

Fortune Brands Home & Security, Inc.
Form 8-K
July 05, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): June 30, 2016

Fortune Brands Home & Security, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction

of Incorporation)

1-35166
(Commission

File Number)
520 Lake Cook Road

Deerfield, IL 60015

62-1411546
(IRS Employer

Identification No.)

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(Address of Principal Executive Offices) (Zip Code)

847-484-4400

(Registrant's telephone number, including area code)

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

- .. 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))

INFORMATION TO BE INCLUDED IN THE REPORT

Item 1.01. Entry into a Material Definitive Agreement.

On June 30, 2016, Fortune Brands Home & Security, Inc. (the Company) entered into a five-year unsecured revolving credit agreement among the Company, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (the Credit Agreement), which amended and restated its credit agreement, dated as of August 22, 2011.

Under the Credit Agreement, subject to the satisfaction or waiver of certain conditions, the Company will be able to obtain loans on a revolving basis and obtain letters of credit. The aggregate principal amount of commitments under the Credit Agreement will be \$1,250,000,000 (\$50,000,000 of which may be used for letters of credit). The proceeds of borrowings under the Credit Agreement may be used for general corporate purposes, including working capital, capital expenditures, permitted acquisitions and other lawful corporate purposes.

Borrowings under the Credit Agreement will bear interest at variable rates equal to, at the Company's election (1) for each base rate loan, the sum of the base rate plus the applicable base rate margin or (2) for each euro-dollar loan, the sum of a euro-dollar margin plus the Adjusted LIBO Rate for deposits in dollars with a maturity comparable to the interest period selected by the Company. The applicable base rate margin and the euro-dollar margin will be determined based on the ratings of the Company's senior unsecured long-term debt securities. The base rate margins range from 0% to 0.5% and the euro-dollar rate margins range from 0.9% to 1.5%. The Company elects the basis of the interest rate (base rate or euro-dollar) at the time of each borrowing and may elect to change the interest rate basis from time to time.

The Credit Agreement contains, among other things, conditions precedent, covenants, representations and warranties and events of default customary for facilities of this type. The covenants include certain limitations on secured debt, sale-leaseback transactions, subsidiary debt and guarantees, fundamental changes, acquisitions and transactions with affiliates. The Credit Agreement also includes a covenant under which the Company is required to maintain a minimum ratio of consolidated EBITDA to consolidated interest expense of 3.0 to 1.0. In addition, the Credit Agreement includes a covenant under which the Company's ratio of consolidated total indebtedness to consolidated EBITDA generally may not exceed 3.5 to 1.0.

Under certain conditions the lending commitments under the Credit Agreement may be terminated by the Lenders and amounts outstanding under the Credit Agreement may be accelerated. The events of default include: failure to pay any principal, interest or other amounts when due, failure to comply with its covenants, breach of representations or warranties in any material respect, non-payment or acceleration of other material debt of the Company and its subsidiaries, bankruptcy, material judgments rendered against the Company or certain of its subsidiaries, certain ERISA events or a change of control of the Company, subject to various exceptions and notice, cure and grace periods.

From time to time, the Company and the lenders under the Credit Agreement (or affiliates of the lenders) may engage in other transactions, including arrangements under which a lender or an affiliate of the lender participates in interest rate swap or hedging arrangements with

the Company, effects repurchases of shares of the Company's common stock, serves as underwriter, placement agent or purchaser of debt issued by the Company, provides cash management, financial advisory, corporate trust, investment banking or commercial banking services to the Company, or provides lines of credit to the Company or its affiliates, among other things. In addition, certain lenders under the Credit Agreement (or affiliates of the lenders) may from time to time hold positions in our common stock for accounts owned or managed by them. As of the date hereof, JPMorgan Chase & Co, an affiliate of the administrative agent under the Credit Agreement has filed a Form SC 13G/A reporting ownership of approximately 5.9% of the Company's common stock.

The above summary of the Credit Agreement and Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Credit Agreement, a copy of which will be filed on the Company's Quarterly Report on Form 10-Q for the period ending June 30, 2016.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01. Entry into a Material Definitive Agreement. of this Current Report on Form 8-K is incorporated herein by reference.

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.

FORTUNE BRANDS HOME & SECURITY,
INC.

(Registrant)

By /s/ E. Lee Wyatt, Jr.

Name: E. Lee Wyatt, Jr.

Title: Senior Vice President and Chief
Financial Officer

Date: July 5, 2016