

Ceres, Inc.
Form SC 14D9
July 01, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14D-9
(Rule 14d-101)
Solicitation/Recommendation Statement
Under Section 14(d)(4) of the Securities Exchange Act of 1934

CERES, INC.
(Name of Subject Company)

CERES, INC.
(Name of Person Filing Statement)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

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156773400

(CUSIP Number of Class of Securities)

Richard Hamilton

President and Chief Executive Officer

Ceres, Inc.

1535 Rancho Conejo Boulevard

Thousand Oaks, CA 91320

(805) 376-6500

(Name, address and telephone number of person authorized to receive notices and communications

on behalf of the persons filing statement)

With copies to:

Michael D. Bryan

James M. Herriott

K&L Gates LLP

134 Meeting Street, Suite 500

Charleston, SC 29401

(843) 579-5661

.. Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

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Item 1. *Subject Company Information.*

Name and Address.

The name of the subject company is Ceres, Inc., a Delaware corporation (the *Company*). The address of the Company's principal executive office is 1535 Rancho Conejo Boulevard, Thousand Oaks, California 91320. The telephone number of the Company's principal executive office is (805) 376-6500.

Securities.

The title of the class of equity securities to which this Solicitation/Recommendation Statement on Schedule 14D-9 (this *Schedule 14D-9*) relates is the Company's common stock, par value \$0.01 per share (the *Common Shares*). As of June 27, 2016, there were 26,889,858 Common Shares outstanding.

Item 2. *Identity and Background of Filing Person.*

Name and Address.

The Company is the person filing this Schedule 14D-9 and is the subject company. The Company's name, address and telephone number are set forth in Item 1 *Subject Company Information* above, which information is incorporated by reference herein. The Company's website is <http://ceres.net/>. The information on the Company's website should not be considered a part of this statement.

Tender Offer.

This Schedule 14D-9 relates to the tender offer by Roman Merger Sub, Inc., a corporation incorporated under the laws of Delaware (*Purchaser*) and a wholly owned subsidiary of Land O Lakes, Inc., a Minnesota cooperative corporation (*Parent*), to purchase all of the issued and outstanding Common Shares at a price of \$0.40 per share in cash, without interest and less any applicable withholding taxes (the *Common Consideration*), as set forth in the Offer to Purchase, dated July 1, 2016 (together with any amendments or supplements thereto, the *Offer to Purchase*), and in the related Letter of Transmittal (together with any amendments or supplements thereto, the *Letter of Transmittal* and, together with the Offer to Purchase, the *Offer*). The Offer is described in a Tender Offer Statement on Schedule TO (together with any amendments or supplements thereto, the *Schedule TO*), filed by Parent and Purchaser with the Securities and Exchange Commission (the *SEC*) on July 1, 2016. The Offer to Purchase and Letter of Transmittal are filed as Exhibits (a)(1)(i) and (a)(1)(ii) to the Schedule TO, respectively, and are incorporated by reference herein.

The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of June 16, 2016, by and among Parent, Purchaser and the Company (the *Merger Agreement*). The Merger Agreement provides that, among other things, subject to the satisfaction or waiver of certain conditions, following completion of the Offer, and in accordance with the Delaware General Corporation Law (the *DGCL*), Purchaser will be merged with and into the Company (the *Merger*). Following the consummation of the Merger, the Company will continue as the surviving corporation (the *Surviving Corporation*) and a wholly owned subsidiary of Parent.

The obligation of Purchaser to purchase Common Shares tendered in the Offer is subject to certain conditions, including, among others, the following: (i) the Company's stockholders shall have validly tendered and not validly withdrawn in the Offer the number of Common Shares (not including any Common Shares tendered pursuant to guaranteed delivery procedures that have not yet been received by the depositary for the Offer in full settlement or satisfaction of such guarantee) which, when added to the Common Shares then owned by Purchaser, would represent

one Common Share more than one half of all Common Shares outstanding immediately prior to the time Purchaser, for the first time, irrevocably accepts for payment Common Shares validly tendered and not withdrawn pursuant to the Offer (the Offer Acceptance Time) (for the avoidance of doubt, including in the number of Common Shares outstanding immediately prior to the Offer Acceptance Time (a) to the extent that the Company has received a notice of conversion with respect to any Series A-1 Convertible

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Preferred Stock, par value \$0.01 per share, of the Company (the Preferred Shares and together with the Common Shares, the Shares) prior to the Offer Acceptance Time, the Common Shares issuable upon conversion of such Preferred Shares, (b) to the extent the Company has received a notice of conversion with respect to any warrants to purchase Common Shares (Company Warrants) prior to the Offer Acceptance Time, the Common Shares that the Company would be required to issue upon the exercise of such Company Warrants and (c) to the extent the Company has received a notice of exercise with respect to any options to purchase Common Shares (Company Options) prior to the Offer Acceptance Time, the Common Shares that the Company would be required to issue upon the exercise of such Company Options) (the Minimum Condition), (ii) the absence of a material adverse effect with respect to the Company and (iii) certain other customary conditions. The consummation of the Offer is not subject to any financing condition.

At the effective time of the Merger (the Effective Time), each Common Share issued and outstanding (excluding (i) any Shares held by the Company or any Common Shares irrevocably accepted by Purchaser for purchase in the Offer; and (ii) any Shares held by a holder who has properly demanded appraisal and otherwise complied with the provisions of Section 262 of the Delaware General Corporation Law (the DGCL) and has not effectively withdrawn or lost such holder's rights to appraisal (such shares being referred to collectively as the Dissenting Shares)) will be converted into the right to receive a cash amount equal to the Common Consideration, subject to any applicable withholding or other taxes and certain other amounts specified in the Merger Agreement. At the Effective Time, all of the issued and outstanding Preferred Shares (excluding the Dissenting Shares) will be converted into the right to receive a cash amount equal to \$1,000.00 per share in cash (the Preferred Consideration), without interest and subject to any applicable withholding or other taxes and certain other amounts specified in the Merger Agreement.

At the Effective Time, each outstanding Company Option will be cancelled and converted into the right to receive an amount in cash (subject to any applicable withholding or other taxes and certain other amounts specified in the Merger Agreement) equal to the product of (i) the total number of Common Shares subject to such Company Option and (ii) the excess, if any, of the Common Consideration over the exercise price of the Common Shares previously subject to such Company Option. The aggregate amount payable in connection with the Merger with respect to the Company Options is expected to be approximately \$500.00.

The Company has issued certain restricted Common Shares (Restricted Shares) under its incentive plans. At the Effective Time, each Restricted Share will be cancelled and converted into the right to receive an amount in cash (subject to any applicable withholding or other taxes and certain other amounts specified in the Merger Agreement) equal to the Common Consideration payable in connection with the Restricted Shares. The aggregate amount payable in connection with the Merger with respect to the Restricted Shares is expected to be approximately \$2,060.00.

At the Effective Time, each holder of certain unexpired and unexercised Company Warrants that include provisions entitling the warrant holder to receive a Black Scholes Value , as defined in the applicable warrant agreement (each such warrant a BSV Warrant), will be entitled to receive either (i) an amount of cash equal to the product of (x) the aggregate number of Common Shares for which such BSV Warrant was exercisable immediately prior to the effective time of the Merger and (y) the excess, if any, of the Common Consideration over the per share exercise price under such BSV Warrant, or (ii) at the holder's option, exercisable at any time concurrently with, or within thirty (30) days following, the Effective Time, an amount in cash equal to the Black Scholes Value calculated pursuant to the terms of the applicable warrant agreement. At the Effective Time, each unexpired and unexercised Company Warrant that is not a BSV Warrant will be entitled to receive an amount of cash equal to the product of (1) the aggregate number of Common Shares for which such Company Warrant was exercisable immediately prior to the effective time of the Merger and (2) the excess, if any, of the Common Consideration over the per share exercise price under such Company Warrant. The aggregate amount payable in connection with the Merger with respect to the Company Warrants is expected to be approximately \$7.2 million.

The Merger will be governed by Section 251(h) of the DGCL, with no stockholder vote required to consummate the Merger, provided that subject to the terms of the Merger Agreement, under certain

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circumstances Parent may cause the Merger Agreement to be governed by Section 253 of the DGCL. The Company has granted to Purchaser an irrevocable option (the "Top-Up Option"), if necessary, to purchase at a price per share equal to the Common Consideration from the Company up to a number of Common Shares (the "Top-Up Shares") that, when added to the number of Common Shares already owned by Purchaser as promptly as practicable after the Offer Acceptance Time, would represent at least 90% of the Common Shares outstanding immediately after giving effect to the issuance of the Top-Up Shares. Purchaser will exercise the Top-Up Option as promptly as practicable after the Offer Acceptance Time if (i) certain specified triggering events occur, (ii) the Offer Acceptance Time has occurred, (iii) the Minimum Condition has been satisfied, and (iv) Purchaser does not hold Common Shares representing at least 90% of the Common Shares then outstanding. The parties have agreed that if the Top-Up Option is exercised, the parties will use their best efforts to cause the Merger to be completed in accordance with Section 253 of the DGCL as promptly as possible following the issuance of the Top-Up Shares on the same day as the closing of the purchase of the Top-Up Shares. At the closing of the purchase of the Top-Up Shares, the purchase price for the Top-Up Shares shall be paid to the Company, at Purchaser's option, either fully in cash or by (i) paying an amount in cash equal to not less than the aggregate par value of the Top-Up Shares and (ii) executing and delivering to the Company a promissory note having a principal amount equal to the aggregate purchase price of the Top-Up Shares less the amount paid in cash for the Top-Up Shares at the Top-Up Shares closing.

The Merger Agreement includes customary representations, warranties and covenants of the parties customary for a transaction of this nature, including covenants (i) to as promptly as reasonably practicable effect all registrations, filings and submissions required pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other applicable laws with respect to the Offer and the Merger, (ii) for each of the parties to use their reasonable best efforts to take, or cause to be taken, all appropriate action to consummate and make effective the Offer, the Merger and the other transactions contemplated by the Merger Agreement, (iii) for the Company to conduct its business in the ordinary course and to be bound by customary restrictions relating to the operation of its business until the effective time of the Merger or termination of the Merger Agreement, and (iv) for the Company not to solicit third-party proposals relating to alternative transactions or provide information or enter into discussions in connection with alternative transactions, subject to exceptions to permit the Board of Directors of the Company (the "Company Board") to comply with its fiduciary duties.

The Merger Agreement includes certain termination provisions for both the Company and Parent and provides that, in connection with the termination of the Merger Agreement under certain specified circumstances, the Company may be required to pay Parent a termination fee of \$695,000.

Parent has formed Purchaser in connection with the Merger Agreement, the Offer and the Merger. The Offer to Purchase filed in connection with the Schedule TO states that the principal executive offices of Parent and Purchaser are located at 4001 Lexington Avenue North, Arden Hills, Minnesota 55126.

The Merger Agreement is summarized in Section 11 "The Merger Agreement; Other Agreements" of the Offer to Purchase. A copy of the Merger Agreement is filed as Exhibit (e)(1) to this Schedule 14D-9 and incorporated herein by reference. The information relating to the Offer, including the Offer to Purchase, the Letter of Transmittal and related documents and this Schedule 14D-9, can be obtained without charge from the SEC's website at www.sec.gov.

The Company does not take any responsibility for the accuracy or completeness of any information described herein contained in the Schedule TO, including information concerning Parent, its affiliates, officers or directors or any failure by Parent to disclose events or circumstances that may have occurred and may affect the accuracy or completeness of such information.

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Item 3. Past Contacts, Transactions, Negotiations and Agreements.

Except as set forth in this Schedule 14D-9 and in the Company's Proxy Statement filed on Schedule 14A with the SEC on March 4, 2016 (the Proxy Statement), as incorporated in this Schedule 14D-9 by reference, as of the date of this Schedule 14D-9, there are no material agreements, arrangements or understandings and no actual or potential conflicts of interest between the Company or its affiliates and (i) its executive officers, directors or affiliates, or (ii) Parent, Purchaser or their respective executive officers, directors or affiliates.

Arrangements with the Company, Parent and Purchaser.

Merger Agreement.

On June 16, 2016, the Company, Parent and Purchaser entered into the Merger Agreement. The summary and description of the material provisions of the Merger Agreement contained in Section 11 The Merger Agreement; Other Agreements of the Offer to Purchase and the description of the conditions of the Offer contained in Section 15 Conditions of the Offer of the Offer to Purchase are incorporated herein by reference. Such summary and description are qualified in their entirety by reference to the Merger Agreement.

The Merger Agreement governs the contractual rights among the Company, Parent and Purchaser in relation to the Offer and the Merger. The Merger Agreement has been included as an exhibit to this Schedule 14D-9 to provide the Company's stockholders with information regarding the terms of the Merger Agreement and is not intended to modify or supplement any factual disclosures about the Company, Parent and Purchaser made in the Company's public reports filed with the SEC. The Merger Agreement contains representations and warranties made by the Company to Parent and Purchaser and representations and warranties made by Parent and Purchaser to the Company. The assertions embodied in the representations and warranties in the Merger Agreement are qualified by information in confidential disclosure schedules provided by the Company to Parent and Purchaser in connection with the signing of the Merger Agreement. These disclosure schedules contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the Merger Agreement. In addition, certain representations and warranties in the Merger Agreement were used for the purpose of allocating risk among the Company, Parent and Purchaser, rather than establishing matters of fact. Accordingly, the representations and warranties in the Merger Agreement may not constitute the actual state of facts about the Company, Parent and Purchaser. The Company's stockholders are not third-party beneficiaries of the Merger Agreement and the Company's stockholders should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or conditions of the Company, Parent, Purchaser or any of their respective subsidiaries or affiliates without consideration of the entirety of the factual disclosures about the Company, Parent or Purchaser made in this Schedule 14D-9, the Schedule TO or reports filed with the SEC.

The summary of the material terms of the Merger Agreement and the descriptions of the conditions to the Offer contained in the Offer to Purchase and incorporated herein by reference do not purport to be complete and are qualified in their entirety by reference to the Merger Agreement, which is filed as Exhibit (e)(1) hereto and is incorporated herein by reference.

Confidentiality Agreement.

On February 24, 2016, the Company and Parent entered into a Confidentiality Agreement (the Confidentiality Agreement) in connection with the consideration of a possible transaction with or involving the Company. Under the Confidentiality Agreement, Parent agreed, subject to certain exceptions, to keep confidential certain non-public information concerning the Company. The Confidentiality Agreement also provided for a 12-month employee non-solicit period and a 12-month standstill period. This summary of the Confidentiality Agreement does not purport

to be complete and is qualified in its entirety by reference to the Confidentiality Agreement, which is filed as Exhibit (e)(7) hereto and is incorporated herein by reference.

Table of Contents*Exclusivity Agreement.*

On May 17, 2016, the Company and Parent entered into an Exclusivity Agreement (the *Exclusivity Agreement*), pursuant to which the Company agreed that, during the period commencing on May 17, 2016 until 11:59 p.m. on June 16, 2016 (the *Exclusivity Period*), the Company would not, among other things, participate in negotiations or engage in discussions with respect to, or provide any information to any other persons in connection with, any alternative transaction involving the Company, or enter into any agreement with respect thereto. The restrictions in the *Exclusivity Agreement* did not apply to a sale or disposition of the Company's Persephone software business (*Persephone*); provided, however, that, during the *Exclusivity Period*, the Company was required to obtain Parent's prior written consent before entering into a definitive agreement related to such sale or disposition of *Persephone*. This summary of the *Exclusivity Agreement* does not purport to be complete and is qualified in its entirety by reference to the *Exclusivity Agreement*, a copy of which is filed as Exhibits (e)(8) hereto and incorporated herein by reference.

Tender and Support Agreements.

In connection with the Merger Agreement, on June 16, 2016, Parent, Purchaser and the directors and certain officers of the Company (the *Tendering Stockholders*) entered into Tender and Support Agreements (each, a *Tender Agreement*), pursuant to which the *Tendering Stockholders* agreed, among other things, to validly and irrevocably tender pursuant to the Offer all Common Shares (other than Restricted Shares) beneficially owned by them. Excluding Common Shares underlying Company Options, Restricted Shares and other Company compensatory awards, the *Tendering Stockholders* collectively beneficially owned, in the aggregate, 109,459 Common Shares as of June 27, 2016 (or approximately 0.41% of all Common Shares outstanding as of June 27, 2016). Including Common Shares which may be issued under Company Options, Restricted Shares and other Company compensatory awards which are exercisable for or may become vested and settled for Common Shares within 60 days of June 27, 2016, the *Tendering Stockholders* collectively beneficially owned, in the aggregate, 284,931 Common Shares as of June 27, 2016 (or approximately 1.05% of the total of all Common Shares that are outstanding and all additional Common Shares that are deemed outstanding for purposes of calculating the *Tendering Stockholders*' percentage ownership in accordance with Rule 13d-3(d)(1)(i) under the Exchange Act as of June 27, 2016).

Pursuant to the *Tender Agreements*, the *Tendering Stockholders* have agreed to, among other things, as promptly as practicable after the commencement of the Offer, and in any event no later than the seventh business day following the commencement of the Offer, validly tender pursuant to the Offer all of the Common Shares beneficially owned by the *Tendering Stockholders* at such time, free and clear of all claims, liens, encumbrances and security interests of any nature whatsoever that would prevent the *Tendering Stockholders* from tendering their Common Shares in accordance with the *Tender Agreements* or otherwise complying with their obligations under the *Tender Agreements*. The *Tendering Stockholders* have further agreed to vote against and not consent to any competing acquisition proposal, any extraordinary transaction involving the Company other than the Merger, or any corporate action that would frustrate, prevent or delay the transactions contemplated by the Merger Agreement.

If the *Tendering Stockholders* acquire beneficial ownership of any additional Common Shares after the seventh business day following the commencement of the Offer, the *Tendering Stockholders* have agreed to validly tender pursuant to the Offer such Common Shares within three business days thereof, or if earlier, one business day prior to the expiration time. The *Tendering Stockholders* have agreed that after the Common Shares are tendered pursuant to the Offer, the *Tendering Stockholders* will not withdraw tendered Common Shares from the period from the date of each *Tender Agreement* through the earlier of (i) the date upon which the Merger Agreement is validly terminated in accordance with its terms, (ii) the Effective Time, or (iii) the termination or withdrawal of the Offer or the expiration (after giving effect to extensions) of the Offer without Purchaser having accepted for payment Common Shares tendered in the Offer (collectively, the *Support Period*).

The Tender Agreements will automatically terminate upon the expiration of the Support Period.

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The representations, warranties and covenants contained in the Tender Agreements were made only for the purposes of the Tender Agreements, were made as of specific dates, were made solely for the benefit of the respective parties to the Tender Agreements and may not have been intended to be statements of fact but, rather, as a method of allocating risk and governing the contractual rights and relationships among the respective parties to the Tender Agreements. This summary of the Tender Agreements does not purport to be complete and is qualified in its entirety by reference to the Form of Tender and Support Agreement, a copy of which is filed as Exhibit (e)(2) hereto and incorporated herein by reference.

Arrangements with Current Executive Officers and Directors of the Company.

In considering the recommendation of the Company Board as set forth in Item 4 below under the heading Recommendation of the Company Board, the Company's stockholders should be aware that certain executive officers and directors of the Company have interests in the Offer and the Merger, which are described below, that may present them with certain conflicts of interest. The Company Board is aware of these potential conflicts and considered them along with the other factors described in this Item 3 and Item 4 below under the heading Background and Reasons for the Company Board's Recommendation.

Director and Officer Indemnification and Insurance.

Section 102(b)(7) of the DGCL allows a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in willful or negligent violation of certain provisions of Delaware law, or engaged in a transaction from which the director derived an improper personal benefit. The Company has included in its amended and restated certificate of incorporation (the Charter) a provision to limit or eliminate the personal liability of its directors to the fullest extent permitted under Delaware law, as it now exists or may in the future be amended.

Section 145 of the DGCL provides that a corporation generally has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against amounts paid and expenses incurred in connection with an action or proceeding to which he is or is threatened to be made a party by reason of such position, if such person shall have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal proceeding, if such person had no reasonable cause to believe his conduct was unlawful; provided that Section 145 of the DGCL also provides that with respect to an action by or on behalf of a corporation, the corporation may only indemnify a person for expenses and not for other amounts paid. The Company has included in the Second Amended and Restated Bylaws (the Bylaws) provisions that generally require the Company to provide indemnification to its officers and directors to the fullest extent permitted under Delaware law except in certain cases where the indemnitee initiates the proceeding without prior approval of the Company Board. In addition, the Company is required to advance expenses to its officers and directors incurred in connection with any such proceeding upon an undertaking (if required by law) to repay if indemnification is ultimately not permitted.

In addition, the Company also maintains insurance on behalf of its directors and officers insuring them against liability asserted against them in their capacities as directors or officers or arising out of such status.

The Company also has entered into indemnification agreements with each of its directors and executive officers, which generally provide for the indemnification of the indemnitee and for advancement and reimbursement of reasonable expenses (subject to limited exceptions) incurred in various legal proceedings in which the indemnitee may

be involved by reason of his or her service as an officer or director. This description of the indemnification agreements entered into between the Company and each of its directors and executive officers is qualified in its entirety by reference to the form of the indemnification agreement filed as Exhibit (e)(20) hereto, which is incorporated herein by reference.

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Pursuant to the Merger Agreement, Parent has agreed to cause the Surviving Corporation to indemnify and hold harmless for a period of six years from the Effective Time all past and present directors and officers (the Covered Persons) of the Company to the same extent that such individuals are entitled to indemnification pursuant to applicable law, including with respect to the advance of related expenses; provided, however, that any Covered Person to whom expenses are advanced must undertake to repay such advanced expenses if it is ultimately determined that such Covered Person is not entitled to indemnification. Parent has also agreed to cause, for a period of six years from the Effective Time, the certificate of incorporation and bylaws of the Surviving Corporation to contain provisions no less favorable with respect to exculpation, indemnification and advancement of expenses of the Covered Persons than are contained in the Charter and Bylaws as of the date of the Merger Agreement, and to cause the indemnification agreements between the Company and any Covered Person in existence on the date of the Merger Agreement to continue in accordance with their terms following the Effective Time.

The Merger Agreement further provides that, for six years from and after the Effective Time, Parent shall cause the Surviving Corporation to maintain for the benefit of the Company's current directors and officers, a directors' and officers' liability insurance policy that provides coverage for claims arising from facts or events that occurred on or before the Effective Time that is not less favorable than the Company's existing policy (or if substantially equivalent coverage is unavailable, the best available coverage). The foregoing shall be deemed to have been satisfied if prepaid policies with coverage for an aggregate period of six years with respect to claims arising on or before the Effective Time have been obtained prior to the Effective Time. However, in no event will the Surviving Corporation be required to pay an annual premium amount in excess of 300% of the last annual premium paid prior to the date of the Merger Agreement by the Company for such insurance.

Consideration for Common Shares Tendered Pursuant to the Offer.

If the directors and executive officers of the Company (and their affiliated trusts) who own Common Shares tender their Common Shares for purchase pursuant to the Offer, they will receive the same cash consideration on the same terms and conditions as the other holders of Common Shares. As of June 27, 2016, the directors and executive officers of the Company beneficially owned, in the aggregate, 107,512 Common Shares, which for purposes of this subsection excludes any Common Shares issuable upon exercise of Company Options or settlement of Restricted Shares held by such individuals. If the directors and executive officers were to tender all of such Common Shares pursuant to the Offer and those Common Shares were accepted for purchase and purchased by Purchaser, the directors and officers (and their affiliated trusts) would receive an aggregate of \$43,004.80 in cash, without interest, less any required withholding taxes. For a description of the treatment of Company Options and Restricted Shares held by the directors and executive officers of the Company, see below under the heading Effect of the Merger on Company Options and Restricted Share Awards.

The following table sets forth, as of June 27, 2016, the cash consideration that each executive officer and director would be entitled to receive in respect of his or her outstanding Common Shares described above if such individual were to tender all of his or her outstanding Common Shares pursuant to the Offer and those Common Shares were accepted for purchase and purchased by Purchaser.

Name	Position	Common Shares	Consideration Payable in Respect of Common Shares
Cheryl Morley	Chair, Director	0	\$ 0

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Pascal Brandys	Director	7,320	\$	2,928.00
Richard Flavell	Director	14,022	\$	5,608.80
Robert Goldberg	Director	23,503	\$	9,401.20
Richard Hamilton	President, Chief Executive Officer and Director	31,928	\$	12,771.20
Paul Kuc	Chief Financial Officer	14,420	\$	5,768.00
Wilfriede van Assche	Senior Vice President, General Counsel and Secretary	5,666	\$	2,266.40
Roger Pennell	Vice President of Trait Development	10,653	\$	4,261.20
Total		107,512	\$	43,004.80

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Pursuant to the Merger Agreement, at the Effective Time, each outstanding Company Option under the Company's 2011 Equity Incentive Plan (the 2011 Plan), 2010 Stock Option/Stock Issuance Plan (the 2010 Plan), and 2000 Stock Option/Stock Issuance Plan (the 2000 Plan) (collectively, the Equity Compensation Plans) will be cancelled and converted into the right to receive a cash amount (subject to any applicable taxes and certain other amounts specified in the Merger Agreement). The cash amount for each Company Option will be equal to the product of (i) the total number of Common Shares subject to the Company Option and (ii) the excess, if any, of the Common Consideration over the exercise price of the Company Option. For the majority of outstanding Company Options, this cash amount will be \$0 due to the fact that the exercise price of most of the Company Options is greater than the Common Consideration.

Pursuant to the Merger Agreement, at the Effective Time, each outstanding Restricted Share under the Company's Equity Compensation Plans will be cancelled and converted into the right to receive an amount in cash (subject to any applicable taxes and certain other amounts specified in the Merger Agreement) equal to the Common Consideration payable in connection with the Restricted Shares.

All outstanding Company Options and Restricted Shares held by the directors and executive officers of the Company under its Equity Compensation Plans as of June 27, 2016 are expected to be cancelled and converted as described in the prior two paragraphs. The directors and executive officers of the Company do not hold any other types of equity awards under the Company's Equity Compensation Plans other than Company Options and Restricted Shares.

The following table sets forth, as of June 27, 2016, the cash consideration that each executive officer and director of the Company would be entitled to receive in respect of his or her outstanding Company Options and Restricted Shares at the Effective Time, pursuant to the Merger Agreement.

Name	Consideration Payable in Respect of Company Options	Consideration Payable in Respect of Restricted Shares	Total Consideration Payable in Respect of Company Options and Restricted Shares
Cheryl Morley	\$ 123.93	\$ 0	\$ 123.93
Pascal Brandys	\$ 123.93	\$ 0	\$ 123.93
Richard Flavell	\$ 123.93	\$ 0	\$ 123.93
Robert Goldberg	\$ 123.93	\$ 0	\$ 123.93
Richard Hamilton	\$ 0	\$ 937.60	\$ 937.60
Paul Kuc	\$ 0	\$ 337.20	\$ 337.20
Wilfriede van Assche	\$ 0	\$ 262.80	\$ 262.80
Roger Pennell	\$ 0	\$ 262.40	\$ 262.40
Total	\$ 495.72	\$ 1,800.00	\$ 2,295.72

Change in Control Payments.

The Company entered into employment agreements with each of its executive officers, as described in more detail below under Executive Officer Employment Agreements. Under these employment agreements, the Company's

executive officers are entitled to certain severance payments and benefits in the event of their termination of employment under certain circumstances, including (i) termination without cause, (ii) resignation for good reason, (iii) termination without cause or resignation for good reason in connection with a change in control of the Company or (iv) termination due to death or disability. In addition, under the 2010 Plan and the 2000 Plan, the Company's executive officers are entitled to accelerated vesting of outstanding equity awards in the event of their involuntary termination of employment within 12 months after a change in control or other corporate transaction. Under the Company's 2011 Plan, the Company's executive officers are entitled to

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accelerated vesting of outstanding equity awards in the event of a qualifying termination of employment within six months before or 12 months after a change in control or other corporate transaction.

Executive Officer Employment Agreements.

The Company entered into employment agreements with each of its executive officers effective as of September 1, 2011. The terms of each of these agreements are substantially similar, except with respect to each officer's base salary, which is described below.

Each of the employment agreements has an initial term of one year, starting on September 1, 2011, with an automatic renewal for additional one-year periods, unless either party gives 90 days' notice of non-renewal. The employment agreements provide for an initial annual base salary (to be reviewed by the Compensation Committee annually), a performance bonus and long-term incentive award opportunity as determined by the Compensation Committee, and participation in the Company's savings, retirement and other welfare benefit plans that the Company may have in place from time to time.

As of June 27, 2016, the salaries of the Company's executive officers were as follows:

Name	Salary
Richard Hamilton	\$ 480,000
Paul Kuc	\$ 333,000
Wilfriede van Assche	\$ 309,000
Roger Pennell	\$ 288,500

Under the employment agreements, if the Company terminates the executive officer's employment or does not renew the term of the employment agreement for reasons other than for cause or if the executive officer resigns his or her employment for good reason, then he or she will be entitled to (i) a lump sum severance payment equal to one year of base salary; (ii) to the extent the termination occurs on or after the midpoint of the Company's fiscal year, a pro-rated annual bonus; and (iii) any other compensation and benefits accrued on or prior to the termination date. The executive officer (or his or her estate, if applicable) will also receive the foregoing amounts if his or her employment is terminated due to death or disability.

If the executive officer's employment is terminated or not renewed by the Company for reasons other than for cause or if the officer resigns from his or her employment for good reason, in each case within six months before, or within twelve months after, a change in control, then the officer is entitled to a lump sum severance payment equal to two times his or her base salary and any other accrued compensation and benefits. If the officer's employment is terminated or the term of the employment agreement is not renewed for cause or if the officer resigns from his or her employment or does not renew the term for any reason other than good reason, then he or she will be entitled only to compensation and benefits that have accrued on or prior to the termination date.

The executive officers are obligated to comply with a confidentiality, proprietary information and inventions assignment agreement previously entered into with the Company and non-disparagement covenants under their employment agreements. In addition, payments under the agreements will be subject to any clawback or recoupment policies as required under applicable law.

Under the employment agreements, the following definitions apply:

Cause is defined as (i) a material breach of the employment agreement or any other written agreement with the Company to the extent the breach is not cured within 30 days; (ii) the officer's conviction or plea of *nolo contendere* to a felony or another crime involving dishonesty or moral turpitude or which could reflect negatively on or otherwise impair or impede the Company's operations; (iii) the officer's engaging in misconduct, negligence, dishonesty, violence or threat of

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violence that is injurious to the Company; (iv) a material breach of a written policy of the Company or the rules of any governmental or regulatory body applicable to the Company that could result in an adverse effect on the Company or could reflect negatively on or impair the operations of the Company or (v) any other willful misconduct that is materially injurious to the financial condition or business reputation of the Company.

Good reason is defined as any of the following: (i) an adverse change in the officer's position with the Company that materially reduces his or her level of authority, duties or responsibility; (ii) a reduction of base salary by more than 5% (except a reduction of 15% or less if the reduction is similarly applied to all executives); (iii) a relocation of place of employment by more than 50 miles without the officer's consent; or (iv) a substantial change in the nature or orientation of the Company's core business such that the Company is no longer substantially engaged in the agricultural biotechnology business.

A change in control means the occurrence of any of the following events: (i) any person or group becomes the beneficial owner of more than 50% of the Company's total voting power; (ii) the sale of substantially all of the Company's assets; or (iii) the consummation of a merger or consolidation of the Company, after which the voting securities of the Company outstanding immediately prior to the event no longer represent 50% or more of the voting power represented by the voting securities of the Company or surviving entity immediately after the event.

Executive Officer Employment Agreements following the Merger.

In connection with the Merger Agreement, Parent entered into an employment offer letter with Roger Pennell, the Company's Vice President of Trait Development, which is conditioned upon and will become effective as of, the closing of the Merger. Dr. Pennell's offer letter generally will supersede his prior employment agreement with the Company (which agreement is described above), except for certain restrictive covenants that will continue to apply. Dr. Pennell's offer letter from Parent contains a retention bonus component. It also requires Dr. Pennell to remain bound by a separate confidentiality, proprietary information, and inventions agreement that he previously entered into with the Company, and to enter into an additional invention and trade secret agreement with Parent. The parties did not negotiate the terms of Dr. Pennell's offer letter until they had agreed upon the Common Consideration and the Preferred Consideration.

Dr. Pennell's offer letter provides for the following: (i) an initial annual base salary of \$295,000; (ii) an annual target cash bonus of 30% of base salary; (iii) a sign-on/retention cash bonus of \$595,000, of which \$300,000 is payable within 30 days after his start date with Parent, and the remaining \$295,000 is payable shortly after the first anniversary of his start date; (iv) participation in Parent's long-term incentive plan for at least the three performance periods of 2014-2016 (with credit received for employment with the Company for this performance period), 2015-2017, and 2016-2018, with a target payout level of 30% of base salary; (v) eligibility for Parent's milestone plan with a one-time target payout of 30% of annual salary; (vi) eligibility to participate in the employee benefits plans of Parent; and (vii) 30 days of paid time off per year. Dr. Pennell's sign-on/retention bonus is subject to forfeiture terms to the extent he voluntarily terminates employment with Parent within the first two years of his start date.

Except as described in this Executive Officer Employment Agreements following the Merger section (regarding the replacement of Dr. Pennell's current employment agreement with his Parent offer letter), the current employment agreements with the Company's other executive officers will be assumed in connection with the Merger.

Annual Performance Bonuses for Fiscal Year Ended August 31, 2016.

The Company does not intend to pay annual performance bonuses to its executive officers for its fiscal year ended August 31, 2016. For all other Company employees, the Company intends to determine and pay annual

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performance bonuses in the aggregate amount of approximately \$350,000 for its fiscal year ended August 31, 2016 in the ordinary course of business.

Continuing Employees.

Each Company employee who, after the closing date of the transaction, continues to be actively employed by Parent or the Surviving Corporation or any subsidiary thereof (the Continuing Employees), will receive credit, under each employee benefit plan sponsored by Parent under which the Continuing Employee is eligible to participate, for periods of employment with the Company (including any current or former affiliate of the Company or any predecessor of the Company to the extent such service was recognized by the respective Company benefit plan) for purposes of calculating the Continuing Employee's eligibility and vesting service and, in addition, for purposes of calculating benefit amounts under any severance or vacation plan. However, prior service credit will not be recognized to the extent that it would result in a duplication of benefits for the same period of service.

If properly requested by Parent, the Company must fully terminate any 401(k) plans it maintains, fully vest the accounts of all participants in those plans as required by law and amend those plans if necessary to allow for a rollover distribution of a plan loan, effective as of the day prior to the closing date of the transaction. Following the Effective Time and as soon as practicable following the termination of the Company 401(k) plans, the assets of those plans will be distributed to the participants. Parent or the Surviving Corporation will permit each Continuing Employee to make eligible rollover contributions, in an amount equal to the full account balance distributed to the Continuing Employees from the Company 401(k) plans to Parent's or the Surviving Corporation's 401(k) plan.

No Continuing Employee or any other person is a third-party beneficiary of any continuing employee provision of the Merger Agreement. The Merger Agreement does not give any Continuing Employee the right to continue in the employ or service of Parent, Purchaser, the Surviving Corporation or any affiliate of Parent. The Merger Agreement also does not interfere with or restrict in any way the rights of Parent, Purchaser, the Surviving Corporation or any affiliate of Parent to terminate the services of any Continuing Employee (or the employment of any other individual) at any time for any reason whatsoever, with or without cause.

Section 16 Matters.

Pursuant to the Merger Agreement, the Company will take all steps as may be required to cause any dispositions of Common Shares (including derivative securities with respect to Common Shares) resulting from the Offer and Merger by each individual who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to the Company or will become subject to such reporting requirements with respect to the Company, to be exempt under Rule 16b-3 promulgated under the Exchange Act.

Rule 14d-10(d) Matters.

The Merger Agreement provides that, prior to the Offer Acceptance Time, the Compensation Committee of the Company Board will take all such steps as may be required to cause to be exempt under Rule 14d-10(d) promulgated under the Exchange Act any employment compensation, severance or other employee benefit arrangement entered into on or after the date of the Merger Agreement by the Company or any of its affiliates, and certain other agreements as set forth in the disclosure schedules to the Merger Agreement by Parent or any of its affiliates, with current or future directors, officers or employees of the Company and its affiliates, and to ensure that any such arrangements fall within the non-exclusive safe harbor set forth in Rule 14d-10(d) under the Exchange Act. On June 16, 2016, prior to signing the Merger Agreement, the Compensation Committee of the Company Board took all such steps with respect to the Company's and its affiliates' existing any employment compensation, severance or other employee benefit

arrangements.

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Item 4. *The Solicitation or Recommendation.*
Recommendation of the Company Board.

At a meeting of the Company Board held on June 16, 2016, the Company Board unanimously: (i) determined that the Merger Agreement, the Tender Agreements, and the transactions contemplated thereby, including the Offer, the Merger and, if applicable, the exercise of the Top-Up Option and the issuance of the Top-Up Shares, were advisable and fair to and in the best interests of the Company's stockholders, (ii) approved and declared advisable the Merger Agreement, the Tender Agreements, and the transactions contemplated thereby, including the Offer, the Merger and, if applicable, the exercise of the Top-Up Option and the issuance of the Top-Up Shares, in accordance with the requirements of the DGCL, and (iii) recommended that stockholders of the Company accept the Offer and tender their Common Shares pursuant to the Offer.

Based on the foregoing, the Company Board hereby recommends that the holders of Common Shares accept the Offer and tender their Common Shares to Purchaser pursuant to the Offer.

A copy of the joint press release, dated June 17, 2016, issued by the Company and Parent, announcing the Offer and Merger, is included as Exhibit (a)(5)(i) to this Schedule 14D-9 and is incorporated herein by reference.

Background and Reasons for the Company Board's Recommendation.

Background of the Offer.

Since the Company's initial public offering in February 2012, the Company Board and management have periodically reviewed the Company's operating and strategic plans in an effort to enhance stockholder value. These reviews and discussions have focused on, among other things, the opportunities and risks associated with the Company's business and financial condition; the product development process; the regulatory environment; the commercialization process and timelines for launching its seed products and biotechnology traits, including risks associated with these activities; the economic environment; possible sources of additional financing; and potential strategic relationships and other strategic options. During the course of the Company's strategic reviews, the Company Board and the Company's senior management sought to identify parties with whom the Company could pursue strategic partnerships or the sale of intellectual property, technology or other assets.

The following is a summary of events, meetings and discussions that are relevant to the Company Board's decision to approve the Merger Agreement and recommend the Offer and the Merger to the Company's stockholders.

At the start of 2014, the Company's business was focused on developing crops optimized for bioenergy production. In the second half of 2014, as global oil and energy prices fell and the market for bioenergy solutions weakened, the Company explored new opportunities to focus its product development efforts on the forage feed market. Additionally, the concurrent and significant deterioration of the Brazilian economy created particular pressure on the Company's business in Brazil.

On September 12, 2014, at its regularly scheduled meeting, the Company Board discussed the Company's financing strategy and directed the Company's officers to identify investment bankers and other experts to advise the Company on strategic options before or at the next regularly scheduled board meeting to be held on December 12, 2014. The Company Board sought to consider a broad spectrum of strategic options, including ones that could allow the Company to refocus its business in light of increasing headwinds in the bioenergy sector and in Brazil.

In order to facilitate the Company's identification and review of possible strategic options, on October 21, 2014, the Company Board formed the Strategic Options Committee, which was later renamed the Transaction Committee, composed of Mr. Pascal Brandys, Mr. Tom Kiley and Ms. Cheryl Morley.

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On October 27, 2014, the Transaction Committee approved an engagement letter with Piper Jaffray & Co. (Piper Jaffray) to act as the Company Board's financial advisor to review, analyze and present to the Company Board strategic and financial alternatives for the Company, and to assist the Company Board in evaluating such strategic and financial alternatives. The Company Board selected Piper Jaffray due to its expertise in the areas of agriculture, technology and clean energy, including the availability of specialized analysts, as well as its familiarity with the Company. Piper Jaffray co-managed the Company's 2012 initial public offering.

As part of the Transaction Committee's review of strategic options, the Transaction Committee considered possibilities to divest some or all of the Company's Brazilian operations. On October 31, 2014, during a telephonic meeting, the Transaction Committee approved an engagement letter with Brazilian financial consulting firm Aggrego Consultores Empresariais Associados Ltda and CGSG Consultores Associados Ltda (collectively, Aggrego) to lead a marketing and bidding process for the Company's Brazilian sorghum business and sugarcane technology. The Transaction Committee selected Aggrego due to its industry knowledge, expertise in distressed assets and previous projects with the Company.

In parallel with the Company's review of strategic alternatives, the Company sought to initiate discussions with Parent and its wholly owned subsidiary, Forage Genetics International (FGI), for a development and commercialization collaboration in certain forage crops. In December 2014, Dr. Hamilton asked Piper Jaffray for an introduction to Parent via email for the purpose of exploring business opportunities, including the licensing of the Company's forage traits. Through an exchange of emails, Piper Jaffray introduced Dr. Hamilton to Ms. Thea Keamy, the Vice President of Strategy at Parent, who referred Dr. Hamilton to Mr. Matt Fanta, the then-President of FGI. Dr. Hamilton and Mr. Fanta agreed to an introductory call.

On December 19, 2014, on a teleconference call, Dr. Hamilton and Mr. Fanta discussed publicly available information about the Company's and Parent's respective businesses and the Company's general interest in exploring business opportunities in forage crops. The parties agreed to pursue additional conversations in person.

On December 23, 2014, the Company and FGI executed a confidentiality agreement related to discussions regarding a potential collaboration in forage sorghum.

On January 8, 2015, Dr. Hamilton, Dr. Roger Pennell, the Company's Vice President of Trait Development, and Mr. Walter Nelson, the Company's Vice President of Product Development, met in person with Mr. Fanta and Ms. Keamy at Parent's corporate headquarters in Arden Hills, Minnesota, with Dr. Mark McCaslin, Vice President Research at FGI, participating by phone, to discuss, in general, a potential collaboration in alfalfa, silage corn and forage sorghum, as well as to discuss information about the Company's and Parent's respective businesses. The parties agreed to enter into a new confidentiality agreement related to pursuing collaboration opportunities in forage crops. The new confidentiality agreement was executed effective February 17, 2015.

During meetings in February and March 2015, the Transaction Committee discussed and assessed, with the assistance of Piper Jaffray, Aggrego and Shearman & Sterling LLP (Shearman & Sterling), serving as outside legal counsel to the Company, various strategic options, including debt financing and potential transactions, either involving the entire Company or portions of its business. On February 9, 2015, the Transaction Committee approved an engagement letter with Aegis Capital Corp (Aegis) for financial advisory assistance regarding a debt financing transaction and authorized management to evaluate such a transaction. The Transaction Committee continued to review investment opportunities for the Company's Brazilian operations, as well as potential options to reduce operating expenses in Brazil and conserve cash.

At a meeting of the Company Board on March 13, 2015, representatives of Piper Jaffray, Dr. Hamilton and members of the Transaction Committee reported to the Board on the strategic process and recommended that Piper Jaffray begin soliciting indications of interest for a strategic transaction involving the Company. The Company Board continued to support a fulsome review of potential strategic alternatives, including the proposed solicitation of indications of interest, with the process to be overseen by the Transaction Committee.

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On March 26, 2015, at the direction of the Transaction Committee, Piper Jaffray began to contact potential strategic investors primarily focused in the agricultural biotechnology and bioinformatics industries, as well as various venture capital and financial firms. Piper Jaffray circulated to such investors a process letter with instructions for providing initial indications of interest on or before May 22, 2015.

As part of Piper Jaffray's outreach, on March 26, 2015, representatives of Piper Jaffray contacted Mr. Fanta. Piper Jaffray provided Parent with an investment summary of the Company, as well as a non-disclosure agreement, for the purpose of providing a preliminary introduction to the Company to assist Parent in evaluating whether to proceed with an in-depth investigation in connection with a potential transaction with the Company.

On April 2, 2015, Mr. Barry Wolfish, Parent's Senior Vice President, Mergers, Acquisitions and Ventures, informed Piper Jaffray that Parent was not interested in executing a non-disclosure agreement related to the pursuit of a potential transaction with the Company or advancing a potential transaction process. However, FGI and the Company continued to consider certain commercial collaborations. On April 22, 2015, business and technical staff from FGI and the Company met in person at the Company's headquarters in Thousand Oaks, California for technical discussions related to the parties' crops and traits. The parties agreed to continue to discuss and pursue potential collaborations in alfalfa, silage corn and forage sorghum.

On April 30, 2015, during a telephonic meeting of the Transaction Committee, Aggrego reported that its representatives had approached multiple parties with respect to strategic alternatives for the Company's Brazilian business, including local vertically integrated conglomerates, local agribusinesses and multinational companies operating in Brazil. At that time, Aggrego reported that at least two parties had indicated potential early interest in a strategic transaction involving the Company's Brazilian business. The Transaction Committee discussed the timing and strategy with respect to the potential options for the Company's Brazilian business extensively with Company management with a view to pursuing maximum value for the Company's stockholders.

Piper Jaffray updated the Company Board on the strategic process in May and June 2015. At a June 4, 2015 meeting of the Company Board, representatives from Piper Jaffray summarized their outreach activities. Piper Jaffray had contacted approximately 90 strategic and financial parties to gauge their interest in the Company, including acquisition, investment or partnership options. 15 parties signed non-disclosure agreements. The Company had set a deadline of May 22, 2015 for potential bidders to provide initial indications of interest to acquire the Company. However, by the time of the June 4, 2015 Company Board meeting, no indications had been submitted and Piper Jaffray did not expect to receive any. Piper Jaffray noted that, in the absence of any initial indications of interest, the Company may want to consider pursuing capital-raising opportunities to satisfy the Company's capital needs, whether through commercial collaborations, divestitures of assets or parts of the business or an offering of stock. At this meeting, Aggrego also provided an update regarding its outreach process in Brazil, reporting that two parties were still considering potential strategic transactions involving the Company's Brazilian business. The Company Board and Company management discussed all these matters extensively and were advised by outside counsel. Shearman & Sterling reviewed with the Company Board the fiduciary duties of the directors, including their duties in connection with a potential strategic transaction. The Company Board extensively discussed the prospects of the Company's business in the U.S., Brazil and elsewhere, including the pursuit of opportunities to sell the Company's Persephone bioinformatics software system (Persephone), the future operations in forage sorghum and traits for sugarcane and the capital needs for the Company.

Because of the Company's cash position and ongoing losses, the Company Board sought new opportunities to conserve cash without adversely affecting potential strategic transactions. Throughout 2015, while the Company pursued strategic alternatives, the Company Board focused on ensuring the Company had the necessary liquidity to pursue its business plan and the ongoing strategic process by engaging in capital-raising efforts. In early May 2015,

contemplating one or more securities offerings, the Company Board authorized Company management to file with the SEC a universal shelf registration statement registering a maximum of \$8.0 million of securities. On June 15, 2015, the Company Board decided to expand the scope of Piper Jaffray's

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engagement to review and advise on a broader variety of strategic options, including the sale of portions of the Company's business or a possible liquidation of the Company's assets.

On July 7, 2015, the Company Board met to discuss the Company's business plan and to consider potential financing options. Representatives of the investment banks Ladenburg Thalmann & Co., Inc. (Ladenburg) and Aegis conducted presentations for, formulated recommendations to and engaged in discussion with the Company Board regarding equity financing opportunities that may be available to the Company. Piper Jaffray presented and discussed with the Company Board the outcome of its review of a broader variety of strategic options. After reviewing possible alternatives with the advice of Piper Jaffray and Shearman & Sterling, the Company Board ultimately determined it was in the best interests of the Company's stockholders to raise additional capital and seek to build stockholder value by continuing to develop the Company's business. After an extensive discussion, the Company Board decided to proceed with an equity financing managed by Ladenburg.

Through two public offerings of Common Shares, made in conjunction with two private placements of Company Warrants, the Company raised net proceeds of approximately \$2.7 million in July and August 2015. In December 2015, the Company completed another public securities offering of Common Shares, Preferred Shares and Company Warrants for net proceeds of approximately \$6.3 million. These capital raises provided needed liquidity for the Company to continue operations as it pursued its business plan, which focused principally on forage sorghum and trait licensing, and continued to evaluate strategic opportunities and alternatives.

On July 16, 2015, the Company and FGI representatives met in person at Parent's headquarters in Arden Hills, Minnesota to negotiate the terms and conditions of a draft agreement for a Collaboration and Commercial Option Agreement relating to the introduction of the Company's traits in alfalfa.

In August 2015, Agreggo reported to the Company that, despite some initial interest, Agreggo did not expect to receive any bids for a strategic transaction involving the Company's Brazilian business. Facing continued headwinds in Brazil and needing to conserve cash, the Company Board authorized the scale down of operations in Brazil and measures to reduce expenditures throughout the Company during the latter half of 2015.

In August and September 2015, Company and FGI representatives continued discussions regarding potential collaborations. FGI representatives visited Company seed production and operation facilities and toured Company field trials. FGI indicated interest in the Company's traits technology for application in alfalfa and silage corn, and in the Company's forage sorghum programs. The Company and FGI negotiated, and on October 14, 2015 entered into, a Collaboration and Commercial Option Agreement for a multi-year collaboration with FGI to develop and commercialize improved alfalfa.

On December 9, 2015, Dr. Pennell and Mr. Nelson had dinner with Dr. McCaslin and Mr. Shawn Barnett, FGI's president, during a seed industry convention in Chicago, Illinois. During the meeting, and in follow-on conversations in December 2015 and January 2016, Dr. McCaslin indicated a more significant interest in the Company, including a potential equity investment in the Company and additional collaboration arrangements. Dr. Hamilton provided Dr. McCaslin with contact information for Ladenburg, who managed the Company's December 2015 equity offering. Parent did not contact Ladenburg or make an equity investment in the Company at that time.

In late January 2016, the Company began to pursue bids for Persephone, contacting strategic and financial investors involved in crop biotechnology, bioinformatics, genomics and software development. Of these, the Company received tentative interest from four companies, with three companies agreeing to more advanced discussions under confidential disclosure agreements with the Company.

On February 11, 2016, Dr. Hamilton contacted Dr. McCaslin by phone to discuss developments in the regulatory field relevant to the application of the Company's technology in corn.

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On February 16, 2016, Dr. McCaslin informed Ms. Morley that Parent was interested in acquiring the Company. During the call, Dr. McCaslin and Ms. Morley held preliminary discussions about a potential combination of Parent and the Company, and the parties agreed to continue discussions regarding strategic opportunities.

At a meeting of the Company Board on February 17, 2016, Ms. Morley informed the Company Board of her conversation with Dr. McCaslin. The Company Board established a new Transaction Committee, comprised of Ms. Morley, Mr. Pascal Brandys, Mr. Aflalo Guimaraes and Mr. Tom Kiley, to explore, review, evaluate and approve possible strategic alternative and transactions. In light of the interest expressed by Parent, the Company Board decided to re-engage Piper Jaffray as a financial advisor to assist the Company Board in identifying and evaluating certain potential change-of-control transactions, under terms and conditions to be approved by the Transaction Committee. The Company Board again selected Piper Jaffray due to its expertise in the areas of agriculture, technology and clean energy, including the availability of specialized analysts, as well as its familiarity with the Company and its 2015 strategic process.

On February 17, 2016, Mr. Ohad Ludomirsky, Director of Corporate Strategy and Business Development at Parent, made an introductory call to Ms. Morley, to begin the process of executing a non-disclosure agreement regarding a proposed acquisition involving the Company.

Parent and the Company, including the Company's internal counsel, negotiated the terms of a non-disclosure agreement. On February 24, 2016, the Company and Parent finalized and entered into the non-disclosure agreement.

On February 25, 2016, the Transaction Committee approved an engagement letter with Piper Jaffray. In late February 2016, the Company engaged K&L Gates LLP (K&L Gates) as outside counsel to advise on certain legal matters in connection with the Company's 2016 strategic process.

In late February and early March, at the direction of the Transaction Committee, Piper Jaffray reached out to parties whom Piper Jaffray believed, based on the process conducted by Piper Jaffray for the Company in 2015 and other information available, could have an interest in acquiring the Company or certain of its assets or businesses. In addition to Parent, Piper Jaffray contacted 21 potential acquirors, five of whom proceeded to enter into non-disclosure agreements (or amendments to existing non-disclosure agreements) in connection with a possible acquisition involving the Company.

In March 2016, Parent, Company A and Company B, each of whom had agreed to non-disclosure terms, began to conduct due diligence on the Company.

On March 5, 2016, the Company received a due diligence request list from Parent. On March 7, 2016, Piper Jaffray provided certain preliminary information about the Company to Parent. On the same day, the Company and Parent, along with each party's financial and legal advisors, held an introductory teleconference call that included a presentation regarding the Company.

On March 7, 2016, Piper Jaffray provided certain preliminary information about the Company to Company A. On March 10, 2016, the Company and Company A held diligence meetings at Company A's location.

Beginning on March 11, 2016, the Company, through Piper Jaffray, sent initial bid instruction letters to four potential acquirors, including Parent, Company A and Company B. The fourth recipient did not demonstrate any serious interest in making a bid. The letters established March 24, 2016 as the deadline for initial indications of interest. Piper Jaffray provided a copy of this letter to Moelis & Company LLC (Moelis), financial advisor to Parent.

From March 11, 2016 to May 13, 2016, the Transaction Committee held weekly telephonic meetings with Piper Jaffray and K&L Gates to review progress of the strategic process conducted by Piper Jaffray. K&L Gates

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also advised the Transaction Committee on its fiduciary duties in connection with the Company's strategic process.

On March 14, 2016, at the direction of the Transaction Committee, Piper Jaffray provided to Company B certain preliminary information about the Company, as well as a copy of the initial bid instruction letter.

On March 15, 2016, the Company, Parent and the parties' respective legal representatives held a due diligence call regarding the Company's intellectual property rights and license agreements.

On March 21, 2016, Company A informed the Company that Company A was not interested in making a bid for the Company.

On March 23, 2016, at the direction of the Transaction Committee, Piper Jaffray spoke with representatives of Company B to discuss Company B's interest in providing an initial indication of interest to acquire the Company. Company B's representatives said that Company B did not wish to pursue an acquisition of the entire Company but may be interested in acquiring some of its assets.

Additionally, after initial discussions with parties interested in acquiring the Company's Persephone business, two companies—Company C and Company D—pursued diligence investigations. From March 23, 2016 to April 15, 2016, Company management and technical staff participated in due diligence and telephonic and in-person meetings with Company C and Company D regarding a sale of the Persephone business.

On March 24, 2016, Piper Jaffray received a preliminary, non-binding indication of interest from Parent to acquire 100% of the Shares of the Company. Parent's initial indication of interest contemplated a transaction resulting in a price between \$0.29 and \$0.43 per Common Share, on a fully diluted basis. At the Transaction Committee's March 25, 2016 meeting, Piper Jaffray reported Parent's indication of interest, as well as the possibility of an additional indication of interest from Company B.

On March 27, 2016, Company B provided Piper Jaffray a list of due diligence questions with respect to a potential acquisition involving the Company.

On March 30, 2016, at the direction of the Transaction Committee, Piper Jaffray invited Parent into a second round of discussions following the approval of the Transaction Committee. On March 31, 2016, the Company provided Parent, Moelis and Parent's outside legal counsel, including Dorsey & Whitney LLP (Dorsey) and Dentons US LLP (Dentons), with access to an electronic data room with respect to the Company. Representatives of Parent, Dorsey and Dentons proceeded to conduct a review of due diligence materials in the electronic data room and discussed diligence items with representatives of the Company via in-person meetings, teleconference calls and email exchanges.

Mr. Guimaraes and Mr. Kiley did not stand for reelection to the Company Board at the Company's 2016 annual meeting of stockholders held on April 5, 2016. Following such meeting, Mr. Guimaraes and Mr. Kiley left the Company Board and the Transaction Committee. Ms. Morley and Mr. Brandys remained as members of the Transaction Committee.

On April 6, 2016, the Company provided responses to Company B's due diligence questions through Piper Jaffray. Between April 6, 2016 and May 17, 2016, Piper Jaffray followed up on several occasions with representatives of Company B. Company B's representatives instructed Piper Jaffray that Company B would be in touch if Company B intended to move forward with an acquisition, but never made further contact with Piper Jaffray.

On April 12, 2016, at the direction of the Transaction Committee, Piper Jaffray sent a proposal instructions letter to Parent through coordination with Moelis. The instructions letter set a proposal deadline of April 29, 2016.

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On April 14, 2016, Company management met in person with representatives of Parent at the Company's headquarters in Thousand Oaks, California. Management provided an in-depth overview of the Company's commercial and research activities, which included an update of the Company's recent business developments, and conducted a tour of the facility. Following the meetings, representatives of Moelis communicated to representatives of Piper Jaffray that Parent remained interested in making an acquisition proposal with respect to the Company but would need some additional time to complete its due diligence review. After discussing the matter with Piper Jaffray and K&L Gates, the Transaction Committee agreed to extend the proposal deadline until May 6, 2016.

On April 15, 2016, the Company posted a draft of the Merger Agreement to the electronic data room.

On April 20, 2016, representatives from Parent conducted a site visit to the Company's Amarillo, Texas seed production and operations facility.

On April 21, 2016, the Company requested that Company C and Company D submit formal offers for the Persephone business by April 29, 2016.

On April 22, 2016, April 29, 2016 and May 6, 2016, the Transaction Committee held telephone meetings with outside counsel, without Piper Jaffray present, to discuss alternative options to be considered in comparison to the outcome of the process conducted by Piper Jaffray. Ladenburg, selected by management after exploratory discussions with several investment banks, was invited to present to the Company Board potential financing options and likely available pricing for a financing to the Transaction Committee at the May 6, 2016 meeting.

On April 29, 2016, the Company received a statement of interest from Company C to acquire the Company's Persephone business. On May 3, 2016, the Company received a statement of interest in the Company's Persephone business from Company D, with a request for a telephonic meeting to review its submission. On that same day, Company management held a conference call with Company D to review its statement of interest.

On May 6, 2016, Parent submitted its bid proposal for a tender offer to be followed by a back-end merger transaction. Parent proposed to offer \$0.36 per Common Share, on a fully diluted basis. Parent also proposed that if the Company terminated a merger agreement in connection with another strategic proposal, the Company would be required to pay Parent a fee equal to 4.5% of the total consideration payable in the transaction by Parent. Additionally, the Company would be required to pay Parent \$500,000 if an insufficient number of Common Shares were tendered to give Parent a majority of the outstanding Common Shares. Parent's proposal required that the Company agree to a 60-day exclusive negotiating period with Parent. Parent also provided comments to the draft of the Merger Agreement.

The Transaction Committee, Company management and representatives of Piper Jaffray and K&L Gates discussed Parent's bid at a May 6, 2016 telephonic meeting. The Transaction Committee discussed the need to negotiate for a higher transaction price, a shorter exclusivity period, greater deal certainty, and better termination-related provisions in the Merger Agreement.

After further discussions with Company management and K&L Gates, on May 10, 2016, Piper Jaffray conveyed the Transaction Committee's concerns with Parent's offer to Moelis. Additionally, on May 11, 2016, K&L Gates and Dorsey met via teleconference to discuss the terms of the draft Merger Agreement, particularly as they related to deal certainty, conditions to Parent's obligations to launch the tender offer and termination fees.

On May 12, 2016, Parent submitted an updated bid proposal, which increased the price per Common Share to \$0.40, on a fully diluted basis, reduced the exclusivity period to 45 days and revised the Merger Agreement to address certain of the Company's deal certainty concerns. Parent indicated that its revised proposal was its best and final offer. On

May 12, 2016, the Transaction Committee met to discuss Parent's updated bid proposal. The

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Transaction Committee believed Parent's updated bid to be at or very near the best pricing that Parent would be willing to offer. However, the Transaction Committee was unwilling to agree to a 45-day exclusivity period out of concerns that such a period would unnecessarily delay the transaction and potentially limit the Company's ability to pursue alternative transactions. On May 14, 2016, Ms. Morley called Mr. Wolfish to discuss Parent's revised proposal. On the call, Ms. Morley conveyed the Transaction Committee's concerns with respect to the length of the exclusivity period. Ms. Morley indicated that the Transaction Committee would be willing to accept a 30-day exclusivity period, and if at the end of the 30-day period the Transaction Committee believed negotiations were proceeding satisfactorily toward a definitive agreement, the Transaction Committee would be willing to consider an extension of the exclusivity period. Mr. Wolfish indicated that Parent would be willing to move forward with a 30-day exclusivity period.

Through Piper Jaffray's discussions with Moelis, the Company understood that a sale of the Persephone business could be compatible with ongoing strategic discussions with Parent. The Company negotiated an exception to the Exclusivity Agreement that permitted the Company to continue its efforts to sell the Persephone business during the exclusivity period. The Company continued to negotiate with Company C and Company D during May and June 2016, but the Transaction Committee determined to focus the Company's efforts on a transaction with respect to the entire Company because such a transaction would result in more significant value to stockholders. Additionally, Parent indicated that its bid price for the Company would not change if the Company realized a sale of Persephone.

On May 17, 2016, the Transaction Committee approved the 30-day Exclusivity Agreement with Parent and recommended that the Company Board also approve the Exclusivity Agreement. The Company Board also met on May 17, 2016. At the meeting, the Company Board received an update on the strategic process, reviewed the status of negotiations with Parent and Parent's latest proposal, and approved the Exclusivity Agreement. K&L Gates gave a presentation to the Transaction Committee and the Company Board regarding fiduciary duties in connection with its consideration of the Exclusivity Agreement. The Company and Parent entered into the Exclusivity Agreement later the same day.

From May 17, 2016, through the entry into the Merger Agreement on June 16, 2016, the Transaction Committee consulted with K&L Gates, in connection with K&L Gates' approach to legal negotiations regarding potential deal terms for the Merger Agreement that could benefit or protect Company stockholders and other legal considerations. The Company and Parent and their respective legal advisors negotiated various provisions of the documents. In particular, the Company focused on adding terms that provided greater closing certainty and protected the Company's ability to satisfy its fiduciary duties in case the Company received a competing offer after signing the Merger Agreement, as well as reducing the potential termination fees.

On June 2, 2016, the Company received a draft form of Tender Agreement from Parent. From June 2, 2016 through June 16, 2016, the Company and Parent negotiated the terms of the Tender Agreements.

In consultation with Piper Jaffray and K&L Gates, the Transaction Committee reviewed and considered the benefits of the proposed transaction with Parent to Company stockholders and compared such benefits to other potential strategic options which may be available to the Company, as well as the Company's future as a stand-alone entity. In considering the stand-alone scenario, the Transaction Committee considered that the Company's future as a stand-alone entity would be uncertain, given that the Company's revenues had been insufficient to support the development and commercialization of its products to date, the Company expected to continue to generate losses in the near-term and, based on discussions with potential sources of financing, the prospects for obtaining additional needed financing on favorable terms were doubtful.

On June 16, 2016, the Transaction Committee met to consider the proposed transaction. At the meeting, the Company's management and its legal and financial advisors made presentations concerning the proposed transaction

with Parent and the terms and conditions of the Merger Agreement, as well as the terms of the Tender Agreements. K&L Gates advised members of the Transaction Committee of their fiduciary duties and reviewed

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the terms of the draft Merger Agreement and Tender Agreements with the Transaction Committee. On June 16, 2016, Piper Jaffray delivered an opinion to the Company Board, a copy of which is attached as Annex I, to the effect that, as of the date of the Merger Agreement, the consideration of \$0.40 per share in cash to be received in the Offer was fair, from a financial point of view, to the holders of the Common Shares (other than Parent and its affiliates). The Transaction Committee discussed the matters presented by management and by the Company's legal and financial advisors, including the factors discussed under *Reasons for the Company Board's Recommendation*. After discussion, the Transaction Committee unanimously approved the Merger Agreement and the transactions contemplated thereby, including the Offer, and recommended that the Company Board also approve the Merger Agreement and the transactions contemplated thereby.

Following such recommendation, the Company Board also met on June 16, 2016 to consider the proposed transactions. At the meeting, the Company's management and its legal and financial advisors made presentations concerning the proposed transaction with Parent and the terms and conditions of the Merger Agreement, as well as the terms of the Tender Agreements. K&L Gates advised the Company Board of its fiduciary duties and reviewed the terms of the draft Merger Agreement and Tender Agreements with the Company Board. The Company Board discussed the matters presented by management and the Company's legal and financial advisors, including the factors discussed under *Reasons for the Company Board's Recommendation*. After discussion, the Company Board unanimously approved the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, authorized the execution of the Merger Agreement and directed that this Schedule 14D-9 be submitted to the holders of Common Shares, along with the Company Board's unanimous recommendation that holders accept the Offer and tender their Common Shares pursuant to the Offer.

Following the meeting of the Company Board, representatives of Parent and its advisors, including Moelis and Dorsey, and the Company and its advisors, including Piper Jaffray and K&L Gates, worked to finalize the transaction documents. In addition, each of the directors and certain officers of the Company executed and delivered the Tender Agreements. On the same day, the parties executed the Merger Agreement and related documents, including the Tender Agreements and finalized the press release and other communications documents to be used in connection with the announcement of the Merger Agreement.

On June 17, 2016, the Company and Parent issued a joint press release announcing the execution of the Merger Agreement.

Reasons for the Company Board's Recommendation.

In evaluating the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, and recommending that the holders of Common Shares accept the Offer and tender their Common Shares pursuant to the Offer, the Company Board consulted with the Company's senior management, outside legal counsel and financial advisor and considered and analyzed a wide and complex range of factors. Based on these consultations, considerations and analyses, and the factors and the opinion of Piper Jaffray discussed below, the Company Board concluded that entering into the Merger Agreement with Parent and Purchaser would yield the highest value reasonably available for the Company's stockholders and is fair to and in the best interests of the Company's stockholders.

The Company Board considered these factors, among others, as supporting its recommendation:

The Company's Operating and Financial Condition: Prospects of the Company. The Company Board considered the current and historical financial condition, results of operations, business and prospects of the Company as well as the Company's financial plan and prospects if the Company were to remain an independent company and the potential impact on the trading price of the Common Shares (which is not feasible to quantify numerically). The Company Board discussed the Company's current financial plan, including the risks associated with achieving and executing upon the Company's business plan, the fact that the Company's revenues have been insufficient to support the development and

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commercialization of its products to date, the uncertainty of obtaining additional needed financing on favorable terms, the impact of general economic market trends on the Company's sales, as well as the general risks of market conditions that could reduce the Company's stock price.

Transaction Financial Terms: Premium to Market Price. The Company Board considered the relationship of the Common Consideration to the current and historical market prices of the Common Shares. The Common Consideration to be paid in cash for each Share would provide stockholders with the opportunity to receive a significant premium over the market price of the Common Shares. The Company Board reviewed the historical market prices, volatility and trading information with respect to the Common Shares, including the fact that the Common Consideration represented a premium of approximately 113.6% over the average closing price per Common Shares on the NASDAQ Capital Market for the four-week period ending June 15, 2016, and a premium of 82% over the closing price per Common Share on June 15, 2016.

Highest Offer Reasonably Attainable. The Company Board considered that, in its belief, the consideration of \$0.40 per Common Share represented the highest value reasonably obtainable for the Common Shares. The Company Board believed, based on its negotiations with Parent, that the consideration offered by Parent was the highest price per share that Parent was willing to pay. The Company Board also believed, based in part on the result of the process through which it solicited 21 other potential buyers for the Company, that it was unlikely that any other potential buyer would be willing to pay more than \$0.40 per share to acquire the Company. The Company did not receive any additional proposals for the acquisition of the entire Company, other than Parent's proposal. The Company Board also considered the low probability that other companies who were not actively solicited by the Company or its financial advisor would have the ability or interest to make a proposal to acquire the Company at a higher price.

Speed. The Company Board considered that the structure of the transaction as a two-step transaction effected pursuant to either Section 251(h) or Section 253 of the DGCL, in each case, without the adoption of the Merger Agreement by the Company's stockholders enables the Company's stockholders to receive the Common Consideration in a relatively short time frame (and potentially reduces the uncertainty during the pendency of the transaction).

Loss of Opportunity. The Company Board considered the possibility that, if it declined to enter into the Merger Agreement, there may not be another opportunity for the Company's stockholders to receive a comparably-priced transaction, and the market price for the Common Shares could continue to remain substantially below the Common Consideration.

Cash Consideration: Certainty of Value. The Company Board considered the form of consideration to be paid to the stockholders in the Offer and the Merger and the certainty of the value of such cash consideration compared to stock or other forms of consideration. The Company Board also considered that all-cash consideration will provide the Company's stockholders with immediate value for their Common Shares, while avoiding the risk of not successfully executing the Company's long-term business strategy.

Business Reputation of Parent. The Company Board considered the business reputation of Parent and its management and the substantial financial resources of Parent, which the Company Board believed supported the conclusion that a transaction with Parent and Purchaser could be completed relatively quickly and in an orderly manner.

No Financing Condition. The Company Board considered the representation of Parent and Purchaser that they have access to sufficient cash resources to pay the amounts required to be paid under the Merger Agreement and that the Offer and the Merger are not subject to a financing condition.

Opinion of the Company's Financial Advisor. The Company Board considered the financial analyses of Piper Jaffray and Piper Jaffray's opinion to the Company Board, which opinion was confirmed in writing, that, as of June 16, 2016, and based upon and subject to the assumptions, qualifications and

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limitations set forth in the written opinion, the Common Consideration of \$0.40 in cash was fair, from a financial point of view, to the holders of Common Shares (other than Parent, Purchaser and its affiliates). **The full text of Piper Jaffray's written opinion, dated as of June 16, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Piper Jaffray in its opinion is attached hereto as Annex I to this Schedule 14D-9. Stockholders are urged to carefully read the Piper Jaffray opinion in its entirety. Piper Jaffray's opinion was provided to the Company Board in connection with its consideration of the Offer and the Merger and was not intended to be and does not constitute a recommendation to any holder of Common Shares as to whether such holder should act, whether any holder should tender their Common Shares, or whether any holder should make any election with respect to the Offer and the Merger or any other matter.**

Ability to Change its Recommendation. The Company Board considered the fact that, subject to the limitations set forth in the Merger Agreement, it may, under certain circumstances and under certain conditions, withdraw or modify its recommendation that the holders of Common Shares accept the Offer and tender their Common Shares pursuant to the Offer, including in connection with a superior proposal, and the Company may terminate the Merger Agreement in order to enter into a definitive agreement with respect to such superior proposal, subject to payment of a termination fee by the Company.

Ability to Respond to Certain Unsolicited Acquisition Proposals. The Company Board considered the fact that at any time prior to the Offer Acceptance Time, if the Company receives an unsolicited bona fide written proposal relating to an alternative acquisition transaction that the Company Board determines in good faith (after consultation with its financial advisor and outside legal counsel) constitutes or would reasonably be expected to result in a superior proposal, the Company may, under certain circumstances and under certain conditions, furnish non-public information to and participate in discussions with the person making such alternative acquisition proposal.

Termination Fee. The Company Board considered that, in its view, the \$695,000 termination fee payable by the Company to Parent, if the Merger Agreement is terminated for the reasons discussed in the Merger Agreement, was comparable to termination fees in transactions of a similar size, was reasonable, would not likely deter competing bids and would not likely be required to be paid unless the Company Board entered into a more favorable transaction.

Conditions to the Consummation of the Offer and the Merger: Likelihood of Closing. The Company Board considered the reasonable likelihood of the consummation of the transactions contemplated by the Merger Agreement in light of the conditions to Purchaser's obligations to accept for payment and pay for the Common Shares tendered pursuant to the Offer and to complete the Merger under the Merger Agreement.

Material Adverse Effect. The Company Board considered the provisions in the Merger Agreement relating to the impact that a material adverse effect on the Company would have on the obligation of Parent and Purchaser to consummate the Offer and the Merger, and particularly that any change, effect, development, circumstance, condition, state of facts, event or occurrence related to the pendency or public announcement of the execution of this Agreement, the Offer or Merger, including any resulting litigation, or any failure by

the Company to meet any internal or published projections, estimates or expectations of the Company's revenue, earnings or other financial performance or results of operations for any period, in and of itself, or any failure by the Company to meet its internal budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations, in and of itself, are excluded from the determination of whether a material adverse effect on the Company has occurred that would permit Parent and Purchaser to elect not to consummate the Offer.

Appraisal Rights. The Company Board considered the fact that the Company stockholders that do not tender their Common Shares in the Offer and who properly exercise their appraisal rights under Delaware law will be entitled to such appraisal rights in connection with the Merger.

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The Company Board also considered these potentially negative factors, among others, in reaching its recommendation:

No Stockholder Participation in Future Growth or Earnings. The Company Board considered the fact that as a cash transaction, that the Company's stockholders will be prevented from participating in the Company's potential future earnings and growth or benefit from any future increase in its value following the consummation of the transactions contemplated by the Merger Agreement.

Uncertainty of Transaction Completion: Consequences of Failure to Close. The Company Board considered the fact that while the Company expects that the transactions contemplated by the Merger Agreement will be consummated, there can be no assurance that the conditions to the Offer or the Merger will be satisfied, and that as a result, the transactions contemplated by the Merger Agreement may not be completed. If such transactions are not consummated, (i) the trading price of the Common Shares could be adversely affected, (ii) the Company will have incurred significant transaction and opportunity costs attempting to consummate the transactions contemplated by the Merger Agreement, (iii) the Company's business may be subject to disruption and (iv) the market's perceptions of the Company's prospects could be adversely affected.

Operations: Hiring. The Company Board considered that the announcement and pendency of the Offer and the Merger, or failure to consummate the Offer or the Merger, may harm relationships with the Company's employees, suppliers, distributors and customers, may divert management and employee attention away from the day-to-day operation of the Company's business and may limit the Company's ability to attract, hire and retain key management and personnel.

Termination by Parent. The Company Board considered the risk that Parent may terminate the Merger Agreement in certain limited circumstances beyond the control of the Company.

Restrictions on the Company's Conduct of Business. The Company Board considered the restrictions imposed by the Merger Agreement on the conduct of the Company's business prior to the Effective Time, which require the Company to operate its business in the ordinary course of business, and which subject the operations of the Company's business to other restrictions which could delay or prevent the Company from undertaking business opportunities that may arise prior to the consummation of the Offer and that may have a material and adverse effect on the Company's ability to respond to changing market and business conditions in a timely manner or at all.

Taxable Considerations. The Company Board considered the fact that an all-cash transaction would be taxable to the Company's stockholders that are U.S. holders for U.S. federal income tax purposes.

Conflicts of Interest. The Company Board considered the fact that the Company's executive officers and directors may have interests in the transactions contemplated by the Merger Agreement that are different from, or in addition to, those of the Company's other stockholders, and the risk that these interests might

influence their decision with respect to the transactions contemplated by the Merger Agreement.

Litigation Risk. The Company Board considered the risk of litigation, including potential stockholder litigation, in connection with the execution of the Merger Agreement and the consummation of the Merger and the Offer.

The Company Board concluded that the risks and other potentially negative factors associated with the Merger Agreement, the Offer and the Merger were outweighed by the potential benefits of the Merger Agreement, the Offer and the Merger.

The foregoing discussion of the information and factors considered by the Company Board is not intended to be exhaustive, but includes the material factors considered by the Company Board. In view of the variety of factors considered in connection with its evaluation of the Merger Agreement, the Offer and the Merger, the Company Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the

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specific factors considered in reaching its determination and recommendation. In addition, individual directors may have given different weights to different factors. The Company Board did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The Company Board based its recommendation on the totality of the information presented.

For the reasons described above, the Company Board approved the Merger Agreement, the Offer and the Merger and recommended that holders of Common Shares accept the Offer and tender their Common Shares pursuant to the Offer.

In considering the recommendation of the Company Board that the Company's stockholders accept the Offer and tender their Common Shares pursuant to the Offer, the Company's stockholders should be aware that the Company's directors and executive officers may have interests in the Merger that are different from, or in addition to, the Company's stockholders, and that Parent and Purchaser entered into Tender Agreements with all directors and certain officers of the Company, pursuant to which each such officers and directors agreed, among other things, to tender all their Common Shares pursuant to the Offer. The Company Board was aware of and considered these interests, among other matters, in evaluating and negotiating the Merger Agreement and in recommending that the Company's stockholders accept the Offer and tender their Common Shares pursuant to the Offer. See Item 3 under the heading "Past Contacts, Transactions, Negotiations and Agreements Arrangements with the Company, Parent and Purchaser".

Certain Financial Forecasts.

The Company does not, as a matter of course, publicly disclose long-term forecasts or internal projections as to future performance, earnings or other results, and the Company is particularly concerned with making such forecasts and projections due to the unpredictability of the underlying assumptions and estimates. In March 2016, at the direction of the Company Board as part of its on-going strategic planning process, including without limitation its due diligence process and evaluation of the Offer and the Merger and the other transactions contemplated by the Merger Agreement, the Company's management prepared risk-adjusted financial forecasts regarding the Company for the fiscal years from 2016 to 2025 (the "March Forecasts"). The Company made the March Forecasts available to Parent and Parent's financial advisor solely for illustrative purposes and as part of Parent's due diligence review of the Company. In late May 2016, the Company's management prepared updated risk-adjusted financial forecasts regarding the Company for the fiscal years from 2016 to 2025 that were derived from the March Forecasts (the "Financial Forecasts" and, together with the March Forecasts, the "Forecasts").

The Forecasts were necessarily based on a variety of assumptions and estimates. The assumptions and estimates underlying the Forecasts may not be realized and are inherently subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the Company's control. The assumptions and estimates used to create the Forecasts involve judgments made with respect to, among other things, sales growth rates, market size and growth rates, market share, future pricing, levels of operating expenses, revenues for the Company's operations outside of the United States, development of additional future opportunities, pipeline products, milestone payments and probability of success, all of which are difficult to predict. The Forecasts also reflect assumptions that do not reflect any of the effects of the Offer or the Merger, or any other changes or business decisions that may in the future affect the Company or its assets, business, operations, properties, policies, corporate structure, capitalization and management as a result of the Offer or the Merger or otherwise. Accordingly, there can be no assurance that the assumptions and estimates used to prepare the Forecasts will prove to be accurate, and actual results may materially differ. The Forecasts are forward-looking statements and should not be relied upon as necessarily predictive of actual future results.

The inclusion of the Forecasts in this Schedule 14D-9 should not be regarded as an indication that the Company or any of its representatives considered or consider the Forecasts to be necessarily predictive of actual future events, and the Forecasts should not be relied upon as such.

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The March Forecasts are being included in this Schedule 14D-9 because they were, among other items, made available to Parent and Parent's financial advisor in connection with its due diligence review of the Company. The Financial Forecasts are being included in this Schedule 14D-9 because they were, among other items, relied upon by Piper Jaffray in connection with its analyses described under "Opinion of the Company's Financial Advisor". The Financial Forecasts were developed for use only by the Company Board and Piper Jaffray in connection with its fairness opinion.

Neither the Company nor any of its representatives has made or makes any representation regarding the information contained in the Forecasts, and except as may be required by applicable securities laws, none of them intends to update or otherwise revise or reconcile the Forecasts to reflect circumstances existing after the date such Forecasts were generated or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the Forecasts are shown to be in error.

A summary of the material projected financial information that was included in the March Forecasts is set forth below.

\$ in Millions

Fiscal Year Ending August 31

	2016P	2017P	2018P	2019P	2020P	Projected				
	2021P	2022P	2023P	2024P	2025P					
Revenue	\$ 4.4	\$ 5.7	\$ 10.1	\$ 15.3	\$ 65.9	\$ 198.1	\$ 375.2	\$ 875.2	\$ 1,698.4	\$ 2,425.0
Cost of Goods										
Sold	2.0	3.8	6.4	10.1	25.7	74.3	128.2	226.5	340.8	439.9
Gross Profit	\$ 2.4	\$ 1.9	\$ 3.7	\$ 5.2	\$ 40.3	\$ 123.8	\$ 247.0	\$ 648.7	\$ 1,357.7	\$ 1,985.1
EBITDA	(\$ 9.9)	(\$ 8.5)	(\$ 7.8)	(\$ 7.6)	\$ 26.1	\$ 102.4	\$ 218.5	\$ 598.7	\$ 1,258.3	\$ 1,845.3

A summary of the material projected financial information that was included in the Financial Forecasts is set forth below.

\$ in Millions

Fiscal Year Ending August 31

	2016P	2017P	2018P	2019P	2020P	Projected				
	2021P	2022P	2023P	2024P	2025P					
Revenue	\$ 4.2	\$ 5.7	\$ 10.1	\$ 15.3	\$ 65.9	\$ 198.1	\$ 375.2	\$ 875.2	\$ 1,698.4	\$ 2,425.0
Cost of Goods										
Sold	4.9	5.7	8.3	12.0	27.1	77.0	133.3	232.7	357.0	463.1
Gross Profit	(\$ 0.7)	\$ 0.0	\$ 1.7	\$ 3.3	\$ 38.8	\$ 121.1	\$ 241.9	\$ 642.6	\$ 1,341.4	\$ 1,961.9
EBITDA	(\$ 10.2)	(\$ 8.5)	(\$ 7.8)	(\$ 7.6)	\$ 26.1	\$ 102.4	\$ 218.5	\$ 598.7	\$ 1,258.3	\$ 1,845.3

Although presented with numerical specificity, the Forecasts are not fact and reflect numerous assumptions and estimates made by the Company's management, including assumptions and estimates noted above. Moreover, the Forecasts are based on certain future business decisions that are subject to change.

The Forecasts should be read together with the historical financial statements of the Company, which have been filed with the SEC, and the other information regarding the Company contained elsewhere in this Schedule 14D-9 and the Offer to Purchase. None of the Forecasts were prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with the published guidelines of the SEC or the guidelines established by the

American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The Forecasts do not purport to present operations in accordance with U.S. generally accepted accounting principles. Neither the Company's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. The report of such independent registered public accounting firm included in the Company's Annual Report on Form 10-K for the year ended August 31, 2015 relates to the Company's historical financial information. It does not extend to the Forecasts and should not be read as doing so.

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The Forecasts do not and should not be read to update, modify or affirm any prior financial guidance issued by the Company. You should not place undue reliance on forward-looking statements.

Opinion of the Company's Financial Advisor.

The Company retained Piper Jaffray to act as financial advisor to the Company Board and to render to the Company Board an opinion as to the fairness, from a financial point of view, of the consideration to be paid with respect to Common Shares in a change-of-control transaction. On June 16, 2016, Piper Jaffray delivered its oral opinion, subsequently confirmed in writing, to the Company Board that, based on and subject to the limitations and assumptions stated in the opinion, as of the date of the opinion, the Common Consideration of \$0.40 in cash to be received for each Common Share was fair, from a financial point of view, to holders of Common Shares (other than Parent, Purchaser and its affiliates).

The full text of Piper Jaffray's written opinion dated June 16, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Piper Jaffray in rendering its opinion, is attached as Annex I and incorporated into this document by reference. You are urged to read the opinion in its entirety and this summary is qualified by in its entirety by reference to the full text of the written opinion. Piper Jaffray's opinion addressed solely the fairness, from a financial point of view and as of the date of the opinion, to the holders of Common Shares (other than Parent, Purchaser and its affiliates) of the \$0.40 per share cash consideration to be received by such stockholders. Piper Jaffray's opinion was directed to the Company Board in connection with its consideration of the Offer and Merger and was not intended to be, and does not constitute, a recommendation to any stockholder of the Company as to how such stockholder should act, whether any stockholder should tender their Common Shares, or whether any stockholder should make any election with respect to the Offer and Merger or any other matter. Piper Jaffray's opinion was approved for issuance by the Piper Jaffray Opinion Committee.

In arriving at its opinion, Piper Jaffray, among other things:

reviewed and analyzed the financial terms of a draft, dated as of June 15, 2016, of the proposed Merger Agreement;

reviewed and analyzed certain financial and other data with respect to the Company that was publicly available;

reviewed and analyzed certain information relating to the business, earnings, cash flow, assets, liabilities and prospects of the Company that were publicly available, as well as those that were furnished to us by the Company, including but not limited to the Financial Forecasts and data on the Company's net operating losses;

reviewed and utilized, with the Company's consent, the Company's calculations of Common Shares, diluted as if (a) all Preferred Shares were fully converted into Common Shares without limitation pursuant to the existing 2,500-for-1 conversion ratio and (b) the automatic exercise of all in-the-money Company Options

occurred;

conducted discussions with members of senior management and representatives of the Company concerning the matters described in this list, as well as the Company's business and prospects before and after giving effect to the Offer and Merger;

reviewed the current and historical reported prices and trading activity of the Common Shares and similar information for certain other companies deemed by Piper Jaffray to be comparable to the Company;

compared the financial performance of the Company with that of certain other publicly traded companies that Piper Jaffray deemed relevant;

reviewed the financial terms, including premiums paid calculations, to the extent publicly available, of certain business combination transactions that Piper Jaffray deemed relevant; and

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performed a discounted cash flow analysis based on certain information included in the Financial Forecasts and estimates provided by the Company.

In addition, Piper Jaffray conducted such other analyses, examinations and inquiries and considered such other financial, economic and market criteria as Piper Jaffray deemed necessary in arriving at its opinion.

The following is a summary of the material financial analyses performed by Piper Jaffray in connection with the preparation of its fairness opinion, which was reviewed with, and formally delivered to, the Company Board at a meeting held on June 16, 2016.

This summary includes information presented in tabular format, which tables must be read together with the text of each analysis summary and considered as a whole in order to fully understand the financial analyses presented by Piper Jaffray. The tables alone do not constitute a complete summary of the financial analyses. The order in which these analyses are presented below, and the results of those analyses, should not be taken as an indication of the relative importance or weight given to these analyses by Piper Jaffray or the Company Board. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before June 14, 2016, and is not necessarily indicative of current market conditions.

For purposes of its analyses, and as used in the summary of its analyses below, Piper Jaffray calculated the Company's enterprise value implied by the Offer and Merger (the Transaction Implied Company Enterprise Value) to be \$17,241,624, based on 27,886,075 million Common Shares and common stock equivalents (using the treasury stock method, including as if all of the Preferred Shares were converted into Common Shares at the 2,500-for-1 ratio and if all in-the-money Company Options were exercised) outstanding as of June 14, 2016, and the Common Consideration of \$0.40 per Common Share, plus estimated payments of \$6,087,194 that holders of the BSV Warrants were entitled to receive (calculated based on their Black-Scholes value as of June 14, 2016) pursuant to the contract terms of such warrants upon the occurrence of the Offer and Merger (the Warrant Payments). For purposes of Piper Jaffray's analyses, all per-share metrics were calculated, at the direction of the Company, based on such 27,886,075 Common Shares and common stock equivalents outstanding as of June 14, 2016.

Historical Trading Analysis

Piper Jaffray reviewed the historical closing prices and trading volumes for the Common Shares over the one-year period ended June 14, 2016, in order to provide background information on the prices at which the Common Shares have historically traded. The following table shows the Common Shares' price at certain historical points in time during the prior one year, using certain measures (i.e., the current price at June 14, 2016 and other historical dates, variable weighted average price (VWAP), and high and low historical closing prices:

Selected Publicly Traded Companies Analyses

For the selected publicly traded companies analyses, Piper Jaffray compared (i) the valuation multiple of the Company derived from the Transaction Implied Company Enterprise Value in comparison to the projected 2016

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revenue for the Company provided by Company management (4.2x); to (ii) valuation multiples for the selected publicly traded companies, as derived from their market capitalization and closing prices per share on June 14, 2016 (adjusted for their cash and debt outstanding amounts as indicated in public filings as of such date) in comparison to their projected 2016 revenue, as provided by S&P Capital IQ. Because the Company did not have positive earnings for the prior fiscal year and is not projected to have positive earnings in 2016 or 2017, Piper Jaffray was not able to perform an analysis or comparison of (i) enterprise value-to-EBITDA, (ii) price-to-earnings, or (iii) price/earnings-to-growth multiples for the Company with any of the selected publicly traded companies.

The Transaction Implied Company Enterprise Value-to-2016 revenue multiple for the Company was compared to the same multiple for the following groups of public companies (1) publicly traded companies listed primarily on the Nasdaq Stock Market (NASDAQ) or the New York Stock Exchange (NYSE) that had current market capitalization less than \$25 million, less than \$15 million in revenue during the latest fiscal year, and cash burn for the latest fiscal year that exceeded the company's cash balance as of the latest fiscal year end, which Piper Jaffray believed were comparable to the Company's financial profile (Comparable Financial Profile), (2) publicly traded agriculture companies with a significant forage seed component listed in the U.S. or Europe (Forages), which Piper Jaffray believed were comparable to the Company's seed business component, (3) publicly traded biotechnology companies primarily focused on agriculture listed in the U.S. or Europe (Ag Biotech), which Piper Jaffray believed were comparable to the Company's research and technology business component, and (4) the six leading publicly traded agriculture companies in the U.S. or Europe (Big Six), which Piper Jaffray believed provided a general representation of the agriculture market through established industry leaders.

No company utilized in the selected publicly traded companies analysis is identical to the Company. In evaluating the selected publicly traded companies, Piper Jaffray made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters.

Selected Publicly Traded Companies Analysis Comparable Financial Profile

Piper Jaffray selected the Comparable Financial Profile companies based on information obtained by searching SEC filings, public company disclosures, press releases, industry and popular press reports, databases and other sources and by applying the following criteria:

Publicly traded companies listed primarily on the NASDAQ or NYSE;

Companies with a current market capitalization of less than \$25 million;

Companies with less than \$15 million in revenue during the latest fiscal year;

Companies with a cash burn for the last fiscal year that is greater than such company's cash balance as of its most recent fiscal year end; and

Companies with an available estimate of 2016 revenue.

Based on the criteria, Piper Jaffray identified and analyzed the following 12 companies:

Apricus Biosciences, Inc.

BIND Therapeutics, Inc.

Biocept, Inc.

BioLife Solutions, Inc.

Capnia, Inc.

Cardica Inc.

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Cryoport, Inc.

EPIRUS Biopharmaceuticals, Inc.

HTG Molecular Diagnostics, Inc.

Semler Scientific Inc.

Superconductor Technologies Inc.

xG Technology, Inc.

For this selected publicly traded companies analysis, Piper Jaffray compared the valuation multiple of the Company derived from the Transaction Implied Company Enterprise Value using the Company's 2016 projected revenue provided by Company management (4.2x), to valuation multiples for the selected publicly traded Comparable Financial Profile companies derived from their market capitalization and closing prices per share on June 14, 2016 (adjusted for their cash and debt outstanding as indicated in public filings as of such date) in comparison to their projected 2016 revenue, as provided by S&P Capital IQ.

(\$ in millions)	Stock Price as of 6/14/2016	Market Cap.	Enterprise Value	LTM Revenue	FY 2015 EBITDA	FY 2015 Cash	EV/EBITDA			EV/Revenue		
							LTM 2016	2017	NA	LTM 2016	2017	NA
Comparable Financial Profile												
Apricus Biosciences, Inc.	\$ 0.41	\$ 25	\$ 27	\$ 5	(\$ 21)	\$ 4	NM	NM	NM	5.4x	4.8x	2.3x
BIND Therapeutics, Inc.	\$ 0.43	\$ 9	\$ 1	\$ 13	(\$ 36)	\$ 25	NM	NA	NA	0.1x	0.1x	0.0x
Biocept, Inc.	\$ 0.64	\$ 16	\$ 16	\$ 1	(\$ 16)	\$ 9	NM	NA	NA	NM	7.7x	2.5x
BioLife Solutions, Inc.	\$ 1.59	\$ 20	\$ 20	\$ 7	(\$ 5)	\$ 2	NM	NA	NA	2.9x	2.3x	1.7x
Capnia, Inc.	\$ 1.21	\$ 19	\$ 12	\$ 1	(\$ 12)	\$ 5	NM	NA	NA	11.8x	7.1x	0.8x
Cardica Inc.	\$ 2.68	\$ 24	\$ 10	\$ 4	(\$ 18)	\$ 8	NM	NM	NA	2.6x	2.6x	1.2x
Cryoport, Inc.	\$ 1.55	\$ 19	\$ 15	\$ 6	(\$ 5)	\$ 1	NM	NA	NA	2.6x	1.8x	0.9x
EPIRUS												
Biopharmaceuticals, Inc.	\$ 0.54	\$ 14	\$ 8	\$ 1	(\$ 46)	\$ 32	NM	NA	NA	5.5x	2.7x	1.4x
HTG Molecular												
Diagnostics, Inc.	\$ 2.89	\$ 20	\$ 6	\$ 4	(\$ 18)	\$ 3	NM	NM	NM	1.5x	1.0x	0.5x
Semler Scientific Inc.	\$ 1.72	\$ 9	\$ 9	\$ 7	(\$ 8)	\$ 0	NM	NA	NA	1.3x	0.9x	0.6x
Superconductor												
Technologies Inc.	\$ 0.22	\$ 9	\$ 3	\$ 0	(\$ 10)	\$ 7	NM	NM	NM	11.8x	7.9x	0.2x
xG Technology, Inc.	\$ 0.14	\$ 13	\$ 18	\$ 1	(\$ 17)							