

NETSUITE INC
Form 8-K
March 12, 2012

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):

March 6, 2012

NETSUITE INC.

(Exact name of registrant as specified in its charter)

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(State or other jurisdiction
of incorporation)

(Commission

(IRS Employer

File Number)
2955 Campus Drive

Identification No.)

Suite 100

San Mateo, CA 94403-2511

(Address of principal executive offices, including zip code)

(650) 627-1000

(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 filing 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.

On March 6, 2012, the Compensation Committee of the Company's Board of Directors (the Committee) approved the following salary and performance based cash incentive compensation arrangements for the Company's named executive officers for calendar year 2012:

Base Salary

The Committee approved increases in the base salaries for Zachary Nelson, Evan Goldberg, James McGeever and Ron Gill as set forth below, which will become effective on April 1, 2012. All other named executive officers' base salaries remained unchanged from 2011.

| Named Executive Officer | Position | Current Base Salary | Base Salary Effective April 1, 2012 |
|-------------------------|-------------------------------------|---------------------|-------------------------------------|
| Zachary Nelson | President & Chief Executive Officer | \$ 450,000 | \$ 485,000 |
| Evan Goldberg | Chief Technical Officer | \$ 375,000 | \$ 400,000 |
| James McGeever | Chief Operating Officer | \$ 300,000 | \$ 360,000 |
| Ron Gill | Chief Financial Officer | \$ 275,000 | \$ 305,000 |

Executive Performance Based Cash Incentive Plan for 2012

The Committee also approved performance based cash incentive targets for 2012 under the Company's Executive Performance Based Cash Incentive Plan. Such performance based cash incentive targets for Messrs. Nelson, Goldberg, McGeever and Gill are different from the targets that were in place for them in 2011. The performance based cash incentive targets remained the same as in effect for 2011 for all of our other named executive officers. The performance based cash incentive targets for Messrs. Nelson, Goldberg, McGeever and Gill for 2011 and 2012 are as follows:

| Named Executive Officer | Position | 2011 Cash Incentive Target | 2012 Cash Incentive Target |
|-------------------------|-------------------------------------|----------------------------|----------------------------|
| Zachary Nelson | President & Chief Executive Officer | \$ 450,000 | \$ 485,000 |
| Evan Goldberg | Chief Technical Officer | \$ 187,500 | \$ 200,000 |
| James McGeever | Chief Operating Officer | \$ 200,000 | \$ 240,000 |
| Ron Gill | Chief Financial Officer | \$ 150,000 | \$ 183,000 |

The payment of performance based cash incentives for 2012 is based on the achievement, on a quarterly basis, of certain targets by the Company of the financial metrics listed below, and achievement, on a quarterly and annual basis, based on a subjective determination of individual performance by the Committee:

| Named Executive Officer | Revenue | Non-GAAP Operating Income | Cash Flow | Gross Sales Amount | Subjective Determination of Individual Performance |
|-------------------------|---------|---------------------------|-----------|--------------------|--|
| | | | | | |
| Zachary Nelson | 52.5% | 11.25% | 11.25% | 0% | 25% |
| Evan Goldberg | 52.5% | 11.25% | 11.25% | 0% | 25% |
| James McGeever | 52.5% | 11.25% | 11.25% | 0% | 25% |
| Ron Gill | 52.5% | 11.25% | 11.25% | 0% | 25% |
| James Ramsey | 0% | 0% | 0% | 75% | 25% |

For each financial metric listed above, cash incentives are capped at 175% of the applicable target payout. The financial metrics consist of revenue, non-GAAP operating income, cash flow and gross sales amount. For the individual performance component, cash incentives are based on the Committee's subjective determination and are capped at 100% of the applicable target payout.

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.

NETSUITE INC.

Date: March 12, 2012

By: /s/ Ron Gill
Ron Gill

Chief Financial Officer