

NEOGEN CORP
Form DEF 14A
August 28, 2015
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SCHEDULE 14A INFORMATION

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 Rule 14a-6(e) (2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

Neogen Corporation

(Name of Registrant as Specified In Its Charter)

(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:

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2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined): Purchase price of subsidiaries used to calculate fee:

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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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August 28, 2015

To Our Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of Neogen Corporation on Thursday, October 1, 2015, at 10:00 a.m. Eastern Time. The Annual Meeting will be held at the University Club of Michigan State University, located at 3435 Forest Road, Lansing, Michigan 48909.

The Annual Meeting will feature a report on Neogen's business activities, voting on the election of directors and other important proposals. We also will have product displays and product demonstrations by Company personnel. On the following pages you will find the notice of the Annual Meeting of Shareholders and the proxy statement.

It is important that your shares are represented at the Annual Meeting, regardless of how many shares you own. Whether or not you plan to attend the Annual Meeting, **please sign, date and return the enclosed proxy card as soon as possible**. Sending a proxy card will not affect your right to vote in person if you attend the meeting.

Sincerely,

James L. Herbert

Chairman & Chief Executive Officer

Your vote is important. Even if you plan to attend the meeting,

PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY.

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620 Leshler Place

Lansing, MI 48912

NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS OF NEOGEN CORPORATION

Date: October 1, 2015

Time: 10:00 a.m., Eastern Time

Place: The University Club of Michigan State University, 3435 Forest Road, Lansing, Michigan 48909

Items of Business:

The election of three Class I directors, each to serve for a three year term;

To approve the establishment of the Neogen Corporation 2015 Omnibus Incentive Plan;

To approve by non-binding vote, the compensation of executives;

To ratify the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for 2016; and

To act upon such other business as may properly come before the meeting or any adjournment or postponement thereof.
The foregoing items of business are more fully described in the Proxy Statement accompanying this notice.

All shareholders are cordially invited to attend the meeting. At the meeting, you will hear a report on the Company's business and have a chance to meet the directors and executive officers. A copy of the 2015 Annual Report is enclosed.

Only shareholders of record at the close of business on August 3, 2015 are entitled to notice of, and to vote at, the meeting.

Your vote is important. Please vote your shares promptly. Complete, sign, date and return your proxy card to vote your shares. Any shareholder attending the meeting may vote in person even if he or she previously returned a proxy.

Steven J. Quinlan

Secretary

August 28, 2015

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Neogen Corporation

620 Leshar Place

Lansing, MI 48912

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

October 1, 2015

GENERAL INFORMATION

These proxy materials are provided in connection with the solicitation by the Board of Directors (the **Board**) of proxies to be used at the Annual Meeting of Shareholders (the **Annual Meeting**) of Neogen Corporation (the **Company**) to be held on Thursday, October 1, 2015 at 10:00 a.m., Eastern Time, at the University Club of Michigan State University, located at 3435 Forest Road, Lansing, Michigan 48909, and at any adjournment of the meeting. The solicitation will begin on or about August 28, 2015.

There are four proposals scheduled to be voted on at the Annual Meeting:

Election of three Directors;

Approval of the establishment of the Neogen Corporation 2015 Omnibus Incentive Plan;

Proposal to approve by non-binding vote, the compensation of executives; and

Ratification of the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for 2016.

Revocation of Proxies

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its exercise by the filing of a written notice of revocation with our Secretary, by delivering to our Secretary a duly executed proxy bearing a later date, or by attending the Annual Meeting and voting in person.

Voting and Solicitation

All shares represented by a properly executed proxy will be voted unless the proxy is revoked. If a choice is specified, it will be voted in accordance with that specification. If no choice is specified, the proxy holders will vote the shares in accordance with the recommendations of the Board, which are set forth with the discussion of each matter later in this Proxy Statement. With respect to any matter not set forth on the proxy card that properly comes before the Annual Meeting, the proxy holders named in the proxy card will vote as the Board recommends or, if the Board makes no recommendation, at their discretion.

In summary, the Board recommends that you vote:

FOR the election of the nominees for Directors;

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FOR the establishment of the Neogen Corporation 2015 Omnibus Incentive Plan;

FOR the proposal to approve, by non-binding vote, the compensation of executives;

FOR ratification of the appointment of BDO USA, LLP (BDO) as the Company s independent registered public accounting firm for 2016.

All shareholders at the close of business on August 3, 2015, the record date for the meeting, are entitled to vote at the meeting. On August 3, 2015 there were 37,264,783 shares of the Company s common stock

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outstanding. For each proposal, each shareholder is entitled to one vote for each share of the Company's common stock owned at that time.

If you are a shareholder of record, you may vote by mail by completing, dating and signing your proxy card and mailing it in the envelope provided. You should sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example, as officer of a corporation, guardian, executor, trustee or custodian) you should indicate your name and title or capacity. You may also vote via the internet or telephone. Your proxy card will contain instructions for voting utilizing any of these methods.

You may also vote in person at the Annual Meeting or may be represented by another person at the meeting after designating that person by executing a proper proxy.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in street name. As the beneficial owner, you will receive instructions from the street name holder that you must follow in order to have your shares voted.

If your shares are held in street name and you wish to vote in person at the meeting, you must obtain a proxy issued in your name from the street name holder.

If you are a beneficial owner of shares held in street name, you may submit new voting instructions by contacting your brokerage firm, bank or other holder of record.

A broker non-vote occurs when a shareholder holds his or her stock through a broker and the broker does not vote those shares. This usually occurs because the broker has not received timely voting instructions from the shareholder and the broker does not have discretionary voting power for the particular item upon which the vote is taken. Under applicable law and the New York Stock Exchange (the NYSE) rules and regulations, brokers have the discretion to vote on routine matters, such as the ratification of the appointment of the Company's independent auditors. The election of Directors, the establishment of the 2015 Neogen Corporation Omnibus Incentive Plan, and the advisory vote on the Company's compensation arrangements are not considered to be routine matters under applicable NYSE rules.

It is important that you instruct your broker how to vote shares held by you in street name using the vote instruction form provided by your broker. Your broker should vote your shares as you direct if you provide timely instructions on how to vote by following the information provided to you by your broker.

A plurality of the shares voting is required to elect Directors. This means that the nominees who receive the most votes will be elected to the open Director positions. In counting votes on the election of Directors, abstentions, broker non-votes and other shares not voted will be counted as not voted.

The proposals for the establishment of the Neogen Corporation 2015 Omnibus Incentive Plan, to approve by non-binding vote the compensation of executives and the ratification of the appointment of BDO as the independent registered public accounting firm for 2016 will be approved if a quorum is present for the conduct of business and a majority of the shares voted at the meeting are voted in favor of the proposal.

As to the election of Directors, the three nominees who receive the greatest number of votes will be elected to a three-year term. In accordance with the Company's Governance guidelines, in an uncontested election (i.e., an election where the only nominees are those recommended by the Board of Directors), any nominee for Director who receives a greater number of votes withheld from his or her election than votes for such election (a Majority Withheld Vote) shall promptly tender his or her resignation to the Board of Directors for consideration in accordance with the procedures described below, following certification of the shareholder vote. The Governance Committee (the Governance Committee) of the Company shall promptly consider the resignation offer and recommend to the Board action with respect to the tendered resignation, which may include

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accepting the resignation, rejecting the resignation but addressing the underlying cause of the withheld votes, determining not to re-nominate the Director in the future, or any other action the Governance Committee deems to be appropriate and in the best interests of the Company.

In considering what action to recommend with respect to the tendered resignation, the Governance Committee will take into account all factors deemed relevant by the members of the Governance Committee including, without limitation, any stated reasons why shareholders withheld votes for election from such Director, the length of service and qualifications of the Director whose resignation has been tendered, the overall composition of the Board of Directors, the Director's contributions to the Company, the mix of skills and backgrounds on the Board of Directors, whether accepting the tendered resignation would cause the Company to fail to meet any applicable requirements of the Securities and Exchange Commission (the SEC) or NASDAQ Global Select Market (NASDAQ), and the Company's Governance Guidelines. The Board will act on the Governance Committee's recommendation no later than 90 days following certification of the shareholder vote. In considering the Governance Committee's recommendation, the Board will consider the factors and possible actions considered by the Governance Committee and such additional information, factors and possible actions as the Board believes to be relevant or appropriate. To the extent that one or more Directors' resignations are accepted by the Board, the Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

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The Company's Bylaws provide that the Company shall have at least five and no more than nine directors, with the exact number to be determined by the Board. The Board is currently comprised of nine directors. The directors are classified into three classes to serve for the terms set forth next to their names or until their successors have been duly qualified and elected.

Unless otherwise instructed, proxy holders will vote the proxies received by them for the election of the nominees named below. All of the nominees for director are currently Directors of the Company. If any nominee becomes unavailable for any reason, it is intended that the proxies will be voted for a substitute nominee designated by the Board. The Board has no reason to believe that the nominees named will be unable to serve if elected. Any vacancy occurring on the Board for any reason may be filled by vote of a majority of the Directors then in office for the full term of the class in which the vacancy occurs.

Nominees	Expiration of Proposed Term
Class I:	
Richard T. Crowder, Ph.D.	2018
A. Charles Fischer	2018
Ronald D. Green, Ph.D.	2018
Directors continuing in office	
Class II:	
William T. Boehm, Ph.D.	2016
Jack C. Parnell	2016
Clayton K. Yeutter, Ph.D.	2016
Class III:	
James L. Herbert	2017
G. Bruce Papesh	2017
Thomas H. Reed	2017

Name of Director	Age	Position	Director Since
James L. Herbert	75	Chairman and CEO of the Company, Director	1982
William T. Boehm, Ph.D. (1) (3)	68	Director	2011
Richard T. Crowder, Ph.D. (2) (3)	76	Director	2009
A. Charles Fischer (2) (4)	73	Director	2006
Ronald D. Green, Ph.D (2)	54	Director	2014
G. Bruce Papesh (4)	68	Director	1993
Jack C. Parnell (1) (2) (4) (5)	80	Director	1993
Thomas H. Reed (1) (4)	70	Director	1995
Clayton K. Yeutter, Ph.D. (3)	85	Director	2007

- (1) Member, Compensation Committee
- (2) Member, Stock Option Committee
- (3) Member, Audit Committee
- (4) Member, Governance Committee
- (5) Lead Independent Director

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The following is a brief summary of the business experience for at least the past five years of each of the nominees and for the current members of the Board.

Nominees for the Board of Directors:

Dr. Richard T. Crowder was first elected to the Board in 2009. He currently serves as Thornhill Professor of Agricultural Trade at Virginia Tech University. From September 2008 until June 30, 2013, he served as adjunct professor of Agricultural Economics at Virginia Tech University. From May 2007 until April 2008, he served as a Senior Adviser to the United States Trade Representative. From January 2006 until May 2007, he served as United States Chief Agriculture Negotiator with the rank of Ambassador. Prior to this appointment, he served as Chief Executive Officer of the American Seed Trade Association from 2002 to 2006. For five years, he served as Senior Vice President of International for DeKalb Genetics Corporation (later acquired by Monsanto) and for two years as Executive Vice President of Armour-Swift-Eckrich. He was appointed by President George H.W. Bush to serve from 1989 until 1992 as Under Secretary of the United States Department of Agriculture responsible for international affairs and commodity programs. Dr. Crowder held various senior management positions with Pillsbury Company (now part of General Mills) for 14 years, including internal board level responsibilities with Burger King Corporation and Steak and Ale Corporation. He currently serves on the Board of Trustees of the Farm Foundation and the advisory board of AGR Partners. He previously served on the Board of Soo Line Corporation, Penford Corporation, Commodity Credit Corporation, and Rural Telephone Bank. Dr. Crowder holds B.S. and M.S. degrees from Virginia Tech University and a Ph.D. from Oklahoma State University. Dr. Crowder's more than 40 years of experience in the food, agriculture, and trade industries provides great value and insight to the Board.

A. Charles Fischer served as President and CEO of Dow AgroSciences and as a member of Dow Chemical Company's Executive Management Team until his retirement in 2004. He was elected to the Board of the Company in October 2006. Mr. Fischer's career with Dow Chemical spanned 37 years and included assignments in South America, Europe, the Middle East and Africa. He served as president of CropLife International and CropLife America, as chairman of the National FFA Foundation and was associated in various capacities with the Central Indiana Life Sciences Initiative and the Biotechnology Industry Organization. Mr. Fischer's management experience, and in particular his international experience, is most highly valued by the Board.

Dr. Ronald D. Green is the Harlan Vice Chancellor of the Institute of Agriculture and Natural Resources and Vice President for Agriculture and Natural Resources of the University of Nebraska system since 2010. He served as senior global director of technical services at Pfizer Animal Health's animal genomics business from 2008 to 2010. He was on faculty at Texas Tech University and Colorado State, and was the national program leader for animal production research for the USDA's Agricultural Research Service and executive secretary of the White House's interagency working group on animal genomics within the National Science and Technology Council. In that role, he was a leader in the international bovine, porcine, and ovine genome sequencing projects. Dr. Green is a past president of the American Society of Animal Science (ASAS) and the National Block and Bridle Club, and has served in a number of leadership positions for the U.S. Beef Improvement Federation, National Cattlemen's Beef Association, National Pork Board, Federated Animal Science Societies, and the National Research Council. He was named a fellow of ASAS in 2014. Dr. Green's experience in genomics and animal production research brings great value and insight to the Board.

The Board recommends a vote FOR the above nominees.

Other current members of the Board:

Dr. William T. Boehm is a retired vice president of Kroger Co. and former senior economist for the President's Council of Economic Advisors under President Carter. Dr. Boehm joined Kroger as Director of Economic Research, and held positions of increasing responsibility with that company until his retirement in 2008. During the 1990s, he held senior executive positions in both procurement and logistics with Kroger and

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was promoted to Senior Vice President of the Manufacturing Division in 2004. Dr. Boehm served on the Board of the International Dairy Foods Association and the Milk Industry Foundation, and was a member of the Council of Logistics Management and the Private Label Manufacturing Association. He currently serves on the Boards of Great Wide Logistics, a trucking and logistics services company, FLM, a strategic planning, issues management and advertising firm specializing in providing services to agricultural firms, and GLK Foods, a producer, processor and marketing firm specializing in sauerkraut. He remains active in professional associations and academia. Dr. Boehm's wealth of experience in agriculture, and virtually all aspects of the food service industry, make him well qualified to serve on the Board.

James L. Herbert is Chairman of the Board and Chief Executive Officer of the Company. Previously he was President, Chief Executive Officer, and a Director of the Company since he joined Neogen in June 1982. He resigned as President in 2006, but remained CEO and was named Chairman at that time. Prior to joining Neogen, he held the position of Corporate Vice President of DeKalb Ag Research, a major agricultural genetics and energy company. He has management experience in animal biologics, specialized chemical research, medical instruments, aquaculture, animal nutrition, and poultry and livestock breeding and production.

G. Bruce Papesh was elected to the Board in October 1993 and was the Company's Secretary from October 1994 to October 1999. Since 1987, Mr. Papesh has served as President of Dart, Papesh & Company, Inc., member SIPC and FINRA, an investment consulting and financial services firm. Mr. Papesh also served until October 1, 2001 on the Board of Immucor, Inc., an immunodiagnostics company that manufactures and markets products for the human clinical blood bank industry. Mr. Papesh has experience in the investment securities industry and in financial analysis which contributes greatly to the Board.

Jack C. Parnell was elected to the Board in October 1993 and was elected Chairman of the Board in October 2001. In 2006, Mr. Parnell resigned as Chairman, but remained a Director. Since 1991, he has held the position of Governmental Relations Advisor with the law firm of Kahn, Soares and Conway in Sacramento, California. In 1989, Mr. Parnell was appointed by President George H. W. Bush to serve as Deputy Secretary of the U.S. Department of Agriculture. From 1983 to 1989, he served in three different senior governmental positions for the state of California, including Secretary of the California Department of Food and Agriculture from 1987 to 1989. Mr. Parnell's service in senior governmental positions in the state of California and U.S. Department of Agriculture allows him to uniquely advise the Board and management on matters of government relations and regulation. It is because of this experience as well as his general business knowledge that he is most valuable as a member of the Board.

Thomas H. Reed was elected to the Board in October 1995 and served as the Company's Secretary from October 1999 to October 2007. From 2009 to 2010 he was a consultant to the President of JBS Packerland North America. From 2003 to 2009, Mr. Reed was Senior Vice President of JBS Packerland, a beef processing company and its successor companies, Smithfield Foods, Beef Division, and JBS Packerland North America. Prior to assuming that position, he served as Vice President of Michigan Livestock Exchange Marketing, a division of Southern States Cooperative, Inc. and prior to that as President and Chief Executive Officer of the Michigan Livestock Exchange. Mr. Reed is a former member of the Board of the National Livestock Producers Association and is a former chairman of the Michigan State University Board of Trustees. Mr. Reed's experience in animal processing and general agriculture provide insight and value to the Board.

Dr. Clayton K. Yeutter was first elected to the Board in October 2007. Dr. Yeutter was actively involved in his family's ranching and cattle feeding operation in Nebraska until 2011. He currently serves as a senior adviser at the law firm Hogan Lovells. He has also served in sub-cabinet or cabinet-level positions under four presidents of the United States, with his last position as Secretary of Agriculture under President George H.W. Bush. Dr. Yeutter is a former CEO of the Chicago Mercantile Exchange and he has also served on the Boards of Directors of Caterpillar, Texas Instruments, Weyerhaeuser Company, ConAgra Foods and Zurich Financial Services, among several others. He currently serves on the Board of Burlington Capital Group and Rural Media Group, both privately held. As Neogen's international trade has grown to a much higher level, his global insight is of great value to the management and the Board.

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PROPOSAL 2 TO APPROVE THE ESTABLISHMENT OF THE NEOGEN CORPORATION 2015 OMNIBUS INCENTIVE PLAN

The Board recommends that shareholders vote **FOR** the approval of the establishment of the Neogen Corporation 2015 Omnibus Incentive Plan (the 2015 Plan).

The Company currently maintains the Amended and Restated Neogen Corporation 2007 Stock Option Plan (the 2007 Plan). Available awards under the 2007 Plan include options and upon approval of the 2015 Plan, all subsequent awards of equity or equity rights would be granted under the 2015 Plan, and no further awards would be made under the 2007 Plan.

As discussed in this proxy statement, grants to employees of stock incentives are an important part of the Company s compensation program, providing a basis for long-term incentive compensation and helping to tie together the interests of the Company s shareholders with those of the Company s directors and employees. Accordingly, the Board has adopted the 2015 Plan, and in accordance with the rules of the Nasdaq Global Select Market (the NASDAQ) and the requirements of the Internal Revenue Code, the Company is seeking the approval of the shareholders of the adoption of the 2015 Plan.

The 2015 Plan provides for the award to employees, directors and consultants of the Company of options, restricted stock, restricted stock units, stock appreciation rights, performance awards (which may take the form of performance units or performance shares) and other awards to acquire up to an aggregate of 3,000,000 shares of the Company s stock, but only 500,000 shares may be subject to awards of performance shares, performance share units, restricted stock, restricted stock units, unrestricted shares or other awards pursuant to which the participant need not pay to the Company the grant date fair market value of each share subject to the grant in connection with the exercise of the award. All 3,000,000 shares may be used for the grant of incentive stock options, nonqualified options or stock appreciation rights under the Plan. Awards to be settled solely in cash (or in the case of restricted stock units or performance units that may be settled in cash, if actually settled in cash) shall not count against the shares reserved for issuance under the 2015 Plan. If an award under the 2015 Plan of restricted stock, restricted stock units or performance units is forfeited, the common shares covered by any such award would again become available for issuance under new awards. On the other hand, the 2015 Plan prohibits share recycling in connection with net settlement of options or stock appreciation rights, shares delivered or withheld to pay the exercise price or withholding taxes under options or stock appreciation rights, and shares repurchased on the open market with the proceeds of a stock option exercise.

The 2015 Plan prohibits the repricing of options. This provision relates to both direct repricings (i.e., lowering the exercise price of an option) and indirect repricings (i.e., canceling an outstanding option and granting a replacement or substitute option with a lower exercise price, or exchanging options for cash, other options or other awards). The repricing prohibition also applies to stock appreciation rights. The 2015 Plan also prohibits the cash repurchase of underwater options or stock appreciation rights.

As of the Record Date, the total number of shares of common stock which may be issued upon the exercise of outstanding stock options under the 2007 Plan is 1,988,000, none of which will be affected by the adoption of the 2015 Plan. However, if any stock options are forfeited under the 2007 Plan, those shares will not be available for issuance as new awards under the 2015 Plan.

As of the Record Date, the Company had 37,264,783 shares of common stock outstanding.

A description of the provisions of the 2015 Plan is set forth below. This summary is qualified in its entirety by the detailed provisions in the 2015 Plan, which is attached to this proxy statement as Appendix A.

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General Description of the 2015 Plan

Overview. The purposes of the 2015 Plan are (a) to provide incentives for our employees by encouraging their ownership of stock and (b) to aid us (and our affiliates) in retaining such employees, upon whose efforts our success and future growth depends, and to attract other such individuals.

Administration. The 2015 Plan is administered by our Stock Option Committee (the Committee), which works closely with our Compensation Committee, although the Board may administer the 2015 Plan, in whole or in part, in certain circumstances. Subject to the terms of the 2015 Plan, the Committee may select participants to receive awards, determine the types of awards and terms and conditions of awards and interpret provisions of the 2015 Plan. The Committee may delegate to a subcommittee of directors and/or officers, the authority to grant or administer awards to persons who are not then reporting persons under Section 16 of the Exchange Act.

Shares of Common Stock Reserved for Issuance Under the 2015 Plan. There are 3,000,000 shares of our common stock reserved for issuance under the 2015 Plan, and no awards have yet been granted under the 2015 Plan. The closing price of our common stock as reported by the NASDAQ on the Record Date was \$57.45.

Eligibility and Share Limitations. Awards may be made under the 2015 Plan to our employees, directors and consultants as determined by the Committee to be in our best interests, provided that only employees shall be eligible to receive incentive stock options. We currently anticipate that approximately 160 persons may receive awards in fiscal 2015 under the 2015 Plan. The maximum number of common shares subject to options, stock appreciation rights or other share awards that may be awarded under the 2015 Plan to any person is 200,000 per the Company's fiscal year. The maximum performance award opportunity that may be awarded to any person under the 2015 Plan relating to performance units and payable in cash is \$1,000,000 per each fiscal year.

Amendment or Termination of the Plan. Unless terminated earlier, the 2015 Plan shall terminate on the 10th anniversary of the date the 2015 Plan is approved by the Company's shareholders. The Board may terminate or amend the 2015 Plan at any time and for any reason, in its discretion. However, no amendment may adversely impair the rights of grantees with respect to outstanding awards. Amendments will be submitted for shareholder approval to the extent required by the Code or other applicable laws, rules or regulations.

Types of Awards Available for Grant under the 2015 Plan

Options. The 2015 Plan permits the granting of options to purchase shares of common stock intended to qualify as incentive stock options under the Code and also options to purchase common shares that do not qualify as incentive stock options (non-qualified options). The exercise price of each option may not be less than 100% of the fair market value of the common shares on the date of grant. In the case of certain 10% shareholders who receive incentive options, the exercise price may not be less than 110% of the fair market value of the common shares on the date of grant. Options granted under the 2015 Plan may generally not be sold, transferred, pledged or assigned other than by will or under applicable laws of descent and distribution.

The term of each option is fixed by the Committee and may not exceed 10 years from the date of grant (or five years in the case of incentive stock options granted to 10% shareholders). The Committee determines at what time or times each option may be exercised. Except as otherwise set forth in an award agreement, options are generally forfeited upon a termination of a participant's employment or service for cause, and a participant will generally have up to (i) 90 days to exercise any vested option for a termination for any reason other than cause, death or disability, and (ii) one year to exercise any option for a termination due to death or disability.

Options may be made exercisable in installments. In general, an optionee may pay the exercise price of an option by cash or certified check, and the Committee is authorized to permit the exercise price to be paid by net share settlement, broker assisted cashless exercise, tendering common shares already owned, or any other form permitted by the Committee and applicable laws, rules and regulations. The Committee may impose blackout periods on the exercise of any option to the extent required by applicable laws.

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Restricted Stock. The 2015 Plan permits the granting of restricted stock. Restricted stock awards consist of shares of common stock granted subject to forfeiture if specified holding periods and/or performance targets are not met. The Committee determines the holding periods and/or performance targets. Prior to the end of the restricted period, restricted stock may not be sold, assigned, pledged, or otherwise disposed of or hypothecated by participants, and may be forfeited in the event of termination of employment or service. During the restricted period, the restricted stock entitles the participant to all of the rights of a shareholder, including the right to vote the shares and the right to receive any dividends thereon.

Performance Awards. Performance units and performance shares may also be granted under the 2015 Plan. Performance units and performance shares are awards that will result in a payment to a participant only if performance goals established by the Committee are achieved. The Committee may establish performance goals in its discretion within the parameters of the 2015 Plan, which, depending on the extent to which they are met, will determine the degree of granting, vesting and/or payout value of performance units and performance shares. The Committee may impose additional conditions on an award to qualify it as performance-based compensation within the meaning of Section 162(m) of the Code (as described below). While the performance units and performance shares remain unvested, a participant may not sell, assign, transfer, pledge or otherwise dispose of the securities, subject to specified limitations.

Other Awards. The Committee may also award under the 2015 Plan:

stock appreciation rights, which are rights to receive a number of shares of common stock or, in the discretion of the Committee, an amount in cash or a combination of common shares and cash, based on the increase in the fair market value of the common shares underlying the right over the market value of such common shares on the date of grant (or over an amount greater than the grant date fair market value, if the Committee so determines) during a stated period specified by the Committee not to exceed 10 years from the date of grant;

restricted stock units, which are substantially similar to restricted shares but result in the issuance of shares of common stock upon meeting specified holding periods and/or performance targets, rather than the issuance of the common shares on the grant date; and

unrestricted stock, which are shares of common stock granted without restrictions.

Compliance with Section 162(m) of the Code. Section 162(m) of the Code limits publicly-held companies to an annual deduction for U.S. federal income tax purposes of \$1,000,000 for compensation paid to its chief executive officer and the three highest compensated executive officers (other than the chief executive officer and chief financial officer) determined at the end of each year (the covered employees). However, performance-based compensation may be excluded from this limitation. The 2015 Plan is designed to permit the Committee to grant awards that qualify for purposes of satisfying the conditions of Section 162(m).

Business Criteria. The Committee could use one or more of the following business criteria to measure Company, affiliate, and/or business unit performance for a performance period, whether in absolute or relative terms (including, without limitation, terms relative to a peer group or index), in establishing performance goals for awards to covered employees if the award is intended to satisfy the conditions of Section 162(m):

net sales;

earnings or earnings per share;

net income;

return on capital;

return on assets;

return on shareholders' equity;

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increases in the market price of shares;

achieving a level of market share;

achieving specified reductions of costs or targeted levels of costs;

achieving specified improvements in collection of outstanding accounts or specified reductions in non-performing debts;

achieving a level of cash flow;

introducing products into new markets;

acquiring or retaining customers;

achieving a level of productivity within one or more business units;

completing specified projects within or below the applicable budget;

completing acquisitions or dispositions of other businesses or assets, or integrating acquired businesses or assets;

expanding into other markets;

scientific or regulatory achievements; and

implementation, completion or attainment of measurable objectives with respect to research, development, patents, inventions, products, projects or facilities and other key performance indicators.

The Committee is authorized to exclude one or more of the following items in establishing such performance measures, provided any such determination is made within the applicable time period required by Section 162(m) of the Code: (1) extraordinary items outside the ordinary course of business, including acquisitions, dispositions, restructurings; (2) accounting policy changes required by the U.S. Securities and Exchange Commission or the U.S. Financial Accounting Standards Board; (3) the effect of any change in the outstanding common shares by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, share repurchase, combination or exchange of common shares or other similar corporate change, or any distributions to common shareholders other than regular cash dividends; and (4) such other objective criteria established by the Committee within the applicable time period required by Section 162(m) of the Code or other applicable laws.

Dividends or Dividend Equivalents for Performance Awards. Notwithstanding anything to the foregoing herein, the right to receive dividends, dividend equivalents or distributions with respect to a performance award will only be granted to a participant if and to the extent that the underlying award is earned.

Effect of Change in Control. The Committee may in its discretion provide for the accelerated vesting, lapse of restrictions, or cash-out of any outstanding award in connection with a change in control and may require that a Participant incur a termination of employment or service in

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connection with such treatment. Notwithstanding the foregoing, the Committee may not pay cash for any underwater options or SARs.

Forfeiture Provisions. The Committee may provide by rule or regulation or in any award agreement, or may determine in any individual case, the circumstances in which awards shall be paid or forfeited in the event a participant ceases to be employed by us, or to provide services to us, prior to the end of a performance period, period of restriction or the exercise, vesting or settlement of such award. Except as set forth for options, generally the 2015 Plan provides that various awards will be forfeited if not earned or vested upon termination, unless otherwise provided for in an award agreement.

In addition, unless otherwise specified in an award agreement, the Committee retains the right to cause a forfeiture of awards upon any breach or violation of agreements, policies or plans of the Company, as well as to the extent permitted by applicable law or regulations.

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Adjustments for Stock Dividends and Similar Events. The will make appropriate adjustments in outstanding awards and the number of shares of common stock available for issuance under the 2015 Plan, including the individual limitations on awards, to reflect dividends, splits, extraordinary cash dividends and other similar events.

U.S. Federal Income Tax Consequences

The following summary is intended only as a general guide to the U.S. federal income tax consequences of participation in the 2015 Plan and does not attempt to describe all possible federal or other tax consequences of such participation or tax consequences based on particular circumstances.

Incentive Stock Options. The grant of an incentive stock option will not be a taxable event for the participant or for the employer. A participant will not recognize taxable income upon exercise of an incentive option (except that the alternative minimum tax may apply), and any gain realized upon a disposition of common shares received pursuant to the exercise of an incentive option will be taxed as long-term capital gain if the participant holds the common shares for at least two years after the date of grant and for one year after the date of exercise (the holding period requirement). The employer will not be entitled to any compensation expense deduction with respect to the exercise of an incentive option, except as discussed below.

For the exercise of an option to qualify for the foregoing tax treatment, the grant must be made by the employee's employer or a parent or subsidiary of the employer. The employee must remain employed from the date the option is granted through a date within three months before the date of exercise of the option. If a participant sells or otherwise disposes of the common shares acquired without satisfying the holding period requirement (known as a disqualifying disposition), the participant will recognize ordinary income upon the disposition of the common shares in an amount generally equal to the excess of the fair market value of the common shares at the time the option was exercised over the option exercise price (but not in excess of the gain realized on the sale). The balance of the realized gain, if any, will be capital gain. The employer will generally be allowed a compensation expense deduction to the extent that the participant recognizes ordinary income.

Non-Qualified Options. The grant of an option will not be a taxable event for the participant or for the Company. Upon exercising a non-qualified option, a participant will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the common shares on the date of exercise. Upon a subsequent sale or exchange of common shares acquired pursuant to the exercise of a non-qualified option, the participant will have taxable capital gain or loss, measured by the difference between the amount realized on the disposition and the tax basis of the common shares (generally, the amount paid for the common shares plus the amount treated as ordinary income at the time the option was exercised). The Company will generally be entitled to a compensation expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

Restricted Stock. A participant who is awarded restricted stock will not recognize any taxable income for U.S. federal income tax purposes in the year of the award, provided that the shares are subject to restrictions (that is, the restricted shares are nontransferable and subject to a substantial risk of forfeiture). However, the participant may elect under Section 83(b) of the Code to recognize compensation income (which is ordinary income) in the year of the award in an amount equal to the fair market value of the common shares on the date of the award (less the purchase price, if any), determined without regard to the restrictions. If the participant does not make such a Section 83(b) election, the fair market value of the common shares on the date the restrictions lapse (less the purchase price, if any) will be treated as compensation income to the participant and will be taxable in the year the restrictions lapse and dividends or distributions that are paid while the common shares are subject to restrictions will be subject to withholding taxes. The Company will generally be entitled to a compensation expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

Restricted Stock Units. There are no immediate tax consequences of receiving or vesting in an award of restricted stock units under the 2015 Plan; however, restricted stock units are subject to the Federal Insurance

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Contribution Act tax upon vesting (based on the fair market value of the common shares on the vesting date). A participant who is awarded restricted stock units will recognize ordinary income upon receiving common shares or cash under the award in an amount equal to the fair market value of the common shares at the time of delivery or the amount of cash. The Company will generally be entitled to a compensation expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

Performance Shares, Performance Units and Other Stock Unit Awards. A participant generally will recognize no income upon the receipt of a performance share or performance unit. Upon the settlement of such awards, participants normally will recognize ordinary income in the year of settlement in an amount equal to the cash received and/or the fair market value of any substantially vested common shares received. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. If the participant receives shares of restricted stock, the participant generally will be taxed in the same manner as described above under Restricted Stock. The Company generally should be entitled to a deduction equal to the amount of ordinary income recognized by the participant on the determination date, except to the extent such deduction is limited by applicable provisions of the Code.

Stock Appreciation Rights. There are no immediate tax consequences of receiving an award of stock appreciation rights under the 2015 Plan. Upon exercising a stock appreciation right, a participant will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the common shares on the date of exercise. The Company will generally be entitled to a compensation expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

Dividend or Dividend Equivalents. A participant will recognize taxable income, subject to withholding of employment tax, upon receipt of a dividend equivalent in cash or in shares of stock. Similarly, a participant who receives restricted stock, and does not make an election under Section 83(b) of the Code with respect to the stock, will recognize taxable ordinary income, subject to withholding of employment tax, upon receipt of dividends on the stock. If the participant made a Section 83(b) election, the dividends will be taxable to the participant as dividend income.

Unrestricted Stock. Participants who are awarded unrestricted stock will be required to recognize ordinary income in an amount equal to the fair market value of the common shares on the date of the award, reduced by the amount, if any, paid for such common shares. The Company will generally be entitled to a compensation expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

Withholding. To the extent required by law, and except as provided otherwise by the Committee, we will utilize the net share method of settlement or withhold from any amount paid in settlement of an award, the amount of withholding and other taxes due or take other action as we deem advisable to enable ourselves to satisfy withholding and tax obligations related to any awards.

New Plan Benefits

Awards under the 2015 Plan will be made at the discretion of the Committee, although no awards have been made to date. Accordingly, we cannot currently determine the amount of awards that will be made under the 2015 Plan. We anticipate that the Committee will utilize the 2015 Plan to continue to grant long-term equity incentive compensation to employees similar to the awards described in this proxy statement.

Registration with SEC

The Company intends to file a registration statement with the SEC pursuant to the Securities Act of 1933, as amended, covering the offering of the stock under the 2015 Plan.

The Board recommends that you vote FOR the approval of the establishment of the Neogen Corporation 2015 Omnibus Incentive Plan.

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PROPOSAL 3 TO APPROVE, BY NON-BINDING VOTE, THE COMPENSATION OF EXECUTIVES

The Compensation Discussion and Analysis section of this Proxy Statement describes, among other things, the Company's executive compensation policies and practices. Securities laws require that shareholders be given the opportunity to express their approval of the compensation of Company executives, as disclosed in this Proxy Statement. Under the legislation that requires this vote, the shareholder vote is not binding on the Board or the Company and may not be construed as overruling any decision made by the Board or the Company or as creating or implying any change in the fiduciary duties owed by the Board. However, the Board values the views of shareholders and intends to take the outcome of this annual shareholder advisory vote into consideration when making future executive compensation decisions.

Therefore, at the Annual Meeting, shareholders will be given the opportunity to vote, on an advisory (non-binding) basis, to approve the compensation of the named executive officers