

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): **July 25, 2012**

ASPEN TECHNOLOGY, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-24786
(Commission
File Number)

04-2739697
(IRS Employer
Identification No.)

200 Wheeler Road, Burlington MA
(Address of Principal Executive Offices)

01803
(Zip Code)

Registrant's telephone number, including area code: **(781) 221-6400**

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))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On July 25, 2012, the board of directors and the compensation committee approved an Executive Annual Incentive Bonus Plan (Fiscal Year 2013) for Mark Fusco, our President and Chief Executive Officer, and for certain other members of our senior management, including each of our other executive officers: Mark P. Sullivan, our Executive Vice President and Chief Financial Officer; Antonio J. Pietri, our Executive Vice President, Field Operations; Manolis E. Kotzabasakis, our Executive Vice President, Products; and Frederic G. Hammond, our Senior Vice President and General Counsel. Each such plan was identical, except for the amount of the executive's target award.

The purpose of these fiscal 2013 plans is to motivate and reward performance for the achievement of the company's performance objectives for fiscal 2013. Payments under each plan are based upon the achievement of predetermined annual corporate financial metrics consisting of target amounts for growth in total license contract value and cash flow from operations. Each of the target amounts is established by the board and is weighted at 50% for purposes of determining each executive's bonus. In order for any bonus to be payable under a plan, we must achieve at least 70% of each of the target amounts.

Performance against the corporate financial metrics will be evaluated mid-year and at year-end. Each executive has the potential for a mid-year payment, in an amount not to exceed 25% of the executive's annual bonus target, based on performance against mid-year target amounts for the corporate performance metrics. The year-end payment is based on total annual performance against the annual performance targets, less any payment received at mid-year. If an executive's employment terminates prior to the end of the performance period, eligibility for any payment will be subject to the retention agreement then in effect between us and the executive.

Under the plans, the compensation committee or the Board may make a discretionary award to an executive in such amount as the compensation committee determines to be appropriate and in the best interests of our company.

A copy of the form of the Executive Annual Incentive Bonus Plan (Fiscal Year 2013) is included as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

- (d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Aspen Technology, Inc. Executive Annual Incentive Bonus Plan (Fiscal Year 2013)

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.

ASPEN TECHNOLOGY, INC.

Date: July 26, 2012

By: /s/ Frederic G. Hammond
Frederic G. Hammond
Senior Vice President and General Counsel

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Aspen Technology, Inc. Executive Annual Incentive Bonus Plan (Fiscal Year 2013)

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Aspen Technology, Inc.

Executive Annual Incentive Bonus Plan

FY13

For

"NAME"

I. Purpose

The purpose of Aspen Technology's ("Company") Executive Annual Incentive Plan (the "Plan") is to motivate and reward performance that results in the achievement of key Company objectives. The Plan was adopted by the Compensation Committee of the Company's Board of Directors in July 2011 and amended by the Compensation Committee of the Company's Board of Directors in October 2011.

II. Effective Date of Plan

The Plan will operate on a fiscal year basis ("Plan Year"), and is effective from July 1, 2012 through June 30, 2013.

III. Eligibility

Eligibility is afforded to those employees:

- A. whose positions are determined by Aspen Technology to have significant impact on the operating results of the Company; and
- B. who have been employed by the Company for six months or more (pro-rated target awards for employment greater than six months and less than twelve months).

In FY13, the eligible positions include:

- CEO
- EVP, Field Operations
- EVP & CFO
- EVP, Products
- SVP, Marketing

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- SVP, HR
 - SVP, Corporate Strategy
 - SVP & General Counsel

Eligibility for the Plan does not guarantee payment of an award. Payment is dependent upon performance. Further, eligibility does not guarantee continuation of employment. If employment ends prior to the end of the performance period any payment eligibility is subject to the Executive Retention Agreement then in force. Should an Executive voluntarily resign after the completion of the performance period, he is eligible to receive the earned bonus in accordance with the Plan.

IV. Target Award

The Plan is based on the "Target Award" concept, which bases the award on the Company's overall performance. In order to achieve the Target Award amount, the Company must achieve 100% of its pre-established objectives by the end of the Plan Year. The actual award paid to the participant, if any, for a given Plan Year will be based on the Company's overall performance, as adjusted for the overall level of bonus pool funding.

The Target Award for each position is the incentive award as defined when 100% of all Plan objectives are met and the Company attains the necessary level of performance to fund the bonus pool at 100%.

V. Components of Award

"Company Metric Performance" for Plan purposes is based on the accomplishment of one or more predetermined annual Company financial objectives, which will be selected each year based on their critical importance to the Company's success. Company Metric Performance for fiscal year 2013 will be measured based on the achievement of the FY13 Growth in Total License Contract Value "TLCV" and Cash Flow from Operations.

The following summarizes the weighting for the various incentive components for FY13.

FY13 Plan Components	Overall Bonus Weighting	On Target Metric
Growth in TLCV	50%	\$ TBD
Cash Flow from Operations	50%	\$ TBD

Company Metric Performance (Growth in TLCV & Cash Flow)

The achievement level will then correspond to a bonus plan funding/weighting percentage by individual metric according to the following table:

Actual Performance Achieved by Metric	Funding Level of Metric Based on Performance
< 70% of Target	0%
70% of Target	50%
80% of Target	70%
90% of Target	90%
100% of Target	100%

This Plan is capped at 100% funding.

The funding is based on a minimum achievement of 70% of the on target metric. At 70% achievement, the plan funds at 50% target and will increase at a 2:1 ratio until 90% achievement. Achievement between 90% and 100% will fund at a 1:1 ratio. Each metric is measured and funded independently.

VI. Plan Funding Allocation and Achievement

For fiscal year 2013, Plan funding will be based on the attainment of specified levels of Growth in Total License Contract Value and Cash Flow from Operations. Funding is contingent upon and proportional to the Company's attainment of required levels (minimum 70% performance). In FY13, there is the potential for a mid-year payment as well as a final year-end payment. The mid-year payment is based on mid-year performance against the mid-year targets and will not exceed 25% of the annual bonus target. The year-end payment is based on total annual performance against the annual performance targets less any payment received at mid-year.

The allocation of target bonus by metric/measurement for each measurement period is as follows:

Measurement	% of Annual Bonus
Growth in TLCV	50%
Cash Flow	50%

Should the mid-year bonus earned be less than the target of 25% of bonus potential, the unrealized difference (up to the 25% mid-year potential) can be made up at year-end based on annual achievement against annual goals.

VII. Bonus Calculation

A. Bonus calculation takes into account three components:

- Growth in TLCV and corresponding funding percentage (Section V);
- Cash Flow from Operations and corresponding funding percentage (Section V); and
- Target Bonus (\$) level (as defined in Appendix A).

B. The bonus will be measured on a first half performance at mid-year and on an annual performance level at year end.

First Half (H1) Calculation (Maximum payout of 25% of annual bonus target)

Growth in TLCV

Annual Bonus Target	X	Metric Weighting 50%	X	Maximum Payout 25%	X	Mid-Year Funding Achievement %	=	H1 Growth in TLCV Bonus Payout
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Cash Flow from Operations

Annual Bonus Target	X	Metric Weighting 50%	X	Maximum Payout 25%	X	Mid-Year Funding Achievement %	=	H1 Cash Flow Bonus Payout
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Total H1 Bonus

H1 Growth in TLCV Bonus Payout	+	H1 Cash Flow Bonus Payout	=	Total H1 Bonus Payout
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End of Year (YE) Calculation

Growth in TLCV

Annual Bonus Target	X	Metric Weighting 50%	-	H1 Earned	X	Funding Achievement %	=	YE Growth in TLCV Earned Bonus
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Cash Flow from Operations

Annual Bonus Target	X	Metric Weighting 50%	-	H1 Earned	X	Funding Achievement %	=	YE Cash Flow
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YE Bonus Funding

Growth in TLCV Earned + YE Cash Flow Earned = **Total YE Bonus Payout**

Illustration

The following illustrations demonstrate sample calculations for determining potential bonus payments using an annual bonus potential of \$100,000.

H1 Bonus Calculation

Category	Metric Weighting	Annual Bonus Target	Maximum Payout %	H1 Target Award	Mid-Year Funding Achievement %	H1 Bonus Payout
Growth in TLCV	50%	\$ 100,000	25%	\$ 12,500	90%	\$ 11,250
Cash Flow	50%	\$ 100,000	25%	\$ 12,500	70%	\$ 8,750
H1 Total						\$ 20,000

End of Year Calculation

Category	Metric Weighting	Annual Bonus Target	Annual Bonus Target Award	End of Year (YE) Bonus Target (minus H1 Bonus Payout)	Funding Achievement %	YE Bonus Payout
Growth in TLCV	50%	\$ 100,000	\$ 50,000	\$ 38,750	80%	\$ 31,000
Cash Flow	50%	\$ 100,000	\$ 50,000	\$ 41,250	100%	\$ 41,250
H2 Total						\$ 72,250
H1 Total						\$ 20,000
Full Year Total						\$ 92,250
% of Annual Bonus Target						92.25%

Note: All Actual Plan awards will be adjusted up/down based on Company bonus pool funding levels.

VIII. Discretionary Awards

In addition to awards based on the performance metrics established herein and notwithstanding any limitations including caps set forth elsewhere herein, the Compensation Committee of the Board of Directors may make discretionary awards to eligible employees in such amounts as the Committee determines are appropriate and in the best interests of the Company.

IX. Administration

Administration of this Plan will be the responsibility of the CEO or the Compensation Committee of the Board of Directors. Any interpretation of the terms, conditions, goals, or payments from this Plan required because of a dispute will be made solely by the CEO or the Compensation Committee of the Board of Directors after a full review of the facts, input from the affected parties, and with appreciation of the overall intent of the Plan and previous practices.

If any term or condition of this Plan is found to be in non-conformance with a given state or federal law (USA) or local legislation (International locations), that term or condition will be non-enforceable but will not negate other terms and conditions of the Plan. However, Aspen Technology, Inc., will review and modify the overall Plan to conform to such law.

Eligibility and participation in this Plan in no way implies or reflects any guarantee or contract of employment, except as may be stipulated by applicable local law. Aspen Technology, Inc. reserves the right to amend, modify, or terminate this Plan and the procedures set forth herein at any time. Any change to the terms of the Plan will be made in writing by SVP of Human Resources to all Participants in as far in advance as possible of the effective date of such change, and will be subject to acceptance by the Participant.



Appendix A

Employee's Name: _____ **Manager's Name:** Mark Fusco **Organization:** _____ **Date Prepared:** _____

FY13 Compensation **Base Salary:\$** _____ **Bonus Target: \$** _____ **OTE: \$** _____

Employee Signature : _____

Date: _____

CEO

Signature : _____

Date: _____

