

MARRONE BIO INNOVATIONS INC
Form DEF 14A
January 03, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

MARRONE BIO INNOVATIONS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:
2. Aggregate number of securities to which transaction applies:
3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
4. Proposed maximum aggregate value of transaction:
5. Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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1. Amount Previously Paid:
2. Form, Schedule or Registration Statement No.:
3. Filing Party:
4. Date Filed:

MARRONE BIO INNOVATIONS, INC.

1540 Drew Ave.

Davis, CA 95618

NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS

To Be Held On January 31, 2018

Dear Stockholder:

You are cordially invited to attend the 2017 annual meeting of stockholders of Marrone Bio Innovations, Inc., a Delaware corporation. The meeting will be held on January 31, 2018 at 9:00 a.m. Pacific time at our corporate headquarters located at 1540 Drew Ave., Davis, California 95618.

Proposals to be considered at the annual meeting:

1. Election of Pamela G. Marrone, Ph.D., our Chief Executive Officer, to our board of directors as a Class I director to serve for the ensuing three years and until her successor is elected.

2. Ratification of the selection by the audit committee of our board of directors of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017.

3. Approval of the issuance of shares of our common stock and warrants to purchase shares of our common stock in connection with a private placement and related debt refinancing transactions in accordance with Listing Rule 5635(d) of The Nasdaq Stock Market LLC, or Nasdaq.

4. Approval of the issuance of shares of our common stock and warrants to purchase shares of our common stock to Ospraie Ag Science LLC, in accordance with Nasdaq Listing Rule 5635(b).

5. Approval of an increase to the number of shares authorized under the Marrone Bio Innovations, Inc. 2013 Stock Incentive Plan, or the 2013 Plan, by 4,000,000 to 10,952,472 shares, and to approve the 2013 Plan for purposes of Section 162(m)(4)(C) of the Internal Revenue Code of 1986, as amended.

6. Consideration of a stockholder proposal, if properly presented at the annual meeting.

These items of business are more fully described in the proxy statement accompanying this notice. The record date for the annual meeting is December 18, 2017. Only stockholders of record at the close of business on that date may vote at the meeting or any postponement or adjournment thereof.

You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please vote on the matters to be considered as promptly as possible in order to ensure your representation at the meeting. You may vote via the Internet or by returning the enclosed proxy card. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder. Your proxy is revocable in accordance with the procedures set forth in the proxy statement.

By Order of the Board of Directors

Pamela G. Marrone, Ph.D.
Chief Executive Officer

Davis, California

January 3, 2018

This notice, the accompanying proxy statement and the form of proxy are first being mailed or otherwise distributed to our stockholders on or about January 3, 2018.

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1540 Drew Ave.

Davis, CA 95618

PROXY STATEMENT FOR THE 2017 ANNUAL MEETING OF STOCKHOLDERS

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why are these proxy materials being made available?

On or about January 3, 2018, we will mail to our stockholders of record and beneficial owners a 2017 Notice and Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (the proxy materials). We are providing you with these proxy materials because the board of directors of Marrone Bio Innovations, Inc. (which we refer to in this proxy statement as MBI, the Company, we or us) is soliciting your proxy to vote at the annual meeting. You are invited to attend the annual meeting and we request that you vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply vote your shares by proxy via the Internet or by completing, signing and returning the enclosed proxy card.

How do I attend the annual meeting?

The meeting will be held on January 31, 2018 at 9:00 a.m. Pacific time at our corporate headquarters located at 1540 Drew Ave., Davis, California 95618.

Who can vote at the annual meeting?

Only stockholders of record at the close of business on December 18, 2017 will be entitled to vote at the annual meeting. On the record date, there were 31,350,877 shares of common stock outstanding and entitled to one vote each.

Stockholder of Record: Shares Registered in Your Name

If, on December 18, 2017, your shares of our common stock were registered directly with American Stock Transfer and Trust Company, LLC, our transfer agent for our common stock, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to vote your proxy on the matters to be considered as promptly as possible in order to ensure your representation at the meeting. You may vote your proxy via the Internet or by returning the enclosed proxy card.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If, on December 18, 2017, your shares were held in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in “street name” and the Notice is being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

There are six matters scheduled for a vote and for which we are soliciting your proxy:

1. Election of Pamela G. Marrone, Ph.D., our Chief Executive Officer, to our board of directors as a Class I director.

2. Ratification of the selection by the audit committee of our board of directors of Ernst & Young LLP, or Ernst & Young, as our independent registered public accounting firm for our fiscal year ending December 31, 2017.

3. Approval of the issuance of shares of our common stock and warrants to purchase shares of our common stock in connection with a private placement and related debt refinancing transactions in accordance with Listing Rule 5635(d) of The Nasdaq Stock Market LLC, or Nasdaq, which we refer to herein as the Private Placement and Related Transactions.

4. Ospraie Ag Science LLC, or Ospraie, in accordance with Nasdaq Listing Rule 5635(b), which we refer to herein as the Ospraie Investment.

5. Approval of an increase to the number of shares authorized under the Marrone Bio Innovations, Inc. 2013 Stock Incentive Plan, or the 2013 Plan, by 4,000,000 to 10,952,472 shares, in accordance with Nasdaq Listing Rule 5635(c), and to approve the 2013 Plan for purposes of Section 162(m)(4)(C) of the Internal Revenue Code of 1986, as amended, or the Code, which we refer to herein as the 2013 Plan Approvals.

6. Consideration of a stockholder proposal, if properly presented at the annual meeting.

The Private Placement and Related Transactions, the Ospraie Investment and the 2013 Plan Approvals are collectively referred to herein as the “Transactions.”

You may either vote “For” our nominee to the board of directors or you may “Withhold” your vote for such nominee. For the proposals regarding the (i) ratification of the selection of Ernst & Young as our independent registered public accounting firm, (ii) approval of the Private Placement and Related Transactions in accordance with Nasdaq Listing Rule 5635(d), (iii) approval of the Ospraie Investment in accordance with Nasdaq Listing Rule 5635(b), (iv) approval of the 2013 Plan Approvals and (v) stockholder proposal, you may vote “For” or “Against” each of the proposals or abstain from voting.

How does the board of directors recommend that I vote on each of the proposals?

Our board of directors recommends that you vote:

“For” the election of Pamela G. Marrone, Ph.D., our Chief Executive Officer, to our board of directors as a Class I director.

“For” the ratification of the selection by the audit committee of our board of directors of Ernst & Young as our independent registered public accounting firm for our fiscal year ending December 31, 2017.

“For” the approval of the Private Placement and Related Transactions in accordance with Nasdaq Listing Rule 5635(d).

“For” the approval, as part of the Private Placement and Related Transactions, of the Ospraie Investment in accordance with Nasdaq Listing Rule 5635(b).

“For” the 2013 Plan Approvals.

“Against” the stockholder proposal, if properly presented at the annual meeting.

What are the Transactions?

The Transactions consist of the following:

Issuance of up to 44,000,001 shares of our common stock and 41,333,333 warrants to purchase shares of our common stock at an initial exercise price of \$1.00 until December 31, 2020 to certain institutional accredited investors pursuant to a securities purchase agreement, or the Securities Purchase Agreement (assuming the conversion of all amounts outstanding under the Ospraie Note (as defined below) as described below under “Proposal Four—Ospraie Investment—Ospraie Note”).

As part of the Private Placement and Related Transactions, issuance of up to 30,666,667 shares of our common stock and 30,666,667 warrants to purchase shares of our common stock at an initial exercise price of \$1.00 until December 31, 2020 to Ospraie (assuming the conversion of all amounts outstanding under the Ospraie Note as described below under “Proposal Four—Ospraie Investment—Ospraie Note”).

Conversion of \$35,000,000 aggregate principal amount outstanding under the Waddell Notes (as defined below) for an aggregate of 20,000,000 shares of our common stock and 4,000,000 warrants to purchase shares of our common stock at an initial exercise price of \$1.25 until December 31, 2020, as well as an extension of the maturity date of the remaining \$5,000,000 aggregate principal amount outstanding under the Waddell Notes to December 31, 2022, the deferral of interest payments due until such date and the grant to Ospraie of a right of first refusal to acquire the Waddell Notes.

Conversion of \$10,000,000 aggregate principal amount outstanding under the Snyder Notes (as defined below) for an aggregate of 5,714,285 shares of our common stock and 1,142,856 warrants to purchase shares of our common stock at an initial exercise price of \$1.25 until December 31, 2020, as well as an extension of the maturity date of the remaining \$2,450,000 aggregate principal amount outstanding to December 31, 2022, a reduction in the interest rate per annum from 14% to 8% and the deferral of interest payments due until December 31, 2022. Snyder (as defined below), in his role as administrative agent under the Snyder Notes, will also be entitled to receive 498,000 shares of our common stock in lieu of cash fees on the final maturity date of December 31, 2022.

Issuance of 800,000 shares of our common stock and 2,017,143 warrants to purchase shares of our common stock at an initial exercise price of \$1.00 exercisable from the date beginning six (6) months from the consummation of the Transactions until December 31, 2020 to National Securities Corporation, or the Placement Agent, in connection with its role as our exclusive placement agent and financial adviser for the Private Placement and Related Transactions.

Increase of an additional 4,000,000 options to purchase shares of our common stock under our 2013 Plan to 10,952,472 shares to be reserved for issuance to certain Advisory Members (as defined below) to our board of directors to be designated by Ospraie.

Why did the Company approve the Transactions?

Our board of directors approved the Transactions with the overall goal of providing support for our continuing operations and future development through a comprehensive financing and indebtedness restructuring package consisting of (i) raising up to an aggregate of \$30,000,000 of additional capital from both our existing and new investors and (ii) strategically improving our balance sheet and leverage profile by converting a significant portion of our existing indebtedness to equity and extending the maturity dates, reducing the interest rate per annum and deferring interest payments for our remaining existing indebtedness after the conversion to equity. Upon consummation of the Transactions, we expect to have the ability to conduct our operations, service our remaining indebtedness and support future development goals for the foreseeable future.

We believe the combination of additional new capital, conversion of existing indebtedness to equity and more favorable terms for our remaining existing indebtedness will allow us to turn our focus toward strengthening and growing the Company and improving our operations, such as using the funds to promote our commercially available products, to advance product candidates and to support expanding our international presence and commercialization. Furthermore, by bringing in capital from new investors, we expect to benefit from the increased diversification of our investor base and to leverage their fresh input on how we can continue to enhance our operations.

Over the past year, we have pursued various other financing alternatives with potential investors. In approving the Transactions and recommending their approval by our stockholders, our board of directors considered these financing alternatives, as well as our current business and financial condition. We believe that the Transactions come at a crucial juncture for the future of the Company and will serve as the cornerstone of our ability to maintain our current operations. Accordingly, we believe that our failure to obtain stockholder approval and thus not to proceed with consummating the Transactions will likely make it considerably more difficult to sustain our current operations.

For a more detailed description of the Private Placement and Related Transactions, the Ospraie Investment and the 2013 Plan Approvals, see the sections entitled “Proposal Three—Private Placement and Related Transactions—Background,” “Proposal Four—Ospraie Investment—Background” and “Proposal Five—2013 Plan Approvals—Background” below.

Why is the Company seeking approval of the Transactions?

We are required to seek approval for the Private Placement and Related Transactions and the Ospraie Investment because our common stock is listed on Nasdaq and, as a result, we are subject to certain Nasdaq listing rules and regulations. Nasdaq Listing Rule 5635(d) requires stockholder approval prior to the issuance of securities in connection with a transaction other than a public offering involving the sale, issuance or potential issuance of common stock equal to 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance for less than the greater of book or market value of the stock. In addition, Nasdaq Listing Rule 5635(b) requires stockholder approval prior to any issuance of securities when the issuance will result in a change of control, which Nasdaq deems to occur when, as a result of the issuance, an investor owns, or has the right to acquire, 20% or more of the outstanding shares of a company’s common stock or voting power and such ownership would be the single largest ownership position in such company.

Collectively, upon consummation of the Private Placement and Related Transactions and upon the full exercise of the warrants to purchase shares of our common stock, we expect to issue up to 119,505,618 shares of our common stock, which represents 381% of our common stock outstanding as of December 18, 2017. As a result of the Private Placement and Related Transactions, Ospraie is expected to acquire at least 20% of the outstanding shares of our common stock, in addition to certain warrants to purchase shares of our common stock, and would hold the single largest ownership position in the Company.

In addition, we are required to seek the 2013 Plan Approvals both in accordance with Nasdaq Listing Rule 5635(c) as well as under Section 162(m) of the Code, which will allow us to increase the number of shares of our common stock authorized under the 2013 Plan by 4,000,000 to 10,952,472 shares, as well as structure our incentive compensation in a manner intended to preserve certain tax deductions under Section 162(m), respectively. The 2013 Plan Approvals are another component in our overall goal of providing support for our continuing operations and future development through a series of refinancing transactions discussed in this proxy statement, and for which we are soliciting stockholder approval. By increasing the number of shares of our common stock authorized under the 2013 Plan by 4,000,000, we intend to use this additional capacity under the 2013 Plan to grant options to purchase shares of our common stock to certain members of an advisory council to our board of directors to be designated by Ospraie, or the Advisory Members, that we expect to put in place effective upon consummation of the Transactions. We believe that allowing such Advisory Members to receive options to purchase our common stock will best align such Advisory Members’ interests with those of the Company and its continued operations and development, thus providing the necessary and proper incentives for such Advisory Members to advise and act in the best interests of the Company and our stockholders. Furthermore, by qualifying any such grants as performance-based awards under Section 162(m), we will be able to avail ourselves of the appropriate tax deductions to our benefit.

What will happen if any of the Private Placement and Related Transactions, the Ospraie Investment or the 2013 Plan Approvals are not approved?

If our stockholders do not approve any of the Private Placement and Related Transactions, the Ospraie Investment or the 2013 Plan Approvals, we will not be able to proceed with any of the Transactions. Each component of the contemplated Transactions detailed in this proxy statement, and for which we are seeking stockholder approval, is cross-conditioned under the Securities Purchase Agreement, such that failure to obtain approval for one transaction results in the failure to satisfy the conditions necessary to consummate the other contemplated financing transactions. Therefore, if we fail to obtain stockholder approval for any of the Private Placement and Related Transactions, the Ospraie Investment or the 2013 Plan Approvals, we cannot consummate the Transactions and will therefore not have access to up to an aggregate of \$30,000,000 of additional capital or significantly improve our leverage profile in support of our continuing operations and future development, which may negatively impact our ability to execute on our business plan and could have a material adverse effect on our financial condition, liquidity and results of operations. As discussed above under “Why did the Company approve the Transactions?”, we believe that the Transactions are critical in our ability to maintain our current operations, such that our failure to obtain stockholder approval and thus not proceed with consummating the Transactions will likely make it considerably more difficult to sustain such operations.

Will the Transactions be dilutive to existing holders of the Company's common stock?

Yes. The Transactions will result in the issuance, assuming the full exercise of the warrants to purchase shares of our common stock and the additional options to purchase 4,000,000 of our shares of common stock pursuant to the 2013 Plan Approvals, of up to 123,505,618 shares of our common stock, which represents 394% of our common stock outstanding as of December 18, 2017. As a result, our existing stockholders' proportionate voting interest will be considerably reduced, and their ownership interest in us will be immediately and significantly diluted after consummation of the Transactions. See the section entitled "Security Ownership of Certain Beneficial Owners and Management" below for our beneficial ownership before and expected beneficial ownership after the consummation of the Transactions, each as of December 18, 2017.

How do I vote?

The procedures for voting are as follows:

Voting via the Internet

You can vote your shares via the Internet by following the instructions in the enclosed proxy card. The Internet voting procedures are designed to authenticate your identity and to allow you to vote your shares and confirm your voting instructions have been properly recorded. If you vote via the Internet, you do not need to mail a proxy card.

Voting by Mail

You can vote your shares by mail by returning the enclosed proxy card per the instructions on the card.

What if I return a proxy card or otherwise complete a ballot or give voting instructions but do not make specific choices?

If you return a signed and dated proxy card or otherwise complete a ballot or voting instructions without marking your selections, your shares will be voted, as applicable, "For" the election of Pamela G. Marrone, Ph.D., our Chief Executive Officer, as a Class I director, "For" the ratification of Ernst & Young as our independent registered public accounting

firm for our fiscal year ending December 31, 2017, “For” the approval of the Private Placement and Related Transactions, “For” the approval of the Ospraie Investment, “For” the approval of the 2013 Plan Approvals and “Against” the stockholder proposal. The board of directors knows of no other matters that will be presented for consideration at the annual meeting. If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

We are paying for the entire cost of soliciting proxies. In addition to these proxy materials, our directors and employees may also solicit proxies in person, by telephone or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one Notice?

If you receive more than one Notice, your shares are registered in more than one name or are registered in different accounts. Please follow the voting instructions on the Notice and vote your shares for each name or account to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of four ways:

You may submit another properly completed proxy card with a later date;

You may grant a subsequent proxy through our Internet voting site;

You may send a written notice that you are revoking your proxy to our Corporate Secretary at 1540 Drew Ave., Davis, California 95618; or

You may attend the annual meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy. Please remember, as mentioned above, if you are a beneficial owner of shares you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker, bank or other agent that holds your shares in street name.

If your shares are held by your broker, bank or another agent as a nominee or agent, you should follow the instructions provided by your broker, bank or other agent.

When are stockholder proposals due for next year's annual meeting?

Our stockholders are entitled to present proposals for action at a forthcoming meeting if they comply with the requirements of our bylaws and the rules established by the Securities and Exchange Commission, or the SEC. We anticipate that the date of our 2018 annual meeting of stockholders will be more than 30 days before the anniversary date of this year's meeting. In addition, under the Securities Purchase Agreement, we are required to hold our 2018 annual meeting of stockholders within 180 days after the date of consummation of the Transactions. As a result, to be considered for inclusion in the proxy statement for our 2018 annual meeting of stockholders, stockholder proposals must be delivered to our principal executive offices not later than the close of business on the later of the 45th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Any stockholder proposal (including a proposal to nominate a candidate for director) that is not submitted for inclusion in the proxy statement for our 2018 annual meeting of stockholders must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 45 days prior to the date of the annual meeting. Proposals should be addressed to our Corporate Secretary at 1540 Drew Ave., Davis, California 95618. You are also advised to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

What are broker non-votes? How do I vote if I hold my shares in street name?

A “broker non-vote” occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner (despite voting on at least one other proposal for which it does have discretionary authority or for which it has received instructions).

If your shares are held by your broker as your nominee (that is, in “street name”), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. If you do not give instructions to your broker, your broker can vote your shares with respect to routine “discretionary” items, but not with respect to “non-discretionary” items under the rules of the New York Stock Exchange, or NYSE, on which your broker may vote shares held in street name in the absence of your voting instructions. On non-discretionary items for which you do not give your broker instructions, the shares will be treated as broker non-votes. Under NYSE rules, elections of directors are considered to be non-routine and, therefore, brokers and other nominees will not be able to vote in the election of directors unless they receive instructions from the beneficial owners of the shares.

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count “For” and “Withhold” votes and any broker non-votes for the election of Pamela G. Marrone, Ph.D., our Chief Executive Officer, for Class I director. Broker non-votes will not count for or against our nominee.

With respect to the ratification of Ernst & Young, the inspector of election will separately count “For” and “Against” votes. Abstentions will be counted toward the vote total for the proposal, and will have the same effect as “Against” votes. Broker non-votes will not count toward the vote total for the proposal.

With respect to approval of the Private Placement and Related Transactions, the approval of the Ospraie Investment, the 2013 Plan Approvals and the approval of the stockholder proposal, the inspector of election will separately count “For” and “Against” votes. Abstentions and broker non-votes will have no effect and will not be counted toward the vote total for the proposal.

How many votes are needed to approve each of the proposals?

Proposal One—Election of Pamela G. Marrone, Ph.D., our Chief Executive Officer, for Class I director. Dr. Marrone will be elected if she receives the most “For” votes (among votes properly cast in person or by proxy).

Proposal Two—Ratification of the selection by the audit committee of our board of directors of Ernst & Young as our independent registered public accounting firm for our fiscal year ending December 31, 2017. This proposal must receive a “For” vote from the holders of a majority of the voting power present and entitled to vote either in person or by proxy on the proposal. If you “Abstain” from voting, it will have the same effect as an “Against” vote.

Proposal Three—Approval of the Private Placement and Related Transactions in accordance with Nasdaq Listing Rule 5635(d). This proposal must receive a “For” vote from the holders of a majority of votes cast either in person or by proxy on the proposal. If you “Abstain” from voting, your votes will not be counted in determining whether this proposal has been approved.

Proposal Four—Approval of the Ospraie Investment in accordance with Nasdaq Listing Rule 5635(b). This proposal must receive a “For” vote from the holders of a majority of votes cast either in person or by proxy on the proposal. If you “Abstain” from voting, your votes will not be counted in determining whether this proposal has been approved.

Proposal Five—Approval of the 2013 Plan Approvals in accordance with Nasdaq Listing Rule 5635(c) and Section 162(m)(4)(C) of the Code. This proposal must receive a “For” vote from the holders of a majority of votes cast either in person or by proxy on the proposal. If you “Abstain” from voting, your votes will not be counted in determining whether this proposal has been approved.

Proposal Six—Consideration of the stockholder proposal, if properly presented at the annual meeting. This proposal must receive a “For” vote from the holders of a majority of the voting power present and entitled to vote either in person or by proxy on the proposal. If you “Abstain” from voting, your votes will not be counted in determining whether this proposal has been approved.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at the meeting there are present in person or represented by proxy the holders of outstanding shares of common stock entitled to cast a majority of the votes that could be cast by all outstanding shares of common stock. On the record date, there were 31,350,877 shares of common stock outstanding, all of which are entitled to vote. Thus, holders of shares representing at least 15,675,439 votes must be present in person or represented by proxy at the meeting to have a quorum.

Shares that are voted in person or by proxy are treated as being present at the meeting for purposes of establishing a quorum. Abstentions and broker non-votes will also be counted for purposes of calculating whether a quorum is present at the annual meeting. If there is no quorum, the holders of shares representing a majority of the votes present at the meeting may adjourn the meeting to another date.

How many votes do I have?

On each matter to be voted upon, for holders of our common stock, you have one vote for each share of common stock you owned as of December 18, 2017.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. Final voting results will be published in a Current Report on Form 8-K that we expect to file within four business days after the annual meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

Will a representative of Ernst & Young, our independent registered public accounting firm, be present at the annual meeting to make a statement or answer questions?

Representatives of Ernst & Young, our independent registered public accounting firm, are expected to be present at the annual meeting, will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

PROPOSAL ONE

ELECTION OF CLASS I DIRECTOR

Pursuant to our certificate of incorporation, our board of directors is divided into three classes with staggered three-year terms. The total number of authorized directors on our board of directors upon the commencement of the 2017 annual meeting has been fixed at five by a resolution of our board of directors.

There is one nominee for Class I director at this annual meeting, Pamela G. Marrone, Ph.D., our Chief Executive Officer, who is currently a member of our board of directors. Stockholders cannot submit proxies voting for a greater number of persons than the single nominee named in this Proposal One. If elected, Dr. Marrone will hold office until the annual meeting of stockholders held in 2020 and until her successor is elected or until her death, resignation or removal. Dr. Marrone has agreed to serve if elected, and we have no reason to believe that she will be unable to serve.

Each of Michael H. Benoff and Kathleen A. Merrigan, Ph.D. has notified us that such director will not stand for re-election at the 2017 annual meeting. Mr. Benoff and Dr. Merrigan will continue to serve as directors until such meeting. Each of Mr. Benoff and Dr. Merrigan's decision not to stand for re-election to our board of directors are solely for personal reasons and time considerations and did not involve any disagreement on any matter relating to the Company's operations, policies or practices.

There are no family relationships between any of our directors, nominees or executive officers. There are also no arrangements or understandings between any director, nominee or executive officer and any other person pursuant to which he or she has been or will be selected as a director and/or executive officer.

Required Vote

Dr. Marrone will be elected if she receives the most "For" votes (among votes properly cast in person or by proxy). Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of Dr. Marrone. If Dr. Marrone becomes unavailable for election as a result of an unexpected occurrence, shares that would have been voted for Dr. Marrone will instead be voted for the election of a substitute nominee proposed by our board of directors and the nominating and corporate governance committee. Under NYSE rules, brokers are prohibited from giving proxies to vote on elections of directors unless the beneficial owner of such shares has given voting instructions on the matter. This means that if your broker is the record holder of your shares, you must give voting instructions to

your broker with respect to the election of Dr. Marrone in this Proposal One if you want your broker to vote your shares on the matter. Otherwise, your shares will be treated as broker non-votes. Broker non-votes will have no effect on the outcome of the vote.

Recommendation

The board of directors recommends a vote “FOR” the election of Pamela G. Marrone, Ph.D., our Chief Executive Officer, as a Class I director in Proposal One.

INFORMATION REGARDING OUR NOMINEE AND DIRECTORS

The following table sets forth information as of December 18, 2017 with respect to our nominee for election as a Class I director of our board of directors, as well as our continuing directors.

Class I Director Nominee

Name ⁽¹⁾	Age	Position
Pamela G. Marrone, Ph.D.	61	Chief Executive Officer

Continuing Directors

Name	Age	Class ⁽²⁾	Position
Timothy Fogarty	56	II	Chair of the Board of Directors and Audit Committee Member
Richard Rominger	90	II	Chair of the Nominating and Corporate Governance Committee and Compensation Committee Member
George H. Kerckhove	80	III	Chair of the Audit Committee
Zachary S. Wochok, Ph.D.	74	III	Compensation Committee and Nominating and Corporate Governance Committee Member

Michael H. Benoff and Kathleen A. Merrigan, Ph.D., each a Class I director, will each continue to serve until the (1)2017 annual meeting. Mr. Benoff serves as chair of the compensation committee and a member of the audit committee. Dr. Merrigan serves as a member of the nominating and corporate governance committee.

(2) The terms of Class II directors will expire at the 2018 annual meeting. The terms of Class III directors will expire at the 2019 annual meeting.

Nominee for Class I Director

Pamela G. Marrone, Ph.D. is our founder and has served as our Chief Executive Officer and a member of our board of directors since our inception in 2006, as well as serving as our President from inception through January 2015 and from September 2015 to August 2017. Prior to founding the Company, in 1995 Dr. Marrone founded AgraQuest, Inc. (acquired by Bayer), where she served as chief executive officer until May 2004 and as president or chairman from such time until March 2006, and where she led teams that discovered and commercialized several bio-based pest management products. She served as founding president and business unit head for Entotech, Inc., a biopesticide subsidiary of Denmark-based Novo Nordisk A/S (acquired by Abbott Laboratories), from 1990 to 1995, and held various positions at the Monsanto Company from 1983 until 1990, where she led the Insect Biology Group, which was involved in pioneering projects in transgenic crops, natural products and microbial pesticides. Dr. Marrone is an author of over a dozen invited publications, is in demand as a speaker and has served on the boards and advisory councils of numerous professional and academic organizations. In 2016, Dr. Marrone was elected to the Cornell University Board of Trustees. In 2013, Dr. Marrone was named the Sacramento region's "Executive of the Year" by the Sacramento Business Journal and "Cleantech Innovator of the Year" by the Sacramento Area Regional Technology Alliance and Best Manager with Strategic Vision by Agrow in 2014. Dr. Marrone earned a B.S. in Entomology from Cornell University and a Ph.D. in Entomology from North Carolina State University. We believe Dr. Marrone's qualifications to sit on our board of directors include the fact that, as our founder, Dr. Marrone is uniquely familiar with the business, structure, culture and history of our company and that she also brings to the board of directors considerable expertise based on her management and technical and commercialization experience in the biopesticide industry.

Continuing Directors

Timothy Fogarty has served on our board of directors since 2010 and was appointed the Chair of our board of directors in 2015. As the chief financial officer and a partner of The Contrarian Group, Inc., a private equity fund affiliated with CGI Opportunity Fund II, L.P., which is an existing stockholder, where he has worked since May 2006, Mr. Fogarty previously served on the boards of TeachTown, Amanzi and Bellwether Marine Acquisition Corporation. From December 2003 to March 2006, Mr. Fogarty worked for Cypress Reinsurance, a startup Bermuda reinsurer, as president and chief operating officer. Mr. Fogarty is a Certified Public Accountant in good standing in California and earned a B.S. in Accounting from California State Polytechnic University, Pomona. We believe Mr. Fogarty's

qualifications to sit on our board of directors include his extensive experience in investment management and accounting and his perspective gained as a board member of various early-stage companies.

Richard Rominger has served on our board of directors since our inception in 2006 and was the Chair of our board of directors from 2008 to 2013. Mr. Rominger is a fourth generation Yolo County, California farmer and is active in farm organizations and cooperatives. Mr. Rominger served as Director (Secretary) of the California Department of Food and Agriculture from 1977 to 1982 and was the Deputy Secretary at the U. S. Department of Agriculture in Washington, DC from 1993 to 2001. As the Department's chief operating officer, he was responsible for over 100,000 employees and a budget of approximately \$100 billion. Mr. Rominger has served as a production agriculture advisor at University of California, Davis, University of California, Riverside, California State University, Fresno and California Polytechnic State University, San Luis Obispo and has served on the advisory committee of the Agricultural Sustainability Institute at University of California, Davis and as a special advisor to the Chancellor at University of California, Davis. He is a member of the University of California President's Advisory Commission on Agriculture and Natural Resources and the California Roundtable on Agriculture and the Environment and serves on the board of directors of Oryzatech, Inc., a plant based building material company. Mr. Rominger earned a B.S. in Plant Science from University of California, Davis and graduated summa cum laude. We believe Mr. Rominger's qualifications to sit on our board of directors include his years of government experience and his perspective gained as a leader in keeping American agriculture healthy and sustainable.

George H. Kerckhove has served on our board of directors since July 2014. He has served on the board of directors for Gundersen Medical Foundation since 2010 and previously served on the board of directors for Merix Corporation, where he chaired the audit committee, Wellspring International, American Standard Companies and the Mississippi Valley Conservancy Land Trust. He worked with the American Standard Companies from 1988 through 2000, where he served as VP and chief financial officer, executive VP and global sector manager of various countries and president and general manager of the European Division. Prior to that, he served in a variety of positions from 1962 through 1987 with The Trane Company, from product manager in several product departments, VP and general manager, Process Equipment Division, and executive VP and general manager of both the US and International Commercial Equipment Divisions. Mr. Kerckhove received Bachelor of Science degrees in Agricultural Engineering and Mechanical Engineering, a Master of Science Degree in Mechanical Engineering, and an MBA, all from the University of Wisconsin in Madison. We believe Mr. Kerckhove's qualifications to sit on our board of directors include his education in agricultural engineering and his extensive experience in finance, accounting and management in global publically-traded companies.

Zachary S. Wochok, Ph.D. has served on our board of directors since May 2016. He served as president and founder of The Wochok Group, LLC, a management consulting firm, since October 2011. For over 25 years, Dr. Wochok has held executive positions in the agribusiness, biotechnology and food industries, including service as chairman of PGP International, Inc., a food ingredients company, from April 2011 to October 2011 and as its chief executive officer from February 1996 to March 2011, as the chairman and chief executive officer of NURTURE, Inc., as president and chief operating officer of Calgene, Inc., which was then publicly traded, and as the chief executive officer of Plant Genetics, Inc., during which time the company completed an initial public offering and later merged with Calgene, Inc., creating the largest plant biotechnology company in the United States at the time. Dr. Wochok has served as a director and President of Grazix Animal Health, Inc. since July 2015; as Director of Live Leaf, Inc. since April 2017; on the board of Nucleis, Inc., a fermentation based specialty chemical company, from March 2012 to December 2014; as advisor to the board of directors of Cibus Global, Ltd. from January 2015 to July 2017; as agricultural technology business advisor to Alexandria Real Estate Equities, Inc. from January 2015 to February 2017; and on the Advisory Board of AgTech Accelerator from May 2016 to May 2017. He has also served as business development manager in the new ventures department at Monsanto and a lead scientist for Weyerhaeuser Company. Dr. Wochok began his career as a professor of biology at the University of Alabama, following an NIH funded post-doctoral position at Yale University. Dr. Wochok received a B.S. in Biology from LaSalle University, an M.S. in Biology from Villanova University and a Ph.D. in Cell Biology and Plant Physiology from the University of Connecticut. We believe Dr. Wochok's qualifications to sit on our board of directors include his education in biology and plant physiology and extensive experience serving public and private companies in the agriculture and biotechnology industries as an advisor, senior executive or director.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board of Directors and Leadership Structure

Our board of directors currently consists of seven members. As discussed above in Proposal One, Election of Class I Director, Mr. Benoff and Dr. Merrigan have determined not to stand for re-election at the 2017 annual meeting, and upon the commencement of the 2017 annual meeting, the size of our board of directors will decrease to five members and the number of Class I directors will be reduced to one.

In accordance with our amended and restated certificate of incorporation and amended and restated bylaws, our board of directors has been divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our current directors have been divided among the three classes as follows:

The Class I directors are Pamela G. Marrone, Ph.D., Michael H. Benoff and Kathleen A. Merrigan, Ph.D., and their terms will expire at the annual general meeting of stockholders to be held on January 31, 2018 (as discussed above, Mr. Benoff and Dr. Merrigan have determined not to stand for re-election at the annual meeting, and our board of directors has been fixed at five by a resolution of our board of directors adopted prior to the date of this annual meeting).

The Class II directors are Timothy Fogarty and Richard Rominger, and their terms will expire at the annual general meeting of stockholders to be held in 2018; and

The Class III directors are Zachary S. Wochok, Ph.D. and George H. Kerckhove, and their terms will expire at the annual general meeting of stockholders to be held in 2019.

The board of directors currently separates the role of Chairman and Chief Executive Officer, with Dr. Marrone serving as Chief Executive Officer and Mr. Fogarty serving as Chairman. The board of directors believes that separating these two roles promotes balance between the independent authority of the board of directors to oversee our business and the Chief Executive Officer and our management team, which manages the business on a day-to-day basis. The current separation of the Chairman and Chief Executive Officer roles allows the Chief Executive Officer to focus her time and energies on operating and managing the Company and leverages the experience and perspectives of the Chairman.