UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): **November 8, 2020**

TELOS CORPORATION
(Exact name of registrant as specified in its charter)

Maryland	**001-08443**	**52-0880974**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

19886 Ashburn Road, Ashburn, Virginia	**20147-2358**
(Address of principle executive offices)	(Zip Code)

(703) 724-3800
(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:

- ◻ 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: None

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.

Changes to Board of Directors

On November 8, 2020, Lieutenant General Bruce R. Harris (USA, Ret.) informed the Company that he is resigning from the Board of Directors of the Company (the "Board"), effective November 8, 2020. Lt. Gen. Harris's departure is not due to a disagreement with the Company, the Board, or management on any matter relating to the Company's operations, policies, or practices. On November 8, 2020, the Board appointed Mr. Fredrick Schaufeld to the Board to serve until the next annual meeting of the stockholders of the Company. Mr. Schaufeld will serve on the Management Development and Compensation Committee.A copy of the press release announcing Lt. Gen. Harris's departure and Mr. Schaufeld's appointment is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated by reference herein.

On November 8, 2020, Robert J. Marino informed the Company that he is resigning from the Board contingent upon the consummation of the Company's contemplated initial public offering ("IPO") and effective as of the closing of such IPO. Mr. Marino's departure is not due to a disagreement with the Company, the Board, or management on any matter relating to the Company's operations, policies, or practices.

Adoption of Annual Cash Incentive Plan

On November 5, 2020, the Compensation Committee of the Board approved, and on November 8, 2020, the Board reviewed and adopted an Annual Cash Incentive Plan ("AIP") for 2021, a copy of which is attached to this Current Report on form 8-K as Exhibit 99.2 and is incorporated herein by reference.

The Company's senior officers are eligible for incentive cash bonus awards under the AIP. The purpose of the AIP is to provide each senior executive officer the opportunity annually to earn a cash bonus as an incentive to put forth maximum efforts for both our short-term and long-term success and to drive achievement of the Company's long-term growth and profitability objectives. The AIP is based upon one or more financial performance targets as determined by the Compensation Committee on an annual basis. Awards under the AIP are an integral component of compensation that link and reinforce executive decision-making and performance with the annual objectives of the Company. The AIP is administered by the Compensation Committee, and determinations by the Compensation Committee are final, conclusive and binding on all parties. The Compensation Committee has the discretion to determine the appropriate performance targets, the amount of the awards, and the leverage features described below. The amount of the awards, performance targets, and leverage features generally are established in writing prior to or during the first quarter of each year.

The amounts of the potential AIP awards to the Company's senior executives range from 40% to a maximum of 100% of the annual salaries of the various senior executives (with the CEO set at 100% of his annual salary and all other senior officers set at lower percentages of each of their salaries), subject to leveraging in accordance with an AIP Award Leverage Schedule. The amount of leverage ranges from a low of 0% (in the event performance falls below 100% of the performance target), in which case no AIP award would be earned, to a high of 200% (in the event performance is achieved equal to or higher than 120% of the performance target), with the performance at target set to a leverage amount of 100% of the senior officer's potential AIP award. The performance targets are subject to equitable adjustment, in the discretion of the Compensation Committee, in the event of significant transactions such as corporate acquisitions or dispositions. The AIP and the annual cash incentives potentially payable under it for the Company's senior officers are generally competitive with similar annual incentive compensation earned by senior executives at our peer companies, as evaluated by the Company's independent executive compensation advisor and reported to the Compensation Committee.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Press Release, dated November 12, 2020
99.2	Annual Cash Incentive Plan for 2021

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 12, 2020

TELOS CORPORATION

By: /s/ Michele Nakazawa
Michele Nakazawa
Chief Financial Officer

Exhibit 99.1

Telos Corporation Welcomes Fred Schaufeld to its Board of Directors

D.C businessman brings years of entrepreneurial and investment expertise

Ashburn, VA – November 12, 2020 – Telos® Corporation, a leading provider of cyber, cloud and enterprise security solutions for the world's most security-conscious organizations, today announced that it has added noted entrepreneur and investment guru Fred Schaufeld to its Board of Directors.

A fixture in the D.C. community, Schaufeld acts as co-founder and managing director of SWaN & Legend Venture Partners (SWaN) and serves as partner in Monumental Sports and Entertainment, which owns the Washington Capitals, Wizards and Mystics sports franchises, as well as the Capital One Arena. He is a partner in the Washington Nationals, Team Liquid, the Professional Fighters League and the Hill Top House Hotel in Harpers Ferry, W.Va.

"Fred brings a wealth of wisdom garnered over decades of successful entrepreneurship and capital investing experience," said John B. Wood, CEO and chairman, Telos. "His insights will be invaluable as we usher in a new era of growth and expansion for the company."

Prior to SWaN, Schaufeld founded and led NEW Corp., which was acquired by Asurion in 2008 and is now the world's largest consumer product protection company, employing over 20,000 people worldwide. In addition to his new role with Telos, Schaufeld sits on the boards of an extensive and diverse portfolio including such organizations as the Wolf Trap Foundation, Custom Ink, KIND Healthy Snacks and Georgiamune. He also serves as chairman of the Inova Health System Foundation.

"I'm excited to join the ranks of such a distinguished company – one that has proven its dedication to securing both commercial enterprises and mission-critical government agencies," said Schaufeld. "The future is brighter than ever for Telos, and I look forward to playing a role in contributing to the success of the company."

Schaufeld will fill the seat vacated by Lt. Gen. Bruce Harris (USA, Ret.), who was appointed to the Telos board in 2006.

"General Harris' strategic counsel has been indispensable to Telos over the years," Wood said, "and we'd like to thank him for his nearly 15 years of dedicated service on our board."

About Telos Corporation
Telos Corporation empowers and protects the world's most security-conscious organizations with solutions for continuous security assurance of individuals, systems, and information. Telos' offerings include cybersecurity solutions for IT risk management and information security; cloud security solutions to protect cloud-based assets and enable continuous compliance with industry and government security standards; and enterprise security solutions to ensure that personnel can work and collaborate securely and productively. The company serves military, intelligence and civilian agencies of the federal government, allied nations and commercial organizations around the world.

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Telos Corporation

Annual Cash Incentive Plan for 2021

ARTICLE I
OBJECTIVE OF THE PLAN

The purpose of the Telos Corporation ("Company") Annual Cash Incentive Plan (the "Plan") is to recognize and reward management employees ("Participant(s)") for contributing to the annual success of the Company and achieving annual predetermined performance objectives.

ARTICLE II
PLAN ADMINISTRATION

The Compensation Committee of the Board ("Committee") will have authority to:

(i) establish and administer the Plan;

(ii) interpret all Plan terms and conditions;

(iii) determine eligibility for Plan participation;

(iv) establish annual performance objectives for Participants;

(v) review award calculations and approve Participant payments;

(vi) amend or terminate the Plan with reasonable notice to Participants; and

(vii) modify Plan awards with reasonable notice to Participants.

The Committee's Plan-related determinations are final and binding on the Company and all Participants. Members of the Committee are not personally liable for any Plan-related determination made on behalf of the Company or any mistake of judgment made in good faith.

The Plan Year begins January 1, 2021 and concludes on December 31, 2021. A new Plan Year will begin each calendar year thereafter until the Committee determines otherwise.

ARTICLE III
PARTICIPATION

An employee selected to participate in this Plan must sign an award certificate or agreement in order to become a Participant. If a Participant is not actively employed by the Company on the last day of the Plan Year, except in the case of death or permanent disability, he or she will forfeit the right to receive a Plan Year award. Unless prohibited by law, if a Participant breaches any obligation under any agreement containing restrictive covenants between the Company and the Participant, either existing on the effective date of this Plan or entered into afterwards, he or she will forfeit the right to receive a Plan Year award.

If a Participant dies or is permanently disabled, as defined by the Company, during the Plan Year, his or her earned award, if any, will be pro-rated by taking the number of full months of participation in the Plan during the Plan Year and dividing those months by twelve (12). The prorated award will be distributed to Participant or, in the event of death, the decedent's surviving spouse. If there is no surviving spouse, the prorated award will be distributed pursuant to the decedent's will. In the event the decedent has no will, then in accordance with the intestacy statute of the decedent's last know State of residence.

<u>Participant Award Targets and Performance Criteria, Goals and Weights</u>

Prior to or at the beginning of the Plan Year, the Committee will communicate to Participants:

- Plan performance criteria, goals and weights, and
- the award formula or matrix by which Plan awards will be calculated.

See Appendix A on page 3 for an expanded description of the following:

- Participant award targets,
- annual performance criteria, goals and weights,
- award leverage schedule, and an
- award calculation example.

ARTICLE IV
ADMINISTRATIVE MATTERS

Plan awards will be calculated on audited financials and paid in a lump sum as soon as practical following the Plan Year, but in all events during the next Plan Year. By participating in this Plan, the Participant authorizes the Company to withhold applicable taxes from any award payment.

Any amount due under this Plan is payable from the Company's general assets. This Plan does not create any interests in any specific assets of the Company.

The terms of this Plan are confidential. By electing to participate in this Plan, the Participant agrees not to disclose the terms of this Plan to anyone other than the Participant's spouse, legal counsel, and tax advisor, unless required by court order or other legal process.

This Plan is intended to provide "short-term deferrals" as described in Treasury Regulation § 1.409A-1(b)(4) under Section 409A of the Internal Revenue Code of 1986, as amended (or successor guidance thereto) (collectively, "Section 409A"), and not to be a "nonqualified deferred compensation plan" for purposes of Section 409A. The Plan shall be administrated and interpreted consistent with that intent.

The Committee may amend or terminate the Plan in whole or in part at any time. In the event of a Plan termination, for any reason, Participants will receive a pro-rated award, if earned, based on performance results up to the Plan termination date. Plan awards, if any, will be multiplied by a proration percentage, which is calculated by taking the number of full months, including the month in which the Plan termination occurred and dividing those months by twelve (12). Prorated awards will be as soon as practical following Plan termination, but in all events during the short-term deferral period under Section 409A. The performance criteria are subject to equitable adjustment, in the discretion of the Committee, in the event of a material corporate transaction such as an acquisition or disposition.

In the event there is a material restatement of Company financials after the payment of a Plan Year award, the Committee will determine the amount of overpayment, if any, using restated financial information and request repayment of the overpaid portion of Plan awards. Repayment of the excess portion of the award will occur within a reasonable period determined by the Committee, but in no event will the overpayment remain outstanding more than twelve months from the date the overpayment is identified by the Company.

A Participant's rights under this Plan are not transferrable, except by will or the laws of descent and distribution. Any unauthorized transfer or attempted transfer of any right under this Plan is void. If a Participant attempts to transfer a right under this Plan, the Committee may terminate that right.

ARTICLE V
GOVERNING LAW

The laws of the Commonwealth of Virginia, regardless of any choice-of-law rules that might direct the application of the laws of any other jurisdiction, shall govern the validity, construction, performance and effect of the Plan.