

ACI WORLDWIDE, INC.
Form 8-K
December 14, 2011

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): December 14, 2011 (December 8, 2011)

ACI WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

0-25346
(Commission

File Number)

47-0772104
(IRS Employer

Identification No.)

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120 Broadway, Suite 3350

New York, New York 10271

(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (646) 348-6700

(Former Name or Former Address, if Changed Since Last Report) N/A

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))

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

(e) Grant of Performance Shares. Consistent with past practice, on December 8, 2011, the Compensation and Leadership Development Committee (the Compensation Committee) of the Board of Directors of ACI Worldwide, Inc. (the Company) granted awards of performance shares (Performance Shares) as part of the Company's 2012 long-term incentive program (2012 LTIP) to each of the following executive officers using the Company's form of LTIP Performance Shares Agreement attached as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 16, 2009 (the Performance Shares Agreement):

Name	Number of Targeted Performance Shares (assumes 100% attainment of performance goals)
Philip G. Heasley, President and Chief Executive Officer	42,974
Dennis P. Byrnes, Executive Vice President, General Counsel and Chief Administrative Officer	16,040
Scott W. Behrens, Executive Vice President, Chief Financial Officer and Chief Accounting Officer	16,040
Craig A. Maki, Senior Vice President, Treasurer and Chief Corporate Development Officer	9,207
David N. Morem, Executive Vice President, Global Business Operations	16,040
Charles H. Linberg, Vice President and Chief Technology Officer	2,901

Performance Shares under the 2012 LTIP are earned based upon the achievement, over a three-year period (the Performance Period), of performance goals relating to the following: (1) revenue growth as measured by compound annual growth rate over the Performance Period in the Company's consolidated sales (Sales CAGR) and (2) contribution margin as measured by the cumulative consolidated operating income over the Performance Period (Cumulative Operating Income).

The grantees will earn the awards only if both the Sales CAGR and Cumulative Operating Income performance goals exceed threshold performance levels. If the Company achieves the threshold performance level for both Sales CAGR and Cumulative Operating Income, then grantees will earn performance shares based on a performance matrix that provides 50% of the awarded performance shares are earned for threshold performance, 100% of the awarded performance shares are earned for target performance and 200% of performance shares are earned for performance at or above the maximum level and other specified earning percentages based on the actual performance of the Company against the performance goals. If the performance of the Sales CAGR and Cumulative Operating Income performance goals fall between the specified percentage ranges set forth in the performance matrix, the Compensation Committee will determine the award percentage earned by mathematical interpolation and rounded to the nearest whole share. The Performance Shares Agreement provides for pro forma adjustment if the Company completes its proposed acquisition of S1 Corporation.

The 2012 LTIP awards also included a grant of stock options to named executive officers which stock options were granted pursuant to the Company's 2005 Equity and Performance Incentive Plan, as amended.

Item 8.01. Other Events.

On December 8, 2011, the Compensation Committee approved the 2012 Executive Management Incentive Compensation plan (the 2012 Executive MIC) for the Company's executive officers, including the Company's named executive officers (collectively, the Executives). The 2012 Executive MIC, including the 2012 short-term incentive goals (the 2012 Executive MIC Goals), was established pursuant to and in accordance with the Executive Management Incentive Compensation Plan adopted by the Company's stockholders at the Company's 2008 annual stockholders' meeting.

The objective of the 2012 Executive MIC is to incent Executives to achieve or exceed the Company's financial and performance goals for the Company's fiscal year commencing January 1, 2012 (the MIC Performance Period). MIC bonus amounts are determined based upon the achievement of two categories of performance metrics: (1) Funding Metrics and (2) Business Unit Performance Metrics. A MIC bonus may be more or less than 100% (up to a maximum of 200%) of its target level depending upon the percentage attainment of the performance metrics in the Executive's plan. Performance attainment less than the threshold level indicated yields zero payout for that metric.

The Funding Metrics consist of the three consolidated Company financial metrics set forth in the table below. The total funded incentive pool available for payout to Executives will be calculated based upon the achievement of these three metrics.

Company			
Performance	Metric		
Metric	Weighting	Attainment Percentage	Payout Percentage
Operating Income	75%	90%	40%
		100%	100%
		118%	200%
Sales	15%	90%	40%
		100%	100%
		114%	200%
60 Month Backlog	10%	98%	40%
		100%	100%
		103%	200%

Certain Executives have MIC plans comprised solely of the Funding Metrics above. Other Executives have MIC plans that also include one or more Business Unit Performance Metrics.

Distribution of the funded incentive pool to Executives depends upon each Executive's performance against his or her individual MIC plan metrics. In no event will the aggregate MIC bonuses paid to all plan participants exceed the amount of the funded incentive pool. The Funding Metrics will be adjusted if the Company completes its proposed acquisition of S1 Corporation.

In order to be entitled to any payment under the 2012 Executive MIC, the Executive must be an employee of the Company on the date of payment, except to the extent otherwise provided by the Company. If the Executive's employment with the Company is terminated for any reason prior to the payment date, the Executive will not be eligible for a MIC bonus for the MIC Performance Period, and the Executive will forfeit all rights to such payment except to the extent otherwise provided by the Company.

The Company reserves the right at any time during the MIC Performance Period to: (1) amend or terminate the 2012 Executive MIC in whole or in part, (2) revoke any eligible Executive's right to participate in the 2012 Executive MIC and (3) make adjustments to targets and payouts subject to the terms of the Executive MIC Plan.

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: December 14, 2011

ACI WORLDWIDE, INC.

By: /s/ Dennis P. Byrnes

Name: Dennis P. Byrnes

Title: Executive Vice President, General Counsel

and Chief Administrative Officer