

LANDEC CORP \CA\  
Form DEF 14A  
August 23, 2018

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant    Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant To §240.14a-12

**LANDEC CORPORATION**

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(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of filing fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
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- (4) Proposed maximum aggregate value of transaction:
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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing party:
  - (4) Date filed:
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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON OCTOBER 12, 2018**

TO THE STOCKHOLDERS OF LANDEC CORPORATION:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Landec Corporation (the “*Company*”) will be held on Thursday, October 12, 2018, at 8:30 a.m. local time, at the Garden Court Hotel, 520 Cowper Street, Palo Alto, CA 94301 for the following purposes:

1. To elect five directors to serve for a term expiring at the Annual Meeting of Stockholders held in the second year following the year of their election and until their successors are duly elected and qualified;
2. To ratify the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the fiscal year ending May 26, 2019;
3. To approve a non-binding advisory proposal on executive compensation; and
4. To transact such other business as may properly come before the meeting or any postponement or adjournment(s) thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice.

We are pleased to announce that, this year, you will have the opportunity to participate in our Annual Meeting via live audio webcast. In order to attend and vote at the Annual Meeting via webcast, please follow the instructions in the section of the Proxy Statement titled “Information Concerning Solicitation and Voting—Virtual Attendance at the Annual Meeting” on page 3.

Only stockholders of record at the close of business on August 17, 2018, are entitled to notice of and to vote at the meeting and any adjournment(s) thereof.

All stockholders are cordially invited to attend the meeting in person or via live webcast. However, to assure your representation at the meeting, you are urged to mark, sign, date, and return the enclosed proxy card as promptly as possible in the postage-prepaid envelope enclosed for that purpose or vote your shares by telephone or via the Internet.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Geoffrey P. Leonard

GEOFFREY P. LEONARD

*Secretary*

Santa Clara, California

August 22, 2018

**IMPORTANT**

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE SIGN AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE OR VOTE YOUR SHARES BY TELEPHONE OR VIA THE INTERNET. IF A QUORUM IS NOT REACHED, THE COMPANY MAY HAVE THE ADDED EXPENSE OF RE-ISSUING THESE PROXY MATERIALS. IF YOU ATTEND THE MEETING AND SO DESIRE, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON. THANK YOU FOR ACTING PROMPTLY.

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**PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON OCTOBER 12, 2018**

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**INFORMATION CONCERNING SOLICITATION AND VOTING**

*General*

The enclosed proxy is solicited on behalf of the Board of Directors of Landec Corporation, a Delaware corporation (“*Landec*” or the “*Company*”), for use at the annual meeting of stockholders (the “*Annual Meeting*”) to be held on Thursday, October 12, 2018, at 8:30 a.m., local time, or at any postponement or adjournment thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting will be held at the Garden Court Hotel, 520 Cowper Street, Palo Alto, CA 94301. The telephone number at that location is (855) 516-1092.

We are pleased to announce that this year you will have the opportunity to participate in our Annual Meeting via live audio webcast at [www.virtualshareholdermeeting.com/LNDC](http://www.virtualshareholdermeeting.com/LNDC). In order to attend and vote at the Annual Meeting via webcast, please follow the instructions in the section titled “Information Concerning Solicitation and Voting—Virtual Attendance at the Annual Meeting” on page 3.

The Company’s principal executive offices are located at 5201 Great America Parkway, Suite 232, Santa Clara, California 95054. The Company’s telephone number at that location is (650) 306-1650.

*Solicitation*

These proxy solicitation materials are to be mailed on or about September 10, 2018 to all stockholders entitled to vote at the meeting. The costs of soliciting these proxies will be borne by the Company. These costs will include the expenses of preparing and mailing proxy materials for the Annual Meeting and the reimbursement of brokerage firms and others for their expenses incurred in forwarding solicitation material regarding the Annual Meeting to beneficial owners of the Company's common stock, par value \$0.001 per share (the "***Common Stock***"). The Company may conduct further solicitation personally, telephonically or by facsimile through its officers, directors and regular employees, none of whom will receive additional compensation for assisting with the solicitation.

**Important Notice Regarding the Availability of Proxy Materials for the**

**Stockholder Meeting to Be Held on October 12, 2018.**

**This Proxy Statement and the Company's Annual Report to Stockholders are available at**

**<http://landec.com/proxy>**

You may also find a copy of this Proxy Statement and our Annual Report (with exhibits) on the SEC website at <http://www.sec.gov>. **We will, upon written request and without charge, send you additional copies of our Annual Report (without exhibits) and this Proxy Statement. To request additional copies, please send your request by mail to Gregory S. Skinner, Chief Financial Officer, Landec Corporation, 5201 Great America Parkway, Suite 232, Santa Clara, CA 95054 (telephone number: (650) 306-1650). Exhibits to the Annual Report may be obtained upon written request to Mr. Skinner and payment of the Company's reasonable expenses in furnishing such exhibits.**

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## **Voting Procedure**

### ***You may vote by mail.***

To vote by mail, please sign your proxy card and return it in the enclosed, prepaid and addressed envelope. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct.

### ***You may vote in person at the Annual Meeting.***

We will pass out written ballots to anyone who wants to vote at the Annual Meeting. Holding shares in “street name” means your shares of stock are held in an account by your stockbroker, bank or other nominee, and the stock certificates and record ownership are not in your name. If your shares are held in “street name” and you wish to attend the Annual Meeting, you must notify your broker, bank or other nominee and obtain proper documentation to vote your shares at the Annual Meeting.

### ***You may vote by telephone or electronically.***

You may submit your proxy by following the Vote by Phone instructions accompanying the proxy card. Also, you may vote online by following the Vote by Internet instructions accompanying the proxy card.

### ***You may change your mind after you have returned your proxy card.***

If you change your mind after you return your proxy card or submit your proxy by telephone or Internet, you may revoke your proxy at any time before the polls close at the Annual Meeting. You may do this by:

signing and returning another proxy card with a later date, or

voting in person at the Annual Meeting.

## Voting

Holders of Common Stock are entitled to one vote per share.

Votes cast in person or by proxy at the Annual Meeting will be tabulated by the Inspector of Elections. The Inspector of Elections will also determine whether or not a quorum is present. A majority of the shares entitled to vote, represented either in person or by proxy, will constitute a quorum for the transaction of business. The Inspector of Elections will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum.

If a broker indicates on the enclosed proxy or its substitute that it has not received voting instructions with respect to shares held in “street name” with such broker and either (i) does not have discretionary authority as to certain shares to vote on a particular matter or (ii) has discretionary voting authority but nevertheless refrained from voting on the matter (“*broker non-votes*”), those shares will be counted for purposes of determining the presence of a quorum, but will not be considered as voting with respect to that matter.

*Proposal No. 1 – Election of directors:* Each director is elected by a majority of the votes cast with respect to such director. Any votes “withheld” for a particular director are effectively votes against that director. Shares present and not voted, whether by broker non-vote, abstention or otherwise, will have no effect on this vote.

*Proposal No. 2 – Ratification of independent registered public accounting firm:* This proposal must be approved by a majority of the shares present and voted on the proposal. Shares present and not voted, whether by broker non-vote, abstention or otherwise, will have no effect on this vote.

*Proposal No. 3 – Advisory (non-binding) vote on executive compensation:* This advisory proposal will be approved if a majority of the shares present and voted on the proposal are voted in favor of the resolution. Shares present and not voted, whether by broker non-vote, abstention or otherwise, will have no effect on this advisory vote.



Any proxy which is returned using the form of proxy enclosed and which is not marked as to a particular item will be voted FOR the election of the director nominees proposed by the Board of Directors; FOR the ratification of the appointment of Ernst & Young LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending May 26, 2019; FOR the advisory vote on executive compensation; and as the proxy holders deem advisable on other matters that may come before the meeting or any adjournment(s) thereof, as the case may be, with respect to the item not marked. Broker non-votes will not be considered as voting with respect to these matters.

### **Record Date and Share Ownership**

Only stockholders of record at the close of business on August 17, 2018, are entitled to notice of, and to vote at, the Annual Meeting. As of August 17, 2018, 27,749,280 shares of the Company's Common Stock were issued and outstanding.

### **Deadline for Receipt of Stockholder Proposals for the Company's Annual Meeting of Stockholders in 2019**

If any stockholder desires to present a stockholder proposal at the Company's 2019 Annual Meeting of Stockholders, such proposal must be received by the Secretary of the Company no later than May 13, 2019, in order that they may be considered for inclusion in the proxy statement and form of proxy relating to that meeting. If the date of next year's annual meeting is moved more than 30 days before the anniversary date of this year's annual meeting, the deadline for inclusion of proposals in our proxy statement is instead a reasonable time before we begin to print and mail our proxy materials. Such proposals will also need to comply with Securities and Exchange Commission (the "SEC") regulations under Rule 14a-8 of the Exchange Act of 1934 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Each such notice must be made by a stockholder of record and must also contain the information specified in our bylaws for director nominations and other stockholder proposals.

### **Householding of Proxy Materials**

Some companies, brokers, banks, and other nominee record holders participate in a practice commonly known as "householding," where a single copy of our Proxy Statement and Annual Report is sent to one address for the benefit of two or more stockholders sharing that address. Householding is permitted under rules adopted by the SEC as a means of satisfying the delivery requirements for proxy statements and annual reports, potentially resulting in extra convenience for stockholders and cost savings for companies. We will promptly deliver a separate copy of either document to you if you contact our Chief Financial Officer at the address listed above or call us at (650) 306-1650. If you are receiving multiple copies of our Proxy Statement and Annual Report at your household and wish to receive only one, please notify your bank, broker, or other nominee record holder, or contact our Chief Financial Officer at the address listed above.

### **Virtual Attendance at the Annual Meeting**

If you elect to not attend the Annual Meeting in person you can attend the virtual Annual Meeting if you were a stockholder of record as of the record date for the Annual Meeting, or you hold a valid proxy for the Annual Meeting. You may attend the virtual Annual Meeting and vote during the Annual Meeting by visiting [www.virtualshareholdermeeting.com/LNDC](http://www.virtualshareholdermeeting.com/LNDC) and using your 16 digit control number to enter the meeting. If you are not a stockholder of record but hold shares as a beneficial owner in street name, you may be required to provide proof of beneficial ownership, such as your most recent account statement as of the record date, a copy of the voting instruction form provided by your broker, bank, trustee, or nominee, or other similar evidence of ownership. If you do not comply with the procedures outlined above, you will not be admitted to the virtual Annual Meeting.

**PROPOSAL NO. 1****ELECTION OF DIRECTORS****Nominees**

The Company's Bylaws currently provide for no fewer than six (6) and no more than ten (10) directors, with the exact number fixed at ten (10), and the Company's Certificate of Incorporation provides for the classification of the Board of Directors into two classes serving staggered terms. Each Class 1 and Class 2 director is elected for a two-year term, with the Class 1 directors elected in even numbered years (*e.g.*, 2018) and the Class 2 directors elected in odd numbered years (*e.g.*, 2019). Accordingly, at the Annual Meeting, five (5) Class 1 directors will be elected.

The Board of Directors has nominated the persons named below to serve as Class 1 directors until the 2020 Annual Meeting, at which their successors will be elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the Company's five (5) nominees named below. In the event that any nominee of the Company is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who shall be designated by the present Board of Directors to fill the vacancy. In the event that additional persons are nominated for election as directors, the proxy holders intend to vote all proxies received by them in such a manner as will assure the election of as many of the nominees listed below as possible, and, in such event, the specific nominees to be voted for will be determined by the proxy holders. Assuming a quorum is present, the five (5) nominees for director receiving at least a majority of votes cast at the Annual Meeting will be elected.

***Class 1 Directors******Nominees for Class 1 Directors***

<b><u>Name of Director</u></b>	<b><u>Age</u></b>	<b><u>Principal Occupation</u></b>	<b><u>Director Since</u></b>
Frederick Frank	86	Chairman, Evolution Life Sciences Partners	1999
Steven Goldby	78	Partner, Venrock and Chairman of the Board of Directors of the Company	2008
Nelson Obus	71	Managing Member of Wynnefield Capital Management, LLC	—
Andrew Powell	60	Retired Executive Vice President and General Counsel, Medivation Inc.	—

Catherine A. Sohn, Pharm.D.	65	Retired Senior Vice President, GlaxoSmithKline plc; Chairman, BioEclipse Therapeutics, Inc.	2012
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Except as set forth below, each of the Class 1 directors has been engaged in the principal occupation set forth next to his or her name above during the past five years. There is no family relationship between any director and executive officer of the Company.

Frederick Frank has served as director since December 1999. Mr. Frank is Chairman of the Board of Evolution Life Sciences Partners. Prior to joining Evolution Life Science Partners, Mr. Frank was Chairman of the Board of Burrill Securities. Prior to joining Burrill Securities, Mr. Frank was Vice Chairman of Peter J. Solomon Company ("*Solomon*"). Before joining Solomon, Mr. Frank was Vice Chairman of Lehman Brothers, Inc. ("*Lehman*") and Barclays Capital. Before joining Lehman as a Partner in October 1969, Mr. Frank was co-director of research, as well as Vice President and Director of Smith Barney & Co. Incorporated. During his over 50 years on Wall Street, Mr. Frank has been involved in numerous financings and merger and acquisition transactions. He served on the Advisory Board of PDL BioPharma, and was a director for the Institute for Systems Biology and Pharmaceutical Product Development, Inc. Mr. Frank is Chairman of the National Genetics Foundation and he serves on the Advisory Boards for Yale School of Organization and Management and the Massachusetts Institute of Technology Center of Biomedical Innovation and was formerly an Advisory Member of the Johns Hopkins Bloomberg School of Public Health, and the Harvard School of Public Health. He is a graduate of Yale University, received an M.B.A. from Stanford University and is a Chartered Financial Analyst.

Mr. Frank has over 50 years of capital markets experience and has been involved in numerous financings, commercial transactions and mergers and acquisitions. As such, Mr. Frank provides the Board of Directors with extensive experience and knowledge with respect to transactions and financings in the public company context and corporate governance experience based on his experience as a director of public and non-public companies.

Steven Goldby has served as a director since December 2008 and Chairman of the Board of Directors in a non-executive capacity since October 2015. Mr. Goldby has been a Partner at Venrock, a venture capital firm, since 2007. Mr. Goldby was Chairman and Chief Executive Officer of Symyx Technologies, Inc. ("**Symyx**") from 1998 to 2007; he became the Executive Chairman in 2008, and Chairman in 2009. Before joining Symyx, Mr. Goldby served as Chief Executive Officer for more than ten years at MDL Information Systems, Inc., the enterprise software company that pioneered scientific information management. Earlier, Mr. Goldby held various management positions at ALZA Corporation, including President of Alza Pharmaceuticals. Mr. Goldby received a B.S. degree in chemistry from the University of North Carolina and a law degree from Georgetown University Law Center.

Mr. Goldby's extensive experience with biotechnology companies provides the Board of Directors with significant understanding of the technology issues facing the Company.

On May 22, 2018, the Company entered into a letter agreement "(the "**Letter Agreement**") with Wynnefield Capital, Inc. ("**Wynnefield**") a stockholder of the Company, and Nelson Obus, who is a General Partner of Wynnefield. Pursuant to the Letter Agreement, the Company is nominating Mr. Obus and Andrew Powell for election to the Board of Directors at the Annual Meeting and will appoint Mr. Obus to the Audit Committee and Nominating and Corporate Governance Committee and will appoint Mr. Powell to the Compensation Committee assuming that each is elected to the Board of Directors.

Mr. Obus is Managing Member of Wynnefield Capital Management, LLC and a General Partner at Wynnefield Capital, Inc. and his prior associations include positions with Schaffer Capital Management and Lazard Freres. Mr. Obus presently serves on the Board of Directors of Global Power Equipment Group Inc. and MK Acquisition LLC and previously served on the Boards of Layne Christensen Company, Breeze-Eastern Corporation and Underground Solutions Inc. Mr. Obus holds a bachelor of the arts degree from New York University and a master of arts in political science from Brandeis University.

Mr. Obus' extensive financial experience with technology and small-to-middle-market companies provides the Board of Directors with valuable insights of an experienced investment manager.

Mr. Powell is currently serving as an independent advisor to small and mid-size companies and research institutions in the life sciences sector. He has served on the Board of Directors of Aclaris Therapeutics, Inc., a dermatologist-led biopharmaceutical company, since 2017. He served as Senior Vice President, General Counsel and Corporate Secretary of Medivation, Inc. from May 2015 until November 2016, when the company was acquired by Pfizer, Inc. Mr. Powell served as Executive Vice President, General Counsel and Corporate Secretary of InterMune, Inc. from September 2013 to March 2015. From 2009 to 2013, he served as Executive Vice President, General Counsel and Secretary at Cornerstone Therapeutics, Inc. From 2008 to 2009, Mr. Powell served as Senior Vice President and General Counsel at ImClone Systems, Inc. From 2004 to 2008, he was General Counsel at Collagenex Pharmaceuticals, Inc. Earlier in his career, Mr. Powell held positions of increasing responsibility for nearly 15 years at

the multi-national healthcare company Baxter International, Inc., where he was instrumental in a series of transactions that established Baxter throughout Asia. Mr. Powell holds a Bachelor of Arts degree from the University of North Carolina at Chapel Hill and a J.D. from Stanford Law School.

Mr. Powell's unique expertise in the areas of commercialization strategy, expansion (both domestic and international), governance, compliance, and mergers and acquisitions provides the Board of Directors with essential skills to define and implement the Company's growth strategies, and his experience in the life sciences industry will be a direct benefit to Landec's wholly-owned biomedical subsidiary, Lifecore Biomedical, Inc. ("*Lifecore*").

Catherine A. Sohn, Pharm. D. has served as a member of our board of directors since November 2012. Dr. Sohn is a pharmacist, global biopharmaceutical executive, Adjunct Professor and a Certified Licensing Professional. Dr. Sohn has deep industry knowledge with thirty years of U.S. and global experience in the pharmaceutical industry, and a reputation as a strategic thinker with the ability to drive a strong interface between research and development and marketing. She was named "Distinguishing Alumnus" by University of California San Francisco (2000), was named "Woman of the Year" by the Healthcare Businesswomen's Association (HBA) in 2003, has received the Licensing Executive Society's "Frank Barnes Mentoring Award" (2009), and the HBA Euro-Excellence Award (2012). In 2016, Dr. Sohn was recognized as one of the PharmaVoice 100 most inspiring people in the life science industry. Her areas of expertise include domestic and global business development, strategy and product marketing/launch execution across vaccines, pharmaceutical products and consumer healthcare brands, having led the launches of the U.S. Vaccine Business and a \$1 billion CNS pharmaceutical product at SmithKline Beecham (now GlaxoSmithKline). From 1998 to 2010, Dr. Sohn was Senior Vice President for Worldwide Business Development for GlaxoSmithKline's \$6 billion Consumer Healthcare division where she served on the Global Executive Committee and led numerous U.S., global, European and Japanese transactions and integrations. In the pharmaceutical division, from 1994 to 1998, she was Vice President, Worldwide Strategic Product Development at SmithKline Beecham for the Cardiovascular, Pulmonary, and Metabolic Therapeutic Areas with responsibility for product strategy, valuation and strategic commercial leadership of all assets from Phase 1 through the life cycle management. She has a strong technical background, having begun her career in anti-infective medical affairs at SmithKline & French in 1982. Dr. Sohn received a Doctor of Pharmacy degree from the University of California San Francisco (UCSF), and a Certificate of Professional Development from The Wharton School at the University of Pennsylvania, and is a Board Leadership Fellow of the National Association of Corporate Directors (NACD), and is a Certified Licensing Professional (CLP). In addition to serving on our Board of Directors, Dr. Sohn is an independent director on the Boards of Directors of Jazz Pharmaceuticals plc (JAZZ) and Rubius Therapeutics (RUBY), both public-traded life science companies, and she serves as Adjunct Professor at UCSF.

With over 30 years of experience in health-related sectors, Dr. Sohn provides the Board of Directors with significant expertise in business development, strategic marketing and new product development across pharmaceuticals and consumer healthcare products, which has a direct benefit to Lifecore.

Director Gary Steele will retire as a Class 1 director at the time of the Annual Meeting.

### *Class 2 Directors*

<u>Name of Director</u>	<u>Age</u>	<u>Principal Occupation</u>	<u>Director Since</u>
Albert D. Bolles, Ph.D.	61	Retired Executive Vice President and Chief Technical and Operations Officer, ConAgra Foods, Inc.	2014
Deborah Carosella	61	Retired Chief Executive Officer, Madhava Natural Sweeteners	2017
Tonia Pankopf	50	Managing Partner, Pareto Advisors, LLC	2012
Robert Tobin	80	Retired Chief Executive Officer, Ahold, USA	2004
Molly A. Hemmeter	51	President and Chief Executive Officer of the Company	2015

Except as set forth below, each of the Class 2 directors has been engaged in the principal occupation set forth next to his or her name above during the past five years. There is no family relationship between any director and any executive officer of the Company.

Albert D. Bolles, Ph.D., has served as a director since May 2014. Dr. Bolles currently serves as Chairman of OnFood, a start-up company. Dr. Bolles served as the Executive Vice President and Chief Technical and Operations Officer of ConAgra Foods, Inc. (“*ConAgra*”) until his retirement in August 2015. Dr. Bolles led ConAgra’s Research, Quality & Innovation and Supply Chain organizations. He joined ConAgra in 2006 as Executive Vice President, Research, Quality & Innovation. Under his leadership, the ConAgra Research, Quality & Innovation team brought to market highly successful products that have led to substantial business growth. Prior to joining ConAgra, Dr. Bolles led worldwide research and development for PepsiCo Beverages and Foods. Dr. Bolles serves on several professional advisory boards, including the Grocery Manufacturers Association (GMA) Scientific Regulatory Committee, and is currently the chairman of the Trout Council/Food Science program which is an endowed scholarship fund at Michigan State University in the Department of Food Science and Human Nutrition. He has a Ph.D. and master's degree in food science and a bachelor's degree in microbiology, all from Michigan State University. He holds several patents and has won numerous awards for his contributions to the world of food science.

Dr. Bolles is a preeminent leader in food science and provides the Board of Directors with valuable areas of expertise in new product development, innovation, quality, and supply chain in the packaged consumer food business.

Ms. Carosella has served as a director since March 2017. Ms. Carosella has over 30 years' experience in the consumer products goods industry, with particular expertise in branding, strategic marketing and innovation. Most recently she was CEO of Madhava Natural Sweeteners, a Boulder, Colorado-based natural and organic sweetener company. Prior to Madhava, Ms Carosella was Senior Vice President of Innovation and a member of the Executive Leadership Team at Whitewave/Dean Foods. She joined Whitewave/Dean Foods from Conagra Foods where she held various roles including Vice President, General Manager and Vice President, Strategic Marketing with business unit-specific and enterprise-wide responsibilities. Ms Carosella began her career in the advertising, branding and innovation agency business, serving as President of her own agency after working for several years with large, multi-national agencies.



Ms. Carosella's experience in consumer products and specifically in the areas of branding and new product development provides the Board of Directors and management with expertise that will be invaluable as the Company develops its new natural products business strategies.

Tonia Pankopf has served as a director since November 2012. Ms. Pankopf has been managing partner of Pareto Advisors, LLC since 2005. Previously, she was a senior analyst and managing director at Palladio Capital Management from January 2004 through April 2005. From 2001 to 2003, Ms. Pankopf served as an analyst and portfolio manager with P.A.W. Capital Partners, LP. Ms. Pankopf was a senior analyst and vice president at Goldman, Sachs & Co. from 1999 to 2001 and at Merrill Lynch & Co. from 1998 to 1999. From November 2003 until July 2017, she was a member of the board of directors of TICC Capital Corp, a business development company, having served on its Audit, Valuation, Nominating and Corporate Governance Committees and chairing its Compensation Committee. Ms. Pankopf served on the Board of the University System of Maryland Foundation from 2006 to 2012. Ms. Pankopf is a member of the NACD and is an NACD Board Leadership Fellow in recognition of her ongoing involvement in director professionalism and engagement with the director community. Ms. Pankopf received a Bachelor of Arts degree summa cum laude from the University of Maryland and an M.S. degree from the London School of Economics.

Ms. Pankopf's extensive financial experience with technology and middle-market companies provides the Board of Directors with valuable insights of an experienced investment manager as well as knowledge of corporate governance issues.

Robert Tobin has served as a director since December 2004. Mr. Tobin retired from his position as Chief Executive Officer of Ahold USA, a food retailer, in 2001. Mr. Tobin has over 40 years of industry experience in the food retail and food service sectors, having served as Chairman and CEO of Stop and Shop Supermarkets. An industry leader, Mr. Tobin serves on the advisory boards of the College of Agriculture and Life Sciences and the Undergraduate Business Program at Cornell University where he received his B.S. in Agricultural Economics.

Mr. Tobin's experience as the chief executive officer of food retailers and his knowledge of the food retail and food service sectors provide the Board of Directors with significant expertise with respect to issues facing the Company's food business. In addition, Mr. Tobin's service on advisory boards provides the Board of Directors with knowledge of the scientific issues that face Apio, Inc. ("Apio").

Molly A. Hemmeter has been the Company's President and Chief Executive Officer since October 15, 2015. Prior to that, she served as the Chief Operating Officer of the Company from January 2014 to October 2015, prior to which she served as Chief Commercial Officer of the Company from December 2010 to January 2014 and Vice President, Business Development and Global Marketing of the Company from June 2009 to December 2010. From July 2006 until joining the Company in June 2009, Ms. Hemmeter was Vice President of Global Marketing and New Business Development for the Performance Materials division of Ashland, Inc., a global specialty chemicals company. Prior to

joining Ashland, Inc., Ms. Hemmeter was Vice President of Strategy and Marketing for Siterra Corporation and Chief Marketing Officer for CriticalArc Technologies in the San Francisco Bay Area, both of which were privately held software startup companies that were eventually acquired by larger entities, and she previously held various positions at Bausch & Lomb and Eli Lilly and Company. Ms. Hemmeter received a B.E.S. and M.Eng. from the University of Louisville and an M.B.A. from Harvard University.

Ms. Hemmeter's significant knowledge and understanding of the Company and its businesses, together with her extensive experience in operations, business development and marketing, has enabled Ms. Hemmeter to lead several of Landec's significant growth initiatives. Ms. Hemmeter was an integral part of the teams that completed the acquisition of Lifecore in 2010, the financing of Windset Holdings 2010 Ltd. ("*Windset*") in 2011, the acquisition of GreenLine Holding Company in 2012 and the acquisition of *O* in 2017. More recently, Ms. Hemmeter was instrumental in creating and developing Apio's line of salad kit products, the fastest growing products in Landec's long history.

### **Board of Directors Meetings and Committees**

The Board of Directors held a total of seven meetings during the fiscal year ended May 27, 2018. Each director attended at least 75% of all Board and applicable committee meetings during fiscal year 2018. The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, each of which operates under a written charter approved by the Board of Directors. The charter for each of the committees is available on the Company's website ([www.landec.com](http://www.landec.com)). The Board of Directors also has a Food Innovation Committee. It is our policy to encourage the members of the Board of Directors to attend the Company's annual meeting of stockholders. All members of the Board of Directors, other than Mr. Goldby, attended our 2017 Annual Meeting of Stockholders.

The Audit Committee currently consists of Ms. Pankopf (Chairperson), Mr. Goldby and Mr. Tobin. In the determination of the Board of Directors, each of Ms. Pankopf, Mr. Goldby, and Mr. Tobin meets the independence requirements of the SEC and The Nasdaq Stock Market, LLC (“NASDAQ”). The Audit Committee assists the Board of Directors in its oversight of Company affairs relating to the quality and integrity of the Company’s financial statements, the qualifications and independence of the Company’s independent registered public accounting firm, the performance of the Company’s internal audit function and independent registered public accounting firm, and the Company’s compliance with legal and regulatory requirements. The Audit Committee is responsible for appointing, compensating, retaining and overseeing the Company’s independent registered public accounting firm, approving the services performed by the independent registered public accounting firm and reviewing and evaluating the Company’s accounting principles and its system of internal accounting controls. Rules adopted by the SEC require us to disclose whether the Audit Committee includes at least one member who is an “audit committee financial expert,” as that phrase is defined in SEC rules and regulations. The Board of Directors has determined that Ms. Pankopf and Mr. Goldby are “audit committee financial experts” within the meaning of applicable SEC rules. The Audit Committee held five meetings during fiscal year 2018. Please see the section entitled “Audit Committee Report” for further matters related to the Audit Committee. The Board has adopted a written charter for the Audit Committee. The Audit Committee reviews the charter annually for changes, as appropriate.

The Compensation Committee currently consists of Dr. Sohn (Chairperson), Ms Carosella, Mr. Frank and Dr. Bolles. In the determination of the Board of Directors, each of Dr. Sohn, Ms. Carosella, Mr. Frank, and Dr. Bolles meets the current independence requirements of the SEC and NASDAQ. The function of the Compensation Committee is to review and set the compensation of the Company’s Chief Executive Officer and certain of the Company’s most highly compensated officers, including salary, bonuses and other cash incentive awards, and other forms of compensation, to administer the Company’s stock plans and approve stock equity awards, and to oversee the career development of senior management. The Compensation Committee held five meetings during fiscal year 2018.

The Nominating and Corporate Governance Committee currently consists of Mr. Frank (Chairperson), Mr. Tobin, Ms. Pankopf and Dr. Bolles, each of whom, in the determination of the Board of Directors, meets the current independence requirements of the SEC and NASDAQ. The functions of the Nominating and Corporate Governance Committee are to recommend qualified candidates for election as officers and directors of the Company and oversee the Company’s corporate governance policies, including the annual self-evaluation of the Board of Directors. The Nominating and Corporate Governance Committee held three meetings during fiscal year 2018.

The Nominating and Corporate Governance Committee will consider director nominees proposed by current directors, officers, employees and stockholders. Any stockholder who wishes to recommend candidates for consideration by the Nominating and Corporate Governance Committee may do so by writing to the Secretary of the Company, Geoffrey P. Leonard of King & Spalding LLP, 101 Second Street, Suite 2300, San Francisco, CA 94105, and providing the candidate’s name, biographical data and qualifications. The Company does not have a formal policy regarding the consideration of director candidates recommended by stockholders. The Company believes this is appropriate because the Nominating and Corporate Governance Committee evaluates any such nominees based on the same criteria as all other director nominees. In selecting candidates for the Board of Directors, the Nominating and Corporate Governance Committee strives for a variety of experience and background that adds depth and breadth to the overall character of the Board of Directors. The Nominating and Corporate Governance Committee evaluates potential candidates using

standards and qualifications such as the candidates' business experience, independence, diversity, skills and expertise to collectively establish a number of areas of core competency of the Board of Directors, including business judgment, management and industry knowledge. Although the Nominating and Corporate Governance Committee does not have a formal policy on diversity, it believes that diversity is an important consideration in the composition of the Board of Directors, and it seeks to include Board members with diverse backgrounds and experiences. Further criteria include the candidates' integrity and values, as well as the willingness to devote sufficient time to attend meetings and participate effectively on the Board of Directors and its committees.

The Food Innovation Committee currently consists of Dr. Bolles (Chairperson) and Ms. Carosella, each of whom, in the determination of the Board of Directors, meets the current independence requirements of the SEC and NASDAQ. The function of the Food Innovation Committee is to provide advice and make recommendations to the Board and to management with regard to food management, including new agricultural techniques, plant optimization strategies and new product development insights. The function of the Food Innovation Committee further entails making possible changes to current practices within the Company's food business and making recommendations concerning new areas for the Company to pursue. The Food Innovation Committee held one meeting during fiscal year 2018.

## Corporate Governance

The Company provides information about its corporate governance policies, including the Company's Code of Ethics, and charters for the Audit, Nominating and Corporate Governance, and Compensation Committees of the Board of Directors on the Corporate Governance page of its website. The website can be found at [www.landec.com](http://www.landec.com).

The Company's policies and practices reflect corporate governance initiatives that are compliant with the listing requirements of NASDAQ and the corporate governance requirements of the Sarbanes-Oxley Act of 2002, including:

- All members of the Board of Directors are independent other than Ms. Hemmeter;
- All members of the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Food Innovation Committee are independent;

The independent members of the Board of Directors meet at each board meeting, and at least twice per year, in executive sessions without the presence of management. The Board of Directors has designated Mr. Goldby as non-executive Chairman of the Board who, among other duties, is responsible for presiding over executive sessions of the independent directors and setting the agenda for each board meeting with the Chief Executive Officer and with input from the independent directors;

- The Company has an ethics hotline available to all employees, and the Audit Committee has procedures in place for the anonymous submission of employee complaints regarding accounting, internal controls, or auditing matters; and

The Company has adopted a Code of Ethics that applies to all of its employees, including its principal executive officer and all members of its finance department, including the principal financial officer and principal accounting officer, as well as the Board of Directors. Any substantive amendments to the Code of Ethics or grant of any waiver, including any implicit waiver, from a provision of the Code of Ethics to the Company's principal executive officer, principal financial officer or principal accounting officer, will be disclosed either on the Company's website or in a report on Form 8-K.

Following a review of all relevant relationships and transactions between each director (including each director's family members) and the Company, the Board has determined that each member of the Board or nominee for election to the Board, other than Ms. Hemmeter, is an independent director under applicable NASDAQ listing standards. Ms. Hemmeter does not meet the independence standards because Ms. Hemmeter is currently an employee of the Company.

## Leadership Structure of the Board of Directors

The Board of Directors believes that it is important to retain its flexibility to allocate the responsibilities of the positions of the Chairman of the Board (the “*Chairman*”) and Chief Executive Officer in the way that it believes is in the best interests of the Company.

With the election of Ms. Hemmeter as the Company’s Chief Executive Officer in October 2015, the Board of Directors determined that the roles of Chairman and Chief Executive Officer should be separated and Mr. Goldby therefore assumed the role of non-executive Chairman in October 2015. The Board of Directors believes that the appointment of Mr. Goldby as non-executive Chairman allows the Chief Executive Officer, who also possesses significant business and industry knowledge, to lead and speak on behalf of both the Company and the Board of Directors, while also providing for effective independent oversight by non-management directors through a non-executive Chairman.

At each Board of Directors meeting, the non-executive Chairman presides over an executive session of the non-management directors without the presence of management. The non-executive Chairman also may call additional meetings of the non-management directors as he deems necessary.

The Board of Directors also adheres to sound corporate governance practices, as reflected in the Company's corporate governance policies, which the Board of Directors believes has promoted, and continues to promote, the effective and independent exercise of Board leadership for the Company and its stockholders.

### **Stockholder Communications**

Our Board of Directors welcomes communications from our stockholders. Stockholders and other interested parties may send communications to the Board of Directors, or the independent directors as a group, or to any director in particular, including the Chairman, c/o Gregory S. Skinner, Chief Financial Officer, Landec Corporation, 5201 Great America Parkway, Suite 232, Santa Clara, CA 95054. Any correspondence addressed to the Board of Directors or to any one of our directors in care of Mr. Skinner will be promptly forwarded to the addressee. The independent directors review and approve the stockholder communication process periodically to ensure effective communication with stockholders.

### **Oversight of Risk Management**

The Board of Directors' role in the Company's risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory, and strategic and reputational risks. Our Audit Committee oversees management of financial risk exposures, including the integrity of our accounting and financial reporting processes and controls. As part of this responsibility, the Audit Committee meets periodically with the Company's independent registered public accounting firm, our internal auditor and our financial and accounting personnel to discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Additionally, the Audit Committee reviews significant findings prepared by the Company's independent registered public accounting firm and our internal auditor, together with management's response. Our Nominating and Corporate Governance Committee has responsibility for matters relating to corporate governance. As such, the charter for our Nominating and Corporate Governance Committee provides for the committee to periodically review and discuss our corporate governance guidelines and policies.

Our management also reviewed with our Compensation Committee the compensation policies and practices of the Company that could have a material impact on the Company. Our management review considered whether any of these policies and practices may encourage inappropriate risk-taking, whether any policy or practice may give rise to risks that are reasonably likely to have a material adverse effect on the Company, and whether it would recommend any changes to the Company's compensation policies and practices. Management also reviewed with the Board of Directors risk-mitigating controls such as the degree of committee and senior management oversight of each compensation program and the level and design of internal controls over such programs. Based on these reviews, the Board of Directors has determined that risks arising from the Company's compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

The Board of Directors has adopted an executive compensation clawback policy, which provides for 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 of Directors 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 the portion of such compensation that was based on the erroneous financial data.

The Board of Directors has also evaluated privacy protection, cybersecurity and information security in an effort to mitigate the risk of cyber-attacks and to protect the Company's information and that of its customers and suppliers. Based on this review, the Board of Directors has determined that such risks are not reasonably likely to have a material adverse effect on the Company.



**Compensation of Directors**

The following table sets forth compensation information for the fiscal year ended May 27, 2018, for each member of our Board of Directors who was not an executive officer during fiscal year 2018. The Chief Executive Officer, Molly A. Hemmeter, who serves on our Board of Directors, does not receive additional compensation for serving on the Board of Directors. See “Summary Compensation Table” for disclosure related to Ms. Hemmeter.

<b>Name</b>	<b>Fee Earned or Paid in Cash (1)</b>	<b>Stock Awards (2)</b>	<b>Other</b>	<b>Total</b>
Albert D. Bolles, Ph.D.	\$77,500	\$60,000	\$	—\$137,500
Deborah Carosella	\$59,688	\$60,000	\$	—\$119,688