

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

January 11, 2017
Date of Report
(January 9, 2017)
(Date of earliest event reported)

DURECT CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

000-31615
(Commission
File Number)

94-3297098
(I.R.S. Employer
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)

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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.

Executive Officer Compensation

The following sets forth a summary of the compensation for fiscal year 2017, and bonuses awarded for fiscal year 2016, approved on January 9, 2017 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 2017 Base Salary (1)	Bonus Awarded for Performance in 2016		Number of Shares subject to annual option grant (3)	Target Bonus for Performance in 2017 (Percentage of Base Salary) (4)
		Cash	Stock Options (Number of Shares subject to option grant) (2)		
James E. Brown, D.V.M., President & Chief Executive Officer	\$ 531,289	\$ 0	145,676	225,000	60%
Felix Theeuwes, D. Sc., Chairman & Chief Scientific Officer	\$ 316,760	\$ 0	86,854	168,300	60%
Matthew J. Hogan, Chief Financial Officer	\$ 355,365	\$ 0	67,148	112,500	40%
Judy Joice, Senior Vice President, Operations & Corporate Quality Assurance	\$ 311,428	\$ 0	53,766	85,500	35%
Su Il Yum, Ph.D., Executive Vice President, Pharmaceutical System Research and Development	\$ 123,600	\$ 0	22,516	36,000	40%

Notes:

- (1) The 2017 base salary reflects no increase as compared to the base salary in 2016 for Dr. Brown and Dr. Theeuwes. The 2017 base salary (effective April 1, 2017) reflects a 3% increase as compared to the base salary in 2016 for Mr. Hogan, Ms. Joice and Dr. Yum.
- (2) The bonus awarded for performance in 2016 as determined by the Compensation Committee on January 9, 2017 was established to be paid 100% 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 \$1.31, 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 2017 annual options were granted by the Compensation Committee on January 9, 2017. The exercise price per share of such option grant is \$1.31, 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.
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SIGNATURES

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

DURECT Corporation

Date: January 11, 2017

By: /s/ James E. Brown

James E. Brown

President and Chief Executive Officer