
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 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)

February 14, 2012

IRIDEX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

0-27598
(Commission
File Number)

77-0210467
(IRS Employer
Identification No.)

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

(e) On February 14, 2012, the Board of Directors of IRIDEX Corporation (the “Company”) adopted a 2012 executive management bonus plan (the “2012 Bonus Plan”). The 2012 Bonus Plan was adopted to provide cash incentive payouts to all eligible senior staff-level employees based upon Company and individual performance. All vice presidents, corporate officers and other specified senior employees, in good standing, are eligible to participate in the 2012 Bonus Plan.

Target payouts for each participant under the 2012 Bonus Plan will be based on a specified percentage of annual base salary and are triggered upon the achievement of both corporate performance objectives (weighted at 70%) determined by the Company’s Board of Directors and individual performance objectives (weighted at 30%) determined by the Compensation Committee. Funding for the 2012 Bonus Plan is triggered when the Company achieves (i) a minimum threshold of annual Operating Income, determined to be 90% of the target operating income of the 2012 Operating Plan and before accounting for the cost of the 2012 Bonus Plan (the “Targeted Operating Income”) as approved by the Company’s Board of Directors, or (ii) a minimum threshold of annual revenue, determined to be 90% of the target revenues of the 2012 Operating Plan (the “Targeted Revenue”) as approved by the Company’s Board of Directors. For purposes of the 2012 Bonus Plan, the Company’s annual Operating Income is defined as gross profits less operating expenses, and therefore does not include other income or expenses or taxes.

If the 2012 Bonus Plan is funded, a portion of the Company’s net Operating Income, before accounting for the cost of the 2012 Bonus Plan, ranging from 38% of net Operating Income, in the event 100% of the Targeted Operating Income, 100% of the Targeted Revenue and 100% of all target individual performance objectives are achieved, to 57% of net Operating Income, in the event 150% of the Targeted Operating Income, 150% of the Targeted Revenue and 100% of all target individual performance objectives are achieved, will be allocated to fund the 2012 Bonus Plan.

The Compensation Committee will approve all payouts under the 2012 Bonus Plan, and payouts will be paid following the end of the fiscal year through profit sharing/bonus payouts by March 15 of the following year.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	2012 Bonus Plan Summary

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/ DOMINIK BECK
Dominik Beck
President and Chief Executive Officer

Date: February 21, 2012

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	2012 Bonus Plan Summary

IRIDEX Corporation
Executive Management Bonus Plan Summary

EFFECTIVE DATE	January 1st, 2012
PURPOSE	The purpose of the Plan is to provide an incentive for the achievement of Goals that support IRIDEX Strategic Plan.
TERMS AND DEFINITIONS	
PLAN NAME	The Executive Management Bonus Plan.
PARTICIPANTS	Employees serving in positions of Vice President and above, as well as certain other senior officers of the Corporation specified by the Compensation Committee (“Participants”).
PLAN PERIOD	The IRIDEX fiscal year.
BASE PAY	The monthly pay (annual pay divided by 12) established for the participant by IRIDEX and in effect on the last day of the Plan Period or, in the case of a deceased or disabled Participant, on the last day of participation in the Plan. IRIDEX, in conjunction with the Compensation Committee of the Board of Directors (“Compensation Committee”), may at any time, in its sole discretion, prospectively revise the Participant’s Base Pay.
BONUS PAYOUT	The actual award (expressed in dollars) to the Participant based on the terms of the Plan.
TARGET BONUS	A percentage of each Participant’s Base Pay as established each year by the Compensation Committee.
PERFORMANCE MEASURES AND GOALS	<p>In accordance with Section 162(m) of the Internal Revenue Code, at the beginning of each Plan Period, the Compensation Committee selects specific measures among:</p> <ul style="list-style-type: none"> • Revenue • Net Sales • Profit (net profit, gross profit, operating profit, economic profit, profit margins or other corporate profit measures) • Earnings on a pre-tax or post-tax basis (EBIT, EBITDA, earnings per share, earnings growth or other corporate earnings measures) • Net income (before or after taxes, operating income or other income measures) <p>as the <i>Objective</i> Performance Measure or Measures for such Plan</p>

Period. Single or multiple Performance Measures may be selected. Objective Performance Measures are the basis for 70% of the total Bonus Payout. The remaining 30% of the total Bonus Payout is based on Individual Goals with corresponding percentage weights designed to measure a Participant's achievements. Each Participant will develop individual Goals for approval by the Compensation Committee against which performance under the Plan will be measured. Such Individual Goals can be:

- Stock price or performance
- Total shareholder return (stock price appreciation plus reinvested dividends divided by beginning share price or other measures of return)
- Financial return measures (including, but not limited to, dividends, return on assets, capital, equity or sales, and cash flow return on assets, capital, equity or sales)
- Market share measures
- Improvements in capital structure
- Expenses (operating expense, expense management, expense ratio, expense efficiency ratios or other expense measures)
- Business expansion or consolidation (acquisitions and divestitures)
- Internal rate of return or increase in net present value
- Working capital targets relating to inventory and/or accounts receivable
- Planning accuracy (as measured by comparing planned results to actual results)
- Productivity improvement
- Inventory measures (turns, reduction or shrink)
- Customer relations (count, frequency, size of basket or attitude)
- Compliance goals (employee turnover, social goals, diversity goals, safety programs, regulatory or legal compliance)
- Goals relating to business expansion, acquisitions and divestitures.

ELIGIBILITY

The CEO has the authority to recommend Participants. The Compensation Committee has the sole authority to approve Participants who remain an IRIDEX employee through the end of the Plan Period, unless employment is terminated prior to the end of the Plan Period due to death or disability.

Participation will conclude upon termination of the Participant's employment, withdrawal of selection by the Compensation Committee, transfer to a position compensated otherwise than as provided in the Plan, or termination of the Plan by IRIDEX. IRIDEX may terminate the Plan or a Participant at any time and for any reason.

BONUS PAYOUT DETERMINATION

At the end of the Plan Period, the Compensation Committee will oversee the determination of the Participant's Bonus Payout, as follows:

- CEO

- Determines extent to which the selected Objective Performance Measure or Measures and individual Goals were achieved.

- CFO

- Determines the Bonus Payout for each Participant. The Compensation Committee may exercise its discretion to determine that the Bonus Payout for any Participant will be less than (but not greater than) the amount earned by such Participant under the Plan. The maximum Bonus Payout pursuant to the achievement of the Objective Performance Measure or Measures shall be \$200,000.

- Prorates the Bonus Payout for any employee who becomes a Participant after the start of the Plan Period, is on a leave of absence for a portion of the Plan Period, or whose employment with IRIDEX is terminated prior to the end of the Plan Period because of disability or death. A prorated Bonus Payout will be calculated by multiplying the number of full months during which the Participant participated in the Plan during the Plan Period. Credit will be given for a full month if the Participant is eligible for 15 or more calendar days during that month.

- DIRECTOR, HUMAN RESOURCE

- Reviews the Bonus Payout against the Plan.

- PAYROLL

- Prepares bonus checks for distribution.

BONUS PAYOUT

- The Bonus Payout will be made as soon as administratively feasible and is expected to be prior to March 15th of the subsequent year.

- No amount is due and owing before the Bonus Payout has been determined.

- The Bonus Payout will be granted to Participants in cash separate from, and not added to, Base Pay.

- The Bonus Payout will be taxed at the flat IRS rate plus applicable state and local rates for bonus payments.

ADMINISTRATION

The Plan is administered by the CEO in conjunction with the Compensation Committee. In the event of a dispute regarding the Plan, the Participant may seek resolution through the CEO and the Compensation Committee.

TERMINATION OF EMPLOYMENT

The Plan is not a contract of employment for any period of time. The Participant may resign or be terminated at any time for any or no reason. Employment and termination of employment are governed by IRIDEX policy and not by the Plan.

REVISIONS TO THE PLAN

The Plan will be reviewed by the CEO and the Compensation Committee on a periodic basis for revisions. IRIDEX reserves the right at its discretion with or without notice, to review, change amend or cancel the Plan, at any time.