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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): January 9, 2019**

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**FARO TECHNOLOGIES, INC.**  
(Exact name of registrant as specified in its charter)

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

**0-23081**  
(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)

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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.

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

On January 9, 2019, FARO Technologies, Inc. (the “Company”) entered into a letter agreement (the “Letter Agreement”) with Dr. Simon Raab, setting forth the terms of Dr. Raab’s retirement as the Company’s President and Chief Executive Officer and as a member of the Company’s Board of Directors. Dr. Raab will continue as the Company’s President and Chief Executive Officer and will remain on the Board of Directors until his successor is appointed. The Letter Agreement provides for the following compensation arrangements with Dr. Raab as an incentive to retain his services through the transition period:

- *Base salary* - Dr. Raab’s base salary of \$775,000 will continue until his retirement date.
- *Short-term incentive plan* - Dr. Raab will be eligible to participate in the Company’s short-term incentive plan for 2019 with a target payout of 100% of his base salary conditioned upon the Company’s achievement of the 2019 financial targets approved by the Company’s Compensation Committee. In the event Dr. Raab’s retirement occurs prior to the end of 2019, he will be eligible to receive this incentive without pro ration. The payout to Dr. Raab under the Company’s short-term incentive plan could range from 0% to 200% of his base salary depending upon the Company’s achievement of its 2019 financial targets.
- *Long-term incentives* - In lieu of an annual grant of stock options and in consideration for Dr. Raab’s commitment to provide transition assistance to his successor for a period of six months following his retirement date, on January 9, 2019, Dr. Raab received a grant of 24,606 restricted stock units, which will vest six months following his retirement date. In addition, all of Dr. Raab’s outstanding unvested stock options will fully vest as of his retirement date, and he will be permitted to exercise such options over the full term of each option grant.

The foregoing summary of the Letter Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Letter Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report and is incorporated herein by reference.

On January 10, 2019, the Company issued a press release announcing Dr. Raab’s plan to retire as the Company’s President and Chief Executive Officer and as a member of the Board of Directors and announcing that the Company’s Board of Directors has commenced a search process to identify his successor. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

EXHIBIT INDEX

<b>Exhibit</b>	
<b>Number</b>	<b>Description</b>
10.1	<a href="#"><u>Letter agreement between FARO Technologies, Inc. and Dr. Simon Raab dated January 9, 2019</u></a>
99.1	<a href="#"><u>Press release dated January 10, 2019</u></a>

**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.

/s/ Jody S. Gale

By: Jody S. Gale

Its: Senior Vice President, General Counsel & Secretary

January 10, 2019



**FARO Technologies**  
250 Technology Park, Lake Mary, FL 32746  
Tel: +1.407.333.9911 | Toll Free: 800.736.0234 Nasdaq: FARO  
Fax: +1.407.333.4181 [www.FARO.com](http://www.FARO.com)

Strictly Private and Confidential

January 9, 2019

Dr. Simon Raab  
Chairman and Chief Executive Officer  
Faro Technologies Inc.  
250 Technology Park  
Lake Mary, FL 32746

Dear Simon,

This letter agreement confirms our discussions in connection with succession planning and your compensation related to your continuing employment at FARO Technologies, Inc. ("FARO") and your pending retirement as President and CEO and a member of the Board of Directors of FARO.

You are aware that the Board of Directors has succession initiatives underway to identify and qualify candidates for the position of chief executive officer in anticipation of your retirement.

While the date of your retirement ("Retirement Date") has not yet been determined, the Compensation Committee has approved the following compensation for you as a continuing incentive to achieve planned performance results and to retain your services through the chief executive officer transition period:

Your current base salary of \$775,000 shall continue until the Retirement Date.

For 2019, you will be eligible to participate in Faro's short-term incentive plan ("STIP"). Under the STIP, you will be eligible to receive incentive compensation in the form of a cash award of 100% of your base salary upon Faro's achievement of the board-approved 2019 financial targets. Should you retire before the end of 2019 you will be eligible to receive this incentive without proration that could range from zero to 200% of your base salary depending upon Faro's achievement of the 2019 financial targets. This incentive shall be payable following board approval which is expected to occur by no later than April 30, 2020.

In lieu of your annual long-term incentive award in 2019 which is granted in the spring each year, you will be provided

with a long-term incentive and retention award in the form of 24,606 restricted stock units in accordance with FARO's 2014 Incentive Plan. These restricted stock units shall fully vest six months following the Retirement Date. In return for this award, you agree to be available at reasonable times to provide advice and counsel to your successor through the six-month period following the Retirement Date.

Finally, all outstanding unvested stock options that have been previously awarded to you under the 2014 Incentive Plan shall fully vest as at the Retirement Date and shall be eligible to exercise over the full term of each option grant in accordance with the 2014 Incentive Plan.

You agree that the compensation arrangements as set out above are in lieu of, and you hereby waive the right to receive, any other severance payments or benefits to which you would otherwise be eligible to receive upon a termination of employment now or in the future.

We trust what is set above accurately reflects our arrangements with you. If so, would you kindly sign and return a copy of this letter to me at your convenience.

We are grateful for your exceptional contribution to Faro and look forward to continuing success in 2019.

Sincerely,

/s/ John Caldwell

By: John Caldwell, Chairman of Faro Compensation Committee

AGREED AND ACCEPTED

this 9<sup>th</sup> day of January, 2019

/s/ Simon Raab

By: Dr. Simon Raab



**PRESS RELEASE**  
For Immediate Release

## **FARO® Announces Planned Succession of Founder and CEO, Dr. Simon Raab, Following 36 Years of Service**

**Lake Mary, FL**, January 10, 2019 - FARO® (NASDAQ: FARO), the world's most trusted source for 3D measurement and imaging solutions for 3D manufacturing, construction BIM, 3D design, public safety forensics and photonics applications, today announced that Dr. Simon Raab plans to retire as President and Chief Executive Officer and as a member of the Board of Directors. Dr. Raab will remain in his current role as President and CEO and as a member of the Board of Directors until a successor is appointed. Dr. Raab has served as FARO's President and CEO since December 2015 and previously served as its Chief Executive Officer from its inception in 1982 until January 2006 and has been the Company's Chairman since its inception.

"We are profoundly grateful to Simon for his unrelenting dedication and passion to building FARO into the technology leader in 3D measurement and imaging solutions," stated John Donofrio, the Company's Lead Director. "The Company's Board of Directors has initiated a comprehensive search to identify a new President and Chief Executive Officer. On behalf of FARO and its shareholders, we wish to thank Simon for his decades of service, dedication and commitment to disruptive innovation he has provided to the Company. Over the past three years, under Simon's leadership, the Company has successfully executed a complete reorganization that aligned FARO's business by global vertical market segment, modernized the efficiency of our sales processes and other functional areas, accelerated and streamlined R&D to attain a sustained drumbeat of new and enhanced product introductions, increased acquisition activity to further build out our product portfolio and technological capabilities, and invested in expanding our renowned global direct sales force. Those initiatives resulted in sustained double-digit sales growth performance and improved gross margin performance."

“FARO has been my lifetime’s work and today is a global leader in 3D measurement,” stated Dr. Raab. “During the last three years I have made every effort to re-invigorate every part of FARO’s technical and operational structure, including the institutionalizing of entrepreneurial behavior. I am deeply honored to have served our shareholders, employees and thousands of customers in this grand effort and I will continue to enthusiastically lead to ensure a successful transition to a new generation of leadership.”

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## About FARO

FARO is the world’s most trusted source for 3D measurement, imaging and realization technology. The Company develops and markets computer-aided measurement and imaging devices and software for the following vertical markets:

- 3D Factory - High-precision 3D measurement, imaging and comparison of parts and complex structures within production and quality assurance processes
- Construction BIM - 3D capture of as-built construction projects and factories to document complex structures and perform quality control, planning and preservation
- Public Safety Forensics - Capture and analysis of on-site real-world data to investigate crash, crime and fire, plan security activities and provide virtual reality training for public safety personnel
- 3D Design - Capture and edit part geometries or environments for design purposes in product development, computer graphics and dental and medical applications
- Photonics - Develop and market galvanometer-based laser measurement products and solutions

FARO’s global headquarters is located in Lake Mary, Florida. The Company’s European regional headquarters is located in Stuttgart, Germany and its Asia-Pacific regional headquarters is located in Singapore. FARO has other offices in the United States, Canada, Mexico, Brazil, Germany, the United Kingdom, France, Spain, Italy, Poland, Turkey, the Netherlands, Switzerland, India, China, Malaysia, Thailand, South Korea, Japan, and Australia.

*This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties, such as statements about demand for and customer acceptance of FARO’s products, and FARO’s product development and product launches. Statements that are not historical facts or that describe the Company’s plans, objectives, projections, expectations, assumptions, strategies, or goals are forward-looking statements. In addition, words such as “is,” “will” and similar expressions or discussions of FARO’s plans or other intentions identify forward-looking statements. Forward-looking statements are not guarantees of future performance and are subject to various known and unknown risks, uncertainties, and other factors that may cause actual results, performances, or achievements to differ materially from future results, performances, or achievements expressed or implied by such forward-looking statements. Consequently, undue reliance should not be placed on these forward-looking statements.*

*Factors that could cause actual results to differ materially from what is expressed or forecasted in such forward-looking statements include, but are not limited to:*

- the Company's ability to successfully complete the Chief Executive Officer transition or the loss of other key personnel;*
- the development by others of new or improved products, processes or technologies that make the Company's products less competitive or obsolete;*
- the Company's inability to maintain its technological advantage by developing new products and enhancing its existing products;*
- declines or other adverse changes, or lack of improvement, in industries that the Company serves or the domestic and international economies in the regions of the world where the Company operates and other general economic, business, and financial conditions; and*
- other risks detailed in Part I, Item 1A. Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and in Part II, Item 1A. Risk Factors in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018.*

*Forward-looking statements in this release represent the Company's judgment as of the date of this release. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise, unless otherwise required by law.*

More information is available at <http://www.faro.com>