
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): **July 24, 2018**

SG BLOCKS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38037
(Commission File Number)

95-4463937
(I.R.S. Employer
Identification Number)

195 Montague Street, 14th Floor
Brooklyn, NY 11201
(Address of Principal Executive Offices, Zip Code)

Registrant's telephone number, including area code: 646-240-4235

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))

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 July 24, 2018, the Compensation Committee (the “*Compensation Committee*”) of the Board of Directors (the “*Board*”) of SG Blocks, Inc. (the “*Company*”) approved an increase to the annual base salary of Paul M. Galvin, the Company’s Chief Executive Officer and Chairman, and Mahesh S. Shetty, the Company’s President and Chief Financial Officer, retroactive to January 1, 2018. Mr. Galvin’s salary increased from \$240,000 to \$370,000, and Mr. Shetty’s from \$220,000 to \$300,000, effective January 1, 2018.

The Compensation Committee additionally established the performance criteria for Messrs. Galvin and Shetty’s 2018 bonus awards and set their target bonus opportunity equal to 100% of base salary. The performance goals are based on the achievement of certain revenue, EBITDA and backlog results, which represent 45%, 35% and 20%, respectively, of the target award. Actual amounts payable for each component can range from 0% to 150% of the target award, based upon the extent to which performance under each component is below, meets or exceeds the target, as determined by the Compensation Committee.

The compensation changes discussed above were based on a competitive market assessment provided by Haigh & Company, the Compensation Committee’s independent compensation consultant.

Item 8.01 Other Events.

Non-Employee Director Compensation

On July 26, 2018, based on recommendations provided by Haigh & Company and upon recommendation by the Compensation Committee, the Board approved new compensation arrangements for the Company’s non-employee directors to, among other things, align with competitive market levels and compensation structure compared to the Company’s peers.

Cash Fees

Previously, the Company’s directors did not receive a cash fee for serving on the Board. The following table sets forth the new cash fee schedule for compensating non-employee directors, effective retroactive to January 1, 2018:

Annual Board Retainer	\$	30,000
Lead Independent Director	\$	10,000
Audit Committee Chair	\$	10,000
Compensation Committee Chair	\$	7,500
Nominating and Corporate Governance Committee Chair*	\$	5,000

* Such fee to be in effect in the event the Board forms such committee.

The above fees will be paid quarterly in advance, in four equal installments, to each person serving as a non-employee director at the time when such payment is made. Beginning with the 2019 calendar year, non-employee directors may choose to receive the \$30,000 annual Board retainer as equity in restricted stock units (“*RSUs*”), in either a \$15,000 or \$30,000 increment, payable six months after the termination of the director from the Board or death or disability. Directors will not be paid a separate amount for each Board or committee meeting attended.

Annual Equity Awards

In addition, pursuant to the SG Blocks, Inc. Stock Incentive Plan, non-employee directors will receive an annual grant of RSUs (the “*Equity Awards*”), with a grant date value of \$30,000. The grant date of the Equity Awards will generally be the date of the Company’s annual meeting of stockholders during the year of grant. The Equity Awards will be granted pursuant to the form of Restricted Share Unit Agreement (the “*RSU Agreement*”) adopted by the Board in connection with the new compensation arrangements. Among other things, the RSU Agreement provides that each Equity Award (i) represents the right to receive one share of the Company’s common stock, \$0.01 par value per share, per RSU granted; (ii) vests on the earlier of (A) the first anniversary of the date of grant or (B) the date of the annual meeting of the Company’s stockholders that occurs in the year immediately following the date of grant; and (iii) is payable six months after the termination of the director from the Board or death or disability. The foregoing description does not purport to be complete and is qualified in its entirety by reference to the RSU Agreement, the form of which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

The Equity Awards for 2018 service were granted July 26, 2018 to the non-employee directors serving as of the conclusion of the Company’s annual meeting of stockholders held on June 1, 2018, and will vest on the earlier of July 26, 2019 or the 2019 annual meeting of stockholders.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

10.1 Form of Restricted Share Unit Agreement (Non-Employee Directors).

SIGNATURE

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

Dated: July 30, 2018

SG Blocks, Inc.

By: /s/ Mahesh Shetty
Mahesh Shetty
President and Chief Financial Officer

SG BLOCKS, INC.
RESTRICTED SHARE UNIT AGREEMENT
(Non-Employee Directors)

Summary of Restricted Share Unit Grant

SG Blocks, Inc. (the "Company") grants to the Grantee named below, in accordance with the terms of SG Blocks, Inc. Stock Incentive Plan, as amended (the "Plan"), and this Restricted Share Unit Agreement (the "Agreement"), the following number of Restricted Share Units, on the Date of Grant set forth below:

Name of Grantee: [•]

Number of Restricted Share Units: [•]

Date of Grant: [•]

Vesting Date: The earlier of (i) the first anniversary of the Date of Grant or (ii) the date of the annual meeting of the Company's stockholders that occurs in the year immediately following the Date of Grant.

Terms of Agreement

1. Grant of Restricted Share Units. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Plan, the Company hereby grants to the Grantee as of the Date of Grant, the total number of share units (the "Restricted Share Units") set forth above. Each Restricted Share Unit shall represent the right to receive one share of the Company's common stock, par value \$0.01 per share ("Share"), and shall at all times be equal in value to one Share. The Restricted Share Units shall be credited in a book entry account established for the Grantee until payment in accordance with Section 3 hereof.

2. Vesting. The Restricted Share Units shall vest in full on the Vesting Date, provided that the Grantee continues to provide service on the Board until that date. The Restricted Share Units shall vest in full if, prior to the Vesting Date and while the Grantee is a member of the Board, he or she dies or becomes "disabled" within the meaning of Section 409A of the Code. The Restricted Share Units shall be forfeited automatically without further action or notice if, prior to the Vesting Date, the Grantee ceases to provide service as a member of the Board, except as otherwise provided in the immediately preceding sentence.

3. Payment. The Company shall deliver to the Grantee (or the Grantee's estate in the event of death) the Shares underlying the vested Restricted Share Units within thirty (30) days following the date that is six months after the Grantee's termination of service from the Board or the Grantee's death or "disability" within the meaning of Section 409A of the Code. The Company's obligations with respect to the vested Restricted Share Units shall be satisfied in full upon the delivery of the Shares underlying the Restricted Share Units.

4. Transferability. The Restricted Share Units may not be transferred, assigned, pledged or hypothecated in any manner, or be subject to execution, attachment or similar process, by operation of law or otherwise, unless otherwise provided under the Plan. Any purported transfer or encumbrance in violation of the provisions of this Section 4 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Restricted Share Units.

5. Dividend, Voting and Other Rights. The Grantee shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Restricted Share Units until such Shares have been delivered to the Grantee in accordance with Section 3 hereof. The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver Shares in the future, and the rights of the Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

6. Payment of Dividend Equivalents. From and after the Date of Grant and until the time when the Restricted Share Units are paid in accordance with Section 3 hereof, on the date that the Company pays a cash dividend (if any) to holders of Shares generally, the Grantee shall be entitled to a cash amount equal to the product of (a) the dollar amount of the cash dividend paid per Share on such date and (b) the total number of Restricted Share Units credited to the Grantee as of such date (the “Dividend Equivalent”). The Dividend Equivalent shall be paid to the Grantee at the same time that the related dividend is paid to the holders of Shares.

7. No Right to Reelection. Nothing contained in this Agreement shall confer upon the Grantee any right to be nominated for reelection by the Company’s stockholders, or any right to remain a member of the Board of Directors of the Company for any period of time, or at any particular rate of compensation.

8. Adjustments. The number and kind of Shares deliverable pursuant to the Restricted Share Units are subject to adjustment as provided in Section 15 of the Plan.

9. Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws and listing requirements with respect to the Restricted Share Units; provided, however, notwithstanding any other provision of this Agreement, and only to the extent permitted under Section 409A of the Code, the Company shall not be obligated to deliver any Shares pursuant to this Agreement if the delivery thereof would result in a violation of any such law or listing requirement.

10. Amendments. Subject to the terms of the Plan, the Committee may modify this Agreement upon written notice to the Grantee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Notwithstanding the foregoing, no amendment of the Plan or this Agreement shall adversely affect in any material way the rights of the Grantee under this Agreement without the Grantee’s consent unless the Committee determines, in good faith, that such amendment is required for the Agreement to either be exempt from the application of, or comply with, the requirements of Section 409A of the Code, or as otherwise may be provided in the Plan.

11. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

12. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. This Agreement and the Plan contain the entire agreement and understanding of the parties with respect to the subject matter contained in this Agreement, and supersede all prior written or oral communications, representations and negotiations in respect thereto. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine any questions which arise in connection with the grant of the Restricted Share Units.

13. Successors and Assigns. Without limiting Section 4, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

14. Governing Law. The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflict of laws thereof.

15. Use of Grantee's Information. Information about the Grantee and the Grantee's participation in the Plan may be collected, recorded and held, used and disclosed for any purpose related to the administration of the Plan. The Grantee understands that such processing of this information may need to be carried out by the Company and its Subsidiaries and by third party administrators whether such persons are located within the Grantee's country or elsewhere, including the United States of America. The Grantee consents to the processing of information relating to the Grantee and the Grantee's participation in the Plan in any one or more of the ways referred to above.

16. Electronic Delivery. The Grantee hereby consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other award made or offered under the Plan. The Grantee understands that, unless earlier revoked by the Grantee by giving written notice to the Secretary of the Company, this consent shall be effective for the duration of the Agreement. The Grantee also understands that he or she shall have the right at any time to request that the Company deliver written copies of any and all materials referred to above at no charge. The Grantee hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature. The Grantee consents and agrees that any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and the Grantee has also executed this Agreement, as of the Date of Grant.

SG BLOCKS, INC.

By: _____
Paul M. Galvin
Chief Executive Officer and
Chairman of the Board

By signing below, you acknowledge that a copy of the Plan and Prospectus, and the Company's most recent Annual Report and Proxy Statement (the "Prospectus Information") either have been received by you or are available for viewing at www.sgblocks.com and you consent to receiving this Prospectus Information electronically, or, in the alternative, agree to contact Mahesh Shetty at (646) 240-4235 to request a paper copy of the Prospectus Information at no charge. You also represent that you are familiar with the terms and provisions of the Prospectus Information and hereby accept the award on the terms and conditions set forth herein and in the Plan. The terms and conditions of the Plan and this Agreement constitute a legal contract that will bind both you and the Company as soon as you accept the award.

Date: _____
