

NATUS MEDICAL INC
Form 8-K
January 09, 2015

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): December 17, 2014

Natus Medical Incorporated
(Exact name of registrant as specified
in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-33001
(Commission
File Number)

77-0154833
(IRS Employer
Identification No.)

6701 Koll Center Parkway Suite 120,
Pleasanton, CA 94566
(Address of principal executive
offices) (Zip Code)

Registrant's telephone number,
including area code: (925) 223-6700

1501 Industrial Road, San Carlos,
California 94070
(Former name or former address, if
changed since last report)

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

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

At its December 17, 2014 meeting, the Compensation Committee of the Board of Directors of Natus Medical Incorporated (the “Company”) approved the base salaries and bonus program for the Company’s named executive officers (NEO) for the period beginning January 1, 2015 and ending December 31, 2015. In addition, the Compensation Committee elected to change two of the target bonus goals. The first changed the minimum threshold target from consolidated pre-tax income of 80% of Plan to Non-GAAP EPS of 85% of Plan. The second changed the consolidated pre-tax earnings target to Non-GAAP EPS.

The Compensation Committee approved the base salary amounts set forth in the table below:

| NEO | Salary |
|--|------------|
| James B. Hawkins President & Chief Executive Officer | \$ 700,000 |
| Jonathan A. Kennedy Sr. Vice President Finance & Chief Financial Officer | \$ 410,000 |
| Austin F. Noll, III Vice President and General Manager, Neurology | \$ 320,000 |
| Kenneth M. Traverso Vice President and General Manager, Newborn Care | \$ 310,000 |
| D. Christopher Chung, M.D. Vice President Medical Affairs, Quality and Regulatory | \$ 277,000 |

The Compensation Committee also approved the cash bonus plan for executive officers of the Company for 2015. Cash bonuses, if paid, may range from 50% to a maximum of 200% of the target amount.

The target bonus as a percentage of 2015 base salary is 100% for Mr. Hawkins, 65% for Mr. Kennedy, 50% for each of Messrs. Noll and Traverso, and 40% for Dr. Chung, which amounts were unchanged from the prior year.

The target bonus is based on achievement of the following goals and weighting:

| NEO | Minimum Threshold | Consolidated Revenue | Non-GAAP EPS | Specific Strategic Objectives | Business Unit Revenue | Business Unit Profitability |
|--------------|-------------------------|----------------------|--------------|-------------------------------|-----------------------|-----------------------------|
| Mr. Hawkins | Achieve at least 85% of | 20% | 80% | -- | -- | -- |
| Mr. Kennedy | Non- | 15% | 15% | 20% | 25% | 25% |
| Mr. Noll | | | | | | |
| Mr. Traverso | | | | | | |

| | | | | | | |
|-----------|-------------------------------------|-----|-----|-----|----|----|
| Dr. Chung | GAAP EPS per the 2015 Plan | 20% | 60% | 20% | -- | -- |
|-----------|-------------------------------------|-----|-----|-----|----|----|

The payment of any bonus remains subject to the discretion of the Compensation Committee and in determining the attainment of operational financial metrics the Committee expects to refer to the Company's reported operating results as adjusted to eliminate the effects of any subsequent event not taken into account in establishing the 2015 Plan.

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.

NATUS MEDICAL
INCORPORATED

Date: January 8, 2015

By: /s/ Jonathan A. Kennedy
Jonathan A. Kennedy
Senior Vice President
Finance and Chief Financial
Officer
