

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

May 21, 2019

(Date of Report (date of earliest event reported))

IRIDEX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

0-27598

77-0210467

(State or other jurisdiction of
incorporation or organization)

(Commission File Number)

(I.R.S. Employer
Identification Number)

1212 Terra Bella Avenue
Mountain View, California 94043

(Address of principal executive offices, including zip code)

(650) 940-4700

(Registrant's telephone number, including area
code)

(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))

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.

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

Title of Class	Trading Symbol	Name of Exchange on Which Registered
Common Stock, par value \$0.01 per share	IRIX	Nasdaq Global Market

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

On May 21, 2019, IRIDEX Corporation (the “Company”) appointed David I. Bruce to the position of President and Chief Executive Officer effective immediately (the “Effective Date”), succeeding William Moore. Mr. Bruce has served as a member of the board of directors of the Company (the “Board”) since April 2018.

Mr. Bruce, 59, previously served as the Chief Operating Officer of Catheter Robotics, Inc., a private company focused on developing and manufacturing remote catheter systems from August 2014 to May 2016. From November 2011 to May 2014, Mr. Bruce served as President, Chief Executive Officer and director of Arstasis, Inc., a private company that manufactures and distributes vascular closure devices for arterial closure in catheterization procedures. Prior to that, Mr. Bruce served as CEO of EP MedSystems, a public medical device company specializing in electrophysiology systems and catheters, and led the company to 30% annual growth over two years culminating in its acquisition by St. Jude Medical. Mr. Bruce holds a B.S. in Mechanical Engineering from the University of California, Berkeley, and an MBA degree from the Wharton School at the University of Pennsylvania.

Offer Letter

In connection with this appointment, the Company entered into an offer letter with Mr. Bruce, dated May 17, 2019 and effective as of May 21, 2019, providing for his services as Chief Executive Officer and President of the Company (the “Offer Letter”). Pursuant to the Offer Letter, Mr. Bruce will receive a base annual salary of \$360,000. In addition to his base salary, the Offer Letter provides Mr. Bruce a target annual bonus opportunity of up to 60% of Mr. Bruce’s annual base salary, prorated to reflect the portion of the year during which he is employed (the “Short Term Incentive Bonus”). The Short Term Incentive Bonus is contingent upon specific corporate and individual management objectives and goals, as determined by the Board. As of May 21, 2019, Mr. Bruce also was granted a one-time award of stock options to purchase 270,000 shares of the Company’s common stock (the “Option”), which will be subject to the terms and conditions of the Company’s 2008 Equity Incentive Plan (the “Plan”), as amended, and standard form of option agreement under the Plan. Mr. Bruce’s Option shall be scheduled to vest as follows, in each case subject to Mr. Bruce’s continued service with the Company: 67,500 shares subject to the Option shall vest on the one year anniversary of the Effective Date and 1/48th of the shares subject to the Option shall vest on the same day of the month as the Effective Date (or the last day of the month, if there is no corresponding day in such month).

In addition, pursuant to the Offer Letter, as of May 21, 2019, Mr. Bruce was granted a one-time award of stock options to purchase 400,000 shares of the Company’s common stock (the “Additional Option”) under the Plan and standard form of option agreement under the Plan. The Additional Option shall be eligible to vest based on achievement of specified prices of a share of the Company’s common stock during the performance period of the Additional Option, which ends December 31, 2023.

Change of Control Severance Agreement with Mr. Bruce

The offer letter also provides that the Company will enter into a Change in Control Severance Agreement (the “Change in Control Severance Agreement”) with Mr. Bruce that provides certain severance benefits in the event that his employment with the Company is terminated under certain circumstances such as: in the event Mr. Bruce is terminated not for cause or he resigns for good reason upon a change in control, he will be entitled to a lump sum cash payment equal to 150% of his annual base salary plus target bonus in effect prior to the change in control, full vesting acceleration of his then-outstanding equity awards, and Company-reimbursed COBRA premiums for a period of up to twelve months following employment termination.

The foregoing description of the Offer Letter does not purport to be a complete description of the rights and obligations of the parties thereunder and is qualified in its entirety by reference to the full text of the Offer Letter, which is filed with this report as Exhibit 10.1 and is incorporated herein by reference. The Change in Control Severance Agreement upon execution by the parties, will be filed separately on a Current Report on Form 8-K or on a Quarterly Report on Form 10-Q.

There are no family relationships between Mr. Bruce and any director or executive officer of the Company, and other than as described above, no transactions involving Mr. Bruce that would require disclosure under Item 404(a) of Regulation S-K.

A copy of the Company's press release dated May 21, 2019 announcing Mr. Bruce's appointment is filed with this report as Exhibit 99.1 and is incorporated by reference herein.

Committee Appointments/Assignments

On May 21, 2019, the Board removed Mr. Bruce from its Compensation Committee and its Audit Committee and appointed Scott Shuda to each of those committees. The Board also designated Maria Sainz as Chair of the Compensation Committee and replaced Sanford Fitch with Kenneth Ludlum as Chair of the Audit Committee, effective immediately.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Offer Letter between the Company and David I. Bruce.
99.1	Press Release dated May 21, 2019.

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.

IRIDEX CORPORATION

By: /s/ David I. Bruce
David I. Bruce
President and Chief Executive Officer

Date: May 21, 2019



May 17, 2019

Mr. David Bruce
21 Udayakavi Lane
Danville, CA 94525
brucedavid@sbcglobal.net

Dear Mr. Bruce:

I am very pleased to extend to you this conditional employment offer for the position of **Chief Executive Officer** with IRIDEX Corporation.

This conditional offer summarizes several areas related to the terms of the offer:

Compensation:

Base Salary: \$13,846.16 payable bi-weekly (annualized to \$360,000/yr), in accordance with the Company's standard payroll policies, which may be changed from time to time at the discretion of the Company, and subject to applicable withholdings.

Bonus Program: The Executive Bonus Program comprises of two components – STI (Short Term Incentive) in a form of a cash bonus and LTI (Long Term Incentive) in a form of Stock Options. The following is a summary of the terms of the Executive Bonus Program, and is not intended to and does not change or supersede the Executive MBO Program ("Bonus Program Plan"). To the extent this summary is inconsistent or conflicts with the Bonus Program Plan, the terms of the Bonus Program Plan control.

STI Bonus: Up to 60% of your annual salary (prorated to date of hire)

The STI bonus is contingent upon achievement of Management by Objectives (MBO). MBO is an incentive, contingent upon specific corporate and management objectives and goals. Achievement of the bonus will be based upon completion of your MBOs. MBOs will be determined by the Board of Directors in consultation with you. 75% of the bonus is tied to the Corporate Goals and 25% of the bonus is tied to your Personal Goal(s).

Stock Options: 270,000

In addition to your salary and bonus opportunity described above, we will recommend to the Compensation Committee of the Board of Directors at their next meeting that they approve a grant of stock options to purchase 270,000 shares of the Company's common stock (the "Option") under the Company's 2008 Equity Incentive Plan ("Plan"), as amended, and the applicable Option agreement thereunder.

Upon grant, the Option will be scheduled to vest and become exercisable by you over a total period of 48 months following your date of hire ("Hire Date"), in the following manner, in each case subject to your continued status as a Service Provider (as defined in the Plan) through each relevant date:

- 12/48 (67,500) of the shares of the Company's common stock subject to the Option on the one (1) year anniversary of your Hire Date; and
- 1/48 per month thereafter on the same day of the month as your Hire Date (or the last day of the month, if there is no corresponding day in such month).

Per Share Exercise Price: 100% of the fair market value (generally, the closing sales price) of a share of the Company's common stock as of the Option's grant date.

Stock Options: 400,000

We will also recommend to the Compensation Committee of the Board of Directors at their next meeting that they approve a grant of stock options to purchase 400,000 shares of the Company's common stock (the "Second Option") under the Plan and applicable Second Option agreement thereunder.

- 100,000 shares shall vest if the average closing price of the Company's common stock during the prior 60 trading days is at least 40% above the 60 trading-day trailing average of IRIX stock as of the day of contract signing;
- 100,000 shares shall vest if the average closing price of the Company's common stock during the prior 60 trading days is at least \$9.00 per share;
- 100,000 shares shall vest if the average closing price of the Company's common stock during the prior 60 trading days is at least \$12.00 per share;
- 100,000 shall vest if the average closing price of the Company's common stock during the prior 60 trading days is at least \$18.00 per share.

The above performance-based options will expire on 12/31/23.

The foregoing is a summary, and is not intended to and does not change or supersede the Plan, option agreement or actual grant, if any, approved by the Compensation Committee. To the extent this summary is inconsistent or conflicts with the Plan, option agreement or grant, the terms of the Plan, option agreement and grant control.

Change in Control Severance: Following your start date you will be eligible to enter into the Company's double trigger form of Change in Control Severance Agreement that will provide for full acceleration of all unvested equity grants, cash payment of 1.5 times your salary plus target bonus in effect prior to the change in control, and 12 months COBRA reimbursement.

Benefits:

Insurance is available for health, dental, prescriptions, and vision, at a portion of the premium for employee and dependent(s), if they are covered on the IRIDEX plan. The Company also provides for life, business travel, short-term (STD) and long-term disability (LTD) insurance. You may sign up on the 401k Plan effective the first day of any month following your hire date.

As a Member of the Executive Staff, you have unvested vacation without accrual or the requirement of tracking time off. You will also accrue two weeks of sick time during your first year of employment. The terms related to your sick leave accrual and usage are set forth in the Iridex Employee Handbook. IRIDEX also compensates their eligible employees for eight holidays and 1-2 floating holidays per year.

Your anticipated start date is May 21, 2019. IRIDEX's normal working hours are 8:00 a.m. to 5:00 p.m. Monday through Friday. The Chief Executive Officer position is a salary exempt position and may require you to work beyond the normal work schedule, travel and/or work on Saturdays or Sundays. IRIDEX expects the Chief Executive Officer to work primarily from its headquarters and to be reasonably available in person during normal work hours. IRIDEX has a travel policy that outlines what expenses are appropriate and the documentation which is needed for reimbursement.

This conditional offer of employment will expire at the end of business day on May 21, 2019.

Please note that this offer of employment is made "at will" in which either you or the Company may terminate employment at any time with or without cause.

This offer is contingent upon acceptable results from your background check and also upon your completing, signing, and returning the enclosed: Employment, Confidential Information, Invention Assignment, and Arbitration Agreement; and providing verification of eligibility to work in the United States in accordance with the provisions of the Immigration Reform and Control Act of 1986.

You will be required to present evidence of your work eligibility within three days of the first day of employment. A list of sufficient documentation is provided at the end of the I-9 form.

This letter along with the enclosed Confidential Information and Invention Assignment Agreement between you and IRIDEX, set forth the terms of your employment with IRIDEX and supersede any prior negotiations, representations, or agreements, whether oral or written. The provisions of this letter and the Employment, Confidential Information, Invention Assignment, and Arbitration Agreement regarding "at will" and arbitration may only be modified by a document signed by you and the Board of Directors that expressly references a change to the at-will employment relationship and/or arbitration agreement.

We have very high expectations that your capabilities, experience, and winning attitude will make you an outstanding contributor on the IRIDEX team.

Sincerely,

Ruediger Naumann-Etienne, Ph.D.
Lead Independent Director

Accepted By: /s/ David I. Bruce
David I. Bruce

Date: May 20, 2019



IRIDEX Announces Leadership Transition; David Bruce Appointed President and CEO

Mountain View, Calif., May 21, 2019 (GLOBE NEWSWIRE) -- IRIDEX Corporation (NASDAQ: IRIX), a provider of innovative ophthalmic laser-based medical products for the treatment of glaucoma and retinal diseases, announced the appointment of David Bruce to be the company's President and Chief Executive Officer, effective today.

"We are pleased to appoint David Bruce to the role of President and CEO," said Dr. Ruediger Naumann-Etienne, Lead Independent Director at IRIDEX. "David brings substantial experience leading successful commercial and market penetration strategies at several medical device companies, and he has been a member of IRIDEX's Board of Directors for over a year. He is well prepared to expand worldwide sales and marketing execution for the Cyclo G6® Glaucoma Laser and Probe System and to build on IRIDEX's leading retina laser position in the global market. We look forward to David's leadership driving the company to significant growth," Naumann-Etienne continued.

Mr. Bruce has been a member of IRIDEX's board of directors since April, 2018 and has held several CEO and leadership positions in both public and private medical device growth-stage companies. He served as CEO and Director of Arstasis, an arterial access device company, CEO and Director of EP MedSystems, which was acquired by St. Jude Medical, and interim CEO and Director of Patient Safety Technologies. He was also General Manager of the AcuNav Catheter Business for Siemens Medical Solutions, and COO for Catheter Robotics, a privately held, pre-commercial remote catheter systems company. He holds a MBA from the Wharton School at the University of Pennsylvania and a BS in Mechanical Engineering from the University of California, Berkeley.

"I am excited to lead IRIDEX in capitalizing on our MicroPulse® therapy for glaucoma patients," said David Bruce. "This proven technology, with over 120,000 procedures performed by hundreds of ophthalmologists worldwide and a rapidly-expanding body of clinical data that demonstrate its efficacy, low risk and cost advantages for reduction of intraocular pressures, deserves a much greater role treating the large glaucoma patient population worldwide. Our business model combines proprietary laser systems with disposable delivery probes creating a significant growth and recurring revenue opportunity through broader adoption in the ophthalmology community. Coupling this with IRIDEX's leadership position in the retina laser market – with its own growth opportunities using MicroPulse technology – creates a platform for the creation of significant shareholder value. I am pleased to join the IRIDEX team to focus on growing the company's revenue and achieving our value potential."

Dr. Naumann-Etienne expressed his appreciation to outgoing CEO, William M. Moore, "We thank Will for his leadership and contributions over the past six years in IRIDEX's development and launch of this novel glaucoma therapy, positioning the company for the exciting growth opportunities ahead."

About IRIDEX

IRIDEX Corporation is a worldwide leader in developing, manufacturing, and marketing innovative and versatile laser-based medical systems, delivery devices and consumable instrumentation for the ophthalmology market. The Company's proprietary MicroPulse® technology delivers a differentiated treatment that provides safe, effective, and proven treatment for targeted sight-threatening eye conditions. IRIDEX's current product line is used for the treatment of glaucoma, diabetic macular edema (DME) and other retinal diseases. IRIDEX products are sold in the United States through a direct sales force and internationally primarily through a network of independent distributors into more than 100 countries. For further information, visit the IRIDEX website at <http://www.irdex.com>.

Safe Harbor Statement

This announcement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended, including those statements concerning the future demand, utilization of the Company's products, plans to introduce new products, plans to increase revenue and growth, build shareholder value and future financial results. These statements are not guarantees of future performance and actual results may differ materially from those described in these forward-looking statements as a result of a number of factors. Please see a detailed description of these and other risks contained in our Annual Report on Form 10-K for the fiscal year ended December 29, 2018, and Quarterly Reports on Form 10-Q for subsequent fiscal quarters, each of which was filed with the Securities and Exchange Commission. Forward-looking statements contained in this announcement are made as of this date and will not be updated.

Investor Relations Contact

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