

**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): **May 25, 2005**

HARVARD BIOSCIENCE, INC.

(Exact name of registrant as specified in charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-31923
(Commission File Number)

04-3306140
(IRS Employer
Identification No.)

84 October Hill Road, Holliston, MA 01746
(Address of Principal Executive Offices) (Zip Code)

(508) 893-9989
(Registrant's telephone number, including area code)

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 1.01 Entry into a Material Definitive Agreement.

On May 25, 2005, the Compensation Committee of the Board of Directors of Harvard Bioscience, Inc. (the "Company") determined base salary levels for 2005 for certain executive officers of the Company and adopted the Harvard Bioscience, Inc. 2005 Corporate Bonus Plan. The base salary levels established for 2005 for these executive officers are as follows:

<u>Name</u>	<u>Title</u>	<u>2005 Salary</u>
Chane Graziano	Chief Executive Officer	\$ 455,000
David Green	President	\$ 375,000
Bryce Chicoyne	Chief Financial Officer	\$ 175,000
Susan M. Luscinski	Chief Operating Officer	\$ 235,000
Paul Bailey	Vice President of Finance and Administration	\$ 155,000
David Strack	President, Genomic Solutions, Inc. and Union Biometrica, Inc.	\$ 206,000
Mark A. Norige	Chief Operating Officer, Harvard Apparatus Business Unit	\$ 170,000

The Harvard Bioscience, Inc. 2005 Corporate Bonus Plan provides for cash bonuses to be paid to certain employees of the Company, including Messrs. Graziano, Green, Chicoyne and Bailey and Ms. Luscinski, if the Company achieves adjusted earnings per diluted share for the year ended December 31, 2005 in excess of a target amount. If the target adjusted earnings per diluted share is achieved, then the Company will create an aggregate bonus pool equal to one-third of its adjusted operating income in excess of the minimum operating income that the Company would have needed in order to

achieve the target adjusted earnings per diluted share. The participants under the plan are then entitled to participate in this bonus pool based on the participation percentages established in the plan. Under the plan, the current participation percentages of the executive officers entitled to participate in the plan are approximately as follows:

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<u>Name</u>	<u>Title</u>	<u>2005 Corporate Bonus Plan Participation Percentage</u>
Chane Graziano	Chief Executive Officer	36.57%
David Green	President	30.14%
Bryce Chicoyne	Chief Financial Officer	10.55%
Susan M. Luscinski	Chief Operating Officer	14.17%
Paul Bailey	Vice President of Finance and Administration	6.23%

As the bonus plan is funded with an aggregate bonus pool, the ultimate participation percentages of these executive officers may be greater or less than the percentages set forth above depending on whether any new participants are added to the plan or any existing participants cease to be eligible under the plan. If the target adjusted earnings per diluted share is not achieved, then no bonuses will be paid under the plan. The foregoing summary is qualified in its entirety by reference to the copy of the Harvard Bioscience, Inc. 2005 Corporate Bonus Plan, which is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

On May 25, 2005, the Board of Directors of the Company established the following compensation for the members of the Board, to be effective as of immediately following the 2005 annual meeting of stockholders of the Company:

Each non-employee Director will be entitled to receive a non-qualified stock option to purchase 25,000 shares of our common stock vesting annually over three years and granted on the fifth business day following his or her initial election to the Board and an annual retainer consisting of (a) \$12,000 paid in four equal quarterly installments and (b) a non-qualified stock option to purchase 2,500 shares of our common stock vesting annually over three years and granted on the fifth business day following each annual stockholders meeting. Each non-employee Director member of the Audit Committee will be entitled to receive an additional annual retainer of \$6,000 paid in four equal quarterly installments and an option to purchase 2,500 shares of our common stock vesting annually over three years and granted on the fifth business day following each annual stockholders meeting. Each non-employee Director member of the Compensation Committee will be entitled to receive an additional annual retainer of \$2,000 paid in four equal quarterly installments. In addition, non-employee Directors are reimbursed for their expenses incurred in connection with attending Board and committee meetings.

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Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Harvard Bioscience, Inc. 2005 Corporate Bonus Plan

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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 hereunto duly authorized.

HARVARD BIOSCIENCE, INC.

Date: June 1, 2005

By: /s/ Bryce Chicoyne
Bryce Chicoyne
Chief Financial Officer

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HARVARD BIOSCIENCE, INC.

2005 CORPORATE BONUS PLAN

May 25, 2005

The name of this plan is the Harvard Bioscience, Inc. 2005 Corporate Bonus Plan (this "Bonus Plan"). This Bonus Plan was adopted by resolution of the Compensation Committee of the Company on May 25, 2005.

1. Participants. The participants in the Bonus Plan include all employees of the Corporate Office of Harvard Bioscience, Inc. (the "Company") on December 31, 2005 (the "Participants").

2. Bonus Pool.

(a) All bonuses payable under this Bonus Plan will be funded from a cash bonus pool (the "Bonus Pool") that will be created if Adjusted Earnings Per Diluted Share (as defined below) equal or exceed the Target Adjusted Earnings Per Diluted Share as set forth on Exhibit A. The size of the Bonus Pool will be calculated by subtracting the Minimum Adjusted Operating Income (as defined below) from the Adjusted Operating Income (as defined below) and dividing the result by three (3). The calculation of the size of the Bonus Pool will be made by the Compensation Committee. If Adjusted Earnings Per Diluted Share are less than the Target Adjusted Earnings Per Diluted Share, then there will not be a Bonus Pool and no bonuses will be payable pursuant to this Bonus Plan. For clarity sake, an example of how the Bonus Pool is to be calculated is set forth in Exhibit A.

(b) "Adjusted Earnings Per Diluted Share" equals (A) net income of the Company on a consolidated basis for the year ended December 31, 2005 as calculated in accordance with U.S. generally accepted accounting principles ("GAAP") adjusted for amortization of intangibles related to acquisitions, costs of restructuring, fair value adjustments of inventory and backlog related to acquisitions, stock compensation expense and the effect of this Bonus Plan, if any, all net of tax, with such further adjustments as may be approved by the Compensation Committee, divided by (B) the weighted average number of shares outstanding on a diluted basis during the year ended December 31, 2005 calculated in accordance with GAAP.

(c) "Adjusted Operating Income" equals operating income of the Company on a consolidated basis for the year ended December 31, 2005 as calculated in accordance with GAAP adjusted for amortization of intangibles related to acquisitions, costs of restructuring, fair value adjustments of inventory and backlog related to acquisitions, stock compensation expense and the effect of this Bonus Plan, if any, with such further adjustments as may be approved by the Compensation Committee.

(d) "Minimum Adjusted Operating Income" equals the minimum Adjusted Operating Income that the Company would need to have earned on a consolidated basis in order to achieve the Target Adjusted Earnings Per Diluted Share. Minimum Adjusted Operating Income will be determined using the Company's "Actual Adjusted Tax Expense Rate" for 2005. The Actual Adjusted Tax Expense Rate is calculated by dividing the actual adjusted tax expense for 2005, which is the actual tax expense for 2005 adjusted to reflect the tax effect of the adjustments made to Adjusted Operating Income, by the actual adjusted income before tax for 2005. Actual adjusted income before tax for 2005 equals Adjusted Operating Income plus (or minus) the Company's actual other income (or expense) for 2005.

3. Bonus Payments.

(a) The amount of the bonus payments to be made to each Participant will equal such Participant's Bonus Ratio (as defined below) multiplied by the total Bonus Pool. The calculation of the bonus payments will be made by the Compensation Committee on or before March 15, 2006 and payment of each Participant's bonus payment will be made on or before March 15, 2006. For clarity sake, an example of how the bonus payments are to be calculated is set forth in Exhibit A.

(b) Each Participant's "Bonus Ratio" will equal (A) the product of such Participant's annual salary from the Company for 2005, pro rated based on the percentage of the full year (2005) that such person was employed by the Corporate Office of the Company, multiplied by such Participant's Bonus Factor (as defined below) (such product being referred to as such Participant's "Bonus Salary"), divided by (B) the sum of the Bonus Salaries of all of the Participants.

(c) The "Bonus Factor" for each of the current employees of the Corporate Office of the Company is as follows:

Chane Graziano	200 %
David Green	200 %
Bryce Chicoyne	150 %
Sue Luscinski	150 %
Paul Bailey	100 %
Laura LeGant	100 %

The Bonus Factor for any Participants hired after the date on which this Bonus Plan was adopted will be 100% unless otherwise determined by the Compensation Committee.

4. Administration. The Compensation Committee shall have the power and authority at any time to adopt, alter and repeal such rules, guidelines and practices for administration of this Bonus Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of this Bonus Plan (including any related written instruments); to make all determinations it deems advisable for the administration of this Bonus Plan; to decide all disputes arising in connection with this Bonus Plan; and to otherwise supervise the administration of this Bonus Plan. All decisions and

interpretations of the Compensation Committee shall be binding on all persons, including the Company and the Participants.

5. Termination. This Bonus Plan shall terminate upon the earlier of (a) the determination by the Compensation Committee that no bonuses are payable under this Bonus Plan or (b) the payment by the Company of all bonuses payable under this Bonus Plan.