

**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): September 14, 2023**

**Alignment Healthcare, Inc.**

(Exact name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-40295**  
(Commission File Number)

**46-5596242**  
(IRS Employer  
Identification No.)

**1100 W Town and Country Rd.  
Suite 1600  
Orange, California**  
(Address of Principal Executive Offices)

**92868**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: 844 310-2247**

**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))

**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, par value \$0.001 per share	ALHC	The Nasdaq Stock Market LLC

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 Arrangements of Certain Officers.

On September 14, 2023, the Board of Directors (the “Board”) of Alignment Healthcare, Inc. (the “Company”), with input from its Compensation Committee (the “Committee”), approved the grant, effective as of such date, of a target number of performance-based restricted stock units (“PSUs”) under the Company’s 2021 Equity Incentive Plan (the “Plan”) to its executive management team and other key employees (the “Grantees”). The Board issued the PSU awards to establish long-term incentive pay tied to rigorous performance criteria, provide significant award potential for achieving outstanding Company financial and operational results, and enhance the ability of the Company to attract and retain highly talented individuals.

The following is a brief description of the material terms and conditions of the PSUs:

Each Grantee is eligible to vest in a number of PSUs ranging from 0% to 150% of the target number of PSUs granted, based on the aggregate achievement by the Company of certain performance metrics during the performance period beginning on January 1, 2024 and ending on December 31, 2024 (the “Measurement Period”), with threshold, target and maximum goals for each performance metric set by the Board. The achievement of PSUs relative to the approved target awards is based on the following performance metrics and relative weighting:

Performance Metric	Weighting
Health Plan Revenue Growth Percentage <sup>(1)</sup>	60%
At-Risk Returning Member Medical Benefit Ratio <sup>(2)</sup>	20%
Adjusted EBITDA, less Capital Expenditures <sup>(3)</sup>	20%

1. “Health Plan Revenue Growth Percentage” means the percentage increase in the consolidated premium revenue of the Company’s regulated health plan entities between the fiscal year ended December 31, 2023 and the fiscal year ended December 31, 2024, subject to any adjustments deemed appropriate by the Committee. For the avoidance of doubt, premium revenue does not include (i) capitation revenue or (ii) investment income from securities accounts held by health plan entities. “Capitation revenue” means capitated fees for medical care services provided by the Company under arrangements with third-party payors and from CMS related to the ACO REACH program.
2. “At-Risk Returning Member Medical Benefit Ratio” means the Medical Benefit Ratio during the Measurement Period for Returning Members, excluding the Medical Benefit Ratio associated with Returning Members under global capitation arrangements. “Medical Benefit Ratio” means total medical expenses for the Measurement Period, excluding depreciation and equity-based compensation, divided by total revenues for the Measurement Period, in each case measured on an incurred basis for dates of service during the Measurement Period, subject to any adjustments deemed appropriate by the Committee. “Returning Member” means a member that was enrolled in any of the Company’s regulated health plans during the 2023 plan year. This metric excludes Medical Benefit Ratio related to the ACO REACH program.
3. “Adjusted EBITDA” means net loss before interest expense, income taxes, depreciation and amortization expense, reorganization and transaction-related expenses, gains or losses from subleases and equity-based compensation expense for the Measurement Period, subject to any adjustments deemed appropriate by the Committee. “Capital Expenditures” means long-lived tangible assets used to create and distribute the entity’s services, as reflected in the Company’s financial statements, incurred during the Measurement Period, including without limitation (a) leasehold improvements, (b) computer equipment, (c) furniture and fixtures and (d) capitalized software.

Following the completion of the Measurement Period, the Committee will certify the Company’s achievement of each of the performance metrics, as a percentage of the target established for each metric (the date of such certification, the “Certification Date”). If any financial metric is attained at a level above the threshold goal but below the target goal, or above the target goal but below the maximum goal, percentage achievement for such metric will be determined on a straight-line basis between the applicable goals. The Committee will then determine, based on the relative weighting of the performance metrics and the percentage achievement of each metric, the aggregated percentage achievement of the performance metrics. Each Grantee will be deemed to have earned the number of PSUs obtained by multiplying his or her target award by the aggregated percentage achievement of the performance metrics.

Fifty percent (50%) of such total number of earned PSUs will become fully vested on the Certification Date, which is expected to occur on or about March 1, 2025, subject to each Grantee’s continued service to the Company through such date. The remaining fifty percent (50%) of such earned PSUs will be subject to an additional time-based vesting component and will become vested as of December 31, 2025, subject to each Grantee’s continued service to the Company through such date. Any PSUs that do not become earned and vested on such dates will be cancelled and forfeited for no consideration.

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The threshold, target and maximum awards for the PSUs granted by the Board to the Company's named executive officers\* on September 13, 2023 are as follows:

<b>Officer</b>	<b>Title</b>	<b>Threshold Award (#)</b>	<b>Target Award (#)</b>	<b>Maximum Award (#)</b>
John Kao	Chief Executive Officer	1,088,667	2,177,333	3,266,000
Thomas Freeman	Chief Financial Officer	436,833	873,667	1,310,500
Dawn Maroney	President, Markets	436,833	873,667	1,310,500

\* For purposes of this filing, the term "named executive officers" refers to the executive officers who received awards and for whom disclosure was required in our most recent filing with the Securities and Exchange Commission under the Securities Act of 1933 or the Securities Exchange Act of 1934 that required disclosure pursuant to Item 402(c) of Regulation S-K.

A Grantee may receive less than his or her target award, and in no event may actual shares earned exceed the maximum award. Any PSUs issued under the Plan will be subject to recoupment in accordance with the clawback policy to be adopted by the Company in accordance with Rule 10D-1 under the Securities Exchange Act of 1934 and the listing standards of the Nasdaq Stock Market.

The foregoing description of the terms of the PSU grants does not purport to be complete, and the form of PSU Award Agreement for use in connection with PSU grants is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

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

(d) Exhibits

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
10.1*	<a href="#">Form of Performance Share Unit Award Agreement</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Management agreement or compensatory plan, contract or arrangement

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**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 thereunto duly authorized.

Alignment Healthcare, Inc.

Date: September 15, 2023

By: /s/ Christopher Joyce  
Christopher Joyce  
Chief Legal & Administrative Officer

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**PSU AWARD AGREEMENT  
ALIGNMENT HEALTHCARE, INC. 2021 EQUITY INCENTIVE PLAN**

Alignment Healthcare, Inc. (the “Company”) grants to the Participant named below (“you”) the number of restricted stock units that are subject to Performance Goals and designated as Performance Awards (“PSUs”) set forth below (the “Award”), under this PSU Award Agreement (“Agreement”).

Governing Plan: Alignment Healthcare, Inc. 2021 Equity Incentive Plan, as amended from time to time (the “Plan”)

Defined Terms: As set forth in the Plan, unless otherwise defined in this Agreement

Participant: [●]

Grant Date: [●]

Target Number of PSUs: [●]

Definition of PSU: Each PSU entitles you to earn and receive one Share in the future upon the achievement of certain performance goals, subject to continued employment and the terms of this Agreement.

Earning and Payment: Except as otherwise set forth herein, as long as you do not have a Separation from Service prior to the applicable Vesting Date (as defined below), the number of earned PSUs (“Earned PSUs”) will be based on the Company’s actual performance against the performance metrics set forth on Exhibit A for the measurement period beginning [●] and ending on [●] (the “Measurement Period”), as determined and certified by the Committee (the date of certification, the “Certification Date”), and vest and become payable as follows (each vesting date outlined below, a “Vesting Date”):

Vesting Date

PSUs Earned and Payable

[●]

[●]

The Certification Date will occur as soon as administratively practicable following [●] (but in no event later than [●] days following such date).

## PSU TERMS

### 1. Grant of PSUs.

- (a) The Award is subject to the terms of the Plan. The terms of the Plan are incorporated into this Agreement by this reference.
- (b) You must accept the terms of this Agreement within 10 business days after the Agreement is presented to you for review by returning a signed copy of this Agreement to the Company in accordance with such procedures as the Company may establish. The Committee may unilaterally cancel and forfeit all or a portion of the Award if you do not timely accept the terms of this Agreement.

### 2. Dividend Equivalents. In the event of any issuance of a cash dividend on the shares of Common Stock (a “Dividend”), you shall be credited, as of the payment date for such Dividend, with an amount (a “Dividend Equivalent”) equal to the product of (i) 100% of the total number of PSUs granted pursuant to this Agreement and outstanding as of the record date for such Dividend multiplied by (ii) the amount of the Dividend per share. Upon vesting of a PSU, the aggregate amount of the Dividend Equivalents (the “Distributable Amount”) in respect of such vested PSU shall be distributed to you in connection with the settlement of such vested PSU either in cash or, at the discretion of the Committee, in a number of shares of Common Stock with a Fair Market Value (as determined on the applicable vesting date) equal to the Distributable Amount. To the extent any PSUs are forfeited prior to vesting, the corresponding Dividend Equivalents in respect thereof shall be forfeited immediately thereupon.

### 3. Restrictions.

- (a) You will have no rights or privileges of a Stockholder as to the Shares underlying the PSUs before settlement under Section 6 below (“Settlement”), including no right to vote or receive Dividends or other distributions (other than the Dividend Equivalents as set forth above); in addition, the following terms will apply:
  - (i) you will not be entitled to delivery of any Share certificates for the PSUs until Settlement (if at all), and upon the satisfaction of all other terms;
  - (ii) you may not sell, transfer (other than by will or the laws of descent and distribution), assign, pledge, or otherwise encumber or dispose of the PSUs or any rights under the PSUs before Settlement;
  - (iii) you will forfeit all of the PSUs and all of your rights under the PSUs will terminate in their entirety on the terms set forth in Section 5 below and Section 11(j) below; and (iv) no Share underlying a PSU will be considered vested and payable until the end of the Restricted Period applicable to the PSU.
- (b) Any attempt to dispose of the PSUs, any interest in the PSUs, or any Shares in respect of the PSUs in a manner contrary to the terms of this Agreement will be void and of no effect.

4. Restricted Period and Payment. The “Restricted Period” is the period beginning on the Grant Date and ending on the date the PSUs, or such applicable portion of the PSUs, are deemed earned and vested and payable under the terms set forth in the table at the beginning of this Agreement.

5. Forfeiture; Termination; Change in Control.

- (a) If, during the Restricted Period, (a) you incur a Separation from Service (for the avoidance of doubt, which does not otherwise result in the immediate or continued earning and payment of the PSUs), (b) you materially breach this Agreement, or (c) you fail to meet the tax withholding obligations described in Section 7 below, you will immediately and automatically forfeit all of your rights in respect of the unvested PSUs.
- (b) Notwithstanding anything contained herein or in the Plan to the contrary, in the event of a Change in Control prior to the end of the Restricted Period, then the PSUs granted to you hereunder will be deemed earned and become vested and payable as follows: [●]

For the avoidance of doubt, any PSUs that are not deemed Earned PSUs as of the Closing Date of the Change in Control in accordance with this Section 5(b) will be cancelled and forfeited for no consideration.

6. Settlement of PSUs. Delivery of Shares or other amounts under this Agreement will be subject to the following:

- (a) The Company will deliver to you one Share for each Earned PSU that has become vested and payable as soon as administratively practicable after the end of the applicable Restricted Period (or as provided under Section 5(b), if applicable).
- (b) Any issuance of Shares under the Award may be effected on a non-certificated basis, to the extent not prohibited by Applicable Law.
- (c) If a certificate for Shares is delivered to you under the Award, the certificate may bear the following or a similar legend as determined by the Company:

The ownership and transferability of this certificate and the shares of stock represented hereby are subject to the terms (including forfeiture) of the Alignment Healthcare, Inc. 2021 Equity Incentive Plan and a PSU award agreement entered into between the registered owner and Alignment Healthcare, Inc. Copies of such plan and agreement are on file in the executive offices of Alignment Healthcare, Inc.

In addition, any stock certificates for Shares will be subject to any stop-transfer orders and other restrictions as the Company may deem advisable under Applicable Law, and the Company may cause a legend or legends to be placed on any certificates to make appropriate reference to these restrictions. Unless otherwise determined by the Board, the PSUs and any shares of Common Stock acquired in respect of any PSUs will be subject to the lock-up restrictions as set forth in Section 13.20 of the Plan (and any successor terms).

7. Taxes. Regardless of any action the Company may take that is related to any or all income tax, payroll tax, or other tax-related withholding under the Plan (“Tax-Related Items”), the ultimate liability for all Tax-Related Items owed by you is and will remain your responsibility. The Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items and (b) does not commit to structure the terms of the Award to reduce or eliminate your liability for Tax-Related Items. You will be required to meet any applicable tax withholding obligation in accordance with the tax withholding terms of Section 13.5 of the Plan (and any successor terms). The PSUs are intended to be exempt from Section 409A, and this Agreement will be administered and interpreted consistently with that intent and with the terms of Section 13.16 of the Plan (and any successor terms).
8. Adjustment. Upon any event described in Section 4.2 of the Plan (and any successor sections) occurring after the Grant Date, the adjustment terms of that section will apply to the Award.
9. Bound by Plan and Committee Decisions. By accepting the Award, you acknowledge that you have received a copy of the Plan and have had an opportunity to review the Plan, and you agree to be bound by all of the terms of the Plan. If there is any conflict between this Agreement and the Plan, the Plan will control. The authority to manage and control the operation and administration of this Agreement and the Plan is vested in the Committee. The Committee has all powers under this Agreement that it has under the Plan. Any interpretation of this Agreement or the Plan by the Committee and any decision made by the Committee related to the Agreement or the Plan in good faith (including, the number of PSUs earned, if any, and whether performance has been achieved) will be final and binding on all Persons.
10. Regulatory and Other Limitations. Notwithstanding anything else in this Agreement, the Committee may impose conditions, restrictions, and limitations on the issuance of Shares under the Award unless and until the Committee determines that the issuance complies with (a) all registration requirements under the Securities Act, (b) all listing requirements of any securities exchange or similar entity on which the Shares are listed, (c) all Company policies and administrative rules, and (d) all Applicable Laws.
11. Miscellaneous.
  - (a) Notices. Any notice that may be required or permitted under this Agreement must be in writing and may be delivered personally, by intraoffice mail, or by electronic mail or via a postal service (postage prepaid) to the electronic mail or postal address and directed to the person as the receiving party may designate in writing from time to time.
  - (b) Waiver. The waiver by any party to this Agreement of a breach of any term of the Agreement will not operate or be construed as a waiver of any other or subsequent breach.
  - (c) Entire Agreement. This Agreement and the Plan constitute the entire agreement between you and the Company related to the Award. Any prior agreements, commitments, or negotiations related the Award are superseded.



- (d) Binding Effect; Successors. The obligations and rights of the Company under this Agreement will be binding upon and inure to the benefit of the Company and any successor corporation or organization resulting from the merger, consolidation, sale, or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company. Your obligations and rights under this Agreement will be binding upon and inure to your benefit and the benefit of your beneficiaries, executors, administrators, heirs, and successors.
- (e) Governing Law; Jurisdiction; Waiver of Jury Trial. You acknowledge and expressly agree to the governing law terms of Section 13.9 of the Plan (and any successor terms) and the jurisdiction and waiver of jury trial terms of Section 13.10 of the Plan (and any successor terms).
- (f) Amendment. This Agreement may be amended at any time by the Committee, except that no amendment may, without your consent, materially impair your rights under the Award.
- (g) Severability. The invalidity or unenforceability of any term of the Plan or this Agreement will not affect the validity or enforceability of any other term of the Plan or this Agreement, and each other term of the Plan and this Agreement will be severable and enforceable to the extent permitted by Applicable Law.
- (h) No Rights to Service; No Impact on Other Benefits. Nothing in this Agreement will be construed as giving you any right to be retained in any position with the Company or its Affiliates. Nothing in this Agreement will interfere with or restrict the rights of the Company or its Affiliates—which are expressly reserved—to remove, terminate, or discharge you at any time for any reason whatsoever or for no reason, subject to the Company’s certificate of incorporation, bylaws, and other similar governing documents and Applicable Law. The value of the PSUs is not part of your normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance, or similar employee benefit. The grant of the PSUs does not create any right to receive any future awards.
- (i) Further Assurances. You must, upon request of the Company, do all acts and execute, deliver, and perform all additional documents, instruments, and agreements that may be reasonably required by the Company to implement this Agreement.

- (j) Clawback. All awards, amounts, and benefits received or outstanding under the Plan will be subject to clawback, cancellation, recoupment, rescission, payback, reduction, or other similar action in accordance with the terms of any Company clawback or similar policy or any Applicable Law related to such actions, as may be in effect from time to time. You acknowledge and consent to the Company's application, implementation, and enforcement of any applicable Company clawback or similar policy that may apply to you, whether adopted before or after the Grant Date (including the clawback terms contained in Section 13.21 of the Plan as of the Grant Date (and any successor terms)), and any term of Applicable Law relating to clawback, cancellation, recoupment, rescission, payback, or reduction of compensation, and the Company may take such actions as may be necessary to effectuate any such policy or Applicable Law, without further consideration or action.
- (k) Electronic Delivery and Acceptance. The Company may deliver any documents related to current or future participation in the Plan by electronic means. You consent to receive those documents by electronic delivery and to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

12. Your Representations. You represent to the Company that you have read and fully understand this Agreement and the Plan and that your decision to participate in the Plan is completely voluntary. You also acknowledge that you are relying solely on your own advisors regarding the tax consequences of the Award.

By signing below, you are agreeing that your electronic signature is the legal equivalent of a manual signature on this Agreement and you are agreeing to all of the terms of this Agreement, as of the Grant Date.

Participant Signature: \_\_\_\_\_

