Ingersoll-Rand plc
Form 4
February 26, 2015

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Camuti Paul A

(Last) (First) (Middle)

C/O INGERSOLL-RAND COMPANY, 800-E BEATY ST

(Street)

DAVIDSON, NC 28036

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Ingersoll-Rand plc [IR]

3. Date of Earliest Transaction (Month/Day/Year)
02/24/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Senior Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Ordinary Shares	02/24/2015		F		342	D	$ 68.52	46,318.5954	D	
Ordinary Shares (1)								357.286	I	by Plan Trustee

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Camuti Paul A C/O INGERSOLL-RAND COMPANY 800-E BEATY ST DAVIDSON, NC 28036			Senior Vice President	

Signatures

/s/ Sara Walden Brown - Attorney-in-Fact	02/26/2015
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Latest available information provided by the trustee of the Ingersoll-Rand Employee Savings Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. -FAMILY: 'Times New Roman', Times, serif; FONT-SIZE: 10pt; FONT-WEIGHT: bold">COMMITMENTS AND CONTINGENCIES

Operating Leases- Overall

We lease certain office, manufacturing and warehouse facilities and equipment under noncancellable operating leases. Lease terms related to real estate primarily range from one to five years with renewal options for additional periods ranging up to twelve years. The leases generally require the company to pay real estate taxes, maintenance, insurance and other expenses. Rental expense for operating leases was $3.0 million in fiscal 2018, $2.9 million in fiscal 2017, and $3.0 million in fiscal 2016. Future minimum rental commitments for noncancellable operating leases are $2.6 million in fiscal 2019; $1.9 million in fiscal 2020; $1.1 million in fiscal 2021; $181,000 in fiscal 2022; and $10,000 in fiscal 2023. Management expects that in the normal course of business, these leases will be renewed or replaced by other operating leases.

Operating Leases- Related Parties

In connection with an asset purchase agreement with Read (see note 2) on April 1, 2018, we assumed the lease of the building where the operation is located. This lease is with an executive of Read. The lease agreement requires monthly payments of $18,000 per month for a term of 3 years, expiring on March 31, 2021. The lease contains four successive options to renew the lease with each renewal period being three years at prices determined at the date of renewal as defined in the agreement. Rents paid to the executive of Read totaled $18,000 during fiscal 2018.

Additionally, we lease a plant facility associated with our mattress fabrics segment from a partnership owned by certain shareholders and officers of the company and their immediate families. Currently, this facility is being leased on a month to month basis at an amount of $13,000 per month. Rents paid to entities owned by certain shareholders and officers of the company and their immediate families totaled $156,000 in fiscal 2018, 2017, and 2016, respectively.

Other Litigation

The company is involved in legal proceedings and claims which have arisen in the ordinary course of business. Management has determined that it is not reasonably possible that these actions, when ultimately concluded and settled, will have a material adverse effect upon the financial position, results of operations, or cash flows of the company.

Accounts Payable – Capital Expenditures

At April 29, 2018, we had total amounts due regarding capital expenditures totaling $1.8 million, of which $1.4 million is financed and pertains to completed work for the construction of a new building (see below). The total $1.8 million amount is required to be paid in full in fiscal 2019.

At April 30, 2017, we had total amounts due regarding capital expenditures totaling $6.1 million, of which $5.1 million was financed and pertained to completed work for the construction of a new building (see below). Of the total $6.1 million, $4.8 million and $1.3 million were required to be paid in fiscal 2018 and 2019, respectively.

Purchase Commitments - Capital Expenditures

At April 29, 2018, we had open purchase commitments to construct a building and equipment for our mattress fabrics segment totaling $3.4 million. The $3.4 million includes $1.4 million (all of which represents completed work) associated with the construction of a new building noted below.

Effective May 16, 2016, we entered into an agreement with a contractor to construct a new building located in North Carolina that expands our distribution capabilities and office space at a cost of $11.3 million. This agreement required an installment payment of $1.9 million in April 2016, $4.3 million in fiscal 2017, $3.7 million in fiscal 2018, and $1.4 million in fiscal 2019 (which was paid in May 2018). Interest was charged on the outstanding installment payments at a rate of $2.25% plus the current 30 day LIBOR rate. Also, we were required to issue a letter of a credit totaling $5.0 million with the contractor being the beneficiary.

In addition to the interest that was charged on the outstanding installment payments, there was a 0.1% unused fee calculated on the balance of the $5.0 million letter of credit less the amount outstanding per month (see note 11 for further details).

This new building was placed into service July 2017 (our first quarter of fiscal 2018).

13. STOCK-BASED COMPENSATION

Equity Incentive Plan Description

On September 16, 2015, our shareholders approved an equity incentive plan entitled the Culp, Inc. 2015 Equity Incentive Plan (the “2015 Plan”). The 2015 Plan updated and replaced our 2007 Equity Incentive Plan (the “2007 Plan”) as the vehicle for granting new equity based awards substantially similar to those authorized under the 2007 Plan. In general, the 2015 Plan authorizes the grant of stock options intended to qualify as incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance units, and other equity and cash related awards as determined by our Compensation Committee. An aggregate of 1,200,000 shares of common stock were authorized for issuance under the 2015 Plan, with certain sub-limits that would apply with respect to specific types of awards that may be issued as defined in the 2015 Plan. In connection with the approval of the 2015 Plan, no further awards will be granted under the 2007 Plan, but outstanding awards under the 2007 Plan will be settled in accordance with their terms.

At April 29, 2018, there were 978,908 shares available for future equity based grants under the company’s 2015 Plan.

Stock Options

Under our 2007 Plan, employees, outside directors, and others associated with the company were granted options to purchase shares of common stock at the fair market value on the date of grant.

The following tables summarize stock option activity during fiscal 2018, 2017, and 2016:

	2018		2017		2016	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
outstanding at beginning of year	15,600	$ 7.14	83,600	$ 8.37	140,100	$ 6.49
granted	-	-	-	-	-	-
exercised	(15,600)	7.14	(68,000)	8.65	(54,500)	3.68
canceled/expired	-	-	-	-	(2,000)	4.59
outstanding at end of year	-	-	15,600	7.14	83,600	8.37

At April 29, 2018, there were no option shares of common stock outstanding and exercisable. Therefore, there was no unrecognized compensation cost related to incentive stock option awards at April 29, 2018. No compensation expense was recorded for incentive or non-qualified stock options in fiscal 2018, 2017 and 2016 as all stock option awards were fully vested prior to fiscal 2016.

The aggregate intrinsic value for options exercised was $393,000, $1.7 million, and $1.3 million, in fiscal 2018, 2017, and 2016, respectively.

Time-Based Restricted Stock Awards

The following table summarizes the time vested restricted stock activity during fiscal years 2018, 2017, and 2016:

	2018 Shares	2017 Shares	2016 Shares
outstanding at beginning of year	1,200	-	-
granted	1,200	1,200	-
vested	(1,200)	-	-
outstanding at end of year	1,200	1,200	-

The following table summarizes information related to our grants of time-based restricted stock awards associated with a key member of management during fiscal years 2018 and 2017:

Date of Grant	(1) Restricted Stock Awarded	(2) Price Per Share	Vesting Period
July 13, 2017	1,200	$ 32.50	11 months
June 14, 2016	1,200	$ 28.00	11 months

During the first quarter of fiscal 2018, 1,200 shares of common stock associated with the June 14, 2016 grant vested and had a weighted average fair value of $34,000 or $28 per share.

At April 29, 2018, the remaining unrecognized compensation cost related to our time vested restricted common stock units was $5,000, which is expected to be recognized over the next 1.5 months.

We recorded compensation expense of $38,000 and $29,000 within selling, general, and administrative expense for time vested restricted stock units in fiscal 2018 and 2017, respectively. No compensation expense was recorded for time vested restricted stock awards in fiscal 2016 as all time vested restricted stock awards granted prior to fiscal 2016 were fully vested at the end of fiscal 2015.

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Performance Based Restricted Stock Units

We have granted performance based restricted stock units to executives and other key members of management and a non-employee which could earn up to a certain number of shares of common stock if certain performance targets are met as defined in the related restricted stock unit agreements. Our performance based restricted stock units granted to key members of management were measured based on the fair market value on the date of grant. Our performance based restricted stock units granted to a non-employee were measured based on the fair market value at the earlier date of when the performance criteria are met or the end of the reporting period.

Executive Management

On July 13, 2017, we granted performance-based restricted stock units to members of executive management (NEOs) which could earn up to a certain number of shares of common stock if certain performance targets are met over a three-fiscal year performance period as defined in the related restricted stock unit agreements. The number of shares of common stock that are earned based on the performance targets that have been achieved will be adjusted based on a market-based total shareholder return component as defined in the related restricted stock unit agreements.

Compensation cost is measured based on the fair market value on the date of grant (July 13, 2017). The fair market value per share was determined using the Monte Carlo simulation model for the market-based total shareholder return component and the closing price of our common stock for the performance-based components.

The following table provides assumptions used to determine the fair market value of the market-based total shareholder return component using the Monte Carlo simulation model on the date of grant of July 13, 2017:

Closing price of our common stock	$32.50
Expected volatility of our common stock	31.0 %
Expected volatility of peer companies	16.5 %
Risk-free interest rate	1.56 %
Dividend yield	1.66 %
Correlation coefficient of peer companies	0.46

On July 14, 2016 and July 15, 2015, we granted performance-based restricted stock units to NEOs which could earn up to a certain number of shares of common stock if certain performance targets were met over a three-fiscal year performance period as defined in the related restricted stock unit agreements. These awards were measured based on the fair market value (closing price of our common stock) on the date of grant. No market-based total shareholder return component was included in these awards.

Other Key Employees and a Non-Employee

We granted performance-based restricted stock units which could earn up to a certain number of shares of common stock if certain performance targets are met over a three-fiscal year performance period as defined in the related restricted stock unit agreements. Our performance based restricted stock units granted to other key employees were measured based on the fair market value (the closing price of our common stock) on the date of grant. Our performance based restricted stock units granted to a non-employee were measured based on the fair market value (the closing price of our common stock) at the earlier date of when the performance criteria are met or the end of the reporting period. No market-based total shareholder return component was included in these awards.

Overall

The following table summarizes information related to our grants of performance based restricted stock units associated with NEOs and key employees that are currently unvested:

Date of Grant	(3) Restricted Stock Units Awarded	Price Per Share	Vesting Period
July 13, 2017 (1)	78,195	$31.85(4)	3 years
July 13, 2017 (2)	44,000	$32.50(5)	3 years
July 14, 2016 (1) (2)	107,880	$28.00(5)	3 years
July 15, 2015 (1) (2)	107,554	$32.23(5)	3 years

(1) Performance-based restricted stock units awarded to NEOs.

(2) Performance-based restricted stock units awarded to key employees.

(3) Amounts represent the maximum number of common stock shares that could be earned if certain performance targets are met as defined in the related restricted stock unit agreements.

(4) Price per share represents the fair market value per share ($0.98 per $1 or a reduction of $0.65 to the closing price of the our common stock) determined using the Monte Carlo simulation model for the market-based total shareholder return component and the closing price of our common stock ($32.50) for the performance-based components of the performance-based restricted stock units granted to our NEOs on July 13, 2017.

(5) Price per share represents the closing price of our common stock on the date of grant.

The following table summarizes information related to our grants of performance-based restricted stock units associated with a non-employee that are currently unvested:

Date of Grant	(1) Restricted Stock Units Awarded	Price Per Share	Vesting Period
July 13, 2017	10,200	$30.10(2)	3 years
July 14, 2016	11,549	$30.10(2)	3 years
July 15, 2015	10,364	$30.10(2)	3 years

(1) Amounts represent the maximum number of common stock shares that could be earned if certain performance targets are met as defined in the related restricted stock unit agreements.

(2) The respective grant was unvested at the end of our reporting period. Accordingly, the price per share represents the closing price of our common stock on April 29, 2018, the end of our reporting period.

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The following table summarizes information related to our performance based restricted stock units that vested during the fiscal 2018, 2017, and 2016:

Fiscal Year	Common Stock Shares Vested	(3) Weighted Average Fair Value	Price Per Share
Fiscal 2018 (1)	102,845	$ 1,820	$17.70(4)
Fiscal 2018 (2)	16,000	$ 520	$32.50(5)
Fiscal 2017 (1)	37,192	$ 637	$17.12(4)
Fiscal 2017 (2)	12,000	$ 345	$28.77(5)
Fiscal 2016 (1)	115,855	$ 1,183	$10.21(4)

(1) NEOs and key employees.

(2) Non-employee

(3) Dollar amounts are in thousands.

(4) Price per share represents closing price of our common stock on the date of grant.

(5) The respective grants vested during the first quarter of fiscal 2018 or 2017, respectively. Accordingly, the price per share represents the closing price of our common stock on the date the award vested.

We recorded compensation expense of $2.0 million, $3.2 million and $2.6 million within selling, general, and administrative expense associated with our performance based restricted stock units for fiscal 2018, 2017, and 2016, respectively. Compensation cost is recorded based on an assessment each reporting period of the probability that certain performance goals will be met during the vesting period. If performance goals are not probable of occurrence, no compensation cost will be recognized and any recognized compensation cost would be reversed.

At April 29, 2018, the remaining unrecognized compensation cost related to the performance based restricted stock units was $1.3 million, which is expected to be recognized over a weighted average vesting period of 1.3 years.

Common Stock Awards

The following table summarizes information related to our grants of common stock to our outside directors during fiscal 2018, 2017, and 2016:

Date of Grant	Common Stock Awarded	(1) Price Per Share	Vesting Period
October 2, 2017	4,800	$33.20	Immediate
October 3, 2016	4,800	$29.80	Immediate
October 1, 2015	3,000	$31.77	Immediate

(1) Price per share represents closing price of our common stock on the date of grant.

We recorded $159,000, $143,000, and $95,000, of compensation expense within selling, general, and administrative expense for these common stock awards for fiscal 2018, 2017, and 2016, respectively.

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14. FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC Topic 820 establishes a fair value hierarchy that distinguishes between assumptions based on market data (observable inputs) and the company's assumptions (unobservable inputs). Determining where an asset or liability falls within that hierarchy depends on the lowest level input that is significant to the fair value measurement as a whole. An adjustment to the pricing method used within either level 1 or level 2 inputs could generate a fair value measurement that effectively falls in a lower level in the hierarchy. The hierarchy consists of three broad levels as follows:

Level 1 – Quoted market prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than level 1 inputs that are either directly or indirectly observable, and

Level 3 – Unobservable inputs developed using the company's estimates and assumptions, which reflect those that market participants would use.

Recurring Basis

The following table presents information about assets and liabilities measured at fair value on a recurring basis:

	Fair value measurements at April 29, 2018 using:			
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	
(amounts in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Premier Money Market Fund	$6,492	N/A	N/A	$6,492
Low Duration Bond Fund	1,085	N/A	N/A	1,085
Intermediate Term Bond Fund	747	N/A	N/A	747
Strategic Income Fund	619	N/A	N/A	619
Large Blend Fund	402	N/A	N/A	402
Growth Allocation Fund	169	N/A	N/A	169
Moderate Allocation Fund	113	N/A	N/A	113
Other	150	N/A	N/A	150
Liabilities:				
EURO Foreign Exchange Contract	N/A	$ 55	N/A	$ 55

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	Fair value measurements at April 30, 2017 using:			
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	
(amounts in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Premier Money Market Fund	$4,811	N/A	N/A	$4,811
Low Duration Bond Fund	1,081	N/A	N/A	1,081
Intermediate Term Bond Fund	751	N/A	N/A	751
Strategic Income Fund	611	N/A	N/A	611
Large Blend Fund	365	N/A	N/A	365
Growth Allocation Fund	126	N/A	N/A	126
Moderate Allocation Fund	88	N/A	N/A	88
Other	76	N/A	N/A	76
Liabilities:				
None	N/A	N/A	N/A	N/A

Our EURO foreign exchange contract was recorded at a fair value provided by our bank and is classified within level 2 of the fair value hierarchy. Most derivative contracts are not listed on an exchange and require the use of valuation models. In accordance with ASC Topic 820, we attempted to maximize the use of observable inputs used in the valuation models used to determine the fair value of this contract. Derivative contracts valued based on valuation models with significant unobservable inputs and that are not actively traded, are classified within level 3 of the fair value hierarchy.

The determination of where an asset or liability falls in the hierarchy requires significant judgment. We evaluate our hierarchy disclosures each quarter based on various factors and it is possible that an asset or liability may be classified differently from quarter to quarter. However, we expect that changes in classifications between different levels will be rare.

Nonrecurring Basis

At April 29, 2018, we had no assets that were required to be measured at fair value on a nonrecurring basis other than the assets acquired from Read (see note 2) that were acquired at fair value:

Fair value measurements at April 29, 2018
using:

Significant

(amounts in thousands)	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	unobservable inputs Level 3	Total
Assets:				
Customer Relationships	N/A	N/A	$ 2,247	$2,247
Goodwill	N/A	N/A	2,107	2,107
Inventory	N/A	N/A	1,128	1,128
Tradename	N/A	N/A	683	683
Equipment	N/A	N/A	379	379
Liabilities:				
None	N/A	N/A	N/A	N/A

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These customer relationships were recorded at fair market value using a multi-period excess earnings valuation model that used significant unobservable inputs and were classified as level 3. The tradename was recorded at fair market value using the royalty from relief method that used significant unobservable inputs and were classified as level 3.

Additionally, we acquired certain current assets such as accounts receivable and other assets and assumed certain liabilities such as deferred revenue, accounts payable and accrued expenses. Based on the nature of these items and their short maturity, the carrying amount of these items approximated their fair values. See note 2 for the allocation of the acquisition cost to the assets acquired and liabilities assumed based on their fair values.

15. DERIVATIVES

During the fourth quarter, we entered into a EURO foreign exchange contract to mitigate the risk of foreign exchange rate fluctuations associated with certain capital expenditures. The contract effectively converts our EURO capital expenditures at a fixed EURO foreign exchange rate compared with the United States dollar of 1.263 and is due to expire in August 2018.

In accordance with the provisions of ASC Topic 815, Derivatives and Hedging, our EURO foreign exchange contract was designated as a cash flow hedge, with the fair value of these financial instruments recorded in other assets and changes in fair value recorded in accumulated other comprehensive income. ASC Topic 815 requires disclosure of gains and losses on derivative instruments in the following tabular format.

	(Amounts in Thousands) Fair Values of Derivative Instruments			
	April 29, 2018		April 30,2017	
Derivatives designated as hedging instruments under ASC Topic 815	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Euro Foreign Exchange Contract	Accrued Expenses	$55	N/A	$-

Derivatives in ASC Topic 815 Net Investment Hedging Relationships	Amt of Gain (Loss) (net of tax) Recognized in OCI on Derivative (Effective Portion) and recorded in Accrued Expenses at Fair Value			Location of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)			Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain (loss) (net of tax) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)		
	2018	2017	2016		2018	2017	2016		2018	2017	2016
EURO Foreign Exchange Contract	$(55)	$ -	$ -	Other Exp	$ -	$ -	$ -	Other Exp	$ -	$ -	$ -

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16. NET INCOME PER SHARE

Basic net income per share is computed using the weighted-average number of shares outstanding during the period. Diluted net income per share uses the weighted-average number of shares outstanding during the period plus the dilutive effect of stock-based compensation calculated using the treasury stock method. Weighted average shares used in the computation of basic and diluted net income per share are as follows:

(in thousands)	2018	2017	2016
weighted-average common shares outstanding, basic	12,431	12,312	12,302
dilutive effect of stock-based compensation	202	206	173
weighted-average common shares outstanding, diluted	12,633	12,518	12,475

All options to purchase shares of common stock were included in the computation of diluted net income for fiscal years 2018, 2017, and 2016, as the exercise price of the options was less than the average market price of common shares.

17. BENEFIT PLANS

Defined Contribution Plans

The company has defined contribution plans which cover substantially all employees and provides for participant contributions on a pre-tax basis and matching contributions by the company for its U.S. and Canadian operations. Our contributions to the plan were $1.1 million, $924,000, and $843,000 during fiscal years 2018, 2017, and 2016, respectively.

Deferred Compensation Plan

We have a nonqualified deferred compensation plan (the “Plan”) covering officers and certain key members of management. The Plan provides for participant deferrals on a pre-tax basis that are subject to annual deferral limits by the IRS and non-elective contributions made by the company. Participant deferrals and non-elective contributions made by the company are immediately vested.

Our contributions to the Plan were $192,000, $185,000 and $180,000 in fiscal years 2018, 2017, and 2016, respectively. Our nonqualified deferred compensation plan liability of $7.4 million and $5.5 million at April 29, 2018 and April 30, 2017, were recorded in deferred compensation in the 2018 and 2017 Consolidated Balance Sheets, respectively.

We have a Rabbi Trust (the “Trust”) to set aside funds for the participants of the Plan and enable the participants to direct their contributions to various investment options in the Plan. The investment options of the Plan consist of a money market fund and various mutual funds. The funds set aside in the Trust are subject to the claims of our general creditors in the event of the company’s insolvency as defined in the Plan.

The investment assets of the Trust are recorded at their fair value of $7.3 million and $5.5 million at April 29, 2018 and April 30, 2017, and were recorded in long-term investments-rabbi trust in the 2018 and 2017 Consolidated Balance Sheets, respectively. The investment assets of the Trust are classified as available for sale and accordingly, changes in their fair values are recorded in other comprehensive income (loss).

Explanation of Responses:

18. SEGMENT INFORMATION

The company's operations are classified into two business segments: mattress fabrics and upholstery fabrics. The mattress fabrics segment manufacturers, sources, and primarily sells fabrics and mattress covers to bedding manufacturers. The upholstery fabrics segment manufacturers, sources, and sells fabrics primarily to residential and commercial furniture manufacturers.

Net sales denominated in U.S. dollars accounted for 90%, 92% and 93% of total consolidated net sales in fiscal 2018, 2017, and 2016, respectively. International sales accounted for 23% of net sales in fiscal 2018 and 22% of net sales in fiscal years 2017 and 2016, and are summarized by geographic area as follows:

(dollars in thousands)	2018	2017	2016
north america (excluding USA) (1)	$27,844	29,995	31,667
far east and asia (2)	40,671	34,695	31,927
all other areas	5,681	3,618	4,336
	$74,196	68,308	67,930

(1) Of this amount, $21.9 million, $22.3 million, and $24.2 million are attributable to shipments to Mexico in fiscal 2018, 2017, and 2016, respectively.

(2) Of this amount $32.6 million, $26.6 million, and $23.1 million are attributable to shipments to China in fiscal 2018, 2017, and 2016, respectively.

Sales are attributed to individual countries based upon location that the company ships its products to for delivery to customers.

The company evaluates the operating performance of its segments based upon income from operations before certain unallocated corporate expenses, and other non-recurring items. Cost of sales in both segments include costs to manufacture or source our products, including costs such as raw material and finished goods purchases, direct and indirect labor, overhead and incoming freight charges. Unallocated corporate expenses primarily represent compensation and benefits for certain executive officers, all costs related to being a public company, and other miscellaneous expenses. Segment assets include assets used in operations of each segment and primarily consist of accounts receivable, inventories, and property, plant, and equipment. The mattress fabrics segment also includes in segment assets, goodwill, an investment in an unconsolidated joint venture, a non-compete agreement and customer relationships associated with an acquisition. The upholstery fabrics segment also includes in segment assets goodwill, customer relationships, and tradename associated with the acquisition of Read Window Products, LLC. (see note 2 for further details).

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Statements of operations for the company's operating segments are as follows:

(dollars in thousands)	2018	2017	2016
net sales:			
upholstery fabrics	$131,128	118,739	126,441
mattress fabrics	192,597	190,805	186,419
	$323,725	309,544	312,860
gross profit:			
upholstery fabrics	$25,836	26,170	26,393
mattress fabrics	38,797	43,065	38,718
	$64,633	69,235	65,111

(dollars in thousands)	2018	2017	2016
selling, general, and administrative expenses:			
upholstery fabrics	$14,881	15,079	15,094
mattress fabrics	12,935	13,685	12,223
unallocated corporate	9,356	10,393	9,456
total selling, general, and administrative expenses	$37,172	39,157	36,773
Income from operations:			
upholstery fabrics	$10,956	11,091	11,298
mattress fabrics	25,861	29,380	26,496
total segment income from operations	36,817	40,471	37,794
unallocated corporate expenses	(9,356)	(10,393)	(9,456)
total income from operations	27,461	30,078	28,338
interest expense	(94)	-	-
interest income	534	299	176
other expense	(1,018)	(681)	(616)
income before income taxes	$26,883	29,696	27,898

One customer within the upholstery fabrics segment represented 12%, 11%, and 13% of consolidated net sales in fiscal 2018, 2017 and 2016, respectively. One customer within the mattress fabrics segment represented 13% of consolidated net sales in fiscal 2018, 2017, and 2016, respectively. One customer within the upholstery fabrics segment accounted for 13% of the net accounts receivable balance as of April 29, 2018 and no customers within the upholstery fabrics segment accounted for 10% or more of net accounts receivable as of April 30, 2017. Two customers within the mattress fabrics segment accounted for 20% and 22% of the net accounts receivable balance as of April 29, 2018 and April 30, 2017, respectively.

The hourly employees at our manufacturing facility in Canada (approximately 12% of our workforce) are represented by a local, unaffiliated union. The collective bargaining agreement for these employees expires on February 1, 2020. We are not aware of any efforts to organize any more of our employees, and we believe our relations with our employees are good.

Balance sheet information for the company’s operating segments follow:

(dollars in thousands)	2018		2017		2016	
segment assets						
mattress fabrics						
current assets (1)	$43,935		47,038		43,472	
non-compete agreements, net	753		828		903	
customer relationships	613		664		715	
goodwill	11,462		11,462		11,462	
investment in unconsolidated joint venture	1,501		1,106		-	
property, plant, and equipment	48,797	(2)	48,916	(3)	37,480	(4)
total mattress fabrics assets	$107,061		110,014		94,032	
upholstery fabrics						
current assets (1)	$35,826		29,021		26,540	
customer relationships	2,226		-		-	
tradename	683		-		-	
goodwill	2,107		-		-	
property, plant, and equipment	2,445	(5)	1,879	(6)	1,564	(7)
total upholstery fabrics assets	$43,287		30,900		28,104	
total segment assets	150,348		140,914		122,136	
non-segment assets						
cash and cash equivalents	21,228		20,795		37,787	
short-term investments – available for sale	2,451		2,443		4,359	
short-term investments – held-to-maturity	25,759		-		-	
income taxes receivable	-		-		155	
deferred income taxes	1,458		419		2,319	
other current assets	2,870		2,894		2,477	
property, plant, and equipment	552	(8)	856	(8)	929	(8)
long-term investments - held-to-maturity	5,035		30,945		-	
long-term investments - rabbi trust	7,326		5,466		4,025	
other assets	957		902		955	
total assets	$217,984		205,634		175,142	
capital expenditures (9):						
mattress fabrics	$6,713		17,689		9,666	
upholstery fabrics	488		822		626	
unallocated corporate	238		260		416	
	$7,439		18,771		10,708	
depreciation expense						
mattress fabrics	$6,850		6,245		5,837	
upholstery fabrics	822		840		834	
total segment depreciation expense	$7,672		7,085		6,671	

(1) Current assets represent accounts receivable and inventory.

(2) The $48.8 million at April 29, 2018, represents property, plant, and equipment located in the U.S. of $35.4 million and located in Canada of $13.4 million.

(3) The $48.9 million at April 30, 2017, represents property, plant, and equipment located in the U.S. of $34.0 million and located in Canada of $14.9 million.

(4) The $37.5 million at May 1, 2016, represents property, plant, and equipment located in the U.S. of $24.8 million and located in Canada of $12.7 million.

(5) The $2.4 million at April 29, 2018, represents property, plant, and equipment located in the U.S. of $1.8 million and located in China of $661.

(6) The $1.9 million at April 30, 2017, represents property, plant, and equipment located in the U.S. of $1.2 million and located in China of $655.

(7) The $1.6 million at May 1, 2016, represents property, plant, and equipment located in the U.S. of $893 and located in China of $671.

(8) The $552, $856, and $929 balance at April 29, 2018, April 30, 2017, and May 1, 2016, represent property, plant, and equipment associated with unallocated corporate departments and corporate departments shared by both the mattress and upholstery fabric segments located in the U.S.

(9) Capital expenditure amounts are stated on an accrual basis. See Consolidated Statement of Cash Flows for capital expenditure amounts on a cash basis.

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19. STATUTORY RESERVES

The company's subsidiaries located in China are required to transfer 10% of their net income, as determined in accordance with the People's Republic of China (PRC) accounting rules and regulations, to a statutory surplus reserve fund until such reserve balance reaches 50% of the company's registered capital.

The transfer to this reserve must be made before distributions of any dividend to shareholders. As of April 29, 2018, the company's statutory surplus reserve was $4.6 million, representing 10% of accumulated earnings and profits determined in accordance with PRC accounting rules and regulations. The surplus reserve fund is non-distributable other than during liquidation and can be used to fund previous years' losses, if any, and may be utilized for business expansion or converted into share capital by issuing new shares to existing shareholders in proportion to their shareholding or by increasing the par value of the shares currently held by them provided that the remaining reserve balance after such issue is not less than 25% of the registered capital.

The company's subsidiaries located in China can transfer funds to the parent company with the exception of the statutory surplus reserve of $4.6 million to assist with debt repayment, capital expenditures, and other expenses of the company's business.

20. COMMON STOCK REPURCHASE PROGRAM

On June 15, 2016, we announced that our board of directors approved an authorization for us to acquire up to $5.0 million of our common stock. Under the common stock repurchase program, shares may be purchased from time to time in open market transactions, block trades, through plans established under the Securities Exchange Act Rule 10b5-1, or otherwise. The amount of shares purchased and the timing of such purchases will be based on working capital requirements, market and general business conditions, and other factors including alternative investment opportunities.

During fiscal 2018 and 2017, there were no repurchases of our common stock. During fiscal 2016, we purchased 100,776 shares of our common stock at a cost of $2.4 million, all of which was purchased during the third quarter.

At April 29, 2018, we had $5.0 million available for additional repurchases of our common stock.

21. DIVIDEND PROGRAM

On June 13, 2018, we announced that our board of directors approved a regular quarterly cash dividend payment of $0.09 per share. These dividend payments are payable on July 16, 2018, to shareholders of record as of July 2, 2018.

During fiscal 2018, dividend payments totaled $6.8 million, of which $2.6 million represented a special cash dividend payment of $0.21 per share, and $4.2 million represented our regular quarterly cash dividend payments ranging from $0.08 to $0.09 per share.

During fiscal 2017, dividend payments totaled $6.3 million, of which $2.6 million represented a special cash dividend payment in the first quarter of $0.21 per share, and $3.7 million represented our regular quarterly cash dividend payments ranging from $0.07 to $0.08 per share.

During fiscal 2016, dividend payments totaled $8.1 million, of which $5.0 million represented a special cash dividend payment in the first quarter of $0.40 per share, and $3.1 million represented our regular quarterly cash dividend payments ranging from $0.06 to $0.07 per share.

Future dividend payments are subject to Board approval and may be adjusted at the Board's discretion as business needs or market conditions change.

22. EXIT AND DISPOSAL ACTIVITIES

On June 12, 2018, our board of directors decided to close our upholstery fabrics manufacturing facility in Anderson, South Carolina. This closure is due to a continued decline in demand for the products manufactured at this facility, reflecting a change in consumer style preferences. We expect to close the facility by October 30, 2018. This action is expected to result in estimated cash charges of approximately $450,000 for employee termination costs, and an undetermined non-cash charge associated with write-downs of inventory. During this transition period, we will be working with our customers to fulfill any outstanding and future orders, and through this process, we will be able to determine a good faith estimate of any write-downs of inventory. Currently, management estimates that the fair market value of the long-lived assets at this facility exceeds their carrying amount of approximately $400,000, and for this reason no charge for impairment of long-lived assets is expected to be recorded in connection with this decision.

SELECTED QUARTERLY DATA (UNAUDITED)

(amounts in thousands except per share, ratios & other, stock data)	fiscal 2018 4th quarter	fiscal 2018 3rd quarter	fiscal 2018 2nd quarter	fiscal 2018 1st quarter	fiscal 2017 4th quarter	fiscal 2017 3rd quarter	fiscal 2017 2nd quarter	fiscal 2017 1st quarter
INCOME STATEMENT DATA								
net sales	$78,184	85,310	80,698	79,533	77,350	76,169	75,343	80,682
cost of sales	63,424	67,707	64,894	63,068	60,194	59,410	58,442	62,263
gross profit	14,760	17,603	15,804	16,465	17,156	16,759	16,901	18,419
selling, general and administrative expenses	8,296	9,959	9,415	9,501	9,986	9,824	9,602	9,746
income from operations	6,464	7,644	6,389	6,964	7,170	6,935	7,299	8,673
interest expense	26	31	37	-	-	-	-	-
interest income	(143)	(132)	(128)	(131)	(134)	(124)	(15)	(25)
other expense	115	229	321	353	305	69	155	152
income before income taxes	6,466	7,516	6,159	6,742	6,999	6,990	7,159	8,546
income taxes	(6,217)	8,208	2,108	1,640	778	643	2,684	3,233
loss from investment in unconsolidated joint venture	17	56	75	118	23	-	-	-
net income (loss)	$12,666	(748)	3,976	4,984	6,198	6,347	4,475	5,313
depreciation	$1,992	1,966	1,905	1,807	1,781	1,793	1,751	1,761
weighted average shares outstanding	12,450	12,436	12,440	12,399	12,340	12,313	12,308	12,286
weighted average shares outstanding, assuming dilution	12,611	12,436	12,580	12,590	12,567	12,544	12,507	12,463
PER SHARE DATA								
net income (loss) per share - basic	$1.02	(0.06)	0.32	0.40	0.50	0.52	0.36	0.43
net income (loss) per share - diluted	1.00	(0.06)	0.32	0.40	0.49	0.51	0.36	0.43
dividends per share	0.09	0.09	0.08	0.29	0.08	0.08	0.07	0.28
book value	13.12	12.22	12.31	12.03	12.03	11.56	11.04	10.68
BALANCE SHEET DATA								

operating working capital (3)	$49,939	47,760	46,620	42,608	40,869	40,973	41,810	43,486
property, plant and equipment, net	51,794	51,838	52,530	52,912	51,651	50,333	45,537	41,745
total assets	217,984	216,844	201,043	207,904	205,634	191,056	179,127	183,360
capital expenditures	1,568	1,274	1,529	3,068	3,097	6,590	5,541	3,543
dividends paid	1,121	1,119	995	3,608	988	985	862	3,445
lines of credit (1)	-	-	-	5,000	-	-	-	7,000
shareholders' equity	163,376	152,182	153,080	149,677	148,630	142,314	135,949	131,435
capital employed (2)	114,817	109,165	109,373	108,222	98,429	97,788	94,101	94,599
RATIOS & OTHER DATA								
gross profit margin	18.9 %	20.6 %	19.6 %	20.7 %	22.2 %	22.0 %	22.4 %	22.8 %
operating income margin	8.3	9.0	7.9	8.8	9.3	9.1	9.7	10.7
net income (loss) margin	16.2	(0.9)	4.9	6.3	8.0	8.3	5.9	6.6
effective income tax rate	(96.1)	109.2	34.2	24.3	11.1	9.2	37.5	37.8
Debt-to-total capital employed ratio (1) (2)	0.0	0.0	0.0	4.6	0.0	0.0	0.0	7.4
operating working capital turnover (3)	7.1	7.4	7.4	7.4	7.3	7.0	7.0	7.0
days sales in receivables	30	28	27	25	29	27	23	26
inventory turnover	4.8	5.2	5.2	4.7	5.0	5.2	5.2	5.3
STOCK DATA								
stock price								
high	$32.29	34.05	33.25	34.00	34.50	37.80	34.30	30.11
low	27.40	26.15	27.00	30.60	30.25	26.80	26.72	25.57
close	30.10	31.35	31.95	30.65	32.10	33.80	28.15	28.53
daily average trading volume (shares)	18.3	17.4	24.4	27.9	37.7	43.5	45.9	40.9

(1) Debt represents outstanding borrowings on our lines of credit.

(2) Capital employed does not include cash and cash equivalents, short-term investments (available-for-sale), short-term investments (held-to-maturity), long-term investments (held-to-maturity), long-term investments (rabbi trust), lines of credit, noncurrent deferred tax assets and liabilities, income taxes receivable and payable, and deferred compensation.

(3) Operating working capital for this calculation is accounts receivable and inventories, offset by accounts payable-trade, accounts payable - capital expenditures, and deferred revenue.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

During the three years ended April 29, 2018, there were no disagreements on any matters of accounting principles or practices or financial statement disclosures.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have conducted an evaluation of the effectiveness of our disclosure controls and procedures as of April 29, 2018. This evaluation was conducted under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, we have concluded that these disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in the reports filed by us and submitted under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) is recorded, processed, summarized, and reported as and when required. Further we concluded that our disclosure controls and procedures have been designed to ensure that information required to be disclosed in reports filed by us under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, in a manner to allow timely decisions regarding the required disclosure.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes: (1) maintaining records that in reasonable detail accurately and fairly reflect the transactions and disposition of assets; (2) providing reasonable assurance that the transactions are recorded as necessary for preparation of financial statements, and that receipts and expenditures are made in accordance with authorizations of management and directors; and (3) providing reasonable assurance that unauthorized acquisition, use, disposition of assets that could have a material effect on financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of financial statements would be prevented or detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the 2013 Internal Control – Integrated Framework. Based on this assessment, management concluded that our internal control over financial reporting was effective at April 29, 2018.

Grant Thornton LLP, an independent registered public accounting firm, has audited the consolidated financial statements as of and for the years ended April 29, 2018, April 30, 2017 and May 1, 2016 and has audited the company’s effectiveness of internal controls over financial reporting as of April 29, 2018, as stated in their report, which is included in Item 8 hereof.

During the quarter ended April 29, 2018, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
Culp, Inc.:

We have audited the internal control over financial reporting of Culp, Inc. (a North Carolina corporation) and Subsidiaries (the "Company") as of April 29, 2018, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of April 29, 2018, based on criteria established in the 2013 Internal Control—Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended April 29, 2018, and our report dated July 13, 2018 expressed "an unqualified opinion" on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

Charlotte, North Carolina
July 13, 2018

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ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Information with respect to executive officers and directors of the company is included in the company's definitive Proxy Statement to be filed within 120 days after the end of the company's fiscal year pursuant to Regulation 14A of the Securities and Exchange Commission, under the captions "Nominees, Directors and Executive Officers," "Section 16(a) Beneficial Ownership Reporting Compliance," "Corporate Governance – Code of Business Conduct and Ethics," "Board Committees and Attendance – Audit Committee" which information is herein incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information with respect to executive compensation is included in the company's definitive Proxy Statement to be filed within 120 days after the end of the company's fiscal year pursuant to Regulation 14A of the Securities and Exchange Commission, under the captions "Executive Compensation" and "Compensation Committee Interlocks and Insider Participation" which information is herein incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL
OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER
MATTERS

Information with respect to the security ownership of certain beneficial owners and management is included in the company's definitive Proxy Statement to be filed within 120 days after the end of the company's fiscal year pursuant to Regulation 14A of the Securities and Exchange Commission, under the captions "Executive Compensation Plan Information" and "Voting Securities," which information is herein incorporated by reference.

The following table sets forth information as of the end of fiscal 2018 regarding shares of our common stock that may be issued upon the exercise of equity awards previously granted and currently outstanding equity awards under the company's equity incentive and stock option plans, as well as the number of shares available for the grant of equity awards that had not been granted as of that date.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	-	$-	978,908
Equity compensation plans not approved by security holders	-	-	-
Total	-	$-	978,908

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information with respect to certain relationships and related transactions is included in the company's definitive Proxy Statement to be filed within 120 days after the end of the company's fiscal year pursuant to Regulation 14A of the Securities and Exchange Commission, under the captions "Corporate Governance – Director Independence" and "Certain Relationships and Related Transactions" which information is herein incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information with respect to accountants fees and services is included in the company's definitive Proxy Statement to be filed within 120 days after the end of the company's fiscal year pursuant to Regulation 14A of the Securities and Exchange Commission, under the caption "Fees Paid to Independent Registered Public Accounting Firm" which information is herein incorporated by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a) DOCUMENTS FILED AS PART OF THIS REPORT:

1. Consolidated Financial Statements

The following consolidated financial statements of Culp, Inc. and its subsidiaries are filed as part of this report.

2. Financial Statement Schedules

All financial statement schedules are omitted because they are not applicable, or not required, or because the required information is included in the consolidated financial statements or notes thereto.

3. Exhibits

The following exhibits are attached at the end of this report, or incorporated by reference herein. Management contracts, compensatory plans, and arrangements are marked with an asterisk (*).

3(i)	Articles of Incorporation of the company, as amended, were filed as Exhibit 3(i) to the company's Form 10-Q for the quarter ended July 28, 2002, filed September 11, 2002 (Commission File No. 001-12597), and are incorporated herein by reference.

3(ii)	Restated and Amended Bylaws of the company, as amended November 12, 2007, were filed as Exhibit 3.1 to the company's Form 8-K dated November 12, 2007, filed on November 13, 2007 (Commission File No. 001-12597) and are incorporated herein by reference.

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10.1	Written description of Annual Incentive Plan. (*)
10.2	Form of restricted stock unit agreement for restricted stock units granted to executive officers pursuant to the 2015 Equity Incentive Plan was filed as Exhibit 10.1 to the company's Form 10-Q dated September 8, 2017 (Commission File No. 001-12597), and incorporated herein by reference. (*)
10.3	Written description of Non-employee Director compensation was filed as Exhibit 10.1 to the company's Form 10-Q dated December 9, 2016 (Commission File No. 001-12597), and incorporated herein by reference.
10.4	Second Amendment to the Credit Agreement dated as of March 10, 2016, by and between Culp, Inc. and Wells Fargo N.A. was filed as Exhibit 10.1 to the company's Form 10-Q for the quarter ended January 31, 2016, filed March 11, 2016 (Commission File No. 001-12597), and incorporated herein by reference.
10.5	Form of restricted stock unit agreement for restricted stock units granted pursuant to the 2015 Equity Incentive Plan was filed as Exhibit 10.3 to the company's Form 10-Q for the quarter ended August 2, 2015, filed September 11, 2015 (Commission File No. 001-12597), and incorporated herein by reference. (*)
10.6	2015 Equity Incentive Plan, filed as Annex A to the company's 2015 Proxy Statement, filed on August 12, 2015 (Commission File No. 001-12597), and incorporated herein by reference. (*)
10.7	First Amendment to the Credit Agreement dated as of July 10, 2015, by and between Culp, Inc. and Wells Fargo, N.A., was filed as Exhibit 10.1 to the company's Form 10-K for the year ended May 3, 2015, dated July 17, 2015, and incorporated herein by reference.
10.8	Culp, Inc. Deferred Compensation Plan For Certain Key Employees Amendment No. 1, was filed as Exhibit 10.2 to the company's Form 10-K for the year ended May 3, 2015, dated July 17, 2015, and incorporated herein by reference. (*)
10.9	2002 Stock Option Plan was filed as Exhibit 10(a) to the company's Form 10-Q for the quarter ended January 26, 2003, filed on March 12, 2003 (Commission File No. 001-12597), and is incorporated herein by reference. (*)
10.10	Form of stock option agreement for options granted to executive officers pursuant to the 2002 Stock Option Plan. This agreement was filed as Exhibit 10.1 to the company's Form 10-Q for the quarter ended July 29, 2007, filed on September 11, 2007 (Commission File No. 001-12597) and is incorporated herein by reference. (*)
10.11	2007 Equity Incentive Plan was filed as Annex A to the company's 2007 Proxy Statement, filed on August 14, 2007 (Commission File No. 001-12597), and is incorporated herein by reference. (*)
10.12	Form of change in control and noncompetition agreement. This agreement was filed as Exhibit 10.3 to the company's Form 10-Q for the quarter ended October 28, 2007, filed on December 12, 2007 (Commission File No. 001-12597) and incorporated herein by reference. (*)
10.13	Form of stock option agreement for options granted to executive officers pursuant to the 2007 Equity Incentive Plan, filed as Exhibit 10.1 to the company's Form 10-Q for the quarter ended August 3, 2008, filed on September 10, 2008 (Commission File No. 001-12597), and incorporated herein by reference. (*)
10.14	Form of restricted stock unit agreement for restricted stock units granted pursuant to the 2007 Equity Incentive Plan was filed as Exhibit 10.1 to the company's Form 10-Q for the quarter end dated July 29, 2012, filed on September 7, 2012 (Commission File No. 001-12597), and is incorporated herein by reference. (*)

10.15	Agreement dated December 27, 2012 between Culp, Inc., Robert G. Culp, III, and Robert G. Culp, III Irrevocable Trust dated December 11, 2012 was filed as Exhibit 10.1 to the Current Report on Form 8-K dated December 28, 2012 (Commission File No. 001-12597). (*)
10.16	Credit Agreement dated as of August 13, 2013, by and between Culp, Inc. and Wells Fargo, N.A., was filed as Exhibit 10.1 to the company's Form 10-Q for the quarter ended July 28, 2013, filed on September 6, 2013 (Commission File No. 001-12597), and is incorporated herein by reference.
10.17	Amended and Restated Deferred Compensation Plan for Certain Key Employees was filed as Exhibit 10.1 to the company's Form 10-Q for the quarter ended January 26, 2014, filed on March 7, 2014, and is incorporated herein by reference. (*)

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21	List of subsidiaries of the company
23	Consent of Independent Registered Public Accounting Firm in connection with the registration statements of Culp, Inc. on Form S-8 (File Nos. 333-207195, 333-101805, 33 13310, 33-37027, 33-80206, 333-147663), dated March 20, 1987, May 21, 1997, April 26, 2001, April 25, 2001, December 12, 2002, and September 30, 2015.
24(a)	Power of Attorney of Patrick B. Flavin, dated July 13, 2018
24(b)	Power of Attorney of Kenneth R. Larson, dated July 13, 2018
24(c)	Power of Attorney of Kenneth W. McAllister, dated July13, 2018
24(d)	Power of Attorney of Fred A. Jackson, dated July13, 2018
31(a)	Certification of Principal Executive Officer Pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
31(b)	Certification of Principal Financial Officer Pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
32(a)	Certification of Chief Executive Officer Pursuant to Section 906 of Sarbanes-Oxley Act of 2002.
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101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

b) Exhibits:

The exhibits to this Form 10-K are filed at the end of this Form 10-K immediately preceded by an index. A list of the exhibits begins on page 103 under the subheading “Exhibit Index.”

c) Financial Statement Schedules:

None

ITEM 16. FORM 10-K SUMMARY

None

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SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, CULP, INC. has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 13th day of July 2018.

CULP, INC.
By: /s/ Franklin N. Saxon
Franklin N. Saxon
Chief Executive Officer
(principal executive officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 13th day of July 2018.

/s/Robert G. Culp, III Robert G. Culp, III (Chairman of the Board of Directors)	/s/Kenneth R. Larson * Kenneth R. Larson (Director)
/s/Franklin N. Saxon Franklin N. Saxon Chief Executive Officer (principal executive officer) (Director)	/s/Fred A. Jackson Fred A. Jackson (Director)
/s/Patrick B. Flavin* Patrick B. Flavin (Director)	/s/Kenneth R. Bowling Kenneth R. Bowling Chief Financial Officer (principal financial officer)
/s/Kenneth W. McAllister* Kenneth W. McAllister (Director)	/s/Thomas B. Gallagher, Jr. Thomas B. Gallagher, Jr. Corporate Controller

* By Kenneth R. Bowling, Attorney-in-Fact, pursuant to Powers of Attorney filed with the Securities and Exchange Commission.

EXHIBIT INDEX

Exhibit Number	Exhibit
10.1	Written Description of Annual Incentive Plan
21	List of subsidiaries of the company
23	Consent of Independent Registered Public Accounting Firm in connection with the registration statements of Culp, Inc. on Form S-8 (File Nos. 333-207195, 333-101805, 33-13310, 33-37027, 33-80206, 333-147663), dated March 20, 1987, May 21, 1997, April 26, 2001, April 25, 2001, December 12, 2002, and September 30, 2015.
24(a)	Power of Attorney of Patrick B. Flavin, dated July 13, 2018
24(b)	Power of Attorney of Kenneth R. Larson, dated July 13, 2018
24(c)	Power of Attorney of Kenneth W. McAllister, dated July 13, 2018
24(d)	Power of Attorney of Fred A. Jackson, dated July 13, 2018
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