BIO-TECHNE Corp
Form DEF 14A
September 13, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE

SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant X Filed by a Party Other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

X Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

BIO-TECHNE CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

X No fee required.

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September 13, 2016

Dear Shareholder:

You are cordially invited to attend the Bio-Techne Corporation's 2016 Annual Shareholder Meeting on October 27, 2016, at 3:30 p.m. Central Time. A Notice of the Annual Meeting and a Proxy Statement covering the formal business of the meeting appear on the following pages.

This year's meeting will be a completely virtual meeting of shareholders, which will be conducted via live webcast. You will be able to attend the annual meeting of shareholders online and submit your questions during the meeting by visiting www.virtualshareholdermeeting.com/TECH. You will also be able to vote your shares electronically at the annual meeting.

We are excited to utilize the latest technology to provide ready access, real-time communication and cost savings for our shareholders and the company. Hosting a virtual meeting will facilitate shareholder attendance and participation from any location in the world.

We hope that you will be able to attend the meeting. However, even if you are planning to attend the meeting, please promptly submit your proxy vote by telephone or Internet or, if you received a copy of the printed proxy materials, by completing and signing the enclosed proxy card and returning it in the postage-paid envelope provided. This will ensure that your shares are represented at the meeting. Even if you submit a proxy, you may revoke it any time before it is voted. If you attend and wish to vote at the meeting, you will be able to do so even if you have previously returned your proxy card.

Thank you for your continued support of and interest in Bio-Techne.

Sincerely,

Charles ("Chuck") R. Kummeth

President and Chief Executive Officer

Thursday, October 27, 2016

3:30 p.m. Central Time

The 2016 Annual Meeting of Shareholders of Bio-Techne Corporation will be held as a virtual meeting. You will be able to attend, vote your shares, and submit questions during the annual meeting via a live webcast available at www.virtualshareholdermeeting.com/TECH. The following will be considered and acted upon at the 2016 Annual Meeting, each of which is explained more fully in our Proxy Statement.

Items of Business:

1. Set the number of members of the Board of Directors at nine (9), as recommended by our Board of Directors;
2. Elect directors of the Company, each of which is recommended by our Board of Directors;
3. Cast an advisory vote on compensation of our executive officers as disclosed in the Proxy Statement;
4. Ratify the appointment of KPMG as the Company's independent registered public accounting firm for the 2017 fiscal year, as recommended by our Audit Committee; and
5. Conduct such other business as may properly be brought before the meeting.

Shareholders of record at the close of business on September 2, 2016 will be entitled to vote at the Annual Meeting or any adjournment or postponement of the meeting.

By order of the Board of Directors

Brenda S. Furlow,

General Counsel and Corporate Secretary

September 13, 2016

YOUR VOTE IS IMPORTANT.

We encourage you to read the proxy statement and vote your shares as soon as possible. You may vote via the Internet at www.proxyvote.com or by telephone at 1-800-690-6903. If you received paper copies of your proxy materials in the mail, you may vote by mail, and a return envelope for your proxy card is enclosed for your convenience. The Proxy Statement and 2016 Annual Report to Shareholders are available at www.proxyvote.com.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Proxy Statement contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements may be identified by words like “anticipate,” “expect,” “project,” “believe,” “plan,” “may,” “estim “intend” and other similar words. Forward-looking statements in this proxy statement include, but are not limited to, statements regarding individual and Company performance objectives and targets and statements relating to the benefits of the Company’s acquisitions, product launches and business strategies. These and other forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. Factors that may cause actual results to differ materially from those contemplated by the statements in this proxy statement can be found in the Company’s periodic reports on file with the Securities and Exchange Commission (the “SEC”). The forward-looking statements speak only as of the date of this Proxy Statement and undue reliance should not be placed on these statements. We do not undertake to publicly update or revise any forward-looking statements. This cautionary statement is applicable to all forward-looking statements contained in this document.

BUSINESS AND GOVERNANCE HIGHLIGHTS

To assist you in reviewing the proposals to be acted upon, we call your attention to the following information about business and governance highlights for fiscal year 2016. The following description is only a summary. For more complete information about these topics, please review the Company’s Annual Report on Form 10-K and the complete Proxy Statement.

We continued to execute on our long-term strategy in fiscal year 2016. We invested selectively, yet purposefully, on the acquisition front, in human capital and organically in the core business.

We achieved strong financial results. For fiscal year 2016, net sales increased by 10% to $499.0 million, with $150.6 million in operating income and $144.9 million in operating cash flow. We returned $47 million to our shareholders in the form of dividends. Organic revenue grew 6% in fiscal year 2016 compared to 2015, with solid growth in our core Biotechnology segment and double digit growth in Protein Platforms. Our China business continued its rapid expansion, with 20% revenue growth over the prior fiscal year.

We continued to expand through acquisitions. We continued to execute on the strategy of growth through acquisition this fiscal year. In early July 2015, we acquired Cliniqa Corporation, which expands the Clinical Controls segment product portfolio and capabilities. We acquired Zephyrus Biosciences in March 2016, which developed a new instrument platform based on a single cell electrophoresis process and is now part of our Protein Platforms segment. Subsequent to the close of our fiscal year, we acquired our Italian distributor, Space Import-Export, in July and Advanced Cell Diagnostics (ACD) in August. The acquisition of ACD marks Bio-Techne's entry into the genomics market. RNA-ISH is a transformative technology facilitating and improving the monitoring of gene expression patterns at the single cell level—while retaining the morphological context of the tissue being analyzed. ACD's technology serves both the research and diagnostic markets, expanding the Company's presence in the clinical lab setting.

We continued to strengthen our commercial and geographic operations and leadership. In September of 2015, we expanded our leadership and commercial expertise in the Asia Pacific region. We acquired our long-time Italian distributor, Space Import-Export, in July of 2016, and at the same time, strengthened our commercial and operational teams in Europe and the Middle East. These additions strengthen our presence and set the stage for further expansion in southern Europe and the Middle East.

We continued to launch successful new products and expanded our IP portfolio as we continue our transformation to an innovation company. New products brought in over $12 million in first year reagent sales in fiscal 2016, double the amount attributed to new products in the prior fiscal year. We have had similar success in driving scientific innovation, represented in part by a significant increase in our patent portfolio. We now have over 140 patents and patent applications, increasing from approximately 20 patents and patent applications held by the Company three years ago.

Governance Highlights

Voting and Shareholder Rights

Annual election of directors.

Majority vote standard, not a plurality, in uncontested elections.

Incumbent directors not re-elected by a majority vote must

offer to resign.

No shareholder rights plan.

No supermajority voting provisions.

Shareholders holding 10% or more of our outstanding stock have

the right to call certain special meetings.

Board Leadership Structure and Practices

8 out of 9 independent Board members.

Balance of industry, scientific and functional expertise among

Each committee operates under a written charter that has been approved by the Board and is available to shareholders.

Each committee has the authority to retain independent advisors.

Annual Board and committee evaluation process, as well as periodic

individual director assessments.

Retirement age of 75 for directors, to be applied prospectively.

Implemented stock ownership guidelines for directors and executive officers for the first time in 2016.

Other Governance Matters

Code of Ethics and Business Conduct, and related hotline.

Continued to expand our shareholder engagement efforts during fiscal 2016, holding our first Investor Day in September 2016.

Executive Compensation

directors.

The roles of chair and CEO are currently split, with the chair being an independent director.

Each committee is made up solely of independent directors.

98.8% of the votes cast on the 2015 advisory vote on our executive compensation program were supportive. We continue to strive to reward strong performance and align the interests of senior management and shareholders.

You can learn more about our corporate governance elsewhere in this proxy or by visiting www.bio-techne.com/investor-relations where you will find our Principles of Corporate Governance, each standing committee charter and our Code of Ethics and Business Conduct. Each of these documents is also available in print upon request made to the Corporate Secretary, Bio-Techne Corporation, 614 McKinley Ave NE, Minneapolis, MN 55413.

ITEMS 1 AND 2: ELECTION OF DIRECTORS

Item 1. ESTABLISHING THE NUMBER OF DIRECTORS AT NINE

Your Board recommends a vote "FOR" setting the number of directors at nine.

The bylaws of the Company provide that the number of directors shall be determined by the shareholders at each Annual Meeting. The Nominations and Governance Committee of the Board recommended to the Board of Directors that the number of directors be set at nine. Under applicable Minnesota law and the Company's bylaws, approval of the proposal to set the number of directors at nine requires the affirmative vote of the holders of the greater of: (1) a majority of the voting power of the shares represented in person or by proxy at the Annual Meeting with authority to vote on such matter; or (2) a majority of the voting power of the minimum number of shares that would constitute a quorum for the transaction of business at the Annual Meeting.

Item 2. ELECTION OF DIRECTORS

Your Board recommends a vote "FOR" each director nominee.

There are nine nominees for election to the Board of Directors of the Company. The directors elected at the Annual Meeting will hold office until the 2017 Annual Meeting of Shareholders and until their successors have been elected and qualified, or until their earlier death, resignation or removal. All nominees are current directors and were elected at the 2015 Annual Meeting. For purposes of the upcoming Annual Meeting, the Nominations and Governance Committee has recommended the reelection of each nominee as a director. Each nominee has informed the Board that he or she is willing to serve as a director. If any nominee should decline or become unable or unavailable to serve as a director for any reason, your proxy (the "Proxy") authorizes the persons named in the Proxy to vote for a replacement nominee, if the Board names one, as such persons determine in their best judgment. As an alternative, the Board may reduce the number of directors to be elected at the Annual Meeting.

Under the Company's Amended and Restated Articles of Incorporation, directors will be elected as follows: (i) if the number of director nominees is equal to (or less than) the number of directors to be elected, directors will be elected by a majority vote, meaning that directors who receive a greater number of "FOR" votes than "AGAINST" votes will be elected; (ii) if the number of director nominees exceeds the number of directors to be elected, directors will be elected by a plurality of votes cast. Under the Board's director resignation policy, an incumbent director who does not receive a majority of the votes cast "FOR" his or her election, in an election where the majority vote standard applies, must offer to tender his or her resignation to the Company's Nominations and Governance Committee. The policy further provides that the Board, taking into account the recommendation of the Nominations and Governance Committee, will act on a tendered resignation and publicly disclose its decision within 90 days of receiving certification of the election results. If the Board does not accept such director's resignation, the director will continue to serve until the next annual meeting and until his or her successor is duly elected.

Nominees for Director

The following is a brief description of the age, principal occupation, position and business experience, including other public company directorships, for at least the past five years, and major affiliations of each of the nominees. Each director's biographical information includes a description of the director's experience, qualifications, attributes or skills that qualify the director to serve on the Company's Board at this time.

Mr. Baumgartner, age 60, has served on the Company's Board since 2003 and as Chairman since 2012. He
bachelor's degree in business administration from the University of Notre Dame. Mr. Baumgartner has serv
Executive Chairman, Director of the Center for Diagnostic Imaging, Inc., an operator of diagnostic imaging
2001. Until August 2015, Mr. Baumgartner also served as Chief Executive Officer of that company. Prior t
held numerous executive positions, including as Chief Executive Officer and Director of American Coating
President and Chief Executive Officer of First Solar and President of the Apogee Glass Group. He began hi
career at KPMG LLC, an international accounting firm. Mr. Baumgartner currently serves on the boards of
Health, Inc. and Invenshure LLC. Among other attributes, skills and qualifications, the Board believes Mr.
is qualified to serve as a Director of the Company because his extensive finance, accounting and general bu
background provides valuable strategic management and financial oversight skills.

Charles A. Dinarello, M.D., age 73, has served on the Company's Board since 2005. Dr. Dinarello receiv degree from Yale University and his clinical training at the Massachusetts General Hospital, and, among has been employed by the National Institutes of Health. Since 1996, Dr. Dinarello has been Professor of M Immunology at the University of Colorado School of Medicine in Aurora, Colorado, and he is currently a Experimental Medicine at Radboud University in the Netherlands. Previously, he was Professor of Medic Pediatrics at Tufts University School of Medicine and a staff physician at the New England Medical Cent Boston. From March 2009 to February 2011, Dr. Dinarello served as acting CEO of Omni Bio Pharmaceu 1998, Dr. Dinarello was elected to the United States National Academy of Sciences, and in 2010, he was member of the Royal Netherlands Academy of Sciences. Dr. Dinarello is considered one of the founding cytokine biology, and regularly speaks at symposia around the world. For his research in the field, Dr. Di numerous awards: the Novartis Prize in Clinical Immunology, the Paul Ehrlich Prize, the Bonsfils-Staton Royal Swedish Academy of Sciences Crafoord Prize in Polyarthritis, the Albany Medical Center Prize in Biomedical Research (the largest U.S. prize in medicine), the Squibb Award, the Ernst Jung Prize of Med Medal of Heilmeyer Society for International Medicine, the Chirone Prize, the Carol Nachman Prize, the bin Rashdid al Maktoum Award, the Beering Prize, and the Bonazinga Award. In November 2012, Mr. D the Lifetime Achievement Award of the Eicosanoid Foundation for his pioneering studies in the role of li cytokine-mediated inflammation, and in June of 2014, he received the Drexel Prize in Immunology. Amo attributes, skills and qualifications, the Board believes Dr. Dinarello is qualified to serve as a Director of because his distinguished scientific background and his extensive experience with research organizations provide strategic guidance with regard to product development and the markets and customers we serve.

John L. Higgins, age 46, has served on the Company's Board since 2009. He graduated Magna Cum Laud bachelor's degree from Colgate University. Mr. Higgins has been President and Chief Executive Officer of Pharmaceuticals, Inc. since January 2007 and has been a member of Ligand's Board of Directors since Ma 1997 until joining Ligand, Mr. Higgins was with Connetics Corporation, a specialty pharmaceutical compa Financial Officer, and also served as Executive Vice President, Finance and Administration and Corporate at Connetics from January 2002 until its acquisition by Stiefel Laboratories, Inc. in December 2006. Mr. H previously a member of the executive management team and a director at BioCryst Pharmaceuticals, Inc., a biopharmaceutical company. Before joining BioCryst in 1994, Mr. Higgins was a member of the healthcar of Dillon, Read & Co. Inc., an investment banking firm. Mr. Higgins also serves as Chairman of CoMentis biopharmaceutical company, and has served as a director of numerous public and private companies. Amo attributes, skills and qualifications, the Board believes Mr. Higgins is qualified to serve as a Director of the to his combination of biopharmaceutical business, accounting and finance experience as well as his executi management experience, particularly with public companies.

Karen A. Holbrook, Ph.D., age 73, has served on the Company's Board since 2007. Dr. Holbrook earned h
and master's degrees in zoology from the University of Wisconsin-Madison. She earned a Ph.D. in biologi
from the University of Washington School of Medicine, where she pursued postdoctoral training in the Dep
Medicine, Division of Dermatology. She currently is the interim president of Embry-Riddle Aeronautical U
Dr. Holbrook served as Senior Vice President for Research and Innovation from 2007 to 2010, and the Sen
President for Global Affairs and International Research from 2010 to 2013 at the University of South Flori
continues to serve as a senior advisor to the president of the University of South Florida and as a private co
served as President of The Ohio State University from 2002 to 2007. Dr. Holbrook previously served as Se
President for Academic Affairs and Provost at The University of Georgia, as well as Professor of Cell Biol
Adjunct Professor of Anatomy and Cell Biology and Medicine at the Medical College of Georgia. Before t
Dr. Holbrook served at the University of Florida at Gainesville as Vice President for Research and Dean of
School, as well as Professor of Anatomy and Cell Biology and Medicine (Dermatology). Her earlier acader
spent as a Professor of Biological Structure and Medicine at the University of Washington School of Medi
gained a national reputation for her expertise in human fetal skin development and genetic skin disease and
National Institutes of Health MERIT awardee. Among other attributes, skills and qualifications, the Board
Dr. Holbrook is qualified to serve as a Director of the Company because her scientific background, academ
and significant personal, professional, and international experience, especially in Asia and the Middle East,
valuable executive management and strategic insight.

Charles R. Kummeth, age 56, has been President, Chief Executive Officer, and member of the Board of the
since April 1, 2013. Prior to joining the Company, he served as President of Mass Spectrometry and Chrom
Thermo Fisher Scientific Inc. from September 2011. He was President of that company's Laboratory Consu
Division from 2009 to September 2011. Prior to joining Thermo Fisher, Mr. Kummeth served in various ro
Corporation, most recently as the Vice President of the company's Medical Division from 2006 to 2008. M
also serves on the board of Sparton Corp, an electromechanical device company. Among other attributes, s
qualifications, the Board believes that Mr. Kummeth is qualified to serve as a Director of the Company bec
experience leading the growth of biotechnology companies. In addition, the Board believes that having the
Executive Officer serve as a member of the Board promotes strategy development and implementation and
flow of information between the Board and management.

Roger C. Lucas, Ph.D., age 73, has been Vice Chairman and senior scientific advisor to the Company's Bo
and a Director since 1985. He holds a bachelor's degree in biology from St. Mary's College in Winona, Mi
Ph.D. in physiology/biochemistry from the Illinois Institute of Technology. He was a recipient of the Natio
of Health pre- and post-doctoral fellowships and also served as Assistant Professor of Biochemistry at the S
University of New York Medical School. Dr. Lucas is a private investor and currently Chair Emeritus of E
Corporation and a member of the board of ChemoCentryx, Inc. In 1980 Dr. Lucas joined R&D Systems as
Research. In 1985, he founded the Company's Biotechnology Division, and from 1985 until his retirement
Dr. Lucas was Chief Scientific Officer, Executive Vice President and Secretary of the Company. Among o

skills and qualifications, the Board believes Dr. Lucas is qualified to serve as a Director of the Company be
scientific background and his knowledge of the Company and its markets.

Roeland Nusse, Ph.D., age 66, has served on the Company's Board since May 2010. Dr. Nusse earned a ba
biology from the University of Amsterdam and a doctorate in molecular biology from the Netherlands Canc
He did his postdoctoral fellowship at the University of California, San Francisco. Dr. Nusse has served as C
Department of Developmental Biology at Stanford University since 2007. Dr. Nusse has been a professor o
in the Department of Developmental Biology at Stanford University and an investigator at the Howard Hug
since 1990. He has also been the chair of the Department of Developmental Biology at Stanford since 2007
previously at the Netherlands Cancer Institute (Amsterdam, The Netherlands) as a staff scientist and ultima
Department of Molecular Biology. Dr. Nusse was elected to the United States National Academy of Scienc
Dr. Nusse was previously named a member of the European Molecular Biology Organization in 1988, a me
Dutch Academy of Sciences in 1997 and a member of the American Academy of Arts and Sciences in 2001
attributes, skills and qualifications, the Board believes Dr. Nusse is qualified to serve as a Director of the C
scientific research and academic background provide valuable strategic insight, including insight into the C
and markets.

Randolph C. Steer, M.D., Ph.D., age 66, has served on the Company's Board since 1990. Dr. Steer receive
degree in physiology and Ph.D. in pathobiology from the University of Minnesota and his medical degree f
Medical School. Dr. Steer is currently an independent biotechnology consultant. He served as President and
Officer of Capstone Therapeutics Corp. from April 2006 to October 2011. Dr. Steer was elected to the May
Trustees in November 2011. In the past five years, Dr. Steer also served as a director of Vital Therapies, In
Dr. Steer was a consultant to the pharmaceutical and biotechnology industries, where he advised companie
development, medical marketing and regulatory and clinical affairs. His prior experience includes service a
of Medical Affairs at Marion Laboratories and as Medical Director at Ciba Consumer Pharmaceuticals. Am
skills and qualifications, the Board believes Dr. Steer is qualified to serve as a Director of the Company be
scientific backgrounds and his knowledge of the pharmaceutical and biotechnology industries provide valu

Harold J. Wiens, age 70, has served on the Company's Board since May 2014. He holds a Bachelor's deg
engineering from Michigan Technological University and is a 30-plus year veteran of The 3M Company.
3M career in 1968 and held multiple domestic and international engineering and production management
Memory Technologies Group Manufacturing Manager for the Europe location, Managing Director and E
President of Sumitomo 3M, and, most recently, Executive Vice President of 3M's Industrial Sector. Prior
2006, Mr. Wiens restructured the business and led a global implementation of Six Sigma, which together
business processes and a focus on customers that drove international growth. Since retirement, he remain
community by serving on the boards of local non-profit entities. Among other attributes, skills and qualif
believes Mr. Wiens is qualified to serve as a Director of the Company because of his deep knowledge in i
practices and his ability to guide balance between operations and accelerated growth of the Company.

The Board, Committees and Meetings

The Board of Directors is the Company's governing body with responsibility for oversight, counseling and direction of the Company's management to serve the short- and long-term interests of the Company and its shareholders. The Board's goal is to build long-term value for the Company's shareholders and to ensure the vitality of the Company for its customers, employees and other individuals and organizations that depend on the Company. To achieve its goal, the Board monitors both the performance of the Company and the performance of the Chief Executive Officer ("CEO"). The Board consisted of nine members as of the fiscal year ended June 30, 2016 ("FY 2016"), all of whom were independent with the exception of Charles Kummeth, the President and CEO.

Standing Committee Responsibilities and Other Information

The Board currently has three standing Committees: the Audit Committee, the Executive Compensation Committee and the Nominations and Governance Committee. Each of these committees is governed by a written charter approved by the Board in compliance with applicable requirements of the SEC and Nasdaq (collectively, the "Applicable Rules"). The charter of each committee requires an annual review by such committee. Each member of our standing committees is independent, as determined by the Board, under the Applicable Rules. In addition, each member of the Audit Committee and the Executive Compensation Committee meets the additional independence standards for committee members under the Applicable Rules. The members of each standing committee are appointed by the Board each year for a term of one year and until their successors are elected, or until the earlier death or resignation or removal from the committee or the Board. In addition to the three standing committees, the Company also has a Scientific Advisory Board which includes certain directors with expertise in science. The Scientific Advisory Board assists the Company in identifying scientific areas of interest for collaboration and product development. In addition, the Board has, on occasion, established committees to deal with particular matters the Board believes appropriate to be addressed in that manner.

Audit Committee

The Audit Committee is responsible for the appointment, supervision and evaluation of the Company's independent registered public accounting firm and for reviewing the Company's internal audit procedures, the quarterly and annual financial statements of the Company and the results of the annual audit. The Audit Committee's other responsibilities include approval of related party transactions, oversight of the Company's cash investment policy and monitoring the Company's financial fraud hotline and other compliance matters having financial impact. Additionally, the committee performs such other activities and considers such other matters, within the scope of its responsibilities, as the Audit Committee or Board deems necessary or appropriate. The Board has determined that, for FY 2016, Messrs. Baumgartner and Higgins are "audit committee financial experts" in accordance with SEC as such term is defined in the Applicable Rules.

Executive Compensation Committee

The Executive Compensation Committee determines base and incentive compensation for executive officers of the Company, establishes overall policies for executive compensation and reviews the performance of the executive officers. The Executive Compensation Committee works with Mr. Kummeth, the President and CEO, to establish compensation and performance goals for the other executive officers and, acting independently, establishes the compensation and performance goals for Mr. Kummeth. The Executive Compensation Committee also recommends to the Board and administers director compensation policies and practices. The Executive Compensation Committee may delegate any of its responsibilities to one or more members of the Executive Compensation Committee to the extent permissible under Applicable Rules.

Nominations and Governance Committee

The Nominations and Governance Committee recruits well-qualified candidates for the Board, selects persons to be proposed in the Company's Proxy Statement for election as directors at annual meetings of shareholders, determines whether each member of the Board is independent under Applicable Rules, establishes governance standards and procedures to support and enhance the performance and accountability of management and the Board, considers the composition of the Board's standing committees and recommends any changes, evaluates overall Board performance, assists committees with self-evaluations, and monitors emerging corporate governance trends. In fulfilling its responsibilities, the Nominations and Governance Committee assesses the appropriate size of the Board of Directors, and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Nominations and Governance Committee considers various potential candidates for director. Candidates may come to the attention of the Nominations and Governance Committee through current members of the Board of Directors, professional search firms, shareholders or other persons and may be considered at any point during the year.

The Nominations and Governance Committee will apply the same criteria in evaluating candidates recommended by shareholders as is used for candidates recommended by other sources, which criteria is described below under "Director Qualifications, Diversity and Refreshment." Recommendations may be sent to the attention of the Nominations and Governance Committee at the Company's address: 614 McKinley Place N.E., Minneapolis, MN 55413. Any such recommendations should provide whatever supporting material the shareholder considers appropriate, but should at a minimum include such background and biographical material as will enable the Nominations and Governance Committee to make an initial determination as to whether the nominee satisfies the criteria for directors set forth in our Principles of Corporate Governance. Shareholders who intend to nominate a candidate for election by the shareholders at the Annual Meeting (in cases where the Board does not intend to nominate the candidate or where the Nominations and Governance Committee was not requested to consider his or her candidacy) must comply with the procedures in our Second Amended and Restated Bylaws, which are described under the section of this Proxy Statement entitled "Additional Corporate Governance Matters—Shareholder Proposals."

Board and Meeting Attendance

The Board met 8 times during FY 2016. Each director attended at least 75% of the aggregate number of meetings of the Board and of all the standing and other committee meetings on which he or she served. Directors meet their responsibilities not only by attending Board and committee meetings but also by conducting business via written actions in lieu of meetings and otherwise communicating informally throughout the year on various Board and committee matters with executive management, advisors and others on matters affecting the Company. Directors are also expected to attend the upcoming Annual Meeting. All directors attended the Annual Meeting of Shareholders held in October 2015.

The membership of each standing committee during FY 2016, and the number of committee meetings held during FY 2016 are identified in the table below.

Director	**Audit**	**Executive Compensation**	**Nominations & Governance**
Robert V. Baumgartner	X		X
Charles A. Dinarello, M.D.			
John L. Higgins	Chair	X	
Karen A. Holbrook, Ph.D.		X	Chair
Charles R. Kummeth			
Roger C. Lucas, Ph.D.			
Roeland Nusse, Ph.D.			X
Randolph C. Steer, M.D., Ph.D.		Chair	
Harold J. Wiens	X	X	
Number of meetings held during FY 2015	**5**	**5**	**2**

Director Qualifications, Diversity and Refreshment

The Nominations and Governance Committee periodically assesses the skills and experience needed of directors to properly oversee the short- and long-term interests of the Company. The Committee utilizes a variety of methods for identifying and evaluating candidates for director, with the ultimate goal of maintaining a well-rounded Board that functions collegially and independently. Candidates for the Board are considered and selected on the basis of the criteria set forth in our Principles of Corporate Governance, including outstanding achievement in their professional careers, experience, wisdom, personal and professional integrity, their ability to make independent, analytical inquiries, and their understanding of the business environment. Candidates must have the experience and skills necessary to understand the principal operational and functional objectives and plans of the Company, the results of operations and financial condition of the Company, and the position of the Company in its industry. Candidates must have a perspective that will enhance the Board’s strategic discussions and be capable of and committed to devoting adequate time to Board duties. With respect to incumbent directors, the Nominations and Governance Committee also considers past performance on the Board and contributions to the Company.

While the Company does not have a formal diversity policy for board membership, the Company seeks directors who represent a mix of backgrounds and experiences that will enhance the quality of the Board of Directors' deliberations and decisions. The Nominations and Governance Committee considers, among other factors, diversity with respect to perspectives, backgrounds, skills and experience in its evaluation of candidates for board membership. Such diversity considerations are discussed by the Nominations and Governance Committee in connection with the general qualifications of each potential nominee.

In 2013, the Board adopted a principal of governance that called for mandatory retirement at age 75, although board service could be extended for an additional year if deemed to be in the best interests of the corporation. With three current directors nearing retirement age in the next several years, the Company will be in a position to refresh the Board's membership and will be seeking directors with qualifications and experience complementary to the existing directors.

Director Compensation

The Company believes that compensation for non-employee directors should be competitive and should encourage ownership of the Company's stock. The Executive Compensation Committee periodically reviews the level and form of the Company's director compensation and, if it deems appropriate, recommends to the Board changes in director compensation. Since there had been no adjustments to director compensation levels for several years, in FY 2016 the Executive Compensation Committee evaluated compensation for non-employee directors against those of directors in the same peer companies used for executive compensation in FY 2016. Based on that analysis, it recommended and the Board adopted changes to both the cash and equity portions of director compensation effective after the 2015 Annual Shareholder Meeting to bring non-employee director compensation more in line with the peer group of companies.

As of the beginning of FY 2016, each non-employee member of the Board received an annual retainer fee of $40,000. The Chairman of the Board received an additional annual fee of $20,000, the Audit Committee chair received an additional annual fee of $15,000, and each other committee chair received an additional annual fee of $12,000. In addition, on an annual basis, each non-employee director was eligible to receive either (1) a fully vested option to purchase 5,000 shares of Bio-Techne Common Stock, with an exercise price equal to the fair market value of Bio-Techne's Common Stock on the grant date, or (2) a fully vested option to purchase 4,000 shares of Bio-Techne Common Stock, with an exercise price equal to the fair market value of Bio-Techne's Common Stock on the grant date, and 1,000 shares of restricted stock, which vest after one year.

Effective after the 2015 Annual Shareholder Meeting, each non-employee member of the Board now receives an annual retainer fee of $62,500. The Chairman of the Board receives an additional annual fee of $50,000, and each Committee chair receives additional annual fees of $25,000 (Audit), $17,500 (Executive Compensation) and $15,000 (Nominations and Governance). In addition, on an annual basis, each non-employee director is eligible to receive annual equity grants valued at $185,000 and vesting upon the sooner of the one-year anniversary of the grant or the next annual shareholder meeting, such grants to be made half in stock options, with an exercise price equal to the fair market value of Bio-Techne's Common Stock on the grant date, and half in restricted stock.

From time to time, certain directors with expertise in science may serve on the Company's Scientific Advisory Board, which assists the Company in identifying scientific areas of interest for collaboration and product development. No additional fees are paid for this service. In addition, the Board has, on occasion, established committees to deal with particular matters the Board believes appropriate to be addressed in that manner. In FY 2016, the Board established a Scientific Sub-committee, which operated from July to October 2015 with Dr. Dinarello serving as chair. Dr. Dinarello received an additional fee of $1,000 for each month of service in that capacity.

Non-employee directors who join the Board other than by election at an annual meeting of shareholders receive a pro-rated equity grant based on the portion of the year served. Non-employee directors are also paid their reasonable expenses for attending Board and Committee meetings. Directors who are employees of the Company or its subsidiaries do not receive any compensation for service on the Board.

Effective as of July 2016, to better align the interests of directors with other shareholders, the Board adopted stock ownership guidelines for all directors and executive officers. The new guidelines will require non-employee directors to own stock at least equivalent in value to their annual retainer fee within five years.

Directors who are not employees of the Company were compensated for FY 2016 as follows:

Name	**Fees Earned or Paid in Cash** (1)	**Stock Awards** (2)	**Option Awards** (3)	**All Other Compensation** (4)	**Total**
Robert V. Baumgartner	$95,000	$92,493	$92,482	$ 1,337	$279,975
Charles A. Dinarello, M.D.	59,000	92,493	92,482	1,337	245,312
John L. Higgins	76,667	92,493	92,482	1,337	262,979
Karen A. Holbrook, Ph.D.	69,000	92,493	92,482	1,337	255,312
Roger C. Lucas, Ph.D.	55,000	92,493	92,482	1,337	241,312
Roeland Nusse, Ph.D.	55,000	92,493	92,482	1,337	241,312
Randolph C Steer, M.D., Ph.D.	70,667	92,493	92,482	1,337	256,979
Harold J. Wiens	55,000	92,493	92,482	1,337	241,312

(1) Amounts consist of annual director fees, chair fees, and Committee fees for services as members of the Company's Board and its Committees. For further information concerning such fees, see the discussion above this table.

(2) Amounts represent the total grant date fair value of equity-based compensation for 1,059 shares of restricted stock granted pursuant to the Company's Amended and Restated 2010 Equity Incentive Plan in FY 2016 at the grant date market value of $87.34 per share, in accordance with Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 718. As of June 30, 2016, the following non-employee directors held the following number of unvested shares of restricted stock of the Company: Mr. Baumgartner-1,059; Dr. Dinarello-1,059; Mr. Higgins-1,059; Dr. Holbrook-1,059; Dr. Lucas-1,059; Dr. Nusse-1,059; Dr. Steer-1,059; and Mr. Wiens-1,059.

(3) Amounts represent the total fair value of equity-based compensation for 4,260 stock option awards granted pursuant to the Company's Amended and Restated 2010 Equity Incentive Plan in FY 2016, as calculated in accordance with the Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 718. Assumptions used in the calculation of these amounts are described in Note 9 to the Company's audited financial statements for FY 2016, included in the Company's Annual Report on Form 10-K that was filed with the SEC on August 29, 2016. As of June 30, 2016, the following non-employee directors held options to purchase the following number of shares of the Company's Common Stock: Mr. Baumgartner-42,260; Dr. Dinarello-42,260; Mr. Higgins-42,260; Dr. Holbrook-42,260; Dr. Lucas-12,260; Dr. Nusse-37,260; Dr. Steer-22,260; and Mr. Wiens-10,260.

(4) Amounts represent the total dollar value of dividends paid on restricted stock awards, as those amounts were not factored into the grant date fair value.

Corporate Governance

Board Independence

The Board annually reviews the independence of each director. The Board has affirmatively determined that all of the Company's non-employee directors are "independent" as such term is defined in Applicable Rules. Mr. Kummeth is not independent based on his service as the Company's CEO and President. In making its independence determinations, the Board reviewed transactions and relationships between the director, or any member of his or her immediate family, and the Company and its subsidiaries based on information provided by the director, Company records and publicly available information. The Company provided products valued at less than $100,000 to a laboratory at the University of Colorado School of Medicine directed by Dr. Dinarello for promotional and research purposes in a manner similar to the Company's relationship with other research laboratories for comparable value. A scientific foundation controlled by Dr. Dinarello also sponsored a symposium featuring the Company's products in FY 2015; the Company made a payment of $2500 to the foundation in FY 2016 to cover part of the cost of that symposium.

Board Leadership Structure

Currently, the Board is led by its Chairman, Mr. Baumgartner, an independent director. The Board has determined that dividing the roles of Chairman and CEO is currently the most effective leadership structure for the Company because of the differences between the two roles. The Board is responsible for setting the strategic direction for the Company. The Chairman of the Board sets the agenda for Board meetings and presides over meetings of the full Board and executive sessions of the independent directors. The CEO executes the Board’s direction and is responsible for the day-to-day leadership and performance of the Company. In addition, the independent directors of the Board meet in executive session without members of management present on a regularly scheduled basis.

The Board has determined that maintaining an independent Chairman, along with the independence of a majority of directors, helps maintain the Board’s independent oversight of management and ensures that the appropriate level of independence is applied to all Board decisions. In addition, the Audit, Executive Compensation, and Nominations and Governance Committees each consist entirely of independent directors.

Risk Oversight

Risk assessment and oversight is an integral part of Board and Committee deliberations throughout the year. The Company’s Board administers its risk oversight function through its Committees, as described below, and directly with respect to all other risks, including strategic, technology, cybersecurity and operational risks. In performing their oversight responsibilities, the Board and Committees review policies and guidelines that senior management use to manage the Company’s exposure to material categories of risk. In addition, the Board and Committees review the performance and functioning of the Company’s overall risk management function and management’s establishment of appropriate systems for managing risk.

The Audit Committee has oversight responsibility with respect to the Company’s financial risk assessment and financial risk management. The Audit Committee meets regularly with management and the Company’s independent auditors to review the Company’s risk exposures, the potential financial impact those risks may have on the Company, the steps management takes to address those risks, and how management monitors emerging risks.

With respect to the Company’s compensation plans and programs, the Executive Compensation Committee structures such plans and programs to balance risk and reward, while mitigating the incentive for excessive risk taking by the Company’s executive officers and employees. The Executive Compensation Committee has concluded that the Company’s compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

The Nominations and Governance Committee oversees the management of risks associated with the composition and independence of the Company’s Board, as well as general corporate governance risks and policies and maintenance of the Code of Ethics and Business Conduct.

Executive Compensation Committee Interlocks and Insider Participation

During FY 2016, the members of the Executive Compensation Committee were Dr. Steer (Chair), Mr. Higgins, Mr. Wiens and Dr. Holbrook. None of the current members of the Executive Compensation Committee was an officer or employee of the Company during FY 2016, or was formerly an officer of the Company. None of the current members of the Executive Compensation Committee had any relationship requiring disclosure under Item 404 of Regulation S-K. No executive officer of the Company during FY 2016 served on the compensation committee or the board of any company that employed any member of the Company’s Executive Compensation Committee or Board.

Executive Compensation Consultants

From time to time, the Executive Compensation Committee retains consultants to assist with setting executive compensation. The Executive Compensation Committee has sole authority to retain or replace such independent compensation consultants. The compensation committee annually evaluates the independent compensation consultant's independence and performance under the applicable Nasdaq listing standards.

In FY 2016, the Executive Compensation Committee engaged Aon Hewitt, an independent outside compensation consulting firm, to advise the Executive Compensation Committee with respect to compensation of the CEO and other executive officers. In that capacity, Aon Hewitt provided the Executive Compensation Committee with a peer group analysis and assisted the Executive Compensation Committee in structuring the compensation program for the CEO and other executive officers. For further information concerning the rationale for using a compensation consultant and a description of the peer group, see "Procedures for Setting Executive Compensation, Use of Compensation Consultant and Peer Groups." At the request of the Executive Compensation Committee, Aon Hewitt also provided benchmarking guidance regarding the compensation of directors using the same peer group used for executive compensation. Aon Hewitt did not provide any additional services to the Company during FY 2016.

Principles of Corporate Governance

The Company has adopted Principles of Corporate Governance, which are applicable to all directors. The Principles of Corporate Governance describe the Company's corporate governance practices and policies, and provide a framework for the governance of the Company. Among other things, the Principles of Corporate Governance require a majority of the members of the Board to be independent directors and require candidates for director to meet minimum qualifications including high moral character and mature judgment. The Principles of Corporate Governance also specify that the Company shall maintain Audit, Executive Compensation and Nominations and Governance Committees which consist entirely of independent directors.

Shareholder Communications

The Company values the perspectives of its shareholders. Management meets frequently with key shareholders to discuss the Company's financial performance and strategies. Recently, the Company also initiated a shareholder engagement program to discuss governance matters with key shareholders.

Communications from shareholders are always welcome. Shareholders may communicate directly with the Board of Directors. All communications should be directed to the Corporate Secretary of the Company at 614 McKinley Place N.E., Minneapolis, MN 55413, and should prominently indicate on the outside of the envelope that such communication is intended for the Board of Directors, for non-management directors, or for a particular director. Unless other distribution is specified, the communication will be forwarded to the entire Board.

EXECUTIVE COMPENSATION

Executive Compensation Highlights

The Executive Compensation Committee has designed the compensation packages of our executive officers with key business and performance objectives in mind. In particular, we strive to align executive compensation with our key strategic objectives: building core products and innovation, geographic expansion, commercial execution, operational excellence and talent retention and recruitment.

Executive Compensation Initiatives

We have made the following progressive changes to our executive compensation programs in order to accomplish the objectives of attracting and retaining highly qualified executives, tying pay to performance and Company strategy, aligning executives' incentives with long-term shareholder interests, and encouraging internal pay equity:

In FY 2014, engaged executive officers in the Company's Short Term Incentive Plan: cash incentives are earned if annual performance goals are achieved. Also granted Long-Term Equity Awards to executive officers: stock options vest over a four-year period in order to align the financial interest of executives with the financial interests of Company shareholders.

In FY 2015, granted performance awards to the Company's CEO and CFO; equity incentives were earned if certain objectives were met. Also initiated Long-Term Performance Awards for the Company's CEO: equity incentives are earned if performance goals are achieved over a three-year period.

In FY 2016, expanded Long-Term Performance Awards to all executive officers: equity incentives will be earned if performance goals in critical measures of the business are achieved over a three-year period.

At last year's annual meeting of shareholders, our advisory vote on executive compensation received 98.8% approval from shares present and entitled to vote. We appreciate our shareholders' support of our compensation and governance practices and will continue to structure executive compensation in a manner that aligns the interests of executives with those of the shareholders.

Best Practices in Compensation Governance

The table below summarizes what we do and what we don't do with respect to our compensation governance practices. We maintain these best practices to encourage actions that are in the long-term interests of our shareholders and the Company.

Pay for performance. Under the FY 2016 Management Incentive Plan, approximately 50% of CEO target total direct compensation was directly or indirectly tied to Company performance and **a**pproximately 44% of other NEOs' target total direct compensation was directly or indirectly tied to Company performance.	**No hedging or pledging.** Directors and executive officers may not hedge Company securities and, subject to limited exceptions, may not pledge Company securities as collateral for any loan.

Emphasize long-term performance. Approximately 69% of NEOs' target direct compensation is equity-based with multi-year vesting.

Minimum required vesting. We do not allow vesting of options or stock appreciation rights to occur in a period of less than one year, subject to certain exceptions.

Develop sound financial goals. Financial goals for incentive plans are based on targets that are challenging but achievable.

Use double-trigger vesting provisions. Vesting connected with a change in control requires qualifying termination of employment ("double-trigger" provision).

Impose stock ownership requirements. Align executives with shareholders by requiring a specified level of stock ownership, adopted recently.

No repricing of stock options or stock appreciation rights. No re-pricing or exchange of stock options or stock appreciation rights without shareholder approval.

Mitigate undue risk. Annually review all incentive programs for material risk

Independent Board Chair. Effective independent Board leadership and oversight of management

Engage independent consultants. Executive Compensation Committee engages independent compensation and legal consultants.

Review tally sheets. Review of executive compensation program components includes potential severance and change in control payouts.

No golden parachute tax gross-ups. We do not enter into new agreements with executive officers providing for golden parachute tax gross-ups.

Compensation Discussion and Analysis

In this section, we provide an overview of our executive compensation philosophy and describe the material components of our executive compensation program for our CEO, CFO and three other most highly compensated executive officers as of June 30, 2016 (collectively, our "NEOs"). For FY 2016, our NEOs and their respective titles were as follows:

- Charles R. Kummeth, *President and CEO;*
- James Hippel, *Senior Vice President – Finance and Chief Financial Officer;*
- David Eansor, *Senior Vice President – Biotechnology;*
- Robert Gavin, *Senior Vice President – Protein Platforms; and*
- Kevin Gould, *Senior Vice President – Clinical Controls.*

Fiscal 2016 Incentive Payouts Reflect Positive Performance

The Executive Compensation Committee aligns pay with performance and strategic initiatives by tying a significant portion of awards to rigorous revenue- and earnings-based financial goals and by using both short- and long-term incentives. For FY 2016, annual cash incentive payouts were above target for the CEO and CFO because our Company-wide organic revenue and adjusted EBITDA results exceeded target goals. Cash incentive payouts for the SVP – Biotechnology, SVP – Protein Platforms and SVP-Clinical Controls ranged from 97% to 176% of target based on Company-wide and division performance.

NEOs also received time-based long-term equity awards during FY 2016 and achieved pro-rata vesting of time-based long-term equity awards granted in prior years. These awards generally have vesting periods of at least three years. All NEOs also received performance-based equity awards in FY 2016 with multi-year performance periods. Outside of our annual incentive program, in connection with the Company's acquisition of Cliniqa, our SVP – Clinical Controls received performance-based equity awards in FY 2016 with a three-year performance period.

For FY 2016, significant components of target pay were as follows:

Incentive Pay Element	Metric	Target Pay
Annual Goal-Based Cash Award	All NEOs: Consolidated Organic Revenue	30% – 100% of NEO base salary
	All NEOs: Consolidated Adjusted EBITDA	
	Division SVPs: Division Organic Revenue	
	Division SVPs: Division Adjusted EBITDA	
Long-Term Equity Awards	50% Time-based Awards	45% – 81% of NEO total target compensation
(time-based and performance-based stock options, restricted stock and RSUs)	50% Performance-based awards based on 3-Year Consolidated Organic Revenue Growth and Consolidated Adjusted Operating Income Growth	

The table below summarizes the elements on which FY 2016 incentive payouts were based:

Incentive Pay Element	Financial Highlights	Payout
Short-Term Goal-Based Cash Awards	Achieved $499 million in Consolidated Revenue	97% – 176% of Target Award
	Achieved $150.6 million in Consolidated EBITDA	
	Achieved $317.3 million in Biotechnology Revenue, $77.3 million in Protein Platforms Revenue and $104.5 million in Clinical Controls Revenue	

Incentive Pay Element	Payout
Long-Term Equity Awards	Annual Pro-Rata Vesting of Time-Based Awards (over 4 years)
(stock options, restricted stock and restricted stock units)	Multi-Year Performance Awards Subject to Vesting (in 3 years)

The financial highlights above reflect as-reported GAAP numbers. Performance payouts are made based on growth of organic revenue, adjusted operating income and adjusted EBITDA, in the amounts reflected in the 2016 Summary Compensation Table. Organic revenue, adjusted operating income, and adjusted EBITDA numbers exclude the impact of foreign currency translation, certain acquisitions and acquisition-related amortization, depreciation, costs and expenses, non-recurring litigation expenses, stock-based compensation expense and other unusual items. For a comprehensive discussion of our financial results, please refer to our Annual Report on Form 10-K for FY 2016, which was filed with the SEC on August 29, 2016.

Compensation Objectives

The Executive Compensation Committee reviews and approves each executive's base pay, bonus, and equity incentives annually and is responsible for assuring that compensation for the executive officers is consistent with the objectives of attracting and retaining highly qualified executives, tying pay to performance and Company strategy, aligning executives' incentives with long-term shareholder interests, and encouraging internal pay equity. The Executive Compensation Committee determines the appropriate level for each compensation component based on these overall compensation objectives. We strive to provide market competitive compensation and emphasize at-risk cash bonus opportunities and equity compensation that reflect the Company's performance goals and are commensurate with each executive's scope of responsibility within the organization. The graphics below illustrate the amount of CEO and the average of other NEO target compensation tied to annual and long-term Company performance pursuant to the FY 2016 base salaries, the FY 2016 Management Incentive Plan and, outside of our annual incentive program, in connection with the Company's acquisition of Cliniqa. In connection with the acquisition of Cliniqa, our SVP – Clinical Controls received performance-based equity awards in FY 2016 with a three-year performance period; these awards are included in the graph below.

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Performance Targets Reward Stretch Performance

The target-setting process for our incentive plans is intended to align pay with performance and long-term shareholder interests. The Company's business planning process and strategic direction is foundational to this effort. Bio-Techne's business planning process is determined by the overall business environment, industry and competitive factors and our goals and strategies. The business planning process drives our annual operating plan as well as establishes our long-term financial, operational and strategic objectives.

Key Considerations in Development of Annual and Long-Term Goals

Business Environment	**Competitive Factors**	**Company-Specific Factors**
• Market Outlook	• Industry Trends	• Historical Trends
• International Trends	• Competitive Landscape	• Historical Performance
• Analyst Expectations	• Market Growth	• Five-Pillar Strategy
• Tax Policy		• Capital Deployment Opportunities
		• Recent Capital Deployment Decisions

The Executive Compensation Committee reviews and oversees the development and implementation of compensation programs that are aligned with Bio-Techne's business strategy. The financial performance goals approved by the Executive Compensation Committee for the annual and long-term incentive plans are informed by the annual operating plan and Bio-Techne's five-pillar long-term strategy. Because our target goals are based on our internal forecasts and confidential business information, and are developed as a tool to facilitate strategic planning, disclosure of the targets would cause competitive harm. The Executive Compensation Committee believes that the targets for the annual and long-term incentive awards that were granted in FY 2016 are challenging but attainable. They were