

ESTEE LAUDER COMPANIES INC
Form 8-K
September 17, 2010

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 1934

Date of Report (Date of earliest event reported)

September 13, 2010

The Estée Lauder Companies Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

1-14064
(Commission File Number)

11-2408943
(IRS Employer Identification No.)

767 Fifth Avenue, New York, New York
(Address of principal executive offices)

10153
(Zip Code)

Registrant's telephone number, including area code

212-572-4200

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Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ 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.

On September 13, 2010, The Estée Lauder Companies Inc. (the Company) entered into a new employment agreement with William P. Lauder, Executive Chairman of the Company. The new agreement is effective as of July 1, 2010. His prior employment agreement expired on June 30, 2010.

Under the new employment agreement Mr. Lauder will be an employee-at-will and continue as Executive Chairman until his retirement or other termination of his employment. The agreement provides for a base salary to be set by the Compensation Committee. For the fiscal year ending June 30, 2011 (fiscal 2011), his base salary shall be \$1,500,000, which is the same amount as for the fiscal year ended June 30, 2010. His bonus opportunities and equity grants shall be determined by the Compensation Committee or Stock Plan Subcommittee. For fiscal 2011, his aggregate bonus opportunities at target are \$3,000,000. In September 2010, he was granted stock options in respect of 62,066 shares of Class A Common Stock with an exercise price of \$58.08 per share (the closing price on September 1, 2010), restricted stock units in respect of 10,761 shares of Class A Common Stock and performance share units with an aggregate target payout of 10,761 shares of Class A Common Stock. The payments and benefits upon termination of employment are substantially the same as those described in the Company's proxy statement, dated September 29, 2009, under Executive Compensation Potential Payments Upon Termination of Employment or Change in Control, except that the excise tax gross up has been eliminated and the bonus payouts upon termination were modified from 100% of the average of the annual incentive bonuses paid during the term of employment to 50% of the average Executive Annual Incentive Plan bonus payouts for the prior two completed fiscal years. Benefits provided to Mr. Lauder under the agreement may be modified by the Compensation Committee at any time other than in contemplation of a Change of Control (as defined in the agreement) or after a Change of Control. Any such modification shall not be effective until at least two years after such modification is approved by the Compensation Committee. Under the new agreement, Mr. Lauder is no longer required to defer base salary in excess of \$1 million.

The above summary of the material terms of the agreement is qualified by reference to the text of the agreement which is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

ITEM 9.01 Financial Statements and Exhibits.

(a) Not Applicable

(b) Not Applicable.

(c) Not Applicable.

(d) Exhibits.

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Exhibit No.	Description
10.1	Employment Agreement with William P. Lauder, dated as of September 13, 2010

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.

THE ESTÉE LAUDER COMPANIES INC.

Date: September 16, 2010

By: /s/ Spencer G. Smul
Spencer G. Smul
Senior Vice President,
Deputy General Counsel and Secretary

THE ESTEE LAUDER COMPANIES INC.

EXHIBIT INDEX

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