

INTERNATIONAL BUSINESS MACHINES CORP
Form 8-K
February 04, 2008

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: **January 29, 2008**

(Date of earliest event reported)

INTERNATIONAL BUSINESS MACHINES
CORPORATION

(Exact name of registrant as specified in its charter)

New York
(State of Incorporation)

1-2360
(Commission File Number)

13-0871985
(IRS employer Identification No.)

ARMONK, NEW YORK
(Address of principal executive offices)

10504
(Zip Code)

914-499-1900
(Registrant's telephone number)

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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(e) (Compensatory Arrangements of Certain Officers)

The following are compensation arrangements for the Company's named executive officers:

| | 2007 Annual Incentive | | 2008 Cash(2) | | 2008 Long-Term Incentive Awards | |
|-----------------|-----------------------|----------------|----------------|-------------------------|---------------------------------|----------------------------|
| | Annual Incentive | Team Incentive | Salary Rate(1) | Annual Incentive Target | Restricted Stock Units(3) | Performance Share Units(3) |
| S. J. Palmisano | \$ 5,800,000 | Not Eligible | \$ 1,800,000 | \$ 5,000,000 | \$ 0 | \$ 11,000,000 |
| M. Loughridge | \$ 1,168,750 | \$ 220,000 | \$ 720,000 | \$ 975,000 | \$ 1,050,000 | \$ 2,450,000 |
| N. M. Donofrio | \$ 1,080,000 | \$ 220,000 | \$ 800,000 | \$ 1,080,000 | \$ 0 | \$ 0 |
| D. T. Elix | \$ 1,045,000 | \$ 220,000 | \$ 775,000 | \$ 1,045,000 | \$ 0 | \$ 0 |
| S. A. Mills | \$ 850,700 | \$ 220,000 | \$ 695,000 | \$ 940,000 | \$ 900,000 | \$ 2,100,000 |

(1) Salary rate is effective June 1, 2008.

(2) In addition to Salary and Annual Incentive, each of these officers other than Mr. Palmisano is eligible to receive a team incentive ranging from \$0 - \$250,000.

(3) Restricted stock units and performance share units will be granted on May 8, 2008. The actual number of units granted on this date will be determined by dividing the value shown above by a predetermined, formulaic Planning Price for the second quarter 2008.

IBM's web site (www.ibm.com) contains a significant amount of information about IBM, including financial and other information for investors (www.ibm.com/investor/). IBM encourages investors to visit its various web sites from time to time, as information is updated and new information is posted.

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.

Date: February 4, 2008

By:

/s/ Andrew Bonzani
Andrew Bonzani
Vice President,
Assistant General Counsel &
Assistant Secretary