

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

Form 8-K

CURRENT REPORT

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

March 15, 2017

Date of Report (Date of earliest event reported)

inTEST Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-36117

(Commission File Number)

22-2370659

(I.R.S. Employer Identification No.)

804 East Gate Drive, Suite 200, Mt. Laurel, New Jersey 08054

(Address of Principal Executive Offices, including zip code)

(856) 505-8800

(Registrant's Telephone Number, including area code)

N/A

(Former name or former address, if changed since last report)

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

- Written Communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

On March 15, 2017, the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of inTEST Corporation (the "Company") approved the 2017 Executive Compensation Plan (the "Plan") for our President and Chief Executive Officer, Executive Vice President, and Secretary, Treasurer and Chief Financial Officer.

The components of the Plan include (i) base salary, (ii) short term incentive compensation in the form of a performance based bonus and (iii) long term incentive compensation in the form of equity compensation grants, all of which are described more fully below.

Base Salary: Base salaries for 2017 remain the same as for 2016 as follows:

| | |
|-----------------------|-----------|
| Robert E. Matthiessen | \$348,966 |
| James Pelrin | \$286,000 |
| Hugh T. Regan, Jr. | \$246,864 |

Short Term Incentive Compensation: Each executive officer will be eligible to receive a performance bonus payment upon satisfaction of the following weighted performance metrics during 2017:

- (i) Achievement of the Company's Financial Goals - 50%
- (ii) Completion of an Acquisition by the Company in 2017 - 30%
- (iii) Achievement of individual goals for each executive officer - 20%

The performance bonus payment target percentages to be used in each executive officer's bonus calculation for 2017 are as follows:

| | |
|-----------------------|-----|
| Robert E. Matthiessen | 60% |
| James Pelrin | 55% |
| Hugh T. Regan, Jr. | 55% |

The amount of the executive officer's bonus may range from zero (if none of the performance metrics are satisfied) to an amount that may exceed the target performance bonus amounts (if the performance metrics achieved exceed targets).

Achievement of Financial Goals: A portion of each executive officer's performance bonus may be earned based upon the Company's achievement of net revenue and earnings before income tax amounts as compared to budgeted net revenue and earnings before income tax amounts for 2017. Each executive officer is eligible to earn this portion of the executive officer's performance bonus based upon the following matrix:

| | | Revenue v. Target | | | | | |
|---------------|-------------|-------------------|------|------|------|------|------|
| | | <80% | 80% | 90% | 100% | 110% | 120% |
| | <80% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pretax | 80% | 0% | 50% | 63% | 75% | 88% | 100% |
| Profit | 90% | 0% | 63% | 75% | 88% | 100% | 113% |
| v. | 100% | 0% | 75% | 88% | 100% | 113% | 125% |
| Target | 110% | 0% | 88% | 100% | 113% | 125% | 138% |
| | 120% | 0% | 100% | 113% | 125% | 138% | 150% |

Completion of an Acquisition in 2017: A portion of each executive officer's performance bonus will be earned based upon the Company's consummation of an acquisition of a company or assets of a company in 2017. The acquired company or assets must have generated minimum trailing twelve months revenues of \$5,000,000. In addition, the transaction must close in 2017 with the transfer of substantially all assets and/or stock of the target company to the Company completed in 2017.

Individual goals: Individual goals have been established for each of the executive officers consistent with our management objectives.

Long Term Incentive Compensation: The executive officers were awarded equity compensation grants consisting of restricted stock and incentive stock options as follows:

| | Shares of Restricted Stock | Options to Purchase Shares of Common Stock |
|-----------------------|-------------------------------|---|
| Robert E. Matthiessen | 11,500 | 34,000 |
| James Pelrin | 11,500 | 34,000 |
| Hugh T. Regan, Jr. | 9,500 | 28,000 |

All restricted stock awards will vest in equal increments over four years. All incentive stock option awards will vest in equal increments over four years and will have an exercise price of \$6.35, which was the closing price of the Company's common stock as listed on the NYSE-MKT on March 15, 2017. All equity awards are subject to the terms of the Company's 2014 Stock Plan and the Company's standard forms of Award Agreements.

A complete copy of the Plan is filed as Exhibit 10.1 hereto.

Item 8.01. Other Events

On March 15, 2017, the Board of the Company approved the grant of restricted stock to our independent directors as follows:

| | Shares of Restricted Stock |
|-------------------|-------------------------------|
| Steven J. Abrams | 7,500 |
| Joseph W. Dews IV | 7,500 |

The above restricted stock awards will vest 25% upon issuance, and 25% on each of the following dates: June 30, 2017, September 30, 2017, and December 31, 2017, and are subject to the terms of the Company's 2014 Stock Plan and the Company's standard forms of Restricted Stock Award Agreement.

Item 9.01. Financial Statements and Exhibits

A list of the Exhibits which are required by Item 601 of Regulation S-K and furnished with this Report is set forth in the Exhibit Index immediately following the signature page, which Exhibit Index 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.

inTEST CORPORATION

By: /s/ Hugh T. Regan, Jr.

Hugh T. Regan, Jr.

Secretary, Treasurer and Chief Financial Officer

Date: March 20, 2017

Exhibit Index

10.1 2017 Executive Officer Compensation Plan

inTEST CORPORATION

2017 EXECUTIVE OFFICER COMPENSATION PLAN

The Compensation Committee (the "Committee") of the Board of Directors of inTEST Corporation (the "Company") has approved a compensation plan for its executive officers. The components of this plan include (i) base salary, (ii) short term incentive compensation in the form of a performance based bonus and (iii) long term incentive compensation in the form of equity compensation grants. The executive officers that are eligible to participate in this plan are Robert E. Matthiessen, President and Chief Executive Officer, James Pelrin, Executive Vice President, and Hugh T. Regan, Jr., Secretary, Treasurer and Chief Financial Officer.

Base Salary

The base salary of each executive officer will be set at the following amounts commencing on January 1, 2017:

| | |
|-----------------------|-----------|
| Robert E. Matthiessen | \$348,966 |
| James Pelrin | \$286,000 |
| Hugh T. Regan, Jr. | \$246,864 |

Short Term Incentive Compensation

Each executive officer will be eligible to receive a performance bonus payment upon satisfaction of the following weighted performance metrics during 2017:

| |
|--|
| Achievement of Financial Goals - 50% |
| Completion of an Acquisition in 2017 - 30% |
| Achievement of Individual Goals - 20% |

The performance bonus payment target percentages to be used in each executive officer's bonus calculation for 2017 are as follows:

| | |
|-----------------------|-----|
| Robert E. Matthiessen | 60% |
| James Pelrin | 55% |
| Hugh T. Regan, Jr. | 55% |

The amount of the executive officer's bonus may range from zero (if none of the performance metrics are satisfied) to an amount that may exceed the target performance bonus amounts.

Achievement of Financial Goals

A portion of each executive officer's performance bonus may be earned based upon the Company's achievement of net revenue and earnings before income tax amounts as compared to budgeted net revenue and earnings before income tax amounts for 2017. Each executive officer is eligible to achieve this portion of the executive officer's performance bonus based upon the following calculation:

The executive officer's performance bonus target percentage multiplied by the executive officer's base salary; with that amount multiplied by the performance metric weighting factor (50%); with that amount multiplied by the Financial Goals percentage, if any, determined from the matrix below. The Financial Goals percentage is determined by locating on the matrix below the intersection of (i) the column that indicates the percentage calculated by dividing (A) the Company's actual net revenue for 2017 by (B) its budgeted net revenue for 2017 and (ii) the row that indicates the percentage calculated by dividing (A) the Company's actual earnings before income tax for 2017 by (B) its budgeted earnings before income tax for 2017.

| | | Revenue v. Target | | | | | |
|----------------------|-------------|-------------------|------|------|------|------|------|
| | | <80% | 80% | 90% | 100% | 110% | 120% |
| | <80% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pretax Profit | 80% | 0% | 50% | 63% | 75% | 88% | 100% |
| | 90% | 0% | 63% | 75% | 88% | 100% | 113% |
| | 100% | 0% | 75% | 88% | 100% | 113% | 125% |
| Target | 110% | 0% | 88% | 100% | 113% | 125% | 138% |
| | 120% | 0% | 100% | 113% | 125% | 138% | 150% |

With regards to the net revenue calculation, a column milestone is not achieved unless such percentage is exceeded without regards to rounding up the percentage achieved by the calculation. With regards to the earnings before income tax calculation, a row milestone is not achieved unless such percentage is exceeded without regards to rounding up the percentage achieved by the calculation. Any expenses that are treated for accounting purposes as restructuring items or transaction related expenses, and the

impact from any completed acquisitions, shall be excluded from the actual amounts when determining the revenue and earnings before income tax amounts for 2017.

Completion of an Acquisition in 2017

A portion of each executive officer's performance bonus will be earned based upon the Company's consummation of an acquisition of a company or assets of a company in 2017. Each executive officer is eligible to achieve this portion of the executive officer's performance bonus based upon the following calculation:

The executive officer's performance bonus target percentage multiplied by the executive officer's base salary; with that amount multiplied by the performance metric weighting factor (30%).

The acquired company or assets must have generated minimum trailing twelve months revenues of \$5,000,000. In addition, the transaction must close in 2017 with the transfer of substantially all assets and/or stock of the target company to the Company completed in 2017. Escrow and earn-out of purchase price amounts is permitted to continue beyond 2017 so long as the transaction is closed in 2017.

Individual Goals

A portion of each executive officer's performance bonus will be earned based upon the achievement by each executive officer of the individual goals for 2017. Each executive officer is eligible to receive this portion of the executive officer's performance bonus if such individual goals are achieved during 2017, based upon the following calculation:

The executive officer's performance bonus target percentage multiplied by the executive officer's base salary; with that amount multiplied by the performance metric weighting factor (20%).

The individual goals will be communicated separately by the Compensation Committee Chair to each executive officer.

General

The Committee shall calculate and determine achievement of all components of the short term incentive compensation based on amounts derived from the Company's audited financial statements. The Committee reserves the right to make subjective determinations and interpretations regarding the impact of unusual circumstances or events on achievement of each performance metric component by the executive officers. All such determinations will apply to all executive officers in the same manner. The Committee shall have final decision making authority regarding all issues related to the short term incentive compensation component of the Plan. The Committee shall finalize the amount of and authorize payment of the bonuses to the executive officers as part of the approval process for the Company's 2017 audited financial statements. If an executive officer leaves the Company other than for death, disability, or retirement, they will receive no bonus if they are not employed on December 31, 2017. For executive officers who retire (age plus years of service equal to at least 70), or who die or become disabled, they will be entitled to a pro-rated bonus calculated by multiplying the bonus calculated above by the result obtained by dividing the number of completed months the executive officer is employed in 2017 by twelve. Any bonus payment shall be made on or before March 15, 2017. The Committee shall have such authority to demand the repayment or "claw back" of any amounts paid pursuant to this Plan as needed to comply with all applicable laws and regulations.

Long Term Incentive Compensation

The executive officers shall be entitled to receive equity compensation grants consisting of restricted stock and stock options as follows:

| | <u>Shares of Restricted Stock</u> | <u>Options to Purchase Shares of Common Stock</u> |
|-----------------------|---------------------------------------|---|
| Robert E. Matthiessen | 11,500 | 34,000 |
| James Pelrin | 11,500 | 34,000 |
| Hugh T. Regan, Jr. | 9,500 | 28,000 |

All equity compensation shall be awarded to the executive officers as soon as possible in 2017. The Company will grant restricted stock in award agreements in the form attached as Exhibit "A" hereto. All restricted stock awards will vest in equal increments over four years. At the Committee's discretion, with the advice of the Company's professional advisors, the Company will grant either non-qualified stock options or incentive stock options in stock option award agreements in the forms attached as Exhibits "B" and "C" hereto. All stock option awards will vest in equal increments over four years and will have an exercise price that is no less than the closing price of the Company's common stock as listed on the NYSE MKT on the date of the award.

[Exhibits A, B, and C omitted here. Our standard forms of Agreements have been previously filed as exhibits to the Company's Form 10-Q for the quarter ended March 31, 2016.]