
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): July 3, 2012

NOVATEL WIRELESS, INC.

(Exact name of Registrant as specified in its charter)

COMMISSION FILE: 000-31659

DELAWARE
(State or other jurisdiction of
incorporation or organization)

86-0824673
(I.R.S. Employer
Identification No.)

**9645 Scranton Road, Suite 205
San Diego, CA 92121**
(Address of principal executive offices)

Registrant's telephone number, including area code: (858) 812-3400

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))
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ITEM 5.02 Compensatory Arrangements of Certain Officers.

(e) On July 3, 2012, the Compensation Committee (the "Committee") of the Board of Directors of Novatel Wireless, Inc. (the "Company") adopted a bonus plan applicable to the Company's executive officers for the fiscal year ending December 31, 2012. Under the terms of the plan, each participant is eligible to receive a discretionary cash bonus from the Company in a dollar amount equal to a percentage of his or her annual base salary in effect as of the end of 2012. The award of a bonus is subject to the achievement of Company performance goals composed of a Company-wide adjusted EBITDA goal, a Company-wide revenue goal and specified operating and commercial objectives applicable to all of the executive officers and an individual performance goal established for each executive officer. The target awards for the 2012 fiscal year, as a percentage of base salary, are 100% for the Company's Chief Executive Officer and 50% for all other participants. Each participant is eligible to earn 70% of the target award if the Company achieves all of its performance goals and 30% of the target award if the participant achieves his or her own individual goal. All bonuses are expected to be determined and paid following the end of the Company's 2012 fiscal year. In approving awards under the plan, the Committee may also use its discretion to increase or decrease the amounts that otherwise would be payable based upon Company and individual performance.

The foregoing summary of the plan is qualified in its entirety by reference to the full text of the plan, which is filed as Exhibit 10.1 to this report and incorporated herein by reference.

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Novatel Wireless, Inc. Senior Management Incentive Plan for Fiscal Year 2012

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Novatel Wireless, Inc.

Date: July 5, 2012

By: /s/ Catherine F. Ratcliffe

Catherine F. Ratcliffe

Senior Vice President of Business Affairs, General Counsel and Corporate Secretary

NOVATEL WIRELESS, INC.
SENIOR MANAGEMENT INCENTIVE PLAN

Fiscal Year 2012

I. INTRODUCTION

A. Objective of the Bonus Targets: This Plan is intended to provide eligible senior management of Novatel Wireless, Inc. and its subsidiaries (the “Company”) with the target metrics in connection with their respective bonus opportunity related to their contributions to the success and strategic growth of the Company. Participation in the Plan and the payment of any sums hereunder shall be at the sole and absolute discretion of the Company.

B. Participants: This Plan, as determined by the Company on a fully discretionary basis, applies solely to regular employees of the Company who are senior executive officers (“Plan Participants”), whom the Company determines meet the eligibility requirements set forth in Section III. For purposes of this Plan and unless otherwise prohibited by applicable law, the term “regular employee” means an individual who is deemed by the Company to be both an employee of the Company and employed for an unspecified or indefinite period of time.

C. Effective Date: Fiscal Year 2012 (January 1, 2012 – December 31, 2012).

D. Changes in Targets: The Company reserves the right to modify the targets in whole or in part, at any time. Any such modification or termination must be approved in writing by either (i) the CEO, except with respect to his own targets or bonus payments, or (ii) resolution of the Compensation Committee or Board of Directors.

E. Authority: The Company reserves the right to interpret this document on a fully discretionary basis. Nothing in this Plan is intended to create an entitlement to any employee for any incentive payment hereunder except as the Company may determine in its discretion.

II. BONUS TARGET FACTOR

A. Bonus Target Factor will be determined by reference to Corporate Targets and Individual Objectives. Corporate Targets will be determined by assigning a weight of between 0 and 0.70 based on achievement of Corporate Targets. Individual Objectives will be determined by assigning a weight of between 0 and 0.30 based on achievement of Individual Objectives. The Bonus Target Factor will be the sum of the Corporate Target Factor and the Individual Objectives Factor.

B. Corporate Targets are based on the achievement of a Company-wide financial metric for the Fiscal Year and the achievement of commercial milestones as set forth in Annex A hereto.

C. Individual Objectives are based on an evaluation of a Plan Participant's performance and contributions for the Fiscal Year based on the criteria for his or her respective position as set forth in Annex A hereto.

III. ELIGIBILITY

A. Eligibility: A Plan Participant must satisfy each of the following eligibility requirements to be considered for the Incentive Payment hereunder.

1. The Plan Participant must be deemed by the Company to be employed by the Company as a regular employee in an incentive-eligible position before the first working day of the last fiscal quarter of the Fiscal Year, and must be employed as a regular employee in an incentive-eligible position on the last working day of the Fiscal Year; a person is not eligible to be a Plan Participant during any period in which such person is providing services to the Company as a temporary employee, intern or as an independent contractor, consultant, or agent under a written or oral contract, and must not be classified by the Company as a temporary employee, independent contractor, consultant, or agent (whether or not such classification is upheld upon review by a governmental, judicial or other agency); provided however, that should such person become a regular employee at any time during the Fiscal Year before the first working day of the last fiscal quarter of the Fiscal Year, and remain employed as a regular employee in an incentive-eligible position on the last working day of the Fiscal Year, such person would be eligible to be considered for an Incentive Payment for such portion of the Fiscal Year.

2. Unless otherwise required by law, in no event will an employee be eligible to receive an incentive hereunder unless he/she is employed on the last working day of the Fiscal Year in the capacity, or comparable capacity, such Plan Participant is employed on the date such person becomes eligible as a Plan Participant.

3. Plan Participants meeting all eligibility requirements hereunder who have less than one year of service will be eligible to receive a discretionary incentive that is prorated from the effective date of participation in the plan up to and including the last working day of the Fiscal Year. Unless otherwise required by law, in no event will an employee be eligible to receive an incentive hereunder unless he/she is employed on the last working day of the Fiscal Year in the capacity, or comparable capacity, such Plan Participant was employed when such he or she became eligible as a Plan participant.

IV. PARTICIPANTS AND INCENTIVE TARGET PERCENTAGE

A. Participants and Incentive Target Percentage. The current Plan Participants in the Plan are those set forth below. The Incentive Target Percentage for each such Participant is a target percentage of each Participant's base salary as follows and may be changed at

the discretion of the Company at any time during the Fiscal Year. The actual percentage of base salary eventually paid to any Plan Participant pursuant to the Plan may be smaller or larger than the percentages shown below, depending on the achievement of Corporate Targets and Individual Objectives in the Fiscal Year.

Plan Participant	Incentive Target Percentage
CEO	100%
CFO	50%
Senior VP Research and Development	50%
Chief Marketing Officer	50%
Senior VP Business Affairs & General Counsel	50%
Senior VP Operations	50%

B. Elements of Calculation:

Incentives under this Plan are calculated on a fully discretionary basis, in accordance with the following formula:

$$\text{Base Salary} \times \text{Incentive Target Percentage} \times \text{Bonus Target Factor} \times \text{Proration Factor} = \text{Total Annual Incentive}$$

1. Base Salary shall mean the annual base salary for each Plan Participant set forth above in effect at the end of Q4 2012.

2. Proration Factor accounts for the number of calendar days during the Fiscal Year that such Plan Participant was in an incentive-eligible position. For example, the Proration Factor for a Plan Participant who has been in the Plan the entire year will be 1.00. For a Plan Participant who has been in the Plan for 6 months, this factor will be 0.50.

C. Incentive Formula and Calculation Example: Assuming a base salary of \$250,000, Incentive Target Percentage of 50%, Corporate Target Factor of 0.70 and Individual Objective Factor of 0.20, and a Proration Factor of 1.00, the Total Annual Incentive for such a Plan Participant meeting all eligibility requirements, would be calculated as follows:

Sample Calculation

$$\text{Base Salary} \times \text{Incentive Target Percentage} \times \text{Bonus Target Factor} \times \text{Proration Factor} = \text{Total Annual Incentive}$$

$$\text{\$250,000} \times \text{0.50} \times \text{0.90} \times \text{1.0} = \text{\$112,500*}$$

* less any appropriate withholdings.

In this example, the total incentive equals 45% of base salary.

D. At Will Employment. Subject to any written employment agreement or other written agreement between the Company and any employee, (1) the Company is an at-will employer, which means that an employee's employment can be terminated by an employee or the Company at any time with or without cause, (2) the Company reserves the right to modify an employee's duties, title or other terms and conditions of employment with or without cause, (3) this Plan cannot and should not be interpreted to alter the at-will nature of the employment relationship between the Company and any Plan Participant and (4) the at-will nature of any employment relationship cannot be modified except in a written document signed by the Company's CEO.