

IDEXX LABORATORIES INC /DE
Form 8-K
December 08, 2015

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): December 2, 2015

IDEXX LABORATORIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

One IDEXX Drive, Westbrook,
Maine

000-19271
(Commission File Number)

01-0393723
(IRS Employer Identification No.)

04092
(ZIP Code)

**(Address of principal executive
offices)**

207.556.0300

(Registrant's telephone number, including area code)

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 Instruction 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))

Item 1.01. Entry into a Material Definitive Agreement.

On December 4, 2015, IDEXX Laboratories, Inc. (the Company), with IDEXX Distribution, Inc., IDEXX Operations, Inc., OPTI Medical Systems, Inc., IDEXX Laboratories Canada Corporation, and IDEXX Europe B.V., each a wholly-owned subsidiary (whether directly or indirectly held) of the Company (collectively, the Borrowers), entered into a second amended and restated credit agreement relating to a five-year unsecured revolving credit facility (the Credit Agreement) in the principal amount of \$850 million, among the Borrowers, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Toronto agent, and J.P. Morgan Europe Limited, as London agent. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

The Credit Agreement amends and restates that certain amended and restated credit agreement dated as of June 18, 2014 (the Prior Credit Agreement) (which provided for a \$700 million five-year unsecured revolving credit facility) to extend the maturity to December 4, 2020 and to increase the aggregate commitments available for borrowing by the Borrowers to \$850 million with the option to increase the aggregate commitments by \$150 million, for an aggregate maximum of up to \$1 billion, subject to the Borrowers obtaining commitments from existing or new lenders and satisfying other conditions specified in the Credit Agreement.

Borrowings under the Credit Agreement may be used for the general corporate purposes of the Company and its subsidiaries. Borrowings under the Credit Agreement bear interest at a rate equal to, in each case at the Company's option, (1) for borrowings in United States Dollars, either (a) a base rate, determined as the greatest of (i) the prime rate announced by JPMorgan Chase Bank, N.A. in New York, (ii) the Federal Funds Effective Rate plus 0.50% and (iii) the Adjusted LIBO Rate for a one-month Interest Period plus 1%, plus a margin on the base rate ranging from 0.000% to 0.375% based on the Company's consolidated leverage ratio, or (b) a Libor rate determined as the rate administered by ICE Benchmark Administration (or a successor thereto) for a period equal in length to that which appears on Reuters Screen LIBOR01 Page as of 11 a.m. London time on the Quotation Day for such Interest Period multiplied by a statutory reserve rate, plus a margin rate ranging from 0.875% to 1.375% based on the Company's consolidated leverage ratio, (2) for borrowings in Canadian Dollars, either (a) a base rate determined as the greater of (i) the rate equal to the PRIMCAN Index rate that appears on the Bloomberg screen at 10:15 a.m. Toronto time on the Quotation Day and (ii) the sum of the yearly interest to which the one-month CDOR Rate (based on a publicly-reported rate) is equivalent plus 1%, plus a margin on the base rate ranging from 0.000% to 0.375% based on the Company's consolidated leverage ratio (which rate shall be available for swingline borrowings only), or (b) the sum of the average rate for bankers acceptances with a term equal in length to such Interest Period as displayed on CDOR page of the Reuters screen plus 0.05%, plus a margin rate ranging from 0.875% to 1.375% based on the Company's consolidated leverage ratio, (3) for borrowings in Euros, the percentage per annum displayed on the applicable page of the Reuters screen, plus a margin rate ranging from 0.875% to 1.375% based on the Company's consolidated leverage ratio, (4) for borrowings in Australian Dollars, the average bid rate on Reuters Screen BBSY Page for bills of exchange having a term equal to the length of such Interest Period, plus a margin rate ranging from 0.875% to 1.375% based on the Company's consolidated leverage ratio and (5) for borrowings in alternative currencies (other than United States Dollars, Canadian Dollars, Euros and Australian Dollars), the Libor rate appearing on Reuters Screen LIBOR02 Page for such currency for such Interest Period, plus a margin rate ranging from 0.875% to 1.375% based on the Company's consolidated leverage ratio.

The Company has agreed to pay a quarterly commitment fee on the unused commitments available for borrowing, ranging from 0.075% to 0.250% based on the Company's consolidated leverage ratio. The Company has agreed to pay letter of credit fees calculated at the same rate as Eurocurrency revolving loans and issuance fees in connection with letters of credit. The Company has also agreed to pay certain other fees, costs and expenses to the arrangers, lenders and agents in connection with the Credit Agreement.

The obligations of the Borrowers and any other parties who are subsequently designated as borrowers pursuant to the terms of the Credit Agreement are unconditionally guaranteed by IDEXX Distribution, Inc., IDEXX Operations, Inc. and OPTI Medical Systems, Inc. If the Company creates or acquires a material U.S. subsidiary, or if any existing U.S. subsidiary becomes a material subsidiary, each such material U.S. subsidiary will be required to execute a guaranty agreement.

The obligations of the Company and any other borrower under the Credit Agreement may be accelerated upon the occurrence of an event of default under the Credit Agreement, which includes customary events of default including, without limitation, payment defaults, defaults in the performance of affirmative and negative covenants, the inaccuracy of representations or warranties, bankruptcy and insolvency related defaults, defaults relating to judgments, an ERISA Event, the failure to pay specified indebtedness, and a change of control default.

The Credit Agreement contains affirmative, negative and financial covenants customary for financings of this type. The negative covenants include restrictions on liens, indebtedness of subsidiaries of the Company, fundamental changes, investments, transactions with affiliates, certain restrictive agreements and sanctions laws and regulations. The financial covenant is a consolidated leverage ratio test.

The forgoing description of the Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Credit Agreement, which is filed with this report as Exhibit 10.1 and is incorporated herein by reference.

Item 1.02. Termination of a Material Definitive Agreement.

On December 4, 2015, the Prior Credit Agreement was amended and restated in its entirety by a five-year unsecured revolving credit facility. The information reported under Item 1.01 Entry into a Material Definitive Agreement above is incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On December 2, 2015, the Board of Directors (the Board) of the Company approved an amendment to the Company's Amended and Restated By-Laws (the Bylaws) to provide that a nominee for election as a director in an uncontested election (an election where the number of nominees is equal to or less than the number of directors slated to be elected) shall be elected by the affirmative vote of at least a majority of the votes cast with respect to such nominee by the stockholders entitled to vote at any meeting for the election of directors at which a quorum is present and to make other ministerial and conforming changes. In the case of a contested election (an election in which the number of nominees for election as directors exceeds the number of directors to be elected by the stockholders at such meeting), directors will continue to be elected by a plurality of the votes cast by the stockholders entitled to vote at the election at such meeting. Prior to this amendment, all nominees for election as a director of the Company by the stockholders were elected at a stockholders meeting by a plurality of the votes cast by the stockholders entitled to vote on the election at such meeting.

The foregoing description of this amendment to the Bylaws does not purport to be complete and is qualified in its entirety by reference to the text of the complete amendment, a copy of which is filed as Exhibit 3.1 to this Current Report on Form 8-K. The amendment was effective immediately upon its approval by the Board. The Company will file a complete copy of the Bylaws, as amended, as an exhibit to its next periodic report.

Item 8.01. Other Events.

In connection with the amendment to the Bylaws, the Board also approved amendments to the Company's Corporate Governance Guidelines to adopt a majority voting policy for the election of directors in uncontested elections. As amended, the Corporate Governance Guidelines require any incumbent director who does not receive a majority of the votes cast in an uncontested election to promptly submit his or her resignation to the Board for consideration by the Nominating and Governance Committee of the Board (the Governance Committee). Under the amended Corporate Governance Guidelines, the Governance Committee will act to determine whether the Board should accept such a resignation and submit its recommendation for prompt consideration by the Board, and the Board will review and act on the Governance Committee's recommendation. The amended Corporate Governance Guidelines further provide that the Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept such a resignation and that any director who tenders his resignation pursuant to this policy shall not participate in the deliberations.

The Company's Corporate Governance Guidelines, as amended, is available on the Company's website at www.idexx.com. The information on the Company's website is not incorporated by reference in this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 3.1 Amended Text of Article I, Section 1.9 of the Amended and Restated By-Laws of IDEXX Laboratories, Inc.
- 10.1 Second Amended and Restated Credit Agreement, dated as of December 4, 2015, among the Company, IDEXX Distribution, Inc., IDEXX Operations, Inc., OPTI Medical Systems, Inc., IDEXX Laboratories Canada Corporation and IDEXX Europe B.V., as borrowers, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Toronto agent, and J.P. Morgan Europe Limited, as London agent.

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.

IDEXX LABORATORIES, INC.

Date: December 8, 2015

By: /s/ Jacqueline L. Studer
Jacqueline L. Studer
Corporate Vice President, General Counsel and
Secretary

EXHIBIT INDEX

| Exhibit No. | Description of Exhibit |
|--------------------|--|
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