RITCHIE BROS AUCTIONEERS INC
Form 6-K
April 02, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13A-16 OR 15D-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

Date of report: April 2, 2015

Commission File Number: 001-13425

Ritchie Bros. Auctioneers Incorporated

9500 Glenlyon Parkway

Burnaby, BC, Canada

V5J 0C6

(778) 331 5500

(Address of principal executive offices)

indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F

Form 20-F ¨ Form 40-F x

indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ¨

indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ¨

indicate by check mark whether by furnishing information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934

Yes ¨ No x

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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This Form 6-K incorporates the Notice of Annual and Special Meeting of Shareholders, Information Circular and Form of Proxy distributed to the Company s shareholders of record as of March 20, 2015. The Information Circular was provided to shareholders in connection with the Company s annual and special meeting to be held on May 4, 2015.

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, thereunto duly authorized.

RITCHIE BROS. AUCTIONEERS INCORPORATED
(Registrant)

Date: April 2, 2015

By: */S/ DARREN WATT*
Darren Watt,
Corporate Secretary

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RITCHIE BROS. AUCTIONEERS INCORPORATED

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that an Annual and Special Meeting (the Meeting) of the shareholders of RITCHIE BROS. AUCTIONEERS INCORPORATED (the Company) will be held at Ritchie Bros. Auctioneers offices at 9500 Glenlyon Parkway, Burnaby, British Columbia, V5J 0C6, on Monday, May 4, 2015 at 11:00 a.m. (Vancouver time), for the following purposes:

(1) to receive the financial statements of the Company for the financial year ended December 31, 2014 and the report of the auditors thereon;

(2) to elect the directors of the Company to hold office until their successors are elected at the next annual meeting of the Company;

(3) to appoint the auditors of the Company to hold office until the next annual meeting of the Company and to authorize the Audit Committee of the Board of Directors to fix the remuneration to be paid to the auditors;

(4) to consider, and if deemed appropriate, to pass with or without variation, an ordinary resolution confirming amendments to the Company s By-Law No. 1 which are reflected in Amended and Restated By-Law No. 1 which has been approved and adopted by the directors of the Company, which amendments: (i) increase the quorum requirement for meetings of shareholders; (ii) eliminate the ability of the chairman of directors meetings to have a casting vote; and (iii) add an advance notice provision for nominations of directors by shareholders, the full text of which resolution is set out in the accompanying Information Circular;

(5) to consider and, if deemed appropriate, to approve, on an advisory basis, a non-binding advisory resolution accepting the Company s approach to executive compensation, as more particularly described in the accompanying Information Circular; and

(6) to transact such other business as may properly be brought before the Meeting.

Further information regarding the matters to be considered at the Meeting is set out in the accompanying Information Circular.

The directors of the Company have fixed the close of business on March 20, 2015 as the record date for determining shareholders entitled to receive notice of and to vote at the Meeting. Only registered shareholders of the Company as of March 20, 2015 will be entitled to vote, in person or by proxy, at the Meeting.

Shareholders are requested to date, sign and return the accompanying form of proxy for use at the Meeting, whether or not they are able to attend personally. To be effective, forms of proxy must be received by Computershare Trust Company of Canada, Attention Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. Shareholders may also vote on the internet by visiting the website included on the proxy form and following the online voting instructions.

All non-registered shareholders who receive these materials through a broker or other intermediary should complete and return the materials in accordance with the instructions provided to them by such broker or intermediary.

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DATED at Vancouver, British Columbia, as of this 2nd day of April, 2015.

By Order of the Board of Directors

/s/ Darren Watt

Darren Watt
Corporate Secretary

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RITCHIE BROS. AUCTIONEERS INCORPORATED

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS INFORMATION CIRCULAR

Unless otherwise provided the information herein is given as of March 10, 2015 and dollar amounts are presented in U.S. dollars.

Solicitation of Proxies

This Information Circular is being furnished to the shareholders of the Company in connection with the solicitation of proxies for use at the Annual and Special Meeting to be held on May 4, 2015 (the Meeting) by management of the Company. The solicitation will be primarily by mail; however, proxies may also be solicited personally or by telephone by the directors, officers or employees of the Company. The Company may also pay brokers or other persons holding common shares of the Company (the Common Shares) in their own names or in the names of nominees for their reasonable expenses of sending proxies and proxy materials to beneficial shareholders for the purposes of obtaining their proxies. The costs of this solicitation are being borne by the Company.

SUMMARY OF RECENT IMPORTANT CORPORATE DEVELOPMENTS

The following paragraphs contain a summary of certain of the Company s key developments for 2014. Please refer to the remainder of the document for additional information with respect to certain of these developments.

New Chief Executive Officer Ravichandra Saligram

In late 2013, Peter Blake, formerly the Company s Chief Executive Officer, announced his intention to resign and, in connection therewith, in October 2013 the board of directors of the Company (the Board) formed the following two temporary committees:

(i) a CEO Search Committee for the purpose of overseeing the identification and hiring of a new Chief Executive Officer to replace Mr. Blake. The committee determined the skills needed in a Chief Executive Officer, searched for and assessed candidates, and recommended the final candidate to the Board for final approval. The CEO Search Committee was discontinued once Ravichandra Saligram was appointed as Chief Executive Officer in July of 2014; and

(ii) a Transition Committee was formed to oversee the Company s ongoing strategic plans as the Company completed its search for a new Chief Executive Officer. The Committee met twice in 2013 and did not meet in 2014.

In July 2014, Peter Blake ceased to be both the Chief Executive Office and a director. Following the completion of a rigorous search process, in July 2014, the Company appointed Mr. Saligram as the new Chief Executive Officer. Pursuant to the terms of Mr. Saligram s employment contract, Mr. Saligram was also appointed as a member of the Board. Mr. Saligram s 35-year professional career includes three years as President and Chief Executive Officer of OfficeMax and more than 20 years of general management experience at ARAMARK, Intercontinental Hotels Group, and SC Johnson.

Mr. Saligram s employment agreement includes provision for the following: (i) agreement that Mr. Saligram would be appointed as a member of the Board and be nominated to continue as a director at each annual meeting of shareholders during the term of his employment; (ii) Chief Executive Officer (CEO) share ownership guidelines that are based on five times base salary; (iii) securities holding requirements which include requiring holdings post termination of employment; (iv) Change of Control provisions that require a double-trigger for any accelerated vesting of securities granted pursuant to long-term incentive grants; and (v) agreement to be bound by any Clawback or recoupment policy of the Company allowing recovery of incentive compensation previously paid or payable to him in cases of misconduct or material financial misstatement. For further information regarding Mr. Saligram s employment agreement and the compensation agreed to be paid to Mr. Saligram, see Compensation for Our New CEO on page 23 and New CEO Compensation Arrangements on page 28.

Chair of the Board

Beverley Briscoe, previously Deputy Chair of the Board, was appointed as Chair of the Board of Directors on June 30, 2014, replacing Robert Murdoch, who reached the mandatory retirement age prescribed by the Company s Corporate Governance Guidelines and retired as a director at the end of 2014.

Majority Voting Policy

Prior to the 2014 annual general meeting of shareholders, the Company adopted a majority voting policy for election of directors that applies to any uncontested election of directors (see Majority Voting Policy on page 4).

Amendment to By-Laws

In September 2014 the Board approved amendments to the Company s by-law to (i) provide that the chairman of directors meetings is not entitled to a casting or second vote in the event of equality of votes; (ii) include advance notice provisions with respect to the nomination of directors for election to the Board; and (iii) increase the quorum requirement for shareholder meetings from 5% to 33%. Subsequent to such changes, in January of 2015, as a result of its continued commitment to implementing good corporate governance practices, the Board further amended the Company s by-law to reflect certain recent changes to the proxy voting guidelines published by Institutional Shareholder Services Inc. (ISS). In conformance with ISS s revised guidelines, the amended by-law provides that a shareholder may give notice to nominate a director for election at an annual meeting at any time that is at not less than 30 days prior to the date of the annual meeting. See Proposal 3: Confirmation of Amendments to By-Law No. 1 below for a further discussion of the amended bylaw, including the advance notice requirements.

Say-on-Pay Advisory Vote

The Board believes that shareholders should have the opportunity to understand the objectives, philosophy and principles the Company uses in its approach to executive compensation decisions and to have an advisory vote on the Company s approach to executive compensation. As part of the Company s ongoing commitment to strong corporate governance practices, the Board has determined that, commencing with the Meeting, shareholders will be entitled to vote on a non-binding advisory vote regarding the Company s approach to executive compensation (see Proposal 4: Say on Pay Advisory Vote on page 20).

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Claw-back Policy

In September 2014, the Board adopted a claw-back policy which allows for recovery from certain executive officers of incentive compensation that was received based on financial results or metrics that are subsequently restated. (For more information, see Claw-back Policy on page 22.)

De-Clawing Preferred Shares

In September 2014 the Board resolved that it will not, without prior shareholder approval, issue any series of preferred shares for defensive or anti-takeover purposes, for purpose of implementing any shareholder rights plan or with features specifically and primarily intended to make any attempted acquisition of the Company more difficult.

Diversity Policy

The Company values diversity and recognizes the organizational strength, deeper problem solving ability and opportunity for innovation that diversity brings to the Board. The Company believes diversity is an important element of corporate governance and is good for the business. As a result, in February 2015, the Board adopted a policy regarding identification and nomination of women directors which includes a target to increase the number of women on the Board so that by 2016 at least 25% of the directors of the Company, at a full complement of eight members, will be women. (For further information regarding the diversity policy and target, see Report on Corporate Governance on page 59).

Removal of Single Trigger Accelerated Vesting of Share Units on Change of Control

In March 2015, the Compensation Committee approved amendments to the Company s Senior Management Performance Share Unit Plan to provide for double-trigger accelerated vesting of share units as opposed to a single trigger change of control event. Under the revised Performance Share Unit Plan, any accelerated vesting of share units in the event of a change of control will require both a change of control and a termination of employment.

Share Repurchase Program

In January 2015 the Board approved, subject to Toronto Stock Exchange approval, a share repurchase program for the repurchase of up to $100 million worth of Common Shares over three years, primarily for the purpose of offsetting dilution from stock options, and the Company obtained the approval of the Toronto Exchange for such repurchase plan in February 2015. For more information regarding the repurchase program see Normal Course Issuer Bid on page 70.

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PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

PROPOSAL 1: Election of Directors

Under the Articles of Amalgamation of the Company, the number of directors of the Company is set at a minimum of three (3) and a maximum of ten (10) and the Board is authorized to determine the actual number of directors within that range. The Company currently has seven (7) directors. Pursuant to the provisions of the Canada Business Corporations Act (the Act), a majority of the total number of directors constitutes a quorum at any meeting of directors. Each director of the Company is elected annually and holds office until the next annual meeting of shareholders of the Company unless he or she sooner ceases to hold office. The Articles of the Company also provide that the Board has the power to increase the number of directors at any time between annual meetings of shareholders and appoint one or more additional directors, provided that the total number of directors so appointed shall not exceed one-third of the number of directors elected at the previous annual meeting. The directors have determined that the number of directors shall be eight (8), which is the number of directors to be elected at the Meeting.

As noted above, Robert Murdoch, the former Chair of the Board, reached the mandatory retirement age prescribed by the Company s Corporate Governance Guidelines. As such, Mr. Murdoch retired at the end of 2014.

Majority Voting Policy

The Board has adopted a majority voting policy that will apply to any uncontested election of directors. Pursuant to this policy, any nominee for director who receives a greater number of votes withheld than votes for such election will promptly tender his or her resignation to the Chair of the Board of directors following such meeting of the Company s shareholders. The Board s Nominating and Corporate Governance Committee will consider the offer of resignation and make a recommendation to the Board whether to accept it.

In making its recommendation with respect to a director s resignation, the Nominating and Corporate Governance Committee will consider, in the best interests of the Company, the action to be taken with respect to such offered resignation, which may include (i) accepting the resignation, (ii) recommending that the director continue on the Board but addressing what the Nominating and Corporate Governance Committee believes to be the underlying reasons why shareholders withheld votes for election from such director or (iii) rejecting the resignation.

The Board will consider the Nominating and Corporate Governance Committee s recommendation within 90 days following the Company s annual meeting, and in considering such recommendation, the Board will consider the factors taken into account by the Nominating and Corporate Governance Committee and such additional information and factors that the Board considers to be relevant. The Board will promptly disclose its decision by a press release, such press release to include the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to the majority voting policy will not be permitted to participate in any meeting of the Board or the Nominating and Corporate Governance Committee at which the resignation is considered. If the resignation is accepted, subject to any applicable law, the Board may leave the resultant vacancy unfilled until the next annual general meeting, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders at which there will be presented one or more nominees to fill any vacancy or vacancies.

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Director Nominees

The Company intends to nominate each of the persons listed below for election as a director of the Company at the Meeting. The persons proposed for nomination are, in the opinion of the Board and management, well qualified to act as directors for the ensuing year. The persons named in the enclosed form of proxy intend to vote for the election of such nominees.

As further discussed under Proposal 3: Confirmation of Amendments to By-Law No. 1 on page 19, the Board approved amendments to the Company s by-law which include advance notice provision for nominations of directors by shareholders. As of the date of this Information Circular, the Company has not received notice of any director nominations in connection with the Meeting.

The information presented in the table below, other than the number of deferred share units (DSUs) held, has been provided by the respective nominee as of March 10, 2015. The number of Shares owned, controlled or directed includes Common Shares beneficially owned, controlled or directed, directly or indirectly, by the proposed nominee. For additional information regarding the proposed nominees for director, see the Skills Matrix on page 11.

BEVERLEY ANNE BRISCOE

Residence: Vancouver, B.C., Canada

Age: 60

Independent [(1)]

Director since: October 29, 2004

Shares owned, controlled or directed: 22,288

DSUs held: 11,417 [(2)]

Committees:

Member of the Nominating and Corporate Governance Committee.[(3)]

Member of the CEO Search Committee.[(4)]

Ms. Briscoe was appointed Chair of the Board of the Company effective June 30, 2014. Ms. Briscoe s previous employment includes: from 1997 to 2004 she was President and owner of Hiway Refrigeration Limited; from 1994 to 1997 she was Vice President and General Manager of Wajax Industries Limited; from 1989 to 1994 she was Chief Financial Officer for the Rivtow Group of Companies; from 1983 to 1989 she held various executive positions with several operating divisions of The Jim Pattison Group; and from 1977 to 1983 she worked with a predecessor firm of PricewaterhouseCooopers. She is the past Chair of the Industry Training Authority for British Columbia and past Chair of the BC Forest Safety Council. She is currently Chair of the Audit Committee for the Office of the Superintendent of Financial Institutions. Ms. Briscoe is a Fellow of the Institute of Chartered Accountants and has a Bachelor of Commerce degree from the University of British Columbia, and is also a Fellow of the Institute of Corporate Directors.

Other directorships:

Goldcorp Inc. (TSX: G ; NYSE: GG a public gold and precious metal company) Director; Chair of the Audit Committee and member of the Environmental Health and Safety Committee

Voting Results of 2014 AGM

Votes For: 89,031,564

Percentage: 99.92%

RAVICHANDRA K. SALIGRAM [5]

Residence: Vancouver, B.C., Canada

Age: 58

Not Independent

Director since: July 7, 2014

Shares owned, controlled or directed: 20,575

Committees:

N/A

Voting Results of 2014 AGM

Votes For: N/A

Percentage: N/A

Ravichandra (Ravi) Saligram was appointed Chief Executive Officer (CEO) and a director in July 2014. Prior to joining Ritchie Bros., Mr. Saligram was CEO, President and a member of the board of directors of OfficeMax Incorporated, (2010-2013), an omnichannel provider of workplace products, services and solutions. From 2003 through November 2010, Mr. Saligram served in executive management positions with ARAMARK Corporation, a global food services company, including President of ARAMARK International; Chief Globalization Officer and Executive Vice President of ARAMARK Corporation. From 1994 through 2002, Mr. Saligram served in various capacities for the InterContinental Hotels Group, a global hospitality company, including: President of Brands and Franchise for North America; Chief Marketing Officer and Managing Director, Global Strategy; President, International; and, President, Asia Pacific. Earlier in his career, Mr. Saligram held various general and brand management roles at S.C. Johnson & Son, Inc. in the United States and overseas. Mr. Saligram earned an MBA from the University of Michigan, Ann Arbor, and an electrical engineering degree from Bangalore University, India.

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Other directorships:

Church & Dwight Co., Inc. (NYSE: CHD a public consumer products company) Director and member of the Governance and Nominating Committee.

ROBERT GEORGE ELTON

Residence: Vancouver, B.C., Canada

Age: 63

Independent

Director since: April 30, 2012

Shares owned, controlled or directed: nil

DSUs held: 6,967 [(2)]

Committees:

Chair of the Audit Committee.

Member of the Compensation Committee.

Voting Results of 2014 AGM

Votes For: 88,967,363

Percentage: 99.85%

Mr. Elton is currently acting as Chief Risk Officer of Vancouver City Savings Credit Union. Mr. Elton is also a corporate director and an adjunct professor at the University of British Columbia s Sauder School of Business. Mr. Elton was President and Chief Executive Officer of BC Hydro, a government-owned electric utility, from 2003 to 2009. Prior to this he was Executive Vice President Finance and Chief Financial Officer of BC Hydro (2002 2003), Powerex (2001-2002), a subsidiary of BC Hydro, and Eldorado Gold Corporation (1996-2001) (TSX: ELD ; NYSE EGO ; ASX: EAU). Mr. Elton spent over 20 years with PriceWaterhouseCoopers and predecessor firms, becoming Partner in 1987 before leaving the firm in 1996. He is a Fellow of the Institute of Chartered Accountants in British Columbia and has a Master of Arts degree from Cambridge University, U.K.

Other directorships:

Aquatics Informatics Inc. (a private software company) Director

Corix Utilities (a private utility infrastructure company) Director

Nurse Next Door (a private company) Chair, Business Advisory Board

ERIK OLSSON

Mr. Olsson is currently President, Chief Executive Officer and a Director of Mobile Mini, Inc. (NASDAQ-GS: MINI), the world s leading provider of portable storage solutions. Mr. Olsson had

Residence: Scottsdale, AZ, USA

Age: 52

Independent

Director since: June 1, 2013

Shares owned, controlled or directed: nil

DSUs held: 3,932 (2)

Committees:

Member of the Compensation Committee(6)

Voting Results of 2014 AGM

Votes For: 88,959,426

Percentage: 99.84%

previously been President, Chief Executive Officer, and a Director of RSC Holdings, Inc., a premier provider of rental equipment in North America, prior to its acquisition by United Rentals, Inc. in April 2012. Prior to that he served as Chief Financial Officer and Chief Operating Officer of RSC Holdings, Inc. In addition, he held various senior positions in the United States, Brazil, and Sweden in his 13 years with mining equipment maker Atlas Copco AB, an industrial group with world-leading positions in compressors, construction and mining equipment. Erik holds a degree in Business Administration and Economics from the University of Gothenburg.

Other directorships:

Mobile Mini, Inc. (NASDAQ-GS: MINI self storage company)

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ERIC PATEL

Residence: Vancouver, B.C., Canada

Age: 56

Independent

Director since: April 16, 2004

Shares owned, controlled or directed: 19,445

DSUs held: 6,156 (2)

Committees:

Member of Nominating and Corporate Governance Committee.(7)

Member of the Audit Committee.

Chair of the CEO Search Committee.(4)

Voting Results of 2014 AGM

Votes For: 89,027, 854

Percentage: 99.92%

Mr. Patel is currently a business consultant and corporate director. He was previously Chief Financial Officer of Pembrook Mining Corp., a private mining company, from 2007 until 2010. Prior to joining Pembrook, Mr. Patel was the Chief Financial Officer of Crystal Decisions, Inc., a privately held software company. Mr. Patel joined Crystal Decisions in 1999 after holding executive level positions, including that of Chief Financial Officer, with University Games, Inc., a privately held manufacturer of educational toys and games. Before 1997, Mr. Patel worked for Dreyer s Grand Ice Cream as Director of Strategy, for Marakon Associates strategy consultants and for Chemical Bank. Mr. Patel holds an MBA degree from Stanford University and a Bachelor of Arts degree from Brown University.

Other directorships:

ACL Services Ltd. (a private software company)	Advisory Board Chair
Daiya Foods Inc. (a private food company)	Chair

EDWARD BALTAZAR PITONIAK

Mr. Pitoniak is currently the Managing Director and Trustee of InnVest, a real estate investment trust holding a large portfolio of hotels in Canada. Mr. Pitoniak retired in 2009 from the position of President and Chief Executive Officer and Director of bcIMC Hospitality Group, a

Residence: Exeter, RI, U.S.A.

Age: 59

Independent

Director since: July 28, 2006

Shares owned, controlled or directed: 7,121

DSUs held: 7,919 (2)

Committees:

Chair of Nominating and Corporate Governance Committee(8).

Member of the Audit Committee.

Voting Results of 2014 AGM

Votes For: 86,693,193

Percentage: 99.53%

hotel property and brand ownership entity (formerly a public income trust called Canadian Hotel Income Properties Real Estate Investment Trust (CHIP) TSX: HOT.un), where he was employed since January 2004. Mr. Pitoniak was also a member of CHIP s Board of Trustees before it went private. Prior to joining CHIP, Mr. Pitoniak was a Senior Vice-President at Intrawest Corporation (TSX: ITW ; NYSE IDR a ski and golf resort operator and developer) for nearly eight years. Before Intrawest, Mr. Pitoniak spent nine years with Times Mirror Magazines, where he served as editor-in-chief and advertising director with Ski Magazine. Mr. Pitoniak has a Bachelor of Arts degree from Amherst College.

Other directorships:

InnVest REIT (TSX: INN , a public company) Trustee; Member of Investment Committee

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LISA ANNE POLLINA (9)

Residence: Chicago, IL, USA

Age: 50

Independent

Director since: N/A

Since 2012, Ms. Pollina has served as Vice Chairman of the RBC Capital Markets division of Royal Bank of Canada. RBC Capital Markets is the corporate and investment banking arm of RBC and offers mergers and acquisitions support, securities trading and research, foreign exchange, infrastructure services and advisory services. From 2010 to 2012, Ms. Pollina served as Senior Advisor to the Chief Executive Officer of RBC International, also a division of Royal Bank of Canada. From 2006 to 2010, she served as Senior Vice President, Global Financial Institutions and performed Advisory Services for Bank of America. Ms. Pollina co-founded and served as Managing Partner of Bordeaux Capital, a strategic and financial advisory firm, from 2002 to 2006. From 1999 to 2002, she held Vice President and Senior Vice President roles with Scient, Inc., a technology consulting firm. Ms. Pollina founded and led Global Financial Advisory from 1992 to 1997. From 1989 to 1992, she was employed by Hermes International. Ms. Pollina holds a B.S. from Western Michigan University and an M.B.A. from Yale University.

Shares owned, controlled or directed: nil

DSUs held: nil (2)

Other directorships:

William Blair Mutual Fund (a private fund) - Trustee

Committees:

N/A

Voting Results of 2014 AGM:

N/A

CHRISTOPHER ZIMMERMAN

Residence: Manhattan Beach, CA, USA

Age: 55

Mr. Zimmerman is currently President and CEO of business operations for the St. Louis Blues. Prior to this, he was President of Easton Sports, a designer, developer and marketer of sports equipment and accessories. Prior to joining Easton Sports, Mr. Zimmerman was President and Chief Executive Officer of Canucks Sports and Entertainment, a sports entertainment company in Vancouver, B.C, from 2006 until 2009. Before joining Canucks Sports and Entertainment, Mr. Zimmerman was the President and Chief Executive Officer of Nike Bauer Inc., a hockey

Independent

Director since: April 11, 2008

Shares owned, controlled or directed: 6,856

DSUs held: 7,919 [(2)]

Committees:

Chair of the Compensation Committee[(10)]

Voting Results of 2014 AGM

Votes For: 89,030,230

Percentage: 99.92%

equipment company. Prior to this appointment in March 2003, Mr. Zimmerman was General Manager of Nike Golf USA. He joined Nike Golf in 1998 after spending 16 years in a variety of senior advertising positions, including USA Advertising Director for the Nike Brand and Senior Vice President at Saatchi and Saatchi Advertising in New York. Mr. Zimmerman has an MBA from Babson College.

(1) See Report on Corporate Governance on page 59 for a summary of how independence is determined.
(2) For information regarding DSUs and the Company s Non-Executive Director Deferred Share Unit Plan (the DSU Plan), see Non-Executive Director Deferred Share Unit Plan on page 13.
(3) Ms. Briscoe was also a member of the Audit Committee prior to May 1, 2014.
(4) The CEO Search Committee was a temporary Board committee.
(5) Mr. Saligram became a director in July 2014.
(6) Mr. Olsson became a member of the Compensation Committee on May 1, 2014.
(7) Mr. Patel was Chair of the Nominating and Corporate Governances Committee prior to May 1, 2014.
(8) Mr. Pitoniak was Chair of the Compensation Committee prior to May 1, 2014, and ceased to be on that Committee, and became Chair of the Nominating and Corporate Governance Committee, on May 1, 2014.
(9) Ms. Pollina is not currently a director, but is a proposed nominee for election as a director.
(10) Mr. Zimmerman became Chair of the Compensation Committee on May 1, 2014.

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The Company is not aware that any of the above nominees will be unable or unwilling to serve as a director of the Company. However, should the Company become aware of such an occurrence before the election of directors takes place at the Meeting, the Board may select substitute nominees at its discretion. The persons named in the enclosed form of proxy intend to vote for the election of any such substitute nominees.

In addition to the information presented above regarding Common Shares beneficially owned, controlled or directed, Mr. Saligram, the Chief Executive Officer of the Company, was the only director to hold stock options as of March 10, 2015. None of the Company s non-executive directors have been granted stock options since their appointment. The Company ceased granting stock options to non-executive directors in 2004, and, pursuant to the Company s Policy Regarding the Granting of Equity Based Compensation Awards (the Stock Option Policy), will not do so in the future.

Chair of the Board

Beverley Briscoe is currently the Chair of the Board and is an independent director and, therefore, the Board has not appointed a Lead Independent Director. Any shareholder wishing to contact the Chair of the Board may do so by phoning 778-331-5300 or by sending an email to Chairman_of_the_Board@rbauction.com.

Committees of the Board

The Board has the following standing committees:

1) Audit Committee

2) Nominating and Corporate Governance Committee

3) Compensation Committee

Information regarding these committees and their functions is included under Report on Corporate Governance on page 59.

The current members of the Audit Committee are Robert Elton (Chair), Eric Patel and Edward Pitoniak. Additional disclosure relating to the Company s Audit Committee as required under Multilateral Instrument 52-110 is contained in the Company s Annual Information Form under the heading Audit Committee Information . The Annual Information Form of the Company has been filed on SEDAR and is available on their website at www.sedar.com. A copy of the Company s Annual Information Form may also be obtained by making a request to the Corporate Secretary of the Company.

As noted under Summary of Recent Important Corporate Developments , prior to July 2014 the Board formed two other temporary committees of the Board, in relation to the hiring and transition under the new Chief Executive Officer, which ceased to exist in July 2014.

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Board and Committee Attendance

The following tables present information about Board and committee meetings and attendance by directors at such meetings for the year ended December 31, 2014. The overall 2014 attendance record by directors at Board and committee meetings was 100%.

Board and Committee Meetings Held

	Number of Meetings
Board of Directors	11
Audit Committee	4
Compensation Committee	7
Nominating and Corporate Governance Committee	6
CEO Search Committee (1)	23

(1) As noted above, this temporary Board committee ceased to exist in July 2014.

Summary of Attendance of Directors

Director	Board Meetings	Audit Committee Meetings	Compensation Committee Meetings	Nominating and Corporate Governance Committee Meetings	CEO Search Committee Meetings (9)
Robert Murdoch (1)	11 of 11	N/A	4 of 4	2 of 2	23 of 23
Peter Blake (2)	2 of 2	N/A	N/A	N/A	N/A
Ravi Saligram (3)	5 of 5	N/A	N/A	N/A	N/A
Beverley Briscoe (4)	11 of 11 (Chair)	1 of 1	N/A	6 of 6	23 of 23
Robert Elton	11 of 11	4 of 4 (Chair)	7 of 7	N/A	N/A
Erik Olsson (5)	11 of 11	N/A	5 of 5	N/A	N/A
Eric Patel (6)	11 of 11	4 of 4	N/A	6 of 6 (Chair)	23 of 23 (Chair)
Edward Pitoniak (7)	11 of 11	4 of 4	2 of 2 (Chair)	5 of 5 (Chair)	N/A
Christopher Zimmerman (8)	11 of 11	N/A	7 of 7 (Chair)	N/A	N/A

(1) Mr. Murdoch resigned as Chair of the Board on June 30, 2014, and was replaced by Ms. Briscoe. Mr. Murdoch resigned from the Board effective December 31, 2014. Mr. Murdoch was also a member of the Nominating and Corporate Governance Committee prior to May 1, 2014 and was a member of the Compensation Committee from May 1, 2014 through December 31, 2014.

(2) As discussed on page 1, Mr. Blake was replaced by Mr. Saligram as Chief Executive Officer on July 7, 2014 and resigned as a director of the Company effective July 1, 2014.

(3) As discussed on page 1, Mr. Saligram was appointed Chief Executive Officer of the Company and a director on July 7, 2014 and the attendance noted in the table reflects the number of Board meetings that took place after his appointment.

(4) Ms. Briscoe was appointed Chair of the Board effective June 30, 2014. Prior to May 1, 2014, Ms. Briscoe was also a member of the Audit Committee.
(5) Mr. Olsson became a member of the Compensation Committee on May 1, 2014.
(6) Prior to May 1, 2014, Mr. Patel was Chair of the Nominating and Corporate Governance Committee.
(7) On May 1, 2014 Mr. Pitoniak ceased to be a member and Chair of the Compensation Committee and became a member and Chair of the Nominating and Corporate Governance Committee.
(8) On May 1, 2014 Mr. Zimmerman became Chair of the Compensation Committee.
(9) As noted under Summary of Recent Important Corporate Developments , the CEO Search Committee was a temporary Board committee.

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Skills Matrix

The Nominating and Corporate Governance Committee maintains and updates from time to time an inventory of the competencies, capabilities and skills of current non-executive Board members.

The following matrix is used as a reference tool for the ongoing assessment of Board composition, to ensure that desired skills and attributes are considered as new Board members are being assessed and to identify any gaps in the competencies that are required to successfully advance the overall strategy of the Company. As discussed under Summary of Recent Corporate Developments , in February, 2015 the Board adopted a policy regarding identification and nomination of women directors which includes a target to increase the number of women on the Board so that by 2016 at least 25% of the directors of the Company, at a full complement of eight members, will be women (see Report on Corporate Governance on page 59). Directors are encouraged to take relevant professional development courses at the Company s expense, and at times, the Company also recommends appropriate courses and conferences and encourages directors to attend (see Report on Corporate Governance below).

	General Business Skills						**Functional Experience**			
ge zation ence	CEO Experience	Overseas Experience	Accounting Knowledge	Employee Recruitment & Development	Environmental, Health & Safety	Financial / Investment	IT Software, Infrastructure & Security	Marketing	Organizational Structure	Sales
	x	x	x	x	x	x			x	
	x		x	x	x		x			
	x	x	x	x		x			x	x
		x	x	x		x	x			
	x			x		x	x	x	x	x
	x	x		x		x		x	x	x
	x			x				x	x	x

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DIRECTOR COMPENSATION

Annual Meeting Fees

Non-executive directors of the Company, other than the Board Chair (and while it was applicable, the Deputy Chairperson), receive, in addition to reimbursement of reasonable travel and lodging expenses, an annual fee of $100,000 for service on the Board. The Board Chair is paid an annual fee of $240,000. Prior to his resignation as Board Chair on June 30, 2014, Mr. Murdoch was entitled to an annual Board Chair fee of $240,000, payment of which was prorated to his length of service in such role during 2014.

In addition to the fee paid to non-executive directors as described above, the Chair of the Audit Committee receives an additional $15,000 annual fee, and the Chair of each of the Compensation Committee and Nominating and Corporate Governance Committee receives an additional $10,000 annual fee. The Chair of the CEO Search Committee received an additional fee of $15,000 in 2014. The Chair of the Transition Committee did not receive separate fees in 2014.

Non-executive directors also receive a $1,500 fee per minuted meeting, in person or by teleconference, in excess of 30 minutes. The Board Chair and (while applicable) Deputy Chairperson, are not entitled to meeting fees. Non-executive directors, other than the Chair of the Board, required to travel a day other than a meeting date when scheduling does not permit travel on the day of the meeting are also entitled to receive, in addition to reimbursement for travel expenses, a $1,500 travel fee.

Subject to the provisions of the DSU Plan (see discussion below), annual retainer and other fees were paid to non-executive directors on the following basis:

		Amount of Fee (U.S.$)			
Annual fee for Board Chair (1) (2)		240,000			
Annual fee for Board Membership	Edward L. Bradley	86,603	56,401	143,004	*
Terri A. Morrical		39,583(6)	28,301	67,884	*
Executive officers and directors as a group (14 persons)		1,303,239	311,150	1,614,389	4.2%

* Less than 1%

(1) Excludes shares that may be acquired through stock option exercises.

(2) Includes shares that may be acquired within 60 days of August 8, 2017 upon exercise of options pursuant to Rule 13d-3 of the Securities Exchange Act of 1934.

(3) Includes 165,025 shares held in trust for the spouse of James L. Herbert, and 127,052 shares held by limited liability companies, in which Mr. Herbert and his spouse have minority financial positions.

(4) Mr. Adent joined the Company as Chief Executive Officer on July 17, 2017.

(5) Includes 8,917 shares held in the Neogen Corporation 401(k) Retirement Savings Plan.

(6) Includes 28,182 shares held in the Neogen Corporation 401(k) Retirement Savings Plan.

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INFORMATION ABOUT THE BOARD AND CORPORATE GOVERNANCE MATTERS

The Company is managed under the direction of its Board. The Board conducts its business through meetings of the Board and its committees. The Board held five meetings, and there were a total of sixteen committee meetings during fiscal 2017. Each director attended more than 75% of the total meetings of the Board and the committees on which he served in fiscal 2017. Directors of the Board are expected to attend the Annual Meeting of shareholders unless they have a schedule conflict or other valid reason. All of the current Board members attended the 2016 Annual Meeting.

Independent Directors

A director is not considered independent unless the Board determines that he or she meets the NASDAQ independence rules and has no material relationship with the Company, either directly or indirectly, through any organization with which he or she is affiliated that has a relationship with the Company. Based on a review of the responses of the directors and nominees to questions about employment history, affiliations, family and other relationships, and on discussions with the directors and nominees, the Board has determined that each of the following currently serving directors and nominees are independent as defined in the NASDAQ independence rules: Dr. Boehm, Mr. Borel, Dr. Green, Mr. Papesh, Mr. Parnell, Mr. Reed and Mr. Tobin.

Board Committees

The Board has four committees. The current membership, number of meetings held during fiscal 2017 and the function performed by each of these committees are described below. None of the members of any of the committees is or ever has been an employee of the Company. The Board has determined that each committee member meets the independence standards for that committee within the meaning of applicable NASDAQ and SEC regulations.

Compensation Committee Dr. Boehm (Chair), Mr. Parnell and Dr. Green are currently members of the Compensation Committee, which met two times during 2017. The purpose of the Compensation Committee is to assist the Board in discharging its overall responsibilities relating to executive compensation. The Compensation Committee reviews and approves corporate goals and objectives relevant to the compensation of the Executive Chairman, Chief Executive Officer and other executive officers prior to the beginning of each year, evaluates current year performance in light of those goals and establishes compensation levels for the upcoming year, including salary and bonus targets. Company management provides recommendations to the Compensation Committee concerning compensation of officers. The Compensation Committee has a charter, which is available in the Investor Relations section of the Company s website at *www.neogen.com.*

Stock Option Committee Mr. Parnell (Chair) and Mr. Reed are currently members of the Stock Option Committee, which met one time during fiscal 2017. The purpose of the Stock Option Committee is to assist the Board in discharging its overall responsibilities relating to the Company s stock option plans, including the Neogen Corporation 2007 Stock Option Plan (the 2007 Plan), which was amended in 2011, and the 2015 Omnibus Incentive Plan (the 2015 Plan), approved by shareholders in 2015. In connection with the approval of the 2015 Plan, the Stock Option Committee evaluates option grants and any other equity awards under that plan; no further awards can be made from the 2007 Plan. The Stock Option Committee determines the amount of grants, if any, to be made to the Executive Chairman and Chief Executive Officer. Management provides recommendations to the Stock Option Committee concerning stock option awards for other officers and employees.

Governance Committee Mr. Papesh (Chair), Mr. Reed, Dr. Green and Mr. Parnell serve on the Governance Committee, which met five times during fiscal 2017. The Governance Committee provides a leadership role in shaping the governance of the Company, and provides oversight and direction with respect to the function and operation of the Board. The Governance Committee also provides oversight on management succession, human resources practices, risk management, and environmental, health and safety issues.

The Governance Committee recommends to the Board criteria for selecting new directors; the enumeration of skills that would be advantageous to add to the Board; the appropriate mix of inside and outside directors; ethnicity and gender of directors; and size of the Board. The Board considers factors such as whether or not a potential candidate: (1) possesses relevant expertise; (2) brings skills and experience complementary to those of the other members of the Board; (3) has sufficient time to devote to the affairs of the Company; (4) has demonstrated excellence in his or her field; (5) has the ability to exercise sound business judgment; (6) has the commitment to rigorously represent the long-term interests of the Company s shareholders; (7) possesses a diverse background and experience, including with respect to race, age and gender; (8) possesses high ethical standards and integrity; and (9) such other factors as the Governance Committee may consider from time to time.

The Governance Committee identifies persons qualified to become directors and, as appropriate, recommends candidates to the Board for its approval. Board composition is reviewed periodically to ensure that the Board reflects the knowledge, experience and skills required for the Board to fulfill its duties. The Governance Committee s charter requires that the Governance Committee take diversity (including specifically both ethnicity and gender) of directors into account in performing its functions. It identifies persons qualified to become directors and, as appropriate, recommends candidates to the Board for its approval. In assembling a pool of potential candidates from which to make recommendations to the Board, the Committee endeavors to include women and minority candidates. As required by NASDAQ, the SEC or such other applicable regulatory requirements, a majority of the Board is comprised of independent directors. At the direction of the Board of Directors, the Governance Committee manages the CEO selection process, and ultimately recommends one or more candidates for consideration by the Board. For further information, see the charter of the Governance Committee which is available in the Investor Relations section of the Company s website at *www.neogen.com*.

The Governance Committee generally relies on multiple sources for identifying and evaluating Board nominees, including referrals from the Company s current directors and management. The Governance Committee does not solicit director nominations, but will consider recommendations by shareholders with respect to elections to be held at an Annual Meeting, so long as such recommendations are sent on a timely basis to the Corporate Secretary of the Company and are in accordance with the Company s by-laws. The Committee will evaluate nominees recommended by shareholders against the same criteria.

In searching for candidates to fill Board vacancies, the Governance Committee is committed to identifying the most capable candidates who have experience in the areas of expertise needed at that time and meet the criteria for nomination. The Governance Committee has in the past entertained and encouraged the candidacy of qualified women and minorities and will continue to do so.

Audit Committee Dr. Boehm (Chair), Mr. Borel and Mr. Reed are currently members of the Audit Committee, which oversees the Company s financial reporting process on behalf of the Board. The Audit Committee meets with management and the Company s independent registered public accounting firm throughout the year and reports the results of its activities to the Board of Directors. The Audit Committee met eight times during fiscal 2017. Further information regarding the role of the Audit Committee is contained in its charter which is available in the Investor Relations section of the Company s website at *www.neogen.com* and also see Audit Committee Report in this Proxy Statement. The Board has determined that all current members of the Audit Committee are audit committee financial experts for purposes of applicable SEC rules.

Lead Director/Executive Sessions of Non-Management Directors

Mr. Parnell has been designated the Lead Independent Director, with responsibility for coordinating the activities of the other independent directors. Mr. Parnell chairs all executive sessions of the Board.

Mr. Herbert does not attend the executive sessions except upon request. At least one executive session of the Board is held annually.

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Management s Role in Determining Executive Compensation

The Compensation Committee makes all final decisions regarding officer compensation. Management s involvement in determining executive compensation is limited to the Chief Executive Officer making recommendations on compensation for members of the management team. No member of the Compensation Committee has served as an officer or employee of the Company at any time.

Compensation Committee Interlocks and Insider Participation

No executive officer serves as a member of the compensation committee of any other company that has an executive officer serving as a member of the Company s Board. None of the Company s executive officers serves as a member of the Board of any other company that has an executive officer serving as a member of the Compensation Committee.

Board Leadership and Role in Risk Management

The Board of Directors oversees the Company s risk management. This oversight is administered primarily through the Board s review and approval of the management business plan, including the projected opportunities and challenges facing the business; periodic review by the Board of business developments, strategic plans and implementation, liquidity and financial results; the Board s oversight of succession planning, capital spending and financing; the Audit Committee s oversight of the Company s internal controls over financial reporting and its discussions with management and the independent accountants regarding the quality and adequacy of internal controls and financial reporting (and related reports to the full Board); the Governance Committee s leadership in the evaluation of the Board and committees and its oversight of identified risk areas of the Company; and the Compensation Committee s review and approvals regarding executive officer compensation and its relationship to the Company s business plan, as well as its review of compensation plans generally and the related risks. The Board has concluded that this leadership structure is appropriate for the Company at this time.

Contacting the Board

Shareholders and other interested persons may communicate directly with the Board on a confidential basis by mail to Board of Directors, Neogen Corporation, 620 Lesher Place, Lansing, Michigan 48912, Attention: Board Secretary. All such communications will be received directly by the Secretary of the Board and will not be screened or reviewed by any other Company employee.

Code of Conduct and Ethics

The Company has adopted a Code of Conduct applicable to all Company employees, officers and directors, including specifically the Executive Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Corporate Controller, in the performance of their duties and responsibilities. The Code of Conduct is posted on the Company s website at *www.neogen.com* in the Investor Relations section and will be mailed to any shareholder upon request to the Secretary at 620 Lesher Place, Lansing, Michigan 48912.

Certain Relationships and Related Party Transactions

The Board, acting as a committee of the whole, approves or ratifies transactions involving directors, executive officers or principal shareholders, or members of their immediate families or entities controlled by any of them, or in which they have a substantial ownership interest, in which the amount involved exceeds $120,000 and that are otherwise reportable under SEC disclosure rules. Such transactions include employment of immediate family members of any director or executive officer. Management advises the Board of any such transaction that is proposed to be entered into or continued and seeks Board approval. In the event any such transaction is proposed for which a decision is required prior to the next regularly scheduled meeting of the Board, it may be presented to the Audit Committee Chair for approval, in which event the decision will be reported to the full Board at its next meeting. There were no related party transactions in excess of $120,000 in fiscal 2017.

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COMPENSATION DISCUSSION AND ANALYSIS

Named Executive Officers

Named executive officers (NEOs) for SEC reporting purposes are:

Name	Title
James L. Herbert	Executive Chairman
John E. Adent	Chief Executive Officer
Richard E. Calk, Jr.	President & Chief Operating Officer
Steven J. Quinlan	Vice President, Chief Financial Officer & Secretary
Edward L. Bradley	Vice President, Food Safety
Terri A. Morrical	Vice President, Animal Safety

The Company has previously announced that Mr. Adent joined the Company as Chief Executive Officer on July 17, 2017, and that Mr. Herbert resigned from that role and became Executive Chairman. Because Mr. Adent joined the Company after the end of the 2017 fiscal year, there is no reportable compensation to him for fiscal 2017; therefore, he is not included in any of the following compensation analysis.

Brief biographies of the NEOs, with the exception of Mr. Herbert, follow. Mr. Herbert s biography is included in Proposal I Election of Directors.

John E. Adent, age 49, joined the Company as Chief Executive Officer on July 17, 2017. Prior to joining the Company, Mr. Adent served as the Chief Executive Officer of Animal Health International, Inc., formerly known as Lextron, Inc., from 2004 to 2015, also serving as its President during that time. Animal Health International was sold to Patterson Companies, Inc. in 2015, and Mr. Adent served as the Chief Executive Officer of the $3.3 billion Animal Health Division of Patterson Animal Health from that period until his resignation from that company on July 1, 2017. Mr. Adent began his career with management responsibilities for Ralston Purina Company, developing animal feed manufacturing and sales operations in China and the Philippines. When Ralston Purina spun off that business to Agribrands, he continued his management role in the European division in Spain and Hungary, serving as managing director of the Hungarian operations. Mr. Adent left Ralston Purina in 2004.

Richard E. Calk, Jr., age 54, joined the Company as President and Chief Operating Officer in December 2014. During his career in the food and chemical industries, Mr. Calk has held senior leadership positions in a number of large, international companies including CP Kelco, Roquette America, and DSM Food Specialties. Mr. Calk has extensive experience in operations, sales and marketing and has managed the development of a number of new food and agriculture related products. His experience also includes the establishment of new operations throughout Asia, Europe, North and South America. Prior to joining the Company, he was employed at Nexeo Solutions from 2013 to 2014, and held the position of Vice President, Chemicals. From 2009 to 2013, he was Vice President of Commercial Operations at Solutia Inc.

Steven J. Quinlan, age 54, joined the Company in January 2011 as Vice President and Chief Financial Officer. He was named Secretary in October 2011. He is responsible for all internal and external financial reporting for the Company, and also manages the accounting, human resources, information technology, communications and facilities departments. Mr. Quinlan came to the Company following 19 years at Detrex Corporation (1992-2010), the last eight years serving as Vice President-Finance, CFO and Treasurer. He was on the audit staff at the public accounting firm Price Waterhouse (now PWC) from 1985-1989.

Edward L. Bradley, age 57, joined the Company in February 1995 as part of its acquisition of AMPCOR Diagnostics, Inc, where he served as Vice President of Sales and Marketing. In June 1996, he was named a Vice President of the Company. In June 2006, Mr. Bradley was named Vice President, Food Safety. From 1988 to 1995, Mr. Bradley served in several sales and marketing capacities for Mallinckrodt Animal Health, including

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the position of National Sales Manager in its Food Animal Products Division. Prior to joining Mallinckrodt, he held several sales and marketing positions for Stauffer Chemical Company.

Terri A. Morrical, age 51, joined the Company in September 1992 as part of the Company s acquisition of WTT, Incorporated. She has directed most aspects of the Company s animal safety operations since she joined the Company and currently serves as Vice President in charge of all of the Company s animal safety operations excluding GeneSeek. From 1986 to 1991, Ms. Morrical was Controller for Freeze Point Cold Storage Systems and concurrently served in the same capacity for Powercore, Inc. In 1990, she joined WTT, Incorporated as Vice President and Chief Financial Officer and then became President, the position she held at the time the Company acquired the business.

Compensation Objectives

The Company s executive compensation programs are designed to be aligned with shareholder value creation and are structured to reward individual and organizational performance and be simple, concise and understandable. A significant percentage of each NEO s compensation consists of variable pay.

The primary objectives of the compensation programs covering NEOs are to:

- Attract, retain and motivate highly talented executives who will drive the success of the business;
- Align incentives with the achievement of measurable corporate, business unit and individual performance objectives based on financial and non-financial measures, as appropriate;
- Provide overall compensation that is considered equitable to the employee and the Company; and
- Ensure reasonable, affordable and appropriate compensation program costs.

Compensation Elements

The primary compensation elements provided to NEOs are:

- Base salary;
- Discretionary annual bonus; and
- Equity-based long-term incentive compensation delivered in the form of stock option grants.

Other compensation elements include health and welfare benefits plans under which the NEOs receive similar benefits to those provided to all other eligible U.S.-based employees, such as medical, life insurance and disability coverage.

The Compensation Committee is provided materials by management regarding the various compensation elements of each NEO s compensation package. The Compensation Committee makes decisions about each compensation element in the context of each NEO s total compensation package. The compensation of senior level employees generally incorporates variable pay elements such as bonus and stock options, although no specific formula, schedule or tier is applied in establishing compensation mix.

Each of the compensation elements and its purpose is further described below.

Consideration of Last Year s Say-on-Pay Vote

At our 2016 annual meeting of shareholders, our shareholders were provided with an opportunity to cast an advisory vote on the compensation of our executive officers. The say-on-pay vote yielded approximately 99% approval of those votes cast. Notwithstanding this favorable vote, we continue to seek input from our

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shareholders to understand their views with respect to our approach to executive compensation, and in particular in connection with the Compensation Committee s efforts to tie compensation to performance**.**

Base Salary

Base salary is intended to compensate the executive for the basic market value of the position, time in the position and the relation of that position to other positions in the Company. Each NEO s salary and performance is reviewed annually. Factors considered in determining the level of executive base pay include the role and responsibilities of the position, performance against expectations and an individual s job experience or unique role responsibilities.

Actual earned salary for 2017 is shown in the Salary column of the Summary Compensation Table. Base salary rates and changes from 2016 to 2017, if applicable, are shown in the following table.

Name	2017 Salary Rate	2016 Salary Rate	Percent Increase
James L. Herbert	$ 450,000	$ 425,000	5.9%
Richard E. Calk, Jr.	345,000	340,000	1.5%
Steven J. Quinlan	230,000	210,000	9.5%
Edward L. Bradley	190,000	180,000	5.6%
Terri A. Morrical	190,000	180,000	5.6%

Discretionary Annual Bonus

Bonuses paid in fiscal 2018 related to fiscal 2017 are as follows:

Name	Target Value	Actual Payments	Percentage of Target
James L. Herbert	$ 200,000	$ 190,000	95%
Richard E. Calk, Jr.	150,000	82,000	55%
Steven J. Quinlan	70,000	53,000	76%
Edward L. Bradley	80,000	43,000	54%
Terri A. Morrical	80,000	65,000	81%

Target values for bonuses are set by the Compensation Committee and communicated to the officers at the time that the prior year actual payments are communicated. Bonus payments are determined by the Compensation Committee based on the Committee s perception of the efforts expended and achievements of the officers objectives during the fiscal year. The Compensation Committee took into account the recommendations of Mr. Herbert with respect to bonuses for Mr. Calk and Mr. Quinlan, and took into account the recommendations of Mr. Herbert and Mr. Calk with respect to bonuses for Mr. Bradley and Ms. Morrical. Target and actual bonuses are based on individual objectives and the Company s performance, within the discretion of the Compensation Committee. The Compensation Committee s appraisal of the Company s overall performance was influenced by the following:

Revenues increased 12.5% to $361.6 million;

Gross margins were 47.6%, compared to 47.6% in fiscal 2016;

Operating income was $64.9 million, an increase of 15.2% over fiscal 2016;

Net income of $43.8 million was a 19.8% increase over fiscal 2016;

The Company generated $60.3 million cash from operations; and

Stockholders equity increased to $471.8 million, compared to $404.2 million at May 31, 2016.

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During the fiscal year, the Company completed two acquisitions, and devoted considerable management attention to integration of these businesses. The Compensation Committee determined that, based upon the above listed factors, among others, Mr. Herbert had continued to provide strong leadership in the current fiscal year and had positioned the Company well for future growth in revenue and profitability, and therefore awarded him 95% of his total targeted bonus. Bonuses for Mr. Bradley and Ms. Morrical are primarily affected by the sales, operating income and other operating metrics of the division for which they have primary responsibility. Bonuses for Mr. Calk and Mr. Quinlan are tied to operating metrics of the overall Company, as well as other internal objectives set by Mr. Herbert.

Substantially all managers bonus arrangements, including those of each of the NEOs, include a provision that the bonuses otherwise payable may be decreased by the Compensation Committee, in their discretion, in the event that specific Company earning per share targets are not met. Actual Company earnings were $1.14 per share in fiscal 2017, an increase of 17.5% over the $0.97 earned in fiscal 2016. Although the internal earnings per share target for the Company was not achieved, the Committee noted that the Company s results had been impacted by the continued strength of the U.S. dollar, and potential bonus amounts were not reduced below the targeted bonus level for each of the NEOs.

Long-Term Incentive Compensation

The objectives of the long-term incentive portion of the compensation package are to:

- Align the personal and financial interests of management and other employees with shareholder interests;
- Balance short-term decision-making with a focus on improving shareholder value over the long term;
- Provide a means to attract, reward and retain a skilled management team; and
- Provide the opportunity to build a further ownership position in the Company s stock.

The primary long-term incentive mechanism at the Company has been, and continues to be, stock option awards, the ultimate value of which is dependent on increases in the Company s stock price. Stock options are granted to provide employees with a personal financial interest in the Company s long-term success, promote retention of employees and enable the Company to compete for the services of new employees in a competitive market. The Company continues to believe that stock options are an appropriate means to accomplish long-term incentive objectives.

The stock option program is designed to deliver competitive long-term awards while incurring reasonable levels of expense and shareholder dilution relative to other long-term incentive programs. It is the Company s view that stock options represent an effective use of corporate resources and are the best method for the Company to achieve its long-term compensation element objectives.

The Company maintains two equity-based long-term incentive plans that have been previously approved by shareholders the Neogen Corporation 2007 Stock Option Plan (the 2007 Plan), which was amended in 2011, and the 2015 Omnibus Incentive Plan (the 2015 Plan), approved by shareholders in 2015. Future awards of equity or equity rights will be granted under the 2015 Plan; no further awards can be made under the 2007 Plan.

In general, options granted by the Company are incentive options with five year lives that vest 20% per year beginning with the year following the year of grant. Certain incentive options are converted to non-qualified options when IRS limitations for incentive options are exceeded. Prior to 2006, these re-characterized options carried three year vesting provisions and ten year terms. For 2006 and subsequent years, the nonqualified options retain the same vesting and life provisions as incentive options. Nonqualified stock options, with up to ten year terms and vesting 33% per year for the three years following the year of grant, are granted to Directors. In all cases, grant prices are equal to the closing price on the day of the grant. The Company does not reprice options

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and does not reload which means the recipient is only able to exercise the number of shares in the original stock option grant. The Company s practice has been to make an annual award to the majority of recipients as well as rare hire-on awards to select new hires.

Annual stock option grants are made at the discretion of the Stock Option Committee, with the exception of non-employee director awards which are granted automatically under the terms of the Stock Option Plan. Management makes recommendations to the Stock Option Committee as to the stock option award levels and terms. The determination with respect to the number of options to be granted to any particular participant is ultimately subjective in nature. While no specific performance measures are applied, factors considered in determining the number of options to be awarded to an individual include his or her level of responsibility and position within the Company, demonstrated performance over time, value to the Company s past and future success, historic grants, retention concerns and, in the aggregate, share availability under the plan and overall Company expense and shareholder dilution from awards. Management provides the Stock Option Committee information on grants made in the past three years and the accumulated value of all stock option awards outstanding to each NEO.

The table below shows the size of the fiscal 2017 stock option grants to each of the NEOs.

Name	Number of Options	Compensation Cost Recognized for 2017 Grants (1) (2)
James L. Herbert	95,000	$ 1,498,523
Richard E. Calk, Jr.	20,000	315,478
Steven J. Quinlan	35,000	552,087
Edward L. Bradley	30,000	473,218
Terri A. Morrical	30,000	473,218

(1) Represents the aggregate grant date fair value of each stock option granted in fiscal 2017, calculated in accordance with the provisions of the Compensation Stock Compensation Topic of the FASB Codification. This amount will be recognized over the vesting period of the grants.

(2) The stock option Codification Topic 718 values throughout this Proxy Statement have been calculated using the Black-Scholes option pricing model using the assumptions in the following table:

Black-Scholes Model Assumptions (a)	2017	2016	2015	2014	2013
Risk-free interest rate	1.2%	1.2%	1.2%	0.8%	1.2%
Expected dividend yield	0%	0%	0%	0%	0%
Expected stock price volatility	35.2%	33.3%	36.2%	33.1%	39.2%
Expected option life	4 years	4 years	4 years	4 years	4 years

(a) The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. Expected stock price volatility is based on historical volatility of the Company s stock. The expected option life, representing the period of time that options are expected to be outstanding, is based on historical option exercise and employee termination data.

Retirement Plans: A defined contribution plan, the Neogen Corporation 401(k) Retirement Savings Plan (401(k) Plan) is available to all eligible U.S. employees including all NEOs. Under the 401(k) Plan, the Company matches dollar per dollar of the first 3%, and fifty cents per dollar of the next 2%, of pay contributed by the employee up to the Internal Revenue Code limits. Matching contributions to the 401(k) Plan vest immediately upon payment.

Health and Welfare Benefits Plans: Benefits such as medical, dental, vision, life insurance and disability coverage are provided to each NEO under benefits plans that are provided to all eligible U.S.-based employees.

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The benefits plans are part of the overall total compensation offering and are intended to be competitive and provide health care coverage for employees and their families. The NEOs have no additional Company-paid health benefits. Similar to all other employees, NEOs have the ability to purchase supplemental life, dependent life, long-term care insurance, and accidental death and dismemberment coverage through the Company. The value of these benefits is not included in the Summary Compensation Table since they are purchased by each NEO and are made available to all U.S. employees. No form of post-retirement health care benefits is provided to any employee.

Perquisites: The values of perquisites and other personal benefits are included in the All Other Compensation column of the Summary Compensation Table, and consist primarily of Company matching contributions to the 401(k) plan and the value of Company paid group term life insurance.

Employee Stock Purchase Plan: Employees in the U.S. are permitted to voluntarily purchase Company stock at a 5% discount through after-tax payroll deductions under the Employee Stock Purchase Plan (ESPP) as a way to facilitate employees becoming shareholders of the Company. The ESPP purchases stock bi-annually for participants through a third party plan administrator. None of the NEOs are currently eligible to purchase shares through the plan.

Executive and Non-Employee Director Stock Ownership Policy

The Company has a stock ownership policy in place for all corporate officers, including the NEOs and Directors. This reflects the Company s conviction that all senior executives should have meaningful actual share ownership positions in the Company in order to reinforce the alignment of management and shareholder interests. The ownership policy was adopted by the Board in July 2007. The Compensation Committee periodically reviews the policy requirements to ensure they continue to be reasonable and competitive.

The ownership requirements are:

Position	Market Value of Stock Owned	Expected Time Period to Comply
Non-Employee Directors	2 times annual cash fees paid	5 years
Executive Chairman, Chief Executive Officer	2 times annual salary, including bonus	3 years
Corporate Officers	2 times annual salary, including bonus	5 years

Stock owned includes shares owned outright, including 401(k) Plan shares, but does not include stock options. As of May 31, 2017, the Executive Chairman, the Chief Executive Officer and all corporate officers, including the named executive officers, were at or above the applicable stock ownership requirement or within the expected time period to comply, with the exception of Dr. Jason Lilly, Vice President of Corporate Development. Dr. Lilly has committed to increasing his required share ownership position during the next fiscal year and the Board has agreed to extend the time period for him to be in compliance with the ownership requirements. It is expected that Dr. Lilly will be in compliance with the share ownership requirements by the end of fiscal 2018. All non-employee directors were at or above the applicable stock ownership requirement, or within the expected time period to comply.

Employment Agreements and Severance Policy

The Company does not provide employment or severance agreements. The Company maintains a discretionary severance practice for all eligible employees, which could potentially include the NEOs. The discretionary practice provides for payments as determined by the Company as circumstances warrant.

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Chief Executive Officer Compensation

Compensation Information: For purposes of its review of Mr. Herbert s pay in fiscal 2017, the Compensation Committee considered the following criteria:

- The success of the Company in the past year;
- The success of the Company over an extended period;
- Mr. Herbert s continued effective leadership of the Company; and
- The importance of Mr. Herbert to the continued success of the Company.

Base Salary: Mr. Herbert s salary was increased from $425,000 to $450,000 in the 2017 fiscal year. Base salary determinations included consideration of the level of business performance in fiscal 2016, historical base salary increases and time in the position and also considered all forms of compensation earned, including long-term incentive compensation.

Annual Bonus: Mr. Herbert, based on his accomplishments during the year, achieved 95% of his fiscal 2017 bonus objectives, resulting in a $190,000 payout. Mr. Herbert s bonus payout was $175,000 for the fiscal 2016 year.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board has reviewed and discussed with management the Compensation Discussion and Analysis and, on the basis of such review and discussions, has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Submitted by:

Thomas H. Reed

Jack C. Parnell

William T. Boehm, Ph.D.

Members of the Compensation Committee

EXECUTIVE COMPENSATION

The table sets forth information regarding all elements of the compensation paid to the Company s named executive officers (principal executive officers, principal financial officer and two other most highly compensated executive officers) (the NEOs) for fiscal years 2015, 2016 and 2017. Mr. Adent joined the Company after the end of the 2017 fiscal year, and is therefore not included in this section.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus (1)	Option Awards (2)	Non-Equity Incentive Plan Compensation (3)	All Other Compensation (4)	Total
James L. Herbert	2017	$ 450,000	$ 190,000	$ 1,498,523	$	$ 16,318	$ 2,154,841
Executive Chairman	2016	425,000	175,000	1,248,811		14,464	1,863,275
	2015	400,000	180,000	1,126,006		14,000	1,720,006
Richard E. Calk, Jr.	2017	345,000	82,000	315,478		11,634	754,112
President & Chief	2016	340,000	184,000	223,471		7,214	754,685
Operating Officer (5)	2015	161,156		169,878		207	331,241
Steven J. Quinlan	2017	230,000	53,000	552,087		9,521	844,608
Vice President & Chief	2016	210,000	56,000	368,071		8,647	642,718
Financial Officer	2015	200,000	33,000	213,348		8,279	454,627
Edward L. Bradley	2017	190,000	43,000	473,218		8,489	714,707
Vice President,	2016	180,000	38,000	374,643		7,924	600,567
Food Safety	2015	177,000	37,000	337,802		7,494	559,296
Terri A. Morrical	2017	190,000	65,000	473,218		8,050	736,268
Vice President,	2016	180,000	75,000	381,216		7,497	643,713
Animal Safety	2015	173,000	65,000	337,802		7,214	583,016

(1) SEC rules require separation of the discretionary and formulaic aspects of annual bonus payments into the two separate columns Bonus and Non-Equity Incentive Plan Compensation.

(2) Calculations use grant-date fair value based on Codification Topic 718 for stock option grants for the 2015, 2016 and 2017 fiscal years. For purpose of this disclosure, the calculations do not attribute the compensation cost to the requisite vesting period. For information on valuation assumptions, see Compensation Discussion and Analysis Compensation Elements Long-term Incentive Compensation.

(3) In fiscal 2015, 2016 and 2017 all NEOs bonuses were discretionary, and are listed under Bonus.

(4) Includes 401(k) Plan matching contributions and value of group term life insurance. See Compensation Discussions and Analysis Compensations Elements for additional information on these amounts.

(5) Mr. Calk joined the Company on December 8, 2014 at an annual salary of $335,000. In fiscal 2016, he was paid a bonus of $134,000, based on attainment of agreed upon objectives through November 30, 2015, per his offer letter. In fiscal 2017, he received an additional $25,000 bonus related to his performance in 2016. He also received, per the terms of his offer letter, a payment of $25,000 in January 2016 upon his relocation to Lansing, Michigan.

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The following table sets forth the fiscal 2017 compensation cost recognized for fiscal 2017 awards or the portion of awards vested in fiscal 2017 from prior grants as shown in the Option Awards column:

Option Awards

Name	2017 Awards	2016 Awards	2015 Awards	2014 Awards	2013 Awards	Total
James L. Herbert	$ 183,136	$ 400,014	$ 219,534	$ 101,421	$ 53,721	$ 957,826
Richard E. Calk, Jr.	38,555	71,581	36,034			146,170
Steven J. Quinlan	67,471	117,899	41,596	15,214	6,715	248,895
Edward L. Bradley	57,832	120,004	65,860	31,271	16,118	291,085
Terri A. Morrical	57,832	122,109	65,860	30,426	16,118	292,345

The following table indicates the mix of total direct compensation for the NEOs in fiscal 2017 based on salary, total bonus payment and the Codification Topic 718 compensation expense of fiscal 2017 option awards:

Name	Salary	Annual Bonus	Stock Option Grant-Date Value using Black-Scholes (1)
James L. Herbert	$ 450,000	$ 190,000	$ 1,498,523
Richard E. Calk, Jr.	350,000	82,000	315,478
Steven J. Quinlan	230,000	53,000	552,087
Edward L. Bradley	180,000	43,000	473,218
Terri A. Morrical	180,000	65,000	473,218

(1) Calculations use grant-date fair value based on Codification Topic 718 for fiscal 2017 stock option grants. For purposes of this table, the calculations do not attribute the compensation cost to the requisite vesting period.

Grants of Plan-Based Awards

The following table sets forth additional information regarding the range of option awards granted to the NEOs in the year ended May 31, 2017 that are disclosed in the Summary Compensation Table.

Name	Grant Date (1)	Number of Securities Underlying Options	Exercise of Base Price of Options Awards (2)	Closing Market Price on Date of Grant	Grant-date Fair Value of Options Awards (3)
James L. Herbert	09/29/2016	95,000	$ 53.95	$ 53.95	$ 1,498,523
Richard E. Calk, Jr.	09/29/2016	20,000	53.95	53.95	315,478
Steven J. Quinlan	09/29/2016	35,000	53.95	53.95	552,087
Edward L. Bradley	09/29/2016	30,000	53.95	53.95	473,218
Terri A. Morrical	09/29/2016	30,000	53.95	53.95	473,218

(1) Represents the date the grants were made.

(2) In accordance with the terms of the 2015 Plan, these options were granted at 100% of the closing market price on the day of the grant. Options have a five-year term and generally become exercisable as to 20% of the shares on each of the five anniversary dates of the grant.

(3) Represents grant-date value based on Codification Topic 718 for the option grants. For information on valuation assumptions, see Compensation Discussion and Analysis Compensation Elements Long-term, Incentive Compensation.

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Outstanding Equity Awards at Fiscal Year-End

This table sets forth information regarding unexercised options that were held by the NEOs at May 31, 2017.

Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable (1)	Option Exercise Price	Option Expiration Date
James L. Herbert		18,000	$ 28.67	10/4/2017
		36,000	36.07	8/30/2018
		57,000	39.61	10/31/2019
	424	76,000	47.12	11/8/2020
		95,000	53.95	10/29/2021
	424	282,000		
Richard E. Calk, Jr.	5,200	7,800	$ 43.67	1/7/2020
	3,400	13,600	47.12	11/8/2020
		20,000	53.95	10/29/2021
	8,600	41,400		
Steven J. Quinlan		2,250	$ 28.67	10/4/2017
	72	5,400	36.07	8/30/2018
	3,200	10,800	39.61	10/31/2019
	5,600	22,400	47.12	11/8/2020
		35,000	53.95	10/29/2021
	8,872	75,850		
Edward L. Bradley		5,400	$ 28.67	10/4/2017
	16,650	11,100	36.07	8/30/2018
	11,400	17,100	39.61	10/31/2019
	5,700	22,800	47.12	11/8/2020
		30,000	53.95	10/29/2021
	33,750	86,400		
Terri A. Morrical		5,400	$ 28.67	10/4/2017
		10,800	36.07	8/30/2018
		17,100	39.61	10/31/2019
	5,800	23,200	47.12	11/8/2020
		30,000	53.95	10/29/2021
	5,800	86,500		

(1) Vesting schedules for Incentive Stock and Non-Qualified Options are 20% of the shares on each of the first five anniversary dates of the grant.

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Option Exercises and Stock Vested

This table sets forth information with respect to option exercises by the NEOs during fiscal 2017.

Name	Number of Shares Acquired on Exercise	Value Realized on Exercise (1)
James L. Herbert	154,374	$ 3,622,532
Richard E. Calk, Jr.		
Steven J. Quinlan	17,028	512,563
Edward L. Bradley	47,101	1,521,179
Terri A. Morrical	58,800	1,887,675

(1) Represents the difference between the exercise price and the closing price of the Common Stock as reported on the NASDAQ-GS on the exercise date.

Pension Benefits

The Company sponsors no defined benefit plans, therefore, none of the NEOs participates in a defined benefit plan sponsored by the Company.

COMPENSATION OF DIRECTORS

This table sets forth information regarding compensation paid during fiscal 2017 to directors who were not employees.

Name	Fees Earned Or Paid In Cash	Option Awards (1)	All Other Compensation	Total
William T. Boehm, Ph.D.	$ 41,000	$ 45,803		$ 86,803
James C. Borel	21,500	76,339		97,839
A. Charles Fischer (2)	30,000			30,000
Ronald D. Green, Ph.D .	40,500	45,803		86,303
G. Bruce Papesh	39,500	45,803		85,303
Jack C. Parnell	41,000	45,803		86,803
Thomas H. Reed	42,000	45,803		87,803
James P. Tobin	20,500	76,339		96,839
Clayton K. Yeutter, Ph.D. (3)	20,000			20,000

(1) Calculations use grant-date fair value based on Codification Topic 718 for the fiscal 2016 stock option grants. For purpose of this disclosure, the calculations do not attribute the compensation cost to the requisite vesting period. For information on valuation assumptions, see Compensation Discussion and Analysis Compensation Elements Long-term Incentive Compensation.

(2) Mr. Fischer resigned from the Board effective December 8, 2016.

(3) Dr. Yeutter did not stand for reelection, and his term expired in October 2016.

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The following table sets forth the fiscal 2017 compensation cost recognized for fiscal 2017 awards to directors and the portion of awards vested in fiscal 2017 from prior grants as shown in the Option Awards column.

Option Awards

Name	2017 Awards	2016 Awards	2015 Awards	Total
William T. Boehm, Ph.D.	$ 9,955	$ 14,329	$ 6,543	$ 30,827
James C. Borel	16,592			16,592
A. Charles Fischer (1)		7,165	3,272	10,437
Ronald D. Green, Ph.D.	9,955	14,329	10,905	35,189
G. Bruce Papesh	9,955	14,329	6,543	30,827
Jack C. Parnell	9,955	14,329	6,543	30,827
Thomas H. Reed	9,955	14,329	6,543	30,827
James P. Tobin	16,592			16,592
Clayton K. Yeutter, Ph.D (2).		3,582	2,181	5,763

(1) Mr. Fischer resigned from the Board effective December 8, 2016.
(2) Dr. Yeutter did not stand for reelection, and his term expired in October 2016.

The grant-date fair value of the stock option awards granted in fiscal 2017, the compensation cost recognized for fiscal 2017 grants, and outstanding option awards at May 31, 2017 were:

Name	Grant-Date Fair Value based Codification Topic 718 for 2017 Grants	Compensation Cost Recognized for 2017 Grants	Option Awards Outstanding at May 31, 2017
William T. Boehm, Ph.D.	$ 45,803	$ 9,955	25,500
James C. Borel	76,339	16,592	5,000
A. Charles Fischer (1)			7,500
Ronald D. Green, Ph.D.	45,803	9,955	11,000
G. Bruce Papesh	45,803	9,955	39,000
Jack C. Parnell	45,803	9,955	21,000
Thomas H. Reed	45,803	9,955	34,500
James P. Tobin	76,339	16,592	5,000
Clayton K. Yeutter, Ph.D. (2)			19,500

(1) Mr. Fischer resigned from the Board effective December 8, 2016.
(2) Dr. Yeutter did not stand for reelection, and his term expired in October 2016.

All non-employee Directors are granted non-qualified options to purchase 5,000 shares of Common Stock when first elected to the Board and are granted non-qualified options to purchase 3,000 shares of Common Stock upon subsequent election to, or commencement of annual service on, the Board. The options expire ten years after the date of grant and vest over three years in equal annual installments commencing with the first anniversary of the date of grant. Non-employee Directors receive an annual retainer of $32,000 (paid quarterly). Each director of the Board also receives $1,000 for each Board meeting and $500 for each committee meeting attended. All directors receive reimbursement for all ordinary travel expenses related to attendance at Board or committee meetings.

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AUDIT COMMITTEE REPORT

The undersigned constitute the Audit Committee of the Board of the Company. The Audit Committee serves in an oversight capacity and is not intended to be part of the Company s operational or managerial decision-making process. Management is responsible for the preparation, integrity and fair presentation of information in the consolidated financial statements, the financial reporting process and internal control over financial reporting. The Company s independent registered public accounting firm is responsible for performing independent audits of the consolidated financial statements and an audit of management s assessment of internal control over financial reporting. The Audit Committee monitors and oversees these processes. The Audit Committee also approves the selection and appointment of the Company s independent registered public accounting firm and recommends the ratification of such selection and appointment to the shareholders.

In this context, the Audit Committee met and held discussions with management and BDO throughout the year and reported the results of our activities to the Board. Specifically the following were completed:

- Reviewed and discussed the audited financial statements for the fiscal year ended May 31, 2017 with the Company s management;

- Discussed with BDO the matters required to be discussed by Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and

- Received written disclosure regarding independence from BDO as required by applicable requirements of the Public Company Accounting Oversight Board for independent auditor communications with audit committees concerning their independence and discussed with BDO its independence.

Based on the above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company s fiscal year 2017 annual report on Form 10-K and the Company s annual report to shareholders.

Submitted by:

William T. Boehm, Ph.D. (Chairman)

James C. Borel

Thomas H. Reed

Members of the Audit Committee

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ADDITIONAL INFORMATION

Shareholder Proposals for the 2018 Annual Meeting

Shareholder proposals intended to be presented at the 2018 annual meeting of shareholders and that a shareholder would like to have included in the Proxy Statement and form of proxy relating to that meeting must be received by the Company at its principal executive offices at 620 Lesher Place, Lansing, Michigan, 48912 for consideration no later than May 5, 2018 to be considered for inclusion in the proxy statement and form of proxy related to that meeting. Such proposals of shareholders should be made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934. All other proposals of shareholders that are intended to be presented at the 2018 annual meeting must be received by the Company no later than May 5, 2018 or they will be considered untimely.

Under the Company s Bylaws, proposals of shareholders intended to be submitted to a formal vote (other than proposals to be included in our proxy statement) at the 2018 annual meeting may be made only by a shareholder of record who has given notice of the proposal to the Secretary of the Company at our principal executive offices no earlier than 90 days and no later than 60 days prior to the anniversary of the preceding year s annual meeting; provided, however that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date or if the Company has not previously held an annual meeting, notice by the shareholder to be timely must be given no earlier than 90 days prior to such annual meeting and no later than 60 days prior to such annual meeting or the 10^{th} day following the day on which public announcement of the date of such meeting is first made by the Company. The notice must contain certain information as specified in our Bylaws. Assuming that our 2018 annual meeting is not advanced by more than 60 days from the anniversary date of the 2017 annual meeting, we must receive notice of an intention to introduce a nomination or other item of business at the 2018 annual meeting after July 7, 2018, and no later than August 6, 2018.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires beneficial owners of more than 10% of the Company s common stock, among others, to file reports with respect to changes in their ownership of common stock. During fiscal 2017, to the Company s knowledge, none of the directors, executive officers and 10% shareholders of the Company failed to comply with the requirements of Section 16(a).

Other Actions

At this time, no other matter other than those referred to above is known to be brought before the Annual Meeting. If any additional matter(s) should properly come before the Annual Meeting, it is the intention of the persons named in the enclosed proxy to vote said proxy in accordance with their judgment on such matter(s).

Notice of Internet Availability of Proxy Materials

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on October 5, 2017. See *http://www.neogen.com/en/investor-information* for a copy of the 2017 proxy statement and annual report.

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Expenses of Solicitation

The cost of solicitation of proxies for the Annual Meeting is being paid by the Company. In addition to solicitation by mail, proxies may be solicited by officers, directors and regular employees of the Company personally, by telephone or other means of communication. The Company will, upon request, reimburse brokers and other nominees for their reasonable expenses in forwarding the proxy material to the beneficial owners of the stock held in street name by such persons.

By Order of the Board,

Steven J. Quinlan

Secretary

August 30, 2017

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