYSE closing price of the Common Stock on the dividend date, carried to four decimal places.

(b) If you remain continuously in service as a member of the Board from the Award Date through the Vesting Date, then you will become entitled to receive a number of whole shares of Common Stock equal to the whole number of shares of Stock Units in your account as of the Vesting Date, distributable as of the next NYSE trading day after the Vesting Date, and any fractional share shall be paid in cash in an amount equal to the fractional share multiplied by the fair market value per share as of the Vesting Date, subject to the provisions of Section 2 below .

(c) Your rights in the event of a Change of Control or your death, disability or retirement prior to the Vesting Date are as set forth in the Plan.

3. Elective Deferrals. The shares underlying the Award are eligible for elective deferrals pursuant to the terms of the [*name of applicable plan*], as amended. However, in the event of an elective deferral, the period between the Award Date and the Vesting Date will constitute part of the initial deferral period.

4. Choice of Law; Venue. This Award shall be construed and administered in accordance with the laws of the State of Missouri without regard to the principles of conflicts of law which might otherwise apply. In light of the fact that the Company is headquartered in St. Louis, Missouri, the Plan was established and is administered in the State of Missouri and the majority of the Committee's meetings are held in the State of Missouri, any litigation concerning any aspect of this Award shall be conducted exclusively in the State or Federal Courts in the State of Missouri.

5. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, (a) the parties agree that such provision(s) will be enforced to the maximum extent permissible under the applicable law, and (b) any invalidity, illegality or unenforceability of a particular provision will not affect any other provision of this Agreement.

6. Amendment. This Award may be amended by written consent between the Company and you.

Executed and agreed to ______________, 20__.

ESCO TECHNOLOGIES INC.

By: ______________________________ ______________________________
Vice President Director

Attachment A

The principal provisions of the Director Share Award Agreement to which this Appendix A is attached are summarized as follows:

- Only non-management Directors are eligible to participate.

- The Human Resources and Compensation Committee (HRCC) will determine the portion of the annual retainer fee to be paid each year in cash and the portion to be paid in Stock Units.

- The number of Stock Units awarded will be based on the NYSE closing price of the Company's Common Stock on the Award Date, or if the Award Date is not a trading day then the last trading day prior to the effective date of the Award.

- The Company will maintain the Stock Units in a bookkeeping account until the underlying Common Stock is distributed.

- Stock Units do not carry any voting rights and may not be transferred.

- No cash dividends will be paid on unvested or deferred Stock Units. Additional Stock Units having a value equal to the dividends otherwise payable on the underlying Common Stock will be credited to your account on each dividend payment date until the underlying Common Stock is distributed.

- Stock Units in your account will vest upon the earlier of (1) your death or disability, (2) a change of control of the Company, or (3) at the close of business on the first anniversary of the Award Date.

- Stock Units will be converted into Company Common Stock and distributed on the first NYSE trading day after the vesting date unless a deferral election has been made as provided in the Plan.

The foregoing is only a summary of certain provisions of the Award provided for quick reference, and is subject in all respects to the definitions and provisions set forth in the Plan and the Award.