
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): February 2, 2018

Mercury Systems, Inc.

(Exact Name of Registrant as Specified in Charter)

Massachusetts
(State or Other Jurisdiction
of Incorporation)

000-23599
(Commission File Number)

04-2741391
(IRS Employer
Identification No.)

50 Minuteman Road, Andover, Massachusetts
(Address of Principal Executive Offices)

1810
(Zip Code)

Registrant's telephone number, including area code: (978) 256-1300

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 (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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

The Board of Directors of Mercury Systems, Inc. (“Mercury” or the “Company”) has appointed Michael D. Ruppert as the Company’s Executive Vice President, Chief Financial Officer and Treasurer effective February 5, 2018. Mr. Ruppert has also been designated by the Board as the Company’s Principal Accounting Officer. Mr. Ruppert replaces Gerald M. Haines II who has left the Company on February 2, 2018.

Mr. Ruppert, age 44, joined the Company in 2014 as its Senior Vice President, Strategy and Corporate Development and in 2017 was named Executive Vice President, Strategy and Corporate Development. In that role he was responsible for the Company’s corporate development activities, including strategy, planning and mergers and acquisitions. Prior to joining the Company, from 2013 to 2014, Mr. Ruppert was Co-Founder and Managing Partner of RS Partners, LLC, a boutique advisory firm focused on the aerospace & defense industries. Previously, he was a Managing Director at UBS Investment Bank where he led the defense investment banking practice from 2011 to 2013. Mr. Ruppert also held positions in the investment banking divisions at Lazard Freres & Co from 2008 to 2011 and at Lehman Brothers from 2000 to 2008.

The Company and Mr. Ruppert are parties to a letter agreement, as amended to date (the “Letter Agreement”), a copy of which is attached as exhibit 10.1 and is incorporated herein by reference. Pursuant to the Letter Agreement, Mr. Ruppert is entitled to receive an annual base salary of \$355,400 and is eligible to earn an annual target bonus equal to 90% of base salary based upon the achievement of the Company’s financial goals. Mr. Ruppert is also eligible for an over-achievement award under the Company’s annual executive bonus plan for fiscal 2018, and to participate in specified benefits available to the Company’s executives.

Pursuant to the Letter Agreement, if during his employment he should lose his job as a result of job elimination for any reason other than “cause,” or if he terminates his employment for “good reason,” he is entitled to 12 months base salary, benefits continuation and executive outplacement. In addition, to facilitate Mr. Ruppert’s relocation to work out of the Company’s corporate headquarters in Andover, MA, he is eligible to receive reimbursement of reasonable relocation expenses as outlined in, and in accordance with, the terms in his Letter Agreement.

Mr. Ruppert also has a change in control severance agreement with the Company similar to that for other non-CEO executives of the Company, a copy of which is attached as exhibit 10.2 and is incorporated herein by reference. Mr. Ruppert is entitled to change in control severance benefits if, within 18 months after a change in control of the Company (or during a potential change in control period provided that a change in control takes place with 18 months thereafter), Mr. Ruppert’s employment is terminated (1) by the Company other than for “cause” or disability or (2) by Mr. Ruppert for “good reason.” Severance benefits under the change in control severance agreement include the following, in addition to the payment of any earned or accrued compensation for services previously rendered:

1. A lump sum cash payment equal to one and one-half times (1.5x) Mr. Ruppert’s then current annualized base salary and bonus target under the Company’s annual executive bonus plan (excluding over-achievement awards);
2. Payment of the cost of providing Mr. Ruppert with health and dental insurance up to 18 months following such termination on the same basis as though he had remained an active employee;
3. Payment of the cost of providing Mr. Ruppert with outplacement services up to a maximum of \$45,000; and
4. Immediate acceleration of the vesting of all Mr. Ruppert’s then outstanding stock options and other stock-based awards upon his termination, and all such awards become exercisable and non-forfeitable.

Payment of the above-described change in control severance benefits is subject to Mr. Ruppert releasing all claims against Mercury other than claims that arise from the Company’s obligations under the change in control severance agreement.

The change in control severance agreement continues in effect through June 30, 2018, subject to automatic one-year extensions thereafter unless notice is given of the Company's or Mr. Ruppert's intention not to extend the term of the agreement, provided that the agreement will continue in effect for not less than 18 months following a change in control that occurs during the term of the agreement.

In connection with his new responsibilities, Mr. Ruppert received a one-time restricted stock award with an aggregate value of \$900,000 in the form of shares of the Company's common stock under the Company's 2005 Stock Incentive Plan. The number of shares covered by such award will be determined by dividing \$900,000 by the average closing price of the Company's common stock during the 30 calendar days prior to February 15, 2018, the grant date. Such award shall vest as follows: (i) one half to use time-based vesting in equal installments on each of the first three anniversaries of the grant date; and (ii) one half to use performance-based vesting, with an applicable portion of the performance-based shares vesting or forfeiting on the third anniversary of the grant date based on the achievement of specified performance criteria similar to that in the most recent annual grant for the Company's senior executives.

Item 7.01 Regulation FD Disclosure.

On February 5, 2018, the Company issued a press release announcing that Michael D. Ruppert had been appointed to the position of Executive Vice President, Chief Financial Officer and Treasurer and that the Company was confirming its recent guidance. The press release is furnished as Exhibit 99.1 hereto. The information provided in Item 7.01 of this Current Report on Form 8-K and the attached Exhibit 99.1 shall not be deemed 'filed' for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise be subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Letter Agreement, dated August 7, 2014, as amended to date, between Michael D. Ruppert and the Company
10.2	Form of Change in Control Severance Agreement between the Company and Non-CEO Executives (incorporated herein by reference to Exhibit 10.9.2 of the Company's annual report on Form 10-K for the fiscal year ended June 30, 2011)
99.1	Press Release, dated February 5, 2018, of Mercury Systems, Inc.

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 thereunto duly authorized.

Dated: February 6, 2018

MERCURY SYSTEMS, INC.

By: /s/ Christopher C. Cambria
Christopher C. Cambria
Executive Vice President, General Counsel,
and Secretary

EXHIBIT INDEX

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99.1	<u>Press Release, dated February 5, 2018, of Mercury Systems, Inc.</u>

August 7, 2014
REVISED

Michael Ruppert
4411 33rd Street N
Arlington, VA 22207

Dear Michael,

On behalf of Mercury Systems, Inc., we are pleased to offer you the position of Senior Vice President , Strategy and Corporate Development, reporting to Mark Aslett, President and CEO. You will receive a bi-weekly salary of \$12,280.77, which is \$319,300.02 annually. Based upon our current Annual Executive Bonus Plan, you will also be eligible to earn an annual target bonus equal to 60% of your base pay (\$191,580), based on the achievement of individual objectives (20% weighting) and Mercury Systems financial goals (80% weighting). FY15's Financial piece of the bonus is paid in two halves dependent on H1 and H2 financial results, generally paid out in February (H1) and August (H2) and is pro-rated for FY15 based on date of hire. Your individual objectives are paid annually, generally in the August time frame.

In addition to your target bonus, you will be eligible to participate with other senior executives in an FY2015 Overachievement Award pool (commencing on July 1, 2014). Your target Over Achievement award is up to 60% of your base salary. This is currently based upon Mercury Systems over achieving a budgeted financial target set by the Compensation Committee. This will be paid annually — 50% in cash generally in August and 50% to be paid out over a three year period of time.

You will also be able to receive a one-time hiring bonus of \$75,000.00. This hiring bonus will be payable on the first payroll cycle after your start date. If you are to voluntarily terminate employment within 12 months of receiving the hiring bonus, you will be required to pay it back.

In addition, you will be granted 85,000 shares of restricted stock which will be awarded as 50% Performance based shares and 50% will be Time Based shares. The shares will be granted on the 15th of the month following your date of hire. This stock grant will have a three year vesting schedule, with the Time Based shares vesting a third each year and the Performance Based shares vesting as performance milestones are achieved. Your restricted stock award will also be subject to the terms and conditions of Mercury's 2005 Stock Incentive Plan and an award agreement between you and us.

Contingent upon your acceptance of this offer, you will be eligible for a Change in Control Agreement that upon your and the companies signature will be in effect while you are employed with Mercury and subject to renewal as described in the current change in control document.

If during your employment following your date of hire you should lose your job as a result of job elimination for any reason other than Cause, or if you terminate your employment for Good Reason on your part, you will receive 12 months base pay, benefits continuation and executive outplacement.

"Cause" is defined to include: the willful and continued failure to perform substantially the duties and responsibilities of your position with Mercury after written demand or conviction by a court of competent jurisdiction for felony criminal conduct or a plea of nob contendere to a felony; or the willful engaging in fraud, dishonesty or other misconduct which is demonstrably and materially injurious to Mercury or our reputation, monetarily or otherwise. No act, or failure to act, on your part will be deemed "willful" unless committed or omitted by you in bad faith and without reasonable belief that your act or failure to act was in, or not opposed to, the best interest of Mercury.

"Good Reason" is defined to include: a material diminution in your responsibilities, authority or duties as in effect on the date of the acceptance or a material diminution in your annual base salary, except for across-the-board salary reductions based on our financial performance similarly affecting all or substantially all senior management

employees of Mercury; or a material change in the geographic location at which you provide services to Mercury.

In addition to your salary, Mercury offers a comprehensive benefits package, which includes health, dental, short and long-term disability, life insurance, educational reimbursement, and a 401K plan. Our current policy provides for senior executives to receive an annual reimbursement of up to \$2,000 for financial planning /tax preparation

This offer is contingent upon your signing and returning to us this offer letter and the enclosed Mercury Confidentiality Agreement prior to your start date, and upon you providing references and a background check each satisfactory to Mercury. This entire offer is also contingent upon the approval of the Compensation Committee of Mercury's Board of Directors. If you have any questions or concerns relating to this document, they must be resolved prior to your start date and prior to the approval of the Compensation Committee.

Mercury is required to formally confirm the citizenship status of all new employees. On your first day, you will be required to provide proof of US citizenship (either passport or birth certificate) or your Green Card if you are a legal permanent resident of the U.S. If you are not a U.S. citizen or Green Card holder, please bring your passport and proof of U.S. employment eligibility. If your position requires access to classified information, you must be willing to be submitted for a security clearance. As a Federal contractor, Mercury is required to verify the employment eligibility of new employees using the government's electronic verification system after acceptance of this offer and within 3 days of date of hire. Successful verification is necessary to confirm work authorization and continued employment.

By signing this offer letter you acknowledge that you understand and agree to the following:

1. You are not under any contractual or other restriction that would prevent you from working for Mercury Systems, Inc.;
2. All employment with Mercury Systems, Inc. will be at will, with either party free to terminate the employment relationship any time;
3. You must comply with the Immigration Reform and Control Act of 1986. This law requires you to establish your identity and employment eligibility. In order to satisfy these requirements, you will be required to complete Section 1 of the enclosed Employment Verification Form and bring the documents identified in Section 2 on your first day of work.
4. Additionally, it is understood that for a period of 90 days from your commencement of employment with Mercury, you may from time to time provide consulting services to your former employer provided that (i) such services present no actual or perceived conflict with Mercury's business or your duties and responsibilities at Mercury, (ii) that the time you devote to your employment with Mercury shall not at any time be less than 40 hours per week; and (iii) you will receive no additional compensation from any party for said consulting services (beyond any residual compensation to which you may be entitled from your former employer when you join Mercury).

Mike, we all look forward to your joining the Mercury executive leadership team on or before October 20, 2014, or such later date as maybe mutually agreed to in writing by both parties. Together we will be able to realize our goals and accomplish great things. Please sign one copy of this offer letter and return to me in the enclosed envelope no later than August 8, 2014.

Very truly yours,

/s/ Mark Aslett
Mark Aslett
President and Chief Executive Officer
Mercury Systems, Inc.

/s/ Michael D. Ruppert _____

8/7/2014 _____

Accepted

Date

10/20/14 _____

Start Date

INTERNAL OFFER LETTER

Attn: Michael Ruppert,

Executive Vice President, Strategy and Corporate Development

Dear Mike:

On behalf of Mercury Systems, Inc., I am pleased to offer you the position of Executive Vice President, Chief Financial Officer and Treasurer, reporting to me. Your compensation and benefits will continue at the Executive Vice President level, which you are currently are at, with an annual base salary of \$355,400 and a target bonus of 90% payable semi-annually subject to achievement. Your start date in this new role will be February 5, 2018.

Subject to Board of Directors approval, you will be granted a promotion-based restricted stock award for the number of shares of common stock equal to \$900,000 divided by the average closing price of the Company's common stock during the 30 calendar days prior to the date of grant. The award will be granted on February 15th assuming prior approval by the Compensation Committee of the Board (or if approved later, the 15th day of the month following the date of such approval). The award will be split with: (i) 50% having time-based vesting in equal annual installments over three years and (ii) 50% having performance-based cliff vesting determined using a 3-year performance-period commencing on January 1, 2018. Your restricted stock award will also be subject to the terms and conditions of Mercury's 2005 Stock Incentive Plan and an award agreement between you and Mercury.

This position is based in Mercury's Andover, MA, corporate headquarters, and you will be based at and work out of that location. To facilitate your relocation to the Andover, MA area, you will be eligible to receive reimbursement of your reasonable relocation expenses as outlined in, and in accordance with, the terms outlined in the attached Relocation Agreement.

All reimbursable relocation expenses must be incurred within 365 days of the promotion date, and associated receipts must be submitted no later than 60 days following the date the relocation expense was incurred. Please see the attached Relocation Agreement regarding the circumstances under which you will be required to repay your reimbursed relocation expenses if you leave Mercury within two (2) years of your start date in your new role.

This offer letter is conditioned upon your signing and returning to us this letter and the Relocation Agreement.

As with your current employment, Mercury is an "employer at will" employer. All employment with Mercury is at will, with either Mercury or you free to terminate the employment relationship at any time, with or without cause or prior notice.

Mike, I am looking forward to working with you in this new role. Please sign one copy of this letter and the Relocation Agreement and return them both to Emma Woodthorpe.

Very truly yours,

/s/ Mark Aslett

Mark Aslett

President and Chief Executive Officer

/s/ Michael D. Ruppert

Accepted

Wednesday, January 31, 2018

Dear Mike,

Please find outlined below the terms of your relocation package, if you have any questions please contact Emma Woodthorpe.

Relocation Program	Benefit	Benefit Limit
Household Goods/Shipping/Storage	Packing, transportation, storage, and delivery of household goods. (Moving company should bill Mercury Systems directly)	Up to \$30,000
Final Move to new location	Transportation costs to move you and family to the New England area	Up to \$7,000
Return Trips	Roundtrip airfare for return trips home while in temporary housing.	Up to \$6,000
Relocation Lump Sum to be paid in the first payroll after promotion date	Covers expenses not included in the above. Examples include: license fees, deposits, child care, tips, pets, etc.	\$10,000
Temporary Housing	Reimbursement for apartment lease for up to 12 months. (Lease should be in your name and monthly rent paid by you. Mercury will reimburse you upon timely submission of receipts.)	Up to \$24,000
Real Estate Assistance/Transactions	Real Estate Assistance/Transactions. Examples include: Home Disposition Assistance, Mortgage Assistance, Closing Cost	We will cover all costs of Real Estate transactions including brokerage fees. Mercury does not guarantee the value that you will receive upon sale of your house, either compared to your purchase price or current market values. Any sale at less than your purchase price or current market value will NOT be a reimbursable expense or cost.
House hunting Trips	House hunting trips including airfare, hotel, meals and transportation for you and your immediate family.	Up to \$5,000
Spouse/Partner Career Services	Access to CareerArc system	Up to 6 Months

All receipts for reimbursement must be submitted to Accounts Payable, with a copy to Total Rewards, within 60 days of your incurring the expense. Your full relocation to the Andover, MA area must be complete within 12 months of your promotion date.

In consideration of Mercury's agreement to pay certain relocation benefit amounts on your behalf, you will be required to repay Mercury Systems all costs associated with your relocation benefits for which you have been reimbursed if you voluntarily resign from your employment with Mercury Systems prior to two (2) years following your promotion date.

Please indicate your acceptance to the reimbursement terms stated above by signing below and returning the signed form to the Human Resources department.

Mercury Systems, Inc.:

Employee:

Name:

Name:

Title:

Title:

Date:

Date:

Signature:

Signature:

FOR IMMEDIATE RELEASE

News Release

**Mercury Systems Appoints Michael D. Ruppert as Chief Financial Officer;
Confirms Fiscal 2018 Guidance**

ANDOVER, Mass. – Feb. 5, 2018 – Mercury Systems, Inc. (NASDAQ: MRCY, www.mrcy.com) today announced that Michael D. Ruppert, Mercury’s Executive Vice President, Strategy & Corporate Development, has been named Chief Financial Officer and Treasurer effective immediately. Mr. Ruppert, 44, joined Mercury in 2014 as Senior Vice President, Strategy and Corporate Development.

“We are pleased to have Mike assume the CFO role,” said Mark Aslett, Mercury’s President and Chief Executive Officer. “In this capacity, he will run the combined finance and M&A teams building tighter linkages between our corporate development, finance and accounting activities as we seek to continue our record of organic and acquisition-related growth. Mike’s experience in strategy, corporate finance, capital markets and acquisitions, coupled with his in-depth knowledge of Mercury’s businesses, including recent acquisitions, makes him especially well-suited for this position. This change did not arise from any issues involving the Company’s business practices, internal controls, financial reporting procedures or financial results, which are meeting our expectations. We remain confident in our recent guidance for Mercury’s fiscal 2018 third quarter and year,” Aslett concluded.

Mr. Ruppert succeeds Gerald D. Haines, who assumed the role of Mercury’s Chief Financial Officer and Treasurer in 2014 after having joined the company in 2010 as head of Corporate Development. “We greatly appreciate Gerry’s commitment and service to Mercury during his time with the company, and wish him the very best in his future endeavors,” said Aslett.

Mercury Systems – Innovation That Matters™

Mercury Systems (NASDAQ:MRCY) is a leading commercial provider of secure sensor and safety-critical processing subsystems. Optimized for customer and mission success, Mercury’s solutions power a wide variety of critical defense and intelligence programs. Headquartered in Andover, Mass., Mercury is pioneering a next-generation defense electronics business model specifically designed to meet the industry’s current and emerging technology needs. To learn more, visit www.mrcy.com.

Forward-Looking Safe Harbor Statement

This press release contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the acquisition described herein. You can identify these statements by the use of the words “may,” “will,” “could,” “should,” “would,” “plans,” “expects,” “anticipates,” “continue,” “estimate,” “project,” “intend,” “likely,” “forecast,” “probable,” “potential,” and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs, the timing and amounts of such funding, general economic and business conditions, including unforeseen weakness in the Company’s markets, effects of any U.S. Federal government shutdown or extended continuing resolution, effects of continued geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in completing engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in, or in the U.S. Government’s interpretation of, federal export control or procurement rules and regulations, market acceptance of the Company’s products, shortages in components, production delays due to performance quality issues with outsourced components, inability to fully realize the expected benefits from acquisitions and restructurings, or delays in realizing such

benefits, challenges in integrating acquired businesses and achieving anticipated synergies, changes to cyber-security regulations and requirements, changes in tax rates or tax regulations, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, unanticipated costs under fixed-price service and system integration engagements, and various other factors beyond our control. These risks and uncertainties also include such additional risk factors as are discussed in the Company's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended June 30, 2017. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

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Contact:

Contact:

Robert McGrail, Director of Corporate Communications

Mercury Systems, Inc.

+1 978-967-1366 / rmcgrail@mrcy.com

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