

MITEK SYSTEMS INC

FORM 8-K (Current report filing)

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**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): December 29, 2017

Mitek Systems, Inc.
(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-35231
(Commission File Number)

87-0418827
(IRS Employer
Identification No.)

600 B Street, Suite 100
San Diego, California
(Address of Principal Executive Offices)

92101
(Zip Code)

Registrant's Telephone Number, Including Area Code: (619) 269-6800

Not Applicable
(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 Instructions 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))

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 December 29, 2017, the Board of Directors (the “Board”) of Mitek Systems, Inc. (the “Company”), based upon the recommendation of the Compensation Committee of the Board, approved the Company’s executive bonus program for the fiscal year ending September 30, 2018 (the “2018 Plan”). Pursuant to the terms of the 2018 Plan, certain of the Company’s executives will be eligible to receive cash bonuses based upon the achievement of certain corporate and individual performance goals during the 2018 fiscal year. These bonuses are designed to attract, motivate, retain and reward the Company’s executives.

Under the 2018 Plan, our Chief Executive Officer has a bonus target equal to 80% of his annualized salary; our Chief Financial Officer has a bonus target equal to 60% of his annualized salary; our Chief Technical Officer has a bonus target of 60% of his annualized salary; our Chief Operating Officer has a bonus target of 50% of his annualized salary; and our General Counsel has a bonus target of 40% of his annualized salary. Up to 75% of the bonus target for these individuals is based upon achievement of two financial metrics (revenue and non-GAAP net income) and the remaining 25% of the bonus target is based upon achievement of certain individual performance goals. The maximum bonus payable to these individuals is 150% of their respective bonus targets.

Under the 2018 Plan, our General Manager (“GM”) (formerly our Chief Revenue Officer) has an annual bonus target equal to 50% of his annualized salary. Up to 87.5% of the bonus target is based upon achievement of certain financial metrics (revenue and non-GAAP net income) and the remaining 12.5% of the bonus target is based upon achievement of certain individual performance goals. The maximum bonus payable to the GM is 150% of his bonus target.

The foregoing description is intended only as a summary of the material terms of the 2018 Plan and is qualified in its entirety by reference to the text of the 2018 Plan, a copy of which is attached as Exhibit 10.1 to this Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1	Mitek Systems, Inc. Executive Bonus Program Fiscal 2018.

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.

Mitek Systems, Inc.

December 29, 2017

By:

/s/ Jeffrey C. Davison

Jeffrey C. Davison
Chief Financial Officer

Exhibit Index

Exhibit Number	Description
10.1	Mitek Systems, Inc. Executive Bonus Program Fiscal 2018.

**MITEK SYSTEMS EXECUTIVE BONUS PROGRAM
FISCAL YEAR 2018**

Objective

The objective of the Mitek Executive Bonus Program (“the Program”) is to reward executives with an opportunity to earn an annual cash bonus for their contributions to the achievement of corporate goals during the fiscal year. This Program is intended to ensure a competitive total compensation opportunity and to foster a team effort in the attainment of corporate goals.

Program Design

The Program provides for the payment of a cash bonus that is based upon the percentage achievement of the fiscal 2018 annual revenue and non-GAAP net income (“NGNI”) targets set by the Board of Directors (“Board”), as well as individual performance goals.

Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO) and non-GM Executive Bonus:

Annual cash bonuses are computed as a percentage of the participant’s annualized salary earned during the 2018 fiscal year. The bonus targets for the CEO, CFO, CTO, COO, SVP of Product and General Counsel are 80%, 60%, 60%, 50%, 40% and 40%, respectively, of their respective annualized salaries for the 2018 fiscal year.

The CEO, CFO, COO and all non-GM executives will receive an annual cash bonus based on annual achievement of corporate revenue, corporate non-GAAP net income (“NGNI”) and individual performance goals. The total cash bonus is comprised of the following components:

- Corporate Revenue Achievement – 50%
- NGNI Achievement – 25%
- Achievement of Individual MBOs – 25%

General Manager (GM) Bonus

Annual cash bonuses are computed as a percentage of the participant’s annualized salary earned during the 2018 fiscal year. The bonus target for the General Manager is 50% of his annualized salary for the 2018 fiscal year.

The SVP & GM, Payments will receive a cash bonus based on achievement of certain revenue, corporate non-GAAP net income (“NGNI”), and individual performance goals. The total cash bonus is comprised of the following components:

- Revenue Achievement – 75%
- NGNI Achievement – 12.5%
- Achievement of Individual MBOs – 12.5%

Performance Targets

Revenue shall be defined as the applicable revenue determined in accordance with generally accepted accounting principles, adjusted for acquisition-related write-downs of revenue or deferred revenue. NGNI shall be defined as Net Income for the 2018 fiscal year as determined in accordance with generally accepted accounting principles, adjusted for: 1) acquisition-related write-downs of revenue or deferred revenue, and 2) non-cash, non-recurring or non-operational items including (but not limited to) expenses for the following: acquisition and integration, litigation, stock compensation, depreciation, amortization, asset impairment charges, severance and restructuring.

The Revenue and NGNI performance components of the cash bonus actually earned will increase or decrease on a 2:1 scale dependent upon the level of goal attainment between 80% and 125%. No award is earned below 80% achievement and no additional award is earned for achievement above 125%, and any award made for achievement below 80% is solely at the discretion of the Compensation Committee.

For example, the portion of the cash bonus earned for achieving 80% of the Revenue Plan would be 60% of that portion of the cash bonus. At the achievement of 79% or below of the Revenue Plan, no bonus will be earned. Similarly, at the achievement of 125% of Revenue Plan, the bonus award would be 150% of that portion of the cash bonus. The maximum bonus award that can be earned is 150% of the bonus target percentage.

Eligibility

In order to be eligible for a bonus award, the participant must be employed by the Company for a minimum of a full quarter of the fiscal year for which an annual bonus is earned, and be employed at Mitek at the conclusion of the 2018 fiscal year. Each participant will be paid after the close of the books and annual audit at the end of the 2018 fiscal year, and any bonus payable will be calculated pro rata to the number of days of employment with the Company during the 2018 fiscal year.

Limitations

The Program is administered by the Compensation Committee of the Board of Directors. Final authority and full discretion in all matters pertaining to the development, or amendment of the Program and the granting of any bonus award under the Program rests with the Compensation Committee.

Participation in the Program does not in any way imply a contractual relationship for employment or in any way alter the at-will employment relationship with the Company.