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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**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 1, 2018**

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**ATRICURE, INC.**

(Exact name of registrant as specified in charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation)

**000-51470**  
(Commission File Number)

**34-1940305**  
(IRS Employer Identification No.)

**7555 Innovation Way**  
**Mason, OH**  
(Address of principal executive offices)

**45040**  
(Zip Code)

**Registrant's telephone number, including area code: (513) 755-4100**

**Not Applicable**

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

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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.

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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.**

Effective March 1, 2018, the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of AtriCure, Inc. (the “Company”) approved the grant of performance share awards (the “2018 PSAs”) to the Company’s named executive officers and certain other employees pursuant to the Company’s 2014 Stock Incentive Plan.

The form of award agreement for the 2018 PSAs (the “2018 PSA Grant Form”) provides, among other things, that (i) each 2018 PSA that vests represents the right to receive one share of the Company’s common stock; (ii) the 2018 PSAs vest based on the Company’s achieving specified performance measurements over a performance period of three years, beginning January 1, 2018; (iii) the performance measurements include revenue CAGR as defined in the 2018 PSA Grant Form; (iv) threshold, target and maximum payout opportunities established for the 2018 PSAs will be used to calculate the number of shares that will be issuable when the award vests, which may range from 0% to 200% of the target amount; (v) any 2018 PSAs that are earned are scheduled to vest and be settled in shares of the Company’s common stock at the end of the performance period; and (vi) all or a portion of the 2018 PSAs may vest following a change of control or a termination of service by reason of death or disability (each as described in greater detail in the 2018 PSA Grant Form).

Effective March 1, 2018, the Committee granted the following target number of 2018 PSAs to the Company’s named executive officers as follows:

<b>Name and Title</b>	<b>Target Number of PSAs</b>
Michael H. Carrel President and Chief Executive Officer	31,761
M. Andrew Wade Senior Vice President and Chief Financial Officer	11,998
Douglas J. Seith Chief Operating Officer	11,998
Justin J. Noznesky Senior Vice President, Marketing and Business Development	8,575
Salvatore (Sam) Privitera Chief Technology Officer	7,058

The foregoing summary of the 2018 PSA Grant Form does not purport to be complete and is qualified in its entirety by reference to the text of the 2018 PSA Grant Form as attached to and filed with this Form 8-K as Exhibit 10.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

**No. Description**

10.1 2018 Form of Performance Share Award Grant

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**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.

ATRICURE, INC.

Dated: March 2, 2018

By: /s/ M. Andrew Wade

M. Andrew Wade

Senior Vice President and Chief Financial Officer

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**ATRICURE, INC.  
2014 STOCK INCENTIVE PLAN**

**PERFORMANCE SHARE AWARD AGREEMENT**

Summary of Performance Share Award Grant

AtriCure, Inc., a Delaware corporation (the “Company”), grants to the Grantee named below, in accordance with the terms of the 2014 Stock Incentive Plan (as amended and restated from time to time, the “Plan”), and this Performance Share Award Agreement (the “Agreement”), Performance Shares as follows:

Name of Grantee: \_\_\_\_\_

Threshold Number of Performance Shares: \_\_\_\_\_

Target Number of Performance Shares: \_\_\_\_\_

Maximum Number of Performance Shares: \_\_\_\_\_

Grant Date: \_\_\_\_\_

Performance Goals: As set forth on Exhibit A

Performance Period: As set forth on Exhibit A

Terms of Agreement

**1. Grant of Performance Shares.** Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Plan, the Company grants to the Grantee as of the Grant Date, Performance Share Award consisting of, the maximum number Common Stock of the Company (“Performance Shares”) as provided above, upon the terms and conditions of this Agreement.

**2. Eligibility.** The Grantee shall hold a position within the Company or any Subsidiary that is recommended by the Company’s Chief Executive Officer and/or the award contemplated hereby shall be approved by the Committee.

**3. Vesting and Earning of Performance Shares.**

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(a) The period during which the Performance Goals are measured shall be a three-year period, beginning in the year of the Grant Date and ending on December 31 of the third year (the “Performance Period”).

(b) The number of Performance Shares earned by the Grantee will be determined at the end of the Performance Period based on the Performance Goals set forth on Exhibit A. Except as provided in Section 4, Performance Shares will vest and become nonforfeitable, if at all, on the last day of the Performance Period provided that the Grantee has remained continuously employed by the Company or any Subsidiary from the Grant Date through the last day of the Performance Period (the “Vesting Date”).

(c) If the Grantee is hired by the Company or promoted within the Company prior to October 1 of any fiscal year and is thereby granted Performance Shares under this Agreement, the Performance Shares shall be earned on a pro-rata basis beginning on the effective date of this Agreement until the end of the Performance Period as set forth on Exhibit A.

(d) Following the completion of the Performance Period and no later than 90 days following the end of the Performance Period, the Committee shall determine in writing the extent, if any, that the Performance Goals have been satisfied and shall determine the number of Performance Shares that Grantee shall earn, if any, subject to Section 3.(a) of this Agreement. The Committee may in its sole discretion modify the Performance Goals, in whole or in part, as the Committee deems appropriate and equitable to reflect a change in the business, operations, corporate structure or capital structure of the Company or its Subsidiaries, the manner in which it conducts its business, or other events or circumstances.

#### **4. Termination of Continuous Employment.**

(a) Except as otherwise provided in Sections 4(b), 4(c) or 4(d) or as otherwise provided by the Committee, if the Grantee’s continuous employment with the Company or a Subsidiary prior to the Vesting Date, the Grantee’s invested Performance Shares shall be automatically forfeited upon such termination of continuous employment and neither the Company nor any Subsidiary shall have any further obligations under this Agreement.

(b) If the Grantee’s continuous employment with the Company or any Subsidiary terminates for Cause (as defined in the Plan), all Shares underlying the Performance Shares (including unearned portions thereof), whether vested or not, shall immediately be forfeited upon such termination for Cause.

(c) If the Grantee’s continuous employment with the Company or any Subsidiary terminates due to a permanent and total disability (a “Permanent Disability”) within the meaning of Section 22(e)(3) of the Code, the Grantee’s employment with the Company or any Subsidiary shall, for all purposes under this Agreement, be deemed to continue. If Grantee dies while suffering a Permanent Disability, Grantee’s estate shall have the rights to Shares underlying Performance Shares on the terms set forth in Section 4(d).

(d) If a “Change in Control” (as defined in the Plan) described in Section 2(i) of the Plan occurs while the Grantee is employed by the Company or any Subsidiary or if the Grantee dies, in either case at any time prior to the end of the Performance Period, then the Grantee

shall be deemed to have earned 100% of the Target Number of Performance Shares, and the Company shall, upon such Change in Control or death, deliver to Grantee (or Grantee's estate in the case of death) the Shares underlying all earned Performance Shares.

(e) Notwithstanding anything contained in this Agreement to the contrary, the Committee may, in its sole discretion, accelerate the time at which the Shares underlying any Performance Shares become vested and nonforfeitable on such terms and conditions as it deems appropriate upon a Change in Control or the death or Disability of Grantee.

**5. Transferability.** The Performance Shares may not be Transferred and shall not be subject in any manner to assignment, alienation, pledge, encumbrance or charge, unless otherwise provided under the Plan. Any purported Transfer or encumbrance in violation of the provisions of this Section 5 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Performance Shares.

**6. Dividend, Voting and Other Rights.** Neither the Grantee nor any person claiming under or through the Grantee has any of the rights or privileges of a shareholder of the Company in respect of shares of Common Stock that may become deliverable hereunder unless and until certificates representing such shares of Common Stock have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered in certificate or book entry form to the Grantee or any person claiming under or through the Grantee.

**7. Continuous Employment.** For purposes of this Agreement, the continuous employment of the Grantee with the Company and its Subsidiaries shall not be deemed to have been interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company and its Subsidiaries, by reason of the transfer of his employment among the Company and its Subsidiaries.

**8. No Employment Contract.** Nothing contained in this Agreement shall confer upon the Grantee any right with respect to continuance of employment by the Company and its Subsidiaries, nor limit or affect in any manner the right of the Company and its Subsidiaries to terminate the employment or adjust the compensation of the Grantee.

**9. Relation to Other Benefits.** Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

**10. Taxes and Withholding.** To the extent that the Company or any Subsidiary is required to withhold any federal, state, local, foreign or other tax in connection with the Performance Shares pursuant to this Agreement, it shall be a condition to earning the award that the Grantee make arrangements satisfactory to the Company or such Subsidiary for payment of such taxes required to be withheld. The Committee may, in its sole discretion, require the Grantee to satisfy such required withholding obligation by surrendering to the Company a portion of the Shares earned by the Grantee under this Agreement, and the Shares so surrendered by the Grantee

shall be credited against any such withholding obligation at the Fair Market Value of such Shares on the date of surrender.

**11. Adjustments.** The number and kind of Shares deliverable pursuant to the Performance Shares are subject to adjustment as provided in Section 13 of the Plan.

**12. Compliance with Law.** The Company shall make reasonable efforts to comply with all applicable federal and state securities laws and listing requirements with respect to the Performance Shares; provided, however, notwithstanding any other provision of this Agreement, the Company shall not be obligated to deliver any Shares pursuant to this Agreement if the delivery of this Agreement would result in a violation of any such law or listing requirement.

**13. Amendments.** Subject to the terms of the Plan, the Committee may modify this Agreement upon written notice to the Grantee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable to this Agreement. Notwithstanding the foregoing, no amendment of the Plan or this Agreement shall adversely affect the rights of the Grantee under this Agreement without the Grantee's consent unless the Committee determines, in good faith, that such amendment is required for the Agreement to either be exempt from the application of, or comply with, the requirements of Section 409A of the Code, or as otherwise may be provided in the Plan.

**14. Compliance with Section 409A of the Code.** It is intended that this Agreement shall either be exempt from the application of, or comply with, the requirements of Section 409A of the Code. This Agreement shall be construed, administered, and governed in a manner that effects such intent, and the Committee shall not take any action that would be inconsistent with such intent. Without limiting the foregoing, the Performance Shares shall not be deferred, accelerated, extended, paid out, settled, adjusted, substituted, exchanged or modified in a manner that would cause the award to fail to satisfy the conditions of an applicable exception from the requirements of Section 409A of the Code or otherwise would subject the Grantee to the additional tax imposed under Section 409A of the Code. The amounts payable pursuant to this Agreement are intended to be separate payments that qualify for the "short-term deferral" exception to Section 409A of the Code to the maximum extent possible.

**15. Severability.** In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions of this Agreement, and the remaining provisions of this Agreement shall continue to be valid and fully enforceable.

**16. Relation to Plan.** This Agreement is subject to the terms and conditions of the Plan. This Agreement and the Plan contain the entire agreement and understanding of the parties with respect to the subject matter contained in this Agreement, and supersede all prior written or oral communications, representations and negotiations with respect to this Agreement. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. Capitalized terms used of this Agreement without definition shall have the meanings assigned to them in the Plan. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise of this Agreement, have the right to determine any questions which arise in connection with the grant of the Performance Shares.

**17. Successors and Assigns.** Without limiting Section 5, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

**18. Governing Law.** The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflict of laws of this Agreement.

**19. Electronic Delivery.** The Grantee consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other award made or offered under the Plan. The Grantee understands that, unless earlier revoked by the Grantee by giving written notice to the Chief Financial Officer of the Company, this consent shall be effective for the duration of the Agreement. The Grantee also understands that he or she shall have the right at any time to request that the Company deliver written copies of any and all materials referred to above at no charge. The Grantee consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature. The Grantee consents and agrees that any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.

**20. Clawback.** In the event the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under federal securities laws, the Board of Directors shall require reimbursement to the Company of any Performance Shares made to Grantee where: (i) the payment was predicated upon achieving certain financial results that were subsequently the subject of a substantial restatement of Company financial statements filed with the SEC; (ii) the members of the Board of Directors who are considered “independent” for purposes of the listing standards of Nasdaq determine Grantee engaged in intentional misconduct that caused or substantially caused the need for the accounting restatement; and (iii) a lower payment would have been made to Grantee based upon the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover from Grantee the amount by which any Performance Shares paid to such officer for the relevant period exceeded the lower payment that would have been made based on the restated financial results.



The Company has caused this Agreement to be executed on its behalf by its duly authorized officer and the Grantee has also executed this Agreement, as of the Grant Date.

ATRICURE, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

The undersigned acknowledges that a copy of the Plan, Plan Summary and Prospectus, and the Company's most recent Annual Report and Proxy Statement (the "Prospectus Information") are available for viewing on the Company's intranet site at [www.atricure.com](http://www.atricure.com). The Grantee consents to receiving this Prospectus Information electronically, or, in the alternative, agrees to contact the Company's Chief Financial Officer at (513) 755-4100 to request a paper copy of the Prospectus Information at no charge. The Grantee represents that he or she is familiar with the terms and provisions of the Prospectus Information and accepts the award of Performance Shares on the terms and conditions set forth of this Agreement and in the Plan.

\_\_\_\_\_  
Grantee

Date: \_\_\_\_\_

**ALTERNATIVE FOR ELECTRONIC SIGNATURE**

You may accept the award online or by telephone in accordance with the procedures established by the Company and the Plan administrator. By accepting your award in accordance with these procedures, you acknowledge that a copy of the Plan, Plan Summary and Prospectus, and the Company's most recent Annual Report and Proxy Statement (the "Prospectus Information") either have been received by you or are available for viewing on the Company's intranet site at [www.atricure.com](http://www.atricure.com), and consent to receiving this Prospectus Information electronically, or, in the alternative, agree to contact the Company's Chief Financial Officer at (513) 755-4100 to request a paper copy of the Prospectus Information at no charge. You also represent that you are familiar with the terms and provisions of the Prospectus Information and accept the award on the terms and conditions set forth of this Agreement and in the Plan. These terms and conditions constitute a legal contract that will bind both you and the Company as soon as you accept the award as described above.

**EXHIBIT A**

**PERFORMANCE GOALS AND PERFORMANCE PERIOD**

**Performance Period: Three-Year Period, Ending on December 31,**

Performance Goal: Revenue CAGR  
Threshold: 8%  
Target: 10%  
Maximum: 16%

If, for the Performance Period, the Company achieves the Threshold Performance Goal set forth above, Grantee shall be entitled to \_\_\_\_\_Performance Shares (50% of the Target Value of Performance Shares).

If, for the Performance Period, the Company achieves the Target Performance Goal set forth above, Grantee shall be entitled to \_\_\_\_\_Performance Shares (100% of the Target Value of Performance Shares).

If, for the Performance Period, the Company achieves the Maximum Performance Goal set forth above, Grantee shall be entitled to \_\_\_\_\_Performance Shares (200% of the Target Value of Performance Shares).

If, for the Performance Period, the Grantee fails to achieve the Threshold Performance Goal set forth above, then Grantee's right to earn Performance Shares for the Performance Period shall be forfeited automatically without further action or notice.

To the extent the actual level of attainment of the Performance Goal is at a point between the Threshold Performance Goal and Target Performance Goal or between Target Performance Goal and Maximum Performance Goal, the maximum number of Performance Shares in which the Grantee can vest shall be determined based on a straight-line interpolation.

The maximum number of Performance Shares in which the Grantee can vest on the basis of the actual level of Performance Goal attainment shall in no event exceed in the aggregate 200% of the number of Performance Shares set forth above.