

**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): November 11, 2019**

**Gulf Island Fabrication, Inc.**

(Exact name of registrant as specified in its charter)

**Louisiana**  
(State or other jurisdiction  
of incorporation)

**001-34279**  
(Commission  
File Number)

**72-1147390**  
(IRS Employer  
Identification No.)

**16225 Park Ten Place, Suite 300  
Houston, Texas 77084**

(Address of principal executive offices)(Zip Code)

**(713) 714-6100**

(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))

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

| Title of each class                         | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| <b>Common Stock, no par value per share</b> | <b>GIFI</b>       | <b>NASDAQ</b>                             |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR § 240.12b-2).

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 Arrangements of Certain Officers.**

(c), (d) and (e) On November 11, 2019, the Board of Directors of Gulf Island Fabrication, Inc. (the “Company”) approved the appointment of Richard W. Heo, age 49, as its new President and Chief Executive Officer, effective November 14, 2019 (the “Effective Date”). In addition, as of the Effective Date, Mr. Heo was appointed to serve as a member of the Company’s Board of Directors. Mr. Heo will serve as a Class III Director, with a term expiring at the Company’s 2021 annual meeting of shareholders.

Richard brings over 20 years of engineering, procurement, fabrication and construction industry experience to the Company. Since October 2, 2019, Mr. Heo has been providing consulting services to the Company. Prior to that, he served as Senior Vice President of North, Central and South America for McDermott International, Inc. Richard previously served as Executive Vice President of Fabrication Services for Chicago Bridge & Iron N.V. (“CB&I”) and President of CB&I’s Engineered Products business unit. Prior to joining CB&I, he served in various senior leadership positions at KBR, Inc. Richard holds an MBA from Tulane University, a PhD in Organic Chemistry from the University of Houston and a BS in Biochemistry from Trinity University.

There is no arrangement or understanding between Mr. Heo and any other person pursuant to which he was selected as a director. There are no transactions reportable pursuant to Item 404(a) of Regulation S-K in connection with Mr. Heo’s appointment as an executive officer or director of the Company.

Mr. Heo’s annual base salary will be \$487,000. Mr. Heo will also participate in the Company’s annual incentive plan for executives beginning in 2020, with a target incentive award of 100% of his annual base salary, and he will participate in the Company’s long-term incentive plan for executives beginning in 2020. Mr. Heo will also receive an initial grant of 100,000 restricted stock units on November 14, 2019, which will vest in three equal annual installments provided he remains employed with the Company. In addition, Mr. Heo will also participate in the Company’s other benefit programs generally available to the Company’s executive officers.

In connection with his appointment, the Company will enter into a Change of Control Agreement with Mr. Heo (the “COC Agreement”), in substantially the same form as is in place with the Company’s other executive officers. The COC Agreement expires February 28, 2021, and entitles Mr. Heo to receive additional benefits in the event of a termination of employment without cause or with good reason within 18 months following a change of control of the Company during the term. Specifically, Mr. Heo will receive a lump-sum cash payment equal to the sum of his prorated bonus plus one and one-half times the sum of (a) Mr. Heo’s annual base salary in effect at the time of termination and (b) the greater of his target bonus for the year of termination or the highest annual bonus awarded to Mr. Heo during the three fiscal years immediately preceding the termination date. The Company shall continue to provide Mr. Heo with insurance and welfare benefits at its expense until the earlier of (a) December 31 of the first calendar year following the calendar year of the termination or (b) the date that Mr. Heo accepts new employment. If any part of the payments or benefits received in connection with a termination following a change of control constitutes an excess parachute payment under Section 4999 of the Internal Revenue Code, Mr. Heo will receive the greater of (1) the amount of such payments and benefits reduced so that none of the amount constitutes an excess parachute payment, net of income taxes, or (2) the amount of such payments and benefits, net of income taxes and net of excise taxes under Section 4999 of the Internal Revenue Code.

The foregoing summary of the COC Agreement does not purport to be complete and is subject to, and qualified in its entirety by, reference to the full text of the COC Agreement, which will be filed as an exhibit to the Company’s Annual Report on Form 10-K for the year ending December 31, 2019. In addition,

---

the foregoing summary of the restricted stock unit award does not purport to be complete and is subject to, and qualified in its entirety by, reference to the full text of the Form of Restricted Stock Unit Agreement, which was previously filed as [Exhibit 10.2 of the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2015](#).

As previously announced, Mr. Meche will assist the Company with the leadership transition and will continue to be employed by the Company through December 31, 2019.

#### **Item 8.01 Other Events**

On November 14, 2019, Gulf Island Fabrication, Inc. issued two press releases announcing (i) appointment of Richard Heo as Chief Executive Officer and (ii) planned Chairman transition and reaffirmation of its commitment to reduce the size of the Board of Directors, copies of which are attached as Exhibits 99.1 and 99.2, respectively.

#### **Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

| Exhibit Number | Description  |
|----------------|--|
| 99.1           | <a href="#">Press Release dated November 14, 2019, regarding appointment of Richard Heo as Chief Executive Officer.</a>            |
| 99.2           | <a href="#">Press Release, dated November 14, 2019, regarding planned Chairman transition and commitment to reduce board size.</a> |

---

## 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.

### GULF ISLAND FABRICATION, INC.

By: /s/ Westley S. Stockton

Westley S. Stockton

Executive Vice President, Chief Financial Officer, Secretary and  
Treasurer (Principal Financial Officer)

Dated: November 14, 2019

**NEWS RELEASE  
FOR IMMEDIATE RELEASE**

**November 14, 2019**

**Gulf Island Announces  
Appointment of Richard Heo as Chief Executive Officer**

HOUSTON, TX – Gulf Island Fabrication, Inc. (“Gulf Island” or the “Company”) (NASDAQ: GIFI) announced today that the Company’s Board of Directors has appointed Richard W. Heo as President and Chief Executive Officer, effective today. Richard has also been appointed to serve as a Director of the Company. He will replace Kirk J. Meche, who has served as the Company’s President and Chief Executive Officer since 2013. As previously announced, Kirk will assist the Company with the leadership transition.

Richard brings over 20 years of engineering, procurement, fabrication and construction industry experience to Gulf Island. Most recently, he served as Senior Vice President of North, Central and South America for McDermott International, Inc. Richard previously served as Executive Vice President of Fabrication Services for Chicago Bridge & Iron N.V. (“CB&I”) and President of CB&I’s Engineered Products business unit. Prior to joining CB&I, he served in various senior leadership positions at KBR, Inc. Richard holds an MBA from Tulane University, a PhD in Organic Chemistry from the University of Houston and a BS in Biochemistry from Trinity University.

“The Board would like to welcome Richard as our next CEO,” said Jack Laborde, Gulf Island’s Chairman of the Board. “Richard has extensive industry knowledge and is a proven business leader with a track record of building highly functional sales and operations teams and successfully converting new ideas into sustainable and profitable revenue growth. Richard understands the risks and opportunities inherent in our business and the Board is confident he is the right leader for the Company as we move forward.”

“I am honored and privileged to serve Gulf Island and our customers,” said Richard. “I am excited to build on the legacy of the strong fabrication and services capabilities of our employees and look forward to continuing the tradition of serving our customers with a focus on performance, quality and safety. I am also eager to meet our shareholders and am committed to taking the steps necessary to maximize shareholder value.”

**About Gulf Island**

Gulf Island is a leading fabricator of complex steel structures, modules and marine vessels used in energy extraction and production, petrochemical and industrial facilities, power generation, alternative energy and shipping and marine transportation operations. The Company also provides project management, installation, hookup, commissioning, repair, maintenance and civil construction services. The Company operates and manages its business through three operating divisions: Fabrication, Shipyard and Services, with its corporate headquarters located in Houston, Texas and operating facilities located in Houma, Jennings and Lake Charles, Louisiana. For more information on the Company, visit Gulf Island’s website at [www.gulfisland.com](http://www.gulfisland.com).

**Company Information**

Westley S. Stockton  
Chief Financial Officer  
713-714-6100

---

### **Cautionary Statement**

*This press release contains forward-looking statements in which we discuss our potential future performance. Forward-looking statements, within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, are all statements other than statements of historical facts, such as projections or expectations relating to oil and gas prices, operating cash flows, capital expenditures, liquidity and tax rates. The words “anticipates,” “may,” “can,” “plans,” “believes,” “estimates,” “expects,” “projects,” “targets,” “intends,” “likely,” “will,” “should,” “to be,” “potential” and any similar expressions are intended to identify those assertions as forward-looking statements.*

*We caution readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, projected or assumed in the forward-looking statements. Important factors that can cause our actual results to differ materially from those anticipated in the forward-looking statements include the cyclical nature of the oil and gas industry, competition, consolidation of our customers, timing and award of new contracts, reliance on significant customers, financial ability and credit worthiness of our customers, nature of our contract terms, competitive pricing and cost overruns on our projects, adjustments to previously reported profits or losses under the percentage-of-completion method, weather conditions, changes in backlog estimates, suspension or termination of projects, ability to raise additional capital, ability to amend or obtain new debt financing or credit facilities on favorable terms, ability to remain in compliance with our covenants contained in our credit agreement, ability to generate sufficient cash flow, ability to sell certain assets, customer or subcontractor disputes, ability to resolve the dispute with a customer relating to the purported termination of contracts to build two multi-purpose support vessels, operating dangers and limits on insurance coverage, barriers to entry into new lines of business, ability to employ skilled workers, loss of key personnel, performance of subcontractors and dependence on suppliers, changes in trade policies of the U.S. and other countries, compliance with regulatory and environmental laws, lack of navigability of canals and rivers, shutdowns of the U.S. government, systems and information technology interruption or failure and data security breaches, performance of partners in our joint ventures and other strategic alliances, and other factors described in Item 1A in our Annual Report on Form 10-K for the Year Ended December 31, 2018, as updated by subsequent filings with the U.S. Securities and Exchange Commission.*

*Investors are cautioned that many of the assumptions upon which our forward-looking statements are based are likely to change after the forward-looking statements are made, which we cannot control. Further, we may make changes to our business plans that could affect our results. We caution investors that we do not intend to update forward-looking statements more frequently than quarterly notwithstanding any changes in our assumptions, changes in business plans, actual experience or other changes, and we undertake no obligation to update any forward-looking statements.*

**NEWS RELEASE  
FOR IMMEDIATE RELEASE**

**November 14, 2019**

**Gulf Island Announces  
Planned Chairman Transition and  
Reaffirms Commitment to Reduce Board Size**

HOUSTON, TX – Gulf Island Fabrication, Inc. (“Gulf Island” or the “Company”) (NASDAQ: GIFI) announced today that Jack Laborde has informed the Board of Directors of his intention to step down as Chairman of the Board following the 2020 annual shareholders’ meeting. As set forth in the Company’s corporate governance guidelines, the corporate governance and nominating committee will review and recommend a new Chairman for the Board of Directors to consider.

“It has been my honor to serve as Gulf Island’s Chairman since 2013,” said Jack Laborde. “However, I believe it is the right time to announce my plans so the Board can properly prepare for a change in leadership. I look forward to working with our new CEO, Richard Heo, and my fellow directors as we embark on the next chapter for Gulf Island.”

The Board also reaffirmed its commitment to reduce the overall size of the Board of Directors by two members no later than immediately following the Company’s 2020 annual shareholders’ meeting.

**About Gulf Island**

Gulf Island is a leading fabricator of complex steel structures, modules and marine vessels used in energy extraction and production, petrochemical and industrial facilities, power generation, alternative energy and shipping and marine transportation operations. The Company also provides project management, installation, hookup, commissioning, repair, maintenance and civil construction services. The Company operates and manages its business through three operating divisions: Fabrication, Shipyard and Services, with its corporate headquarters located in Houston, Texas and operating facilities located in Houma, Jennings and Lake Charles, Louisiana. For more information on the Company, visit Gulf Island’s website at [www.gulfisland.com](http://www.gulfisland.com).

**Company Information**

Richard W. Heo  
Chief Executive Officer  
713-714-6100

Westley S. Stockton  
Chief Financial Officer  
713-714-6100

**Cautionary Statement**

*This press release contains forward-looking statements in which we discuss our potential future performance. Forward-looking statements, within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, are all statements other than statements of historical facts, such as projections or expectations relating to oil and gas prices, operating cash flows, capital expenditures, liquidity and tax rates. The words “anticipates,” “may,” “can,” “plans,” “believes,” “estimates,” “expects,” “projects,” “targets,” “intends,” “likely,” “will,” “should,” “to be,” “potential” and any similar expressions are intended to identify those assertions as forward-looking statements.*

---

*We caution readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, projected or assumed in the forward-looking statements. Important factors that can cause our actual results to differ materially from those anticipated in the forward-looking statements include the cyclical nature of the oil and gas industry, competition, consolidation of our customers, timing and award of new contracts, reliance on significant customers, financial ability and credit worthiness of our customers, nature of our contract terms, competitive pricing and cost overruns on our projects, adjustments to previously reported profits or losses under the percentage-of-completion method, weather conditions, changes in backlog estimates, suspension or termination of projects, ability to raise additional capital, ability to amend or obtain new debt financing or credit facilities on favorable terms, ability to remain in compliance with our covenants contained in our credit agreement, ability to generate sufficient cash flow, ability to sell certain assets, customer or subcontractor disputes, ability to resolve the dispute with a customer relating to the purported termination of contracts to build two multi-purpose support vessels, operating dangers and limits on insurance coverage, barriers to entry into new lines of business, ability to employ skilled workers, loss of key personnel, performance of subcontractors and dependence on suppliers, changes in trade policies of the U.S. and other countries, compliance with regulatory and environmental laws, lack of navigability of canals and rivers, shutdowns of the U.S. government, systems and information technology interruption or failure and data security breaches, performance of partners in our joint ventures and other strategic alliances, and other factors described in Item 1A in our Annual Report on Form 10-K for the Year Ended December 31, 2018, as updated by subsequent filings with the U.S. Securities and Exchange Commission.*

*Investors are cautioned that many of the assumptions upon which our forward-looking statements are based are likely to change after the forward-looking statements are made, which we cannot control. Further, we may make changes to our business plans that could affect our results. We caution investors that we do not intend to update forward-looking statements more frequently than quarterly notwithstanding any changes in our assumptions, changes in business plans, actual experience or other changes, and we undertake no obligation to update any forward-looking statements.*