

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

**POLYCOM INC**

CIK: **1010552** | IRS No.: **943128324** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
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**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)  
November 6, 2007

**POLYCOM, INC.**

(Exact name of registrant as specified in its charter)

**State of Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**000-27978**  
(Commission File Number)

**94-3128324**  
(IRS Employer  
Identification No.)

**4750 Willow Road**  
**Pleasanton, California**  
(Address of principal executive offices)

**94588**  
(Zip Code)

**(925) 924-6000**  
Registrant's telephone number, including area code

**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:

- 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.**

*Director Election*

On November 7, 2007, D. Scott Mercer was appointed to serve on the Board of Directors (the "Board") of Polycom, Inc. (the "Company"), with his term as a director to commence immediately. Mr. Mercer was also appointed to the Audit Committee of the Board, effective immediately.

Mr. Mercer is not a party to any arrangement or understanding pursuant to which he was selected as a director, nor is Mr. Mercer a party to any transaction, or series of transactions, required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Mr. Mercer will participate in the Company's non-employee director compensation arrangements. Under the terms of those arrangements, Mr. Mercer will receive, among other things, annual cash compensation of \$45,000 as a member of the Board and annual cash compensation of \$20,000 as a member of the Audit Committee. Pursuant to the terms of the amended and restated Polycom, Inc. 2004 Equity Incentive Plan, as described in Item 8.01 below, Mr. Mercer received an initial grant of 5,833 shares of restricted Company common stock, which will vest as to 833 shares on November 30, 2007, as to 2,500 shares on February 29, 2008 and as to 2,500 shares on May 30, 2008. Mr. Mercer will also execute the Company's standard form of indemnification agreement.

A copy of the press release issued by the Company announcing Mr. Mercer's appointment to the Board is furnished herewith as Exhibit 99.1.

*Amendments to Change of Control Severance Agreements*

On November 6, 2007, pursuant to the authority under its charter, the Compensation Committee approved certain amendments to the change of control severance agreements (the "COC Agreements") that were previously approved by the Board and that have been entered into with executive and non-executive officers of the Company (including the Company's Named Executive Officers). The amendments are intended to address certain potential tax consequences under Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"). The key Section 409A amendments include:

Revisions to the current language in the COC Agreements requiring a six-month delay in payment of severance benefits in the event the individual is a "specified employee" (within the meaning of Section 409A) at the time of termination;

Restructuring the provision of continued health, dental, vision, long-term disability and life insurance coverage under the COC Agreements as a reimbursement to be paid to an individual six months and one day following such individual's termination in the event the individual is a "specified employee" (within the meaning of Section 409A), after which time the Company-paid continuation coverage amount shall be paid directly to the applicable insurer and/or administrator for 18 additional months, in the case of the chief executive officer and chief financial officer, and for six additional months, in the case of the other officers; and

Requiring 280G gross-up payments in the COC Agreements with the Company's chief executive officer and chief financial officer to be paid within 30 days following the accountant's determination.

The Section 409A amendments were not intended to materially increase the benefits payable under the COC Agreements.

*Amendments to Robert Hagerty's Severance Agreement*

On November 6, 2007, the Compensation Committee approved certain amendments to the severance agreement that was entered into with the Company's chief executive officer, Robert Hagerty, effective as of July 31, 2003 (the "Severance Agreement"). The amendments are intended to address certain potential tax consequences under Section 409A. The key Section 409A amendments include:

Requiring a six-month delay in payment of severance benefits in the event Mr. Hagerty is a “specified employee” (within the meaning of Section 409A) at the time of termination; and

Restructuring the provision of continued health, dental and vision coverage under the Severance Agreement as a reimbursement.

The Section 409A amendments were not intended to materially increase the benefits payable under the Severance Agreement.

**Item 5.05 Amendment to the Registrant’s Code of Ethics, or Waiver of a Provision of the Code of Ethics.**

On November 7, 2007, the Board approved amendments to the Company’s Code of Business Ethics and Conduct to address conflicts with international laws, to extend provisions regarding conflicts of interest in accepting outside directorships with competitors of the Company to consulting or advisory relationships, and to make other technical, administrative, and other non-substantive amendments resulting from the Company’s and the Board’s annual review of the Code of Business Ethics and Conduct.

A copy of the Company’s Code of Business Ethics and Conduct, as amended by the Board, is available on the Company’s website at <http://www.polycom.com> - “Company” - “Investor Relations” - “Corporate Governance.”

**Item 8.01. Other Events.**

*Amendment and Restatement of the Polycom, Inc. 2004 Equity Incentive Plan*

On November 7, 2007, the Board approved the amendment and restatement of the Polycom, Inc. 2004 Equity Incentive Plan (the “Plan”). The Plan was amended and restated to change the amount and type of equity awards automatically granted to nonemployee directors, effective November 7, 2007. Prior to the amendment and restatement of the Plan, a nonemployee director received (i) an initial, one-time grant of options to purchase 20,000 shares of Company common stock upon joining the Board, subject to restrictions on exercisability as determined by the Compensation Committee of the Board (the “Compensation Committee”), and (ii) on each date of the Annual Meeting of the Company’s stockholders, a grant of 10,000 shares of restricted Company common stock, provided that such nonemployee director is reelected at the Annual Meeting of the Company’s stockholders, subject to restrictions as determined by the Compensation Committee. As amended, the Plan eliminates the initial, one-time grant of options to a nonemployee director upon joining the Board and provides for the following: (i) an initial, one-time grant to a nonemployee director upon joining the Board of a certain number of shares of restricted Company common stock, determined by multiplying 10,000 by the percentage calculated by dividing (A) the number of calendar months that remain in the one-year period commencing on the date of the last Annual Meeting of the Company’s stockholders immediately preceding the date the individual joins the Board, including the month in which the individual joins the Board, by (B) 12, rounded down to the nearest whole share; and (ii) on each date of the Annual Meeting of the Company’s stockholders, grants of 10,000 shares of restricted Company common stock, provided that such nonemployee director is reelected at the Annual Meeting of the Company’s stockholders, subject to restrictions as determined by the Compensation Committee.

The Plan was also amended and restated to address certain potential tax consequences under Section 409A. The Section 409A amendments include, for example, limitations on extensions of in-the-money options and requirements that deferrals comply with Section 409A, in each case unless otherwise determined by the Compensation Committee. The Section 409A amendments were not intended to materially increase the benefits or awards issuable under the Plan.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

99.1 Press Release, dated November 8, 2007, entitled “Polycom Appoints D. Scott Mercer to Board of Directors.”

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## 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.

**POLYCOM, INC.**

By: /s/ SAYED M. DARWISH

Sayed M. Darwish

*Senior Vice President, General Counsel, and  
Secretary*

Date: November 13, 2007

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## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated November 8, 2007, entitled "Polycom Appoints D. Scott Mercer to Board of Directors."

Michael R. Kourey, CFO  
 Contact: Polycom, Inc.  
 925-924-5742  
 mkourey@polycom.com



### POLYCOM APPOINTS D. SCOTT MERCER TO BOARD OF DIRECTORS

**PLEASANTON, Calif. - Nov. 8, 2007** - Polycom, Inc. [NASDAQ: PLCM], the market leader in unified collaborative communications solutions, today announced it has appointed D. Scott Mercer to its board of directors. Mercer is a recognized technology industry leader whose career spans three decades across various executive functions from operations and strategic planning to finance, within the storage and computer industry segments.

Mercer is currently the chairman of the board at Adaptec, Inc. having served as its interim CEO in 2005. He was also at Western Digital Corporation as its chief financial and administrative officer in the early 90s, returning 2001-2004 as its CFO during which time he also served as advisor to the CEO regarding business development matters. At Dell in the late 90s he served in vice president of finance roles, and as Dell's vice president of product development for its desktop and notebook product lines. Mercer's other executive positions have included CFO of TeraLogic, Inc., CFO and controller of LSI Logic Corporation, and as an accountant with Price Waterhouse.

"We are very pleased to welcome Scott to the Polycom board of directors where his proven business development and long term strategic planning, as well as strong financial expertise, will prove invaluable for us as voice and video collaboration become core, mainstreamed applications across devices over IP networks," said Bob Hagerty, chairman and CEO of Polycom.

In addition to Polycom and Adaptec, Mercer serves on the boards of Conexant Systems, Palm, Inc. and SMART Modular Technologies (WWH), Inc. He received his BS in Accounting from California Polytechnic University.

"I'm delighted to be joining the board of the leading collaborative communications provider," said Scott Mercer. "This is an exciting time for Polycom, which I believe is uniquely positioned to leverage the huge growth opportunity resulting from the shift to on-demand collaboration. Workers across all industries are increasingly relying on instantaneous voice and video to communicate across distance with each other, as well as with partners and customers. The result of collaborative communication is a far more efficient, globally competitive, and greener workplace."

#### About Polycom

Polycom, Inc. is the worldwide leader in unified collaborative communications (UCC) that maximize the efficiency and productivity of people and organizations by integrating the broadest array of high definition video, wired and wireless voice, and content solutions to deliver the ultimate collaborative experience. Polycom's high quality, standards-based conferencing and collaboration solutions are easy to deploy and manage, as well as intuitive to use. Supported by an open architecture, they integrate seamlessly with leading telephony, workplace wireless telephony, and presence-based networks. With its market-driving technologies, best-in-class products, alliance partnerships, and world-class service, Polycom is the smart choice for organizations seeking proven solutions and a competitive advantage from on-demand communications and collaboration. For additional information, call 800-POLYCOM or visit the Polycom web site at [www.polycom.com](http://www.polycom.com).

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