

Edgar Filing: IMMERSION CORP - Form 8-K

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

(e) Effective July 30, 2008, the Compensation Committee (the "Committee") of the Board of Directors of Immersion Corporation ("Immersion") approved the terms of an executive incentive plan for fiscal 2008 (the "Bonus Plan") for Clent Richardson, Immersion's President and Chief Executive Officer. The Bonus Plan is intended to focus Mr. Richardson on Immersion's revenue, operating profit and gross margin goals and other business objectives, and to reward achievement of those goals. As previously disclosed in Mr. Richardson's offer letter, the Bonus Plan provides for a target bonus amount of \$210,000 and a maximum bonus amount of \$352,800.

The Bonus Plan provides for a discretionary multiplier ranging from 0.80 to 1.20, based on overall performance. The Compensation Committee of Immersion's Board of Directors will determine the discretionary multiplier for Mr. Richardson's bonus.

The actual bonus amount for Mr. Richardson is determined through measurements of both Immersion's corporate performance and Mr. Richardson's individual performance. Forty percent (40%) of the bonus is determined by a matrix of varying levels of GAAP adjusted revenue and GAAP adjusted operating profit (loss) that are achieved by Immersion in fiscal 2008; forty percent (40%) of the bonus is determined by achievement of a number of corporate initiatives, including the consummation of a strategic transaction that increases revenue and/or operating income within certain specified parameters, the implementation of an enterprise resource planning system, increasing the percentage of Immersion's total revenue that is derived from international sources and increasing the number of non-financial or administrative press releases issued by Immersion in 2008; and the remaining twenty percent (20%) of the bonus is determined by achievement of a number of individual management objectives, including assessment of the Company's overall business strategy, the development of growth initiatives for the Company's business units, and building relationships with the Company's customers, employees, investors and partners.

Payment of the cash bonuses pursuant to the Bonus Plan is subject to Mr. Richardson's continued employment through the payment date, which is expected to occur on the next payroll period after on the later of: (a) 45 days after the end of the fiscal year; (b) the date on which Immersion's income statement for fiscal 2008 has been finalized, or (c) the date on which Immersion's earnings for fiscal 2008 have been publicly disclosed. Should Mr. Richardson resign from his employment prior to the payment date, or his employment is terminated prior to the payment date, he will not earn any payment under the Bonus Plan.

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.

IMMERSION CORPORATION

Date: August 15, 2008

By: /s/ Stephen M. Ambler

Stephen M. Ambler
Chief Financial Officer and Vice
President, Finance