

MARRONE BIO INNOVATIONS INC
Form DEF 14A
April 30, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

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

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

MARRONE BIO INNOVATIONS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

Fee paid previously with preliminary materials.

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

1. Amount Previously Paid:

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

MARRONE BIO INNOVATIONS, INC.

1540 Drew Ave.

Davis, CA 95618

NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 30, 2019

Dear Stockholder:

You are cordially invited to attend the 2019 annual meeting of stockholders of Marrone Bio Innovations, Inc., a Delaware corporation. The meeting will be held on May 30, 2019 at 9:00 a.m. Pacific time at our corporate headquarters located at 1540 Drew Ave., Davis, California 95618.

Proposals to be considered at the annual meeting:

1. Election of each of George H. Kerckhove and Zachary S. Wochok, Ph.D. to our board of directors as Class III director to serve for the ensuing three years and until his successor is elected;
2. To hold a non-binding, advisory vote to approve the compensation of the Company's Named Executive Officers;
3. To hold a non-binding, advisory vote to recommend whether a non-binding stockholder vote to approve the compensation of the Company's Named Executive Officers should occur every one, two or three years;
4. To approve the Company's 2019 Employee Stock Purchase Plan;
5. Ratification of the selection by the audit committee of our board of directors of Marcum LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2019; and
6. To transact other business that may properly come before the Annual Meeting or any adjournments or postponements thereof.

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These items of business are more fully described in the proxy statement accompanying this notice. The record date for the 2018 annual meeting of stockholders is April 11, 2019. Only stockholders of record at the close of business on that date may vote at the meeting or any postponement or adjournment thereof.

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

By Order of the Board of Directors

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

Davis, California

April 30, 2019

This notice, the accompanying proxy statement and the form of proxy are first being mailed or otherwise distributed to our stockholders on or about April 30, 2019.

ANNUAL MEETING OF STOCKHOLDERS NOTICE OF ANNUAL MEETING AND PROXY STATEMENT

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1540 Drew Ave.

Davis, CA 95618

PROXY STATEMENT FOR THE 2019 ANNUAL MEETING OF STOCKHOLDERS

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why are these proxy materials being made available?

On or about April 30, 2019, we will mail to our stockholders of record and beneficial owners a 2019 Notice and Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (the proxy materials). We are providing you with these proxy materials because the board of directors of Marrone Bio Innovations, Inc. (which we refer to in this proxy statement as MBI, the Company, we, or us) is soliciting your proxy to vote at the 2019 annual meeting of stockholders, which we refer to as the annual meeting. You are invited to attend the annual meeting and we request that you vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply vote your shares by proxy via the Internet or by completing, signing and returning the enclosed proxy card.

How do I attend the annual meeting?

The annual meeting will be held on May 30, 2019 at 9:00 a.m. Pacific Daylight Time at our corporate headquarters located at 1540 Drew Ave., Davis, California 95618.

Who can vote at the annual meeting?

Only stockholders of record at the close of business on April 11, 2019 will be entitled to vote at the annual meeting. On the record date, there were 110,714,403 shares of common stock outstanding and entitled to one vote each.

Stockholder of Record: Shares Registered in Your Name

If, on April 11, 2019, your shares of our common stock were registered directly with American Stock Transfer and Trust Company, LLC, our transfer agent for our common stock, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to vote your proxy on the matters to be considered as promptly as possible in order to ensure your representation at the meeting. You may vote your proxy via the Internet or by returning the enclosed proxy card.

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

If, on April 11, 2019, your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in “street name” and the Notice is being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

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

1. Election of each of George H. Kerckhove and Zachary S. Wochok, Ph.D. to our board of directors as Class III director to serve for the ensuing three years and until his successor is elected;

2. To hold a non-binding, advisory vote to approve the compensation of the Company's Named Executive Officers;
3. To hold a non-binding, advisory vote to recommend whether a non-binding stockholder vote to approve the compensation of the Company's Named Executive Officers should occur every one, two or three years;
4. To approve the Company's 2019 Employee Stock Purchase Plan (the "ESPP");
5. Ratification of the selection by the audit committee of our board of directors of Marcum LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018; and
6. To transact other business that may properly come before the Annual Meeting or any adjournments or postponements thereof.

You may either vote "For" our nominee to the board of directors, or you may "Withhold" your vote for such nominee. For the proposals regarding the non-binding, advisory vote to approve the compensation of the Company's Named Executive Officers, the ESPP approval and ratification of the selection of Marcum LLP as our independent registered public accounting firm, you may vote "For" or "Against" the proposal or abstain from voting. For the vote on frequency to approve Named Executive Officers' compensation, you may vote for such resolutions to occur every "One," "Two" or "Three" years.

How do I vote?

The procedures for voting are as follows:

Voting via the Internet —

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

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

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

If you return a signed and dated proxy card or otherwise complete a ballot or voting instructions without marking your selections, your shares will be voted, as applicable, “For” the election of each of the director nominees, “For” approval of the Named Executive Officer Compensation, “Three” for the frequency a non-binding stockholder vote to approve the compensation of the Company’s Named Executive Officers should occur, “For” approval of the ESPP and “For” the ratification of Marcum LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018. The board of directors knows of no other matters that will be presented for consideration at the annual meeting. If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

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

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

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

Can I change my vote after submitting my proxy?

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

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

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

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

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

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

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

Our stockholders may submit proposals on matters appropriate for stockholder action at subsequent annual stockholder meetings consistent with Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Proposals of stockholders intended to be presented at our 2020 annual meeting of stockholders and included in the board of directors' proxy statement and form of proxy for that meeting must be received no later than January 1, 2020 at the following address:

Marrone Bio Innovations, Inc.

Attention: Corporate Secretary

1540 Drew Ave., Davis, California 95618

Consistent with our bylaws, any stockholder may bring business before the annual meeting that it does not intend to have included in the board of director's proxy statement and form of proxy for that meeting. In addition, pursuant to the "advance notice" provisions of our bylaws, any stockholder may nominate a director candidate that it does not intend to have included in the board of directors' proxy statement and form of proxy for that meeting. Notices of business proposed to be brought before the 2020 annual meeting of stockholders, as well as notices of director nominations relating to the 2020 annual meeting of stockholders, that are not intended to be included in the board of director's proxy statement and form of proxy for that meeting, must be given to our Corporate Secretary in writing not less than 45 days prior to the anniversary of the date on which we first mailed our proxy materials for this year's Annual Meeting (i.e., not later than March 16, 2020), after which the notice is untimely.

Compliant notices of matters proposed to be brought before the annual meeting, as well as notices of director nominations, must meet the procedural, disclosure and other requirements set forth in our bylaws.

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

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

If your shares are held by your broker as your nominee (that is, in "street name"), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. If you do not give instructions to your broker, your broker can vote your shares with respect to routine "discretionary" items, but not with respect to "non-discretionary" items under the rules of the New York Stock Exchange, or NYSE. On non-discretionary items for which you do not give your broker instructions, the shares will be treated as broker non-votes. Under NYSE rules, elections of directors, adoptions of equity compensation plans, say-on-pay proposals and say-on-frequency proposals are considered to be non-routine and, therefore, brokers and other nominees will not be able to vote in the election of directors, with respect to the ESPP, or on the say-on-pay and say-on-frequency proposals unless they receive instructions from the beneficial owners of the shares. Ratification of an independent registered public accounting firm is considered to be routine and, therefore, brokers and other nominees will be able to vote for the ratification of the public accounting firm without instructions from the beneficial owners of the shares.

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

Votes will be counted by the inspector of election appointed for the meeting, who will separately count “For,” “Withhold” and broker non-votes votes with respect to Proposal 1 and who will separately count “For,” “Against” and “Abstain” votes with respect to Proposal 2, Proposal 4 and Proposal 5.

Proposal 1—Election of our two nominees for Class III directors. A majority of the votes cast is required for the 1. election of directors. Each nominee must receive more “For” votes (among votes properly cast in person or by proxy) than “Withheld” votes to be elected. Broker non-votes and abstentions will not count for or against the nominee.

Proposal 2—Advisory vote on the approval of Named Executive Officer compensation. Proposal 2 is an advisory 2. vote; however, the compensation committee of the Company and the board of directors will consider the voting results on this proposal. Broker non-votes and abstentions will have no effect and will not be counted towards the vote total for the proposal.

Proposal 3—Advisory vote to recommend whether a non-binding stockholder vote to approve the compensation of the Company’s Named Executive Officers should occur every, one, two or three years. Proposal 3 is an advisory vote; however, the compensation committee of the Company and the board of directors 3. will consider the frequency vote that receives the greatest number of votes cast by the holders of the Company’s common stock represented and voting at the annual meeting as the advisory vote of stockholders on the frequency of approval of the compensation of the Company’s Named Executive Officers. Broker non-votes and abstentions will have no effect and will not be counted towards the vote total for the proposal.

Proposal 4—Approval of the ESPP. This proposal must receive a “For” vote from the holders of a majority of the 4. voting power present and entitled to vote either in person or by proxy on the proposal. Broker non-votes and abstentions will have no effect and will not be counted towards the vote total for the proposal.

Proposal 5—Ratification of the selection by the audit committee of our board of directors of Marcum LLP as the independent registered public accounting firm of Marrone Bio Innovations for our fiscal year ending 5. December 31, 2019. This proposal must receive a “For” vote from the holders of a majority of the voting power present and entitled to vote either in person or by proxy on the proposal. If you “Abstain” from voting, it will have no effect.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at the meeting there are present in person or represented by proxy the holders of outstanding shares of common stock entitled to cast a majority of the votes that could be cast by all outstanding shares of common stock. On the record date, there were 110,714,403 shares of common stock outstanding, all of which are entitled to vote. Thus, holders of shares representing at least 55,357,202 votes must be present in person or represented by proxy at the meeting to have a quorum.

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

How many votes do I have?

On each matter to be voted upon, for holders of our common stock, you have one vote for each share of common stock you owned as of April 11, 2019.

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

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

PROPOSAL ONE

ELECTION OF CLASS III DIRECTORS

Pursuant to our certificate of incorporation, our board of directors is divided into three classes with staggered three-year terms. The total number of authorized directors on our board of directors upon the commencement of the 2019 annual meeting has been fixed at seven by a resolution of our board of directors.

There are two nominees for Class III director at this annual meeting, George H. Kerckhove and Zachary S. Wochok, Ph.D., each of whom is currently a member of our board of directors. Each director standing for election must be elected by a majority of the votes cast with respect to that director's election, meaning that the number of votes cast "for" the nominee must exceed the number of votes "withheld" from election of that nominee. In accordance with our Corporate Governance Guidelines, each of our incumbent nominees has supplied a conditional resignation letter, providing for such nominee's resignation if he is not elected by majority vote and if the Board accepts such resignation. The Nominating and Corporate Governance Committee of the Board (the "Nominating and Corporate Governance Committee") will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Nominating and Corporate Governance Committee's recommendation within 90 days following certification of the shareholder vote. Thereafter, the Board will promptly disclose, in a Form 8-K furnished to the Securities and Exchange Commission, its decision regarding whether to accept the director's resignation offer and, if applicable, the reason(s) for rejecting the resignation offer.

Stockholders cannot submit proxies voting for a greater number of persons than the one nominee named in this Proposal One. The director to be elected will hold office until the 2022 annual meeting of stockholders and until his successor is elected or until such director's death, resignation or removal. Each of Mr. Kerckhove and Mr. Wochok has agreed to serve if elected, and we have no reason to believe that he will be unable to serve.

There are no family relationships between any of our directors, our nominee or our executive officers. There are also no arrangements or understandings between any director, the nominee or any executive officer and any other person pursuant to which he or she has been or will be selected as a director and/or executive officer, except as described below under "Transactions with Related Persons—Certain Related-Person Transactions—Voting and Lock-up Agreement."

Required Vote

To be elected, each of Mr. Kerckhove and Mr. Wochok must receive the affirmative vote of the majority of votes cast, meaning that the number of votes cast “for” each nominee must exceed the number of votes “withheld” from election of that nominee. Abstentions and broker non-votes are not treated as votes cast and, therefore, will have no effect on the proposal to elect directors. If either Mr. Kerckhove or Dr. Wochok becomes unavailable for election as a result of an unexpected occurrence, shares that would have been voted for the unavailable nominee will instead be voted for the election of a substitute nominee proposed by our board of directors and the nominating and corporate governance committee.

Under NYSE rules, brokers are prohibited from giving proxies to vote on elections of directors unless the beneficial owner of such shares has given voting instructions on the matter. This means that if your broker is the record holder of your shares, you must give voting instructions to your broker with respect to the election of each of Mr. Kerckhove and Dr. Wochok in this Proposal One if you want your broker to vote your shares on the matter. Otherwise, your shares will be treated as broker non-votes. Broker non-votes will have no effect on the outcome of the vote.

Recommendation

The board of directors recommends a vote “FOR” the election of each of the nominees named in Proposal One.

INFORMATION REGARDING OUR NOMINEE AND DIRECTORS

The following table sets forth information as of April 11, 2019 with respect to our nominees for election as a Class III director of our board of directors, as well as our continuing directors.

Class III Director Nominees

Name	Age	Position
George H. Kerckhove	81	Chair of the Audit Committee and Nominating and Corporate Governance Committee Member
Zachary S. Wochok, Ph.D.	76	Audit Committee Member and Compensation Committee Member

Continuing Directors

Name	Age	Class⁽¹⁾	Position
Pamela G. Marrone, Ph.D.	62	I	Chief Executive Officer
Robert A. Woods	75	I	Chair of the Compensation Committee and Audit Committee Member
Yogesh Mago	37	I	Chair of the Nominating and Corporate Governance Committee and Audit Committee Member
Keith McGovern	53	II	Compensation Committee Member and Nominating and Corporate Governance Committee Meeting
Stuart Woolf	59	II	Compensation Committee Member and Nominating and Corporate Governance Committee Meeting

⁽¹⁾ The terms of Class I directors will expire at the 2020 annual meeting. The terms of Class II directors will expire at the 2021 annual meeting.

Nominees for Class III Directors

George H. Kerckhove has served on our board of directors since July 2014. He served on the board of directors for Gundersen Medical Foundation from 2010 to 2016 and previously served on the board of directors for Merix Corporation, where he chaired the audit committee. He worked with the American Standard Companies from 1988 through 2000, where he served as VP and chief financial officer, executive VP and global sector manager of various countries and president and general manager of the European Division. Prior to that, he served in a variety of positions from 1962 through 1987 with The Trane Company, from product manager in several product departments, VP and general manager, Process Equipment Division, and executive VP and general manager of both the US and International Commercial Equipment Divisions. Mr. Kerckhove received Bachelor of Science degrees in Agricultural Engineering and Mechanical Engineering, a Master of Science Degree in Mechanical Engineering, and an MBA, all from the University of Wisconsin in Madison. We believe Mr. Kerckhove's qualifications to sit on our board of directors include his education in agricultural engineering and his extensive experience in finance, accounting and management in global publically traded companies.

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

Continuing Directors

Pamela G. Marrone, Ph.D. is our founder and has served as our Chief Executive Officer and a member of our board of directors since our inception in 2006, as well as serving as our President from inception through January 2015 and from September 2015 to August 2017. Prior to founding the Company, in 1995 Dr. Marrone founded AgraQuest, Inc. (acquired by Bayer), where she served as chief executive officer until May 2004 and as President or Chairman from such time until March 2006, and where she led teams that discovered and commercialized several bio-based pest management products. She served as founding president and business unit head for Entotech, Inc., a biopesticide subsidiary of Denmark-based Novo Nordisk A/S (acquired by Abbott Laboratories), from 1990 to 1995, and held various positions at the Monsanto Company from 1983 until 1990, where she led the Insect Biology Group, which was involved in pioneering projects in transgenic crops, natural products and microbial pesticides. Dr. Marrone is an author of over a dozen invited publications, an inventor on more than 300 patents and is in demand as a speaker and has served on the boards and advisory councils of numerous professional and academic organizations. In 2016, Dr. Marrone was elected to the Cornell University Board of Trustees. In February 2019, she was awarded the Lifetime Achievement Award for contributions in biopesticides by BioAg World. In January 2019, she was awarded the “Sustie” award by the Ecological Farming Association for her decades-long leadership in sustainable agriculture. In 2013, Dr. Marrone was named the Sacramento region’s “Executive of the Year” by the Sacramento Business Journal and “Cleantech Innovator of the Year” by the Sacramento Area Regional Technology Alliance and Best Manager with Strategic Vision by Agrow in 2014. Dr. Marrone earned a B.S. in Entomology from Cornell University and a Ph.D. in Entomology from North Carolina State University. We believe Dr. Marrone’s qualifications to sit on our board of directors include the fact that, as our founder, Dr. Marrone is uniquely familiar with the business, structure, culture and history of our company and that she also brings to the board of directors considerable expertise based on her management and technical and commercialization experience in the biopesticide industry.

Robert A. Woods has served on our board of directors and as Chairman of the board of directors since February 2018. He has more than fifty years of experience in agribusiness and agriculture products. Mr. Woods formerly served as the Chairman and Chief Executive Officer of Targeted Growth Inc., a biotechnology firm focused on improving yield in agronomic crops. Prior to that, he served as Chief Executive Officer of Athena Biotechnologies, Inc., Chairman of Syngenta Corporation US, Group President for Zeneca Ag Products and CEO of Garst Seed Company. He has recently retired from the board of the Gowan Company having served in various capacities for 14 years. In April of 2019, Mr. Woods joined the board of Ag Plenus, an Israeli company in Agricultural technology discovery. From 2007 to 2016, Mr. Woods was a consultant and board member with Vertellus Specialties Inc. Since February 2018, Mr. Woods has served as a consultant with Ospraie Management LLC. Mr. Woods has a Bachelors’ degree in Agriculture and Horticulture from the University of Manitoba in Winnipeg, Manitoba. We believe Mr. Woods’s qualifications to sit on our board of directors include his extensive experience in agribusiness and agriculture products, and his experiences serving on the board of other companies in the biotechnology industry.

Yogesh Mago has served on our board of directors since February 2018. He has been a consultant for Ospraie Management LLC since October 2016 and has over a decade of experience in investing across a variety of industries globally, including agriculture, travel, consumer, transportation, industrials and real estate. He has been a private investor since June 2010, and is also the portfolio manager, founder and managing partner of Eunonia Management LLC and Eunonia Investment Fund LP, a value-oriented investment company he founded in June 2015. Previously, Mr.

Mago worked as a senior investment analyst at hedge funds Ospraie from July 2005 to August 2008, and Merchants' Gate Capital LP from September 2008 to August 2010. Mr. Mago is the president and co-founder of Operation Water Inc., a nonprofit organization that aims to deliver sustainable access to clean water in impoverished countries through the development of scalable infrastructure projects. Mr. Mago has a Bachelor's degree in Finance and International Business from New York University. We believe Mr. Mago's qualifications to sit on our board of directors include his extensive experience in financial, strategic and other corporate transactions and his perspective working with companies in the agriculture industry.

Keith McGovern has over 30 years of experience in the agriculture industry, specializing in leading commercial potato farming and potato processing operations. He is President of R.D. Offutt Farms, a division of R.D. Offutt Company, one of the largest farming and food processing concerns in the United States. Mr. McGovern joined R.D. Offutt Company in August 1988. Mr. McGovern serves on the Management Committee of Lamb-Weston/RDO Frozen, a joint venture frozen potato product processing plant. He also serves on the Board of Alliance for Potato Research and Education, on the Management Committee for Columbia River Technologies, a whey processor in partnership with Tillamook and Fonterra, and the Management Committee for Simplot RDO, a frozen vegetable plant in Pasco, Washington. Mr. McGovern is a graduate of Embry Riddle Aeronautical University with a degree in Aeronautical Science, and is still an active pilot. We believe Mr. McGovern's qualifications to sit on our board of directors include his considerable experience the agricultural development industry and his work with major organizations that are leaders in food sustainability and growth.

Stuart Woolf has served as President and CEO of Woolf Farming & Processing since 2002. He also serves as the Managing Partner for Harris Woolf California Almonds, a processor and handler of raw almonds, and Los Gatos Tomato Products, which manufactures bulk tomato paste for industrial users. Mr. Woolf has served as Chairman of the California League of Food Processors, the Almond Board of California, and of the University of California President's Commission of Agriculture and Natural Resources. Mr. Woolf currently serves on the board of Ruiz Food Products and Western Growers Association. Mr. Woolf received a bachelor's degree in Liberal Arts from the University of California at Berkeley and an MBA at Boston College. We believe Mr. Woolf's qualifications to sit on our board include his considerable experience in the agriculture industry and his roles serving on the boards of organizations that promote food sustainability and development.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board of Directors and Leadership Structure

Our board of directors currently consists of seven members.

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

The Class I directors are Pamela G. Marrone, Ph.D., Robert A. Woods and Yogesh Mago, and their terms will expire at the annual general meeting of stockholders to be held in 2020.

The Class II director is Keith McGovern and Stuart Woolf, and their terms will expire at the annual general meeting of stockholders to be held in 2021.

The Class III directors are George H. Kerckhove and Zachary S. Wochok, Ph.D., and their terms will expire at the annual general meeting of stockholders to be held on May 30, 2019.

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

Chairman.

We believe the board of directors maintains effective independent oversight through a number of governance practices, including our strong committee system, open and direct communication with management, input on meeting agendas and regular executive sessions.

In addition, the board of directors has established the following procedures for selecting the presiding director during the executive sessions of the board of directors. The presiding director will be (i) the Chairman of the board of directors or (ii) another director appointed by the independent directors. Following his appointment in fiscal year 2018, our Chairman, Robert A. Woods, presided at executive sessions of our Board of Directors.

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Each director brings significant expertise to the role of director. Below is a summary of the qualifications of each of our directors.

Director Qualifications and Experience Marrone Kerckhove Mago McGovern Wochok Woods Woolf

Executive Leadership
Financial Expertise
Agriculture Experience
Biotechnology Experience
International Business
Strategy and Development
Operations Expertise
Regulatory and Public Policy
Corporate Governance

Director Independence

Nasdaq rules generally require that a majority of the members of a listed company's board of directors be independent. In addition, the listing rules generally require that, subject to specified exceptions, each member of a listed company's audit, compensation, and governance committees be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under Exchange Act, and compensation committee members must also satisfy the independence criteria set forth in Rule 10C-1 under the Exchange Act. In order to be considered independent for purposes of Rule 10A-3 and Rule 10C-1, a committee member may not, other than in his or her capacity as a member of the board of directors or any board committee: accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Our board of directors has also reviewed whether the directors that comprise our audit committee and compensation committee satisfy the independence standards for those committees established by the applicable SEC rules and Nasdaq rules. In making this determination, our board of directors has considered the relationships that each of these non-employee directors has with our company and all other facts and circumstances our board of directors deem relevant in determining their independence, including the beneficial ownership of our capital stock held by each non-employee director.

The board of directors has determined that each of George H. Kerckhove, Yogesh Mago, Keith McGovern, Stuart Woolf, Zachary S. Wochok and Robert A. Woods is an independent director within the meaning of Nasdaq Listing

Rule 5605(a)(2), that each of Mr. Kerckhove, Mr. Mago, Dr. Wochok and Mr. Woods further meet the criteria for independence for audit committee members set forth in Rule 10A-3(b)(1) under the Exchange Act and Nasdaq Listing Rule 5605(c)(2), and that each of Mr. McGovern, Dr. Wochok, Mr. Woods and Mr. Woolf further meet the criteria for independence for compensation committee members set forth in set forth in Rule 10C-1(b)(1) under the Exchange Act.

In making its independence determination regarding Mr. Woods and Mr. Mago, the board of directors considered, among other things, that Mr. Woods and Mr. Mago are each consultants to Ospraie Management LLC (“Ospraie Management”), an affiliate of Ospraie Ag Science LLC (“Ospraie”), a significant stockholder and warrant holder (for more information, see “Transactions with Related Persons – Certain Related-Person Transactions”). We also considered that pursuant to their consulting agreements with Ospraie Management, Mr. Woods and Mr. Mago are each paid monthly consulting fees by Ospraie and have each been granted an indirect interest in the equity securities of our Company held by Ospraie and its affiliates. Neither Mr. Woods nor Mr. Mago actively engage in the management of Ospraie or Ospraie Management or have voting control or investment power over the securities owned by Ospraie.

Role of the Board of Directors in Risk Oversight

The board of directors is actively involved in the oversight of our risk management process. The board of directors does not have a standing risk management committee, but administers this oversight function directly through the board of directors as a whole, as well as through its standing committees that address risks inherent in their respective areas of oversight. In particular, our audit committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking and our board of directors is responsible for monitoring and assessing strategic risk exposure and other risks not covered by our committees.

The full board of directors, or the appropriate committee, receives reports on risks facing our company from our Chief Executive Officer or other members of management to enable it to understand our risk identification, risk management and risk mitigation strategies. We believe that the leadership structure of our board of directors supports effective risk management because it allows the independent directors on our committees to exercise oversight over management.

Board of Directors Meetings

During the fiscal year ended December 31, 2018, the board of directors held ten (10) meetings, the audit committee held three (3) meetings, the compensation committee held fourteen (14) meetings and the nominating and corporate governance committee held two (2) meetings. Each of our incumbent directors attended more than seventy-five percent of the meetings of the board of directors and of the committees on which the director served that were held during the last fiscal year. Board members are expected to regularly attend all meetings of the board of directors and committees on which they serve. Our independent directors held an executive session in conjunction with each in-person board meeting during the fiscal year ended December 31, 2018. Last year, all directors serving at the time attended the 2018 annual meeting of stockholders.

Contacting the Board of Directors

Any stockholder who desires to contact our board of directors, committees of the board of directors and individual directors may do so by writing to: Marrone Bio Innovations, Inc., 1540 Drew Ave., Davis, California 95618 Attention: Linda V. Moore, General Counsel. Ms. Moore will direct such communication to the appropriate persons.

Committees of the Board of Directors

In fiscal year 2018, our board of directors had three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each of our committees are below.

Audit Committee

Our audit committee members are Mr. Kerckhove, Mr. Mago, Dr. Wochok and Mr. Woods, each of whom is a non-employee member of our board of directors. Mr. Kerckhove is our audit committee chair and is our audit

committee financial expert, as defined under the applicable SEC rules. Our board of directors has determined that each of Mr. Kerckhove, Mr. Mago, Dr. Wochok and Mr. Woods is independent within the meaning of Nasdaq Listing Rule 5605(a)(2) and Rule 10A-3(b)(1) under the Exchange Act and further satisfy the additional independence requirements for service on the audit committee under Nasdaq Listing Rule 5605(c)(2).

Our audit committee oversees our corporate accounting and financial reporting process. Among other matters, the audit committee evaluates the independent registered public accounting firm's qualifications, independence and performance; determines the engagement of the independent registered public accounting firm; reviews and approves the scope of the annual audit and the audit fee; discusses with management and the independent registered public accounting firm the results of the annual audit and the review of our quarterly consolidated financial statements; approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent registered public accounting firm on our engagement team as required by law; reviews our critical accounting policies and estimates; and annually reviews the audit committee charter and the committee's performance. The audit committee operates under a written charter adopted by the board of directors that satisfies the applicable standards of Nasdaq.

Compensation Committee

Our compensation committee members are Mr. McGovern, Dr. Wochok, Mr. Woods and Mr. Woolf, each of whom is a non-employee member of our board of directors. In accordance with the securities purchase agreement we entered into with Ospraie and other parties named therein on December 15, 2017 (the "Purchase Agreement") (for more information, see "Transactions with Related Persons – Certain Related-Person Transactions – Purchase Agreement and Debt Refinancing"), Mr. Woods has been designated our compensation committee chair. Our board of directors has determined that each of Mr. McGovern, Dr. Wochok, Mr. Woods and Mr. Woolf is independent within the meaning of Nasdaq Listing Rule 5605(a)(2) and the criteria for independence set forth in Rule 10C-1(b)(1) under the Exchange Act. The board of directors also determined that each of Mr. McGovern, Dr. Wochok and Mr. Woolf is a non-employee director under Rule 16b-3 of the Exchange Act, but that Mr. Woods may be deemed to be an employee director under that rule as a result of his consulting relationship with Ospraie Management.

Our compensation committee reviews and recommends programs, arrangements and policies relating to the compensation and benefits of our officers and employees. The compensation committee reviews and approves corporate goals and objectives relevant to the compensation of our chief executive officer and other executive officers, evaluates the performance of these officers in light of those goals and objectives and sets the compensation of these officers based on such evaluations. The compensation committee approves the issuance of certain stock options and other awards under our stock plans, provided that the compensation committee recommends awards for approval by the board of directors with respect to our executive officers, directors and any other persons subject to Section 16 of the Exchange Act. The compensation committee reviews and evaluates, at least annually, the performance of the compensation committee and its members. The compensation committee operates under a written charter adopted by the board of directors that satisfies the applicable standards of Nasdaq. The compensation committee may form and delegate authority under its charter to subcommittees or other persons when appropriate.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee members are Mr. Kerckhove, Mr. Mago, Mr. McGovern and Mr. Woolf, each of whom is a non-employee member of our board of directors. In accordance with the Purchase Agreement, Mr. Mago has been designated our nominating and corporate governance committee chair. Our board of directors has determined that each of Mr. Kerckhove, Mr. Mago, Mr. McGovern and Mr. Woolf is independent within the meaning of Nasdaq Listing Rule 5605(a)(2).

Our nominating and corporate governance committee is responsible for making recommendations regarding candidates for directorships and the size and the composition of our board of directors. Candidates for directorships are generally identified and considered on the basis of experience, areas of expertise and other factors relative to the overall composition of our board of directors. The nominating and corporate governance committee will also consider candidates for directorship recommended by stockholders that are submitted in compliance with its charter. In addition to making recommendations for director candidates, the nominating and corporate governance committee is responsible for overseeing our corporate governance principles and making recommendations concerning governance matters. The nominating and corporate governance committee operates under a written charter adopted by the board of directors that satisfies the applicable standards of Nasdaq.

Corporate Governance

Corporate Governance Guidelines

Our board of directors has adopted written Corporate Governance Guidelines to assure that the board of directors will have the necessary authority and practices in place to review and evaluate our business operations as needed and to

make decisions that are independent of our management. The guidelines are also intended to align the interests of directors and management with those of our stockholders. The Corporate Governance Guidelines set forth the practices the board of directors intends to follow with respect to board composition and selection, board meetings and involvement of senior management, Chief Executive Officer performance evaluations and succession planning, and board committees and compensation. The nominating and corporate governance committee assists the board of directors in implementing and adhering to the Corporate Governance Guidelines. Our Corporate Governance Guidelines are available on the investor relations section of our website at *investors.marronebio.com* under the heading “*Corporate Governance*.” The corporate governance guidelines are reviewed at least annually by our nominating and corporate governance committee, and changes are recommended to our board of directors with respect to changes as warranted.

Code of Business Conduct and Ethics

We have adopted the Marrone Bio Innovations Code of Business Conduct and Ethics that applies to all officers, directors and employees. Our Code of Business Conduct and Ethics is available on the investor relations section of our website (at *investors.marronebio.com*) under the heading “*Corporate Governance*.” If we make any substantive amendments to our Code of Business Conduct and Ethics or grant any waiver from a provision of the Code of Business Conduct and Ethics to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on the investor relations section of our website at *investors.marronebio.com* under the heading “*Corporate Governance*.” We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics by posting such information on our website at the address and location specified above.

Corporate Governance Materials

Our Corporate Governance Guidelines, Code of Business Conduct and Ethics, charters for each committee of the board of directors and other corporate governance documents, are posted on the investor relations section of our website at *investors.marronebio.com* under the heading “*Corporate Governance*.” In addition, stockholders may obtain a print copy of our Corporate Governance Guidelines, Code of Business Conduct and Ethics as well as the charters of our audit committee, compensation committee and nominating and corporate governance committee by writing to our Corporate Secretary at 1540 Drew Ave., Davis, California 95618.

Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serve, or in the past year have served, as a member of the board of directors or compensation committee of any other entity that has one or more executive officers serving on our board of directors.

Director Compensation

Director Compensation for Fiscal Year 2018

Our non-employee directors who served during the fiscal year ended December 31, 2018 received the following compensation for their service on our board of directors.

NAME	STOCK AWARDS (\$)(1)(2)	TOTAL (\$)(2)
George Kerckhove	128,326	128,326
Yogesh Mago	153,825	153,825
Keith McGovern	98,605	98,605
Richard Rominger	88,917	88,917
Zachary S. Wochok, Ph.D.	116,365	116,365
Robert A. Woods		