

Edgar Filing: MERCADOLIBRE INC - Form 8-K

(Address of Principal Executive Offices) (Zip Code)

011-54-11-4640-8000

(Registrant's telephone number, including area code)

(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))

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

Determination of 2016 Bonuses for the NEOs under the 2016 Bonus Program

On April 3, 2017, the Board of Directors (the “Board”) of MercadoLibre, Inc. (the “Company”) approved the following annual bonuses under its bonus program for the persons listed below (each of whom was a “named executive officer” in the Company’s proxy statement for its most recent Annual Meeting, and are referred to below as “NEOs”) in respect of the fiscal year ended December 31, 2016 (the “2016 Bonus Program”):

| Name | Title | 2016 Bonus* |
|-------------------|---|--------------------|
| Marcos Galperin | President & Chief Executive Officer | \$806,943 |
| Pedro Arnt | Executive Vice President & Chief Financial Officer | \$245,472 |
| Stelleo Tolda | Executive Vice President & Chief Operating Officer | \$338,567 |
| Osvaldo Gimenez | Executive Vice President – Payment | \$308,774 |
| Daniel Rabinovich | Executive Vice President and Chief Technology Officer | \$245,472 |

* The 2016 Bonus is payable in the local currency of each NEOs country of residence, but is disclosed above in U.S. dollars, based on the applicable exchange rate as of the payment date of the 2016 Bonus.

The terms and conditions of the 2016 Bonus Program are consistent with the terms of the Company’s annual bonus program for the 2015 fiscal year, as disclosed in the Company’s proxy statement for its most recent Annual Meeting.

Establishment of Performance Goals under the 2017 Bonus Program

On April 3, 2017, the Board established the performance goals for the Company’s bonus program for the 2017 fiscal year (the “2017 Bonus Program”). Under the 2017 Bonus Program, the bonus payout for each NEO is based on achievement of net income, net revenue, net promoter score and certain other corporate performance goals for 2017, provided that for Mr. Gimenez’ 50% of his bonus under the 2017 Bonus Program is based on achievement of certain performance goals related to the MercadoPago business. The Board then applies an adjustment of up to + 20% or -50% based upon the individual performance of each NEO.

The Board set each NEO’s target bonus opportunities under the 2017 Bonus Program as 115% of each NEO’s base salary.

Adoption of the 2017 Long Term Retention Program

On April 3, 2017, the Board approved the adoption of the 2017 Long Term Retention Program (the “2017 LTRP”) and established the target award for each NEO under the 2017 LTRP. The 2017 LTRP provides the NEOs, along with other members of senior management, with the opportunity to receive certain cash payments subject to achievement of similar corporate performance goals to those of our 2016 Bonus Program. If such performance goals are achieved, each NEO will be eligible to receive the following payments, subject to continued employment on each payment date (other than in specified circumstances):

- 16.66% of his or her target 2017 LTRP award annually for a period of six years (with the first payment occurring on or about March 31, 2017) (the “Annual Fixed Payment”); and

on each date the Company pays the Annual Fixed Payment, each NEO will also receive a payment equal to the product of (i) 16.66% of the NEO’s target 2017 LTRP award and (ii) the quotient of (a) the Applicable Year Stock Price (as defined below) over (b) the average closing price of the Company’s common stock on the NASDAQ during the final 60 trading days of 2016. For purposes of the 2017 LTRP, the “Applicable Year Stock Price” is the average closing price of the Company’s common stock on the NASDAQ during the final 60 trading days of the fiscal year preceding the fiscal year in which the applicable payment date occurs, for so long as our common stock is listed on the NASDAQ.

The target 2017 LTRP awards for our NEOs are set forth below:

| Name | Title | Target 2017 LTRP Award* |
|-------------------|---|--|
| Marco Galperin | President & Chief Executive Officer | \$5,946,400 |
| Pedro Arnt | Executive Vice President & Chief Financial Officer | \$1,120,000 |
| Stelleo Tolda | Executive Vice President & Chief Operating Officer | \$1,250,000 |
| Osvaldo Gimenez | Executive Vice President – Payment | \$1,250,000 |
| Daniel Rabinovich | Executive Vice President and Chief Technology Officer | \$1,500,000 |

The foregoing description of the 2017 LTRP does not purport to be complete and is qualified in its entirety by reference to the full text of the 2017 LTRP, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

d. Exhibits:

10.1 MercadoLibre, Inc. 2017 Long Term Retention Program

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.

MercadoLibre, Inc.

Dated: April 7, 2017

By: /s/ Pedro Arnt

Name: Pedro Arnt

Title: Chief Financial Officer

EXHIBIT INDEX

| Exhibit Number | Description |
|---------------------------|--|
| <u>10.1</u> | <u>MercadoLibre, Inc. 2017 Long Term Retention Program</u> |