

LANDEC CORP \CA\
Form 8-K
December 16, 2005

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):

December 15, 2005

Landec Corporation

(Exact name of registrant as specified in its charter)

California

0-27446

94-3025618

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

3603 Haven Ave. Suite E, Menlo Park,
California

94025

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

650-306-1650

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 1.01 Entry into a Material Definitive Agreement.

On December 15, 2005, Landec Corporation (the "Company") entered into a new executive employment agreement (the "Employment Agreement") with Mr. Gary T. Steele, President, Chief Executive Officer and Chairman of the Board, effective as of January 1, 2006, setting forth the terms of his employment. The Employment Agreement expires on December 31, 2008 unless renewed or extended by both parties, and provides that Mr. Steele shall be paid an annual base salary of \$375,000 plus an annual cash incentive award based upon the attainment of pre-determined, mutually established goals. Mr. Steele will be eligible for grants of equity interests under the Company's 2005 Stock Incentive Plan at times and in such amounts as determined by the Compensation Committee.

The Employment Agreement further provides that upon Mr. Steele's death or disability, the Company shall pay Mr. Steele or his estate his unpaid base salary and the pro rata portion of his annual incentive award through the date of termination. If Mr. Steele is terminated without cause or if he terminates his employment for good reason (any relocation of Mr. Steele's place of employment, reduction in salary, or material reduction of his duties or authority), Mr. Steele will receive a severance payment equal to 100% of his base salary and a one-year acceleration of his unvested stock options or other equity awards, and the Company will pay the monthly premiums for health insurance coverage for Mr. Steele (and his spouse) until Mr. Steele attains age 65 or at such time as Mr. Steele receives substantially equivalent health insurance coverage in connection with new employment. In addition, the Employment Agreement provides that if Mr. Steele is terminated without cause or terminates employment for good reason within two (2) years following a "change of control," Mr. Steele will receive a severance payment equal to 150% of his base salary and the Company will pay the monthly premiums for health insurance coverage for Mr. Steele (and his spouse) until Mr. Steele attains age 65 or at such time as Mr. Steele receives substantially equivalent health insurance coverage in connection with new employment. In the event of a "change of control", all of Mr. Steele's unvested stock options or other equity awards shall immediately vest and become exercisable.

The foregoing description of the Employment Agreement is only a summary and is qualified in its entirety by reference to the Employment Agreement, which is filed as an exhibit hereto.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99.1 - Employment Agreement with Gary T. Steele effective January 1, 2006

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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.

Landec Corporation

December 16, 2005

By: /s/Gregory S. Skinner

Name: Gregory S. Skinner

Title: Vice President of Finance and Chief Financial Officer

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Exhibit Index

| Exhibit No. | Description |
|--------------------|--|
| 99.1 | Employment Agreement with Gary T. Steele effective January 1, 2006 |