

**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): March 11, 2021**

**Dexcom**

**DEXCOM, INC.**

(Exact Name of the Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation  
or Organization)

**000-51222**  
(Commission File Number)

**33-0857544**  
(I.R.S. Employer Identification No.)

**6340 Sequence Drive, San Diego, CA 92121**  
(Address of Principal Executive Offices, Including Zip Code)

**(858) 200-0200**  
(Registrant's Telephone Number, Including Area Code)  
(Former Name, Former Address, and Former Fiscal Year, if changed from 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))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of Each Class</u>                | <u>Trading Symbol(s)</u> | <u>Name of Each Exchange on Which Registered</u> |
|---|--------------------------|--|
| Common Stock, \$0.001 Par Value Per Share | DXCM                     | Nasdaq Global Select Market                      |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.**

(e)

***Company Incentive Bonus Plan***

On March 11, 2021, the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of DexCom, Inc. (“**DexCom**”) approved an Incentive Bonus Plan (the “**Plan**”) pursuant to which DexCom may adopt bonus programs for all employees of DexCom that do not participate in a sales-based commission incentive plan (the “**Participants**”). The purpose of the Plan is to motivate, retain, attract and reward employees. The Plan is effective as of March 11, 2021.

The Plan is to be administered by the Committee, and under the terms of the Plan, the Committee, in its sole discretion, may delegate certain authority under the Plan to one or more directors and/or officers of DexCom.

The Plan is designed to award a bonus based on achievement of certain performance metrics as set forth in the Plan, which may include, among other things, financial, corporate, operational and individual performance goals (the “**Performance Goals**”) during performance periods, which may be annual, quarterly or other time periods (each, a “**Performance Period**”), as determined by the Committee under the Plan. The Committee will establish the Performance Goals for each Participant and individual Participant incentive targets, which may be based on the Participant’s base salary (each a, “**Target Award**”). Upon achievement of a Participant’s Performance Goals during a Performance Period, the Committee, in its sole discretion, may elect to pay the Participant an actual award, which may be below, at or above the Target Award (as so determined, an “**Award**”).

Unless otherwise determined by the Committee, the Awards will be paid in the first quarter of the fiscal year following the end of the Performance Period. Participants must still be employed by DexCom at the time of the payment of the Award, subject to certain exceptions.

Each Award generally will be paid in cash in a single lump sum. However, the Committee, in its sole discretion, may elect to settle an Award with an equity award under DexCom’s then-current equity compensation plan, which equity award may have such terms and conditions, including vesting, as determined by the Committee.

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

***2021 Bonus Plan***

On March 11, 2021, the Committee approved a management bonus plan (the “**2021 Bonus Plan**”) under the term of the Plan with specified goals for fiscal 2021 for DexCom’s employees, including its Chief Executive Officer, Chief Operating Officer and Chief Financial Officer and its other officers. Bonuses under the 2021 Bonus Plan for Vice Presidents and above (the “**Officers**”), which includes our named executive officers, shall be calculated based on each Officer’s target bonus amount multiplied by company performance factor.

**Target Bonus**

The target bonus for DexCom’s Chairman, President and Chief Executive Officer is 125% of his base salary; for Executive Vice Presidents is 75% of their base salaries; for Senior Vice Presidents is 50% of their base salaries and for Vice Presidents is 40% of their base salaries.

**Company Performance Factor**

For DexCom’s Officers, the amount of any bonus paid under the 2021 Bonus Plan will be predicated on achieving a targeted annual revenue goal with 60% weighting (the “**Revenue Component**”), a targeted non-GAAP operating margin goal with 20% weighting (the “**Margin Component**”), and an operational performance milestone comprised of multiple strategic goals with a total 20% weighting (the “**Operational Component**”).

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Under the 2021 Bonus Plan, no portion of the Revenue Component shall be paid unless DexCom meets a specified minimum annual revenue goal for fiscal 2021. If this minimum annual revenue goal is achieved, the Officer will receive a bonus award of 50% of their targeted Revenue Component. If this minimum annual revenue goal is exceeded, the Officer will receive a bonus award at various stepped up amounts up to a maximum of 175% of their targeted Revenue Component.

Under the 2021 Bonus Plan, no portion of the Margin Component shall be paid unless DexCom meets a specified margin goal for fiscal 2021. If this specified margin goal is achieved, the Officer will receive a bonus award of 50% of their targeted Margin Component. If this specified margin goal is exceeded, the Officer will receive a bonus award at various stepped up amounts up to a maximum of 175% of their targeted Margin Component.

Under the 2021 Bonus Plan, the Operational Component shall be paid to Officers for achieving operational performance goals. The Officers will receive a portion of their targeted Operational Component for achievement of specified performance milestones by DexCom during fiscal 2021. Each performance milestone is weighted 5% or 10% of the overall bonus. If none are achieved, no portion of the Operational Component shall be paid.

The maximum funding of the 2021 Bonus Plan for Officers shall not exceed the maximum funding of the 2021 Bonus Plan for employees below the rank of Vice President. In addition, if any of the three goals within the Operational Component are not achieved, the bonus amount under the 2021 Bonus Plan otherwise payable to Officers will be reduced by the percentage of the goal(s) missed.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

**(d) Exhibits.**

| <b>Number</b>        | <b>Description</b>   |
|----------------------|--|
| <a href="#">10.1</a> | <a href="#">DexCom Incentive Bonus Plan.</a>                                 |
| 104                  | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

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## 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 thereunto duly authorized.

**DEXCOM, INC.**

By: /s/ PATRICK M. MURPHY  
Patrick M. Murphy  
Executive Vice President and Chief Legal Officer

Date: March 17, 2021

**DexCom Incentive Bonus Plan****Effective March 11, 2021****1. PURPOSE.**

The Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of DexCom, Inc. (together with its subsidiaries, the “**Company**”) has adopted this Incentive Bonus Plan (as amended from time to time, this “**Plan**”) to motivate and reward Participants for their contributions toward the achievement of certain Performance Goals (as defined below) by the Company.

**2. PARTICIPATION.**

Employees of the Company (including the Company’s officers within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended (the “**Officers**”)) are eligible to participate in this Plan subject to the Plan’s terms and conditions. A “**Participant**” under this Plan means (x) any Officer of the Company who is designated as a Participant by the Committee or (y) any employee that is not an Officer and who does not otherwise participate in a sales-based commission incentive plan or program unless Company’s Chief Executive Officer, Chief Human Resources Officer and/or another designated Officer (the “**Designated Officer**”) determines that an employee shall not participate.

**3. ADMINISTRATION.**

The Plan shall be administered by the Committee, which shall have the discretionary authority to interpret the provisions of the Plan, including all decisions on eligibility to participate, the establishment of Performance Goals, the amount of Awards payable under the Plan, and the payment of Awards. The Committee shall also have the discretionary authority to establish rules under the Plan so long as such rules do not explicitly conflict with the terms of the Plan and any such rules shall constitute part of the Plan. The decisions of the Committee shall be final and binding on all parties making claims under the Plan.

Notwithstanding anything to the contrary herein, the Designated Officer shall administer the Plan with respect to non-Officer Participants; provided, however, that (x) the Committee must establish and determine any Company-based Performance Goals and the overall funding of the Plan, (y) the Committee may establish any terms and condition that will apply to administration by the Designated Officer and (z), in its sole discretion, the Committee may

elect to administer the Plan with respect to non-Officer Participants. Accordingly, references to the Committee throughout this Plan shall be deemed to refer to the Designated Officer within the limits of the delegation set forth in this paragraph.

#### 4. BONUS AWARDS.

With respect to each Participant, the Committee will establish one or more Performance Periods, an individual Participant incentive target (which may be, but is not required to be, based on the Participant's base salary as such base salary is determined by the Committee) for each Performance Period and the Performance Goal(s) and any individual Participant performance targets to be met during such Performance Period(s) as applicable, a "**Target Award**"). The actual award (if any) payable to a Participant for a Performance Period is subject to adjustment as provided in this section, and may be below, at or above the Target Award, as determined by the Committee, in its sole discretion (as so determined, an "**Actual Award**" and, generally, together with Target Awards, "**Awards**"). Awards may be pro-rated on any basis determined appropriate in the Committee's sole discretion, including, but not limited to, in connection with mid-cycle hiring, upon transfer to a new position or new location or to account for a leave of absence or a reduced work schedule. The Committee reserves the right, in its sole discretion, to increase, reduce or eliminate the amount of an Award otherwise payable to a Participant with respect to any Performance Period on the basis of such factors as it deems relevant, and will not be required to establish any allocation or weighting with respect to the factors it considers.

For purposes of this Plan:

"**Performance Goal**" means a formula or standard determined by the Committee with respect to each Performance Period based on one or more of the following criteria and any adjustment(s) thereto established by the Committee: (1) profit before tax; (2) billings; (3) revenue; (4) net revenue; (5) earnings (which may include earnings before interest and taxes, earnings before taxes, net earnings, stock-based compensation expenses, depreciation and amortization, or as otherwise adjusted); (6) operating income; (7) operating margin; (8) operating profit; (9) controllable operating profit or net operating profit; (10) net profit; (11) gross margin; (12) operating expenses or operating expenses as a percentage of revenue; (13) net income; (14) earnings per share; (15) total stockholder return; (16) market share; (17) return on assets or net assets; (18) the Company's stock price; (19) growth in stockholder value relative to a pre-determined index; (20) return on equity; (21) return on invested capital; (22) cash flow (including free cash flow or operating cash flows); (23) balance of cash, cash equivalents and marketable securities; (24) cash conversion cycle; (25) economic value added; (26) individual confidential business objectives; (27) contract awards or backlog; (28) overhead or other expense reduction; (29) sales; (30) strategic plan development and implementation; (31) succession plan development and implementation; (32) improvement in

workforce diversity; (33) employee-based metrics, including satisfaction and retention (34) customer indicators and/or satisfaction; (35) new product invention or innovation; (36) attainment of research and development milestones; (37) improvements in productivity; (38) bookings; (39) working-capital-related targets; (40) attainment of operating goals and employee metrics; (41) completion of a joint venture or other corporate transaction and (42) any other metric that is capable of measurement as determined by the Committee. Performance Goals may differ from Participant to Participant, Performance Period to Performance Period and from Award to Award. Any criteria used may be measured, as applicable, (i) in absolute terms, (ii) in relative terms (including, but not limited to, any increase (or decrease) over the passage of time and/or any measurement against other companies or financial or business or stock index metrics particular to the Company), (iii) on a per share and/or share per capita basis, (iv) against the performance of the Company as a whole or against any affiliate(s), or a particular segment(s), a business unit(s) or a product(s) of the Company or individual project company, (v) on a pre-tax or after-tax basis, and/or (vi) using an actual foreign exchange rate or on a foreign exchange neutral basis.

**“Performance Period”** means the Company’s fiscal year, multiple fiscal years, calendar years or any other period longer or shorter than one fiscal or calendar year, as determined by the Committee, in its sole discretion. The Committee may establish different Performance Periods for different Participants, and the Committee may establish concurrent or overlapping Performance Periods.

## 5. PAYMENT OF AWARDS.

a. Except as otherwise determined by the Committee, Actual Awards will be paid in first quarter of the fiscal year following the end of the Performance Period (but in no event later than the 15th day of the third month following the later of (i) the end of the Company’s taxable year in which such Actual Award is earned or (ii) the end of the calendar year in which such Award is earned, or otherwise if structured to comply with, or be exempt from, Code Section 409A) or earlier on a pro rata basis based on projected rate of achievement in the event of an acquisition of the Corporation, and Participants must still be employed and in good standing on date of payment to receive payment of an Actual Award, except as provided in an applicable severance plan or an individual employment, retention or separation agreement with a Participant. The Committee may make exceptions to the employment requirement in its discretion, including in the case of retirement, death or disability, or in the case of a corporate change in control, in each case determined on its own merits by the Committee.

b. Participants must have three months of employment to be eligible to participate in the Plan, pro-rated accordingly, except that the Committee retains discretion to pay out a bonus to individuals with less than three months of employment.

c. The Committee retains discretion to determine whether all or part of the Performance Goals are met as well as the overall amount payable for an Actual Award; provided however, that for the avoidance of doubt, the Committee (and not the Designated Officer) shall determine the achievement of the Company-based Performance Goals, any individual performance for Officers and the Actual Awards for Officers.

d. The Committee retains discretion to increase or withhold some or all of Target Award based on an employee's individual performance during the applicable Performance Period.

e. Each Actual Award generally will be paid in cash (or its equivalent) in a single lump sum. However, the Committee (and not the Designated Officer) reserves the right, in its sole discretion, to settle an Actual Award with a grant of an equity award under the Company's then-current equity compensation plan, which equity award may have such terms and conditions, including vesting, as the Committee determines in its sole discretion.

## 6. GENERAL.

a. The Company shall have the right to deduct from all Awards any applicable taxes, and any other deductions, required to be withheld with respect to such payments. The Company also may withhold such amounts from any other amount payable by the Company or any affiliate to the Participant, subject to compliance with applicable laws.

b. Nothing in the Plan shall confer on any Participant the right to continued employment with the Company or any of its affiliates, or affect in any way the right of the Company or any affiliate to terminate the Participant's employment at any time, and for any reason, or change the Participant's responsibilities. Awards represent unfunded and unsecured obligations of the Company and a holder of any right hereunder in respect of any Award shall have no rights other than those of a general unsecured creditor to the Company.

c. No Award granted under this Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated.

d. Awards under the Plan will be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of Participant's employment with the Company that is applicable to officers, employees or directors of the Company, and in addition to any other remedies available under

such policy and applicable law, may require the cancellation of outstanding bonus amounts under the Plan and the recoupment of any gains realized with respect to bonus amounts.

e. For Participants employed outside the United States, the Company may vary the provisions of this Plan as deemed appropriate to conform with, as required by or made desirable by, local laws, practices and procedures.

f. The validity, interpretation, construction and performance of Plan shall be governed by the laws of the State of Delaware (other than their choice-of-law provisions).

g. This Plan constitutes the entire agreement between a Participant and the Company and it is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter. Notwithstanding the foregoing, and unless so specifically provided by the Committee, participation under this Plan shall not supersede or affect any other Company plan, policy or agreement relating to Participant's eligibility for a cash bonus payment.

h. The Board or Committee may terminate the Plan at any time. The Board or Committee may, at any time, or from time to time, amend or suspend and, if suspended, reinstate, the Plan in whole or in part.