

CEVA INC
Form 8-K
February 05, 2016

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): February 2, 2016

CEVA, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

000-49842
(Commission)

77-0556376
(I.R.S. Employer)

File Number)

Identification No.)

1174 Castro Street, Suite 210,

Mountain View, CA
(Address of Principal Executive Offices)

94040
(Zip Code)

650/417-7900

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- “ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- “ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- “ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- “ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 5.02. DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

2016 Executive Bonus Plan for Chief Executive Officer and Chief Financial Officer

On February 2, 2016, the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of CEVA, Inc. (the "Company") approved a 2016 Executive Bonus Plan (the "2016 Executive Plan"), effective as of January 1, 2016, for Gideon Wertheizer, the Company's Chief Executive Officer, and Yaniv Arieli, the Company's Chief Financial Officer.

The Committee believes that the 2016 Executive Plan is an important part of maintaining the overall competitiveness of the Company's executive compensation program and serves as an effective device to motivate its executive officers to achieve the financial and strategic goals and objectives reflected in the Company's annual operating plan, which are designed to further the creation of long-term stockholder value.

Parameters of the 2016 Executive Plan are as follows:

Weighting	Financial Targets	Threshold for Receipt of Bonus	Linear Calculation	Linear
			from 90% to 100% of Target	Calculation from 100% to 110% of Target
50%	2016 total revenue target	90% of 2016 total revenue target	If the Company achieves 95% of the 2016 total revenue target, 95% of the bonus amount, which is subject to a 50% weighting, would be payable	For both financial targets, if actual result exceeds 100% of the target, every 1% increase of the target, up to 110%, would result in an increase of 3.5% for Mr. Wertheizer and an increase of 2.5% for Mr. Arieli. For example, if the Company achieves 105% of the 2016 total revenue target, 117.5% of the bonus amount payable upon achievement of such target would be payable to Mr. Wertheizer and 112.5% to Mr. Arieli
50%	Annual non-GAAP fully diluted EPS target	100% of annual non-GAAP fully-diluted EPS target	N/A	

Both financial goals are based on the Company's internal 2016 budget approved by the Board.

Under the 2016 Executive Plan, the target annual cash incentive award opportunities for each of Messrs. Wertheizer and Arieli are established as a percentage of each such executive officer's base salary for 2016. The target and maximum award opportunities for Messrs. Wertheizer and Arieli for 2016 are as follows:

Named Executive Officer	Target Award(as a percentage of base salary)	Maximum Award (as a percentage of base salary)
Gideon Wertheizer	70%	105%
Yaniv Arieli	50%	75%

Payment of bonuses (if any) will be made in 2017. Bonuses will be paid in cash in a single lump sum, subject to payroll taxes and tax holdings.

Due to their strategic significance, the Company believes that the disclosure of the 2016 total revenue target and the annual non-GAAP fully diluted EPS target under the 2016 Executive Plan would cause future competitive harm to the Company and therefore are not disclosed.

The above is a description of the 2016 Executive Plan provided pursuant to Paragraph 10(iii) to Item 601 of Regulation S-K, which requires a written description of a compensatory plan when there is no formal document containing the compensation information.

2016 Incentive Bonus Plan for EVP, Worldwide Sales

On February 2, 2016, the Committee approved a 2016 Incentive Plan (the "Ohana 2016 Plan") for Issachar Ohana, the Company's Executive Vice President, Worldwide Sales, effective as of January 1, 2016.

In accordance with the Ohana 2016 Plan, which is substantially similar to Mr. Ohana's 2015 incentive plan, his bonus is based on a formula using a specified 2016 annual revenue target multiplied by a specified commission rate. A commission multiplier of 1.0 is applied to the commission rate based on 0% to 100% achievement of the 2016 annual revenue target. A commission multiplier of 1.5 is applied to the commission rate based on the achievement of the 2016 annual revenue target beyond 100%. The 2016 annual revenue target is based on the Company's internal 2016 budget approved by the Board. Mr. Ohana's bonus based on the achievement of the 2016 annual revenue target is capped at \$145,000. In addition, Mr. Ohana is eligible to receive an additional quarterly bonus of \$5,000 each if specified quarterly revenue targets based on the 2016 annual revenue target are achieved. Furthermore, Mr. Ohana is eligible to receive an additional bonus of \$5,000 each time he successfully executes a license agreement with a specified strategic customer that exceeds one million dollars (not including prepaid royalties). The 2016 strategic account bonus is capped at \$20,000 if the Company fails to achieve the 2016 annual revenue target but Mr. Ohana would not be subject to any cap if the 2016 annual revenue target is achieved. The commission-based bonus is payable quarterly based on the criteria discussed above and is subject to payroll taxes and tax withholdings.

Due to their strategic significance, the Company believes that the disclosure of the 2016 annual revenue target, quarterly revenue targets, commission rate and information relating to the strategic customer accounts under the Ohana 2016 Plan would cause competitive harm to the Company and therefore are not disclosed.

The foregoing description of the Ohana 2016 Plan is qualified in its entirety by reference to the complete text of the plan which is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 2016 Incentive Plan for Issachar Ohana, EVP Worldwide Sales (portions of this exhibit is redacted).

SIGNATURES

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

CEVA, INC.

Date: February 5, 2016

By: /s/ Yaniv Arieli
Yaniv Arieli
Chief Financial Officer