

NAVISITE INC
Form 8-K
February 22, 2005

Table of Contents

**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): February 20, 2005

NAVISITE, INC.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other
jurisdiction of
incorporation)*

000-27597
(Commission File Number)

52-2137343
*(IRS Employer
Identification No.)*

400 Minuteman Road
Andover, Massachusetts 01810
(Address of principal executive offices) (Zip Code)

(978) 682-8300
(Registrant's telephone number, including area code)

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 220.425)
- 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))

TABLE OF CONTENTS

Item 1.01 Entry into a Material Definitive Agreement.

Item 9.01 Financial Statements and Exhibits.

SIGNATURES

Table of Contents

Item 1.01 Entry into a Material Definitive Agreement.

On May 6, 2004, the Board of Directors of NaviSite, Inc. (the Company) approved, subject to stockholder approval, an amendment (the Stock Plan Amendment) to the Company's Amended and Restated 2003 Stock Incentive Plan (the 2003 Plan). The Stock Plan Amendment was approved by the Board of Directors to increase the maximum number of shares of common stock that may be issued under the 2003 Plan from 3,800,000 to 6,800,000 shares (subject to adjustment in the event of stock splits and other similar events). On that same date, Atlantic Investors, LLC, the majority stockholder of the Company, delivered to the Company an executed written consent of stockholders, among other things, approving the Stock Plan Amendment. Stockholder approval of the Stock Plan Amendment is deemed effective as of February 20, 2005. A copy of the 2003 Plan and the Stock Plan Amendment are filed as exhibits hereto and incorporated herein by reference.

Summary of the 2003 Plan

The 2003 Plan was adopted, subject to stockholder approval, by the Company's Board of Directors on July 10, 2003 and was amended and restated on November 11, 2003 to increase the number of shares of common stock available for issuance under such plan from 2,600,000 to 3,800,000. The 2003 Plan was approved by the stockholders at the Company's Annual Meeting of Stockholders held on December 9, 2003. The Stock Plan Amendment increased the number of shares of common stock available for issuance under the 2003 Plan to 6,800,000 shares.

The 2003 Plan provides for the grant of incentive stock options, non-statutory stock options and restricted stock awards (collectively, the Awards) to employees, officers, directors, consultants and advisors of the Company, although incentive stock options may only be granted to employees of the Company. No individual may be granted Awards during any one calendar year to purchase more than 650,000 shares of common stock.

The 2003 Plan is administered by the Board of Directors. The Board of Directors has the authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the 2003 Plan as it may deem advisable. The Board of Directors has authorized the Compensation Committee of the Board of Directors of the Company (the Compensation Committee) to exercise all rights, authority and functions of the Board of Directors with respect to the 2003 Plan, except that the Compensation Committee is not authorized to amend the 2003 Plan. In addition, to the extent permitted by law and subject to certain limitations set forth in the 2003 Plan, the Board of Directors and the Compensation Committee may delegate to one or more executive officers of the Company the authority to administer certain aspects of the 2003 Plan.

The Board of Directors is required to make appropriate adjustments in connection with the 2003 Plan and any outstanding Awards to reflect stock splits, reverse stock splits, stock dividends, recapitalizations, combination of shares, reclassification of shares, spin-offs and other similar changes in capitalization or any distribution to holders of common stock other than a normal cash dividend. The 2003 Plan also contains provisions addressing the consequences of any merger or consolidation of the Company, share exchange transaction involving the Company's common stock, or liquidation or dissolution of the Company.

If any Award expires or is terminated, surrendered, canceled or forfeited without having been fully exercised, including as a result of the repurchase of shares by the Company pursuant to a contractual repurchase right, the unused shares of common stock covered by such Award will again be available for grant under the 2003 Plan, subject, in the case of incentive stock options, to any limitations under the Internal Revenue Code.

No Awards may be granted under the 2003 Plan after July 9, 2013 although Awards granted prior to that date may extend beyond that date. The Board of Directors may amend, suspend or terminate the 2003 Plan or any portion

thereof at any time.

The foregoing description is subject to, and qualified in its entirety by, the 2003 Plan and the Stock Plan Amendment filed as exhibits hereto, which exhibits are incorporated herein by reference. Copies of the 2003 Plan and the Stock Plan Amendment are attached as Appendix II to the electronic copy of the Company's Definitive

Table of Contents

Schedule 14C Information Statement filed with the Securities and Exchange Commission on January 5, 2005, which may be accessed from the SEC's homepage at www.sec.gov.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Exhibit No. Description

- | | |
|------|--|
| 10.1 | NaviSite, Inc. Amended and Restated 2003 Stock Incentive Plan (incorporated herein by reference to Appendix II to the Registrant's Definitive Schedule 14C filed January 5, 2005 (File No. 000-27597)). |
| 10.2 | Amendment No. 1 to the NaviSite, Inc. Amended and Restated 2003 Stock Incentive Plan (incorporated herein by reference to Appendix II to the Registrant's Definitive Schedule 14C filed January 5, 2005 (File No. 000-27597)). |
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Table of Contents

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.

Date: February 22, 2005

NAVISITE, INC.

/s/ John J. Gavin, Jr.

By: John J. Gavin, Jr.

Title: Chief Financial Officer

Table of Contents

Exhibit Index

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