

COGNIZANT TECHNOLOGY SOLUTIONS CORP

Form 8-K

December 03, 2009

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 1, 2009

Cognizant Technology Solutions Corporation

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction

of Incorporation)

0-24429
(Commission

File Number)

13-3728359
(IRS Employer

Identification No.)

Glenpointe Centre West

500 Frank W. Burr Blvd.

Teaneck, New Jersey
(Address of Principal Executive Offices)

(201) 801-0233

07666
(Zip Code)

(Registrant's telephone number, including area code)

Not applicable

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

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ 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) Compensatory Arrangements of Certain Officers.**Awards of Restricted Stock Unit Grants to Certain Named Executives

On December 1, 2009, the Compensation Committee (Compensation Committee) of the Board of Directors of Cognizant Technology Solutions Corporation, a Delaware corporation (the Company), after thorough evaluation, granted the following awards of restricted stock units (Stock Units) to certain named executive officers of the Company set forth below.

Name	Number of Stock Units
Francisco D. Souza, President and Chief Executive Officer	50,000
Gordon J. Coburn, Chief Financial and Operating Officer and Treasurer	28,000
Rajeev Mehta, Chief Operating Officer, Global Client Services	25,000
Ramakrishnan Chandrasekaran, President and Managing Director, Global Delivery	20,000

The Stock Units vest in quarterly installments over three years so that the Stock Units shall be fully vested on the twelfth quarterly vesting date, which quarterly vesting date will occur on December 1, 2012; provided that the grantee remains in the Company's service through each applicable vesting date. The Compensation Committee approved the grant and issuance of the Stock Units pursuant to the terms and conditions of the Company's 2009 Incentive Compensation Plan (the Plan).

Awards of Performance Unit Grants to Certain Named Executives

On December 1, 2009, the Compensation Committee of the Company, after thorough evaluation, granted the following awards of performance units (Performance Units) to certain named executive officers of the Company set forth below. The Performance Units vest upon the achievement of certain performance milestones as set forth below.

Name	Number of Performance Units
Francisco D. Souza, President and Chief Executive Officer	50,000
Gordon J. Coburn, Chief Financial and Operating Officer and Treasurer	28,000
Rajeev Mehta, Chief Operating Officer, Global Client Services	25,000
Ramakrishnan Chandrasekaran, President and Managing Director, Global Delivery	20,000

The above Performance Units shall be subject to attainment of certain performance milestones as well as certain continued service requirements. All or a portion of the Performance Units shall vest based upon the level of achievement of the revenue milestone set forth below (the Performance Milestone) as follows:

- (a) 0% of the Performance Units which are awarded shall vest upon the Company's achievement of 2010 revenue of less than \$3,663,000,000.
- (b) 50% of the Performance Units which are awarded shall vest upon the Company's achievement of 2010 revenue of \$3,663,000,000.
- (c) 100% of the Performance Units which are awarded shall vest upon the Company's achievement of 2010 revenue of \$3,826,000,000.
- (d) 150% of the Performance Units which are awarded shall vest upon the Company's achievement of 2010 revenue of \$3,989,000,000.
- (e) 180% of the Performance Units which are awarded shall vest upon the Company's achievement of 2010 revenue of \$4,070,000,000.

Whether and to what extent the Performance Milestone has been achieved shall be determined by the Compensation Committee in its sole and absolute discretion based upon the audited financials for the 2010 fiscal year. The number of Performance Units that will vest for performance between the applicable threshold targets will be determined using straight-line interpolation, rounded down to the preceding whole number (e.g., 101.74 rounded down to 101).

In addition, of the Performance Units which vest based upon attainment of the Performance Milestone, $\frac{1}{3}$ rd of such Performance Units shall be issued on the eighteen-month anniversary of the date of grant; provided that the grantee remains in the Company's service through such anniversary date, and the remaining $\frac{2}{3}$ rd of the Performance Units which vest based upon attainment of the Performance Milestone shall be issued on the thirty-six month anniversary of the date of grant; provided that the grantee remains in the Company's service through such anniversary date (each such date, an Issue Date). For the avoidance of doubt, a grantee shall only be entitled to have Performance Units issued to him if the applicable Performance Milestone is achieved based on the schedule set forth above and the grantee remains in the service of the Company through the applicable Issue Date. The number of Performance Units which shall vest and be issued on the Issue Date which occurs on the eighteen-month anniversary of the date of grant shall be rounded down to the preceding whole number (e.g., 101.74 rounded down to 101), and the number of Performance Units which shall vest and be issued on the Issue Date which occurs on the three-year anniversary of the date of grant shall equal the aggregate number of Performance Units that vested based upon attainment of the Performance Milestone minus the whole number of Performance Units that vested upon attainment of the Performance Milestone that were issued on the previous Issue Date. In no event shall any fractional shares be issued. The Compensation Committee approved the grant and issuance of the Performance Units pursuant to the terms and conditions of the Plan.

SIGNATURE

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.

COGNIZANT TECHNOLOGY SOLUTIONS
CORPORATION

By: /s/ STEVEN SCHWARTZ
Name: **Steven Schwartz**
Title: **Senior Vice President, General Counsel and
Secretary**

Date: December 3, 2009