

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

Date of Report (Date of earliest event reported): January 25, 2021

ServisFirst Bancshares, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-36452
(Commission File Number)

26-0734029
(IRS Employer
Identification No.)

2500 Woodcrest Place
Birmingham, Alabama
(Address of Principal Executive Offices)

35209
(Zip Code)

Registrant's Telephone Number, Including Area Code: (205) 949-0302

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.001 par value per share	SFBS	The NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

(c) On January 25, 2021, the board of directors (the "Board") of ServisFirst Bancshares, Inc. ("ServisFirst") appointed Rodney E. Rushing its Executive Vice President and Chief Operating Officer for ServisFirst Bank effective immediately.

(e) On January 25, 2021 (the "Effective Date"), the board of directors (the "Board") of ServisFirst Bancshares, Inc. ("ServisFirst" and, together with its subsidiaries, the "Company") and its compensation committee (the "Committee") approved certain changes to the Company's executive compensation program. Specifically, as described in greater detail below, the Committee increased base salaries for its named executive officers (the "NEOs"); adopted a formal annual incentive plan, effective for fiscal 2021; and implemented an annual long-term incentive program, which includes a mix of time- and performance-based equity awards. Effective with these changes, Mr. Broughton will no longer participate in the Company's director compensation program.

These changes were adopted following a comprehensive review of the Company's previous program, which was conducted by the Committee's recently-appointed independent compensation consultant, McLagan (a division of Aon plc). The purpose of this review was to evaluate the continued appropriateness of the Company's program as compared to the programs of its peer companies, with the goal of ensuring that the Company's pay practices mature in tandem with the Company's business. The resulting changes, which represent a first step in this process, are designed to (1) ensure that the mix of pay elements reflects current market practice; (2) move executive pay levels closer to the market median, as compared to pay levels at the Company's peers; and (3) emphasize performance-based and at-risk pay elements, thus increasing the degree of alignment between executive pay and stockholder interests.

Base Salaries. The Board, on the recommendation of the Committee, approved the following base salaries for the Company's current NEOs, effective as of the NEO's work anniversary date as noted below:

Named Executive Officer	Title	New Salary (\$)	Effective Date
Thomas A. Broughton III	Chairman, President, & CEO	675,000	1/1/2021
Rodney E. Rushing	EVP and Chief Operating Officer	375,000	3/21/2021
William M. Foshee	EVP and Chief Financial Officer	340,000	2/1/2021
Henry F. Abbott	SVP and Chief Credit Officer	225,000	8/22/2021

Annual Incentive Plan. On the Effective Date, the Board, on the recommendation of the Committee, approved the ServisFirst Bancshares, Inc. Annual Incentive Plan (the "AIP"), which will be administered by the Committee. The AIP is effective for performance periods beginning January 1, 2021 and will remain in effect until terminated by the Committee. The purpose of the AIP is to provide the framework for annual or short-term cash incentive award opportunities for the Company's executive officers and key employees. Prior to or shortly after the beginning of each performance period, the Committee will establish the specific performance goals under the AIP and designate each participant's target award for that period. Once the performance period ends, the Committee will review actual performance against the pre-established goals and determine the amount of any payout to each participant, making adjustments as it deems necessary. The AIP limits the maximum annual award that any one participant may earn under the AIP to \$3 million (or a pro rata amount for a performance period of a different duration). The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the full text of the AIP, a copy of which is attached as Exhibit 10 to, and incorporated by reference into, this Current Report on Form 8-K.

For fiscal 2021, each of the NEOs has been named as a participant in the AIP, with target awards approved by the Committee as follows:

Fiscal 2021 Target Awards under the AIP		
NEO	Target Award (as a % of Base Salary)	Target Award (\$)
Mr. Broughton	105%	\$708,750
Mr. Rushing	50%	187,500
Mr. Foshee	50%	170,000
Mr. Abbott	50%	112,500

Payouts under the 2021 AIP will range between 0-150% of an executive's target award, depending upon the Company's achievement of the selected performance criteria. If the threshold performance levels are achieved, 50% of the target award would be earned while 150% of the target award would be earned if the maximum performance levels are met or exceeded. Results that fall between two performance levels (threshold and target or target and maximum) will be pro-rated, while no payout will be earned if results fall below the established thresholds. Additional details regarding the specific performance criteria selected for fiscal 2021, as well as the Company's actual achievement against those metrics, will be disclosed in the proxy statement for the 2022 annual meeting of stockholders or the Annual Report Form 10-K for the fiscal year ended December 31, 2021.

Annual Long-Term Incentive Program. Under its previous program, the Committee made equity awards to executive officers on an as-needed basis. Over the last three years, the only NEOs who have received any equity awards were Mr. Broughton, who received grants by virtue of his participation in the director compensation program, and Mr. Abbott, who received an equity grant in 2020. As part of this restructured program, the Committee intends to make awards of long-term incentives to its executive officers annually, with those awards consisting of a mix of time- and performance-based components.

For fiscal 2021, the Committee granted time-based restricted shares of ServisFirst common stock and performance share units to the NEOs as follows, effective as of the Effective Date:

NEO	Time-based Restricted Stock (#)	Performance Share Units (PSUs) (#)	Total Target Award Value (Restricted Stock + PSUs) (\$)
Mr. Broughton	8,267	8,267	\$709,000
Mr. Rushing	2,187	2,187	188,000
Mr. Foshee	1,983	1,983	170,000

Given the size of his 2020 grant, Mr. Abbott did not receive a grant for 2021 but will be eligible to receive a long-term incentive award in the next cycle. As noted previously, effective with the adoption of this revised program, Mr. Broughton will no longer receive separate compensation (including equity grants) for his service as a director.

These long-term incentive awards were granted under, and subject to all of the terms and conditions of, the ServisFirst Bancshares, Inc. Amended and Restated 2009 Stock Incentive Plan, as amended, and one or more award agreements (the "LTI Agreements"). The time-based restricted stock will vest one-third per year on the first three anniversaries of the Effective Date, provided that the NEO remains employed through the applicable vesting date or as otherwise provided in the LTI Agreement. The performance share units (PSUs) represent the opportunity to earn shares of ServisFirst common stock after a three-year period, subject to the NEO's continued employment through the end of the performance period or as otherwise provided in the LTI Agreement. The actual number of shares earned under the PSUs will range between 0-150%, depending upon the total stockholder return (TSR) of ServisFirst over the three-year period ranked relative to the TSR of certain peer companies over the same period.

The foregoing description of LTI Agreements does not purport to be complete and is qualified in its entirety by reference to the full text of the LTI Agreements, which the Company expects to file as exhibits to its Quarterly Report on Form 10-Q for the current fiscal quarter.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10*	ServisFirst Bancshares, Inc. Annual Incentive Plan, effective January 1, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

*Filed with this Current Report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SERVISFIRST BANCSHARES, INC.

Date: January 29, 2021

By: _____
/s/Thomas A. Broughton, III
Thomas A. Broughton, III
Chairman, President, and Chief Executive Officer

SERVISFIRST BANCSHARES, INC.
ANNUAL INCENTIVE PLAN

1. Purpose. The purpose of the ServisFirst Bancshares, Inc. Annual Incentive Plan (the “Plan”) is to advance the interests of ServisFirst Bancshares, Inc. (“ServisFirst”) and its subsidiaries (together, the “Company”) by providing the framework under which annual or short-term incentive awards may be paid to designated officers and key employees of the Company based on the achievement of pre-established performance goals.

2. Administration. The Plan will be administered by the compensation committee (the “Committee”) of the board of directors (the “Board”) of ServisFirst. The Committee has full authority to interpret the Plan, including the authority to: (a) designate participants for a particular performance period; (b) establish performance goals and objectives for each performance period; (c) consider the achievement of the performance goals and determine whether any awards will be made under this Plan for a given performance period; (d) establish regulations for the administration of the Plan; and (e) make all determinations necessary for the administration of the Plan. All decisions by the Committee regarding the Plan will be final, conclusive, and binding on all persons, including the participants and the Company.

3. Performance Periods. The Plan is effective for performance periods beginning January 1, 2021 and will continue in effect until terminated as provided in Section 8. Each performance period will consist of one calendar year unless otherwise determined by the Committee.

4. Eligibility. The Company’s officers and certain key employees will be eligible to participate in the Plan for a given performance period when designated by the Committee. Unless otherwise determined by the Committee in its discretion, in order to receive an award under this Plan for a given performance period, a participant must remain employed with the Company through the applicable award payment date.

5. Establishment of Performance Goals. Prior to, or shortly after the beginning of, each performance period, the Committee will approve (a) the participants for that performance period; (b) a target award opportunity for each participant, as well as threshold and maximum payout levels, which may be expressed as a percentage of the participant’s annual salary; (c) one or more specific performance goals that will apply for such performance period, which may vary among participants and from one performance period to another; and (d) a formula for determining the amounts that may become payable based on the level of achievement of the selected performance goals.

6. Determination of Award Amounts. Following the completion of a performance period, the Committee will review actual performance as measured against the pre-established performance goals for that period. If threshold performance goals that were established by the Committee are not achieved, no awards will be paid under the Plan. In the event that the performance goals have been met or exceeded, the Committee will approve (a) the extent to which the performance goals applicable to a participant have been achieved, making any adjustments that the Committee deems appropriate; and (b) the resulting amount of each individual participant’s award. The actual award paid to a given participant may be higher or lower than his or her target award; however, no award paid to a single participant may exceed \$3 million for twelve-month performance period (or a pro rata dollar amount for any performance period that is not twelve months).

7. Payment of Awards. Awards earned under the Plan for a given performance period will be paid to eligible participants in cash as soon as practicable after the Committee’s determination of such amounts but not later than two and one-half months following the end of that performance period. The Company will deduct from each award any and all applicable federal, state, and local income and payroll taxes.

8. Amendment or Termination. The Committee may, at any time, amend, suspend, or terminate the Plan in whole or in part. Upon termination, no participant will have any right to receive amounts under this Plan.

9. Governing Law. This Plan will be governed by, and construed in accordance with, the laws of the state of Alabama.

10. Severability. If any term or provision of the Plan is at any time or to any extent invalid, illegal, or unenforceable in any respect as written, such term or provision will be modified or limited to the extent necessary to render it valid and enforceable to the fullest extent allowed by law. Any such provision that is not susceptible of such reformation will be ignored so as to not affect any other term or provision, and the remainder of the Plan, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid, illegal, or unenforceable, will not be affected and each term and provision of the Plan will be valid and enforced to the fullest extent permitted by law.

11. Compliance with Legal Requirements. This Plan and the payment of awards are subject to all applicable federal and state laws, rules and regulations, and to any such approvals by any governmental or regulatory agency as may be required.

12. Section 409A. This Plan is intended to be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder, and will be construed accordingly.

13. No Rights to Employment. Nothing in this Plan confers upon a participant any right to continue in the employment of the Company, or to interfere in any way with the right of the Company to terminate the participant’s employment relationship with the Company at any time.

14. No Rights to Award. Any awards granted under the Plan will be in the sole discretion of the Committee. Participation in the Plan is not a right but a privilege, subject to Committee approval from one performance period to another. The Company has no obligation to treat participants similarly under the Plan.

15. Non-exclusive. Nothing in this Plan limits the authority of the Company, the Board, or the Committee to adopt such other compensation arrangements as it may deem desirable for any participant.

16. Successors. All obligations of the Company under the Plan with respect to awards will be binding upon any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the assets of the Company.

17. Unfunded Status. Nothing contained in the Plan creates or is intended to create a trust of any kind or a fiduciary relationship between the Company and any participant, beneficiary, or legal representative or any other person. To the extent that a person acquires a right to receive payments under the Plan, such right will be no greater than the right of an unsecured general creditor of the Company. Any awards to be paid under this Plan will be paid from the general funds of the Company and no special or separate fund or segregation of assets will be made to assure payment of such amounts except as expressly set forth in the Plan. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA).

18. Clawback. Notwithstanding any other provisions of this Plan, the Company may cancel any award, require reimbursement of any award by a participant, and effect any other right of recoupment of compensation provided under the Plan in accordance with any Company policies that may be adopted or modified from time to time.

(including, without limitation, to comply with applicable law or stock exchange listing requirements).

IN WITNESS WHEREOF, this ServisFirst Bancshares, Inc. Annual Incentive Plan was approved and adopted by the Board effective January 25, 2021.

ServisFirst Bancshares, Inc.

By: /s/ Thomas A. Broughton III
