

**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): August 3, 2016



**LivaNova PLC**

(Exact Name of Registrant as Specified in its Charter)

**England and Wales**  
(State or Other Jurisdiction  
of Incorporation)

**001-37599**  
(Commission  
File Number)

**98-1268150**  
(IRS Employer  
Identification No.)

**5 Merchant Square  
North Wharf Road  
London, W2 1AY  
United Kingdom**  
(Address of Principal Executive Offices)

**(44) 203 786 5275**  
(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 is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions 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**

**Material Compensatory Plan, Contract or Arrangement**

As previously announced by LivaNova Plc (the "Company" or "LivaNova") in its Current Report on Form 8-K dated July 6, 2016, Mr. Michel Darnaud, one of the Company's named executive officers, indicated that he will retire in the first quarter of 2017.

The terms of a Termination and Settlement Agreement dated August 3, 2016 between LivaNova France SAS, a wholly-owned subsidiary of the Company ("LivaNova France"), and Mr. Darnaud (the "Separation Agreement") gives effect to the terms of the 2015 Amendment to Employment Contract (the "2015 Amendment") between LivaNova France and Mr. Darnaud, filed as Exhibit 10.30 to the Company's 2015 Annual Report on Form 10-K/T. Pursuant to the 2015 Amendment, Mr. Darnaud is entitled to receive a payment equal to 24 months of base salary calculated on the basis of the monthly gross base salary he received during the 12 months preceding notice of termination, plus two years of annual bonus calculated on the basis of the bonus criteria and targets applicable to the year of his separation. These payments equal € 915,960 and € 567,895, respectively, and will be paid in two installments. Pursuant to French law, Mr. Darnaud will also receive a mandatory retirement payment equal to € 98,029, payment in respect of holidays not taken, a prorated amount of the "13th month" paid under French law, and any bonus that will be earned under the Company's 2016 Annual Executive Bonus Program.

In addition, on August 4, 2016, Mr. Darnaud agreed to enter into a consulting agreement with LivaNova France (the "Consulting Agreement"). Under the terms of the Consulting Agreement, Mr. Darnaud will consult with and assist the Company in transitioning management of the Cardiac Surgery business to his successors, assist in matters related to that business generally, assist in any litigation matters, and provide other industry or management services. In exchange, the Company will pay Mr. Darnaud € 120,000 in forty-eight (48) equal monthly installments, commencing within ten (10) business days after his termination from the Company.

The descriptions of the 2015 Amendment, the Separation Agreement, and the Consulting Agreement contained in this Form 8-K are not intended to be complete and are qualified in their entirety, respectively, by reference to the complete text of the 2015 Amendment, which is incorporated herein by reference, and the complete text of each of the Separation Agreement and the Consulting Agreement, copies of which are filed herewith as Exhibit 10.1 and Exhibit 10.2, respectively, are incorporated herein by reference.

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

(d) Exhibits

The following exhibits are filed herewith:

- 10.1 Termination and Settlement Agreement effective August 3, 2016 between LivaNova France SAS and Mr. Michel Darnaud.
  - 10.2 Consulting Agreement effective August 4, 2016 between LivaNova France SAS and Mr. Michel Darnaud.
-

**SIGNATURE**

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.

LivaNova PLC

Date: August 5, 2016

By: /s/ Catherine Moroz

Name: Catherine Moroz

Title: Deputy Company Secretary

---

## EXHIBIT INDEX

### Exhibit Description

- 10.1 Termination and Settlement Agreement effective August 3, 2016 between LivaNova France SAS and Mr. Michel Darnaud.
- 10.2 Consulting Agreement effective August 4, 2016 between LivaNova France SAS and Mr. Michel Darnaud.

**TERMINATION AND SETTLEMENT AGREEMENT****BETWEEN:**

The company **LIVANOVA France SAS** with share capital of 82,200,000 euros, with registered office at Parc d'affaires Novéos – 4 avenue Réaumur – 92140 CLAMART and registered on the Nanterre Trade and Companies Register under number 477 828 412, represented by **Mr. Yann JOURNO**, Vice President Human Resources;

**PARTY OF THE FIRST PART,****AND:**

**Mr. Michel DARNAUD** residing at 51, avenue du Grand Veneur – 78110 LE VESINET;

**PARTY OF THE SECOND PART****THE FOLLOWING IS HEREBY AGREED BY THE ABOVE NAMED PARTIES:**

Mr. Michel DARNAUD was hired by Sorin Group France SAS on 4th February 2008. He acted as President of the Cardiac Surgery Business Unit until 6<sup>th</sup> July 2016, upon which date the new organization of the LivaNova Group was announced. As of this date, he is the President ad interim of the "Japan" Region.

Following the announcement, on 26<sup>th</sup> February 2015, of the merger between Sorin Group and the American company Cyberonics, Mr. Michel DARNAUD and the Company, represented by its CEO, André-Michel BALLESTER, signed an agreement pertaining to the potential termination of his contract, which would intervene within two years of the closing of the merger (19<sup>th</sup> October 2015).

On 1<sup>st</sup> July 2016, the company Sorin Group France SAS became the company LIVANOVA France SAS.

Following the announcement of LivaNova group's new organization on 6<sup>th</sup> July 2016, Mr. Michel DARNAUD, having understood that his current position as President of the BU was not to be maintained, expressed to the Company his intention to enforce the agreement signed in 2015 (after the announcement of the merger, on 26<sup>th</sup> February 2015, and before its closing on 19<sup>th</sup> October 2015) by requesting to take his retirement as of 31<sup>st</sup> March 2017.

The Company, in recognition of Mr. Michel DARNAUD's dedication and the quality of his work, accepted this request and proposed the formalization of their agreement by this document entitled "Termination and Settlement Agreement".

Mr. Michel DARNAUD has agreed to the drawing up of the present summary document, which was written and prepared by the Company and reviewed by Mr. Michel DARNAUD before final signature by the parties.

## CLAUSE 1: TERMINATION OF THE EMPLOYMENT AGREEMENT

The termination of the employment agreement between Mr. Michel DARNAUD and LIVANOVA France SAS is ratified and subsequent to the retirement request made by Mr. Michel DARNAUD, by hand-delivered letter, dated 28<sup>th</sup> July 2016.

He accepts all responsibility for the consequences thereof, without contest, upon fulfillment of the obligations provided for below.

## CLAUSE 2: FULL AND FINAL SETTLEMENT

The parties refer to the amounts due by LIVANOVA France SAS to Mr. Michel DARNAUD in full and final settlement as follows:

- **compensation for paid leave and long service leave** earned but not taken as at the date of the present agreement, less the applicable employee social insurance contributions, which shall settle all rights of this nature;
- **compensation for the "thirteenth month" payment, pro-rated** for the period between 1<sup>st</sup> January 2017 and 31<sup>st</sup> March 2017, less the applicable employee social insurance contributions;
- **compensation equivalent to two years' basic salary, i.e. a gross amount of 915,960 €** (nine hundred and fifteen thousand nine hundred and sixty euros), less the applicable employee social insurance contributions;
- **compensation equivalent to two years' bonus payments calculated at 100% attainment of objectives, i.e. a gross amount of 567,895 €** (five hundred and sixty-seven thousand eight hundred and ninety-five euros), less the applicable employee social insurance contributions;
- **retirement benefit**, calculated according to the legislation in force, **corresponding to a gross amount of 98,029 €** (ninety-eight thousand and twenty-nine euros), less the applicable employee social insurance contributions;
- **payment of his 2016 bonus** according to the plan and rules set out at the beginning of 2016.

Mr. Michel DARNAUD recognizes that these amounts constitute a full and final settlement.

The payment of part of these amounts for a net total of 500,000 € (five hundred thousand euros) is subject to the signature of the present settlement agreement.

At the request of Mr. Michel DARNAUD, this amount shall be paid to him by bank transfer by no later than 6<sup>th</sup> September 2016.

## CLAUSE 3: LONG TERM INCENTIVE (LTI) AND STOCK APPRECIATION RIGHTS (SAR) PAYMENT ARRANGEMENTS

At the effective date of the termination of his employment agreement, 31<sup>st</sup> March 2017, Mr. Michel DARNAUD holds the following stock awards:

1. 3,436 RSUs granted under the Sorin Group LTI plan
2. 9,398 SARs granted under the Sorin Group plan, with a strike price of \$51.34 USD, exercisable under the term of the relevant plan and in any event within a period of three months from 31<sup>st</sup> March 2017
3. 51,252 SARs granted under the LivaNova plan, at a strike price of \$69.39 USD, exercisable within a period of twelve months as from 31<sup>st</sup> March 2017

Mr Michel DARNAUD is fully and solely responsible for the declaration and payment of the taxes due on any amount or element resulting from the present settlement and hereby expressly waives any right to action or claim against his employer.

Furthermore, the employee contributions applicable to the amounts received in relation to the LTIs and SARs shall be deducted in advance from Mr. Michel DARNAUD's full and final settlement. He accepts in advance that this benefit in kind shall be assessed in the following way:

1. Gain on purchase from the RSU issued according to the Sorin Group LTI Plan

Mr. Michel DARNAUD accepts in advance that the gain on purchase derived from the Sorin Group LTI plan shall be considered an amount of 160,736 euros, calculated by multiplying the potential number of LivaNova RSU in question, 3,436 shares, by 46,78 euros.

2. Potential gain on purchase from the SARs issued according to the Sorin Group plan, acquired at a strike price of \$51.34 USD:

Mr. Michel DARNAUD accepts that the potential gain on purchase derived from these SARs shall be considered an amount of 22,649 euros, or 9,398 shares multiplied by 2,41 euros, corresponding to the difference (converted into euros according to the current exchange rate on the date of release of the shares) between the LivaNova share value in USD, established at \$54 dollars on the date of release of the shares, and the strike price of \$51.34 dollars.

3. Gain on purchase from the SARs issued according to the LivaNova plan, acquired at the strike price of \$69.39 USD:

Insofar as, at the signature date of the present settlement agreement, the LivaNova share price is lower than the strike price of \$69.39 USD, LIVANOVA France SAS accepts to not value the potential gain on purchase upon the date of termination of the contract, which would cause a preemptive deduction of the employee's social security contributions.

In return, Mr. Michel DARNAUD agrees to pay LIVANOVA France SAS any employee social security contributions that may apply as a result of a gain on purchase in the event that the share price exceeds the strike price of \$69.39 USD upon the date of release falling within twelve months of the termination date of the contract.

The gain on purchase shall correspond to the difference (converted into euros according to the current exchange rate on the date of release) between the release price and the strike price of \$69.39 USD multiplied by the number of share options released.

The actual amounts of the benefits in kind detailed above will be known and any discrepancies shall be compensated for by a payslip adjustment:

- The month following the contract termination for the LTIs;
- The month of their release for the SARs;

If, at the time the benefits in kind are regularized, the social security contributions are lower than those actually deducted from the full and final settlement, the employer shall reimburse the excess amount deducted upon the issuance of the adjusted payslip.

If, conversely, the social security contributions are higher than those actually deducted from the full and final settlement, Mr. Michel DARNAUD shall reimburse LIVANOVA France SAS the aforementioned social security contributions, before the end of the month during which the adjusted payslip is issued.

Mr. Michel DARNAUD recognizes that, with the exception of the provisions of Clauses 2 and 3 of the present settlement, he will not be entitled to any short-term bonus ("target bonus"), nor to any benefit arising from any other medium or long-term bonus scheme (for example the LTI scheme – "Long Term Incentives"), which he accepts unconditionally.

#### **CLAUSE 4: DIRECTORS AND OFFICERS LIABILITY POLICY**

As requested by Mr. Michel DARNAUD, the Company confirms that he shall be covered by the Company's Directors & Officers Liability Policy (Liability Policy D&O: "Directors & Officers") in force within the LivaNova group, as well as any provision of Italian Law relevant to his mandate as manager within Sorin Group Italia.

The conditions of such insurance policy are detailed in a reference document (Liability Policy D&O: "Directors & Officers") of which the Company agrees to provide Mr. Michel DARNAUD with a copy upon the date of signature of the present settlement.

For his part, Mr. Michel DARNAUD confirms his commitment to continue to cooperate in good faith with the Company, and in particular with its legal department, with regards to any legal questions arising from the managerial responsibilities he has performed since 2008.

#### **CLAUSE 5: RETURN OF COMPANY PROPERTY**

Mr. Michel DARNAUD declares that upon his departure from the Company, he shall not retain any copies of any files or documents that belong to LIVANOVA France SAS, nor to any of the companies, present or future, of the LivaNova group.

He will retain his benefits in kind until the end of his notice period (including notably company car, PC, iPad and mobile phone).

He agrees to return at the end of his notice period all the equipment provided to him for the performance of his duties, as well as the keys/key cards permitting him access to the various company offices.

#### **CLAUSE 6: MUTUAL CONCESSIONS AND COVENANTS**

Both the Company and Mr. Michel DARNAUD:

1. recognise that the concessions provided for by the present document are made as part of a transaction, and are one-off and final, in accordance with the provisions of articles 2044 et seq. of the French Civil Code, and in particular of article 2052 of such Code;
2. agree that, subject to the performance of the obligations provided for by the present agreement, their respective rights shall have been completely satisfied, and mutually waive their right to any proceeding with a view to demanding an amount of any kind;
3. agree to refrain from communication of any kind, whether spoken, written or otherwise, that could reasonably be expected to harm the other;
4. recognise the reciprocal nature of their obligations and that the performance of the other's obligations is directly related to the performance of their own;
5. agree to perform, irrevocably and in good faith, their obligations under the present agreement, which definitively settles, without exception nor reservation, any matter that exists between them;
6. affirm that they have been informed of the tax and social consequences arising from the present agreement;
7. confirm that the present agreement shall have, between the parties, the force of res judicata.

Signed in duplicate  
In Clamart,  
on 3<sup>rd</sup> August 2016

/s/ Yann Journo

For the Company LIVANOVA France SAS  
Mr. Yann JOURNO\*  
Vice-President HR

/s/ Mr. Michel DARNAUD

Mr. Michel DARNAUD\*

*\* The signature must be preceded by the following in the signatory's own handwriting: "read and approved, good for agreement on the terms of the settlement and the waiver of all judicial proceedings"*

**CONSULTING AGREEMENT**

This Consulting Agreement ("Agreement") is made as of the 4th day of August, 2016 ("Effective Date"), by and between LivaNova France SAS ("Company") and Michel Darnaud ("Consultant").

WHEREAS, Consultant has served as President of Company's Cardiac Surgery Business Unit since February 2008 and has extensive experience, skills and knowledge with respect to both Company's business operations and the cardiac surgery field generally, all of which are valuable in connection with Company's ongoing business; and

WHEREAS, following Consultant's separation from employment with the Company, Company desires to retain Consultant in order to continue to access Consultant's experience and transition his knowledge of Company's business and the cardiac surgery industry generally, and Consultant desires to be retained by Company pursuant to the terms of this Agreement.

NOW, THEREFORE, Company and Consultant agree as follows:

1. Services. Company and Consultant have agreed that Consultant will separate from employment with Company on or about March 31, 2017 (the actual date of separation shall be deemed the "Separation Date"). Following the Separation Date, Consultant agrees to perform consulting services of the nature and type described in Exhibit A, as may be requested from time to time by Company (the "Services").
2. Compensation and Expenses. As compensation for the Services performed by Consultant under this Agreement, and in order to to maintain Consultant's availability to provide the Services, Company will pay Consultant the amounts stated in Exhibit A.
3. Taxes. Consultant shall have sole responsibility for withholding and payment of all applicable taxes or contributions imposed or required under applicable law with respect to any amounts paid by Company to Consultant under this Agreement.
4. Confidential Information. Consultant acknowledges that in the course of performing the Services he may receive or be given access to information Company regards as confidential or proprietary ("Confidential Information"). Consultant agrees that he will not disclose any Confidential Information to any third party or use same for his own benefit without the prior written consent of a duly authorized officer of Company. The foregoing restrictions will not apply to any information from and after the time it becomes public knowledge as a result of conduct or circumstances other than the Consultant's breach of this covenant. Consultant represents that during the Term no business relationships, employment relationships and consulting obligations of Consultant shall involve the disclosure of Company's Confidential Information.

5. Term and Termination. Unless terminated earlier or extended by agreement of the parties, the term of this Agreement shall be for the period commencing on the Effective Date and ending on the four (4) year anniversary of the Separation Date (the "Term"). Company may terminate this Agreement with or without cause on thirty (30) days written notice; provided, however, that if Company terminates this Agreement without cause it will pay Consultant the remaining compensation to which he would otherwise be eligible under Exhibit A had this Agreement run the full Term.

6. Independent Contractor Status; No Agency. Consultant's relationship to Company will be that of an independent contractor. The Parties do not intend that any agency or partnership relationship be created between them by this Agreement. Consultant understands and agrees that Consultant is not an employee of Company. Consultant agrees that Consultant is not entitled to any Company employee benefits or benefit plans of any kind under this Agreement. Consultant shall have no authority or right, express or implied, to assume or create any obligation or responsibility on behalf of Company or to bind Company in any manner without the express authorization of Company. Consultant will not represent the contrary, either expressly or implicitly, to anyone.

IN WITNESS WHEREOF, the Parties have caused this Consulting Agreement to be executed and effective as of the Effective Date.

**MICHEL DARNAUD**

**LIVANOVA FRANCE SAS**

By: /s/ Michel Darnaud

By: /s/ Yann Journ

Print Name: Yann Journo

Title: Vice President, HR

Date: August 4, 2016

Date: August 4, 2016

## EXHIBIT A

### CONSULTING SERVICES

Consultant will, during the Term of this Agreement, be available upon reasonable notice from Company to:

- Consult with and assist Company in transitioning management of the Cardiac Surgery business to his successor(s);
- Consult with and assist Company in matters relating to cardiac surgery generally, leveraging Consultant's extensive experience in the industry;
- With or without subpoena, to be interviewed, review documents or things, give depositions, testify, or engage in other reasonable activities with respect to matters concerning which Consultant has or may have knowledge as a result of or in connection with his former employment by Company. In performing his obligation to testify or otherwise provide information, Consultant will truthfully, forthrightly, and completely provide the information requested; and
- Such other industry or management consulting matters as Company and Consultant may mutually agree in advance.

### COMPENSATION

Company agrees to pay Consultant a flat consulting fee of €120.000, to be paid in forty-eight (48) equal monthly installments, with the first payment to be paid within 10 business days of the Separation Date. Company also agrees to reimburse Consultant for ordinary and necessary travel or other expenses incurred by Consultant in performing the Services and approved in advance by Company. In the event the Services requested by Company require Consultant to be away from his primary residence for more than three consecutive days, Consultant will receive a per diem of €1.000 in addition to reimbursement of his actual documented travel expenses.