

**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): July 16, 2020

MasterCraft Boat Holdings, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37502
(Commission
File Number)

06-1571747
(IRS Employer
Identification No.)

100 Cherokee Cove Drive
Vonore, Tennessee
(Address of Principal Executive Offices)

37885
(Zip Code)

(423) 884-2221
(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:

- 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	MCFT	NASDAQ

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

Performance Stock Unit Awards

On July 16, 2020, the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of MasterCraft Boat Holdings, Inc. (the “Company”) granted performance stock units (“PSUs”) under the Company’s 2015 Incentive Award Plan (the “2015 Plan”) to certain of the Company’s officers, including its named executive officers, effective July 16, 2020 (the “Supplemental PSUs”).

The Committee granted the Supplemental PSUs to attract and motivate key employees at a time when existing PSUs granted in fiscal 2019 and fiscal 2020 (the “Existing PSUs”) are not currently projected to achieve minimum performance goals due to the unprecedented effects of the current and ongoing COVID-19 pandemic. The Committee believes that the loss of two years of PSU awards could harm motivation, morale and performance, which would not be beneficial to the Company or its shareholders. In addition, this supplemental grant aligns management with the objectives of shareholders and importantly acts as a retention incentive. It further believes that setting forward-looking targets aligns with its pay-for-performance strategy and would incentivize performance better than alternatives such as applying positive discretion and increasing awards pursuant to the Existing PSUs or in granting new one-time restricted stock awards to key employees.

The Committee’s commitment to sound and shareholder-friendly practice was important when designing the Supplemental PSUs. To that end, the Supplemental PSUs are capped at 90% of the Existing PSUs original fair value. In addition, the number of shares issuable upon satisfaction of the performance criteria set forth below will be capped at 100% of target and reduced for any shares issuable upon satisfaction of the performance criteria pursuant to the Existing PSUs.

As described further below, the Supplemental PSUs can be earned based upon performance, over a two-year period, of specified key strategic initiatives that should drive long term shareholder value; market share, Customer Satisfaction Index (“CSI”) results and dealer inventory turnover metrics, as well as a total shareholder return (“TSR”) modifier during the performance period.

After consulting with outside compensation advisors and outside legal counsel, reviewing market data and benchmarking expected relative compensation to the market data, the Committee believes that the foregoing approach effectively achieves the important goals of attracting and motivating key employees in the face of unprecedented uncertainty and increased workload created by COVID-19, cultivating a pay-for-performance culture, and aligning the Company’s leadership with the goal of increasing shareholder value.

The number of PSUs that a grantee earns for the performance period will be determined by multiplying the target award by the product of (i) the Composite Payout Percentage and (ii) the Relative TSR Modifier. The “Composite Payout Percentage” is calculated based on the Company’s Total Market Share Percentage, Total CSI Percentage and Total Dealer Inventory Turnover Percentage (each as defined in the award agreement, a form of which is attached hereto as Exhibit 10.1 (the “Award Agreement”). Following the determination of the Company’s achievement with respect to the Composite Payout Percentage for the Performance Period, the vesting of each award will be subject to adjustment based upon the application of Relative TSR Modifier. Depending on Company TSR relative to Performance Comparison Group TSR (as defined in the Award Agreement), the number of PSUs subject to vesting pursuant to each award can be modified as follows:

<u>Relative TSR Level</u>	<u>Relative TSR Modifier</u>
25 th percentile or less	-20%
50 th percentile	0%
75 th percentile	20%

The “Performance Period” for the Supplemental PSUs is a two-year period commencing July 1, 2020 and ending June 30, 2022.

The table below sets forth the number of PSUs awarded to the Company’s named executive officers by the Committee:

<u>Executive/Title</u>	<u>Number of PSUs Granted (# of shares)</u>
Fred Brightbill Chief Executive Officer	16,222
Tim Oxley Chief Financial Officer	7,584
Jay Povlin President, NauticStar	5,516

The foregoing summary of the Award Agreement is not complete and is subject to, qualified in its entirety by, and should be read in conjunction with, the full text of the Award Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are being furnished as part of this report:

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of Award Agreement

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.

MASTERCRAFT BOAT HOLDINGS, INC.

Dated: July 22, 2020

/s/ Timothy M. Oxley

Timothy M. Oxley

Chief Financial Officer, Treasurer and Secretary

**MCBC HOLDINGS, INC.
2015 INCENTIVE AWARD PLAN**

PERFORMANCE STOCK UNIT AWARD NOTICE

MasterCraft Boat Holdings, Inc., a Delaware corporation (the "Company"), pursuant to the MCBC Holdings, Inc. 2015 Incentive Award Plan, as amended from time to time (the "Plan"), hereby grants to the holder listed below ("Grantee") the number of Performance Stock Units (the "PSUs") set forth below. The PSUs are subject to the terms and conditions set forth in this Performance Stock Unit Award Notice (the "Grant Notice") and the Performance Stock Unit Agreement attached hereto as Exhibit A (the "Agreement") and the Plan, which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in the Grant Notice and the Agreement.

Grantee:**Grant Date:**

Performance Period: Commencing July 1, 2020 and ending June 30, 2022

Target Number of PSUs:

By Grantee's signature below, Grantee agrees to be bound by the terms and conditions of the Plan, the Agreement and the Grant Notice. Grantee has reviewed the Agreement, the Plan and the Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing the Grant Notice and fully understands all provisions of the Grant Notice, the Agreement and the Plan. Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, the Grant Notice or the Agreement.

**MASTERCRAFT BOAT
HOLDINGS, INC.:**

GRANTEE:

By: _____
 Print Name: Timothy M. Oxley
 Title: Chief Financial Officer
 Address: 100 Cherokee Cove Drive
 Vonore, TN 37885

By: _____
 Print Name: _____

EXHIBIT A
PERFORMANCE STOCK UNIT AWARD AGREEMENT

Pursuant to the Grant Notice to which this Agreement is attached, the Company has granted to Grantee the number of Performance Stock Units (“PSUs”) set forth in the Grant Notice.

ARTICLE I
GENERAL

Section 1.01 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

Section 1.02 Incorporation of Terms of Plan. The PSUs and any shares of Common Stock (“Stock”) issued to Participant pursuant to this Agreement (“Shares”) are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II
AWARD OF PERFORMANCE STOCK UNITS

Section 2.01 Award of PSUs. The Company hereby grants to Grantee an Award for the target number of PSUs (the “Target Award”) as set forth in the Grant Notice. Each PSU represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Agreement and the Plan. The number of PSUs that Grantee actually earns for the Performance Period will be based on the level of Market Share, CSI and Dealer Inventory Turn achieved and the Relative TSR Multiplier, as determined in accordance with Appendix I attached hereto.

Section 2.02 Performance Goals.

(a) Subject to vesting pursuant to Section 2.03, the number of PSUs earned by Grantee for the Performance Period will be determined at the end of the Performance Period based on the level of Market Share, CSI and Dealer Inventory Turn achieved and the Relative TSR Multiplier as set forth on Appendix I, rounded to the nearest whole PSU. All determinations regarding the level of Market Share, CSI and Dealer Inventory Turn achieved, the Composite Payout Percentage, the Relative TSR Multiplier, the number of PSUs earned by Grantee, and all other matters related to this Section 2.02 and Appendix I shall be made by the Committee in its sole discretion.

(b) No later than seventy-five (75) days following the end of the Performance Period, the Committee will review and certify in writing (i) the level of Market Share, CSI and Dealer Inventory Turn achieved for the Performance Period, (ii) the Composite Payout Percentage, (iii) the Relative TSR Multiplier for the Performance Period, and (iv) subject to compliance with the requirements of Section 2.03, the number of PSUs that Grantee has earned, if any. Such certification shall be final, conclusive and binding on Grantee, and on all other persons, to the maximum extent permitted by law.

(c) Notwithstanding anything herein or in Appendix I, the maximum number of PSUs that Grantee shall be entitled to earn pursuant to this Grant Notice and Agreement shall not exceed the Target Award. In addition, the number of PSUs that Grantee may earn, as limited in accordance with the foregoing sentence, shall be reduced (or further reduced, if applicable), but not below zero, by the number of PSUs actually earned by Grantee pursuant to (i) any award of PSUs to Grantee for the Performance Period commencing on July 1, 2018 and ending on June 30, 2021; and (ii) any award of PSUs to Grantee for the Performance Period commencing on July 1, 2019 and ending on June 30, 2022.

Section 2.03 Vesting of PSUs.

(a) The PSUs are subject to forfeiture until they vest. Except as otherwise provided in Sections 2.03(b) or (c) below, the number of PSUs determined pursuant to Section 2.02 will vest and become nonforfeitable on the last day of the Performance Period, provided that Grantee remains continuously employed with the Company from the Grant Date through the last day of the Performance Period (the "Vesting Date"). Except as otherwise provided in Sections 2.03(b) or (c) below, if Grantee has a Termination of Service for any reason at any time before the Vesting Date, Grantee's PSUs shall be automatically forfeited upon such Termination of Service without consideration and the Company shall have no further obligations to Grantee under this Agreement.

(b) In the event Grantee incurs a Termination of Service as the result of Grantee's death or involuntary termination of employment by the Company or any Subsidiary due to disability, Grantee will be deemed to have satisfied the service vesting condition set forth in Section 2.03(a) as of the date of such Termination of Service, and will be entitled to a payment of a pro rata portion of the Target Award, calculated based on a fraction, the numerator of which is the number of days from the Grant Date until the date of Grantee's Termination of Service, and the denominator of which is the total number of days from the Grant Date until the end of the Performance Period.

(c) If there is a Change in Control during the Performance Period, and the Company terminates Grantee's employment (other than a termination for Cause), then Grantee will be deemed to have satisfied the service vesting condition set forth in Section 2.03(a) as of the date of such termination, and will be entitled to a payment of PSUs equal to the Target Award.

Section 2.04 Payment of PSUs. Payment in respect of the PSUs earned for the Performance Period shall be made in Shares which shall be issued to Grantee not later than seventy-five (75) days following the Vesting Date, or following such earlier date the PSUs become vested under Section 2.03(b) or (c). All distributions shall be made by the Company in the form of whole Shares, and any fractional share shall be distributed in cash in an amount equal to the value of such fractional share determined based on the Fair Market Value as of the date immediately preceding the date of such distribution.

Section 2.05 Tax Withholding. Notwithstanding any other provision of this Agreement:

(a) The Company and its Subsidiaries have the authority to deduct or withhold, or require Grantee to remit to the Company or the applicable Subsidiary, an amount sufficient to satisfy any applicable federal, state, local and foreign taxes (including the employee portion of any FICA obligation) required by law to be withheld with respect to any taxable event arising pursuant to this Agreement. The Company and its Subsidiaries may withhold or Grantee may make such payment in one or more of the forms specified below:

(i) by cash or check made payable to the Company or the Subsidiary with respect to which the withholding obligation arises;

(ii) by the deduction of such amount from other compensation payable to Grantee;

(iii) with the consent of the Administrator, by requesting that the Company and its Subsidiaries withhold a net number of vested shares of Stock otherwise issuable pursuant to the PSUs having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Company and its Subsidiaries based on the minimum applicable statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes;

(iv) with the consent of the Administrator, by tendering to the Company vested shares of Stock having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Company and its Subsidiaries based on the minimum applicable statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes;

(v) through the delivery of a notice that Grantee has placed a market sell order with a broker acceptable to the Company with respect to shares of Stock then issuable to Grantee pursuant to the PSUs, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company or the Subsidiary with respect to which the withholding obligation arises in satisfaction of such withholding taxes; *provided* that payment of such proceeds is then made to the Company or the applicable Subsidiary at such time as may be required by the Administrator, but in any event not later than the settlement of such sale; or

(vi) in any combination of the foregoing.

(b) The Company shall not be obligated to deliver any certificate representing shares of Stock issuable with respect to the PSUs to, or to cause any such shares of Stock to be held in book-entry form by, Grantee or his or her legal representative unless and until Grantee or his or her legal representative shall have paid or otherwise satisfied in full the amount of all federal, state, local and foreign taxes applicable with respect to the taxable income of Grantee resulting from the vesting or settlement of the PSUs or any other taxable event related to the PSUs. Grantee is ultimately liable and responsible for all taxes owed in connection with the PSUs, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the PSUs. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the PSUs or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the PSUs to reduce or eliminate Grantee's tax liability.

Section 2.06 Rights as Stockholder. Neither Grantee nor any person claiming under or through Grantee will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book-entry form) will have been issued and recorded on the records of the Company or its transfer agents or registrars, and delivered to Grantee (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Grantee will have all the rights of a stockholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such Shares.

**ARTICLE III
OTHER PROVISIONS**

Section 3.01 Administration. The Administrator shall have the power to interpret the Plan, the Grant Notice and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan, the Grant Notice and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator will be final and binding upon Grantee, the Company and all other interested persons. To the extent allowable pursuant to Applicable Law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Plan, the Grant Notice or this Agreement.

Section 3.02 PSUs Not Transferable. The PSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the PSUs have been issued, and all restrictions applicable to such Shares have lapsed. No PSUs or any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of Grantee or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence. Notwithstanding the foregoing, with the consent of the Administrator, the PSUs may be transferred to certain persons or entities related to Grantee, including but not limited to members of Grantee's family, charitable institutions or trusts or other entities whose beneficiaries or beneficial owners are members of Grantee's family or to such other persons or entities as may be expressly approved by the Administrator, pursuant to any such conditions and procedures the Administrator may require.

Section 3.03 Adjustments. Grantee acknowledges that the PSUs and the Shares subject to the PSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan, including Section 14.2 of the Plan.

Section 3.04 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Grantee shall be addressed to Grantee at Grantee's last address reflected on the Company's records. By a notice given pursuant to this Section 3.04 either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 3.05 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 3.06 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

Section 3.07 Conformity to Securities Laws. Grantee acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act and the Exchange Act, and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the PSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to Applicable Law.

Section 3.08 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board, *provided* that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the PSUs in any material way without the prior written consent of Grantee.

Section 3.09 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 3.02 and the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

Section 3.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Grantee is subject to Section 16 of the Exchange Act, the Plan, the PSUs, the Grant Notice and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

Section 3.11 Not a Contract of Employment. Nothing in this Agreement or in the Plan shall confer upon Grantee any right to continue to serve as an employee or other service provider of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Grantee at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Grantee.

Section 3.12 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Grantee with respect to the subject matter hereof.

Section 3.13 Section 409A. This Award is not intended to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, “Section 409A”). However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Grantee or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

Section 3.14 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

Section 3.15 Limitation on Grantee’s Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Grantee shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the PSUs.

Section 3.16 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which shall be deemed an original and all of which together shall constitute one instrument.

APPENDIX I

The number of PSUs that Grantee earns for the Performance Period will be determined by multiplying the Target Award by the product of (i) the Composite Payout Percentage (as determined in Section A below) and (ii) the Relative TSR Multiplier (as determined in Section B below). Notwithstanding the foregoing, the number of PSUs that Grantee may actually earn hereunder shall be limited pursuant to Section 2.02(c) of the Agreement.

A. Composite Payout Percentage

For purposes of this Section A, the following definitions and rules apply:

- “Composite Payout Percentage” means the sum of (i) one third of the Total Market Share Percentage; (ii) one third of the Total CSI Percentage; and (iii) one third of the Total Dealer Turn Percentage.
- “Market Share” means the market share attained, expressed as a percentage and determined as of the last day of the Performance Period, as reasonably determined by the Committee or its delegate using a consistent methodology, by each of the MasterCraft, NauticStar and Crest segments.
- “CSI” means the customer satisfaction index attained, expressed as a percentage and determined as of the last day of the Performance Period, as reasonably determined by the Committee or its delegate using a consistent methodology, by each of the MasterCraft, NauticStar and Crest segments.
- “Dealer Inventory Turn” means the average turnover in dealer inventory for the two fiscal years of the Company ending June 30, 2021 and June 30, 2022 based on the trailing twelve month retail units sold divided by current inventory units, as reasonably determined by the Committee or its delegate using a consistent methodology, for each of the MasterCraft, NauticStar and Crest segments.
- The “MasterCraft Market Share Percentage,” the “NauticStar Market Share Percentage” and the “Crest Market Share Percentage” shall be determined in accordance with the following table:

MasterCraft

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Market Share	21.6%	21.9%	22.2%
MasterCraft Market Share Percentage	50.0%	100.0%	150.0%

NauticStar

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Market Share	6.1%	6.3%	6.5%
NauticStar Market Share Percentage	50.0%	100.0%	150.0%

Crest

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Market Share	4.0%	4.3%	4.6%
Crest Market Share Percentage	50.0%	100.0%	150.0%

If the Market Share falls between the minimum and target figures for a segment, or between the target and maximum figures for the segment, the MasterCraft Market Share Percentage, the NauticStar Market Share Percentage or the Crest Market Share Percentage, as applicable, shall be determined by the Committee by mathematical interpolation on a straight line basis. If the Market Share falls below the minimum figure, the MasterCraft Market Share Percentage, the NauticStar Market Share Percentage or the Crest Market Share Percentage, as applicable, shall be zero. If the Market Share falls above the maximum figure, the MasterCraft Market Share Percentage, the NauticStar Market Share Percentage or the Crest Market Share Percentage, as applicable, shall be 150%.

- The “MasterCraft CSI Percentage,” the “NauticStar CSI Percentage” and the “Crest CSI Percentage” shall be determined in accordance with the following table:

MasterCraft

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
CSI	93.5%	95.5%	97.5%
MasterCraft CSI Percentage	50.0%	100.0%	150.0%

NauticStar

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
CSI	90.5%	92.5%	94.5%
NauticStar CSI Percentage	50.0%	100.0%	150.0%

Crest

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
CSI	91.5%	93.5%	95.5%
Crest CSI Percentage	50.0%	100.0%	150.0%

If the CSI falls between the minimum and target figures for a segment, or between the target and maximum figures for the segment, the MasterCraft CSI Percentage, the NauticStar CSI Percentage or the Crest CSI Percentage, as applicable, shall be determined by the Committee by mathematical interpolation on a straight line basis. If the CSI falls below the minimum figure, the MasterCraft CSI Percentage, the NauticStar CSI Percentage or the Crest CSI Percentage, as applicable, shall be zero. If the CSI falls above the maximum figure, the MasterCraft CSI Percentage, the NauticStar CSI Percentage or the Crest CSI Percentage, as applicable, shall be 150%.

- The “MasterCraft Dealer Turn Percentage,” the “NauticStar Dealer Turn Percentage” and the “Crest Dealer Turn Percentage” shall be determined in accordance with the following table:

MasterCraft

	Minimum	Target	Maximum
Dealer Inventory Turn	1.70X	2.00X	2.30X
MasterCraft Dealer Turn Percentage	50.0%	100.0%	150.0%

NauticStar

	Minimum	Target	Maximum
Dealer Inventory Turn	1.90X	2.20X	2.50X
NauticStar Dealer Turn Percentage	50.0%	100.0%	150.0%

Crest

	Minimum	Target	Maximum
Dealer Inventory Turn	1.60X	1.90X	2.20X
Crest Dealer Turn Percentage	50.0%	100.0%	150.0%

If the Dealer Inventory Turn falls between the minimum and target figures for a segment, or between the target and maximum figures for the segment, the MasterCraft Dealer Turn Percentage, the NauticStar Dealer Turn Percentage or the Crest Dealer Turn Percentage, as applicable, shall be determined by the Committee by mathematical interpolation on a straight line basis. If the Dealer Inventory Turn falls below the minimum figure, the MasterCraft Dealer Turn Percentage, the NauticStar Dealer Turn Percentage or the Crest Dealer Turn Percentage, as applicable, shall be zero. If the Dealer Inventory Turn falls above the maximum figure, the MasterCraft Dealer Turn Percentage, the NauticStar Dealer Turn Percentage or the Crest Dealer Turn Percentage, as applicable, shall be 150%.

- “Total Market Share Percentage” means the weighted average of the MasterCraft Market Share Percentage, the NauticStar Market Share Percentage and the Crest Market Share Percentage, determined by according the Company’s segments the following weightings: (i) MasterCraft: 80%; (ii) NauticStar: 10%; and (iii) Crest: 10%.

- “Total CSI Percentage” means the weighted average of the MasterCraft CSI Percentage, the NauticStar CSI Percentage and the Crest CSI Percentage, determined by according the Company’s segments the following weightings: (i) MasterCraft: 80%; (ii) NauticStar: 10%; and (iii) Crest: 10%.
- “Total Dealer Turn Percentage” means the weighted average of the MasterCraft Dealer Turn Percentage, the NauticStar Dealer Turn Percentage and the Crest Dealer Turn Percentage, determined by according the Company’s segments the following weightings: (i) MasterCraft: 80%; (ii) NauticStar: 10%; and (iii) Crest: 10%.

B. Relative TSR Multiplier

- If TSR is equal to or less than the 25th percentile when compared to the total shareholder return for the Performance Period of the Performance Comparison Group, the Relative TSR Multiplier percentage is negative 20%, (i.e., -20%).
- If TSR is equal to the 50th percentile when compared to the total shareholder return for the Performance Period of the Performance Comparison Group, the Relative TSR Multiplier percentage is 0%.
- If TSR is equal to or greater than the 75th percentile when compared to the total shareholder return for the Performance Period of the Performance Comparison Group, the Relative TSR Multiplier percentage is 20%.
- If the TSR falls between the 25th and 50th percentile, or between the 50th and 75th percentile, the actual Relative TSR Multiplier shall be mathematically interpolated on a straight line basis by the Committee.

For purposes of this Section (b), the following definitions and rules apply:

- “Performance Comparison Group” means all the companies represented in the Russell 2000 Index at the beginning and the end of a Performance Period.
- “TSR” means the total shareholder return on a share of Common Stock of the Company for the Performance Period, as reasonably determined by the Committee or its delegate using a consistent methodology. Dividends, if any, will be treated as though reinvested in Common Stock of the Company. In general, TSR shall be measured using the 20-day averaging period at the beginning and end of the Performance Period.
- “Relative TSR Level” means the percentile ranking of the TSR of the Company as compared to total shareholder return of the Performance Comparison Group.
- The total shareholder return of the Performance Comparison Group shall be reasonably determined by the Committee or its delegate using a consistent methodology. In general, such total shareholder return shall be measured using the 20-day averaging period at the beginning and end of the Performance Period.

- In the event the Company's TSR for the Performance Period is negative, but still greater than the 50th percentile Relative TSR Level, then no positive Relative TSR Multiplier will be applied.

Relative TSR Level	Relative TSR Multiplier
25 th percentile or less	-20%
50 th percentile	0%
75 th percentile or greater	20%