DURECT CORP
Form 8-K
February 04, 2014

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

February 4, 2014

Date of Report

(January 31, 2014)

(Date of earliest event reported)

DURECT CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	**000-31615**	**94-3297098**
(State or other jurisdiction of	**(Commission**	**(I.R.S. Employer**

incorporation or organization)	File Number)	Identification No.)

10260 Bubb Road

Cupertino, CA 95014

(Address of principal executive offices) (Zip code)

(408) 777-1417

(Registrant s telephone number, including area code)

(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))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Executive Officer Compensation

The following sets forth a summary of the compensation for fiscal year 2014, and bonuses awarded for fiscal year 2013, approved on January 31, 2014 by the Compensation Committee of DURECT Corporation (the Company) for the Company s Chief Executive Officer, the Chief Financial Officer, and the other named executive officers of the Company for whom compensation disclosure was required in the Company s most recent proxy statement filed with the Securities and Exchange Commission.

Name and Position	Fiscal year 2014 Base Salary (1)	Bonus Awarded for Performance in 2013 Cash	Stock Options (Number of Shares subject to option grant) (2)	Number of Shares subject to annual option grant (3)	Target Bonus for Performance in 2014 (Percentage of Base Salary) (4)
James E. Brown, D.V.M., President & Chief Executive Officer	$ 515,814	$ 60,095	117,068	150,000	60%
Felix Theeuwes, D. Sc., Chairman & Chief Scientific Officer	$ 384,417	$ 44,786	87,247	125,000	60%
Matthew J. Hogan, Chief Financial Officer	$ 334,966	$ 26,301	51,236	125,000	40%
Su Il Yum, Ph.D., Executive Vice President, Pharmaceutical Systems Research & Development	$ 342,881	$ 26,715	52,042	90,000	40%

Notes:

(1) The 2014 base salary (effective April 1, 2014) reflects a 3% increase as compared to the base salary in 2013.
(2) The bonus awarded for performance in 2013 as determined by the Compensation Committee on January 31, 2014 was established to be paid 25% in cash and 75% in stock options. The total shares subject to each bonus option was determined by using a standard Black-Scholes option-pricing model. The exercise price per share of such option grant is $2.09, the closing price of the Company s common stock on the NASDAQ Global Market on the date of grant. The shares subject to the bonus options are fully vested upon grant. In the event of the optionee s termination of service with the Company for a reason other than Cause, the post termination exercise period for the options shall be one (1) year, subject to the ten (10) year term of the option.
(3) The 2014 annual options were granted by the Compensation Committee on January 31, 2014. The exercise price per share of such option grant is $2.09, the closing price of the Company s common stock on the NASDAQ Global Market on the date of grant. The vesting associated with the options is as follows: one-sixteenth (1/16) of the total shares subject to the option shall vest quarterly over four (4) years following the date of grant, subject to continued service. In the event of the optionee s termination of service with the Company for a reason other than Cause, the post termination exercise period for the options shall be one (1) year, subject to the ten (10) year term of the option.
(4) The actual bonus to be awarded will be at the Committee s complete discretion based on the Company s performance against specified corporate objectives and other factors to be taken into account at the discretion of the Committee.

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.

DURECT Corporation

Date: February 4, 2014

By: /s/ James E. Brown
James E. Brown

President and Chief Executive Officer