

NATCO GROUP INC
Form 8-K
January 22, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): January 22, 2008 (January 17, 2008)

NATCO Group Inc.

(Exact Name of Registrant as Specified in its Charter)

| | | |
|--------------------------|--------------------------|--------------------------------------|
| Delaware | 001-15603 | 22-2906892 |
| (State of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| | |
|---|------------|
| 2950 North Loop West, 7 th Floor | |
| Houston, Texas | 77092 |
| (Address of Principal Executive Offices) | (Zip Code) |

Registrant's Telephone Number, Including Area Code: (713) 683-9292

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 communication 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.

NATCO Group Inc. awards annual cash bonus incentive opportunities under its annual bonus plans to senior executives and other key employees. The amount of an executive's bonus opportunity, which is expressed as a percentage of base salary in effect at the beginning of the year, depends primarily on that individual's position and responsibilities. The range of these percentages for our senior executive officers is from 50% to 100%.

The Board of Directors determined on January 17, 2008 the parameters for bonus payouts to senior executives and other key employees for 2008, which parameters are generally consistent with those used in our prior annual bonus plans. The plan is designed to unify management's efforts by using consolidated results as the primary measure of performance while recognizing segment results, business unit results and individual contribution in determining final awards. For senior officers and corporate-level personnel, 80% of the bonus will be based on NATCO's corporate financial performance and 20% will be based on segment performance and specific business unit and individual objectives. For other plan participants, 20% of the bonus will be based on corporate performance and 80% will be based on segment performance, business unit goals and individual performance.

The 2008 target bonuses for our named executive officers are as follows:

| <u>Name</u> | <u>Position</u> | <u>2008 Target Bonus Opportunity</u> |
|---------------------|--|--------------------------------------|
| John U. Clarke | Chief Executive Officer | 100% |
| Patrick M. McCarthy | President & Chief Operating Officer | 70% |
| C. Frank Smith | Executive Vice President - Standard & Traditional | 60% |
| Robert A. Curcio | Executive Vice President - Integrated Engineered Solutions | 60% |
| Knut Eriksen | | 55% |

Senior Vice President - Global
Execution

Bradley P. Farnsworth

50%

Senior Vice President and
Chief Financial Officer

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.

Dated: January 22, 2008

NATCO Group Inc.

By: /s/ John U. Clarke

John U. Clarke

Chairman and Chief Executive Officer