

**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): December 4, 2017

ELECTRO SCIENTIFIC INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

OREGON
(State or other jurisdiction
of incorporation)

0-12853
(Commission
File Number)

93-0370304
(IRS Employer
Identification No.)

13900 NW Science Park Drive, Portland, Oregon
(Address of principal executive offices)

97229
(Zip Code)

Registrant's telephone number, including area code: (503) 641-4141

No Change
(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))

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

Appointment of Allen Muhich as Chief Financial Officer and Corporate Secretary

The Board of Directors (the “Board”) of Electro Scientific Industries, Inc. (the “Company”) has unanimously appointed Allen Muhich, age 50, as Chief Financial Officer and Corporate Secretary of the Company, effective December 5, 2017. The Company’s press release announcing Mr. Muhich’s appointment as Chief Financial Officer and Corporate Secretary is attached hereto as Exhibit 99.1.

Prior to joining the Company, Mr. Muhich served as the Chief Financial Officer of ID Experts since February 2016 and also as the Chief Operating Officer since January 2017. Prior to that, Mr. Muhich served as the Chief Financial Officer of Smarsh, Inc. from March 2015 to February 2016, and as the Chief Financial Officer and Corporate Secretary of Radisys Corporation from October 2012 to March 2015.

In connection with Mr. Muhich’s appointment as Chief Financial Officer, Mr. Muhich will receive a hiring bonus of \$25,000, an annual base salary of \$350,000 and a target annual bonus opportunity under ESI’s Management Incentive Plan of 60% of his base salary, with a cap of 200%. Mr. Muhich was also granted, effective on his first day of employment, 25,000 time-based restricted stock units that will vest 25% on each of the first four anniversaries of his first day of employment and a target number of 25,000 performance-based restricted stock units that vest based on the relative performance of the Company’s common stock against the Russell 2000 Index over three performance periods, all beginning on December 5, 2017, with the first ending December 5, 2018, the second ending December 5, 2019 and the third ending December 5, 2020, with a cap of 200% of the target number of units. The Company anticipates entering into a Change in Control Agreement with Mr. Muhich, effective as of December 5, 2017, under which he will be eligible to receive certain payments and benefits in the event of a termination of employment under certain circumstances following a change in control of the Company.

Resignation of Paul Oldham

On December 4, 2017, Mr. Oldham resigned from his positions as Senior Vice President of Administration, Chief Financial Officer and Corporate Secretary of the Company in order to pursue other interests. The Company’s press release announcing Mr. Oldham’s departure is attached hereto as Exhibit 99.1.

In connection with Mr. Oldham’s departure, the Company offered Mr. Oldham a Separation and Release Agreement (the “Separation Agreement”), which will be effective December 25, 2017 (the “Effective Date”), so long as Mr. Oldham executes the Separation Agreement and does not exercise his right of revocation prior to the Effective Date. Under the Separation Agreement Mr. Oldham will receive a lump sum severance payment of \$601,822. In addition, Mr. Oldham received a prorated portion of his special bonus (pursuant to the Retention Bonus Agreement dated August 31, 2016) in the amount of \$75,000. The Separation Agreement also includes, among other things, a general release in favor of the Company and its affiliates, a confirmation of Mr. Oldham’s confidentiality obligations and customary mutual non-disparagement provisions.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Press release dated December 4, 2017

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated December 4, 2017



Designed for Brilliance. Engineered for Production.

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ESI Selects Allen Muhich To Be Next CFO

PORTLAND, Ore. - December 4, 2017 - Electro Scientific Industries, Inc. (Nasdaq: ESIO), an innovator in laser-based manufacturing solutions for the micro-machining industry, today announced that Allen Muhich, former COO and CFO of ID Experts, will join as CFO and Corporate Secretary of the Company and will succeed Paul Oldham on December 5, 2017.

“On behalf of the entire management team and the Board of Directors, I would like to thank Paul for his dedication and many contributions to ESI over the past ten years. His executive leadership and contributions have been substantial, including helping the Company to navigate through challenging business circumstances. Paul is well respected and regarded throughout ESI and we wish him the very best in his new endeavors,” said Michael Burger, ESI’s president and CEO. “We also wish to welcome Allen to the ESI family. Allen brings to ESI a wealth of experience across various industries and business models, on an international scale. I am confident that with Allen’s leadership we can continue to advance ESI’s growth strategy.”

Prior to his role at ID Experts, Mr. Muhich served as the Chief Financial Officer of Smarsh, Inc. and as the Chief Financial Officer of Radisys Corporation. He also held progressively responsible positions at Merix, a manufacturer of printed circuit boards, and he spent 15 years in financial management at Tektronix and Xerox.

About ESI, Inc.

ESI enables our customers to commercialize technology using precision laser processes. ESI’s solutions produce the industry’s highest quality and throughput, and target the lowest total cost of ownership. ESI is headquartered in Portland, Oregon, with global operations and subsidiaries in Asia, Europe and North America. More information is available at www.esi.com.

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