
**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): April 2, 2009

FARO TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation)

0-20381
(Commission File Number)

59-3157093
(IRS Employer
Identification No.)

250 Technology Park, Lake Mary, Florida 32746
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (407) 333-9911

N/A
(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.

Amendments to Employment Agreements. FARO Technologies, Inc. (the "Company") is party to amended and restated employment agreements with each of Jay Freeland, its Chief Executive Officer, and Keith S. Bair, its Chief Financial Officer and Senior Vice President, the material terms of which were described in the Company's Current Report on Form 8-K as filed with the Securities and Exchange Commission on November 14, 2008. On April 2, 2009, the Board of Directors of the Company (the "Board") approved an amendment to each of the amended and restated employment agreements to conform the definition of change in control in each agreement to the definition of change in control contained in the Company's Change in Control Severance Policy.

Copies of the amendments to the amended and restated employment agreements are filed as Exhibits 10.1 and 10.2 hereto and are incorporated herein by reference.

Amendment to 2004 Equity Incentive Plan. On April 2, 2009, the Board also approved an amendment to the Company's Amended and Restated 2004 Equity Incentive Plan (the "Plan") to remove the section providing that, upon a non-employee director's retirement from the Board following at least five years of continuous service on the Board, all unvested equity awards under the Plan held by such non-employee director would vest and, if applicable, become immediately exercisable. The other provisions of the Plan remain unchanged.

A copy of the amendment to the Plan is filed as Exhibit 10.3 hereto and is incorporated herein by reference.

Item 8.01. Other Events.

On April 6, 2009, the Company issued a press release announcing a global reduction in force, effective April 2, 2009. The reduction impacts approximately 14% of the Company's workforce and is driven by lower sales and continued general economic weakness. As a result of the reduction, the Company estimates a charge of approximately \$1.0 million related to severance costs. Of this \$1.0 million in projected severance costs, approximately \$0.5 million was previously disclosed in the press release issued by the Company on April 6, 2009. Since publication of the press release, the Company has determined that it will incur an additional charge of approximately \$0.5 million in connection with severance costs associated with its European operations. All such charges will be recorded in the first quarter of fiscal year 2009.

This current report on Form 8-K contains statements relating to our estimate of severance costs. These statements are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. While these forward-looking statements represent our judgments and future expectations concerning our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. The factors include, but are not limited to, our ability to accurately estimate costs associated with the reduction in force and our assumptions with respect to significant accounting policies. The Company is under no obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed with this Current Report on Form 8-K:

<u>Exhibit Number</u>	<u>Description</u>
10.1	Amendment to Amended and Restated Employment Agreement between Jay Freeland and FARO Technologies, Inc., dated April 2, 2008.
10.2	Amendment to Amended and Restated Employment Agreement between Keith S. Bair and FARO Technologies, Inc., dated April 2, 2008.
10.3	Amendment to the FARO Technologies, Inc. Amended and Restated 2004 Equity Incentive Plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FARO TECHNOLOGIES, INC.
(Registrant)

April 8, 2009

/s/ Jay Freeland

By: Jay Freeland
Its: Chief Executive Officer

EXHIBIT INDEX

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10.3	Amendment to the FARO Technologies, Inc. Amended and Restated 2004 Equity Incentive Plan

**AMENDMENT TO
THE FARO TECHNOLOGIES, INC.
AMENDED AND RESTATED EMPLOYMENT AGREEMENT
BETWEEN FARO TECHNOLOGIES, INC. AND JAY FREELAND**

THIS AMENDMENT (this "Amendment") to the Amended and Restated Employment Agreement between FARO Technologies, Inc. and Jay Freeland, dated as of November 7, 2008 (the "Agreement") was made and entered into this 2nd day of April, 2009.

1. The Agreement is hereby amended by deleting Section 2.6 in its entirety and replacing it with the following:

"Section 2.6 Change of Control means the occurrence of any one of the following events:

(a) individuals who, on the effective date of the Agreement, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board or other governing body or entity of the Company, its successor or survivor, provided that any individual becoming a director subsequent to the effective date of the Agreement but prior to any change of control, whose election or nomination for election was approved or recommended by a vote of a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such individual is named as a nominee for director, without written objection to such nomination), shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall be deemed to be an Incumbent Director;

(b) any Person is or becomes an owner or beneficial owner, directly or indirectly, of securities of the Company representing 40% or more of the combined voting power of the Company's then outstanding securities eligible to vote generally in the election of directors (the "Company Voting Securities"); provided, however, that the event described in this subsection (b) shall not be deemed to be a Change of Control by virtue of any of the following acquisitions: (i) by the Company or any Subsidiary, (ii) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, (iii) by any underwriter temporarily holding securities pursuant to an offering of such securities, (iv) pursuant to a Non-Qualifying Transaction (as defined in subsection (c) below), (v) pursuant to any acquisition by the Executive or any group of Persons including the Executive (or any entity controlled by the Executive or any group of Persons including the Executive), or (vi) through a transaction (other than one described in subsection (c) below) in which Company Voting Securities are acquired from the Company, if a majority of the Incumbent Directors approve a resolution providing expressly that the acquisition pursuant to this clause (vi) does not constitute a Change of Control under this subsection (b);

(c) the consummation of a merger, consolidation, statutory share exchange, reorganization, sale of all or substantially all the Company's assets or similar form of corporate transaction involving the Company or any of its Subsidiaries that requires the approval of the Company's shareholders, whether for such transaction or the issuance of securities in the transaction (a "Business Combination"), unless immediately following such Business Combination: (i) at least 50% of the total voting power of the corporation or other entity resulting from, or succeeding to the interests of the Company in, such Business Combination (or, if applicable,

the ultimate parent entity that has the power to elect a majority of the directors of such corporation or other entity) (the “Surviving Corporation”) is represented by Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (ii) no Person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation) is or becomes the owner or beneficial owner, directly or indirectly, of 40% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Surviving Corporation, and (iii) at least a majority of the members of the board of directors of the Surviving Corporation following the consummation of the Business Combination were Incumbent Directors at the time of the Board’s approval of the execution of the initial agreement providing for such Business Combination; any Business Combination which satisfies all of the criteria specified in (i), (ii) and (iii) above shall be deemed to be a “Non-Qualifying Transaction” and any Business Combination which does not satisfy all of the criteria specified in (i), (ii) and (iii) shall be deemed a “Qualifying Transaction”; or

(d) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change of Control shall not be deemed to occur solely because any Person acquires beneficial ownership of more than 40% of the Company Voting Securities as a result of the acquisition of Company Voting Securities by the Company or its Affiliates which reduces the number of Company Voting Securities outstanding; provided, that if after the consummation of such acquisition by the Company such Person becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such Person, a Change of Control of the Company shall then occur.

For purposes of this Change of Control definition, “corporation” shall include any limited liability company, partnership, association, business trust and similar organization, and “board of directors” shall refer to the ultimate governing body of such organization and “director” shall refer to any member of such governing body.”

2. The Agreement is hereby amended by adding the following new Section 2.14:

“Section 2.14 Subsidiary means any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then-outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors (or members of any similar governing body) or in which the Company has the right to receive 50% or more of the distribution of profits or 50% of the assets or liquidation or dissolution.”

3. Except as expressly amended hereby, the terms of the Agreement shall be and remain unchanged and the Agreement as amended hereby shall remain in full force and effect.

[Signatures on Following Page]

IN WITNESS WHEREOF, FARO Technologies, Inc. has caused this Amendment to be executed by its duly authorized representative as of the day and year first above written.

FARO TECHNOLOGIES, INC.

By: /s/ Keith S. Bair

Name: Keith S. Bair

Title: Chief Financial Officer

JAY FREELAND

/s/ Jay Freeland

**AMENDMENT TO
THE FARO TECHNOLOGIES, INC.
AMENDED AND RESTATED EMPLOYMENT AGREEMENT
BETWEEN FARO TECHNOLOGIES, INC. AND KEITH S. BAIR**

THIS AMENDMENT (this "Amendment") to the Amended and Restated Employment Agreement between FARO Technologies, Inc. and Keith S. Bair, dated as of November 7, 2008 (the "Agreement") was made and entered into this 2nd day of April, 2009.

1. The Agreement is hereby amended by deleting Section 2.6 in its entirety and replacing it with the following:

"Section 2.6 Change of Control means the occurrence of any one of the following events:

(a) individuals who, on the effective date of the Agreement, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board or other governing body or entity of the Company, its successor or survivor, provided that any individual becoming a director subsequent to the effective date of the Agreement but prior to any change of control, whose election or nomination for election was approved or recommended by a vote of a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such individual is named as a nominee for director, without written objection to such nomination), shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall be deemed to be an Incumbent Director;

(b) any Person is or becomes an owner or beneficial owner, directly or indirectly, of securities of the Company representing 40% or more of the combined voting power of the Company's then outstanding securities eligible to vote generally in the election of directors (the "Company Voting Securities"); provided, however, that the event described in this subsection (b) shall not be deemed to be a Change of Control by virtue of any of the following acquisitions: (i) by the Company or any Subsidiary, (ii) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, (iii) by any underwriter temporarily holding securities pursuant to an offering of such securities, (iv) pursuant to a Non-Qualifying Transaction (as defined in subsection (c) below), (v) pursuant to any acquisition by the Executive or any group of Persons including the Executive (or any entity controlled by the Executive or any group of Persons including the Executive), or (vi) through a transaction (other than one described in subsection (c) below) in which Company Voting Securities are acquired from the Company, if a majority of the Incumbent Directors approve a resolution providing expressly that the acquisition pursuant to this clause (vi) does not constitute a Change of Control under this subsection (b);

(c) the consummation of a merger, consolidation, statutory share exchange, reorganization, sale of all or substantially all the Company's assets or similar form of corporate transaction involving the Company or any of its Subsidiaries that requires the approval of the Company's shareholders, whether for such transaction or the issuance of securities in the transaction (a "Business Combination"), unless immediately following such Business Combination: (i) at least 50% of the total voting power of the corporation or other entity resulting from, or succeeding to the interests of the Company in, such Business Combination (or, if applicable,

the ultimate parent entity that has the power to elect a majority of the directors of such corporation or other entity) (the “Surviving Corporation”) is represented by Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (ii) no Person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation) is or becomes the owner or beneficial owner, directly or indirectly, of 40% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Surviving Corporation, and (iii) at least a majority of the members of the board of directors of the Surviving Corporation following the consummation of the Business Combination were Incumbent Directors at the time of the Board’s approval of the execution of the initial agreement providing for such Business Combination; any Business Combination which satisfies all of the criteria specified in (i), (ii) and (iii) above shall be deemed to be a “Non-Qualifying Transaction” and any Business Combination which does not satisfy all of the criteria specified in (i), (ii) and (iii) shall be deemed a “Qualifying Transaction”; or

(d) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change of Control shall not be deemed to occur solely because any Person acquires beneficial ownership of more than 40% of the Company Voting Securities as a result of the acquisition of Company Voting Securities by the Company or its Affiliates which reduces the number of Company Voting Securities outstanding; provided, that if after the consummation of such acquisition by the Company such Person becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such Person, a Change of Control of the Company shall then occur.

For purposes of this Change of Control definition, “corporation” shall include any limited liability company, partnership, association, business trust and similar organization, and “board of directors” shall refer to the ultimate governing body of such organization and “director” shall refer to any member of such governing body.”

2. The Agreement is hereby amended by adding the following new Section 2.14:

“Section 2.14 Subsidiary means any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then-outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors (or members of any similar governing body) or in which the Company has the right to receive 50% or more of the distribution of profits or 50% of the assets or liquidation or dissolution.”

3. Except as expressly amended hereby, the terms of the Agreement shall be and remain unchanged and the Agreement as amended hereby shall remain in full force and effect.

[Signatures on Following Page]

IN WITNESS WHEREOF, FARO Technologies, Inc. has caused this Amendment to be executed by its duly authorized representative as of the day and year first above written.

FARO TECHNOLOGIES, INC.

By: /s/ Jay Freeland

Name: Jay Freeland

Title: President and CEO

KEITH S. BAIR

/s/ Keith S. Bair

**AMENDMENT TO
THE FARO TECHNOLOGIES, INC.
AMENDED AND RESTATED 2004 EQUITY INCENTIVE PLAN**

THIS AMENDMENT (this "Amendment") to the Amended and Restated 2004 Equity Incentive Plan (the "Plan") is made and entered into this 2nd day of April, 2009, by FARO Technologies, Inc.

1. The Plan is hereby amended by deleting Section 6(f)(ii) in its entirety.

2. Except as expressly amended hereby, the terms of the Plan shall be and remain unchanged and the Plan as amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF, FARO Technologies, Inc. has caused this Amendment to be executed by its duly authorized representative as of the day and year first above written.

FARO TECHNOLOGIES, INC.

By: /s/ Jay Freeland

Name: Jay Freeland

Title: President and CEO