
**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 15, 2008

American Superconductor Corporation

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-19672
(Commission File Number)

04-2959321
(IRS Employer
Identification No.)

64 Jackson Road, Devens, MA
(Address of Principal Executive Offices)

01434
(Zip Code)

Registrant's telephone number, including area code: (978) 842-3000

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***Award of Special Promotional Bonuses to Certain Executive Officers***

On May 15, 2008, the Compensation Committee of the Board of Directors (the "Committee") of American Superconductor Corporation (the "Company") approved payments of special promotional bonuses to Daniel P. McGahn, Senior Vice President and General Manager, AMSC Superconductors and Asia Pacific, and Angelo R. Santamaria, Vice President, Global Manufacturing Operations, in the amounts of \$40,000 and \$15,000, respectively. These one-time payments adjusted these executives' compensation in order to reflect the significant additional responsibilities assumed with their new positions with the Company. The Company promoted Mr. McGahn to Vice President and General Manager, AMSC Superconductors and Asia Pacific, in January 2008, and to his current position as Senior Vice President and General Manager, AMSC Superconductors and Asia Pacific, in May 2008. The Company promoted Mr. Santamaria to Vice President, Global Manufacturing Operations, in August 2007.

Executive Incentive Plan

On May 15, 2008, the Committee, as well as the Board of Directors of the Company, approved an executive incentive plan for the Company's fiscal year ending March 31, 2009 (fiscal 2008). Participants in the plan include the Company's Chief Executive Officer and all other executive officers. The Committee is responsible for determining the payout under the plan to each executive officer except the Chief Executive Officer. The Board of Directors of the Company determines the payout under the plan for the Chief Executive Officer, taking into account the recommendation received from the Committee.

Pursuant to the plan, the Committee designated for each executive officer a target cash incentive amount, expressed as a percentage of the officer's base salary. In establishing these targets, the Committee took into account for each officer the level of total compensation including base salary, cash incentive and equity paid by similar companies for comparable positions based on market data compiled by our Vice President of Human Resources.

The amount of the incentive award actually paid to each executive officer may be less than or greater than the executive's target cash incentive, with the amount capped at 156% of the target incentive. Individual incentive awards will be determined following the end of fiscal 2008 based on the following factors and their corresponding weightings:

- the Company's earnings before interest, other income (expense), taxes, depreciation, amortization and stock-based compensation (EBITDAS) for fiscal 2008 as compared to the target established by the Committee – 40%
- the executive's achievement of individual, measurable objectives during fiscal 2008 as determined by the Committee for all executives with the exception of the Chief Executive Officer, who is evaluated by the Board of Directors – 40%
- the executive's overall contribution during fiscal 2008 towards the achievement of the Company's financial and non-financial objectives – 20%

The following table sets forth each current executive officer's target cash incentive for fiscal 2008.

<u>Executive Officer</u>	<u>Title</u>	<u>Target Incentive as % of Base Salary</u>	<u>Target Incentive</u>
Gregory J. Yurek	Chief Executive Officer and President	60%	\$ 345,000
Charles W. Stankiewicz	Executive Vice President, AMSC Power Systems	50%	\$ 150,000
David A. Henry	Senior Vice President, Chief Financial Officer, Treasurer and Secretary	50%	\$ 135,000
Daniel P. McGahn	Senior Vice President and General Manager, AMSC Superconductors and Asia Pacific	50%	\$ 122,500
Angelo R. Santamaria	Vice President, Global Manufacturing Operations	50%	\$ 105,000
Timothy D. Poor	Vice President, Global Sales and Business Development	50%	\$ 100,000
Alexis P. Malozemoff	Executive Vice President and Chief Technical Officer	35%	\$ 82,250

Grant of Performance-Based Shares of Restricted Stock

On May 15, 2008, the Committee, as well as the Board of Directors in the case of the Chief Executive Officer, approved the following awards of performance-based shares of restricted stock to the Company's executive officers in accordance with the Company's 2007 Stock Incentive Plan. The form of Restricted Stock Agreement is included as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference:

<u>Executive Officer</u>	<u>Title</u>	<u>Shares of Restricted Stock</u>
Gregory J. Yurek	Chief Executive Officer and President	10,000
Charles W. Stankiewicz	Executive Vice President, AMSC Power Systems	10,000
David A. Henry	Senior Vice President, Chief Financial Officer, Treasurer and Secretary	10,000
Daniel P. McGahn	Senior Vice President and General Manager, AMSC Superconductors and Asia Pacific	10,000
Angelo R. Santamaria	Vice President, Global Manufacturing Operations	10,000
Timothy D. Poor	Vice President, Global Sales and Business Development	10,000
Alexis P. Malozemoff	Executive Vice President and Chief Technical Officer	5,000

Dr. Malozemoff's award is tied to an individual measurable objective related to certain electrical performance characteristics of the Company's superconductor wire product. If Dr. Malozemoff completes this objective by March 31, 2009, then his award will vest in full. If unvested, this restricted stock held by Dr. Malozemoff on May 15, 2009 shall be forfeited automatically to the Company.

All other executives' awards are tied to GAAP profitability. If the Company achieves GAAP profitability for four consecutive quarters, then each executive's award will vest in full. Any unvested performance-based shares of restricted stock held by these executives on May 15, 2011 shall be forfeited automatically to the Company.

In the event that any executive ceases to be employed by the Company for any reason, all of the performance-based shares of restricted stock unvested as of the time of such employment termination shall be forfeited automatically to the Company. In addition, all unvested performance-based shares vest in full upon a change in control of the Company, as defined in the Restricted Stock Agreement.

The Company's award of performance-based shares of restricted stock reflects our executive compensation program's goal of aligning compensation with our long-term business objectives and overall company performance.

Item 9.01. Financial Statements and Exhibits

(d) See the Exhibit Index attached to this Current Report on Form 8-K, which is incorporated herein by reference.

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.

AMERICAN SUPERCONDUCTOR CORPORATION

Date: May 20, 2008

By: /s/ David A. Henry

David A. Henry

Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of Restricted Stock Agreement (regarding performance-based awards to executive officers) under 2007 Stock Incentive Plan

Restricted Stock Agreement

This Restricted Stock Agreement (this "Agreement") is entered into, effective as of this __ day of _____, 200_ (the "Grant Date"), between American Superconductor Corporation, a Delaware corporation (the "Company"), and _____ (the "Employee").

For valuable consideration, receipt of which is acknowledged, the parties hereto agree as follows:

1. Issuance of Shares.

Effective as of the Grant Date, the Company shall issue to the Employee, subject to the terms and conditions set forth in this Agreement and in the Company's 2007 Stock Incentive Plan (the "Plan"), _____ shares (the "Shares") of common stock, \$.01 par value, of the Company ("Common Stock"). The Shares shall be issued to the Employee in consideration of employment services rendered by the Employee to the Company. As promptly as practicable following the Grant Date, the Company shall issue one or more certificates in the name of the Employee for the Shares. The Employee agrees that the Shares shall be subject to the forfeiture provisions set forth in Section 3 of this Agreement and the restrictions on transfer set forth in Section 4 of this Agreement.

2. Vesting.

Subject to the terms and conditions of this Agreement, the Shares shall vest in full upon the achievement of _____ (the "Performance Measure") between _____ and _____ (the "Performance Period"). In addition, the vesting of the Shares is conditioned upon the Employee's continuous employment by the Company from the Grant Date through the satisfaction of the Performance Measure. The determination as to whether the Performance Measure has been attained shall be determined by the [Compensation Committee of the] Board of Directors of the Company. No Shares will vest if the Performance Measure is not met.

Notwithstanding the foregoing, in the event of a Change in Control (as defined below) of the Company, and provided that the Employee remains continuously employed by the Company until the effective date of such Change in Control, all unvested Shares granted under this Agreement shall become immediately vested on the effective date of the Change in Control.

For purposes of the Agreement, a "Change in Control" shall be deemed to have occurred upon the occurrence of the following events: (i) any "person", as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportion as their ownership of stock of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities; (ii) during any period of two consecutive years ending during the term of this Agreement, individuals who at the beginning of such period constitute the Board of Directors of the Company, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect any

transaction described in clause (i), (iii) or (iv) of this Section 2) whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were either directors at the beginning of the period or whose election or whose nomination for election was previously so approved (collectively, the "Disinterested Directors"), cease for any reason to constitute a majority of the Board of Directors; (iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or there occurs the sale or disposition by the Company of all or substantially all of the Company's assets.

3. Forfeiture of Unvested Shares.

In the event that either (a) the Employee ceases to be employed by the Company for any reason or no reason, with or without cause, or (b) Shares remain unvested at the end of the Performance Period, all of the Shares that are unvested as of such time shall be forfeited immediately and automatically to the Company, without the payment of any consideration to the Employee, effective as of such termination of employment or the end of the Performance Period, as the case may be. The Employee shall have no further rights with respect to any Shares that are so forfeited. For purposes of the Agreement, employment with the Company shall include employment with a parent or subsidiary of the Company.

4. Restrictions on Transfer.

The Employee shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively "transfer") any unvested Shares, or any interest therein, except that the Employee may transfer unvested Shares (i) to or for the benefit of any spouse, child or grandchild of the Employee, or to a trust for their benefit, provided that such Shares shall remain subject to this Agreement (including without limitation the forfeiture provisions set forth in Section 3 and the restrictions on transfer set forth in this Section 4) and such permitted transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Agreement or (ii) as a part of the sale of all or substantially all of the shares of capital stock of the Company (including pursuant to a merger or consolidation), provided that, in accordance with Section 9 of the Plan, the securities or other property received by the Employee in connection with such transaction upon conversion of or in exchange for Shares that are not then vested shall remain subject to this Agreement.

5. Escrow.

The Employee shall, upon the execution of this Agreement, execute Joint Escrow Instructions in the form attached to this Agreement as Exhibit A. The Joint Escrow Instructions shall be delivered to the Chief Financial Officer of the Company, as escrow agent thereunder. The Employee shall deliver to such escrow agent a stock assignment duly endorsed in blank, in

the form attached to this Agreement as Exhibit B, and hereby instructs the Company to deliver to such escrow agent, on behalf of the Employee, the certificate(s) evidencing the Shares issued hereunder. Such materials shall be held by such escrow agent pursuant to the terms of such Joint Escrow Instructions.

6. Restrictive Legends.

All certificates representing Shares shall have affixed thereto a legend in substantially the following form, in addition to any other legends that may be required under federal or state securities law:

“The shares of stock represented by this certificate are subject to forfeiture provisions and restrictions on transfer set forth in a certain Restricted Stock Agreement between the corporation and the registered owner of these shares (or his predecessor in interest), and such Agreement is available for inspection without charge at the office of the Secretary of the corporation.”

7. Withholding Taxes; Section 83(b) Election.

[Alternative 1]

(a) Within one business day of the date of issuance of the Shares or within three business days of the date of vesting of the Shares, as applicable, the Employee shall pay to the Company in cash the amount of any federal, state or local taxes of any kind required by law to be withheld by the Company in connection with the issuance or vesting of the Shares. The Employee acknowledges and agrees that the Company has the right to deduct from payments of any kind otherwise due to the Employee the amount of any such taxes.

[Alternative 2]

(a) Within one business day of the date of issuance of the Shares or within three business days of the date of vesting of the Shares, as applicable, the Employee shall either (a) pay to the Company in cash, or (b) deliver shares of Common Stock, including Shares creating the withholding tax obligations, valued at their Fair Market Value (as defined in the Plan), in the amount of any federal, state or local taxes of any kind required by law to be withheld by the Company in connection with the issuance or vesting of the Shares. The Employee acknowledges and agrees that the Company has the right to deduct from payments of any kind otherwise due to the Employee the amount of any such taxes. Except as otherwise provided by the [Compensation Committee of the] Board of Directors of the Company, the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares of Common Stock and/or Shares surrendered to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements.

(b) The Employee has had an opportunity to obtain the advice of the Employee's own tax advisors prior to executing this Agreement and fully understands and agrees to the provisions hereof. The Employee acknowledges that he has been informed of the availability of making an election in accordance with Section 83(b) of the Internal Revenue Code of 1986, as amended; that such election must be filed with the Internal Revenue Service within 30 days of the issuance of the Shares to the Employee; and that the Employee is solely responsible for evaluating the tax implications to the Employee or his or her acquisition of the Shares under this Agreement and for making such election if he or she so chooses.

8. Miscellaneous.

(a) No Rights to Employment. Nothing contained in this Agreement shall be construed as giving the Employee any right to be retained, in any position, as an employee of the Company. The Employee further acknowledges and agrees that the transactions contemplated hereunder and the vesting provisions set forth herein do not constitute an express or implied process of continued engagement as an employee until the Shares vest, for any period of time, or at all.

(b) Provisions of the Plan. This Agreement is subject to the provisions of the Plan, a copy of which has been furnished to the Employee.

(c) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(d) Waiver. Any provision for the benefit of the Company contained in this Agreement may be waived, either generally or in any particular instance, by the Board of Directors of the Company.

(e) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Company and the Employee and their respective heirs, executors, administrators, legal representatives, successors and assigns, subject to the restrictions on transfer set forth in Section 4 of this Agreement.

(f) Notice. All notices required or permitted hereunder shall be in writing and deemed effectively given upon personal delivery or five days after deposit in the United States Post Office, by registered or certified mail, postage prepaid, addressed to the other party hereto at the address shown beneath his or its respective signature to this Agreement, or at such other address or addresses as either party shall designate to the other in accordance with this Section 8(f).

(g) Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, vice versa.

(h) Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties, and supersede all prior agreements and understandings, relating to the subject matter of this Agreement.

(i) Amendment. This Agreement may be amended or modified only by a written instrument executed by both the Company and the Employee.

(j) Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with the internal laws of the State of Delaware without regard to any applicable conflicts of law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

AMERICAN SUPERCONDUCTOR CORPORATION

By: _____
Name: _____
Title: _____
Address: 64 Jackson Road
Devens, MA 01434

[Name of Employee]
Address: _____

AMERICAN SUPERCONDUCTOR CORPORATION

Joint Escrow Instructions

_____, 200_

David Henry
SVP, CFO & Treasurer
American Superconductor Corporation
64 Jackson Road
Devens, MA 01434

Dear Sir:

As Escrow Agent for the American Superconductor Corporation, a Delaware corporation (the "Company"), and the undersigned person ("Holder"), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of that certain Restricted Stock Agreement (the "Agreement") of even date herewith, to which a copy of these Joint Escrow Instructions is attached, in accordance with the following instructions:

1. Appointment. Holder irrevocably authorizes the Company to deposit with you any certificates evidencing Shares (as defined in the Agreement) to be held by you hereunder and any additions and substitutions to said Shares. For purposes of these Joint Escrow Instructions, "Shares" shall be deemed to include any additional or substitute property. Holder does hereby irrevocably constitute and appoint you as his attorney-in-fact and agent for the term of this escrow to execute with respect to such Shares all documents necessary or appropriate to make such Shares negotiable and to complete any transaction herein contemplated. Subject to the provisions of this paragraph 1 and the terms of the Agreement, Holder shall exercise all rights and privileges of a stockholder of the Company while the Shares are held by you.

2. Forfeiture of Shares. Upon any forfeiture of the Shares to the Company pursuant to the Agreement, the Company shall give to Holder and you a written notice specifying the number of Shares forfeited. Upon receipt of such notice, you are directed (i) to date the stock assignment form or forms necessary for the transfer of the forfeited Shares to the Company, (ii) to fill in on such form or forms the number of Shares being forfeited, and (iii) to deliver the same, together with the certificate or certificates evidencing the forfeited Shares, to the Company.

3. Withdrawal. The Holder shall have the right to withdraw from this escrow any Shares which have vested in accordance with the Agreement, provided any required tax withholding payments have been made.

4. Duties of Escrow Agent.

(a) Your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

(b) You shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties. You shall not be personally liable for any act you may do or omit to do hereunder as Escrow Agent or as attorney-in-fact of Holder while acting in good faith and in the exercise of your own good judgment, and any act done or omitted by you pursuant to the advice of your own attorneys shall be conclusive evidence of such good faith.

(c) You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or entity, excepting only orders or process of courts of law, and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree of any court, you shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

(d) You shall not be liable in any respect on account of the identity, authority or rights of the parties executing or delivering or purporting to execute or deliver the Agreement or any documents or papers deposited or called for hereunder.

(e) You shall be entitled to employ such legal counsel and other experts as you may deem necessary properly to advise you in connection with your obligations hereunder and may rely upon the advice of such counsel.

(f) Your rights and responsibilities as Escrow Agent hereunder shall terminate if (i) you cease to be Chief Financial Officer of the Company or (ii) you resign by written notice to each party. In the event of a termination under clause (i), your successor as Chief Financial Officer shall become Escrow Agent hereunder; in the event of a termination under clause (ii), the Company shall appoint a successor Escrow Agent hereunder.

(g) If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

(h) It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities held by you hereunder, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such dispute shall have been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but you shall be under no duty whatsoever to institute or defend any such proceedings.

(i) These Joint Escrow Instructions set forth your sole duties with respect to any and all matters pertinent hereto and no implied duties or obligations shall be read into these Joint Escrow Instructions against you.

(j) The Company shall indemnify you and hold you harmless against any and all damages, losses, liabilities, costs, and expenses, including attorney's fees and disbursements, for anything done or omitted to be done by you as Escrow Agent in connection with this Agreement or the performance of your duties hereunder, except such as shall result from your gross negligence or willful misconduct.

5. Notice. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail with postage and fees prepaid, addressed to each of the other parties thereunto entitled at the following addresses, or at such other addresses as a party may designate by ten days' advance written notice to each of the other parties hereto.

COMPANY: American Superconductor Corporation
64 Jackson Road
Devens, MA 01434

HOLDER: Notices to Holder shall be sent to the address set forth below Holder's signature below.

ESCROW AGENT: American Superconductor Corporation
64 Jackson Road
Devens, MA 01434
Attn: Chief Financial Officer

6. Miscellaneous.

(a) By signing these Joint Escrow Instructions, you become a party hereto only for the purpose of said Joint Escrow Instructions, and you do not become a party to the Agreement.

(b) This instrument shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Very truly yours,

AMERICAN SUPERCONDUCTOR CORPORATION

By: _____

Name: _____

Title: _____

HOLDER:

(Signature)

Print Name

Address: _____

ESCROW AGENT:

Stock Assignment

FOR VALUE RECEIVED, I hereby sell, assign and transfer unto _____ (_____) shares of Common Stock, \$0.01 par value per share, of _____ (the "Corporation") standing in my name on the books of the Corporation represented by Certificate(s) Number _____ herewith, and do hereby irrevocably constitute and appoint _____ attorney to transfer the said stock on the books of the Corporation with full power of substitution in the premises.

Dated: _____

IN PRESENCE OF

NOTICE: The signature(s) to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration, enlargement, or any change whatever and must be guaranteed by a commercial bank, trust company or member firm of the Boston, New York or Midwest Stock Exchange.