

SECURITIES AND EXCHANGE COMMISSION

**FORM 8-K**

Current report filing

Filing Date: **2013-01-28** | Period of Report: **2013-01-24**  
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**FILER**

**FULLER H B CO**

CIK:[39368](#) | IRS No.: **410268370** | State of Incorporation: **MN** | Fiscal Year End: **1203**  
Type: **8-K** | Act: **34** | File No.: **001-09225** | Film No.: **13551823**  
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Business Address  
*1200 WILLOW LAKE BLVD  
ST PAUL MN 55110-5132  
6126453401*

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

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**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 24, 2013**

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**H.B. FULLER COMPANY**

**(Exact name of registrant as specified in its charter)**

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**Minnesota**  
(State or other jurisdiction  
of incorporation)

**001-09225**  
(Commission  
file number)

**41-0268370**  
(I.R.S. Employer  
Identification No.)

**1200 Willow Lake Boulevard  
P.O. Box 64683  
St. Paul, MN 55164-0683**  
(Address of principal executive offices, including zip code)

**(651) 236-5900**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

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

On January 24, 2013, the Board of Directors of H.B. Fuller Company (the “Company”) accepted the resignation of Juliana L. Chugg as a director of the Company effective immediately. Ms. Chugg’s resignation as a director of the Company is not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

On January 24, 2013, the Compensation Committee of the Company approved the following increase in compensation for James J. Owens, President and Chief Executive Officer of the Company:

Annual Base Salary effective February 1, 2013: \$862,500

Effective January 24, 2013, the target value of Mr. Owens’ stock-based awards under the Company’s Annual and Long-Term Incentive Plan (the “LTIP”) was increased from 200% of his base salary to 250% of his base salary, resulting in a grant of 80,697 shares of non-qualified stock options and 30,794 shares of restricted stock under the LTIP for the Company’s 2013 fiscal year, which additional grants have a total value of \$2,156,250. The grant of stock options will vest in three equal annual installments beginning on the first anniversary date of the grant date subject to Mr. Owens remaining an employee of the Company. The grant of restricted stock contains a requirement that the restricted stock will vest in three equal installments on January 24, 2014, January 24, 2015 and January 24, 2016 only if (1) one or more of the performance measures in the CEO’s short-term incentive program are met at the threshold level for fiscal 2013 as determined by the Compensation Committee and (2) Mr. Owens continues to be employed by the Company on the respective vesting date.

Effective on January 24, 2013, a long term award of restricted stock of three times his base salary (73,907 shares of restricted stock), which will vest 50% on January 24, 2016 and the remaining 50% will vest on January 24, 2017 only if (1) one or more of the performance measures in the CEO’s short-term incentive program are met at the threshold level for fiscal 2013 as determined by the Compensation Committee and (2) Mr. Owens continues to be employed by the Company on the respective vesting date. The estimated dollar value of this award is \$2,587,500.

No changes were made in Mr. Owens’ incentive opportunity under the Company’s Management Short-Term Incentive Plan (the “STIP”). Mr. Owens will continue to be eligible to receive a target incentive opportunity of 100% of his base salary with a maximum incentive opportunity of up to 200% of his base salary under the STIP for the Company’s 2013 fiscal year.

In connection with annual stock-based grants to eligible H.B. Fuller Company (the “Company”) employees under the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan, on January 24, 2012 the Compensation Committee of the Board of Directors of the Company approved the forms of Non-Qualified Stock Option Award Agreement, Restricted Stock Award Agreement, Restricted Stock Unit Award Agreement, Restricted Stock Unit Award Agreement for Retirement Eligible Participants and Restricted Stock Award Agreement for the Chief Executive Officer attached to this Report as Exhibits 10.1, 10.2, 10.3, 10.4 and 10.5 respectively.

The Non-Qualified Stock Option Award Agreement, the Restricted Stock Award Agreement and the Restricted Stock Unit Award Agreement forms provide for multi-year vesting of options, restricted stock and restricted stock units respectively in equal annual installments. The Restricted Stock Unit

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Award for Retirement Eligible Participants form provides for multi-year vesting of restricted stock units in equal annual installments and also includes provisions related to vesting upon retirement and to address compliance with Internal Revenue Code Section 409A. The Restricted Stock Award Agreement for the Chief Executive Officer allows for vesting of restricted stock in equal installments over a multi-year period only if one or more performance criteria are met at a threshold or higher level. All agreements contain a provision referencing that the grant is subject to the Company's Executive and Key Manager Compensation Clawback Policy which provides that the Compensation Committee may clawback incentive-based compensation in the event of certain financial statement restatements or in the event of misconduct. The foregoing description is qualified in its entirety by reference to the forms of the Agreements, copies of which are filed as Exhibits 10.1, 10.2, 10.3, 10.4 and 10.5 to this Current Report on Form 8-K and are incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

- 10.1 Form of Non-Qualified Stock Option Agreement under the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan for awards made on or after January 24, 2013
- 10.2 Form of Restricted Stock Award Agreement under the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan for awards made on or after January 24, 2013
- 10.3 Form of Restricted Stock Unit Award Agreement under the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan for awards made on or after January 24, 2013
- 10.4 Form of Restricted Stock Unit Award Agreement for Retirement Eligible Participants under the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan for awards made on or after January 24, 2013
- 10.5 Form of Restricted Stock Award Agreement for the Chief Executive Officer under the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan for awards made on or after January 20, 2013

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**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: January 28, 2013

**H.B. FULLER COMPANY**

By: /s/ Timothy J. Keenan

Timothy J. Keenan  
Vice President, General Counsel  
and Corporate Secretary

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## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>
10.1	Form of Non-Qualified Stock Option Agreement under the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan for awards made on or after January 24, 2013
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10.5	Form of Restricted Stock Award Agreement for the Chief Executive Officer under the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan for awards made on or after January 24, 2013

**H.B. FULLER COMPANY**  
**NON-QUALIFIED STOCK OPTION AGREEMENT**  
**(Under the Amended and Restated**  
**H.B. Fuller Company Year 2000 Stock Incentive Plan)**

THIS AGREEMENT, dated as of \_\_\_\_\_, 20\_\_ is entered into between H.B. Fuller Company, a Minnesota corporation (the “Company”), and \_\_\_\_\_, an officer or other employee of the Company or an Affiliate of the Company (“Participant”).

The Company, pursuant to the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan (the “Plan”), wishes to grant stock options for the purchase of Common Stock, par value \$1.00 per share, of the Company (“Common Stock”), to Participant on the terms and conditions contained in this Agreement and the Plan.

Capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Plan.

Accordingly, in consideration of the premises and agreements set forth herein, the parties hereto hereby agree as follows:

1. Grant of Option.

The Company, effective as of the date of this Agreement, hereby grants to Participant, as a matter of separate agreement and not in lieu of salary or other compensation for services rendered, the right and option (the “Option”) to purchase all or any part of an aggregate of \_\_\_\_\_ shares of Common Stock (the “Shares”) at the price of \$ \_\_\_\_\_ per share on the terms and conditions set forth in this Agreement. The Option is not intended to be an incentive stock option within the meaning of the Internal Revenue Code of 1986, as amended.

2. Vesting and Term of Option.

(a) The Option may not be exercised prior to \_\_\_\_\_, 20\_\_ . Commencing on \_\_\_\_\_, 20\_\_ , the Option may be exercised by Participant prior to its termination in cumulative annual installments as follows:

<u>Date</u>	<u>Percentage of Shares as to which Option is Exercisable</u>
_____, 20__	___ %
_____, 20__	___ %
_____, 20__	___ %
_____, 20__	___ %
_____, 20__	___ %

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The Option shall in all events terminate on \_\_\_\_\_, 20\_\_\_\_ or such earlier date as prescribed herein.

(b) Notwithstanding the vesting provision contained in Section 2(a) above, but subject to the other terms and conditions set forth herein, the Option may be exercised, in whole or in part, at any time, or from time to time, following the occurrence of a Change in Control of the Company.

(c) For the purposes of this Agreement, a “Change in Control” shall be deemed to have occurred upon any of the following events:

(i) a public announcement (which, for purposes hereof, shall include, without limitation, a report filed pursuant to Section 13(d) of the Exchange Act) that any individual, corporation, partnership, association, trust or other entity becomes the beneficial owner (as defined in Rule 13(d)(3) promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the Voting Power of the Company then outstanding;

(ii) the individuals who, as of the date of this Agreement, are members of the Board of Directors of the Company (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board (provided, however, that if the election or nomination for election by the Company’ s shareholders of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall be considered to be a member of the Incumbent Board);

(iii) the approval of the shareholders of the Company, and consummation, of (A) any consolidation, merger or statutory share exchange of the Company with any person in which the surviving entity would not have as its directors at least 60% of the Incumbent Board and as a result of which those persons who were shareholders of the Company immediately prior to such transaction would not hold, immediately after such transaction, at least 60% of the Voting Power of the Company then outstanding or the combined voting power of the surviving entity’ s then outstanding voting securities; (B) any sale, lease, exchange or other transfer in one transaction or series of related transactions substantially all of the assets of the Company; or (C) the adoption of any plan or proposal for the complete or partial liquidation or dissolution of the Company; or

(iv) a determination by a majority of the members of the Incumbent Board, in their sole and absolute discretion, that there has been a Change in Control of the Company.

For purposes of this Section 2(c), “Voting Power” when used with reference to the Company shall mean the voting power of all classes and series of capital stock of the Company now or hereafter authorized.



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### 3. Effect of Termination of Employment.

The Option shall terminate and may no longer be exercised if Participant ceases to be employed by the Company or an Affiliate of the Company, except that:

(a) If the Participant voluntarily terminates Participant' s employment or if the Company or an Affiliate of the Company terminates Participant' s employment for any reason other than gross and willful misconduct, disability, retirement or death, Participant may exercise the Option at any time within ninety (90) days after such termination of employment to the extent that the Option was exercisable by Participant on the date of such termination, but not after the expiration of the term of the Option.

(b) If the Company or an Affiliate of the Company terminates Participant' s employment by reason of gross and willful misconduct during the course of employment, including, but not limited to, wrongful appropriation of funds or the commission of a gross misdemeanor or felony, the Option shall be terminated as of the date of the misconduct.

(c) If Participant' s employment is terminated by reason of disability or retirement, the restrictions on Participant' s ability to exercise any percentage of the Option as set forth in Section 2(a), shall lapse and the Option shall vest in full. If Participant' s employment is terminated by reason of retirement, Participant may exercise the Option at any time prior to the end of the term of the Option, but not after the expiration of the term of the Option. If Participant' s employment is terminated by reason of disability, Participant may exercise the Option at any time within three years after such termination of employment, but not after the expiration of the term of the Option. If Participant shall die following any such termination, the Option may be exercised at any time within 12 months after the date of Participant' s death by the personal representatives or administrators of Participant or by any beneficiary designated in a manner established by the Committee or person or persons to whom the Option has been transferred by will or the applicable laws of descent and distribution, subject to the condition that the Option shall not be exercisable after the expiration of the term of the Option.

(d) If Participant shall die while in the employ of the Company or an Affiliate of the Company, the restrictions on Participant' s (or his or her heirs' ) ability to exercise any percentage of the Option as set forth in Section 2(a), shall lapse and the Option shall vest in full. The Option may be exercised at any time within 12 months after the date of Participant' s death by the personal representatives or administrators of Participant or by any beneficiary designated in a manner established by the Committee or person or persons to whom the Option has been transferred by will or the applicable laws of descent and distribution, subject to the condition that the Option shall not be exercisable after the expiration of the term of the Option.

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For purposes of this Section 3, “retirement” shall mean the voluntary or involuntary termination of Participant’s employment for any reason other than gross and willful misconduct, disability or death, after the Participant has completed at least ten years of service as an employee of the Company and/or an Affiliate of the Company and has attained age 55.

4. Method of Exercising Option.

(a) Subject to the terms and conditions of this Agreement, the Option shall be exercised by the delivery of written notice of exercise (the “Notice”) to the Company (to the attention of the Equity Compensation Specialist) or its agent. The Notice shall be in written form or such other form as the Company may prescribe and shall state the election to exercise the Option, the number of Shares as to which the Option is being exercised and the manner of payment and shall be signed by the person or persons so exercising the Option. The notice shall be accompanied by payment in full of the exercise price for all Shares designated in the notice. The Notice shall also be accompanied by such other information and documents as the Company, in its discretion, may request. To the extent that the Option is exercised after Participant’s death, the notice of exercise shall also be accompanied by appropriate proof of the right of such person or persons to exercise the Option.

(b) Payment of the exercise price shall be made to the Company through one or a combination of the following methods:

- (i) delivery of a certified or cashier’s check, or a wire transfer, payable to the Company or cash, in United States currency;
- (ii) delivery of shares of Common Stock acquired by Participant more than six months prior to the date of exercise having a Fair Market Value on the date of exercise equal to the Option exercise price. Participant shall duly endorse all certificates delivered to the Company in blank and shall represent and warrant in writing that Participant is the owner of the shares so delivered, free and clear of all liens, encumbrances, security interests and restrictions;
- (iii) if permitted by the Company in its sole discretion, by executing a “cashless exercise” through the Company’s designated broker; or

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- (iv) delivery of an attestation from Participant that Participant owns a number of shares of Common Stock acquired by Participant more than six months prior to the date of exercise having a Fair Market Value on the date of exercise equal to the Option exercise price (the "Exercise Price Shares"). In such attestation, Participant shall represent and warrant that Participant is the owner of the Exercise Price Shares. In the event Participant exercises the Option in this manner, the number of shares of Common Stock issued to Participant upon exercise of the Option shall be (A) the number of shares subject to the Option exercise, less (B) the number of Exercise Price Shares.

5. Income Tax Withholding.

In order to provide the Company with the opportunity to claim the benefit of any income tax deduction which may be available to it upon the exercise of the Option, and in order to comply with all applicable federal or state income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal or state income, withholding, social, payroll or other taxes, which are the sole and absolute responsibility of Participant, are withheld or collected from Participant. Participant may, at Participant's election (the "Tax Election"), satisfy applicable tax withholding obligations by (a) electing to have the Company withhold a portion of the Shares of Common Stock otherwise to be delivered upon exercise of the Option having a Fair Market Value equal to the amount of such taxes or (b) delivering to the Company shares of Common Stock having a Fair Market Value equal to the amount of such taxes. The Tax Election must be made on or before the date that the amount of tax to be withheld is determined.

6. Adjustments.

In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the Shares covered by the Option such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of the Shares covered by the Option and the exercise price of the Option.

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## 7. Securities Matters.

No Shares shall be issued hereunder prior to such time as counsel to the Company shall have determined that the issuance of the Shares will not violate any federal or state securities or other laws, rules or regulations. The Company shall not be required to deliver any Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied. In addition, the grant of this Option and/or the delivery of any Shares under this Agreement are subject to the Company's Executive and Key Manager Compensation Clawback Policy and any other clawback policies the Company may adopt in the future to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (or any other applicable law) and any applicable rules and regulations of the Securities and Exchange Commission.

## 8. General Provisions.

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee, and such determination shall be final, conclusive and binding upon all parties in interest.

(b) No Rights as a Shareholder. Neither Participant nor Participant's legal representatives shall have any of the rights and privileges of a shareholder of the Company with respect to the Shares of Common Stock subject to the Option until such Shares shall have been issued upon exercise of the Option.

(c) No Right to Employment. Nothing in this Agreement or the Plan shall be construed as giving Participant the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.

(d) Option Not Transferable. The Option shall not be transferable other than (i) by will or by the laws of descent and distribution, or (ii) by designating a beneficiary or beneficiaries (in a manner established by the Committee) to exercise the rights of the Participant and receive any property distributable with respect to any Option upon the death of the Participant. During Participant's lifetime the Option shall be exercisable only by Participant or, if permissible under applicable law, by Participant's guardian or legal representative. The Option may not be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance of the Option shall be void and unenforceable against the Company.

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(e) Reservation of Shares. The Company shall at all times during the term of the Option reserve and keep available such number of shares of Common Stock as will be sufficient to satisfy the requirements of this Agreement.

(f) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(g) Governing Law. The internal law, and not the law of conflicts, of the State of Minnesota will govern all questions concerning the validity, construction and effect of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date first set forth above.

H.B. FULLER COMPANY

By: \_\_\_\_\_

\_\_\_\_\_  
[employee]

Date: \_\_\_\_\_

**FORM OF RESTRICTED STOCK AWARD AGREEMENT**

**H.B. FULLER COMPANY**

**RESTRICTED STOCK AWARD AGREEMENT**

**(Under the Amended and Restated H.B. Fuller Company  
Year 2000 Stock Incentive Plan)**

**THIS AGREEMENT**, dated as of \_\_\_\_\_, 20\_\_\_\_, is entered into between H.B. Fuller Company, a Minnesota corporation (the “Company”), and \_\_\_\_\_, an employee of the Company or an affiliate of the Company (“Participant”).

**WHEREAS**, the Company, pursuant to the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan (the “Plan”), wishes to award to Participant shares of common stock, par value \$1.00 per share, of the Company (“Common Stock”), subject to certain restrictions and on the terms and conditions contained in this Agreement and the Plan;

**NOW, THEREFORE**, in consideration of the premises and agreements set forth herein, the parties hereto hereby agree as follows:

1. Award of Restricted Stock.

The Company, effective as of the date of this Agreement, hereby grants to Participant a restricted stock award of shares of Common Stock (the “Shares”), subject to the terms and conditions set forth in this Agreement.

2. Rights of Participant with Respect to the Shares.

(a) Shareholder Rights. With respect to the Shares, Participant shall be entitled at all times on and after the date of issuance of the Shares to exercise all rights of a shareholder of Common Stock of the Company, including the right to vote the Shares and the right to receive dividends thereon as provided in Section 2(b) hereof, unless and until the Shares are forfeited pursuant to Section 3 hereof. The rights of Participant with respect to the Shares shall remain forfeitable at all times prior to the date on which such rights become vested, and the restrictions with respect to the Shares lapse, in accordance with Section 3 hereof.

(b) Reinvestment of Dividends. As a condition to receiving the Shares under the Plan, Participant hereby elects to defer the receipt of dividends paid on the Shares. Participant agrees that all cash dividends otherwise payable on and with respect to the Shares shall be reinvested in additional shares of restricted Common Stock at the Fair Market Value of such shares (“Additional Shares”). A report showing the number of Additional Shares so purchased with reinvested dividends shall be sent to Participant within 30 days following the applicable dividend payment date. The Additional Shares so purchased shall be subject to the same terms and conditions as the Shares granted pursuant to this Agreement and the Additional Shares shall be forfeited in the event that the Shares with respect to which the reinvested dividends were paid are forfeited.

(c) Issuance of Shares. The Company shall cause to be issued, in either certificated or uncertificated form, the Shares and any Additional Shares. The Shares and any Additional Shares shall be issued and held in nominee name by the stock transfer agent or brokerage service selected by the Company to provide such services for the Plan. No certificates or other evidence of the Shares or Additional Shares shall be issued to Participant prior to the date on which the Shares vest, and the restrictions with respect to the Shares lapse, in accordance with Section 3 hereof. Neither this Section 2(c) nor any action taken pursuant to or in accordance with this Section 2(c) shall be construed to create a trust of any kind. After any Shares vest pursuant to Section 3 hereof, the Company shall promptly cause to be issued either evidence of uncertificated Shares or a certificate or certificates, registered in Participant' s name or in the name of Participant' s legal representatives, beneficiaries or heirs, as the case may be, evidencing such vested whole Shares and any Additional Shares and shall cause such certificated or uncertificated Shares and any Additional Shares to be delivered to Participant or Participant' s legal representatives, beneficiaries or heirs, as the case may be. The value of any fractional Share shall be cancelled at the time certificated or uncertificated Shares and any Additional Shares are delivered to Participant.

3. Vesting; Forfeiture.

(a) Vesting. Subject to the terms and conditions of this Agreement, the Shares shall vest and the restrictions with respect to the Shares shall lapse in \_\_\_\_\_ annual installments if the Participant remains continuously employed by the Company or an Affiliate of the Company, as follows:

<u>Date</u>	<u>Percentage of Shares to Vest</u>
_____, 20__	___ %
_____, 20__	___ %
_____, 20__	___ %
_____, 20__	___ %
_____, 20__	___ %

(b) Early Vesting. Notwithstanding the vesting provision contained in Section 3(a) above, but subject to the other terms and conditions set forth herein, upon the occurrence of a "Change in Control" (as defined below) or in the event of Participant' s death or permanent disability, Participant or Participant' s legal representatives, beneficiaries or heirs, as the case may be, shall become immediately vested in all of the Shares, and the restrictions with respect to the Shares shall lapse, as of the date of such Change in Control, death or permanent disability.

(c) For the purposes of this Agreement, a "Change in Control" shall be deemed to have occurred upon any of the following events:

- (1) a public announcement (which, for purposes hereof, shall include, without limitation, a report filed pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that any individual, corporation, partnership, association, trust or other entity becomes the beneficial owner (as defined in Rule 13(d)(3) promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the voting power of the Company then outstanding;

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- (2) the individuals who, as of the date of this Agreement, are members of the Board of Directors of the Company (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board (provided, however, that if the election or nomination for election by the Company’s shareholders of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall be considered to be a member of the Incumbent Board);
  - (3) the approval of the shareholders of the Company, and consummation, of (i) any consolidation, merger or statutory share exchange of the Company with any person in which the surviving entity would not have as its directors at least 60% of the Incumbent Board and as a result of which those persons who were shareholders of the Company immediately prior to such transaction would not hold, immediately after such transaction, at least 60% of the voting power of the Company then outstanding or the combined voting power of the surviving entity’s then outstanding voting securities; (ii) any sale, lease, exchange or other transfer in one transaction or series of related transactions substantially all of the assets of the Company; or (iii) the adoption of any plan or proposal for the complete or partial liquidation or dissolution of the Company; or
  - (4) a determination by a majority of the members of the Incumbent Board, in their sole and absolute discretion, that there has been a Change in Control of the Company.

For purposes of this Section 3(c), “voting power” when used with reference to the Company shall mean the voting power of all classes and series of capital stock of the Company now or hereafter authorized.

(d) Forfeiture. If Participant ceases to be employed by the Company or an Affiliate of the Company for any reason other than those specified in Section 3(b) hereof prior to the vesting of the Shares pursuant to Section 3(a) hereof, Participant’s rights to all of the Shares shall be immediately and irrevocably forfeited, including the right to vote the Shares and the right to receive dividends and any Additional Shares.

#### 4. Restrictions on Transfer.

Until the Shares vest pursuant to Section 3 hereof, neither the Shares, nor any right with respect to the Shares under this Agreement, may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by Participant and any purported sale, assignment, transfer, pledge, hypothecation or other disposition shall be void and unenforceable against the Company. Notwithstanding the foregoing, Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of Participant and receive any property distributable with respect to the Shares upon the death of Participant. Each right under this Agreement shall be exercisable during Participant’s lifetime only by Participant or, if permissible under applicable law, by Participant’s legal representative.



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## 5. Income Tax Matters.

In order to comply with all applicable income, social, payroll or other tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable income, social, payroll or other taxes, which are the sole and absolute responsibility of Participant, are withheld or collected from such Participant. Upon vesting of the Shares and the lapse of the restrictions with respect to the Shares under the terms of this Award Agreement, Participant shall be obligated to pay any applicable withholding taxes arising from such vesting and lapse of restrictions, assuming Participant has not made an election pursuant to Section 83(b) of the Code. Unless the Company receives an irrevocable written instruction, addressed to the attention of the Secretary of the Company, from Participant prior to the date that the Shares vest and the restrictions lapse, the Company shall automatically withhold as payment the number of shares of Common Stock, determined by the Fair Market Value on the applicable vesting date as set forth in Section 3 and lapse of restrictions, required to pay the applicable withholding taxes. The Company shall not be required to deliver any fractional share of Common Stock but will pay, in lieu thereof, the Fair Market Value (as of the date the shares vest and the restrictions lapse) of such fractional share.

## 6. Securities Matters.

No Shares shall be issued hereunder prior to such time as counsel to the Company shall have determined that the issuance of the Shares will not violate any federal or state securities or other laws, rules or regulations. The Company shall not be required to deliver any Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied. In addition, the grant of the Shares and/or the delivery of any Shares under this Agreement are subject to the Company's Executive and Key Manager Compensation Clawback Policy and any other clawback policies the Company may adopt in the future to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (or any other applicable law) and any applicable rules and regulations of the Securities and Exchange Commission.

## 7. Adjustments.

In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of the Shares.

## 8. General Provisions.

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. Terms used herein which are defined in the Plan shall have the respective meanings ascribed to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee, and such determination shall be final and conclusive upon all parties in interest.

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(b) No Right to Employment. The grant of the Shares shall not be construed as giving Participant the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.

(c) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(d) Governing Law. The internal law, and not the law of conflicts, of the State of Minnesota will govern all questions concerning the validity, construction and effect of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first set forth above.

H.B. FULLER COMPANY

By: \_\_\_\_\_

Participant

Date: \_\_\_\_\_

**FORM OF RESTRICTED STOCK UNIT AGREEMENT****H.B. FULLER COMPANY****RESTRICTED STOCK UNIT AWARD AGREEMENT****(Under the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan)**

**THIS AGREEMENT**, dated as of \_\_\_\_\_, 20\_\_\_\_, is entered into between H.B. Fuller Company, a Minnesota corporation (the “Company”), and \_\_\_\_\_, an employee of the Company or an affiliate of the Company (“Participant”).

**WHEREAS**, the Company, pursuant to the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan (the “Plan”), wishes to award to Participant Restricted Stock Units, representing the right to receive shares of common stock, par value \$1.00 per share, of the Company (“Common Stock”), subject to certain restrictions and on the terms and conditions contained in this Agreement and the Plan;

**NOW, THEREFORE**, in consideration of the premises and agreements set forth herein, the parties hereto hereby agree as follows:

1. Award of Restricted Stock Units. The Company, effective as of the date of this Agreement, hereby grants to Participant an award of Restricted Stock Units, each Restricted Stock Unit representing the right to receive one share of Common Stock on such date as set forth herein, plus an additional amount pursuant to Section 2(b) hereof, subject to the terms and conditions set forth in this Agreement.

2. Rights of Participant with Respect to the Restricted Stock Units.

(a) No Shareholder Rights. The Restricted Stock Units granted pursuant to this Agreement do not and shall not entitle Participant to any rights of a shareholder of Common Stock. The rights of Participant with respect to the Restricted Stock Units shall remain forfeitable at all times prior to the date on which such rights become vested, and the restrictions with respect to the Restricted Stock Units lapse, in accordance with Section 3 hereof.

(b) Dividend Equivalents. As long as Participant holds Restricted Stock Units granted pursuant to this Agreement, the Company shall credit to Participant, on each date that the Company pays a cash dividend to holders of Common Stock generally, an additional number of Restricted Stock Units (“Additional Restricted Stock Units”) equal to the total number of whole Restricted Stock Units and Additional Restricted Stock Units previously credited to Participant under this Agreement multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such date, divided by the Fair Market Value of a share of Common Stock on such date. Any fractional Restricted Stock Unit resulting from such calculation shall be included in the Additional Restricted Stock Units. A report showing the number of Additional Restricted Stock Units so credited shall be sent to Participant periodically, as determined by the Company. The Additional Restricted Stock Units so credited shall be subject to the same terms and conditions as the Restricted Stock Units granted pursuant to this Agreement and the Additional Restricted Stock Units shall be forfeited in the event that the Restricted Stock Units with respect to which the dividend equivalents were paid are forfeited.

(c) Issuance of Shares; Conversion of Restricted Stock Units. No shares of Common Stock shall be issued to Participant prior to the date on which the Restricted Stock Units vest, and the restrictions with respect to the Restricted Stock Units lapse, in accordance with Section 3 hereof. Neither this Section 2(c) nor any action taken pursuant to or in accordance with this Section 2(c) shall be construed to create a trust of any kind. After any Restricted Stock Units vest pursuant to Section 3 hereof, the Company shall promptly cause to be issued, in either certificated or uncertificated form, shares of Common Stock registered in Participant' s name or in the name of Participant' s legal representatives, beneficiaries or heirs, as the case may be, in payment of such vested whole Restricted Stock Units and any Additional Restricted Stock Units and shall cause such certificated or uncertificated shares to be delivered to Participant or Participant' s legal representatives, beneficiaries or heirs, as the case may be. The value of any fractional Restricted Stock Unit shall be cancelled at the time certificated or uncertificated shares are delivered to Participant in payment of the Restricted Stock Units and any Additional Restricted Stock Units.

3. Vesting; Forfeiture.

(a) Vesting. Subject to the terms and conditions of this Agreement, the Restricted Stock Units shall vest in full and the restrictions with respect to the Restricted Stock Units shall lapse if Participant remains continuously employed by the Company or an Affiliate of the Company until the date of such vesting and lapse of restrictions, as set forth below:

Date	Percentage of Restricted Stock Units to Vest
____, 20__	— %
____, 20__	— %
____, 20__	— %
____, 20__	— %
____, 20__	— %

(b) Early Vesting. Notwithstanding the vesting provision contained in Section 3(a) above, but subject to the other terms and conditions set forth herein, upon the occurrence of a “Change in Control” (as defined below) or in the event of Participant' s death or permanent disability, Participant or Participant' s legal representatives, beneficiaries or heirs, as the case may be, shall become immediately vested in all of the Restricted Stock Units, and the restrictions with respect to the Restricted Stock Units shall lapse, as of the date of such Change in Control, death or permanent disability.

(c) For the purposes of this Agreement, a “Change in Control” shall be deemed to have occurred upon any of the following events:

- (1) a public announcement (which, for purposes hereof, shall include, without limitation, a report filed pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) that any individual, corporation, partnership, association, trust or other entity becomes the beneficial owner (as defined in Rule 13(d)(3) promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the voting power of the Company then outstanding;

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- (2) the individuals who, as of the date of this Agreement, are members of the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board (provided, however, that if the election or nomination for election by the Company's shareholders of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall be considered to be a member of the Incumbent Board);
  - (3) the approval of the shareholders of the Company, and consummation, of (i) any consolidation, merger or statutory share exchange of the Company with any person in which the surviving entity would not have as its directors at least 60% of the Incumbent Board and as a result of which those persons who were shareholders of the Company immediately prior to such transaction would not hold, immediately after such transaction, at least 60% of the voting power of the Company then outstanding or the combined voting power of the surviving entity's then outstanding voting securities; (ii) any sale, lease, exchange or other transfer in one transaction or series of related transactions substantially all of the assets of the Company; or (iii) the adoption of any plan or proposal for the complete or partial liquidation or dissolution of the Company; or
  - (4) a determination by a majority of the members of the Incumbent Board, in their sole and absolute discretion, that there has been a Change in Control of the Company.

For purposes of this Section 3(c), "voting power" when used with reference to the Company shall mean the voting power of all classes and series of capital stock of the Company now or hereafter authorized.

(d) Forfeiture. If Participant ceases to be employed by the Company or an Affiliate of the Company for any reason other than those reasons specified in Section 3(b) hereof prior to the vesting of the Restricted Stock Units pursuant to Section 3(a) hereof, Participant's rights to all of the Restricted Stock Units shall be immediately and irrevocably forfeited, including the right to receive any Additional Restricted Stock Units.

4. Restrictions on Transfer. The Restricted Stock Units shall not be transferable other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of Participant and receive any property distributable with respect to the Restricted Stock Units upon the death of Participant. Each right under this Agreement shall be exercisable during Participant's lifetime only by Participant or, if permissible under applicable law, by Participant's legal representative. The Restricted Stock Units and any rights under this Agreement may not be sold, assigned, transferred, pledged, alienated, attached or otherwise encumbered and any purported sale, assignment, transfer, pledge, alienation, attachment or encumbrance shall be void and unenforceable against the Company or any Affiliate.

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## 5. Income Tax Matters.

In order to comply with all applicable federal, foreign, state or local income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, foreign, state or local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Participant, are withheld or collected from Participant. Upon vesting of the Restricted Stock Units and the lapse of the restrictions with respect to the Restricted Stock Units under the terms of this Award Agreement, Participant shall be obligated to pay any applicable withholding taxes arising from such vesting and lapse of restrictions. Unless the Company receives an irrevocable written instruction, addressed to the attention of the Secretary of the Company, from Participant prior to the date that the Restricted Stock Units vest and the restrictions lapse, the Company shall automatically withhold as payment the number of shares of Common Stock, determined by the Fair Market Value on the applicable vesting date as set forth in Section 3 and lapse of restrictions, required to pay the applicable withholding taxes. The Company shall not be required to deliver any fractional share of Common Stock but will pay, in lieu thereof, the Fair Market Value (as of the date the Restricted Stock Units vest and the restrictions lapse) of such fractional share.

6. Securities Matters. No shares of Common Stock shall be issued pursuant to this Agreement prior to such time as counsel to the Company shall have determined that the issuance of such shares will not violate any securities or other laws, rules or regulations. The Company shall not be required to deliver any shares of Common Stock until the requirements of any applicable securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied. In addition, the grant of these Restricted Stock Units and/or the delivery of any shares of Common Stock under this Agreement are subject to the Company's Executive and Key Manager Compensation Clawback Policy and any other clawback policies the Company may adopt in the future to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (or any other applicable law) and any applicable rules and regulations of the Securities and Exchange Commission.

7. Adjustments. In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the Common Stock such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of shares subject to the Restricted Stock Units.

## 8. General Provisions.

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. Terms used herein which are defined in the Plan shall have the respective meanings ascribed to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee, and such determination shall be final and conclusive upon all parties in interest.

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(b) No Right to Employment. The grant of the Restricted Stock Units shall not be construed as giving Participant the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.

(c) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(d) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction under any law deemed to be applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable law, or if it cannot be so construed or amended without, in the determination of the Committee, materially altering the purpose or intent of this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(e) Governing Law. The internal law, and not the law of conflicts, of the State of Minnesota will govern all questions concerning the validity, construction and effect of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first set forth above.

H.B. FULLER COMPANY

By: \_\_\_\_\_

\_\_\_\_\_  
Participant

Date: \_\_\_\_\_

**FORM OF RESTRICTED STOCK UNIT AGREEMENT  
FOR RETIREMENT ELIGIBLE PARTICIPANTS**

**H.B. FULLER COMPANY**

**RESTRICTED STOCK UNIT AWARD AGREEMENT**

**(Under the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan)**

**THIS AGREEMENT**, dated as of \_\_\_\_\_, 20\_\_\_\_, is entered into between H.B. Fuller Company, a Minnesota corporation (the “Company”), and \_\_\_\_\_, an employee of the Company or an affiliate of the Company (“Participant”).

**WHEREAS**, the Company, pursuant to the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan (the “Plan”), wishes to award to Participant Restricted Stock Units, representing the right to receive shares of common stock, par value \$1.00 per share, of the Company (“Common Stock”), subject to certain restrictions and on the terms and conditions contained in this Agreement and the Plan;

**NOW, THEREFORE**, in consideration of the premises and agreements set forth herein, the parties hereto hereby agree as follows:

1. Award of Restricted Stock Units. The Company, effective as of the date of this Agreement, hereby grants to Participant an award of \_\_\_\_\_ Restricted Stock Units, each Restricted Stock Unit representing the right to receive one share of Common Stock on such date as set forth herein, plus an additional amount pursuant to Section 2(b) hereof, subject to the terms and conditions set forth in this Agreement.

2. Rights of Participant with Respect to the Restricted Stock Units.

(a) No Shareholder Rights. The Restricted Stock Units granted pursuant to this Agreement do not and shall not entitle Participant to any rights of a shareholder of Common Stock. The rights of Participant with respect to the Restricted Stock Units shall remain forfeitable at all times prior to the date on which such rights become vested, and the restrictions with respect to the Restricted Stock Units lapse, in accordance with Section 3 hereof.

(b) Dividend Equivalents. As long as Participant holds Restricted Stock Units granted pursuant to this Agreement, the Company shall credit to Participant, on each date that the Company pays a cash dividend to holders of Common Stock generally, an additional number of Restricted Stock Units (“Additional Restricted Stock Units”) equal to the total number of whole Restricted Stock Units and Additional Restricted Stock Units previously credited to Participant under this Agreement multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such date, divided by the Fair Market Value of a share of Common Stock on such date. Any fractional Restricted Stock Unit resulting from such calculation shall be included in the Additional Restricted Stock Units. A report showing the number of Additional Restricted Stock Units so credited shall be sent to Participant periodically, as determined by the Company. The Additional Restricted Stock Units so credited shall be subject to the same terms and conditions as the Restricted Stock Units granted pursuant to this Agreement and the Additional Restricted Stock Units shall be forfeited in the event that the Restricted Stock Units with respect to which the dividend equivalents were paid are forfeited.



(c) Issuance of Shares; Conversion of Restricted Stock Units. No shares of Common Stock shall be issued to Participant prior to the date on which the Restricted Stock Units vest and the restrictions with respect to the Restricted Stock Units lapse, in accordance with Section 3 hereof. Neither this Section 2(c) nor any action taken pursuant to or in accordance with this Section 2(c) shall be construed to create a trust of any kind. After any Restricted Stock Units vest pursuant to Section 3 hereof, the Company shall promptly cause to be issued, in either certificated or uncertificated form, shares of Common Stock registered in Participant' s name or in the name of Participant' s legal representatives, beneficiaries or heirs, as the case may be, in payment of such vested whole Restricted Stock Units and any Additional Restricted Stock Units and shall cause such certificated or uncertificated shares to be delivered to Participant or Participant' s legal representatives, beneficiaries or heirs, as the case may be. In no event shall issuance of shares occur more than ninety (90) days after the applicable vesting date. The value of any fractional Restricted Stock Unit shall be cancelled at the time certificated or uncertificated shares are delivered to Participant in payment of the Restricted Stock Units and any Additional Restricted Stock Units.

3. Vesting; Forfeiture.

(a) Vesting Dates.

Date	Percentage of Restricted Stock Units to Vest
_____, 20__	___ %
_____, 20__	___ %
_____, 20__	___ %
_____, 20__	___ %
_____, 20__	___ %

(b) Subject to the terms and conditions of this Agreement, the Restricted Stock Units shall vest in three annual installments and the restrictions shall lapse on the vesting dates set forth in Sec. 3(a) above, if any one of the following conditions exists on each applicable date,

- (i) Participant remains continuously employed by the Company or an Affiliate of the Company, or
- (ii) Participant is eligible for retirement (as defined hereafter) and retired from the Company or any Affiliate of Company prior to the applicable vesting date, or
- (iii) A "Change in Control" (as defined below) has occurred, or
- (iv) Participant is permanently disabled.

(c) Early Vesting. Notwithstanding the vesting provision contained in Section 3(b) above, but subject to the other terms and conditions set forth herein, upon the occurrence of Participant' s death, Participant or Participant' s legal representatives, beneficiaries or heirs, as the case may be, shall become immediately vested in all of the Restricted Stock Units, and the restrictions with respect to the Restricted Stock Units shall lapse, as of the date of such death. Issuance of the shares shall occur as soon as administratively feasible after the Participant' s death but in no event more than ninety (90) days after death.

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(d) For the purposes of this Agreement, a “Change in Control” shall be deemed to have occurred upon any of the following events:

- (1) a public announcement (which, for purposes hereof, shall include, without limitation, a report filed pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) that any individual, corporation, partnership, association, trust or other entity becomes the beneficial owner (as defined in Rule 13(d)(3) promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the voting power of the Company then outstanding;
- (2) the individuals who, as of the date of this Agreement, are members of the Board of Directors of the Company (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board (provided, however, that if the election or nomination for election by the Company’ s shareholders of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall be considered to be a member of the Incumbent Board);
- (3) the approval of the shareholders of the Company, and consummation, of (i) any consolidation, merger or statutory share exchange of the Company with any person in which the surviving entity would not have as its directors at least 60% of the Incumbent Board and as a result of which those persons who were shareholders of the Company immediately prior to such transaction would not hold, immediately after such transaction, at least 60% of the voting power of the Company then outstanding or the combined voting power of the surviving entity’ s then outstanding voting securities; (ii) any sale, lease, exchange or other transfer in one transaction or series of related transactions substantially all of the assets of the Company; or (iii) the adoption of any plan or proposal for the complete or partial liquidation or dissolution of the Company; or
- (4) a determination by a majority of the members of the Incumbent Board, in their sole and absolute discretion, that there has been a Change in Control of the Company.

For purposes of this Section 3(c), “voting power” when used with reference to the Company shall mean the voting power of all classes and series of capital stock of the Company now or hereafter authorized.

(d) Forfeiture. If Participant ceases to be employed by the Company or an Affiliate of the Company for any reason other than “retirement” as defined below or Participant’ s death as specified in Section 3(c) hereof, prior to the vesting of the Restricted Stock Units pursuant to Section 3(b) hereof, Participant’ s rights to any unvested Restricted Stock Units shall be immediately and irrevocably forfeited, including the right to receive any applicable Additional Restricted Stock Units.

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For purposes of this Section 3, “retirement” shall mean the voluntary or involuntary termination of Participant’s employment for any reason other than gross and willful misconduct, disability or death, after the Participant has completed at least ten years of service as an employee of the Company and/or an Affiliate of the Company, and has attained age 55, so long as the Participant has at all times that Restricted Stock Units are outstanding under this Agreement complied with the terms of any applicable confidentiality, non-disclosure and/or non-competition agreement between the Company and the Participant. In all other cases, any unvested Restricted Stock Units and Additional Restricted Stock Units shall terminate upon retirement.

4. Restrictions on Transfer. The Restricted Stock Units shall not be transferable other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of Participant and receive any property distributable with respect to the Restricted Stock Units upon the death of Participant. Each right under this Agreement shall be exercisable during Participant’s lifetime only by Participant or, if permissible under applicable law, by Participant’s legal representative. The Restricted Stock Units and any rights under this Agreement may not be sold, assigned, transferred, pledged, alienated, attached or otherwise encumbered and any purported sale, assignment, transfer, pledge, alienation, attachment or encumbrance shall be void and unenforceable against the Company or any Affiliate.

5. Income Tax Matters.

In order to comply with all applicable federal, foreign, state or local income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, foreign, state or local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Participant, are withheld or collected from Participant. Upon vesting of the Restricted Stock Units and the lapse of the restrictions with respect to the Restricted Stock Units under the terms of this Award Agreement, Participant shall be obligated to pay any applicable withholding taxes arising from such vesting and lapse of restrictions. Unless the Company receives an irrevocable written instruction, addressed to the attention of the Secretary of the Company, from Participant prior to the date that the Restricted Stock Units vest and the restrictions lapse, the Company shall automatically withhold as payment the number of shares of Common Stock, determined by the Fair Market Value on the applicable vesting date as set forth in Section 3 and lapse of restrictions, required to pay the applicable withholding taxes. The Company shall not be required to deliver any fractional share of Common Stock but will pay, in lieu thereof, the Fair Market Value (as of the date the Restricted Stock Units vest and the restrictions lapse) of such fractional share.

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6. Securities Matters. No shares of Common Stock shall be issued pursuant to this Agreement prior to such time as counsel to the Company shall have determined that the issuance of such shares will not violate any securities or other laws, rules or regulations. The Company shall not be required to deliver any shares of Common Stock until the requirements of any applicable securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied. In addition, the grant of the Restricted Stock Units and/or the delivery of any shares of Common Stock under this Agreement are subject to the Company's Executive and Key Manager Compensation Clawback Policy and any other clawback policies the Company may adopt in the future to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (or any other applicable law) and any applicable rules and regulations of the Securities and Exchange Commission.

7. Adjustments. In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the Common Stock such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of shares subject to the Restricted Stock Units.

8. General Provisions.

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. Terms used herein which are defined in the Plan shall have the respective meanings ascribed to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee, and such determination shall be final and conclusive upon all parties in interest. The rules of section 409A of the Internal Revenue Code shall apply to this Agreement, and this Agreement shall be construed and administered accordingly. Notwithstanding the foregoing, neither the Company nor any of its officers, directors, agents or affiliates shall be obligated, directly or indirectly, to any Participant or any other person for any taxes, penalties, interest or like amounts that may be imposed on the Participant or other person on account of any amounts under this Agreement or on account of any failure to comply with any section of the Internal Revenue Code.

(b) No Right to Employment. The grant of the Restricted Stock Units shall not be construed as giving Participant the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.

(c) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

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(d) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction under any law deemed to be applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable law, or if it cannot be so construed or amended without, in the determination of the Committee, materially altering the purpose or intent of this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(e) Governing Law. The internal law, and not the law of conflicts, of the State of Minnesota will govern all questions concerning the validity, construction and effect of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first set forth above.

H.B. FULLER COMPANY

By: \_\_\_\_\_

Participant

Date: \_\_\_\_\_

**CEO FORM OF RESTRICTED STOCK AWARD AGREEMENT**

**H.B. FULLER COMPANY**

**RESTRICTED STOCK AWARD AGREEMENT**

**(Under the Amended and Restated**

**H.B. Fuller Company Year 2000 Stock Incentive Plan)**

**THIS AGREEMENT**, dated as of \_\_\_\_\_, 20\_\_\_\_, is entered into between H.B. Fuller Company, a Minnesota corporation (the “Company”), and \_\_\_\_\_, an employee of the Company or an affiliate of the Company (“Participant”).

**WHEREAS**, the Company, pursuant to the Amended and Restated H.B. Fuller Company Year 2000 Stock Incentive Plan (the “Plan”), wishes to award to Participant shares of common stock, par value \$1.00 per share, of the Company (“Common Stock”), subject to certain restrictions and on the terms and conditions contained in this Agreement and the Plan;

**NOW, THEREFORE**, in consideration of the premises and agreements set forth herein, the parties hereto hereby agree as follows:

1. Award of Restricted Stock.

The Company, effective as of the date of this Agreement, hereby grants to Participant a restricted stock award of \_\_\_\_\_ shares of Common Stock (the “Shares”), subject to the terms and conditions set forth in this Agreement.

2. Rights of Participant with Respect to the Shares.

(a) Shareholder Rights. With respect to the Shares, Participant shall be entitled at all times on and after the date of issuance of the Shares to exercise all rights of a shareholder of Common Stock of the Company, including the right to vote the Shares and the right to receive dividends thereon as provided in Section 2(b) hereof, unless and until the Shares are forfeited pursuant to Section 3 hereof. The rights of Participant with respect to the Shares shall remain forfeitable at all times prior to the date on which such rights become vested, and the restrictions with respect to the Shares lapse, in accordance with Section 3 hereof.

(b) Reinvestment of Dividends. As a condition to receiving the Shares under the Plan, Participant hereby elects to defer the receipt of dividends paid on the Shares. Participant agrees that all cash dividends otherwise payable on and with respect to the Shares shall be reinvested in additional shares of restricted Common Stock at the Fair Market Value of such shares (“Additional Shares”). A report showing the number of Additional Shares so purchased with reinvested dividends shall be sent to Participant within 30 days following the applicable dividend payment date. The Additional Shares so purchased shall be subject to the same terms and conditions as the Shares granted pursuant to this Agreement and the Additional Shares shall be forfeited in the event that the Shares with respect to which the reinvested dividends were paid are forfeited.

(c) Issuance of Shares. The Company shall cause to be issued, in either certificated or uncertificated form, the Shares and any Additional Shares. The Shares and any Additional Shares shall be issued and held in nominee name by the stock transfer agent or brokerage service selected by the Company to provide such services for the Plan. No certificates or other evidence of the Shares or Additional Shares shall be issued to Participant prior to the date on which the Shares vest, and the restrictions with respect to the Shares lapse, in accordance with Section 3 hereof. Neither this Section 2(c) nor any action taken pursuant to or in accordance with this Section 2(c) shall be construed to create a trust of any kind. After any Shares vest pursuant to Section 3 hereof, the Company shall promptly cause to be issued either evidence of uncertificated Shares or a certificate or certificates, registered in Participant's name or in the name of Participant's legal representatives, beneficiaries or heirs, as the case may be, evidencing such vested whole Shares and any Additional Shares and shall cause such certificated or uncertificated Shares and any Additional Shares to be delivered to Participant or Participant's legal representatives, beneficiaries or heirs, as the case may be. The value of any fractional Share shall be cancelled at the time certificated or uncertificated Shares and any Additional Shares are delivered to Participant.

3. Vesting; Forfeiture.

(a) Vesting. Subject to the terms and conditions of this Agreement, in the event that any one or more of the performance measures for the Participant set forth under the Company's Short-Term Incentive Program are met (at the threshold level or above) for the fiscal year ending \_\_\_\_\_, 20\_\_ as determined by the Compensation Committee of the Board of Directors of the Company, the Shares shall vest and the restrictions with respect to the Shares shall lapse in \_\_\_\_\_ annual installments if the Participant remains continuously employed by the Company or an Affiliate of the Company, as follows:

Date	Percentage of Shares to Vest
_____, 20__	_____%
_____, 20__	_____%
_____, 20__	_____%
_____, 20__	_____%
_____, 20__	_____%;

The Compensation Committee of the Board of Directors of the Company has the authority at any time to exercise negative discretion to reduce the number of shares that may vest under this Agreement.

(b) Early Vesting. Notwithstanding the vesting provision contained in Section 3(a) above, but subject to the other terms and conditions set forth herein, upon the occurrence of a "Change in Control" (as defined below) or in the event of Participant's death or permanent disability, Participant or Participant's legal representatives, beneficiaries or heirs, as the case may be, shall become immediately vested in all of the Shares, and the restrictions with respect to the Shares shall lapse, as of the date of such Change in Control, death or permanent disability.

(c) For the purposes of this Agreement, a "Change in Control" shall be deemed to have occurred upon any of the following events:

- (1) a public announcement (which, for purposes hereof, shall include, without limitation, a report filed pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that any individual, corporation, partnership, association, trust or other entity becomes the beneficial owner (as defined in Rule 13(d)(3) promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the voting power of the Company then outstanding;

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- (2) the individuals who, as of the date of this Agreement, are members of the Board of Directors of the Company (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board (provided, however, that if the election or nomination for election by the Company’s shareholders of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall be considered to be a member of the Incumbent Board);
  - (3) the approval of the shareholders of the Company, and consummation, of (i) any consolidation, merger or statutory share exchange of the Company with any person in which the surviving entity would not have as its directors at least 60% of the Incumbent Board and as a result of which those persons who were shareholders of the Company immediately prior to such transaction would not hold, immediately after such transaction, at least 60% of the voting power of the Company then outstanding or the combined voting power of the surviving entity’s then outstanding voting securities; (ii) any sale, lease, exchange or other transfer in one transaction or series of related transactions substantially all of the assets of the Company; or (iii) the adoption of any plan or proposal for the complete or partial liquidation or dissolution of the Company; or
  - (4) a determination by a majority of the members of the Incumbent Board, in their sole and absolute discretion, that there has been a Change in Control of the Company.

For purposes of this Section 3(c), “voting power” when used with reference to the Company shall mean the voting power of all classes and series of capital stock of the Company now or hereafter authorized.

(d) Forfeiture. In the event that:

(i) none of the performance measures for the Participant set forth under Section 3(a) hereof are met for the fiscal year ending \_\_\_\_\_, 20\_\_\_\_; or

(ii) Participant ceases to be employed by the Company or an Affiliate of the Company for any reason other than those reasons specified in Section 3(b) hereof,

prior to the vesting of the Shares pursuant to Section 3(a) hereof, Participant’s rights to all of the Shares shall be immediately and irrevocably forfeited, including the right to vote the Shares and the right to receive dividends and any Additional Shares.



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#### 4. Restrictions on Transfer.

Until the Shares vest pursuant to Section 3 hereof, neither the Shares, nor any right with respect to the Shares under this Agreement, may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by Participant and any purported sale, assignment, transfer, pledge, hypothecation or other disposition shall be void and unenforceable against the Company. Notwithstanding the foregoing, Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of Participant and receive any property distributable with respect to the Shares upon the death of Participant. Each right under this Agreement shall be exercisable during Participant's lifetime only by Participant or, if permissible under applicable law, by Participant's legal representative.

#### 5. Income Tax Matters.

In order to comply with all applicable income, social, payroll or other tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable income, social, payroll or other taxes, which are the sole and absolute responsibility of Participant, are withheld or collected from such Participant. Upon vesting of the Shares and the lapse of the restrictions with respect to the Shares under the terms of this Award Agreement, Participant shall be obligated to pay any applicable withholding taxes arising from such vesting and lapse of restrictions, assuming Participant has not made an election pursuant to Section 83(b) of the Code. Unless the Company receives an irrevocable written instruction, addressed to the attention of the Secretary of the Company, from Participant prior to the date that the Shares vest and the restrictions lapse, the Company shall automatically withhold as payment the number of shares of Common Stock, determined by the Fair Market Value on the applicable vesting date as set forth in Section 3 and lapse of restrictions, required to pay the applicable withholding taxes. The Company shall not be required to deliver any fractional share of Common Stock but will pay, in lieu thereof, the Fair Market Value (as of the date the shares vest and the restrictions lapse) of such fractional share.

#### 6. Securities Matters.

No Shares shall be issued hereunder prior to such time as counsel to the Company shall have determined that the issuance of the Shares will not violate any federal or state securities or other laws, rules or regulations. The Company shall not be required to deliver any Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied. In addition, the grant of the Shares and/or the delivery of any Shares under this Agreement are subject to the Company's Executive and Key Manager Compensation Clawback Policy and any other clawback policies the Company may adopt in the future to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (or any other applicable law) and any applicable rules and regulations of the Securities and Exchange Commission.

#### 7. Adjustments.

In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of the Shares.

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8. General Provisions.

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. Terms used herein which are defined in the Plan shall have the respective meanings ascribed to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee, and such determination shall be final and conclusive upon all parties in interest.

(b) No Right to Employment. The grant of the Shares shall not be construed as giving Participant the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss Participant from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.

(c) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(d) Governing Law. The internal law, and not the law of conflicts, of the State of Minnesota will govern all questions concerning the validity, construction and effect of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first set forth above.

H.B. FULLER COMPANY

By: \_\_\_\_\_

Participant

Date: \_\_\_\_\_