

**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)
February 10, 2016

Active Power, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

000-30939
(Commission File Number)

74-2961657
(IRS Employer Identification No.)

2128 W. Braker Lane, BK 12, Austin, Texas
(Address of principal executive offices)

78758
(Zip Code)

(512) 836-6464
(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))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(d) Appointment of Class I Director

On February 11, 2016, the Board of Directors (the “Board”) of Active Power, Inc., a Delaware corporation (“Company”), increased the size of the Board from eight to nine directors and appointed Mr. Steven Sams to the Board as a Class I Director. Mr. Sams was recommended to the Nominating and Corporate Governance Committee by Mr. Peter Gross, one of our Board members. There is no arrangement or understanding between Mr. Sams and any other persons pursuant to which Mr. Sams was elected as a director. Also on February 11, Mr. Sams was named to the Compensation Committee of the Board. There are no family relationships between Mr. Sams and any director or executive officer of the Company, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Mr. Sams will receive compensation from the Company for his service on the Board in accordance with the terms of the Company’s non-employee director compensation and equity ownership policy, the material terms of which are described under the caption “Overview of Director Compensation and Procedures” in the Company’s definitive proxy statement on Schedule 14A filed on March 19, 2015. In addition, on February 10, 2016 the Compensation Committee of the Board determined that his initial equity award would consist of 15,000 options, to be granted under the Company’s Amended and Restated 2010 Equity Incentive Plan when the Company’s stock trading window next opens. The award will vest fully on the first anniversary of the date of grant, subject to his continued service through such date. The Company entered into its standard form of indemnification agreement with Mr. Sams.

(e) Cash Incentive Plan

On February 10, 2016, the Compensation Committee (“Committee”) of the Board of Directors of the Company approved the cash incentive plan (the “Plan”) for executive officers and other employees of the Company. The Committee may grant awards under this Plan to employees, directors and other service providers of the Company or to its affiliates. All awards will be denominated in and settled in cash. Awards will vest and be settled pursuant to the terms and conditions determined by the Committee, which conditions may include continued service, the achievement of individual performance goals, performance goals related to the Company or any combination thereof.

The foregoing description of the Plan is qualified by reference in its entirety to the actual terms of the Plan, which is attached hereto as Exhibit 10.1 and is incorporated in this Item 5.02 by reference.

Item 7.01. Regulation FD Disclosure.

On February 16, 2016, the Company issued a press release announcing the appointment of Mr. Sams to the Board of Directors. A copy of the Company’s press released is furnished with this Form 8-K and attached hereto as Exhibit 99.1. Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as may be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Active Power, Inc. Cash Incentive Plan
99.1	Press Release of Active Power, Inc. dated February 16, 2016.

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 hereunto duly authorized.

ACTIVE POWER, INC.

Date: February 16, 2016

By: /s/ James A. Powers

James A. Powers

Chief Financial Officer and Vice President of Finance

EXHIBIT INDEX

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**ACTIVE POWER, INC.
CASH INCENTIVE PLAN**

1. **Purpose.** The Active Power, Inc. Cash Incentive Plan (the “**Plan**”) was adopted by the Compensation Committee of the Board of Directors of Active Power, Inc. (the “**Company**”) to promote the interests of the Company and to be effective as of February 10, 2016. The Plan is intended to provide for the issuance of cash awards to employees, directors and other service providers of the Company or its Affiliates.

2. **Definitions.** Capitalized terms used but not otherwise defined herein shall have the meanings set forth below:

“**Administrator**” means the Committee unless the Board elects to administer the Plan in which case the “Administrator” means the Board.

“**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“**Board**” means the Board of Directors of the Company.

“**Committee**” means the Compensation Committee of the Board of Directors of the Company.

3. **Awards.** The Administrator may grant awards under this Plan to employees, directors and other service providers of the Company or its Affiliates. All awards will be denominated in and settled in cash. Awards will vest and be settled pursuant to the terms and conditions determined by the Administrator, which conditions may include continued service, the achievement of individual performance goals, performance goals related to the Company or any division or department of the Company or any of their Affiliates or any combination thereof.

4. **Administration of the Plan.** The Plan shall be administered by the Administrator. The Administrator shall have the power and authority to prescribe, amend and rescind rules and procedures governing the administration of this Plan, including, but not limited to, the full power and authority (a) to interpret the terms of this Plan, (b) to determine the rights of any person under this Plan, or the meaning of requirements imposed by the terms of this Plan or any rule or procedure established by the Administrator, (c) to accelerate the vesting of any award and (d) delegate any of its authorities, duties or responsibilities under the Plan to a committee of the Board or any officer or employee of the Company. Each action of the Administrator shall be binding on all persons who receive awards under the Plan or otherwise benefit under awards granted pursuant to the Plan.

5. **Taxes.** The Company shall be entitled, if necessary or desirable, to withhold (or secure payment from any person in lieu of withholding) the amount of any withholding or other tax due with respect to the Company with respect to any amount payable under any award granted pursuant to this Plan, and the Company may defer such payment or issuance unless indemnified to its satisfaction.

6. **Rights of Participants.** Nothing in this Plan or in any award agreement shall interfere with or limit in any way the right of the Company or any of its Affiliates to terminate any person's service relationship at any time (with or without cause), nor confer upon any person any right to continue in the service of the Company or any of its Affiliates for any period of time or to continue such person's present (or any other) rate of compensation. No person shall have a right to be selected as a recipient of an award or, having been so selected, to be selected again as a recipient. There is no obligation for uniformity of treatment of recipients of awards under this Plan.

7. **Amendment, Suspension, and Termination of Plan.** The Administrator may suspend or terminate the Plan or any portion thereof at any time and may amend the Plan or any award granted pursuant to the Plan from time to time in such respects as the Administrator may deem advisable; provided that no such amendment, suspension, or termination shall materially impair the rights of recipients of awards previously granted without the consent of the holders affected thereby, except to the extent provided for in any award agreement.

8. **Award Agreements.** In the event of any inconsistency or conflict between any of the provisions of this Plan and any of the provisions of any award agreement, such provisions of such award agreement shall control.



Active Power Appoints Steven Sams to Board of Directors

IBM Veteran Brings Expertise in Efficient, Sustainable and Resilient Design of Mission Critical Facilities

AUSTIN, Texas (Feb. 16, 2016) – Active Power (NASDAQ: ACPW), a manufacturer of flywheel energy storage solutions for mission critical and renewable applications worldwide, today announced its board of directors has named Steven Sams to the company's board effective Feb. 11, 2016.

“Steve has extraordinary technology and business expertise, having spent more than 13 years in multiple executive roles at IBM and nearly 34 years in aggregate at the company,” said Dr. Ake Almgren, chairman of Active Power's board of directors. “He will be a great addition to our board.”

“Steve is well versed in the challenges our customers face in terms of electrical infrastructure and what they value, having founded and successfully led the Global Site and Facilities Services organization at IBM and Project Big Green, the company's green data center initiative,” said Mark A. Ascolese, president and CEO, for Active Power. “His insights and experience, particularly in the areas of product positioning and customer centric communications, will make a significant contribution to Active Power.”

“I'm excited to be part of Active Power and its board,” said Sams. “The company has a highly differentiated product set that improves the financial and environmental condition of its customers' mission critical facilities which makes for a compelling offering. I look forward to sharing my experience and contributing to the future direction and growth of the business.”

Steven Sams Bio

Steven Sams is an accomplished technology and marketing strategist with nearly 34 years in executive and senior sales and operations roles at IBM. Sams most recently led the worldwide organization that supported IBM services sales through business partners as vice president of Global Channels, Alliances and Midmarket Services, for Global Technology Services.

Prior to this, he started and led the Global Site and Facilities Services organization at IBM, a leader in designing and building highly resilient data centers and other mission critical facilities worldwide. His team's designs are used in some of the largest data centers in the world. In 2007, Sams and his team launched Project Big Green, a billion dollar effort to make data centers worldwide more energy-efficient, cost-effective and

Exhibit 99.1

greener overall. Prior to this nearly six year stint, he served in various corporate strategy and product management leadership roles.

Sams is a graduate of the Executive Education program at the Harvard Business School. He also earned a master's in Business Administration from the Rotman School of Management at the University of Toronto and a bachelor's degree in General Sciences from McMaster University.

About Active Power

Active Power (NASDAQ: ACPW) designs and manufactures flywheel uninterruptible power supply (UPS) systems, modular infrastructure solutions (MIS), and energy storage products for mission critical and renewable applications worldwide. The company's products deliver an unmatched combination of total cost of ownership, reliability and sustainability for leading organizations around the world. Customers are served via Austin and three regional operations centers located in the United Kingdom, Germany and China, that support the deployment of systems in more than 50 countries. For more information, visit www.activepower.com.

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