

QUICKLOGIC CORPORATION
Form 8-K
March 12, 2007

**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) **March 7, 2007**

QuickLogic Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-22671
(Commission File Number)

77-0188504
(IRS Employer
Identification No.)

1277 Orleans Drive, Sunnyvale, CA
(Address of principal executive offices)

94089-1138
(Zip Code)

Registrant's telephone number, including area code **(408) 990-4000**

N/A

(Former name or former address, if changed since last report)

Edgar Filing: QUICKLOGIC CORPORATION - Form 8-K

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):

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

Section 1 Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

On March 7, 2007, the Compensation Committee approved the 2007 target compensation amounts and goals under the QuickLogic Corporation 2005 Executive Bonus Plan and amended the 2005 Executive Bonus Plan (as amended, the Plan), effective beginning January 1, 2007. The 2005 Executive Bonus Plan was originally filed in a current report on Form 8-K filed with the Securities and Exchange Commission on May 2, 2005, and the Plan, as amended, is attached as Exhibit 10.1 hereto.

Under the Plan, executive officers and other key employees, as designated by the Compensation Committee, may be entitled to participate in a cash incentive compensation plan, consisting of bonus incentive compensation and variable incentive compensation. The Plan is intended to increase shareholder value and the success of the Company by motivating key employees (a) to perform to the best of their abilities and (b) to achieve the Company's objectives. The target incentive compensation of our Chief Executive Officer is 30% of his total target cash compensation, and ranges from 21% to 33% of the total target cash compensation for each of our other executive officers. Except with respect to Ms. Barrette and Ms. Meney, who were promoted to executive positions during 2006, and Mr. Pease, who was hired during 2006, total target cash compensation for our executive officers has not changed for 2007, as compared to 2006.

The Plan places a portion of incentive compensation at risk, since participants must achieve certain performance thresholds to earn bonus incentive compensation under the Plan. In addition, the Plan increases bonus incentive compensation when performance exceeds Plan objectives.

Under the Plan, participants are eligible to earn bonus incentive compensation based upon the achievement of certain performance goals and objectives relating to the Company and/or each individual participant. The Compensation Committee establishes quarterly and/or annual performance goals and objectives for the Plan. Following the end of each performance period, the Compensation Committee determines the extent to which the performance goals and objectives were met. Based on this assessment, participants earn bonus incentive compensation in an amount equal to a percentage of such participant's target bonus incentive compensation.

The Compensation Committee established that fifty percent of each participant's target bonus incentive compensation for 2007 is based upon the Company's achievement of a new product revenue objective (the Plan Revenue Objective), and fifty percent of each participant's target bonus incentive compensation is dependent upon the Company's achievement of an ending cash balance objective (the Plan Financial Objective). The Company must achieve a certain threshold for participants to earn bonus incentive compensation against the Plan Revenue Objective, and the Company must achieve a certain threshold for participants to earn bonus incentive compensation against the Plan Financial Objective. Quarterly bonus incentives awarded are adjusted for the level of the Company's performance during the quarter in question, and may, if the threshold level of performance is achieved, range from 80% to 100% of the quarterly target bonus amounts. On an annual basis, incentive bonus compensation is adjusted for the level of the Company's achievement, and may range from 80% to 200% or more of the target bonus incentive compensation. The Chief Executive Officer's target bonus incentive compensation is currently 21% of his annual salary and each of the other participating executive officers has a target bonus incentive compensation currently equal to 14% to 25% of their annual salary.

Under the Plan, participants are also eligible to earn cash variable incentive compensation based upon the achievement of certain performance goals and objectives relating to the Company and/or each individual participant. The variable incentive compensation program for 2007 ties fifty percent of the participants' quarterly and/or annual variable incentive compensation to the Company's achievement of revenue targets and fifty percent to non-GAAP operating income targets established by the Compensation Committee. Under the program, if the Company achieves 100% of both targets, the participant will receive 100% of his or her target variable incentive compensation. Quarterly variable compensation is adjusted for the level of the Company's performance during the quarter in question, and may range from 0% to 100% of the quarterly target variable compensation amounts. Bonus and variable incentive compensation earned under the Plan based on quarterly performance is retained by the participant notwithstanding annual results. On an annual basis, variable incentive compensation is adjusted for the level of the Company's achievement, and may range from 0% to 200% or more of the target variable incentive compensation amounts. Mr. Pease will receive at least 100% of his target variable incentive compensation through the end of 2007. The Chief Executive Officer's target variable incentive compensation is currently 21% of his annual salary, and target variable incentive compensation currently represents 14% to 25% of annual salary for each other participating executive officer.

The foregoing description of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Section 9 Financial Statements and Exhibits

Item 9.01(d) Exhibits.

10.1 2005 Executive Bonus Plan, as amended

2

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: March 12, 2007

QuickLogic Corporation

/s/ Carl M. Mills

Carl M. Mills

Vice President, Finance and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
10.1	2005 Executive Bonus Plan, as amended

4
