

**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): October 20, 2023

FLUX POWER HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or Other Jurisdiction
of Incorporation)

001-31543
(Commission
File Number)

92-3550089
(IRS Employer
Identification No.)

2685 S. Melrose Drive, Vista, California
(Address of Principal Executive Offices)

92081
(Zip Code)

877-505-3589
(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))

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.001 par value	FLUX	Nasdaq Capital 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Amended and Restated Annual Cash Bonus Plan

On October 20, 2023, the Board of Directors (the "Board") of Flux Power Holdings, Inc. (the "Company") approved an amended and restated annual cash bonus plan (the "Amended Annual Bonus Plan") that was previously approved by the Board on November 5, 2020 which allows the Compensation Committee and/or the Board of the Company to set the amount of bonus each fiscal year and the performance criteria. Executive officers and all employees (other than part-time employees and temporary employees) are eligible to participate in the Amended Annual Bonus Plan ("Participants") as long as the Participant remains an active regular employee of the Company. The Amended Annual Bonus Plan is effective for fiscal year 2024 and each fiscal year thereafter (the "Plan Year"). For each Plan Year, the Compensation Committee will establish an aggregate amount of allocable Bonus under the Amended Annual Bonus Plan and determine the performance goals applicable to a bonus during a Plan Year (the "Participation Criteria"). The Participation Criteria may differ from Participant to Participant and from bonus to bonus. All of the Company's executive officers are eligible to participate in the Amended Annual Bonus Plan.

The Amended Annual Bonus Plan was approved by the Board in anticipation of the Company adopting its "clawback" policy applicable to its executive officers as required under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act").

Salary Increases

On October 20, 2023, pursuant to the recommendation of the Compensation Committee of the Board (the "Compensation Committee"), the Board approved the following salary increases (the "FY2024 Annual Salary") to the following executive officers, effective for the fiscal year 2024 ("FY2024")

Name	Position	Current Annual Salary	Salary for FY2024
Ronald F. Dutt	Chief Executive Officer	\$ 300,000	\$ 375,000
Charles Scheiwe*	Chief Financial Officer	\$ 205,200	\$ 205,200

Jeffrey Mason	Vice President of Operations	\$	206,000	\$	230,720
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* Plus an additional supplemental payment of \$4,000 per month

FY2024 Bonuses Under the Amended Bonus Plan

In addition, on October 20, 2023, pursuant to the recommendation of the Compensation Committee, the Board also approved the bonus pool and performance criteria for the Amended Annual Bonus Plan for FY2024 (the "2024 Bonus"). For FY2024, the performance goals applicable to a bonus are based on the Company achieving certain targets based on the Company's full year revenue, Adjusted EBITDA (earnings before interest, income taxes, depreciation, amortization, and stock-based compensation) for FY2024, and functional goals (the "Financial Targets"), in addition to individual performance objectives and goals (the "2024 Performance Matrix").

The Board approved the following cash bonuses under the 2024 Bonus for the following executive officers:

Name	Position	Maximum Payout ⁽¹⁾	Special Bonus Maximum Payout ⁽²⁾
Ronald F. Dutt	Chief Executive Officer	\$ 256,281	\$ 400,000
Charles Scheiwe	Chief Financial Officer	\$ 91,571	\$ -
Jeffrey Mason	Vice President of Operations	\$ 94,607	\$ 400,000

(1) Full maximum payout assuming targets reached as set forth in the 2024 Performance Matrix.

(2) Full maximum payout for achieving certain additional gross margin targets

Grant of Stock Options

In addition, on October 20, 2023 (the "Grant Date"), pursuant to the recommendation of the Compensation Committee, the Board approved the grant of stock options (the "Options") under the Company's 2014 Equity Incentive Plan (the "2014 Plan") and the Company's 2021 Equity Incentive Plan (the "2021 Plan" and together with 2014 Plan, the "Plan") to certain employees of the Company or its subsidiary, Flux Power, Inc. The Options are subject to the terms and conditions provided in the form of the related Incentive Stock Option Agreement under the 2014 Plan (the "2014 Option Agreement") or the form of Incentive Stock Option Agreement under the 2021 Plan (the "2021 Option Agreement"). The Options have an exercise price of \$3.36, which is based on the Company's 10-day volume weighted average price for the ten (10) trading days ending on the Grant Date, and will expire ten (10) years from the Grant Date.

The following executive officers of the Company were granted Options in such number, with such vesting schedule, and under the respective Plan, set forth as follows:

Name	Position	Options ⁽¹⁾	Plan	Vesting Schedule
Ronald F. Dutt	Chief Executive Officer	223,216	2021 Plan	Annually over 3 years from Grant Date
Charles Scheiwe	Chief Financial Officer	42,750	2021 Plan	Annually over 3 years from Grant Date
Jeffrey Mason	Vice President of Operations	54,934	2021 Plan	Annually over 3 years from Grant Date

(1) Subject to \$100,000 ISO limitation under the 2021 Plan

A copy of the Amended Annual Bonus Plan is attached as Exhibit 10.1 hereto and is incorporated herein by reference to this Form 8-K. The foregoing summary of the Options is subject to, and qualified in its entirety to the terms set forth in the 2014 Option Agreement, which is filed as Exhibit 4.8 on Form S-8 (File No. 333-229644) filed with the SEC on February 13, 2019, and the 2021 Option Agreement, which is filed as Exhibits 4.6 on Form S-8 (File No. 333-267974) filed with SEC on October 21, 2022, and are incorporated herein by reference to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit	Exhibit Description
10.1	Amended and Restated Annual Bonus Plan
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

Flux Power Holdings, Inc.
a Nevada corporation

By: /s/ Ronald F. Dutt
Ronald F. Dutt,
Chief Executive Officer

Dated: October 24, 2023

FLUX POWER HOLDINGS, INC.

AMENDED AND RESTATED ANNUAL CASH BONUS PLAN

as Amended for Fiscal Year 2024

1. **Background.** Your Board of Directors (“Board”) believes that the long-term success of Flux Power Holdings, Inc. (the “Company”) depends, in part, on its ability to recruit and retain outstanding individuals as employees and to furnish these employees maximum incentive to improve operations and increase profits. Your Board also believes it is important to align compensation of officers and eligible employees with the interests of the Company’s shareholders. In accordance with this belief, your Board, upon recommendation of the Compensation Committee (“Committee”) of the Board (comprised of independent outside directors), has unanimously adopted the Flux Power Holdings, Inc. Amended and Restated Annual Cash Bonus Plan, as amended from time to time (the “Plan”). This Plan is effective for fiscal year 2024 and each fiscal year thereafter (“Plan Year”).

2. **Goal.** The goal of the Plan is to link an employee’s compensation to the financial success of the Company. The intent is to encourage participants to think, act and be rewarded like owners, and to seek out and undertake initiatives that continuously improve the performance of the Company.

3. **Eligibility.** Executive officers and all employees (other than part-time employees and temporary employees) are eligible to participate in the Plan (“Participants”).

In order to be eligible to participate in the Plan for a Plan Year, an employee (including executive officers) must be an active regular employee of the Company or its subsidiary whose Employment Start Date (as defined below) is June 30 of the Plan Year or earlier. Employees who are not expressly classified by the Company or its subsidiary as “regular” employees, such as temporary or contract employees and interns, are not eligible to be Participants. For the purpose of this Plan, “Employment Start Date” means the first business day on which a Participant is an active regular employee of the Company or its subsidiary.

In order to be eligible to receive a cash incentive (“Bonus”) for a Plan Year, a Participant must (i) continue to be an active regular employee of the Company or its subsidiary in good standing from the date his/her participation in the Plan commences for the Plan Year until the date the Bonus is paid for the Plan Year (except as provided in Paragraph 8), and (ii) act in accordance with the Company’s Code of Conduct, compliance policies and procedures, and those of the Participant’s employer, and applicable laws and regulations during the Plan Year.

4. **Bonus Pool.** For each Plan Year, the Committee, in its sole discretion, will establish an aggregate amount of allocable Bonus under the Plan (“Bonus Pool”) which may be established before, during or after the applicable Plan Year. Bonuses will be allocated from the Bonus Pool.

5. **Performance Criteria.** The Committee will, in its sole discretion, determine the performance goals applicable to a bonus during a Plan Year (“Performance Criteria”). The Performance Criteria may be on the basis of any such factors the Committee determines relevant, and may be on an individual, divisional, business unit or Company-wide basis. Performance Criteria may be measured over the period of time determined by the Committee in its sole discretion. The Performance Criteria may differ from Participant to Participant and from Bonus to Bonus. Failure to meet the Performance Criteria will result in a failure to earn the Bonus, except as otherwise determined by the Committee. As determined by the Committee, the Performance Criteria may be based on GAAP or non-GAAP results and any actual results may be adjusted by the Committee for one-time items, unbudgeted or unexpected items, acquisition-related activities or changes in applicable accounting rules when determining whether the Performance Criteria have been met, and any such adjustments shall not be deemed adverse to any Participant. It is within the sole discretion of the Committee to make or not make any such equitable adjustments.

6. **Administration.** For a particular Plan Year, the Committee must approve the Targets, performance measure computation adjustments, and any other conditions within the Relevant Time Period. At the end of each Plan Year, but before Plan incentives may be paid, the Committee must certify in writing that Targets and other conditions have been satisfied. The Committee does not have the discretion to increase the amount of any Bonus under this Plan for the Executive Officers. The Board may amend or terminate the Plan effective for future fiscal years.

7. **Bonus Payments.** Each Bonus will be paid in cash in a single lump sum, unless otherwise determined by the Committee. The Bonus target is the percentage of Base Salary (as defined below) to be paid out at 100% achievement of the applicable Performance Criteria. Bonuses may be weighted based on individual performance and Company performance. Bonuses can provide for payout above target for performance in excess of the applicable Performance Criteria or below target for performance below the applicable Performance Criteria. “Base Salary” means with respect to each Participant eligible for a Bonus, the amount of base salary or base fees actually earned and paid to the Participant during the applicable Eligibility Period, excluding (i) bonuses, commissions, overtime premium, or the value of any equity securities, or any employee benefits or other compensation paid to the Participant (e.g., 401(k) plan employer match), and (ii) any compensation paid to the Participant in respect of any inactive employment by the Company (e.g., a leave of absence from the Company).

8. **Time of Payment.** Any Bonus payment shall be made in the first quarter of the fiscal year following the fiscal year in which the applicable bonus is earned (but no later than September 15 of the year following the year in which the applicable Bonus is earned). If a Participant’s employment is terminated before a scheduled Bonus payment date, the former employee will not be entitled to receive that Bonus payment or any subsequent bonus payment, unless the Participant’s termination was caused by death, or permanent disability, in which case, that Participant (or estate, in the event of the Participant’s death) will be entitled to receive all bonus payments for the previous Plan Year on the scheduled payment date.

9. **Restriction on Payments.** Notwithstanding anything to the contrary set forth herein, no Bonus payment shall be made to any Participant if such payments would result in the Company’s breach of or default under any terms of loan agreement, credit agreement, promissory note, bond or debenture to which the Company or its subsidiary thereof is a party.

10. **Repayment, Forfeiture.** After the Committee certifies that Targets and other conditions have been satisfied as described above, no adjustments will be made to reflect any subsequent change in accounting, the effect of federal, state or municipal taxes later assessed or determined, or otherwise. Notwithstanding the foregoing, the Company reserves the right to, and in appropriate cases, will seek recovery of all or any portion of Bonus payments made if (i) the amount of the Bonus payment was calculated based upon the achievement of certain financial results that were subsequently the subject of a restatement of all or a portion of the Company’s financial statements; (ii) the Participant engaged in intentional misconduct that caused or partially caused the need for such a restatement; and (iii) the amount of the Bonus payment that would have been awarded to a Participant would have been lower than the amount actually awarded had the financial results been properly reported. Further, the Company is not limited in its power to take other actions as it deems necessary to remedy the misconduct, prevent its recurrence and, if appropriate, based on all relevant facts and circumstances, punish the wrongdoer in a manner it deems appropriate.

11. **Clawback.** In October 2022, the U.S. Securities and Exchange Commission issued its final clawback rule (“Rule 10D-1”), thereby implementing the requirements of Section 954 of the Dodd-Frank Act, which directs national securities exchanges and associations to establish listing standards requiring companies to adopt policies that require

executive officers, any other officer who performs a policy-making function, or any other person who performs a similar policy-making function for the issuer, to pay back incentive-based compensation that they were awarded erroneously. As the Company's common shares are listed on the Nasdaq, it will be required to comply with Nasdaq's listing rules once effective. Accordingly, the Company intends to adopt a clawback policy that complies with Rule 10D-1 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Nasdaq Listing Rule 5608 upon or prior to the effectiveness of such standards. All awards or bonuses granted under this Plan will be subject to repayment and/or forfeiture in accordance with Section 10 hereof, as well as any clawback policy the Company adopts in the future.

12. **Participant's Liability.** The Company's liability for the payment of benefits shall be defined only by the Plan. The Company shall have no obligation to a Participant under the Plan except as expressly provided in the Plan.

13. **Nonassignability.** A Participant shall have no right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment (except to the extent the Company may be required to garnish amounts from payments due under the Plan pursuant to applicable law) or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

14. **Not a Contract of Employment.** The terms and conditions of the Plan shall not be deemed to constitute a contract of employment or continued engagement between the Company or its subsidiary and the Participant. Nothing in the Plan shall be deemed to give a Participant the right to be retained in the service of the Company or its subsidiary or to interfere with the right of the Company or its subsidiary to discipline or discharge the Participant at any time for any or no reason, with or without notice (subject to applicable law). The Participant's employment (if applicable) with the Company or its subsidiary remains at will (subject to applicable law).

15. **Withholding of Taxes.** Bonus payments will be subject to income and employment tax withholdings as required by applicable law.

16. **Section 409A.** To the extent any payment under the Plan may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for another exemption from Section 409A. To the extent that any provision of the Plan is ambiguous as to its exemption from or compliance with Section 409A, the provision will be read in such a manner that the applicable payments hereunder are exempt from Section 409A to the maximum permissible extent, and for any payments where such construction is not tenable, that those payments comply with Section 409A to the maximum permissible extent. Each Participant acknowledges and agrees that the Company and its subsidiary make no representations with respect to the application of Code Section 409A to any Cash incentive and other tax consequences to any payments under the Plan and, by the acceptance of any Cash incentive, the Participant agrees to accept the potential application of Code Section 409A and the other tax consequences of any payments made pursuant to the Plan.

17. **Terms.** Whenever any words are used herein in the masculine, they shall be construed as though they were in the feminine in all cases where they would so apply; and whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

18. **Captions.** The captions of the articles, sections and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

19. **Governing Law.** The provisions of the Plan shall be construed and interpreted according to the laws of the State of California without regard to its conflicts of laws principles.

20. **Successors.** The provisions of the Plan shall bind and inure to the benefit of the Company, all Participants, and their successors in interest.

21. **Validity.** In case any provision of the Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but the Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

22. **Beneficiary Designations.** If permitted by the Committee, a Participant under the Plan may name a beneficiary or beneficiaries to whom any earned but unpaid award will be paid in the event of the Participant's death. Each such designation will revoke all prior designations by the Participant and will be effective only if given in a form and manner acceptable to the Committee. In the absence of any such designation, any vested benefits remaining unpaid at the Participant's death will be paid to the Participant's estate.
