

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): **June 19, 2014**

LANDEC CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

0-27446

(Commission file number)

94-3025618

(IRS Employer Identification No.)

3603 Haven Avenue, Menlo Park, California 94025

(Address of principal executive offices and zip code)

(650) 306-1650

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed from 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.

(e) (i) On June 19, 2014, the Board of Directors (the “Board”) of Landec Corporation (the “Company”) approved the performance criteria and structure for cash bonuses that may be awarded to employees of the Company and its subsidiaries, Apio, Inc. (“Apio”) and Lifecore Biomedical, Inc. (“Lifecore”), for the 2015 fiscal year (the “Plan”). Employees of the Company, Apio and Lifecore may earn cash bonuses only if the revenue and controllable net income for fiscal year 2015 for the relevant entity exceeds the specified target for the relevant entity. The aggregate cash bonus amount payable under the Plan is allocated among the participants based upon the base salary of each participant. Bonuses are calculated by multiplying a percentage of each participant’s base salary by the percentage of the performance target that is achieved. The percentage of base salary used to determine each participant’s maximum cash bonus payment ranges from 40% to 100% of base salary for executive officers and from 9% to 40% of base salary for other employees. To receive a cash bonus under the Plan, participants must be employed by the Company, Apio or Lifecore at the end of fiscal year 2015. Bonus payments, if any, will be made in single lump sum cash payments as soon as practicable after the end of the Company’s 2015 fiscal year.

(ii) On June 19, 2014, the Board approved an increase to Gary Steele’s salary to \$500,000 and an increase to Molly Hemmeter’s salary to \$345,000, effective May 26, 2014.

(iii) On June 19, 2014, 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 of the Company, effective as of May 26, 2014, setting forth the terms of his employment. The Employment Agreement expires on May 29, 2016 unless renewed or extended by both parties, and provides that Mr. Steele will be paid an annual base salary of \$500,000 through the term of the Employment Agreement, plus an annual cash incentive award based upon the attainment of pre-determined goals. Mr. Steele will be eligible for grants of equity interests under the Company’s 2013 Stock Incentive Plan at such times and in such amounts as determined by the Compensation Committee of the Board.

The Employment Agreement 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 cash incentive award through the date of termination. If Mr. Steele is terminated without cause or if he terminates his employment for good reason (generally, any relocation of Mr. Steele’s place of employment, reduction in salary, reduction in his target bonus amount or material reduction of his duties or authority), Mr. Steele will receive a severance payment equal to 100% of his annual base salary and a one-year acceleration of his unvested stock options and other equity awards, and the Company will pay or reimburse Mr. Steele for the monthly premiums for Medicare for the remainder of the lives of Mr. Steele and his spouse; provided that this benefit shall cease to be available at such time as Mr. Steele commences receiving 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 his 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 annual base salary and the Company will pay or reimburse Mr. Steele for the monthly premiums for Medicare for the remainder of the lives of Mr. Steele and his spouse; provided that this benefit shall cease to be available at such time as Mr. Steele commences receiving 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 and other equity awards shall immediately vest and become exercisable.

The Employment Agreement provides that if Mr. Steele retires, the Company will pay or reimburse Mr. Steele for the monthly premiums for Medicare for the remainder of the lives of Mr. Steele and his spouse; provided that this benefit shall cease to be available at such time as Mr. Steele commences receiving substantially equivalent health insurance coverage in connection with new employment.

Mr. Steele agreed, as part of the Employment Agreement, not to solicit, induce or recruit any employees or consultants of the Company for a period of two years following his termination. In addition, Mr. Steele agreed not to solicit any licensor to or customer of the Company for a period of two years following his termination.

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 7.01 Regulation FD Disclosure

On June 19, 2014, the Board adopted an executive compensation clawback policy that provides for the recoupment of executive incentive compensation in the event of certain restatements of the financial results of the Company. Under the policy, in the event of a substantial restatement of the Company's financial results due to material noncompliance with financial reporting requirements, if the Board determines in good faith that any portion of a current or former executive officer's incentive compensation was paid as a result of such noncompliance, then the Company may recover that portion of such compensation that was based on the erroneous financial data. The policy applies to any incentive compensation received within the three-year period prior to date when the Company is required to prepare the accounting restatement but after May 27, 2013.

This information is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section and shall not be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit 10.40 – Employment Agreement with Gary T. Steele effective May 26, 2014.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

LANDEC CORPORATION

Registrant

Date: June 19, 2014

By: /s/ Gregory S. Skinner

Gregory S. Skinner

Vice President of Finance and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
10.40	Employment Agreement with Gary T. Steele effective May 26, 2014

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (this “Agreement”) is effective as of May 26, 2014 (the “Effective Date”), by and between Landec Corporation (the “Company”) and Gary T. Steele (the “Executive”).

WHEREAS, Executive and the Company entered into an employment agreement, dated as of February 15, 2012 (the “Former Employment Agreement”); and

WHEREAS, Executive and the Company wish to replace the Former Employment Agreement with this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the parties hereto as follows:

1. POSITION AND DUTIES

(a) Position

Executive will continue in his present positions of President, Chief Executive Officer (“CEO”) and Chairman of the Board (“COB”) of the Company during the Term (as defined below) of his employment under this Agreement. The prior sentence notwithstanding, the Board of Directors (the “Board”) may designate another Director as the COB, at the Board’s sole discretion, without violating this Agreement. As President, CEO and COB, Executive reports to the Board and will assist the Board in developing and implementing the Company’s ongoing business strategy and objectives. Executive shall have such duties, authority and responsibilities that are commensurate with his being the Company’s most senior executive officer, including, but not limited to, being responsible for the general management and operation of the Company, and such additional powers and duties as are prescribed from time to time by the Board.

(b) Obligations

During the term of his employment, Executive will devote Executive’s full business efforts and time to the Company. For the duration of his employment, Executive agrees not to actively engage in any other employment, occupation or consulting activity for any direct or indirect remuneration without the prior approval of the Board, except Executive may, without approval of the Board, serve in any capacity with any civil, educational or charitable organization (“Outside Activity”), provided such services do not interfere with Executive’s obligations to the Company. In the event that the Board believes Executive’s Outside Activity interferes with Executive’s obligations to the Company, the Board shall inform Executive of such interference, and Executive shall have thirty (30) days to cease such Outside Activity.

2. TERM OF EMPLOYMENT

This Agreement covers the Executive's employment with the Company from May 26, 2014 through May 29, 2016 (the "Term"), at which point it will expire unless renewed or extended by the written consent of both parties.

3. LOCATION

Executive will be based at the Company's executive offices in Menlo Park, California or elsewhere as may be designated from time to time by the Company. The Executive will be expected to travel to the Company's offices at other locations as needed for the performance of his duties and responsibilities.

4. COMPENSATION, BENEFITS AND PERQUISITES

(a) Salary

In consideration of services to be rendered by Executive to the Company, Executive shall be paid an annual base salary of \$500,000.00 per fiscal year during the Term. The annual base salary that is then in effect (the "Base Salary") will be earned and paid in equal semi-monthly installments, less any deductions required by law, pursuant to procedures regularly established by the Company.

(b) Annual Incentive Compensation

Executive will continue to participate in the Company's annual cash bonus plan as it may be modified from time to time (the "Incentive Plan"). Under the terms of the Incentive Plan for fiscal year 2015, Executive's annual bonus (the target amount of which will be 100% of Executive's Base Salary at the beginning of the fiscal year) is based upon attainment of pre-determined goals. Actual bonus(es) payable will be determined and paid pursuant to the terms of the Incentive Plan. The Company reserves the right to modify, amend or discontinue the Incentive Plan at any time, subject to the provisions of Section 5(e) (iv) below.

(c) Equity Incentive Compensation

Executive shall be eligible for grants of equity interests in the Company ("Compensatory Equity") at such times and in such amounts as determined by the Compensation Committee (the "Committee"). All future grants of Compensatory Equity (and the issuance of any underlying shares) to Executive shall be: (i) issued pursuant to the 2013 Stock Incentive Plan (or any applicable stockholder-approved successor plan) (the "Plan") and (ii) issued pursuant to an effective registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended. Executive may elect to establish a trading plan in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934 for any of his shares of common stock of the Company, provided, however, that such trading plan must comply with all of the requirements for the safe harbor under Rule 10b5-1 and must be approved in accordance with any Rule 10b5-1 Trading Plan Policy of the Company then in effect.

(d) Long-Term Incentive Plan

Executive is a participant in the Company's Long-Term Incentive Plan adopted by the Board on July 25, 2013 and shall be eligible to participate in any subsequent long-term incentive plans adopted by the Board at such time and in such amounts as determined by the Committee.

(e) Benefits

Executive will participate in the Company's standard medical, life, accident, disability and retirement plans provided to its eligible employees on no less favorable terms than for other Company executives, subject, in each case, to the generally applicable terms and conditions of the plan or arrangement in question and to the determinations of any person or committee administering such plan or arrangement. In addition, so long as Executive is an employee of the Company, the Company will pay the annual premium on the additional disability plan in which Executive currently participates.

(f) Vacation

Executive shall accrue Company paid vacation in accordance with the Company's policies and procedures, as may be amended from time to time and which currently provides for five weeks of vacation per year.

(g) Expenses

The Company will reimburse Executive for travel, lodging, entertainment and other reasonable business expenses incurred by him in the performance of his duties in accordance with the Company's general policies, as may be amended from time to time.

5. TERMINATION OF EMPLOYMENT

(a) By Death or Disability

Executive's employment will terminate automatically upon the death of Executive or when Executive begins to receive benefits under the Company's Long Term Disability Plan. In such cases, the Company shall pay Executive (in the case of long-term disability) or his estate or a person who acquired the right to receive such payments by bequest or inheritance (in the case of death):

(i) any earned, but unpaid, Base Salary to which Executive is entitled through the date of termination, which shall be paid within thirty (30) days of the date of termination; and

(ii) Executive's annual incentive award, if any, to which he is entitled under the Incentive Plan based on actual performance (disregarding any requirement that he be employed through the end of the determination period or on the date the payment is made), pro rated through the date of termination, which shall be paid at the same time bonuses are paid to active employees under the terms of the Incentive Plan.

Upon payment of such amounts, the Company's obligations under this Agreement will then cease.

(b) By Company for Cause

The Company may terminate, without liability, Executive's employment for Cause (as defined below) at any time and without notice. The Company will pay Executive any earned, but unpaid, Base Salary to which he is entitled through the date of termination within thirty (30) days of the date of termination of his employment and thereafter the Company's obligations under this Agreement will then cease. Executive will not be entitled to any annual incentive award under the Incentive Plan for the year in which termination occurs, unless permitted under the then current Incentive Plan.

Termination shall be for "Cause" if Executive:

- (i) willfully breaches significant and material duties he is required to perform;
- (ii) commits a material act of fraud, dishonesty, misrepresentation or other act of moral turpitude;
- (iii) is convicted of a felony or another crime which is materially injurious to the reputation of the Company;
- (iv) exhibits gross negligence in the course of his employment;
- (v) is ordered removed by a regulatory or other governmental agency pursuant to applicable law; or
- (vi) fails to obey a lawful direction from the Board.

(c) By Company Without Cause

The Company may terminate Executive's employment and this Agreement, at any time, for any reason, without Cause.

If Executive's employment is terminated by the Company without Cause and not in connection with a "Change of Control" as described in Section 6(a) below, the Company shall:

- (1) pay Executive (in a single lump-sum payment within thirty (30) days of the date of termination) any earned, but unpaid, Base Salary to which he is entitled through the date of termination;
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(2) pay Executive an amount equal to 100% of the Base Salary over the 12-month period immediately following the date of termination (such amount to be paid in equal installments on the Company's regularly scheduled payroll dates), with the first payment, which shall be retroactive to the day immediately following the date the Executive's employment terminated, being due and payable on the Company's next regular payday for executives that follows the expiration of thirty (30) days from the date the Executive's employment terminates;

(3) (a) provided Executive is Medicare entitled, pay or reimburse Executive for the monthly premiums for Medicare Part B, Medicare Part D and a Medicare supplemental plan or, at Executive's election, a Medicare Advantage plan (or any successor or replacement thereto should the funding for and delivery of benefits under Medicare materially change while this provision (or any similar provision in this Agreement) is in force) (collectively, together with any successor or replacement provisions, the "Medicare Premiums") for the remainder of the lives of each of Executive and Executive's spouse (regardless of whether Executive or his spouse predecease the other); provided, however, that the Company shall only be obligated to reimburse Executive for Medicare Premium payments to the extent that Executive has provided the Company with reasonable substantiation of Executive's payment of such premiums and further provided that the benefit provided in this subsection (3) shall cease, or if has not yet commenced, shall cease to be available, at such time as Executive commences receiving substantially equivalent health insurance coverage in connection with new employment and further provided that if due to changes in applicable law the Company is not able to provide the benefits set forth in this subsection (3), the Company shall use its commercially reasonable efforts to provide Executive and Executive's spouse with benefits having a substantially similar value, as determined by the Company in its reasonable discretion, to the extent that it is practicable to do so.

(b) if, at the time of Executive's termination of employment, Executive's spouse is not Medicare entitled, if Executive's spouse elects to continue her health coverage either pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") or through an individual policy with any insurance carrier following the termination of Executive's employment (it being understood that, if Executive's spouse elects health coverage under COBRA such coverage may only continue for the maximum period permitted under COBRA or any applicable state law and thereafter, if Executive's spouse is not Medicare-eligible, health coverage must be received through an individual policy with an insurance carrier), the Company shall pay the monthly premium for such coverage directly to the applicable insurance carrier until the earlier of the date Executive's spouse attains age 65 or otherwise becomes Medicare-eligible and thereafter Executive's spouse shall be entitled to the benefits set forth in subsection (3)(a) above; it being understood that in no event will the Company be obligated to provide any benefit under this subsection (3)(b) after the date when Executive commences receiving substantially equivalent health insurance coverage as provided for herein and further that if the foregoing arrangement subjects the Company to tax or penalty, the Company shall, in its sole discretion, have the option to cease paying for such coverage and, in lieu thereof, pay Executive a monthly amount equal to the monthly amount it had been paying for such premiums for the remainder of the period provided in this subsection (3)(b);

(4) continue to provide secretarial support to Executive free of charge for the six-month period beginning on the date of termination;

(5) cause such number of shares subject to any unvested stock options and such number of shares of restricted stock, restricted stock units or other awards made under the Plan as would have vested over the one-year period beginning on the date of termination to vest as of the date of Executive's termination; and

(6) pay Executive his annual incentive award, if any, to which he is entitled under the Incentive Plan based on actual performance (disregarding any requirement that he be employed through the end of the determination period or on the date the payment is made), pro-rated through the date of termination, which shall be paid at the same time bonuses are paid to active employees under the terms of the Incentive Plan.

After payment of the termination benefits described in this Section 5(c), the Company's obligations under this Agreement will cease.

(d) Voluntary Termination

Executive may terminate his employment at any time by giving the Company three (3) months' advanced written notice of such termination. In this event, the Company will pay any earned, but unpaid, Base Salary to which Executive is entitled through the date of termination within thirty (30) days of the date of termination, and the Company's obligations under this Agreement will then cease. The Executive will not be entitled to any annual incentive award under the Incentive Plan for the year in which he terminates his employment.

(e) Termination for "Good Reason"

Executive may also terminate his employment for "Good Reason" upon the occurrence of any one of the following events, provided that the Good Reason Payout Trigger (as defined below) is met:

(i) any assignment to the Executive of duties other than those contemplated by this Agreement or typically assumed by a President and CEO, or which represent a material reduction in the scope and authority of Executive's position, except that the designation of another Director as Chairman of the Board shall not constitute "Good Reason";

(ii) a Company required relocation of Executive's principal place of work which is not agreed to by Executive and which requires an increase in Executive's normal commute of more than 35 miles, unless such relocation results from the relocation of the Company's executive offices;

(iii) any reduction in Base Salary which is not agreed to by Executive; or

(iv) at such time as the Incentive Plan is approved with respect to any fiscal year, the target bonus payable to Executive under such Incentive Plan shall be determined to be an amount which is less than 100% of the Base Salary of Executive.

For the Executive to receive the benefits under this Section 5(e) or Section 6(b) as a result of a termination for Good Reason, all of the following requirements must be satisfied (the satisfaction of such conditions, the "Good Reason Payout Trigger"): (1) Executive must provide notice to the Company of his intent to assert Good Reason for termination within 30 days of the initial existence of one or more of the conditions set forth in clauses (i) through (iv) above; (2) the Company must fail within 30 days (the "Cure Period") from the date of such notice to remedy such conditions; and (3) if such conditions are not remedied, Executive must resign within 20 days after the end of the Cure Period. If the Company remedies such conditions within the Cure Period, the Executive may withdraw his proposed termination or may resign with no benefits under the voluntary separation provision of Section 5(d) above.

If Executive terminates his employment for "Good Reason" other than in connection with a "Change of Control" as described in Section 6(b) below and the Good Reason Payout Trigger has been met, Company shall:

(1) pay Executive (in a single lump-sum payment within thirty (30) days of the date of termination) any earned, but unpaid, Base Salary to which he is entitled through the date of termination;

(2) pay Executive an amount equal to 100% of the Base Salary over the 12-month period immediately following the date of termination (or, if higher, at the rate prior to a reduction referred to in clause (iii) above) (such amount to be paid in equal installments on the Company's regularly scheduled payroll dates) with the first payment, which shall be retroactive to the day immediately following the date the Executive's employment terminated, being due and payable on the Company's next regular payday for executives that follows the expiration of thirty (30) days from the date the Executive's employment terminates;

(3) (a) provided Executive is Medicare entitled, pay or reimburse Executive for the monthly Medicare Premiums for the remainder of the lives of each of Executive and Executive's spouse (regardless of whether Executive or his spouse predecease the other); provided, however, that the Company shall only be obligated to reimburse Executive for Medicare Premium payments to the extent that Executive has provided the Company with reasonable substantiation of Executive's payment of such premiums and further provided that the benefit provided in this subsection (3) shall cease, or if has not yet commenced, shall cease to be available, at such time as Executive commences receiving substantially equivalent health insurance coverage in connection with new employment and further provided that if due to changes in applicable law the Company is not able to provide the benefits set forth in this subsection (3), the Company shall use its commercially reasonable efforts to provide Executive and Executive's spouse with benefits having a substantially similar value, as determined by the Company in its reasonable discretion, to the extent that it is practicable to do so;

(b) if, at the time of Executive's termination of employment, Executive's spouse is not Medicare entitled, if Executive's spouse elects to continue her health coverage either pursuant to COBRA or through an individual policy with any insurance carrier following the termination of Executive's employment (it being understood that, if Executive's spouse elects health coverage under COBRA such coverage may only continue for the maximum period permitted under COBRA or any applicable state law and thereafter, if Executive's spouse is not Medicare-eligible, health coverage must be received through an individual policy with an insurance carrier), the Company shall pay the monthly premium for such coverage directly to the applicable insurance carrier until the earlier of the date Executive's spouse attains age 65 or otherwise becomes Medicare-eligible and thereafter Executive's spouse shall be entitled to the benefits set forth in subsection (3)(a) above; it being understood that in no event will the Company be obligated to provide any benefit under this subsection (3)(b) after the date when Executive commences receiving substantially equivalent health insurance coverage as provided for herein and further that if the foregoing arrangement subjects the Company to tax or penalty, the Company shall, in its sole discretion, have the option to cease paying for such coverage and, in lieu thereof, pay Executive a monthly amount equal to the monthly amount it had been paying for such premiums for the remainder of the period provided in this subsection (3)(b);

(4) continue to provide secretarial support to Executive free of charge for the six-month period beginning on the date of termination;

(5) cause such number of shares subject to any unvested stock options and such number of shares of restricted stock, restricted stock units or other awards made under the Plan as would have vested over the one-year period beginning on the date of termination to vest as of the date of Executive's termination; and

(6) pay Executive his annual incentive award, if any, to which he is entitled under the Incentive Plan based on actual performance (disregarding any requirement that he be employed through the end of the determination period or on the date the payment is made), prorated through the date of termination, which shall be paid at the same time bonuses are paid to active employees under the terms of the Incentive Plan.

After payment of the termination benefits described in this Section 5(e), the Company's obligations under this Agreement shall cease.

(f) Retirement by Executive

If, at any time, the Executive retires from the Company, provided he is Medicare entitled, the Company shall pay or reimburse Executive for the monthly Medicare Premiums for the remainder of the lives of each of Executive and Executive's spouse (regardless of whether Executive or his spouse predecease the other); provided, however, that the Company shall only be obligated to reimburse Executive for Medicare Premium payments to the extent that Executive has provided the Company with reasonable substantiation of Executive's payment of such premiums (it being understood that, if at the time Executive retires, Executive's spouse has not attained age 65, the Company will continue to provide the benefits set forth in Section (e)(3)(b) above to Executive's spouse until Executive's spouse attains age 65, and will thereafter provide the benefits described in this subsection (f) to Executive's spouse, but in no event will the Company be obligated to provide any such benefit after the date when Executive commences receiving substantially equivalent health insurance coverage as provided for herein). In order to be eligible for the benefit provided in this subsection (f), Executive must fully and permanently retire from employment. If, after Executive retires, he obtains new employment and commences receiving substantially equivalent health insurance coverage in connection with such employment, the benefit provided in this subsection (f) shall cease. If due to changes in applicable law the Company is not able to provide the benefits set forth in this subsection (f), the Company shall use its commercially reasonable efforts to provide Executive with benefits having a substantially similar value, as determined by the Company in its reasonable discretion, to the extent that it is practicable to do so. In addition, upon Executive's retirement from the Company, the Company shall (i) continue to provide secretarial support to Executive free of charge for the six-month period beginning on the date of retirement and (ii) during such time as Executive remains on the Board, provide Executive free of charge with a computer, tablet and cell phone (and reimbursement for the related monthly expenses for such devices).

(g) Termination Obligations

Executive acknowledges and agrees that all personal property and equipment furnished to or prepared by Executive in the course of or incident to his employment belong to the Company and shall be promptly returned to the Company upon termination of employment; provided that if Executive's employment is terminated pursuant to Sections 5(c), 5(e) or 6, Executive will be allowed to retain his Company laptop computer after the Company removes any and all confidential and proprietary information belonging to the Company. Executive further acknowledges and agrees that all confidential materials and documents, whether written or contained in computer files, diskettes or any other media, remain the property of the Company and shall be promptly returned to the Company upon termination of employment, to the extent reasonably practicable for Executive to do so.

6. CHANGE OF CONTROL

A "Change of Control" is defined as the occurrence of one or more of the following events:

(i) a report on Schedule 13D is filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934 disclosing that any person other than the Company, a subsidiary of the Company, or any employee benefits plan sponsored by the Company, is the beneficial owner of 50% or more of the combined voting power of the then-outstanding securities of the Company;

(ii) any person purchases securities pursuant to a tender or exchange offer, which, upon the consummation thereof, results in beneficial ownership of 50% or more of the voting power of the then-outstanding securities of the Company;

(iii) the Company consummates a consolidation or merger of the Company in which the Company is not the surviving corporation, or the Company's shares are converted to cash, securities or other property, or all or substantially all of the assets of the Company are sold, leased, exchanged or transferred; or,

(iv) a majority of the members of the Company's Board of Directors change within a 24-month period unless the election or nomination for election of such Directors shall have been approved by a majority of the Directors still in office who were also Directors at the beginning of such 24-month period.

(a) By Company Without Cause Following a Change of Control

If, within a period of two (2) years subsequent to a Change of Control, Executive is terminated by the Company without Cause, the Company shall:

(1) pay Executive (in a single lump-sum payment within thirty (30) days of the date of termination of his employment) any earned, but unpaid, Base Salary to which he is entitled through the date of termination;

(2) pay Executive an amount equal to 150% of the Base Salary over the 18-month period immediately following the date of termination (such amount to be paid in equal installments on the Company's regularly scheduled payroll dates), with the first payment, which shall be retroactive to the day immediately following the date the Executive's employment terminated, being due and payable on the Company's next regular payday for executives that follows the expiration of thirty (30) days from the date the Executive's employment terminates;

(3) (a) provided Executive is Medicare entitled, pay or reimburse Executive for the monthly Medicare Premiums for the remainder of the lives of each of Executive and Executive's spouse (regardless of whether Executive or his spouse predecease the other); provided, however, that the Company shall only be obligated to reimburse Executive for Medicare Premium payments to the extent that Executive has provided the Company with reasonable substantiation of Executive's payment of such premiums and further provided that the benefit provided in this subsection (3) shall cease, or if has not yet commenced, shall cease to be available, at such time as Executive commences receiving substantially equivalent health insurance coverage in connection with new employment and further provided that if due to changes in applicable law the Company is not able to provide the benefits set forth in this subsection (3), the Company shall use its commercially reasonable efforts to provide Executive and Executive's spouse with benefits having a substantially similar value, as determined by the Company in its reasonable discretion, to the extent that it is practicable to do so;

(b) if, at the time of Executive's termination of employment, Executive's spouse is not Medicare entitled, if Executive's spouse elects to continue her health coverage either pursuant to COBRA or through an individual policy with any insurance carrier following the termination of Executive's employment (it being understood that, if Executive's spouse elects health coverage under COBRA such coverage may only continue for the maximum period permitted under COBRA or any applicable state law and thereafter, if Executive's spouse is not Medicare-eligible, health coverage must be received through an individual policy with an insurance carrier), the Company shall pay the monthly premium for such coverage directly to the applicable insurance carrier until the earlier of the date Executive's spouse attains age 65 or otherwise becomes Medicare-eligible and thereafter Executive's spouse shall be entitled to the benefits set forth in subsection (3)(a) above; it being understood that in no event will the Company be obligated to provide any benefit under this subsection (3)(b) after the date when Executive commences receiving substantially equivalent health insurance coverage as provided for herein and further that if the foregoing arrangement subjects the Company to tax or penalty, the Company shall, in its sole discretion, have the option to cease paying for such coverage and, in lieu thereof, pay Executive a monthly amount equal to the monthly amount it had been paying for such premiums for the remainder of the period provided in this subsection (3)(b);

(4) continue to provide secretarial support to Executive free of charge for the six-month period beginning on the date of termination; and

(5) pay Executive his annual incentive award, if any, to which he is entitled under the Incentive Plan based on actual performance (disregarding any requirement that he be employed through the end of the determination period or on the date the payment is made), pro-rated through the date of termination, which shall be paid at the same time bonuses are paid to active employees under the terms of the Incentive Plan.

After payment of the termination benefits described in this Section 6(a), the Company's obligations under this Agreement shall cease.

(b) Termination for “Good Reason” Following a Change of Control

If, within a period of two (2) years subsequent to a Change of Control, Executive terminates his employment for “Good Reason” (as defined in Section 5(e) above), the Company shall retain Executive as a consultant to be available to render consulting services for two (2) years following the date of termination (the “Consulting Period”), for up to ten (10) hours each month (and the Company shall pay Executive any out-of-pocket expenses necessary for Executive’s consulting activities for the Company, and will reimburse Executive against receipts and vouchers therefor in accordance with the Company’s policies in force from time to time);

If Executive terminates his employment for “Good Reason” within a period of two (2) years following a Change of Control, and the Good Reason Payout Trigger has been met, subject to Executive’s making himself available to render consulting services during the Consulting Period and, regardless of whether or not Executive is actually called upon to render any services during such period, the Company shall:

(1) pay Executive (in a single lump-sum payment within thirty (30) days of the date of termination of his employment) any earned, but unpaid, Base Salary to which he is entitled through the date of termination;

(2) pay Executive an amount equal to 150% of the Base Salary over the 18-month period immediately following the date of termination (such amount to be paid in equal installments on the Company’s regularly scheduled payroll dates), with the first payment, which shall be retroactive to the day immediately following the date the Executive’s employment terminated, being due and payable on the Company’s next regular payday for executives that follows the expiration of thirty (30) days from the date the Executive’s employment terminates;

(3) (a) provided Executive is Medicare entitled, pay or reimburse Executive for the monthly Medicare Premiums for the remainder of the lives of each of Executive and Executive’s spouse (regardless of whether Executive or his spouse predecease the other); provided, however, that the Company shall only be obligated to reimburse Executive for Medicare Premium payments to the extent that Executive has provided the Company with reasonable substantiation of Executive’s payment of such premiums and further provided that the benefit provided in this subsection (3) shall cease, or if has not yet commenced, shall cease to be available, at such time as Executive commences receiving substantially equivalent health insurance coverage in connection with new employment and further provided that if due to changes in applicable law the Company is not able to provide the benefits set forth in this subsection (3), the Company shall use its commercially reasonable efforts to provide Executive and Executive’s spouse with benefits having a substantially similar value, as determined by the Company in its reasonable discretion, to the extent that it is practicable to do so;

(b) if, at the time of Executive's termination of employment, Executive's spouse is not Medicare entitled, if Executive's spouse elects to continue her health coverage either pursuant to COBRA or through an individual policy with any insurance carrier following the termination of Executive's employment (it being understood that, if Executive's spouse elects health coverage under COBRA such coverage may only continue for the maximum period permitted under COBRA or any applicable state law and thereafter, if Executive's spouse is not Medicare-eligible, health coverage must be received through an individual policy with an insurance carrier), the Company shall pay the monthly premium for such coverage directly to the applicable insurance carrier until the earlier of the date Executive's spouse attains age 65 or otherwise becomes Medicare-eligible and thereafter Executive's spouse shall be entitled to the benefits set forth in subsection (3)(a) above; it being understood that in no event will the Company be obligated to provide any benefit under this subsection (3)(b) after the date when Executive commences receiving substantially equivalent health insurance coverage as provided for herein and further that if the foregoing arrangement subjects the Company to tax or penalty, the Company shall, in its sole discretion, have the option to cease paying for such coverage and, in lieu thereof, pay Executive a monthly amount equal to the monthly amount it had been paying for such premiums for the remainder of the period provided in this subsection (3)(b);

(4) continue to provide secretarial support to Executive free of charge for the six-month period beginning on the date of termination; and

(5) pay Executive his annual incentive award, if any, to which he is entitled under the Incentive Plan based on actual performance (disregarding any requirement that he be employed through the end of the determination period or on the date the payment is made), pro-rated through the date of termination, which shall be paid at the same time bonuses are paid to active employees under the terms of the Incentive Plan.

After payment of the termination benefits described in this Section 6(b), the Company's obligations under this Agreement shall cease.

(c) Acceleration Upon a Change of Control

Upon the occurrence of a Change of Control, all of Executive's shares subject to any unvested stock options and all shares of restricted stock, restricted stock units or other awards made under the Plan to Executive shall immediately vest and become exercisable.

7. PARACHUTE PAYMENTS AND SECTION 409A

(a) Best After-Tax Result

If Executive becomes entitled to any payment or benefit from the Company or otherwise pursuant to a Change of Control (the “Payments”) that would (a) constitute a “parachute payment” within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”), and (b) but for this Section, be subject to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then the aggregate value of such Payments shall be equal to the Reduced Amount. The “Reduced Amount” shall be either (x) the Payments reduced to the extent necessary to ensure that no portion of the Payments will be subject to the Excise Tax, or (y) the full amount of the Payments; whichever amount, after taking into account all applicable taxes, including, federal, state and local employment taxes, income taxes and the Excise Tax (all computed at the highest applicable marginal rate, after taking into account the deductibility of state income taxes against federal income taxes to the extent allowable), results in Executive’s receipt, on an after-tax basis, of the greater amount.

(b) Order of Reduction of Parachute Payments

If a reduction in payments or benefits constituting “parachute payments” is necessary so that the aggregate value of the Payments equals the Reduced Amount, reduction shall occur in the following order: (a) reduction of cash payments; (b) cancellation of accelerated vesting under Section 6(c); and (c) reduction of other employee benefits provided herein. In the event that accelerated vesting under Section 6(c) is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the equity awards (*i.e.*, acceleration of vesting for the earliest granted equity awards shall be cancelled last).

(c) Calculations

Unless Executive and the Company agree otherwise in writing, the determination of the calculations required under this Section 7 will be made in writing by the independent auditors who are primarily used by the Company immediately prior to the Change of Control (the “Accountants”). For purposes of making the calculations required by this Section 7, the Accountants may make reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. Executive and the Company agree to furnish such information and documents as the Accountants may reasonable request in order to make a determination under this Section 7. The Company will bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 7.

(d) Compliance with Section 409A

The payments and entitlements provided for under this Agreement are intended to qualify for the short-term deferral exception to Section 409A of the Code as described in Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent possible, and to the extent they do not so qualify, they are intended to qualify for the involuntary separation pay plan exception to Section 409A of the Code as described in Treasury Regulation Section 1.409A-1(b)(9)(iii) to the maximum extent possible. The amounts paid pursuant to this Agreement shall be paid, consistent with Treasury Regulation Section 1.409A-1(b)(9)(iii)(B), no later than the last day of the second taxable year of the Executive following the taxable year of the Executive in which the “*separation from service*” (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein) occurs. For these purposes each payment described herein shall be considered a separate payment.

Notwithstanding anything to the contrary in this Agreement, if any payment or entitlement provided for in this Agreement constitutes a “*deferral of compensation*” (as such term is defined in Section 409A of the Code) (e.g., because such payment would be in excess of the payments described in the immediately preceding paragraph) within the meaning of Section 409A of the Code and cannot be paid or provided in the manner provided herein without subjecting Executive to additional tax, interest or penalties under Section 409A of the Code as a result of the operation of Section 409A(a)(2)(B)(i) of the Code or Treasury Regulation Section 1.409A-3(i)(2), then any such payment and/or entitlement which would, but for the operation of this Section 7(d), be payable during the first six months following Executive’s “*separation from service*” shall be paid or provided to Executive instead in a lump sum on the first day of the seventh month following the date of the Executive’s “*separation from service*.” For purposes of this Agreement, all references to “*termination of employment*” and correlative phrases shall be construed to require a “*separation from service*” (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein).

8. RELEASE

It shall be a condition to the payment by the Company of the severance benefits payable to Executive under Section 5(c), 5(e), 5(f) or 6 that Executive signs a general release of all claims in substantially the form set forth in Exhibit A hereto and delivers such signed release to the Company within twenty-one (21) days following the date of termination and allows the release to become effective. No severance benefits will be paid unless and until the release becomes effective.

9. SOLICITATION OF EMPLOYEES, CONSULTANTS AND OTHER PARTIES

Executive agrees that during the term of his employment, and for a period of two (2) years thereafter, Executive shall not either directly or indirectly solicit, induce or recruit any of the Company’s employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce or recruit employees or consultants of the Company, either for Executive or for any other person or entity. Further, for a period of two (2) years following termination of his employment, Executive shall not solicit any licensor to or customer of the Company or licensee of the Company’s products, in each case, that are known to Executive, with respect to any business, products or services that are directly competitive to the products or services offered by the Company or that are under development as of the date of such termination.

10. POST EMPLOYMENT ACTIVITIES

If the Company retains Executive as a consultant pursuant to Section 6(b) above, then for so long as the Company retains Executive as a consultant, Executive will not, absent the Company’s prior written approval, directly or indirectly engage in activities nor render services to any firm or business organization which directly competes with the Company in any line of business engaged in (or then imminently planned to be engaged in) by the Company, whether now existing or hereafter established, nor shall Executive engage in such activities nor render such services to any other person or entity engaged in or about to become engaged in such activities to, for or on behalf of any such firm or business organization.

11. CONFIDENTIAL INFORMATION

Executive agrees at all times during the term of this Agreement and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Company, or to disclose to any person, firm, corporation or other entity without written authorization of the Board, any Confidential Information of the Company and agrees to abide by the terms of his Confidential Information and Invention Assignment Agreement with the Company. Executive understands that "Confidential Information" means any Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, supplies, customer lists, prices and costs, markets, software, developments, inventions, laboratory notebooks, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, licenses, finances, budgets or other business information disclosed to Executive by the Company either directly or indirectly in writing, orally or by drawings or observation of parts or equipment or created by Executive during the term of this Agreement. Executive understands that "Confidential Information" includes, but is not limited to, information pertaining to any aspects of the Company's business which is either information not known by actual or potential competitors of the Company or is proprietary information of the Company or its customers or suppliers, whether of a technical nature or otherwise. Executive further understands that Confidential Information does not include any of the foregoing items which have become publicly and widely known and made generally available through no wrongful act of Executive or of others who were under confidentiality obligations as to the item or items involved.

12. ASSIGNMENT

Executive's rights and obligations under this Agreement may not be assigned, and any attempted assignment shall be null and void. The Company may assign this Agreement, but only to a successor or affiliated organization.

13. NOTICES

All notices referred to in this Agreement shall be in writing and delivered to the Company at its principal address, 3603 Haven Avenue, Menlo Park, CA 94025-1010, or to Executive at his home address.

14. ENTIRE AGREEMENT

Upon the Effective Date, the Former Employment Agreement shall terminate and be of no further force and effect. The terms of this Agreement are intended by the parties to be the final expression of their agreement with respect to the employment of Executive by the Company and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

15. AMENDMENTS AND WAIVERS

This Agreement may not be modified, amended or terminated except in writing, signed by Executive and by a duly authorized representative of the Company other than Executive. No failure to exercise and no delay in exercising any right, remedy or power hereunder shall operate as a waiver thereof.

16. SEVERABILITY AND ENFORCEMENT

If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement shall remain in full force and effect.

17. GOVERNING LAW

This Agreement shall be interpreted and construed in compliance with the laws of the state of California, unless a superseding Federal law is applicable.

18. WITHHOLDING

All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

19. ARBITRATION

The Company and Executive agree that any and all disputes arising out of the terms of this Agreement, Executive's employment or Executive's compensation and benefits, or their interpretation, will be subject to binding arbitration in San Francisco, California before the American Arbitration Association under its National Rules for the Resolution of Employment Disputes. The Company and Executive agree that the prevailing party in any arbitration will be entitled to enforce the arbitration award in a court of competent jurisdiction. The Company and Executive hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury. In the event of any litigation of any controversy or dispute arising out of or in connection with this Agreement, its interpretations, its performance or the like, the prevailing party shall be awarded reasonable attorneys' fees and/or costs.

This Executive Employment Agreement was executed as of June __, 2014.

COMPANY:

LANDEC CORPORATION

By: /s/ Dean Hollis

Dean Hollis
Director and Chairman of the
Compensation Committee

By: /s/ Stephen E. Halprin

Stephen E. Halprin
Lead Independent Director

EXECUTIVE:

GARY T. STEELE

By: /s/ Gary T. Steele

Exhibit A

Form of Release

I hereby confirm that at all times in the future I shall remain subject to the Company's confidential information and invention assignment agreement signed by me.

I acknowledge that I have read and understand Section 1542 of the California Civil Code which I am informed reads as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims I may have against the Company.

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries and all of their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys fees and costs, damages, indemnities and obligations of every kind and nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my conduct or at any time up to and including the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment (except as stated below), including but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to stock, stock options or any other ownership interests in the Company, fringe benefits, or severance pay; claims pursuant to any federal, state or local law or cause of action including, but not limited to, the Civil Rights Act of 1964, as amended; the Age Discrimination in Employment Act of 1967, as amended ("ADEA"); the Employee Retirement Income Security Act of 1974, as amended; the Americans with Disabilities Act of 1990, the California Fair Employment and Housing Act, as amended; tort law; contract law; wrongful discharge; discrimination; fraud; defamation; emotional distress; and breach of the implied covenant of good faith and fair dealing; *provided, however*, that nothing in this Release shall be construed in any way to release the Company from (a) its post employment obligations under the Executive Employment Agreement or (b) its obligation to indemnify me pursuant to the Company's indemnification obligation pursuant to agreement or applicable law.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under ADEA. I also acknowledge that the consideration given for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing that: (A) my waiver and release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; (C) I have twenty-one (21) days to consider this Release (although I may choose to voluntarily execute this Release earlier); (D) I have seven (7) days following my execution of this Release to revoke the Release; and (E) this Release shall not be effective until the date upon which the revocation period has expired, which shall be the eighth (8th) day after I execute this Release.

That if any provision of this Release is found to be unenforceable, it shall not affect the enforceability of the remaining provisions and the court/arbitrator shall enforce all remaining provisions to the extent permitted by law.

Gary T. Steele

Date: _____, 20__