

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
450 Fifth Street NW
Washington, D.C. 29549

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): January 4, 2022

THE CATO CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-31340
(Commission
File Number)

56-0484485
(IRS Employer
Identification No.)

8100 Denmark Road, Charlotte, North Carolina
(Address of Principal Executive Offices)

28273-5975
(Zip Code)

(704) 554-8510
(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
Class A - Common Stock, par value \$.033 per share	CATO	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in 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.

THE CATO CORPORATION

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

On January 4, 2022, the Company issued a press release announcing that Mr. John R. Howe, its Executive Vice President, Chief Financial Officer and the Company's principal financial officer, will retire from these roles effective January 17, 2022 after 35 years of service with the Company and will be succeeded by Chuck Knight as Executive Vice President, Chief Financial Officer and the Company's principal financial officer. A copy of the press release is attached hereto as Exhibit 99.1, and the contents thereof are incorporated herein by reference.

To assist with the transition of his roles, Mr. Howe will continue to be employed by the Company through May 1, 2022 under the same terms of compensation and benefits as in effect at the time of his retirement.

Mr. Knight's appointment as Executive Vice President, Chief Financial Officer will be effective as of January 17, 2022. Mr. Knight, age 57, previously served in various roles with The Vitamin Shoppe, first as Senior Vice President, Chief Accounting Officer from 2018 to 2019, and then as Executive Vice President, Chief Financial Officer from 2019 to 2020. Prior to that, Mr. Knight served in various roles with Toys "R" Us for 28 years, including as Senior Vice President, Corporate Controller from 2010 to 2018.

In connection with Mr. Knight's hiring, Mr. Knight and the Company entered into a letter agreement (the "Agreement"), effective as of January 5, 2022, that sets forth certain terms regarding his employment. A copy of the Agreement is attached hereto as Exhibit 10.1.

Pursuant to the Agreement, Mr. Knight will serve as Executive Vice President and Chief Financial Officer of the Company. His initial annual base salary will be \$400,000 per year. Mr. Knight will be eligible to receive a performance bonus of up to 60% of base salary based upon the achievement of the Company and individual performance goals for fiscal 2022. Beginning May 1, 2022 and going forward each May 1st, Mr. Knight will be eligible to be granted restricted shares of the Company's Class A Common Stock with a value of up to 60% of his base salary. These restricted shares will be granted pursuant to the Company's 2018 Incentive Compensation Plan, and will vest over 5 years, with 33% vesting on the third anniversary of the grant, 33% vesting on the fourth anniversary of the grant, and the remaining 34% vesting on the fifth anniversary of the grant. The Company will also reimburse Mr. Knight for his COBRA premiums (up to the amount the Company would pay for its health and dental coverage) until Mr. Knight is eligible to join the Company's health and dental insurance.

In connection with Mr. Knight's relocation to the Charlotte, North Carolina area, the Company will pay all reasonable and customary moving charges and for Mr. Knight's temporary housing for up to 60 days. In addition, the Company will pay Mr. Knight a one-time relocation allowance of \$30,000. Mr. Knight has agreed to reimburse the Company in full for all such moving, temporary housing, relocation allowance and other relocation expenses in the event he resigns during the first 24 months of his employment.

Mr. Knight will be entitled to participate in the Company's employee benefit plans as provided to other employees, including the Company's 401(k) Plan, Employee Stock Purchase Plan and vacation plan.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

[10.1 - Letter Agreement dated January 4, 2022 between the Company and Mr. Knight](#)

[99.1 - Press Release issued January 4, 2022](#)

104 Cover page Interactive Data File (embedded within 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 thereunto duly authorized.

THE CATO CORPORATION

January 6, 2022

Date

/s/ John P. D. Cato

John P. D. Cato
Chairman, President and
Chief Executive Officer

January 6, 2022

Date

/s/ John R. Howe

John R. Howe
Executive Vice President
Chief Financial Officer

Exhibit Index

<u>Exhibit</u>	<u>Exhibit No.</u>
<u>10.1 - Letter Agreement dated January 4, 2022 between the Company and Mr. Knight</u>	10.1
<u>99.1 - Press Release issued January 4, 2022</u>	99.1
104 Cover page Interactive Data File (embedded within Inline XBRL document)	104

The CATO Corporation

January 4, 2022

Charles Knight
20 Baldwin Drive
New Providence, NJ 07974

Dear Chuck:

We are very pleased to offer you the position of Executive Vice President, Chief Financial Officer for The Cato Corporation. You will be based in our corporate offices in Charlotte, NC and you will report to John Cato, Chairman, President and Chief Executive Officer. Your start date will be January 17, 2022. This will constitute "at-will" employment, and the offer is extended on the following terms:

- Salary:** Your starting monthly salary will be \$33,333.33 per month, which equates to an annual salary of \$400,000. You will be paid on the last day of the month for that month.
- Performance Bonus:** You will be eligible for a discretionary performance bonus potential of up to 60% of your salary, beginning in April 2023. The performance bonus will be based on company and individual performance for fiscal 2022. Bonus parameters may change from year to year.
- Performance Review:** The performance review process is conducted the first quarter of the fiscal year for the previous year. Merit increases will be considered each year as a result of meeting corporate and individual objectives. You will be eligible for a merit increase for your performance in fiscal year 2022 with an effective date of May 1, 2023.
- Restricted Stock:** You will be eligible for a non-prorated annual LTI award of Restricted Stock of up to 60% of your salary effective May 1, 2022, subject to Plan guidelines and approval by the Compensation Committee of the Board of Directors. All awards are subject to 5-year vesting from the date of grant with 33% of the shares vesting at the end of the third year, 33% of the shares vesting at the end of the fourth year, and 34% of the shares vesting at the end of the fifth year. The Company also reserves the right to change Plan guidelines.
- Other Benefits:** The Cato Corporation offers an excellent benefit program for its associates, including, among other things, the following: (a) comprehensive medical and dental plans; (b) a 401(k) plan with company matching; (c) an Employee Stock Purchase Plan; (d) life and accidental death insurance; (e) short-term and long-term disability programs; (f) paid time off; and (g) 9 annual paid

holidays. In addition, Cato has agreed to reimburse you for your COBRA premiums (in an amount equal to what the Company would pay for the Company's health and dental coverage) until you are eligible to join the company's health and dental insurance. Enclosed is a summary of benefits that includes details regarding eligibility. Should you have any questions about any of our benefit plans, please contact Beth Morgan (our Benefits Manager) at (704) 551-7250. Cato reserves the right to change or discontinue any company benefit in the future.

Relocation:

You will be required to relocate to Charlotte, NC no later than April 1, 2022. Cato will pay up to \$40,000 to move you and your household possessions to the Charlotte area, as well as up to 60 days of temporary housing. In addition, Cato will pay a one-time relocation allowance of \$30,000 upon establishing your primary residency in the Charlotte area. However, if within the first 24 months after joining the company you decide to resign from the Company, you agree to immediately re-pay the \$30,000 relocation allowance in full, as well as all costs associated with your move and temporary housing. All relocation expenses paid and reimbursed by The Cato Corporation are subject to taxes.

This offer is subject to satisfactory reference checks, background screening, and pre-employment drug screening. Furthermore, you must provide appropriate work authorization and, in compliance with federal law, complete an Employment Verification Form 1-9 and present proof of identity and employment eligibility no later than 3 days after your start date.

This offer is also specifically conditioned upon you signing and returning the enclosed Mutual Dispute Resolution Agreement (the "Agreement"). If you fail to sign and deliver this Agreement this offer of employment is void.

Chuck, we are very excited about the future at The Cato Corporation, and we look forward to you joining us. We will rely on you to work with us in a collaborative and professional manner to help us ensure our future success.

Please sign this original and return it to me signifying your acceptance of these terms as soon as possible. A copy is also enclosed for your records. Please contact me at (704) 551-7654 if you have any questions or need assistance in any way.

/s/ _____ 1/4/2022
John Cato
Chairman, President
& Chief Executive Officer

/s/ _____ 1/4/2022
Charles Knight

The CATO Corporation

NEWS RELEASE

FOR IMMEDIATE RELEASE

For Further Information Contact:
John Howe
EVP, Chief Financial Officer
704-551-7315

THE CATO CORPORATION ANNOUNCES CFO TRANSITION PLANS

John Howe to Retire; Chuck Knight to Become CFO

Charlotte, NC (January 4, 2022) – The Cato Corporation (NYSE: CATO) announced today that John R. Howe, its Executive Vice President and Chief Financial Officer and the Company's principal financial officer, plans to retire from these roles effective January 17, 2022 following 35 years of service with the Company. Mr. Howe will remain employed with the Company through May 1, 2022 to assist with the transition.

Chuck Knight will succeed Mr. Howe as Executive Vice President and Chief Financial Officer effective January 17, 2022. Mr. Knight joins the Company following previous service with The Vitamin Shoppe, first as Senior Vice President, Chief Accounting Officer, and then as Executive Vice President, Chief Financial Officer. Prior to that, Mr. Knight served as Senior Vice President, Corporate Controller for Toys "R" Us.

"I'd like to sincerely thank John Howe for his many contributions to Cato over the last 35 years, including the last 13 as CFO and in numerous positions with our finance team during his career with the Company. His steady hand and effective leadership have enabled the Company to soundly finance its operations and growth over the years," said John P.D. Cato, Chairman, President and Chief Executive Officer. "He has been a true partner to me, and we wish John well in his retirement," Mr. Cato added.

"We are excited to welcome Chuck Knight to the Cato executive leadership team," said Mr. Cato. "We believe the extensive experience that Chuck brings to Cato will make him a valuable asset to the organization."

The Cato Corporation is a leading specialty retailer of value-priced fashion apparel and accessories operating three concepts, "Cato," "Versona" and "It's Fashion." The Company's Cato stores offer exclusive merchandise with fashion and quality comparable to mall specialty stores at low prices every day. The Company also offers exclusive merchandise found in its Cato stores at www.catofashions.com. Versona is a unique fashion

destination offering apparel and accessories including jewelry, handbags and shoes at exceptional prices every day. Select Versona merchandise can also be found at www.shopversona.com. It's Fashion offers fashion with a focus on the latest trendy styles for the entire family at low prices every day.

Statements in this press release that express a belief, expectation or intention, as well as those that are not a historical fact, are considered "forward-looking" within the meaning of The Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations that are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those contemplated by the forward-looking statements. Such factors include, but are not limited to, any actual or perceived deterioration in the conditions that drive consumer confidence and spending, including, but not limited to, prevailing social, economic, political and public health conditions and uncertainties, levels of unemployment, fuel, energy and food costs, wage rates, tax rates, interest rates, home values, consumer net worth and the availability of credit; changes in laws, regulations or government policies affecting our business including but not limited to tariffs; uncertainties regarding the impact of any governmental actions regarding, or responses to, to the foregoing conditions; competitive factors and pricing pressures; our ability to predict and respond to rapidly changing fashion trends and consumer demands; our ability to successfully implement our new store development strategy to increase new store openings and the ability of any such new stores to grow and perform as expected; adverse weather, public health threats (including the global coronavirus (COVID-19) pandemic) or similar conditions that may affect our sales or operations; inventory risks due to shifts in market demand, including the ability to liquidate excess inventory at anticipated margins; and other factors discussed under "Risk Factors" in Part I, Item 1A of the Company's most recently filed annual report on Form 10-K and in other reports the Company files with or furnishes to the SEC from time to time. The Company does not undertake to publicly update or revise the forward-looking statements even if experience or future changes make it clear that the projected results expressed or implied therein will not be realized. The Company is not responsible for any changes made to this press release by wire or Internet services.

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