

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): July 23, 2020

CARDIOVASCULAR SYSTEMS, INC.

(Exact name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-52082
(Commission
File Number)

41-1698056
(IRS Employer
Identification No.)

**1225 Old Highway 8 Northwest
St. Paul, Minnesota 55112-6416**
(Address of Principal Executive Offices and Zip Code)

651 259-1600
(Registrant's telephone number, including area code)

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:

- ☐ 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 (CFR 17 §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR § 240.12b-2).
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. ☐

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, One-tenth of One Cent (\$0.001) Par Value Per Share	CSII	The Nasdaq Stock Market LLC

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

On July 23, 2020, the Human Resources and Compensation Committee (the “Committee”) and the Board of Directors (the “Board”) of Cardiovascular Systems, Inc. (the “Company”) approved the incentive compensation plans for the Company’s executive officers for the year ending June 30, 2021, as described below.

Cash Bonus Plan

For the 12-month period ending June 30, 2021, each executive officer is eligible to receive cash incentive compensation pursuant to the Fiscal 2021 Executive Officer Bonus Plan (the “Bonus Plan”), based on the Company’s achievement of revenue and Adjusted EBITDA financial goals for such period. Adjusted EBITDA is defined as EBITDA with stock compensation added back into the calculation. In addition, Adjusted EBITDA may be further adjusted by to include or exclude the events set forth in Section 7(b) of the Company’s 2017 Equity Incentive Plan and other unforeseen expenses. In light of uncertainties relating to the ongoing COVID-19 pandemic, the Committee and the Board approved quarterly goals for the three months ending September 30, 2020 and will approve goals for each subsequent quarter in the fiscal year no later than the end of the first month of each such quarter; provided, that they may in their discretion determine to establish performance criteria for multiple quarters in the fiscal year. Target bonus amounts are weighted 75% for the revenue goals and 25% for the Adjusted EBITDA goals. Target bonus levels as a percentage of base salary are 115% for the Chief Executive Officer, 100% for the Chief Operating Officer and Chief Financial Officer, 75% for the General Counsel, and 60% for the other executive officers. Depending upon the Company’s performance against the goals, participants are eligible to earn up to 200% of each of the Adjusted EBITDA and revenue portions of their target bonus amount. The Bonus Plan goals are and will be the same for all of the executive officers. The base salaries of the executive officers were not increased from their base salaries in effect for the year ended June 30, 2020. In addition, the base salary of Scott Ward, the Company’s Chief Executive Officer, was reinstated to its prior level, effective as of July 1, 2020, following his previously-disclosed voluntary 30% reduction of base salary effective on April 1, 2020.

Long-term Incentive Plan

Each executive officer will receive grants of restricted stock under the fiscal 2021 long-term incentive plan, effective three business days following the release of the Company’s financial results for the year ended June 30, 2020. The restricted stock grants will be based on a target equity percentage of each executive officer’s base salary, with 40% of such target amount allocated to time-vesting restricted stock and 60% of such target amount allocated to performance-vesting restricted stock; provided, that the performance-vesting restricted stock will be granted to each executive officer at 200% of the target number of shares allocated to performance-vesting restricted stock, and any shares not earned will be forfeited upon confirmation of performance achievement. Target equity grants as a percentage of base salary are 450% for the Chief Executive Officer, 200% for the Chief Operating Officer and Chief Financial Officer, 150% for the General Counsel, and 125% for the other executive officers.

The time-vesting restricted stock grants will vest in equal installments of 1/3 in August 2021, 2022 and 2023. The performance-vesting restricted stock grants will vest based on the Company’s total shareholder return relative to total shareholder return of the Company’s peer group (as determined by the Committee), as measured by the closing prices of the Company’s stock and the peer group members for the 90 trading days preceding July 1, 2020 compared to the closing prices of the Company’s stock and the stock of the peer group members for the 90 trading days preceding July 1, 2023. Vesting of the performance-vesting shares will be determined on the date that the Company’s Form 10-K for the fiscal year ending June 30, 2023 is filed.

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.

Date: July 29, 2020

CARDIOVASCULAR SYSTEMS, INC.

By: /s/ Alexander Rosenstein

Alexander Rosenstein
General Counsel and Corporate Secretary