

NEOGEN CORP  
Form DEF 14A  
August 29, 2014  
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SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a)  
OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant  [X]

Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

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

Neogen Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box)

No fee required.

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

1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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1) Amount Previously Paid: \_\_\_\_\_

2) Form, Schedule or Registration Statement No.: \_\_\_\_\_

3) Filing Party: \_\_\_\_\_

4) Date Filed: \_\_\_\_\_

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August 29, 2014

To Our Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of Neogen Corporation on Thursday, October 2, 2014, at 10:00 a.m. Eastern Time. The Annual Meeting will be held at the University Club of Michigan State University, located at 3435 Forest Road, Lansing, Michigan 48909.

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

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

Sincerely,

James L. Herbert

Chairman & Chief Executive Officer

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

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

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620 Leshler Place

Lansing, MI 48912

**NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS OF NEOGEN CORPORATION**

Date: October 2, 2014

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

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

Items of Business:

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

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

To ratify the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for 2015; and

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

All shareholders are cordially invited to attend the meeting. At the meeting, you will hear a report on the Company's business and have a chance to meet the directors and executive officers. A copy of the 2014 Annual Report is enclosed.

Only shareholders of record at the close of business on August 4, 2014 are entitled to notice of, and to vote at, the meeting.

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

Steven J. Quinlan

Secretary  
August 29, 2014

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**Neogen Corporation**

**620 Leshler Place**

**Lansing, MI 48912**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**October 2, 2014**

**GENERAL INFORMATION**

These proxy materials are provided in connection with the solicitation by the Board of Directors of proxies to be used at the Annual Meeting of Shareholders of Neogen Corporation (the Annual Meeting ) to be held on Thursday, October 2, 2014 at 10:00 a.m., Eastern Time, at the University Club of Michigan State University, located at 3435 Forest Road, Lansing, Michigan 48909, and at any adjournment of the meeting. The solicitation will begin on or about August 29, 2014.

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

Election of three Directors;

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

Ratification of the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for 2015.

**Revocation of Proxies**

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

**Voting and Solicitation**

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

In summary, the Board recommends that you vote:

FOR the election of the nominees for Directors;

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

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FOR ratification of the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for 2015. All shareholders at the close of business on August 4, 2014, the record date for the meeting, are entitled to vote at the meeting. On August 4, 2014 there were 36,780,000 shares of the Company's common stock outstanding. For each proposal, each shareholder is entitled to one vote for each share of Neogen Corporation common stock owned at that time.

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If you are a shareholder of record, you may vote by mail by completing, dating and signing your proxy card and mailing it in the envelope provided. You should sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example, as officer of a corporation, guardian, executor, trustee or custodian) you should indicate your name and title or capacity.

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

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

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

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

A broker non-vote occurs when a shareholder holds his or her stock through a broker and the broker does not vote those shares. This usually occurs because the broker has not received timely voting instructions from the shareholder and the broker does not have discretionary voting power for the particular item upon which the vote is taken. Under applicable law and New York Stock Exchange rules and regulations, brokers have the discretion to vote on routine matters, such as the ratification of the appointment of the Company's independent auditors. Neither the election of Directors nor the advisory vote on the Company's compensation arrangements is considered to be a routine matter under applicable NYSE rules.

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

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

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

As to the election of Directors, the three nominees who receive the greatest number of votes will be elected to a three-year term. In accordance with the Company's Governance Guidelines, in an uncontested election (i.e., an election where the only nominees are those recommended by the Board of Directors), any nominee for Director who receives a greater number of votes withheld from his or her election than votes for such election (a Majority Withheld Vote) shall promptly tender his or her resignation to the Board of Directors for consideration in accordance with the procedures described below, following certification of the shareholder vote. The Governance Committee shall promptly consider the resignation offer and recommend to the Board of Directors action with respect to the tendered resignation, which may include accepting the resignation, maintaining the Director but addressing the underlying cause of the withheld votes, determining not to re-nominate the Director in the future, rejecting the resignation, or any other action such Committee deems to be appropriate and in the best interests of the Company.

In considering what action to recommend with respect to the tendered resignation, the Governance Committee will take into account all factors deemed relevant by the members of the Governance Committee



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

**Table of Contents****PROPOSALS FOR SHAREHOLDER ACTION****PROPOSAL 1 ELECTION OF DIRECTORS**

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

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

<b>Nominees</b>	<b>Expiration of Proposed Term</b>
Class III:	
James L. Herbert	2017
G. Bruce Papesh	2017
Thomas H. Reed	2017

<b>Directors continuing in office</b>	<b>Expiration of Term</b>
Class I:	
Richard T. Crowder, Ph.D.	2015
A. Charles Fischer	2015
Class II:	
William T. Boehm, Ph.D.	2016
Jack C. Parnell	2016
Clayton K. Yeutter, Ph.D.	2016

<b>Name of Director</b>	<b>Age</b>	<b>Position</b>	<b>Director Since</b>
James L. Herbert	74	Chairman and CEO of the Company, Director	1982
William T. Boehm, Ph.D. (1) (3)	67	Director	2011
Richard T. Crowder, Ph.D. (2) (3)	75	Director	2009
A. Charles Fischer (2) (4)	72	Director	2006
G. Bruce Papesh (4)	67	Director	1993
Jack C. Parnell (1) (2) (4) (5)	79	Director	1993
Thomas H. Reed (1) (4)	69	Director	1995
Clayton K. Yeutter, Ph.D. (3)	84	Director	2007

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

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

### *Nominees for the Board of Directors:*

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

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

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

**The Board of Directors recommends a vote FOR the above nominees.**

### *Other current members of the Board of Directors:*

Dr. William T. Boehm is a retired vice president of Kroger Co. and former senior economist for the President's Council of Economic Advisors under President Carter. Dr. Boehm joined Kroger as Director of Economic Research, and held positions of increasing responsibility with that company until his retirement in 2008. During the 1990s, he held senior executive positions in both procurement and logistics with Kroger and was promoted to Senior Vice President of the Manufacturing Division in 2004. Dr. Boehm served on the Board of the International Dairy Foods Association and the Milk Industry Foundation, and was a member of the Council of Logistics Management and the Private Label Manufacturing Association. He currently serves on the Boards of Great Wide Logistics, a trucking and logistics services company, FLM, a strategic planning, issues management and advertising firm specializing in providing services to agricultural firms, and GLK Foods, a producer, processor and marketing firm specializing in sauerkraut. He remains active in professional associations and academia. Dr. Boehm's wealth of experience in agriculture, and virtually all aspects of the food service industry, make him well qualified to serve on the Board of Directors.

Dr. Richard T. Crowder was first elected to the Board of Directors in 2009. He currently serves as Thornhill Professor of Agricultural Trade at Virginia Tech University. From September 2008 until June 30, 2013, he served as adjunct professor of Agricultural Economics at Virginia Tech University. From January 2006 until May 2007, he served as United States Chief Agriculture Negotiator with the rank of Ambassador. From May 2007 until April 2008, he served as a Senior Adviser to the United States Trade Representative. Prior to this appointment, he

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served as Chief Executive Officer of the American Seed Trade Association from 2002 to 2006. For five years, he served as Senior Vice President of International for DeKalb Genetics Corporation (later acquired by Monsanto) and for two years as Executive Vice President of Armour-Swift-Eckrich. He was appointed by President George H.W. Bush to serve from 1989 until 1992 as Under Secretary of the United States Department of Agriculture responsible for international affairs and commodity programs. Dr. Crowder held various senior management positions with Pillsbury Company (now part of General Mills) for 14 years, including internal board level responsibilities with Burger King Corporation and Steak and Ale Corporation. He currently serves on the Board of Trustees of the Farm Foundation and the advisory board of AGR Partners. He previously served on the Board of Directors of Soo Line Corporation, Penford Corporation, Commodity Credit Corporation, and Rural Telephone Bank. Dr. Crowder holds B.S. and M.S. degrees from Virginia Tech University and a Ph.D. from Oklahoma State University. Dr. Crowder's more than 40 years of experience in the food, agriculture, and trade industries provides great value and insight to the Board of Directors.

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

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

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

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**PROPOSAL 2: TO APPROVE, BY NON-BINDING VOTE, THE COMPENSATION OF EXECUTIVES**

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

Therefore, at the annual meeting, shareholders will be given the opportunity to vote, on an advisory (non-binding) basis, to approve the compensation of the named executive officers as disclosed in this Proxy Statement under Compensation Discussion and Analysis and the Summary Compensation Table. This vote proposal is commonly known as a "say-on-pay" proposal and gives shareholders the opportunity to endorse or not endorse the executive pay program. This vote is not intended to address any specific item of executive compensation, but rather the overall compensation of the named executive officers and the policies and practices described in this Proxy Statement. Shareholders are encouraged to read the full details of the Company's executive compensation program, including the primary objectives in setting executive pay, under Compensation Objectives, as described in this Proxy Statement.

The Company evaluates the compensation of its executives at least once each year to assess whether compensation policies and programs are achieving their primary objectives. Based on its most recent evaluation, the Board of Directors believe the Company's executive compensation programs achieve these objectives, including aligning the interests of management with those of shareholders, and are therefore worthy of shareholder support. In determining how to vote on this proposal, shareholders should consider the following:

*Independent Compensation Committee.* Seven of our eight directors are deemed independent pursuant to applicable Nasdaq standards. Three of these independent directors serve on the Compensation Committee. Meetings of this Committee include executive sessions in which management is not present.

*Performance-Based Incentives.* Total compensation for executives is structured so that a majority of the total earning potential is derived from performance-based incentives.

*Stock Options.* A significant percentage of executives' compensation is paid in the form of stock options that vest over a five-year period. These stock awards help align the executives' interests with longer term shareholder returns and also serve to help retain the services of executives.

*No Severance Payments.* If employment is terminated without cause, executives are not entitled to "golden parachute" or other executive severance payments upon termination.

**For these reasons, the Board of Directors recommends that you vote FOR the adoption of the following resolution:**

RESOLVED, that the shareholders of Neogen Corporation approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed pursuant to the rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis and the Summary Compensation Table set forth in the Company's Proxy Statement for its 2014 Annual Meeting of Shareholders.

**Vote Required**

The proposal to approve the compensation of the Company's named executive officers requires the affirmative vote of a majority of the votes cast on the proposal.

**Table of Contents****PROPOSAL 3 RATIFICATION OF APPOINTMENT OF THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

During fiscal 2014, the Company's Audit Committee completed a competitive process to review the appointment of the Company's independent registered public accounting firm for the year ending May 31, 2014. As a result of this process, in February 2014, the Audit Committee dismissed Ernst and Young LLP ( EY ) from that role and engaged BDO USA, LLP ( BDO ) as the Company's independent registered public accounting firm. For further information regarding this change, refer to the Audit Committee Report section of this Proxy Statement.

The following is a summary of fees billed by EY for the fiscal years ended May 31, 2014 and 2013, and the fees billed by BDO for the fiscal year ended May 31, 2014:

	2014	2013
Audit Fees		
Audit Fees EY (1)	\$ 78,800	\$ 350,350
Audit Fees BDO (1)	\$ 241,728	
Total Audit Fees	\$ 320,528	\$ 350,350
Audit-Related Fees		
Tax Fees		
All Other Fees		
	\$ 320,528	\$ 350,350

- (1) EY performed the first and second quarter reviews for fiscal 2014; BDO performed the third quarter review and the audit for the full year ended May 31, 2014.

Audit Fees include amounts billed for the annual audit of the Company's fiscal year Consolidated Financial Statements, the audit of internal controls over financial reporting, the review of the Consolidated Financial Statements included in the Forms 10-Q, issuance of consent letters in connection with registration statements and consultations concerning accounting matters associated with the annual audit. Audit-Related Fees include amounts billed for general accounting consultations and services that are reasonably related to the annual audit. In connection with its review and evaluation of non-audit services, the Audit Committee is required to and does consider and conclude that the provision of non-audit services is compatible with maintaining the independence of BDO.

Under its charter, the Audit Committee must pre-approve all audit and non-audit services to be performed by BDO. In the event management wishes to engage BDO to perform non-audit services, a summary of the proposed engagement is prepared detailing the nature of the engagement, the reasons why BDO is the preferred provider of the services and the estimated duration and cost of the engagement. The Audit Committee reviews and evaluates recurring non-audit services and proposed fees as the need arises at their regularly scheduled committee meetings. At subsequent meetings, the Audit Committee receives updates regarding the services actually provided and management may present additional services for approval. The Audit Committee has delegated to the Chairman or, in his absence, any other member of the Committee, the authority to evaluate and approve projects and related fees of up to \$10,000, if circumstances require approval between meetings of the Committee. Any such approval is reported to the full Committee at its next meeting.

The Audit Committee has appointed BDO USA, LLP to serve as the independent registered public accounting firm for the Company for 2015. While not required, we are submitting the appointment to the shareholders for their ratification as a matter of good corporate practice. The affirmative vote of a majority of the votes cast at the Annual Meeting on the proposal is required for ratification. **The Board of Directors recommends that shareholders vote FOR ratification of the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for 2015.** If the appointment is not ratified, it will

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be considered as a recommendation that the Audit Committee consider the appointment of a different firm to serve as independent registered public accounting firm for the year 2015. Even if the appointment is ratified, the Audit Committee may select a different independent registered public accounting firm at any time if it determines that such a change would be in the best interests of Neogen Corporation and its shareholders.

**Relationship with BDO USA, LLP**

Fiscal 2014 was the first year that BDO was engaged as the Company's independent registered public accounting firm. BDO has advised that neither the firm nor any of its members or associates has any direct financial interest or any material indirect financial interest in the Company or any of its affiliates other than as auditors. Representatives of BDO are expected to be present at the Annual Meeting with the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

**STOCK OWNERSHIP****Principal Shareholders**

The following table sets forth certain information, as of August 4, 2014, with respect to beneficial ownership of Common Stock by the only persons known by the Company to be the beneficial owner of more than 5% of Neogen Corporation common stock.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class (%)
Brown Capital Management, Inc. 1201 North Calvert Street Baltimore, MD 21202	4,592,829	12.5%
Black Rock Global Investors 400 Howard Street San Francisco, CA 94105	3,024,329	8.2%
Riverbridge Partners 801 Nicollet Mall Suite 600 Minneapolis, MN 55402	2,615,884	7.1%
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	2,354,396	6.4%

**Table of Contents****Security Ownership of Directors and Executive Officers**

The following table sets forth certain information about the ownership of Neogen Corporation common stock as of August 4, 2014 held by the current directors, each nominee for director, the executive officers named in the Summary Compensation Table under Executive Compensation and all executive officers and directors as a group.

Name	Number of Shares Owned (1)	Right to Acquire (2)	Total	Percentage of Outstanding Shares
James L. Herbert	1,268,593(3)	133,998	1,402,591	3.8%
Lon M. Bohannon (4)				*
William T. Boehm Ph.D.	4,500	10,500	15,000	*
Richard T. Crowder Ph.D.	1,500	20,250	21,750	*
A. Charles Fischer	4,500	16,500	21,000	*
G. Bruce Papesh	19,696	42,750	62,446	*
Jack C. Parnell	22,180	5,500	27,680	*
Thomas H. Reed	5,531	18,000	23,531	*
Clayton K. Yeutter Ph.D.	7,440(5)	30,750	38,190	*
Stephen K. Snyder (6)		4,500	4,500	*
Steven J. Quinlan	6,807(7)	6,450	13,257	*
Edward L. Bradley	182,530(8)	78,149	260,679	*
Terri A. Morriscal	42,859(9)	36,599	79,458	*
Executive officers, directors and nominees as a group (13 persons)	1,566,136	403,946	1,970,082	5.3%

\* Less than 1%

- (1) Excludes shares that may be acquired through stock option exercises.
- (2) Includes shares that may be acquired within 60 days of August 4, 2014 upon exercise of options pursuant to Rule 13d-3 of the Securities Exchange Act of 1934.
- (3) Includes 198,480 shares held in trust for the spouse of James L. Herbert, and 180,000 shares held by a limited liability company, of which Mr. Herbert is the sole owner.
- (4) Mr. Bohannon retired from the Company on August 31, 2013.
- (5) Includes 3,000 shares held in trust for the spouse of Clayton Yeutter, 3,750 shares in an IRA account, and 690 shares held in a custodial account for Dr. Yeutter's daughter.
- (6) Mr. Snyder resigned from the Company effective July 31, 2014.
- (7) Includes 5,620 shares held in the Neogen Corporation 401(k) Plan.
- (8) Includes 21,018 shares held in the Neogen Corporation 401(k) Plan.
- (9) Includes 28,182 shares held in the Neogen Corporation 401(k) Plan.



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### **INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE MATTERS**

Neogen Corporation is managed under the direction of its Board of Directors. The Board conducts its business through meetings of the Board and its committees. The Board held five meetings, and there were a total of seventeen committee meetings during fiscal 2014. Each director attended more than 75% of the total meetings of the Board and the committees on which he served in 2014. Directors are expected to attend the Annual Meeting of shareholders unless they have a schedule conflict or other valid reason. All the current Board members attended the 2013 Annual Meeting.

#### **Independent Directors**

A director is not considered to be independent unless the Board determines that he or she meets the Nasdaq independence rules and has no material relationship with Neogen Corporation, either directly or through any organization with which he is affiliated that has a relationship with Neogen Corporation. Based on a review of the responses of the directors to questions about employment history, affiliation and family and other relationships and on discussions with the directors, the Board has concluded that each of the Company's non-employee directors is independent. As a member of management, James L. Herbert, Chairman and Chief Executive Officer, is not independent.

#### **Board Committees**

The Board has four committees. The current membership, number of meetings held during 2014 and the function performed by each of these committees are described below. None of the members of any of the committees is or ever has been an employee of the Company. The Board has determined that each committee member meets the independence standards for that committee within the meaning of applicable Nasdaq and SEC regulations.

*Compensation Committee* Mr. Reed (Chair), Mr. Parnell and Dr. Boehm currently are members of the Compensation Committee, which met two times during 2014. The purpose of the Compensation Committee is to assist the Board in discharging its overall responsibilities relating to executive compensation. The Compensation Committee reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer and other executive officers prior to the beginning of each year, evaluates current year performance in light of those goals and establishes compensation levels for the upcoming year, including salary and bonus targets. Except in the case of the Chief Executive Officer, management provides recommendations to the Compensation Committee concerning compensation of officers.

*Stock Option Committee* Mr. Parnell (Chair), Dr. Crowder and Mr. Fischer currently are members of the Stock Option Committee, which met once during 2014. The purpose of the Stock Option Committee is to assist the Board in discharging its overall responsibilities relating to the Neogen Corporation Stock Option Plan. Except in the case of the Chief Executive Officer, management provides recommendations to the Stock Option Committee concerning stock option awards for officers and employees.

*Governance Committee* Mr. Papesh (Chair), Mr. Fischer, Mr. Reed and Mr. Parnell serve on the Governance Committee, which met four times during 2014. The Governance Committee provides a leadership role in shaping the governance of the Company, and provides oversight and direction with respect to the functioning and operation of the Board of Directors. The Committee also provides oversight on management succession, human resources practices, risk management, and environmental, health and safety issues.

The Committee recommends to the Board of Directors criteria for selecting new directors; the enumeration of skills that would be advantageous to add to the Board; the appropriate mix of inside and outside directors; ethnicity and gender of directors; and size of the Board. The Board looks for individuals who have demonstrated

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excellence in their chosen field, high ethical standards and integrity, and sound business judgment. It identifies persons qualified to become directors, and as appropriate recommends candidates to the Board for its approval. Board composition is reviewed periodically to ensure that the Board reflects the knowledge, experience and skills required for the Board to fulfill its duties. The Committee's charter requires that the Committee take diversity (including specifically both ethnicity and gender) of directors into account in performing its functions. It identifies persons qualified to become directors, and as appropriate recommends candidates to the Board for its approval. As required by Nasdaq, the SEC or such other applicable regulatory requirements, a majority of the Board is comprised of independent directors. At the direction of the Board of Directors, the Committee manages the CEO selection process, and ultimately recommends one or more candidates for consideration by the Board. For further information, see the charter of the Governance Committee which is available in the Investor Relations section of the Company's website at [www.neogen.com](http://www.neogen.com).

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

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

*Audit Committee* Dr. Yeutter (Chair), Dr. Crowder and Dr. Boehm currently are members of the Audit Committee, which oversees the Company's financial reporting process on behalf of the Board of Directors. The Audit Committee meets with management and the Company's independent registered public accounting firm throughout the year and reports the results of its activities to the Board of Directors. The Committee met 10 times during 2014. Further information regarding the role of the Audit Committee is contained in its charter which is available in the Investor Relations section of the Company's website at [www.neogen.com](http://www.neogen.com) and also see Audit Committee Report in this Proxy Statement. The Board has determined that all current members of the committee are audit committee financial experts for purposes of applicable SEC rules.

### **Lead Director/Executive Sessions of Non-Management Directors**

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

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

### **Management's Role in Determining Executive Compensation**

The Compensation Committee makes all final decisions regarding officer compensation. Management's involvement in executive compensation is typically for the Chief Executive Officer to make recommendations on compensation for those other than himself. No member of the Compensation Committee has served as an officer or employee of the Company at any time. No executive officer serves as a member of the compensation committee of any other company that has an executive officer serving as a member of Neogen Corporation's Board of Directors. None of Neogen Corporation's executive officers serves as a member of the board of directors of any other company that has an executive officer serving as a member of the Compensation Committee.

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**Risk Management**

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

**Contacting the Board of Directors**

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

**Code of Conduct and Ethics**

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

**Certain Relationships and Related Party Transactions**

The Board of Directors, acting as a committee of the whole, approves or ratifies transactions involving directors, executive officers or principal shareholders, or members of their immediate families or entities controlled by any of them, or in which they have a substantial ownership interest, in which the amount involved exceeds \$120,000 and that are otherwise reportable under SEC disclosure rules. Such transactions include employment of immediate family members of any director or executive officer. Management advises the Board of any such transaction that is proposed to be entered into or continued and seeks approval. In the event any such transaction is proposed for which a decision is required prior to the next regularly scheduled meeting of the Board, it may be presented to the Audit Committee Chair for approval, in which event the decision will be reported to the full Board at its next meeting.

**COMPENSATION DISCUSSION AND ANALYSIS**

**Named Executive Officers**

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

<b>Name</b>	<b>Title</b>
James L. Herbert	Chairman & Chief Executive Officer
Lon M. Bohannon (1)	Former President & Chief Operating Officer
Stephen K. Snyder (2)	Former President & Chief Operating Officer
Steven J. Quinlan	Vice President & Chief Financial Officer
Edward L. Bradley	Vice President Food Safety Operations
Terri A. Morriscal	Vice President Animal Safety Operations

- (1) Mr. Bohannon retired from the Company, effective August 31, 2013.
- (2) Mr. Snyder resigned from the Company, effective July 31, 2014.



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

Lon M. Bohannon was President and Chief Operating Officer of Neogen Corporation from 2006 until his retirement at August 31, 2013. He was elected to the Board of Directors in October 1996, and served on the Board until his retirement on August 31, 2013, at which time he also resigned from his Board position. Mr. Bohannon joined Neogen in October 1985 as Vice President of Finance, was promoted to Vice President Administration and Chief Financial Officer in November 1994 and was named Chief Operating Officer in 1999 and President and COO in 2006. He was responsible for all areas of the Company's operations except research, corporate development, Geneseek and Neogen Europe. A certified public accountant, Mr. Bohannon served as Administrative Controller for Federal Forge, Inc., a metal forging and stamping firm, from March 1980 until October 1985, and was associated with the public accounting firm of Ernst & Young, LLP, from June 1975 to March 1980.

Stephen K. Snyder, age 50, joined the Company in June 2013 as President-Elect and Chief Operating Officer-Elect. He became President and Chief Operating Officer on September 1, 2013. He was responsible for all Company operations except Neogen Europe, GeneSeek, research and development, finance and corporate development upon Mr. Bohannon's retirement at the end of August 2013. Subsequent to the end of the 2014 fiscal year, Mr. Snyder resigned from the Company, effective July 31, 2014. Prior to joining Neogen, Mr. Snyder served in various commercial, sales and marketing leadership positions in nutrition-oriented food ingredients, high-intensity sweeteners and industrial products with privately-held Cargill based in Minneapolis, Minnesota, from 2001 to 2013. Prior to joining Cargill, Mr. Snyder was vice president of commercial development involved in the startup of Senomyx, in San Diego, California from 1999 to 2000. He served in a range of commercial and strategic planning roles in specialty chemicals and food ingredients at various locations with St. Louis, Missouri-based Monsanto from 1986 to 1999.

Steven J. Quinlan, age 51, joined Neogen Corporation in January 2011 as Vice President and Chief Financial Officer. In October 2011, he assumed the position of Secretary. From 1992 to 2010, Mr. Quinlan served in various accounting capacities with Michigan-based Detrex Corporation, a publicly held manufacturer of commercial and industrial pipe and specialty chemicals. He served as Vice President-Finance, Chief Financial Officer and Treasurer of Detrex from 2002 to 2010, responsible for all finance, accounting and external reporting. Before joining Detrex, he served in accounting and finance related positions at Price Waterhouse (1985-1989) and Ford Motor Company (1989-1992).

Edward L. Bradley, age 54, joined Neogen in February 1995 as Vice President of Sales and Marketing for AMPCOR Diagnostics, Inc. In June 1996, he was made a Vice President of Neogen Corporation. Currently, Mr. Bradley is responsible for all activities focused on food safety products on a worldwide basis except research and development and Neogen Europe. From 1988 to 1995, Mr. Bradley served in several sales and marketing capacities for Mallinckrodt Animal Health, including the position of National Sales Manager for its Food Animal Products Division. Prior to joining Mallinckrodt, he held several sales and marketing positions for Stauffer Chemical Company.

Terri A. Morrical, age 49, joined Neogen Corporation in September 1992 as part of the Company's acquisition of WTT, Incorporated. She has directed most aspects of the Company's animal safety operations since she joined the Company and currently serves as Vice President in charge of all of the Company's animal safety operations exclusive of Geneseek. From 1986 to 1991, she was Controller for Freeze Point Cold Storage Systems and concurrently served in the same capacity for Powercore, Inc. In 1990, she joined WTT, Incorporated as Vice President and Chief Financial Officer and then became President, the position she held at the time Neogen acquired the business.

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### **Compensation Objectives**

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

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

Attract, retain and motivate highly talented executives who will drive the success of the business;

Align incentives with the achievement of measurable corporate, business unit and individual performance objectives based on financial and non-financial measures, as appropriate;

Provide overall compensation that is considered equitable to the employee and the Company; and

Ensure reasonable, affordable and appropriate compensation program costs.

### **Compensation Elements**

The primary compensation elements provided to NEOs are:

Base salary;

Discretionary annual bonus; and

Equity-based long-term incentive compensation delivered in the form of stock option grants.

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

The Compensation Committee is provided materials by management regarding the various compensation elements of each NEO's compensation package. The Committee makes decisions about each compensation element in the context of each NEO's total compensation package. Positions at higher levels at Neogen Corporation generally place a greater emphasis on variable pay elements such as bonus and stock options, although no specific formula, schedule or tier is applied in establishing compensation mix.

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

#### **Base Salary**

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



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Actual earned salary for 2014 is shown in the Salary column of the Summary Compensation Table. Base salary rate increases from 2013 to 2014 are shown in the following table.

Name	2014 Salary Rate	2013 Salary Rate	Percent Increase
James L. Herbert	\$ 370,000	\$ 360,000	2.8%
Lon M. Bohannon (1)	250,000	250,000	
Stephen K. Snyder (2)	275,000		N/A
Steven J. Quinlan	191,000	185,000	3.2%
Edward L. Bradley	167,000	162,000	3.1%
Terri A. Morrical	165,000	160,000	3.1%

(1) Mr. Bohannon retired from the Company on August 31, 2013.

(2) Mr. Snyder began employment with Neogen on June 24, 2013 and resigned from the Company on July 31, 2014.

**Discretionary Annual Bonus**

Bonuses paid in fiscal 2015 related to fiscal 2014 are as follows:

Name	Target Value	Actual Payments	Percentage of Target
James L. Herbert	\$ 180,000	\$ 162,000	90%
Lon M. Bohannon (1)			
Stephen K. Snyder (2)	100,000		N/A
Steven J. Quinlan	47,000	42,000	89%
Edward L. Bradley	65,000	27,000	42%
Terri A. Morrical	60,000	48,000	80%

(1) Mr. Bohannon retired from the Company on August 31, 2013, and received no fiscal 2014 bonus

(2) Mr. Snyder resigned from the Company, effective July 31, 2014.

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

Revenues increased 19.2% to \$247 million;

Gross margins were 49.6%, 320 basis points less than in 2013;

Operating income, at \$43.4 million, increased 6.6% over 2013, but fell short of the company's internal targets; and



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The Company successfully integrated three acquisitions during the year.

During the year, the management team was responsible for the integration of the three strategic acquisitions and expended a considerable amount of time in attention to integration details. The Compensation Committee determined that, although the Company did not achieve its targeted operating margin and earnings per share objectives for fiscal 2014, Mr. Herbert had positioned the Company well for future growth in revenue and

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profitability, and therefore awarded him a substantial portion of his total targeted bonus, before adjusting downward for the Company's failure to achieve its internal earnings targets. Mr. Bradley and Ms. Morrical's bonuses are primarily affected by the sales, operating income and other operating metrics of the division for which they have primary responsibility. Mr. Quinlan's bonus is tied to operating metrics of the overall Company, as well as other internal objectives.

Substantially all managers' bonus arrangements, including those of each of the NEOs, include a provision that the bonuses otherwise payable may be decreased in the event that specific Company earnings per share targets are not met. Actual Company earnings of \$0.76 per diluted share in 2014 were less than the earnings per share target; thus, the Compensation Committee reduced the potential bonus amounts below the targeted bonus level for each of the NEOs.

### **Long-Term Incentive Compensation**

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

Align the personal and financial interests of management and other employees with shareholder interests;

Balance short-term decision-making with a focus on improving shareholder value over the long term;

Provide a means to attract, reward and retain a skilled management team; and

Provide the opportunity to build a further ownership position in Neogen Corporation stock.

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

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

Neogen Corporation maintains one equity-based long-term incentive plan that has been previously approved by shareholders—the Neogen Corporation 2007 Stock Option Plan, which was amended in 2011.

In general, options granted by Neogen Corporation are incentive options with five year lives that vest 20% per year beginning with the year following the year of grant. Certain incentive options are converted to non-qualified options when IRS limitations for incentive options are exceeded. Prior to 2006, these re-characterized options carried three year vesting provisions and ten year terms. For 2006 and subsequent years, the nonqualified options retain the same vesting and life provisions as incentive options. Nonqualified stock options, with up to ten year terms and vesting 33% per year for the three years following the year of grant, are granted to Directors. In all cases, grant prices are equal to the closing price on the day of the grant. Neogen Corporation does not reprice options and does not reload—which means the recipient is only able to exercise the number of shares in the original stock option grant. Neogen Corporation's practice has been to make an annual award to the majority of recipients as well as rare hire-on awards to select new hires.

Annual stock option grants are made at the discretion of the Stock Option Committee, with the exception of non-employee director awards which are granted automatically under the terms of the Stock Option Plan. Management makes recommendations to the Stock Option Committee as to the stock option award levels and

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

The table below shows the size of the 2014 stock option grants to each of the NEOs. Mr. Bohannon retired on August 31, 2013, and was not granted options in fiscal 2014.

Name	Number of Options	Compensation Cost Recognized for 2014 Grants (1) (2)
James L. Herbert	90,000	\$ 879,185
Lon M. Bohannon		
Stephen K. Snyder	22,500	220,883
Steven J. Quinlan	13,500	131,877
Edward L. Bradley	27,750	271,081
Terri A. Morrical	27,000	263,755

- Represents the aggregate grant date fair value of each stock option granted in 2014, calculated in accordance with the provisions of the Compensation Stock Compensation Topic of the FASB Codification. This amount will be recognized over the vesting period of the grants.
- The stock option Codification Topic 718 values throughout this Proxy Statement have been calculated using the Black-Scholes option pricing model using the assumptions in the following table:

Black-Scholes Model Assumptions (a)	2014	2013	2012	2011	2010
Risk-free interest rate	0.8%	1.2%	1.2%	1.7%	2.0%
Expected dividend yield	0%	0%	0%	0%	0%
Expected stock price volatility	33.1%	39.2%	36.4%	35.8%	37.8%
Expected option life	4 years	4 years	4 years	4 Years	4 Years

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

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

**Health and Welfare Benefits Plans:** Benefits such as medical, dental, vision, life insurance and disability coverage are provided to each NEO under benefits plans that are provided to all eligible U.S.-based employees. The benefits plans are part of the overall total compensation offering and are intended to be competitive and provide health care coverage for employees and their families. The NEOs have no additional Company-paid health benefits. Similar to all other employees, NEOs have the ability to purchase supplemental life, dependent life, long-term care insurance, and accidental death and dismemberment coverage through the Company. The

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value of these benefits is not included in the Summary Compensation Table since they are purchased by each NEO and are made available to all U.S. employees. No form of post-retirement health care benefits is provided to any employee.

*Perquisites:* The values of perquisites and other personal benefits for 2014 are included in the All Other Compensation column of the Summary Compensation Table.

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

**Executive and Non-Employee Director Stock Ownership Policy**

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

The ownership requirements are:

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

Stock owned includes shares owned outright, including 401(k) Plan shares, but does not include stock options. As of May 31, 2014, all non-employee directors, the chief executive officer and all corporate officers were at or above the applicable stock ownership requirement or within the expected time period to comply.

**Employment Agreements and Severance Policy**

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

**Chief Executive Officer Compensation**

Compensation Information: For purposes of its review of Mr. Herbert's pay in fiscal 2014, the Compensation Committee considered the following criteria:

The success of the Company in the past year;

The success of the Company over an extended period; and

The importance of Mr. Herbert to the continued success of the Company.

Base Salary: Mr. Herbert's salary was increased from \$360,000 to \$370,000 in the 2014 fiscal year. Base salary determinations include consideration of the level of business performance in fiscal 2013, historical base salary increases and time in the position and take into consideration all forms of compensation earned, including long-term incentive compensation.



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Annual Bonus: Mr. Herbert, based on his accomplishments during the year, achieved 90% of his 2014 bonus objectives, resulting in a \$162,000 payout. Mr. Herbert's bonus payout was \$175,000 for the 2013 fiscal year.

**COMPENSATION COMMITTEE REPORT**

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

Submitted by:

Thomas H. Reed

Jack C. Parnell

William T. Boehm Ph.D.

Members of the Compensation Committee

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The table sets forth information regarding all elements of the compensation paid to Neogen Corporation's principal executive officers, principal financial officer and two other most highly compensated executive officers (the NEOs) for fiscal years 2012-2014.

**Summary Compensation Table**

Name and Principal Position	Year	Salary	Bonus (1)	Option Awards (2)	Non-Equity Incentive Plan Compensation (3)	All Other Compensation (4)	Total
James L. Herbert, Chairman & Chief Executive Officer (5)	2014	\$ 370,000	\$ 162,000	\$ 879,185	\$	\$ 10,063	\$ 1,421,248
	2013	360,000	175,000	828,600		544,778	1,908,378
	2012	363,333	133,000	573,074		8,400	1,077,807
Lon M. Bohannon, Former President & Chief Operating Officer (6)	2014	71,634				5,711	77,345
	2013	250,000	100,000			83,687	433,687
	2012	240,000	76,000	312,586		8,650	637,236
Stephen K. Snyder Former President & Chief Operating Officer (7)	2014	257,814		220,883		6,694	485,391
Steven J. Quinlan Vice President & Chief Financial Officer	2014	191,000	42,000	131,877		7,540	372,417
	2013	185,000	42,000	103,575		7,680	338,255
	2012	180,000	35,600	52,098		3,300	270,998
Edward L. Bradley, Vice President Food Safety Operations	2014	167,000	27,000	271,081		6,517	471,598
	2013	162,000	54,600	248,580		6,824	472,004
	2012	155,000	34,700	177,132		6,095	372,927
Terri A. Morrical, Vice President	2014	165,000	48,000	263,755		6,597	483,352
	2013	160,000	43,100	248,580		6,610	458,290
Animal Safety Operations	2012	154,000	39,300	166,713		6,055	366,068

- (1) SEC rules require separation of the discretionary and formulaic aspects of annual bonus payments into the two separate columns Bonus and Non-Equity Incentive Plan Compensation.
- (2) Calculations use grant-date fair value based on Codification Topic 718 for the 2012, 2013 and 2014 stock option grants. For purpose of this disclosure, the calculations do not attribute the compensation cost to the requisite vesting period. For information on valuation assumptions, see Compensation Discussion and Analysis Compensation Elements Long-term Incentive Compensation.
- (3) In fiscal 2012, 2013 and 2014 all NEOs bonuses were discretionary, and are listed under Bonus.
- (4) Includes 401(k) Plan matching contributions and value of group term life insurance. See Compensation Discussions and Analysis Compensation Elements for additional information on these amounts.
- (5) Amount included in All Other Compensation in 2013 includes \$530,900 in investment earnings from a deferred compensation program which Mr. Herbert participated in. Compensation deferred in prior years was invested with an outside third party during the period 2001-2012; Mr. Herbert elected to terminate his participation in the program in December 2012.
- (6) Mr. Bohannon was not granted an option award in 2013 due to his impending retirement; in lieu of options, the Compensation Committee granted stock appreciation rights for approximately 20% of the shares which would have been granted in an option grant. The value of those rights was \$72,840 at May 31, 2013; this amount was paid to Mr. Bohannon in early fiscal 2014 and is included in All Other Compensation for 2013. Mr. Bohannon retired from the Company on August 31, 2013.
- (7) Mr. Snyder was hired on June 24, 2013, and resigned from the Company on July 31, 2014. Amount included in All Other Compensation includes \$6,375 in taxable reimbursements for housing.

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The following table sets forth the 2014 compensation cost recognized for 2014 awards or the portion of awards vested in 2014 from prior grants as shown in the Option Awards column:

**Option Awards**

Name	2014 Awards	2013 Awards	2012 Awards	2011 Awards	2010 Awards	Total
James L. Herbert	\$ 175,837	\$ 165,720	\$ 209,520	\$ 93,720	\$ 94,984	\$ 739,781
Lon M. Bohannon			62,517	51,120	53,191	166,828
Stephen K. Snyder	44,177					44,177
Steven J. Quinlan	26,375	20,715	10,420			57,510
Edward L. Bradley	54,216	49,716	35,426	28,968	30,395	198,721
Terri A. Morrival	52,751	49,716	33,343	26,412	28,495	190,717

The following table indicates the mix of total direct compensation for the NEOs in 2014 based on salary, total bonus payment and the Codification Topic 718 compensation expense of 2014 option awards:

Name	Salary	Annual Bonus	Stock Option Grant-Date Value using Black-Scholes (1)
James L. Herbert	\$ 370,000	\$ 162,000	\$ 879,185
Lon M. Bohannon (2)	250,000		
Stephen K. Snyder (3)	275,000		220,883
Steven J. Quinlan	191,000	42,000	131,877
Edward L. Bradley	167,000	27,000	271,081
Terri A. Morrival	165,000	48,000	263,755

- (1) Calculations use grant-date fair value based on Codification Topic 718 for 2014 stock option grants. For purposes of this table, the calculations do not attribute the compensation cost to the requisite vesting period.
- (2) Mr. Bohannon retired from the Company on August 31, 2013.
- (3) Mr. Snyder resigned from the Company, effective July 31, 2014.

**Grants of Plan-Based Awards**

This table sets forth additional information regarding the range of option awards granted to the NEOs in the year ended May 31, 2014 that are disclosed in the Summary Compensation Table.

Name	Grant Date (2)	Number of Securities Underlying Options	Exercise or Base Price of Options Awards (3)	Closing Market Price on Date of Grant	Grant-date Fair Value of Options Awards (4)
James L. Herbert	8/30/2013	90,000	\$ 36.07	\$ 36.07	\$ 879,185
Lon M. Bohannon (1)					
Stephen K. Snyder	6/24/2013	22,500	36.25	36.25	220,883
Steven J. Quinlan	8/30/2013	13,500	36.07	36.07	131,877
Edward L. Bradley	8/30/2013	27,750	36.07	36.07	271,081
Terri A. Morrival	8/30/2013	27,000	36.07	36.07	263,755

- (1) Mr. Bohannon retired from the Company on August 31, 2013 and was not granted options in fiscal 2014.



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- (2) Represents the date the grants were made.
- (3) In accordance with the terms of the 2007 Plan, these options were granted at 100% of the closing market price on the day of the grant. Options have a five-year term and generally become exercisable as to 20% of the shares on each of the five anniversary dates of the grant.
- (4) Represents grant-date value based on Codification Topic 718 for the June 24, 2013 and August 30, 2013 option grants. For information on valuation assumptions, see Compensation Discussion and Analysis Compensation Elements Long-term, Incentive Compensation.

**Table of Contents****Outstanding Equity Awards at Fiscal Year-End**

This table sets forth information as to unexercised options that were held by the NEOs at May 31, 2014.

Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable (1)	Option Exercise Price	Option Expiration Date
James L. Herbert		22,498	\$ 13.04	8/24/2014
	19,500	33,000	18.68	8/24/2015
	33,000	49,501	23.07	9/29/2016
	18,000	72,001	28.67	10/4/2017
		90,000	36.07	8/30/2018
	70,500	267,000		
Stephen K. Snyder	4,500	18,000	\$ 36.25	6/24/2018
	4,500	18,000		
Steven J. Quinlan		4,500	\$ 23.07	9/29/2016
	2,250	9,000	28.67	10/4/2017
		13,500	36.07	8/30/2018
	2,250	27,000		
Edward L. Bradley		7,198	\$ 13.04	8/24/2014
	15,300	10,201	18.68	8/24/2015
	24,300		5.45	10/31/2015
	10,200	15,301	23.07	9/29/2016
	5,400	21,601	28.67	10/4/2017
		27,750	36.07	8/30/2018
	55,200	82,051		
Terri A. Morrical		6,748	\$ 13.04	8/24/2014
		9,301	18.68	8/24/2015
	9,600	14,400	23.07	9/29/2016
	5,400	21,601	28.67	10/4/2017
		27,000	36.07	8/30/2018
	15,000	79,050		

(1) Vesting schedules for Incentive Stock Options are 20% of the shares on each of the first five anniversary dates of the grant. Non-Qualified options that result from Incentive Stock Option grants in excess of allowable amounts had various vesting schedules prior to 2006.

**Table of Contents****Option Exercises and Stock Vested**

This table sets forth information with respect to option exercises by the NEOs during 2014.

Name	Number of Shares		Value Realized on Exercise (1)
	Acquired on Exercise		
James L. Herbert	118,149		\$ 3,273,420
Lon Bohannon	138,575		3,488,735
Stephen K. Snyder			
Steven J. Quinlan	1,500		38,620
Edward L. Bradley	63,948		2,111,813
Terri A. Morrical	47,477		1,261,080

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

**Pension Benefits**

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

**COMPENSATION OF DIRECTORS****Director Compensation**

This table sets forth information regarding compensation paid during 2014 to directors who were not employees.

Name	Fees Earned			Total
	Or Paid In Cash	Option Awards (1)	All Other Compensation	
William T. Boehm Ph.D.	\$ 33,500	\$ 50,769		\$ 84,269
Richard T. Crowder Ph.D.	33,500	50,769		84,269
A. Charles Fischer	32,000	50,769		82,769
G. Bruce Papesh	31,000	50,769		81,769
Jack C. Parnell	32,500	50,769		83,269
Thomas H. Reed	32,000	50,769		82,769
Clayton K. Yeutter Ph.D.	33,000	50,769		83,769

- (1) Calculations use grant-date fair value based on Codification Topic 718 for the 2014 stock option grants. For purpose of this disclosure, the calculations do not attribute the compensation cost to the requisite vesting period. For information on valuation assumptions, see Compensation Discussion and Analysis Compensation Elements Long-term Incentive Compensation.

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The following table sets forth the 2014 compensation cost recognized for 2014 awards to directors and the portion of awards vested in 2014 from prior grants as shown in the Option Awards column.

**Option Awards**

Name	2014 Awards	2013 Awards	2012 Awards	Total
William T. Boehm Ph.D.	\$ 16,923	\$ 13,810	\$ 10,275	\$ 41,008
Richard T. Crowder Ph.D.	16,923	13,810	10,275	41,008
A. Charles Fischer	16,923	13,810	10,275	41,008
G. Bruce Papesh	16,923	13,810	10,275	41,008
Jack C. Parnell	16,923	13,810	10,275	41,008
Thomas H. Reed	16,923	13,810	10,275	41,008
Clayton K. Yeutter Ph.D.	16,923	13,810	10,275	41,008

The grant-date fair value of the stock option awards granted in 2014, the compensation cost recognized for 2014 grants, and outstanding option awards at May 31, 2014 were:

Name	Grant-Date Fair Value based Codification Topic 718 for 2014 Grants	Compensation Cost Recognized for 2014 Grants	Option Awards Outstanding at May 31, 2014
William T. Boehm Ph.D.	\$ 50,769	\$ 16,923	18,000
Richard T. Crowder Ph.D.	50,769	16,923	27,750
A. Charles Fischer	50,769	16,923	16,500
G. Bruce Papesh	50,769	16,923	50,250
Jack C. Parnell	50,769	16,923	13,000
Thomas H. Reed	50,769	16,923	25,500
Clayton K. Yeutter Ph.D.	50,769	16,923	36,750

All non-employee Directors are granted non-qualified options to purchase 5,000 shares of Common Stock when first elected to the Board of Directors and are granted non-qualified options to purchase 3,000 shares of Common Stock upon subsequent election to, or commencement of annual service on, the Board of Directors. The options expire ten years after the date of grant and vest over three years in equal annual installments commencing with the first anniversary of the date of grant. Non-employee Directors also receive an annual retainer of \$24,000 (paid quarterly), \$1,000 for each Board of Directors meeting and \$500 for each committee meeting attended. All directors are eligible to receive reimbursement for all ordinary travel expenses related to attendance at Board or committee meetings.

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**AUDIT COMMITTEE REPORT**

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

During fiscal 2014, the Committee completed a competitive process to review the appointment of the Company's independent registered public accounting firm for the year ending May 31, 2014. As a result of this process, in February 2014, the Committee dismissed Ernst and Young LLP (EY) from that role and engaged BDO USA, LLP (BDO) as the Company's independent registered public accounting firm.

EY's audit reports on the Company's financial statements for the years ended May 31, 2012 and 2013 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

During the years ended May 31, 2012 and 2013 and the subsequent interim periods through February 14, 2014, there were no disagreements with EY on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to EY's satisfaction, would have caused EY to make reference to the subject matter in connection with their reports on the Company's financial statements for such years; and (ii) there were no reportable events, within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

EY addressed a letter to the Securities and Exchange Commission stating whether or not EY agreed with the Company's statements above. A copy of this letter was filed as Exhibit 16.1 to the Company's Form 8-K filed with the Securities and Exchange Commission on February 14, 2014.

In addition, during the years ended May 31, 2012 and 2013, and the subsequent interim periods through February 14, 2014, neither the Company, nor any party on the Company's behalf, consulted BDO with respect to (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements, and no written report or oral advice was provided to the Company that BDO concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue, or (ii) any matter that was subject to any disagreement, as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions thereto, or a reportable event within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

The Committee met and held discussions with management and BDO throughout the year and reported the results of its activities to the Board of Directors. Specifically the following were completed:

Reviewed and discussed the audited financial statements for the fiscal year ended May 31, 2014 with Neogen's management;

Discussed with BDO the matters required to be discussed by the Public Company Accounting Oversight Board (PCAOB) Auditing Standards No. 16; and

Received written disclosure regarding independence from BDO as required by applicable requirements of the PCAOB for independent auditor communications with audit committees concerning their independence and discussed with BDO its independence.

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Based on the above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's fiscal year 2014 annual report on Form 10-K and the Company's annual report to shareholders.

Submitted by:

Clayton K. Yeutter, Ph.D.

Richard T. Crowder, Ph.D.

William T. Boehm, Ph.D.

Members of the Audit Committee

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### **ADDITIONAL INFORMATION**

#### **Shareholder Proposals for the 2015 Annual Meeting**

Shareholders proposals intended to be presented at the annual meeting of shareholders in the year 2015 and that a shareholder would like to have included in the Proxy Statement and form of proxy relating to that meeting must be received by Neogen Corporation for consideration no later than May 1, 2015 to be considered for inclusion in the proxy statement and form of proxy related to that meeting. Such proposals of shareholders should be made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934. All other proposals of shareholders that are intended to be presented at the annual meeting in the year 2015 must be received by Neogen Corporation no later than May 1, 2015 or they will be considered untimely.

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires beneficial owners of more than 10% of Neogen Corporation Common Stock, among others, to file reports with respect to changes in their ownership of Common Stock. During fiscal 2014, to the Company's knowledge, none of the directors, executive officers and 10% shareholders of Neogen Corporation failed to comply with the requirements of Section 16(a).

#### **Other Actions**

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

#### **Notice of Internet Availability of Proxy Materials**

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on October 2, 2014. See <http://www.neogen.com/Corporate/invest.html> for a copy of the 2014 proxy statement and annual report.

#### **Expenses of Solicitation**

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

By Order of the Board of Directors

Steven J. Quinlan

Secretary

August 29, 2014





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3. RATIFICATION OF APPOINTMENT OF BDO USA, LLP AS THE COMPANY'S INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM.

FOR            AGAINST            ABSTAIN  
..                ..                                ..

SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.

SIGNATURE(S)

TITLE

DATE \_\_\_\_\_, 2014

NOTE: Please sign exactly as your name appears on this proxy. If signed for estates, trusts, or corporations, title or capacity should be stated. If shares are held jointly, each holder should sign.