

**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) **April 23, 2007**

VIVUS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

000-23490
(Commission File Number)

94-3136179
(IRS Employer
Identification No.)

**1172 CASTRO STREET
MOUNTAIN VIEW, CA 94040**
(Address of principal executive offices, including zip code)

(650) 934-5200
(Registrant's telephone number, including area code)

N/A
(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 (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 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

(e) On April 23, 2007, the Compensation Committee of the Board of Directors (the "Committee") of VIVUS, Inc. ("VIVUS") authorized, approved and adopted an annual performance incentive plan (the "Bonus Plan"). Under the Bonus Plan, certain of VIVUS' employees, including named executive officers Leland F. Wilson, President and Chief Executive Officer, Timothy E. Morris, Vice President, Finance and Chief Financial Officer, Peter Y. Tam, Senior Vice President, Product and Corporate Development, Guy P. Marsh, Vice President, U.S. Operations and General Manager and Wesley W. Day, Ph.D, Vice President, Clinical Development, are eligible to receive an annual bonus, based on the achievement of corporate objectives, which are determined by the Board of Directors of VIVUS.

The Committee, in its sole discretion, approved the potential bonuses for each participant. Bonuses will be calculated using a formula that includes: (a) the individual's salary, (b) the individual's target bonus, and (c) such other discretionary factors as the Committee determines appropriate given the performance objectives of VIVUS.

The following table sets forth the potential maximum bonus for each of Messrs. Wilson, Morris, Tam, Marsh and Dr. Day:

Named Executive Officer	Potential Maximum Annual Bonus % of Annual Salary(1)
Leland F. Wilson	45%(1)
Timothy E. Morris	35%(1)
Peter Y. Tam	35%(1)
Guy P. Marsh	35%(1)

(1) These bonus payments will be based on a percentage of the participant's annual base salary.

A copy of the Bonus Plan is attached as Exhibit 10.1 and is incorporated by reference herein. The above description of the Bonus Plan is not complete and is subject to the terms of the Bonus Plan set forth on the Exhibit.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	VIVUS, Inc. Performance Incentive Plan Fiscal 2007

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.

VIVUS, INC.

By: /s/ Timothy E. Morris

Timothy E. Morris

Vice President and Chief Financial Officer

Date: **April 26, 2007**

EXHIBIT INDEX

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10.1	VIVUS, Inc. Performance Incentive Plan Fiscal 2007

VIVUS, Inc

Performance Incentive Plan Fiscal 2007

The annual corporate objectives as determined by the Board of Directors and the performance against those objectives will determine the ultimate payout under the Plan. Senior management will have the most influence on the performance of the corporate objectives and should stand to gain the most if the objectives are met. The Chief Executive Officer and the functional Vice Presidents will have discretion and flexibility in the ultimate determination the amount, if any to be paid under the Performance Incentive Plan.

Potential cash awards as a percentage of base salary for 2007 as follows:

<u>Titles</u>	<u>Grade</u>	<u>Potential award as a % of base salary</u>
Chief Executive Officer	12	45%
Sr. VP's, General Manager, CFO	11	35%
Vice Presidents	10	30%
Sr. Directors	8-9	15%
Directors	6-7	10%
Managers/Supervisors	4-5	5%
Individual contributor	1-3	3%

The total potential award will be calculated as shown above for each individual modified by the overall performance of the corporate objectives as determined by the compensation committee. The individual amounts for officers (grades 10 and 11) will be determined by the CEO based on the guidelines. The individual amounts for all other eligible employee (grades 1 to 9) will be determined by the functional Vice President, subject to CEO approval, based on the guidelines. Functional Vice-Presidents are encouraged to reward individuals who have contributed to the overall achievement of the corporate objectives and should not simply revert to a formula based approach to determine award amounts. Functional Vice Presidents however cannot award more bonuses then the potential as calculated for their entire group. The allocation is discretionary but the total amount of bonus is fixed.

Eligibility

All non-sales employees, may be eligible for bonuses under this plan. There will be no waiting period for bonus participation but bonus payouts will be prorated based on employee's service time during the performance period.

An employee must be employed at date of bonus payout to be eligible to receive the bonus payout.

Eligibility requirements depend on minimum threshold performance. Individuals whose performance is currently rated as "Needs Improvements" or "Fails to Meet Requirements" will not be eligible for the bonus award. Employees who work less than 32 hours per may not be eligible for payments under the bonus plan. Bonus amount are discretionary.

The Compensation Committee will determine the performance against the annual corporate objectives.
