

Ocean Power Technologies, Inc.  
Form DEF 14A  
September 02, 2016  
**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**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 Rule14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under § 240.141-12

**Ocean Power Technologies, Inc.**

**(Name of Registrant as Specified In Its Charter)**

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

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

1590 Reed Road

Pennington, NJ 08534 USA

Tel: 609-730-0400 — Fax: 609-730-0404

September 7, 2016

Dear Stockholder,

We cordially invite you to attend our 2016 Annual Meeting of Stockholders to be held at 9:00 a.m. Eastern Daylight Time on Friday, October 21, 2016 at the Courtyard by Marriott, 360 Scotch Road, Ewing, NJ 08628. The attached notice of annual meeting and proxy statement describes the business we will conduct at the meeting and provides information about Ocean Power Technologies, Inc. that you should consider when you vote your shares.

Proposal 5 requires the affirmative vote of holders of 75% of the outstanding shares of common stock entitled to vote at the meeting. Proposal 6 requires the affirmative vote of holders of a majority of the outstanding shares of common stock entitled to vote at the meeting. **In light of these high voting standards, your vote is very important regardless of the number of shares you hold.**

Please take the time to review this proxy statement and to cast your vote. You may vote in person at the meeting or by proxy. If you elect to vote by proxy, please following the instructions on the enclosed proxy card – voting by proxy can occur by mail, via the telephone, or over the internet.

We hope that you will join us on October 21, 2016.

Sincerely,

/s/TERENCE J. CRYAN

Terence J. Cryan

*Chairman of the Board of Directors*

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**OCEAN POWER TECHNOLOGIES, INC.**

**1590 Reed Road**

**Pennington, NJ 08534**

**Notice of 2016 Annual Meeting of Stockholders**

**NOTICE IS HEREBY GIVEN that the 2016 Annual Meeting of Stockholders of Ocean Power Technologies, Inc., a Delaware corporation, will be held on:**

***Date:*** October 21, 2016

***Time:*** 9:00 a.m. Eastern Daylight Time

Courtyard by Marriott

360 Scotch Road

***Place:***

Ewing, NJ 08628

USA

***Purposes:*** 1. To elect six persons to our Board of Directors;

2. To consider and take action on the ratification of the selection of KPMG LLP as our independent registered public accounting firm for fiscal year 2017;

3. To vote on an advisory resolution to approve our executive officer compensation;

To approve an amendment to the 2015 Omnibus Incentive Plan (the “2015 Plan”) to increase the number  
4. of shares of our common stock available for grant under the 2015 Plan from 240,703 to 640,703 in order to assure that adequate shares will be available under the 2015 Plan for future grants;

To approve an amendment to our Certificate of Incorporation that will delete the “only for cause” director  
5. removal standard for stockholders, which has the effect of allowing for shareholders to remove directors with and without cause.

To approve an amendment to our Certificate of Incorporation that will add a provision which requires  
6. that any provision that is contrary to a requirement of the Delaware General Corporate Law (DGCL) shall be read in conformity with the applicable requirement of the DGCL; and

7. To transact such other business as may properly come before the meeting or any adjournments thereof.

**Record Date:** The Board of Directors has fixed the close of business on Thursday, September 1, 2016 as the record date for determining stockholders entitled to notice of, and to vote at, the meeting or any adjournment or postponement of the meeting.

These items are fully discussed in the following pages, which are made part of this Notice of 2016 Annual Meeting of Stockholders. Even if you plan to attend the meeting, we ask you to vote your shares as promptly as possible.

**PLEASE NOTE, IF YOUR SHARES ARE HELD IN "STREET NAME," YOUR BROKER, TRUST, BANK OR OTHER NOMINEE HOLDER CANNOT VOTE YOUR SHARES ON THE APPROVAL OF THE TWO AMENDMENTS OF THE CERTIFICATE OF INCORPORATION UNLESS YOU DIRECT THE NOMINEE HOLDER HOW TO VOTE BY MARKING YOUR FORM OF PROXY AND RETURNING IT AS INSTRUCTED.**

Whether or not you plan to attend the meeting, please vote your shares as soon as possible. You may vote your shares by telephone, via the Internet or by mail. Stockholders of record who attend the meeting may vote in person, even if they already voted their shares by telephone, via the Internet or by returning a proxy card or voting instruction card.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2016 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON OCTOBER 21, 2016:**

Copies of this proxy statement and our annual report for the fiscal year ended April 30, 2016 are available by visiting the following website: <http://www.oceanpowertechnologies.com> .

FOR THE BOARD OF DIRECTORS

/s/ JOHN W. LAWRENCE

John W. Lawrence

General Counsel and Secretary

Pennington, NJ

September 7, 2016



**TABLE OF CONTENTS**

	<b>Page</b>
General Information	1
Proposal One – Election Of Directors	3
Report of Audit Committee	12
Proposal Two – Ratification of the Selection of Independent Registered Public Accounting Firm	13
Security Ownership of Certain Beneficial Owners and Management	14
Certain Relationships and Related Person Transactions	16
Executive Compensation	16
Proposal Three – Advisory Resolution to Approve Our Executive Compensation Practices	23
Proposal Four – Approval of an Amendment to the Ocean Power Technologies, Inc. 2015 Omnibus Incentive Plan	24
Proposal Five – Approval of an Amendment to Our Certificate of Incorporation to Delete the “only for cause” Director Removal Provision	31
Proposal Six – Approval of Amendment to Our Certificate of Incorporation to Add a Provision Requiring Conformity with Delaware General Corporate Law	32
Other Matters	33
Annex A – Amendment to the 2015 Omnibus Incentive Plan	A-1
Annex B – Form of Certificate of Amendment to Delete the “only for cause” Director Removal Provision	B-1
Annex C – Form of Certificate of Amendment to Add a Provision Requiring Conformity with Delaware General Corporate Law	C-1

**OCEAN POWER TECHNOLOGIES, INC.**

**1590 Reed Road**

**Pennington, NJ 08534**

**PROXY STATEMENT**

**Annual Meeting of Stockholders To Be Held October 21, 2016**

**GENERAL INFORMATION**

This Proxy Statement is furnished to stockholders of Ocean Power Technologies, Inc., a Delaware corporation (the “Company”), in connection with the solicitation by our Board of Directors of proxies for use at our 2016 Annual Meeting of Stockholders (the “Meeting”). The Meeting is scheduled to be held on Friday, October 21, 2016, at 9:00 a.m., Eastern Daylight Time, at the Courtyard by Marriott, 360 Scotch Road, Ewing, NJ 08628. We anticipate that this Proxy Statement and the enclosed form of proxy will be mailed to stockholders on or about September 12, 2016.

At the Meeting, stockholders will be asked to vote upon: (1) the election of six directors; (2) the ratification of the selection of our independent registered public accounting firm for fiscal year 2017; (3) an advisory resolution to approve our executive officer compensation; (4) the approval of an amendment to the Ocean Power Technologies, Inc. 2015 Omnibus Incentive Plan; (5) the approval of an amendment to our Certificate of Incorporation to delete the “only for cause” director removal by stockholder provision; (6) the approval of an amendment to our Certificate of Incorporation to add a provision requiring conformity with the DGCL; and (7) such other business as may properly come before the Meeting and at any adjournments thereof.

**Voting Rights and Votes Required**

The close of business on September 1, 2016 has been fixed as the record date (the “Record Date”) for the determination of stockholders entitled to receive notice of, and to vote at, the Meeting. As of the close of business on such date, we had outstanding and entitled to vote 3,161,942 shares of common stock, par value \$0.001 per share (the “Common Stock”). The closing price of our Common Stock on The NASDAQ Capital Market on the Record Date was \$8.12 per share. Because stockholders often cannot attend the meeting in person, a large number of shares is usually represented by proxy. You may vote your shares by completing the enclosed proxy card and mailing it in the envelope provided or

by telephone or internet as instructed on the proxy card. Stockholders who hold shares in “street name” should refer to their proxy card or the information forwarded by their bank, broker or other holder of record for instructions on the voting options available to them.

A majority of the shares of Common Stock entitled to vote at the Meeting must be represented in person or by proxy at the Meeting in order to constitute a quorum for the transaction of business. The record holder of each share of Common Stock entitled to vote at the Meeting will have one vote for each share so held. Abstentions and broker non-votes will count as present for the purpose of determining the presence of a quorum.

Assuming the presence of a quorum at the Meeting, the following votes are required for approval of the following proposals:

Directors are elected by a plurality of the votes cast (Proposal 1). This means that the six nominees with the highest number of “FOR” votes will be elected as directors. Stockholders may not cumulate their votes. If the shares you own are held in “street name” by a bank or brokerage firm, that bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. **If you do not instruct your bank or broker how to vote with respect to this item, your bank or broker may not vote with respect to the election of directors.** In tabulating the votes, withheld votes for the election of one or more nominees and broker non-votes, if any, are not treated as votes cast, and therefore will have no effect on the outcome of the vote.

The proposal to ratify the selection of our independent registered public accounting firm (Proposal 2), the advisory resolution to approve our executive officer compensation (Proposal 3), and the proposal to approve an amendment to the Ocean Power Technologies, Inc. 2015 Omnibus Incentive Plan to increase the number of shares available for future grants (Proposal 4) each require the affirmative vote of the holders of a majority of the shares of our Common Stock present or represented at the Meeting and voting on the proposal. Abstentions and broker non-votes are not considered votes cast and therefore will have no effect on the outcome of the vote on these proposals.

The proposal to authorize an amendment to our Certificate of Incorporation to allow for the removal of directors, with and without cause, by the stockholders (Proposal 5) requires the affirmative vote of 75% of the shares of our outstanding Common Stock entitled to vote thereon. The proposal to authorize an amendment to our Certificate of Incorporation to add a provision to require conformity with the Delaware General Corporate Law (Proposal 6) requires the affirmative vote of a majority of the shares of our outstanding Common Stock entitled to vote thereon. Broker non-votes and abstentions from voting on these two proposals will count as votes cast and will have the same effect as a vote against the proposal.

Our Board of Directors has retained Regan & Associates, Inc., an independent proxy solicitation firm, to assist it in soliciting proxies, for approximately \$55,000. Proxies may be solicited in person or by mail, telephone or other electronic means.

### **Voting of Proxies**

If the accompanying proxy is properly executed and returned, the shares represented by the proxy will be voted at the Meeting as specified in the proxy. If no instructions are specified, the shares represented by any properly executed proxy will be voted **FOR** the election of the nominees listed below under “Proposal One - Election of Directors,” **FOR** the ratification of the selection of our independent registered public accounting firm, **FOR** the approval of the advisory resolution to approve our executive compensation, **FOR** the approval of an amendment to our 2015 Omnibus Incentive Plan, **FOR** the approval of an amendment to our Certificate of Incorporation to delete the “only for cause” director removal provision, and **FOR** the approval of the amendment to our Certificate of Incorporation to require conformity with the Delaware General Corporate Law.

### **Broker Non-Votes**

A “broker non-vote” occurs when a broker, bank, or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder (i) has not received instructions from the beneficial owner and (ii) does not have discretionary voting power for that particular item.

If you are a beneficial owner and you do not give instructions to your broker, bank, or other holder of record, such holder of record will be entitled to vote the shares with respect to “routine” items but will not be permitted to vote the shares with respect to “non-routine” items (those shares are treated as “broker non-votes”). If you are a beneficial owner, your broker, bank, or other holder of record has discretion to vote your shares on the proposal to ratify the appointment of KPMG as our independent registered public accounting firm if the holder of record does not receive voting instructions from you. However, such holder of record may not vote your shares on the election of directors or the proposals to approve the amendment to the 2015 Omnibus Incentive Plan, to amend our Certificate of Incorporation (both to delete the “only for cause” provision and to add the requirement to conform to the Delaware General Corporate Law), or the advisory resolution regarding executive compensation without your voting instructions on those proposals. Accordingly, without your voting instructions on those proposals, a broker non-vote will occur.

We encourage you to provide instructions to your bank, brokerage firm, or other nominee by voting your proxy. This action ensures that your shares will be voted in accordance with your wishes at the Meeting.

**Revocation of Proxies**

Any proxy given pursuant to this solicitation may be revoked by a stockholder at any time before it is exercised by: (i) providing written notice to our Secretary, (ii) delivery to us of a properly executed proxy bearing a later date, or (iii) voting in person at the Meeting.

## **Solicitation of Proxies**

We will bear the cost of this solicitation, including amounts paid to banks, brokers, proxy solicitors, and other record owners to reimburse them for their expenses in forwarding solicitation materials regarding the Meeting to beneficial owners of Common Stock. The solicitation will be by mail, with the materials being forwarded to stockholders of record and certain other beneficial owners of Common Stock, and by our officers and other regular employees (at no additional compensation). Our officers, employees and proxy solicitors may also solicit proxies from stockholders by personal contact, by telephone, or by other means if necessary in order to ensure sufficient representation at the Meeting.

Computershare Investor Services has been retained to receive and tabulate proxies. Regan & Associates, Inc. has been retained to assist in soliciting proxies.

## **PROPOSAL ONE**

### **ELECTION OF DIRECTORS**

Pursuant to our by-laws, our directors serve one-year terms and are elected for a new one-year term at each annual meeting of stockholders.

The six persons listed in the table below have been designated by the Board of Directors as nominees for election as directors with terms expiring at our 2016 annual meeting of stockholders. Terence J. Cryan has been a member of our Board of Directors since October 2012, and was our lead independent director from October 2013 to June 2014 when he became our Chairman of the Board. Dean J. Glover has been a member of our Board of Directors since October 2014, replacing a member who retired, and was elected Vice Chairman in July 2016. George H. Kirby has served as our President, Chief Executive Officer and a member of our Board of Directors since January 20, 2015. Robert J. Burger became a member of our Board of Directors on May 8, 2015. Steven M. Fludder and Robert K. Winters each became a member of our Board of Directors on May 5, 2016.

Unless a contrary direction is indicated, it is intended that proxies received will be voted for the election as directors of the six nominees, to serve for one-year terms, and in each case until their successors are elected and qualified. Each of the nominees has consented to being named in this Proxy Statement and to serve as a director if elected. In the event any nominee for director declines or is unable to serve, the proxies may be voted for a substitute nominee selected by the Board of Directors.

**Board Recommendation****THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES.**

All of the nominees for election as directors bring to our Board of Directors executive leadership experience from their service as executives and/or directors of our Company and/or other entities. The biography of each of the nominees below contains information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, and the experiences, qualifications, attributes and skills that caused the Nominating and Corporate Governance Committee and our Board of Directors to determine that the person should serve as a director, given our business and structure.

<b>Name</b>	<b>Age</b>	<b>Position(s) with the Company</b>	<b>Served as Director From</b>
Terence J. Cryan	54	Chairman of the Board	2012
Dean J. Glover	50	Vice Chairman of the Board and Independent Director	2014
George H. Kirby	46	Chief Executive Officer and Director	2015
Robert J. Burger	52	Independent Director	2015
Steven M. Fludder	56	Independent Director	2016
Robert K. Winters	48	Independent Director	2016

**Terence J. Cryan** has been a member of our Board of Directors since October 2012. Mr. Cryan was our lead independent director from October 2013 to June 2014 when he became Chairman of the Board. Since September 2001, Mr. Cryan has been Co-founder and Managing Director of Concert Energy Partners, LLC, an investment and private equity firm with a focus on the traditional and alternative energy, power and natural resources industries. In addition to his responsibilities at Concert Energy Partners, Mr. Cryan has served on the boards of directors of a number of publicly traded companies including Uranium Resources, Inc., from 2006 to 2016; Global Power Equipment Group Inc., since 2008; Superior Drilling Products, since May 2014; Gryphon Gold Corporation from 2009 to 2012; and The Providence Service Corporation from 2009 to 2011. Mr. Cryan previously served as President and Chief Executive Officer of Medical Acoustics, LLC from 2007 through 2010. From September 2012 until April 2013, Mr. Cryan also served as interim President and CEO of Uranium Resources, Inc., and was elected as Chairman of the Board of Directors of Uranium Resources, Inc. in June 2014 and served until March 2016. Mr. Cryan has been President and CEO of Global Power Equipment Group Inc., since March 2015. Between 1990 and 2001, Mr. Cryan was a Senior Managing Director in the investment banking department at Bear Stearns & Co. Inc. in New York City and a Managing Director at Paine Webber/Kidder Peabody in both New York City and London. Prior to joining our Board of Directors, Mr. Cryan was a member of our Board of Advisors. Mr. Cryan earned his Bachelor of Arts degree from Tufts University in 1983 and a Master of Science degree in Economics from The London School of Economics in 1984. In December 2014, Terence Cryan was named a Board Leadership Fellow by the National Association of Corporate Directors. We believe Mr. Cryan's qualifications to sit on our Board of Directors include his significant experience in financial matters, his prior board and executive experience at other companies, his broad energy industry background and his extensive expertise in financings, mergers and acquisitions.

**Dean J. Glover** became a member of our Board of Directors in October 2014, replacing a director who retired, and was elected Vice Chairman of our Board of Directors in July 2016. Mr. Glover has been the President & CEO of MIRATECH Group since October 2014. Prior to this, he was Senior Vice President and President of the Products Division of Global Power Equipment Group Inc. Mr. Glover joined Global Power in December 2005 as Chief Operating Officer of Braden Manufacturing. Prior to joining Global Power, Mr. Glover led the global supply chain and manufacturing for Diebold Inc. Prior to this Mr. Glover spent 13 years with General Electric (NYSE: GE) in various managerial and technical roles and is a certified Six Sigma Master Black belt. Mr. Glover currently serves as a director of Oklahoma Scholastic Organization, a non-profit organization. Mr. Glover holds a Bachelor's degree in Mechanical Engineering from the University of Nebraska and an M.B.A. from the Kellogg Graduate School of Management, Northwestern University. Mr. Glover has extensive international experience having lived in various international locations for most of his career. Mr. Glover has over 25 years of commercial and technical experience in industry. We believe Mr. Glover's qualifications to sit on our Board of Directors include his significant managerial, commercial and technical experience in the energy technology industry.

**George H. Kirby** has served as our President, Chief Executive Office and a member of our Board of Directors since January 20, 2015, replacing Interim Chief Executive Officer David L. Keller. Prior to this, he joined AECOM Technology Corporation (NYSE: ACM) a leading provider of engineering, procurement and construction ("EPC") services in September 2013 as Senior Vice President. In this role, he led their Energy Business Line for the north U.S. region providing services for utilities, power transmission and generation developers, and large industrial energy efficiency end-users. Prior to AECOM, he joined SAIC Energy, Environment, & Infrastructure (NYSE: SAIC) in January 2012 a global leader in solutions for national security, healthcare and engineering, as Managing Director for their Asset Transactions group providing power generation investors and developers with technical and market consulting and advisory services, and was promoted to Vice President in 2013 providing EPC services to Investor



Owned Utilities. In 2009, he joined American Superconductor (NASDAQ: AMSC) as Director of Global Sales and was promoted to Managing Director of the Americas and Australia in 2011. From 2000 to 2009, Mr. Kirby held significant leadership roles at General Electric in both GE Energy and GE Capital (NYSE: GE) in product development, global sales, quality and project finance. In June 2016, Mr. Kirby was elected to the Board of Trustees of the Sea Research Foundation, a non-profit organization in Mystic, Connecticut. Mr. Kirby previously served as a director of Blade Dynamics, LLC from April to December 2011, and Schooner, Inc. from June to October 2012. Mr. Kirby earned a Bachelor of Science degree in Aerospace Engineering from Syracuse University in 1992 and an M.B.A. from Smeal College of Business at Pennsylvania State University in 2008. We believe Mr. Kirby's significant leadership experience in energy industries qualifies him to serve on our Board of Directors.

**Robert J. Burger** became a member of the Board of Directors on May 8, 2015. Mr. Burger has a broad range of international executive experience in both the alternative and traditional energy industries, and is currently on the Board of Directors for Victory Energy Operations, LLC, a Saw Mill Capital Company. Victory Energy designs and manufactures industrial boilers for the power and chemical industries. From 2012 through 2015, Mr. Burger served as President and CEO of MAN Diesel & Turbo North America Inc., based in Houston, Texas, a subsidiary of the German multi-national corporation, MAN SE. MAN is the world's leading provider of large-bore diesel engines for use in ships and power stations, and a top provider of turbo-machinery for oil & gas, chemical, and industrial applications. From 2007 to 2012, Mr. Burger was with LM Wind Power, a Danish company and the world's largest independent provider of wind turbine blades and service. He served as President of LM's Service Americas business, based in Portland, Oregon, and prior to that as Director of Global Service, based at LM's corporate headquarters in Amsterdam, The Netherlands. From 2005 to 2007, Mr. Burger led Aerisyn, LLC, a start-up fabricator of wind turbine towers based in Chattanooga, Tennessee. Mr. Burger's corporate career began in the energy division of General Electric, where he rose through the ranks to lead their Gas Turbine Product Service business worldwide, serving in various engineering, production, quality, and customer service roles along the way. Prior to GE, Mr. Burger was an officer in the U.S. Navy, driving ships and managing the ship's power plant for several years, including a three-year tour in Japan, and then specializing in large-scale shipyard engineering, repair, and modification projects, to include underwater salvage. He was a fully-qualified U.S. Navy Diving Officer. Mr. Burger holds two graduate degrees in Mechanical Engineering, both an M.S. and a D.Mech. Eng., from the Naval Postgraduate School in Monterey, California, where he did extensive postgraduate work in total ship systems design. He is a graduate of the U.S. Naval Academy, where he earned a B.S. in Ocean Engineering. We believe Mr. Burger's qualifications to serve on our Board of Directors include his broad range of executive experience in both alternative and traditional energy industries.

**Steven M. Fludder** became a member of the Board of Directors on May 5, 2016. Mr. Fludder brings more than 30 years of global executive leadership in energy and infrastructure markets. He is currently Chief Executive Officer with alpha-En, a publicly traded innovative clean technology company focused on enabling next generation battery technologies by developing high purity lithium products. Prior to alpha-En, Mr. Fludder was Chief Executive of AECOM's global Energy and Water practice. Prior to AECOM, he was Senior Executive Vice President, Division General Manager and Samsung group officer where he was head of worldwide sales and marketing for Samsung Engineering, a global engineering, procurement and construction (EPC) firm serving a broad range of energy industries including power, oil & gas, petrochemicals, and metallurgy. He was subsequently President of Samsung Techwin Power Systems Division. Prior to Samsung, Mr. Fludder served as a Vice President and General Electric corporate officer where he led GE's companywide environmental business initiative "ecomagination". Earlier in his career at GE, Mr. Fludder held executive leadership roles in the Water, Energy Services, Energy China, and Aircraft Engines divisions. He has significant experience scaling and growing energy related technology businesses through start-ups, acquisitions and turnarounds. Mr. Fludder holds a Master's degree in Mechanical Engineering from the Massachusetts Institute of Technology, a bachelor's degree in Mechanical Engineering from Columbia University, and a second Bachelor of Science degree from Providence College. We believe Mr. Fludder's qualifications to serve on our Board of Directors include his wide experience in both the energy and infrastructure markets, as well a variety of other industry segments related to our business.

**Robert K. Winters** became a member of the Board of Directors on May 5, 2016. Robert Winters has been an Executive Vice President and G.M. of Alpha IR Group since September, 2015. He established and is running the NYC office for the Chicago-based firm, which specializes in providing strategic counsel to small- and mid-cap U.S. companies across a broad range of industries. Prior to this, he was a partner and portfolio manager at Zesiger Capital

Group, LLC for 14 years; Zesiger Capital Group, LLC is an investment advisor based in NYC, catering to both large institutional clients and high net-worth individuals. Zesiger's investment strategy during Mr. Winters' tenure was to take concentrated, long-term investment positions in small- and mid-cap stocks in the U.S., as well as in select emerging and frontier markets. Additionally, Mr. Winters managed fixed income investments on behalf of clients at Zesiger, as well as private investments; Mr. Winters sat on the boards of several private portfolio companies during his time at Zesiger. Prior to his work at Zesiger Capital Group, LLC, Mr. Winters worked as a Managing Director and Senior Natural Resource analyst for almost 10 years at Bear, Stearns & Co., Inc., where he focused on energy, metals and mining. Mr. Winters began his finance career at CS First Boston following his work as an international trade analyst with Kilpatrick & Cody in Washington, D.C. Mr. Winters served as a director of LRM Industries International from 2009 until 2014. Mr. Winters graduated from Georgetown University in 1990 with a dual major in International Relations and History. We believe Mr. Winter's qualifications to serve on our Board of Directors include his extensive finance experience, as well his experience with small-cap and mid-cap public companies.

## Executive Officers

We have three executive officers who are not also directors:

<u>Name</u>	<u>Age</u>	<u>Position with Ocean Power Technologies, Inc.</u>
Mark A. Featherstone (1)	54	Chief Financial Officer and Treasurer
Dr. Mike Mekhiche	49	Executive Vice President – Engineering and Operations
Matthew T. Shafer (2)	45	Chief Financial Officer, Vice President – Finance, and Treasurer

(1) Mr. Featherstone resigned from his role as Chief Financial Officer and Treasurer as of September 7, 2016. He will continue to serve as our principal accounting officer through September 16, 2016, at which time Matthew T. Shafer will assume that role.

(2) Mr. Shafer assumed the role of Chief Financial Officer, Vice President - Finance and Treasurer on September 7, 2016.

**Mark A. Featherstone** has served as our Chief Financial Officer since December 2013. Prior to joining the Company, Mr. Featherstone worked for a number of publicly-held and privately-owned industrial and consumer manufacturing and distribution companies. From May 2013 to December 2013, Mr. Featherstone served as Chief Financial Officer of Heat Transfer Products LLC, a private equity owned commercial refrigeration components manufacturer. From June 2012 to May 2013, Mr. Featherstone was an independent consultant specializing in interim CFO services, financial statement restatements and debt restructuring. From 2001 to June 2012, Mr. Featherstone was employed by Quaker Chemical Corporation, a NYSE-listed specialty chemical manufacturer, serving as CFO from 2007 until June 2012. Mr. Featherstone began his career at the international accounting firm of Arthur Andersen & Company. Over his career, Mr. Featherstone has raised both debt and equity, has overseen mergers, acquisitions, and divestitures as well as been responsible for financial reporting and other matters. Mr. Featherstone holds a Master of Business Administration degree from Drexel University and a Bachelor's degree in Accounting from Pennsylvania State University.

**Dr. Mike Mekhiche** has served as our Executive Vice President – Engineering and Operations since August 2016. He previously served as the Company's Vice President – Engineering since September 2012. Prior to joining the Company in 2012, Dr. Mekhiche worked for various commercial and defense contractors such as BAE Systems, a large global defense and aerospace contractor, DRS Technologies, Kaman Aerospace and SatCon Technology Corporation. At BAE Systems, Inc., he served most recently in the role of Director of Products and Technologies, overseeing the

design, development, production and systems integration of advanced power management and hybrid propulsion product lines for various mobile and stationary applications such as naval vessels, heavy duty commercial vehicles and military combat and tactical platforms. Dr. Mekhiche holds Doctorate and Masters degrees with honors in Electrical Engineering from the Grenoble Institute of Technology.

**Matthew T. Shafer** has served as our Chief Financial Officer, Vice President – Finance, and Treasurer since September 7, 2016. He previously served as a Vice President of Finance and Corporate Controller for CMF Associates since May 2015, where he led teams in providing finance solutions for small and middle-market high-growth organizations. Prior to that, he served as Senior Director of Finance for Valeant Pharmaceuticals International, a large global publicly traded company that develops, manufactures, markets and sells specialty pharmaceuticals and medical devices. He held primary responsibility as the Business Unit Chief Financial Officer for the Valeant Dentistry, Generics and Neurology business units, and had worked closely with commercial operations and corporate level teams on numerous product launches, sales force expansions, mergers and acquisitions, financial systems integrations, and internal controls. Before joining Valeant in 2013, he served as Senior Director of Finance for Peak Resourcing providing finance and accounting solutions to small and middle market organizations since 2010. Mr. Shafer has a foundation in Public Accounting working at Arthur Andersen LLP at the beginning of his career, holds a Bachelor of Science in Accounting from The Stillman School of Business at Seton Hall University and an MBA in Finance from Rutgers Business School in New Brunswick, NJ. He is also a certified public accountant.

## Director Compensation

For Board service year 2016, the Board of Directors approved, for each non-employee director, an annual payment of \$45,000 and a choice of either (a) an option worth \$20,000, based on the Black-Scholes formula, to purchase shares of Common Stock that vests 100% on the next annual stockholder meeting date, or (b) Common Stock worth \$20,000, which vests in equal installments over three years. Directors serving a portion of a year receive a pro-rata grant. Each non-employee director also receives a per annum supplement ranging from \$2,000 to \$9,600 for each committee that they chair. In addition, the Chairman of the Board annually receives an additional \$30,000. For Board service year 2016, the award of shares or options occurred in May 2016 after the close of the fiscal year.

We reimburse each non-employee director for out-of-pocket expenses incurred in connection with attending our Board and Board committee meetings. Compensation for our directors, including cash and equity compensation, is determined, and remains subject to adjustment, by our Board of Directors.

The following table summarizes compensation paid to each of our non-employee directors who served during fiscal year 2016.

Name	Fees Earned or Paid	Restricted Stock and Option	All Other	Total (\$)
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	<b>in Cash (\$)</b>	<b>Awards (\$)</b>	<b>Compensation (\$)</b>	
Terence J. Cryan	82,620	—(1)	—	82,620
David L. Keller	22,500	—(1)	—	22,500
Eileen M. Competti	48,778	—(1)	—	48,778
Dean J. Glover	52,200	—(1)	—	52,200
Robert J. Burger	44,270	20,833(1)	—	65,103
Steven M. Fludder (2)	—	—	—	—
Robert K. Winters (2)	—	—	—	—

The amount of \$20,833 for Mr. Burger represents the fair value of shares on May 8, 2015, the date of the grant, in accordance with Accounting Standards Codification (ASC) No. 718, *Compensation – Stock Compensation* (ASC) (1)718. The stock option award was granted to Mr. Burger in fiscal 2016 for service on the Board of Directors for the Board service year ended October 2015. Other members of our Board of Directors received stock options or restricted stock awards in fiscal 2015 for the Board service year ended October 2015.

(2) Mr. Fludder and Mr. Winters joined the Board of Directors on May 5, 2016, and did not receive any compensation for fiscal year 2016.

	<b>Restricted Stock Awards</b>	<b>Option Awards</b>	<b>Total</b>
Mr. Cryan (4)	—	—	—
Mr. Keller (1)	—	—	—
Ms. Competti (2)	—	—	—
Mr. Glover (4)	—	—	—
Mr. Burger (4)	—	5,139	5,139
Mr. Fludder (3)	—	—	—
Mr. Winters (3)	—	—	—

(1) Mr. Keller served on the Board of Directors during fiscal year 2016 until October 22, 2015.

(2) Ms. Competti service on the Board of Directors during fiscal year 2016 until March 3, 2016.

(3) Mr. Fludder and Mr. Winters joined the Board of Directors on May 5, 2016, and did not receive any restricted stock awards or option awards for fiscal year 2016.

(4) No stock options or restricted stock awards were granted to the Board of Directors in fiscal year 2016 for the Board service year ending October 2016.

## **Corporate Governance**

Our Board of Directors believes that good corporate governance is important to ensure that the Company is managed for the long-term benefit of our stockholders. This section describes key corporate governance guidelines and practices that our Board has adopted. Complete copies of our corporate governance guidelines, committee charters and code of business conduct and ethics are available on the corporate governance section of our website, [www.oceanpowertechnologies.com](http://www.oceanpowertechnologies.com). Alternatively, you can request a copy of any of these documents by writing to our Secretary at 1590 Reed Road, Pennington, NJ 08534.





## Corporate Governance Guidelines

Our Board has adopted corporate governance guidelines to assist in the exercise of its duties and responsibilities and to serve the best interests of the Company and our stockholders. These guidelines, which provide a framework for the conduct of the Board's business, provide that:

- the Board's principal responsibility is to oversee the management of the Company;

• a majority of the members of the Board shall be independent directors;

• the non-employee directors shall meet regularly in executive session;

• directors have full and free access to management and, as necessary and appropriate, independent advisors; and

• at least annually, the Board and its committees will conduct a self-evaluation to determine whether they are functioning effectively.

## Board Determination of Independence

Our Board has determined that all of our current directors are "independent directors" within the meaning of the applicable listing standards of the NASDAQ Stock Market, LLC ("NASDAQ"), except for George H. Kirby who is our President and Chief Executive Officer.

## Meetings of the Board of Directors

As of the date of this proxy statement, our Board has six members. From and after the 2016 Annual Meeting of Stockholders, our Board will continue to consist of six members. The Board of Directors held twelve meetings during fiscal 2016. During fiscal 2016, each director attended at least 75% of the aggregate of the total number of meetings of (a) the Board of Directors and (b) the committees on which such director served.

Our corporate governance guidelines provide that directors are expected to attend the Annual Meeting of Stockholders. All directors then serving (except departing director David Keller) attended our 2015 Annual Meeting of Stockholders.

## **Board Leadership Structure**

The Board of Directors is led by the chairman, which currently is Mr. Cryan. The Board of Directors has established the position of Vice Chairman, which currently is Mr. Glover. The Board of Directors has also established the position of Chief Executive Officer (CEO), and currently Mr. Kirby is serving as CEO. The Board of Directors recognizes that, depending on the circumstances, other leadership structures might be appropriate. Accordingly, the Board of Directors periodically reviews its leadership structure.

## **Board Committees**

As of the date of this proxy statement, our Board of Directors has established four standing committees: an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, and a Health, Safety and Environment Committee. Each committee operates under a charter that has been approved by the Board. The charters of all Board committees are available on our website at [www.oceanpowertechnologies.com](http://www.oceanpowertechnologies.com).

Our Board has determined that all of the current members of the Compensation Committee and the Nominating and Corporate Governance Committee are “independent directors” within the meaning of the applicable rules of NASDAQ. Our Board has also determined that all current Audit Committee members meet the independence requirements contemplated by Rule 5605(c) of the NASDAQ Stock Market and Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

*Audit Committee.* As of the date of this proxy statement, the members of our Audit Committee are Terence J. Cryan, Dean J. Glover, and Robert J. Burger. Mr. Cryan was the chair of the committee until June 30, 2015. Effective July 1, 2015, Mr. Glover assumed this position. The Board of Directors has determined that both Mr. Cryan and Mr. Glover are “audit committee financial experts” within the meaning of the regulations of the Securities and Exchange Commission (the “SEC”). Effective September 8, 2016, Messrs. Cryan and Burger will rotate off the Audit Committee and Messrs. Fludder and Winters will join the committee. The Audit Committee met four times in fiscal 2016.

Our Audit Committee assists our Board of Directors in its oversight of the integrity of our consolidated financial statements, our independent registered public accounting firm's qualifications, independence and performance.

Our Audit Committee's responsibilities include: appointing, approving the compensation of, and assessing the independence of, our independent registered public accounting firm; overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of reports from our independent registered public accounting firm; reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly consolidated financial statements and related disclosures; monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics; establishing procedures for the receipt and retention of accounting related complaints and concerns; meeting independently with our independent registered public accounting firm and management; and preparing the Audit Committee report required by SEC regulations.

*Compensation Committee.* As of the date of this proxy statement, the members of our Compensation Committee are Terence J. Cryan, Robert J. Burger and Steven M. Fludder. Mr. Burger is the chair of the committee. Our Compensation Committee assists our Board of Directors in the discharge of its responsibilities relating to the compensation of our executive officers.

Our Compensation Committee's responsibilities include: reviewing and approving, or making recommendations to the Board of Directors with respect to, our chief executive officer and other executive officers' compensation; evaluating the performance of our executive officers and reviewing and approving, or making recommendations to the Board of Directors with respect to, overseeing and administering, and making recommendations to the Board of Directors with respect to, our cash and equity incentive plans. The Compensation Committee met six times in fiscal 2016.

The Compensation Committee has the authority to retain compensation consultants and other outside advisors to assist in the evaluation of executive officer compensation and any such compensation consultants and other advisors retained by the Compensation Committee will report directly to the committee, which has the authority to select, retain and terminate any such consultants or advisors. In determining and approving executive compensation for fiscal year 2015, the Compensation Committee principally relied on independent salary surveys and other publicly available compensation and online survey data to assist in their evaluation of appropriate levels of executive officer compensation. The Compensation Committee retained an outside consultant to provide certain limited data and information relevant to its determination of compensation for our executive officers for fiscal year 2016 and future years.

**Additional information regarding compensation of executive officers is provided on pages 16 through 23 of this Proxy Statement.**

*Nominating and Corporate Governance Committee.* As of the date of this proxy statement, the members of our Nominating and Corporate Governance Committee are Terence J. Cryan, Dean J. Glover, and Robert J. Burger. Mr. Cryan is the chair of the committee.

Our Nominating and Corporate Governance Committee's responsibilities include: recommending to the Board of Directors the persons to be nominated for election as directors or to fill vacancies on the Board of Directors and to be appointed to each of the Board's committees; overseeing an annual review by the Board of Directors with respect to management succession planning; developing and recommending to the Board of Directors corporate governance principles and guidelines; overseeing periodic evaluations of the Board of Directors; and reviewing and making recommendations to the Board of Directors with respect to director compensation. The Nominating and Corporate Governance Committee met three times in fiscal 2016.

*Health, Safety and Environment Committee.* As of the date of this proxy statement, the members of our Health, Safety and Environment Committee are Robert J. Burger, George H. Kirby and a member of the Company's senior management team. Mr. Burger is the chair of the committee. The committee assists the Board of Directors in fulfilling its oversight responsibilities by assessing the effectiveness of the Company's programs and initiatives that support the health, safety, and environment, sustainability, and security policies, programs, and practices of the Company. In addition, the Health, Safety and Environment Committee advises the Board on matters impacting the Company's health, safety and environment responsibilities and the Company's public reputation. The Health, Safety and Environment Committee met three times in fiscal year 2016.

## **Risk Oversight**

The Board of Directors has an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board of Directors regularly reviews information regarding the Company's financial position and operations, as well as the risks associated with each. While the Board of Directors is ultimately responsible for risk oversight at the Company, our Board committees assist the Board of Directors in fulfilling its oversight responsibilities in certain areas of risk. The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls and compliance with legal and regulatory requirements. The Compensation Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs. The Nominating and Corporate Governance Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to the management of risks associated with the Board organization, membership and structure of the Board of Directors, succession planning for our directors and executive officers, and corporate governance. Our Health, Safety and Environment Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to the Company's health, safety and environment policies, programs and practices.

## **Director Nomination Process**

The current nominees for election to the Board were recommended for the Board's nomination by our Nominating and Corporate Governance Committee, which is comprised solely of independent directors, and based on such recommendation, were nominated by the full Board of Directors. At the Meeting, stockholders will be asked to consider the election of Terence J. Cryan, Dean J. Glover, George H. Kirby, Robert J. Burger, Steven M. Fludder and Robert K. Winters.

The process followed by our Nominating and Corporate Governance Committee to identify and evaluate director candidates includes requests to Board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the Nominating and Corporate Governance Committee and the Board.

In considering whether to recommend any particular candidate for inclusion in the Board's slate of recommended director nominees, our Nominating and Corporate Governance Committee applies the criteria set forth in our corporate governance guidelines. These criteria include the candidate's integrity, business acumen, knowledge of our business and industry or of other industries with comparable risks and issues, experience, diligence, potential conflicts of interest and the ability to act in the interests of all stockholders. The Nominating and Corporate Governance Committee considers the value of diversity when recommending candidates. The committee views diversity broadly to include diversity of experience, skills and viewpoint. The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for each prospective nominee. Our Board believes that the backgrounds and qualifications of its directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow it to fulfill its responsibilities.

Stockholders may recommend individuals to our Nominating and Corporate Governance Committee for consideration as potential director candidates. The Nominating and Corporate Governance Committee will evaluate stockholder-recommended candidates by following the same process and applying the same criteria as it follows for candidates submitted by others.

Stockholders may directly nominate a person for election to our Board by complying with the procedures set forth in Article I, Section 1.10 of our by-laws, and with the rules and regulations of the SEC. Under our by-laws, only persons nominated in accordance with the procedures set forth in the by-laws will be eligible to serve as directors. In order to nominate a candidate for service as a director, you must be a stockholder at the time you give the Board notice of your nomination, and you must be entitled to vote for the election of directors at the meeting at which your nominee will be considered. In accordance with our by-laws, director nominations generally must be made pursuant to notice to our Secretary delivered to or mailed and received at our principal executive offices at 1590 Reed Road, Pennington, NJ 08534, not later than the 90th day, nor earlier than the 120th day, prior to the first anniversary of the prior year's annual meeting of stockholders. Your notice must set forth (i) the name, age, business address and residence address of the nominee, (ii) the principal occupation or employment of the nominee, (iii) the class and number of shares of capital stock of Ocean Power Technologies, Inc. owned beneficially or of record by the nominee and (iv) all other information relating to the nominee that is required to be disclosed in solicitations of proxies for the election of directors in an election contest, or is otherwise required, in each case, pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. The stockholder making the nomination must include his or her name and address, a statement as to the class and amount of shares beneficially owned by the stockholder, a description of any arrangements or understandings between the stockholder and the nominee, a representation that the stockholder intends to appear in person or by proxy at the annual meeting and a representation as to whether such stockholder intends, or is part of a group that intends, to deliver a proxy statement/and or solicit proxies.

### **Communicating with the Independent Directors**

Our Board will give appropriate attention to written communications that are submitted by stockholders, and will respond if and as appropriate. The chairman (if an independent director), or the lead independent director (if one is appointed), or otherwise the chairman of the Nominating and Corporate Governance Committee, is primarily responsible for monitoring communications from stockholders and for providing copies or summaries to the other directors as he or she considers appropriate.

Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments considered to be important for the directors to know. In general, communications relating to corporate governance and corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which we receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to our Board should address such communications to Board of Directors c/o Secretary, Ocean Power Technologies, Inc., 1590 Reed Road, Pennington, NJ 08534.

### **Code of Ethics**

We have adopted a Code of Business Conduct and Ethics that applies to our employees, officers (including our principal executive officer and principal financial officer) and directors. The Code of Business Conduct and Ethics is posted on our website at [www.oceanpowertechnologies.com](http://www.oceanpowertechnologies.com) and can also be obtained free of charge by sending a request to our Secretary at 1590 Reed Road, Pennington, NJ 08534. Any changes to or waivers under the Code of Business Conduct and Ethics as it relates to our chief executive officer, chief financial officer, controller or persons performing similar functions must be approved by our Board of Directors and will be disclosed in a Current Report on Form 8-K within four business days of the change or waiver.

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

Pursuant to Section 16(a) of the Exchange Act and the rules issued thereunder, our executive officers and directors are required to file with the SEC reports of ownership and changes in ownership of Common Stock. Copies of such reports are required to be furnished to us. Based solely on a review of the copies of such reports furnished to us, or written representations that no other reports were required, we believe that all required reports were filed in fiscal 2016 in a timely manner.



## REPORT OF AUDIT COMMITTEE

The Audit Committee has reviewed the Company's audited consolidated financial statements for the fiscal year ended April 30, 2016 and discussed them with the Company's management and the Company's independent registered public accounting firm.

The Audit Committee has also received from, and discussed with, the Company's independent registered public accounting firm various communications that the Company's independent registered public accounting firm is required to provide to the Audit Committee, including the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board.

The Audit Committee has received the written disclosures and the letter from the Company's independent registered public accounting firm required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, as adopted by the Public Company Accounting Oversight Board in Rule 3600T, and has discussed with the Company's independent registered public accounting firm their independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Company's Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2016.

By the Audit Committee of the Board of Directors of Ocean Power Technologies, Inc.

Dean J. Glover, *Chairman*

Terence J. Cryan

Robert J. Burger

**PROPOSAL TWO****RATIFICATION OF THE SELECTION OF****INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors, in accordance with the recommendation of the Audit Committee, has selected KPMG LLP to audit our consolidated financial statements for fiscal 2017. KPMG LLP has audited our consolidated financial statements since fiscal 2005.

Although stockholder approval of the selection of KPMG LLP is not required by law, our Board of Directors believes it is advisable to give stockholders an opportunity to ratify this selection. If this proposal is not approved at the Meeting, the Board will reconsider its selection of KPMG LLP.

We expect representatives of KPMG LLP to attend the Meeting, to be available to respond to appropriate questions from stockholders, and to have the opportunity to make a statement if so desired.

**Fees of Independent Registered Public Accounting Firm**

The following table summarizes the fees of KPMG LLP, our independent registered public accounting firm, billed to us for each of the last two fiscal years.

<b><u>Fee Category</u></b>	<b>Fiscal Year 2016</b>	<b>Fiscal Year 2015</b>
Audit Fees(1)	\$ 250,000	\$249,320
Audit-Related Fees(2)	\$ 115,000	\$15,000
Tax Fees(3)	\$ 29,300	\$24,294
All Other Fees(4)	—	—
Total Fees	\$ 394,300	\$288,614

(1) Audit fees consist of fees for the audit and quarterly reviews of our consolidated financial statements and other professional services provided in connection with statutory and regulatory filings or engagements.

(2) Audit-related fees in 2016 consist of fees for various consents and comfort letters.

Tax fees for fiscal year 2016 and fiscal year 2015 include fees for tax return preparation assistance and review. In (3) addition, fiscal year 2015 included consulting services related to our subsidiary, Ocean Power Technologies, Ltd. in the United Kingdom.

(4) We were not billed any "Other Fees" in fiscal year 2016 or fiscal year 2015.

### **Pre-Approval Policies and Procedures**

The Audit Committee's policy is that all audit services and all non-audit services to be provided to us by our independent registered public accounting firm must be approved in advance by our Audit Committee. The Audit Committee's approval procedures include the review and approval of a description of the services that documents the fees for all audit services and non-audit services, primarily tax advice and tax return preparation and review.

All audit services and all non-audit services in fiscal years 2016 and 2015 were pre-approved by the Audit Committee. The Audit Committee has determined that the provision of the non-audit services for which these fees were rendered is compatible with maintaining the independent auditor's independence.

## Board Recommendation

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE PROPOSAL TO RATIFY THE SELECTION OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2017.**

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of Common Stock as of July 31, 2016 by (a) each person known by us to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, (b) each named executive officer identified in the Summary Compensation Table below, (c) each director and nominee for director, and (d) all executive officers and directors as a group.

The Percentage of Common Stock outstanding is based on 3,164,509 shares of our Common Stock outstanding as of July 31, 2016. For purposes of the table below, and in accordance with the rules of the SEC, we deem shares of Common Stock subject to options that are currently exercisable or exercisable within sixty days of July 31, 2016 to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person, but we do not treat them as outstanding for the purpose of computing the percentage ownership of any other person. Except as otherwise noted, each of the persons or entities in this table has sole voting and investing power with respect to all of the shares of Common Stock beneficially owned by such person, subject to community property laws, where applicable. The street address of each beneficial owner shown in the table below is c/o Ocean Power Technologies, Inc., 1590 Reed Road, Pennington, NJ 08534.

<u>Name</u>	<u>Amount</u>	<u>Percentage</u>
<i>Executive Officers and Directors</i>		
George H. Kirby (4)(5)(7)	73,250	2.3%
Mark A. Featherstone (1)(5)(6)	49,173	1.6%
David R. Heinz	—	—

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Robert J. Burger (3)	5,139	*
Terence J. Cryan (2)(8)	11,549	*
Dean J. Glover (8)	4,950	*
David L. Keller	12,050	*
Eileen M. Competti	—	—
All current and former executive officers and directors as group (8 individuals) (1)(4)(5)(6)(7)(8)	156,111	4.9%

\*Represents a beneficial ownership of less than one percent of our outstanding Common Stock.

(1) Includes 4,258 shares of Common Stock issuable upon the exercise of options that are currently exercisable or exercisable within sixty days of July 31, 2016.

(2) Includes 6,499 shares of Common Stock issuable upon the exercise of options that are currently exercisable or exercisable within sixty days of July 31, 2016. Mr. Cryan received 900 of these options for his service as a member of the Company's Board of Advisors.

(3) Includes 5,139 shares of Common Stock issuable upon the exercise of options that are currently exercisable or exercisable within sixty days of July 31, 2016.

(4) Includes 12,000 performance based stock awards granted in January 2015 that may vest beginning in September 2016 depending on achievement of performance criteria.

(5) Includes 55,000 shares for Mr. Kirby and 34,000 shares for Mr. Featherstone granted in May 2016 that vest beginning in October 2016.

(6) Includes an aggregate of 6,000 shares for Mr. Featherstone granted in October 2014 and December 2014 that vest beginning in October 2016.

(7) Includes 4,000 shares for Mr. Kirby granted in January 2015 that vest beginning in January 2017.

(8) Includes 3,300 shares for Mr. Cryan and 3,300 shares for Mr. Glover that vest beginning in October 2016.

### Equity Compensation Plan Information

The following table summarizes the total number of outstanding options and shares available for other future issuances of options under all of our equity compensation plans as of April 30, 2016.

Plan Category	Number of Shares to be Issued Upon Exercise of	Weighted-Average Exercise Price of Outstanding Options,	Number of Shares Remaining Available
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	<b>Outstanding Options,  Warrants and Rights</b>	<b>Warrants and Rights</b>	<b>for Future Issuance  Under the Equity Compensation Plan  (Excluding Shares in  First Column)</b>
Equity compensation plans approved by stockholders(1)	89,303	\$ 42.90	260,680
Equity compensation plans not approved by stockholders	—	—	—

(1) Consists of our 2001 Stock Plan, our 2006 Stock Incentive Plan and our 2015 Omnibus Incentive Plan.

## **CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**

### **Review and Approval of Related Person Transactions**

The Audit Committee is charged with the responsibility of reviewing and approving all related person transactions (as defined in SEC regulations), and periodically reassessing any related person transaction entered into by the Company to ensure continued appropriateness. This responsibility is set forth in our Audit Committee charter. A related party transaction will only be approved if the members of the Audit Committee determine that the transaction is in the best interests of the Company. If a director is involved in the transaction, he or she will recuse himself or herself from all decisions regarding the transaction.

### **Board Determination of Independence**

Under applicable NASDAQ rules, a director will only qualify as an “independent director” if they are not an executive officer or employee of the Company, and, in the opinion of our Board of Directors, that person does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Our Board has determined that all of our current directors are “independent directors” within the meaning of the applicable listing standards of the NASDAQ, except for George H. Kirby who is our President and Chief Executive Officer.

## **EXECUTIVE COMPENSATION**

### **Overview of Executive Compensation**

Our Compensation Committee is responsible for overseeing the compensation of all of our executive officers. In this capacity, the Compensation Committee designs, implements, reviews and approves all compensation for our named executive officers. The goal of the Compensation Committee is to ensure that our compensation programs are aligned with our business goals and objectives and that the total compensation paid to each of our named executive officers is fair, reasonable and competitive.



## **Compensation Objectives and Philosophy**

Our compensation programs are designed to attract and retain qualified and talented executives, motivating them to achieve our business goals and rewarding them for superior short- and long-term performance. In particular, our compensation programs are intended to reward the achievement of specified predetermined quantitative and qualitative goals and to align our executives' interests with those of our stockholders in order to attain the ultimate objective of increasing stockholder value.

## **Elements of Total Compensation and Relationship to Performance**

Key elements of these programs include:

- base salary compensation designed to reward annual achievements, with consideration given to the executive's qualifications, scope of responsibility, leadership abilities and management experience and effectiveness;

- cash bonus awards designed to align executive compensation with business objectives and performance; and

equity-based incentive compensation, primarily in the form of stock options and restricted stock, the value of which is dependent upon the performance of our Common Stock, and which is subject to multi-year vesting that requires continued service and/or the attainment of certain performance goals.

## Determining and Setting Executive Compensation

Our management develops our compensation plans by utilizing publicly available compensation and on-line survey data for a broad selection of national and regional companies, which we believe are generally comparable to the Company in terms of public ownership, organizational structure, size and stage of development, and against which we believe we may compete for executive talent. The results of these analyses are reviewed with and approved by the Compensation Committee annually. We believe that these compensation practices provide us with appropriate compensation guidelines. The Compensation Committee generally targets compensation for our executives near the median range of compensation paid to similarly situated executives in comparable companies covered by the on-line survey data. Other considerations, including market factors, the unique nature of our business and the experience level of an executive, may dictate variations to this general target.

Our business is characterized by a long product development cycle, including a lengthy engineering and product-testing period and regulatory approval and licensing. Because of this, many of the traditional benchmarking metrics, such as product sales, revenues and profits are inappropriate for our Company. Instead, the specific factors the Compensation Committee considers when determining our named executive officers' compensation include:

- key product development initiatives;
- technology advancements;
- achievement of regulatory and other commercial milestones;
- establishment and maintenance of key strategic relationships;
  - implementation of appropriate financing strategies; and
- financial and operating performance.

## Summary Compensation Table

The following table sets forth the compensation paid or accrued during the fiscal years ended April 30, 2016 and April 30, 2015 to our named executive officers.

Name and Principal Position	Year	Salary	Bonus	Option Awards	Restricted Stock Awards	All Other Compensation (\$)	Total (\$)
		(\$)	(\$)	(\$)	(\$)		
		(a)	(b)	(c)	(d)		
George H. Kirby Chief Executive Officer	2016	360,000	55,000 (e)	—	—	32,409	(f) 447,409
	2015	102,414	—	—	85,800 (d)	58,315	(f)(g) 246,529
Mark A. Featherstone Chief Financial Officer	2016	283,587	68,000 (e)	—	—	6,801	(h) 358,388
	2015	274,388	—	—	57,300 (d)	3,430	(h) 335,118
David R. Heinz Chief Operating Officer	2016	221,789	97,062 (e)	—	—	95,965	(h)(i) 414,816
	2015	304,553	—	—	57,300 (d)	28,028	(h)(i) 389,881

Salary represents actual salary earned during each fiscal year. The amounts in this column may be different from (a) the amounts listed below under description of employment agreements, due to increases in salary levels and payments for unused vacation during each fiscal year.

The amounts in this column reflect cash bonuses earned by the named executive officers for performance during (b) the applicable fiscal year. All bonuses for named executive officers are entirely discretionary and have not been determined as of the date of this filing for fiscal year 2016.

The entries in the option awards column reflect the grant date fair value of the awards for fiscal years 2016 and 2015, as applicable, for financial statement reporting purposes in accordance with Accounting Standards Codification (ASC) No. 718, *Compensation — Stock Compensation*, excluding forfeiture assumptions, and (c) utilizing the Black-Scholes method. See Note 2(m) of the Notes to Consolidated Financial Statements for a discussion of the relevant assumptions used to determine the valuation of our stock options for accounting purposes.

The amounts in this column reflect grant date fair value of the awards for fiscal years 2016 and 2015, as (d) applicable, for financial statement reporting purposes in accordance with Accounting Standards Codification (ASC) No. 718, *Compensation — Stock Compensation*. See Notes 2(m) and 11 of the Notes to Consolidated Financial Statements, for a discussion regarding the valuation of our restricted stock for accounting purposes.

This amount represent bonuses paid by the Company to the named executive officers in fiscal year 2016 relating (e) to fiscal year 2015. The bonuses paid with respect to fiscal year 2015 were not previously reported in the Company's Annual Report on Form 10-K for fiscal year 2015.

(f) This amount of \$8,315 and \$32,409 for fiscal year 2015 and 2016, respectively, is for eligible relocation expenses in accordance with Mr. Kirby's Employment Agreement.

(g) This amount includes a one-time starting bonus of \$50,000.

(h) In each case, reflects Company 401(k) plan matching contributions.

This amount includes \$24,964 in fiscal year 2015 for eligible relocation expenses in accordance with Mr. Heinz's (i) Employment Agreement, and \$89,376 in severance payments in fiscal year 2016, which includes \$1,609 in relocation expenses as per severance agreement.

## Employment Agreements

The following information reflects employment agreements for named executive officers that were employed by the Company in fiscal year 2016.

**George H. Kirby — Chief Executive Officer and Director**

Under an agreement entered into on December 29, 2014, Mr. Kirby is entitled to an annual base salary of \$360,000 subject to adjustment upon annual review by our Board of Directors. Mr. Kirby is also eligible to earn discretionary incentive bonuses and incentive compensation. The Company also reimbursed Mr. Kirby for his eligible relocation costs.

Upon the termination of his employment other than for cause, or if he terminates his employment for good reason (as such terms are defined in his employment agreement), Mr. Kirby has the right to receive severance payments. If such termination occurs before the first year of employment, Mr. Kirby will receive six months of his base salary. If such termination occurs after the first year of employment, Mr. Kirby will receive twelve months of his base salary then in effect. Pursuant to this agreement, Mr. Kirby is prohibited from competing with us and soliciting our customers, prospective customers or employees during the term of his employment and for a period of one year after the termination or expiration of his employment.

### **Mark A. Featherstone — Chief Financial Officer and Treasurer**

Under an agreement entered into in November 26, 2013, Mr. Featherstone is entitled to an annual base salary of \$270,000 subject to adjustment upon annual review by our Board of Directors. Mr. Featherstone's base salary has been adjusted by our Board of Directors and was increased to \$274,388 effective May 1, 2014. Mr. Featherstone is also eligible to earn discretionary incentive bonuses and incentive compensation.

Upon the termination of his employment other than for cause, or if he terminates his employment for good reason (as such terms are defined in his employment agreement), Mr. Featherstone has the right to receive severance payments equal to twelve months of his base salary then in effect. Pursuant to this agreement, Mr. Featherstone is prohibited from competing with us and soliciting our customers, prospective customers or employees during the term of his employment and for a period of one year after the termination or expiration of his employment.

Mr. Featherstone resigned from his role as Chief Financial Officer and Treasurer as of September 7, 2016. He will continue to serve as our principal accounting officer through September 16, 2016.

### **David R. Heinz — Chief Operating Officer**

On December 21, 2015, the Company terminated the employment of David R. Heinz effective January 15, 2016. Under an agreement dated December 30, 2013, as amended by agreement dated December 18, 2015, Mr. Heinz was entitled to receive six months of severance pay and certain other benefits conditioned upon the execution and delivery of a Separation Agreement and General Release ("Release") with the Company containing customary terms and conditions. Mr. Heinz executed the Release and the Company has made the required payments to Mr. Heinz.

## **Stock Option and Other Compensation Plans**

### **2001 Stock Plan**

Our 2001 Stock Plan was adopted by our Board of Directors and approved by our stockholders on August 24, 2001. The 2001 Stock Plan provided for the grant of incentive stock options, non-statutory options, restricted stock awards and stock awards. A maximum of 1,000,000 shares of Common Stock were authorized for issuance under our 2001 Stock Plan. Our employees, officers, directors, consultants and advisors were eligible to receive awards under our

2001 Stock Plan; however, incentive stock options could only be granted to our employees.

Our Board of Directors administered our 2001 Stock Plan. Pursuant to the terms of our 2001 Stock Plan, and to the extent permitted by law, our Board could delegate administrative authority to a committee composed of two or more of our non-executive directors. Our Board of Directors, or a committee to whom the Board of Directors delegated authority, selected the recipients of awards and determines:

- the number of shares of Common Stock covered by options and the dates upon which the options become exercisable;
- the exercise price of options;
- the duration of the options; and
- the terms and conditions of awards, including transfer restrictions, conditions for repurchase and rights of first refusal.

The 2001 Stock Plan provided that outstanding options shall become fully exercisable if we underwent a fundamental transaction, as defined in the 2001 Stock Plan, and the successor entity did not assume the options under the 2001 Stock Plan or substitute equivalent options.

As of April 30, 2016, options to purchase 570 shares of our Common Stock at a weighted average exercise price of \$138.00 were outstanding under our 2001 Stock Plan. No further stock options or other awards have been granted under the 2001 Stock Plan since the effective date of our 2006 Stock Incentive Plan described below.

## 2006 Stock Incentive Plan

Our 2006 Stock Incentive Plan was adopted by our Board of Directors on December 7, 2006, was approved by our stockholders on January 12, 2007 and became effective on April 24, 2007. The 2006 Stock Incentive Plan provides for the grant of incentive stock options, non-statutory stock options, restricted stock awards and other stock-unit awards. On October 2, 2009, an amendment to the 2006 Stock Incentive Plan was approved, increasing the aggregate number of shares authorized for issuance by 850,000 shares to 1,653,215 shares. In 2010, our Board of Directors approved amending and restating the 2006 Stock Incentive Plan to make certain adjustments, including imposing minimum performance periods for performance awards and minimum vesting periods for time-based awards, a requirement that we obtain stockholder approval prior to certain option and stock appreciation right repricing actions, and limiting the situations in which vesting periods may be waived or accelerated. This amendment and restatement did not require the approval of our stockholders. On October 2, 2013, a further amendment to the 2006 Stock Incentive Plan was approved by our stockholders, increasing the aggregate number of shares authorized for issuance by an additional 800,000 shares to 2,453,215.

Our employees, officers, directors, consultants and advisors are eligible to receive awards under our 2006 Stock Incentive Plan; however, incentive stock options may only be granted to our employees. The maximum number of shares of Common Stock with respect to which awards may be granted to any participant under our 2006 Stock Incentive Plan is 200,000 per calendar year.

Our 2006 Stock Incentive Plan was administered by our Board of Directors. Pursuant to the terms of our 2006 Stock Incentive Plan, and to the extent permitted by law, our Board of Directors could delegate authority to one or more committees or subcommittees of the Board of Directors or to our officers. Our Board of Directors or any committee to whom the Board of Directors delegates authority selected the recipients of awards and determined:

- the number of shares of Common Stock covered by options and the dates upon which the options become exercisable;

- the exercise price of options; provided, however, that the exercise price shall not be less than 100% of the fair market value of the underlying Common Stock on the date the option is granted;

- the duration of the options; and

- the number of shares of Common Stock subject to any restricted stock or other stock-unit awards and the terms and conditions of such awards, including conditions for repurchase, issue price and repurchase price.



If our Board of Directors delegated authority to an officer, the officer had the power to make awards to all of our employees, except to executive officers. Our Board of Directors fixed the terms of the awards to be granted by such officer, including the exercise price of such awards, and the maximum number of shares subject to awards that such officer could make.

If a merger or other reorganization event occurred, our Board of Directors could provide that all of our outstanding options are to be assumed or substituted by the successor corporation. Our Board of Directors could also provide that, in the event the succeeding corporation did not agree to assume, or substitute for, outstanding options, then all unexercised options would become exercisable in full prior to the completion of the event and that these options would terminate immediately prior to the completion of the merger or other reorganization event if not previously exercised. Our Board of Directors could also provide for cashing out the value of any outstanding options.

No awards could be granted under our 2006 Stock Incentive Plan after December 6, 2016, but the vesting and effectiveness of awards granted before that date could extend beyond that date. Our Board of Directors could amend, suspend or terminate our 2006 Stock Incentive Plan at any time, except that stockholder approval would be required for any revision that would materially increase the number of shares reserved for issuance, expand the types of awards available under the plan, materially modify plan eligibility requirements, extend the term of the plan or materially modify the method of determining the exercise price of options granted under the plan, or otherwise as required to comply with applicable law or stock market requirements.

As of April 30, 2016, options to purchase 88,733 shares of our Common Stock at a weighted average exercise price of \$42.29 were outstanding under our 2006 Stock Incentive Plan.

As of April 30, 2016, we had granted 120,019 shares of restricted Common Stock under our 2006 Stock Incentive Plan, of which 41,672 remain outstanding.

Once the 2015 Omnibus Incentive Plan (discussed below) was approved by the stockholders on October 22, 2015, no further stock options or other awards were awarded under the 2006 Stock Incentive Plan and it was terminated.

### ***2015 Omnibus Incentive Plan***

On August 17, 2015, the Board of Directors approved, subject to the receipt of stockholder approval, the Ocean Power Technologies, Inc. 2015 Omnibus Incentive Plan (the “2015 Plan”). On October 22, 2015, the stockholders approved the 2015 Plan and the 2006 Stock Incentive Plan was terminated. For a summary of the terms of the 2015 Plan, see Proposal Four below.

As of April 30, 2016, no options to purchase shares of our Common Stock were outstanding under 2015 Omnibus Incentive Plan.

As of April 30, 2016, we had granted 2,750 shares of Restricted Common Stock under our 2015 Omnibus Incentive Plan, of which 2,350 remain outstanding.

The 2015 Plan will terminate automatically on October 22, 2025, which is ten years after the date on which stockholders approve the 2015 Plan.

### **2016 Outstanding Equity Awards at Fiscal Year End Table**

The following table contains certain information regarding equity awards held by the named executive officers as of April 30, 2016:

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested #	Market Value of Shares or Units of Stock That Have Not Vested (\$)		
Mark A. Featherstone	4,258	(a) 0	24.90	1/20/2024	833	(b) 4,665	(b)	
					2,000	(c) 11,200	(c)	
					4,000	(d) 22,400	(d)	
David R. Heinz	-	-			-	-		
George H. Kirby					4,000	(e) 22,400	(e)	
					12,000	(f) 67,200	(f)	
Total	4,258	0			22,833	127,865		

(a) These options were granted on January 20, 2014 and vest over a three-year period based on performance criteria determined by the Compensation Committee.

These shares were granted on January 20, 2014 and vest over a three-year period based on performance criteria (b) determined by the Compensation Committee. In January 2016, the Board of Directors authorized a modification to certain outstanding restricted stock grants with performance-based grants changing to service-based grants.

These shares were granted on October 22, 2014 and vest over a three-year period based on service requirements. In (c) January 2016, the Board of Directors authorized a modification to certain outstanding restricted stock grants with service-based grants. These grants will vest in October 2016.

These shares were granted on December 19, 2014 and vest over a three-year performance-based period tied to the Company's total shareholder return (TSR) relative to the shareholder return of three alternative energy Exchange (d) Traded Funds as measured over a specific performance period. In January 2016, the Board of Directors authorized a modification to certain outstanding restricted stock grants with performance-based grants changing to service-based grants. These grants will vest in October 2016.

(e) These shares were granted on January 20, 2015 and vest over a three-year period based on service requirements.

These shares were granted on January 20, 2015 and vest over a three-year performance-based period tied to the (f) Company's total shareholder return (TSR) relative to the shareholder return of three alternative energy Exchange Traded Funds as measured over a specific performance period.

### **Potential Payments upon Termination of Employment or Change in Control**

The following information sets forth the terms of potential payments to each of our named executive officers that were employed by us as of April 30, 2016 in the event of a termination of employment.

*Termination by Company without Cause; Termination by Executive for Good Reason.* Our employment agreement with Mr. Kirby provides for severance pay equal to one-half (1/2) of a year of base salary in a lump sum within 30 days in the event that employment is terminated by the Company, other than for cause, upon Mr. Kirby's disability or by the executive with good reason, each occurring during the first year of employment (i.e., prior to January 20, 2016). After the first year of employment, the amount of severance pay increases to one (1) year of base salary. In both instances, Mr. Kirby would also be entitled to receive any other payments owed such as a short-term bonus, long-term compensation, benefits and expenses reimbursements to the degree such payments are owed for service provided up to the date of termination. Finally, the expiration date of any other options held by Mr. Kirby would be extended to a date 90 days after the date of termination of employment (but not longer than the original term of such options).

Our employment contract with Mr. Featherstone provides for severance pay equal to one year of base salary payable as salary continuation in accordance with regular payroll practices and the continuation of health care benefits for 12 months in the event that employment is terminated by the Company other than for cause or by the executive with good reason.

*Termination by Company for Cause; Termination by Executive without Good Reason.* Under our employment contracts with Mr. Kirby and Mr. Featherstone upon termination for cause or at the executive's election without good reason, the executive is entitled to the base salary and benefits due and owing to the executive as of the date of termination.

*Change in Control.* Our employment agreement with Mr. Kirby provides for severance pay equal to one (1) year of base salary if a change of control occurs and Mr. Kirby is terminated by the Company or Mr. Kirby terminates the agreement, each occurring within 90 days of the change of control. Mr. Kirby would also be entitled to receive any other payments owed such as a short-term bonus, long-term compensation, benefits and expenses reimbursements to the degree such payments are owed for service provided up to the date of termination. Finally, the expiration date of any other options held by Mr. Kirby would be extended to a date 90 days after the date of termination (but not longer than the original term of such options). In addition, to the extent that Mr. Kirby has not previously vested in rights and interests held by Mr. Kirby under the Company's stock and other equity plans (including stock options, restricted stock, RSU's, performance units or performance shares), such rights and interest would become fully vested.

The employment agreement for Mr. Featherstone does not contain change of control provisions; therefore, payments for cash severance and continued healthcare benefits are the same as for termination without cause. The restricted stock agreement provides for accelerated stock vesting upon a change in control.

*Termination upon Failure to Renew by the Company.* In the event that our employment agreement with Mr. Kirby terminates the end of the term and is not renewed as a result of a decision by the Company not to renew, prior to a decision by Mr. Kirby not to renew, the Company will pay Mr. Kirby a severance payment in the amount of one (1) year base salary in a lump sum within 30 days after the termination date.

The employment agreement for Mr. Featherstone does not contain similar provisions.

*Qualifying retirement.* Under our restricted stock agreements with the named executive officers, upon a Qualifying Retirement 50% of unvested restricted shares will vest immediately. A “Qualifying Retirement” means retirement by the recipient after satisfaction of the conditions in either clause (A) or clause (B): (A) the recipient has both (1) attained the age of 55 and (2) completed at least ten years of employment with the Company; or (B) the sum of the recipient’s age plus the number of years he or she has been employed by the Company equals or exceeds 75 years.

## **PROPOSAL THREE**

### **ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION PRACTICES**

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in 2010, requires that we provide our stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with the compensation disclosure rules of the SEC. Consistent with our stockholders’ preference expressed in voting at the 2011 annual meeting of stockholders, the Board of Directors determined that an advisory vote on the compensation of our named executive officers will be conducted every year. The next advisory vote on the frequency of an advisory vote on executive compensation will take place at the 2017 annual meeting of stockholders. We are asking stockholders to approve the following advisory resolution at the 2016 Annual Meeting of Stockholders:

RESOLVED, that the compensation paid to the Company’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the compensation tables and narrative discussion in the Company’s proxy statement for its 2016 Annual Meeting of Stockholders, is hereby APPROVED.

The Board of Directors recommends a vote FOR this resolution because it believes that the policies and practices described in the Executive Compensation section are effective in achieving our goals of rewarding sustained financial and operating performance and leadership excellence, aligning the executives' long-term interests with those of our stockholders and motivating our executives to remain with us for long and productive careers. Named executive officer compensation over the past two years reflects amounts of cash and equity compensation consistent with our stated goals and objectives.

We urge stockholders to read the Executive Compensation section beginning on page 16 of this proxy statement, including the 2016 Summary Compensation Table and related tables and narrative, appearing on pages 17 through 23 which provide information on our compensation policies and practices and the compensation of our named executive officers.

This advisory resolution, commonly referred to as a "say-on-pay" resolution, is nonbinding on the Board of Directors. Although nonbinding, the Board will review and consider the voting results when evaluating our executive compensation program.

## **Board Recommendation**

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE *FOR* APPROVAL OF THE ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION.**

## **PROPOSAL FOUR**

**APPROVAL OF AN AMENDMENT TO THE**

**OCEAN POWER TECHNOLOGIES, INC. 2015 OMNIBUS INCENTIVE PLAN**

## **General**

As of July 31, 2016, the 2015 Plan only had 11,568 shares remaining available for future issuance for awards. Effective August 17, 2016, our Board approved and adopted an amendment to the 2015 Plan, subject to stockholder approval, to increase the number of shares available for grant under the 2015 Plan from 240,703 to 640,703 in order to assure that adequate shares will be available for future grants.

We believe that substantial equity participation by employees is important in creating an environment in which employees will be motivated to remain employed and be productive for long periods of time in helping us to achieve our goals. We further believe that the attraction, retention and motivation of highly qualified personnel is essential to our continued growth and success and that continued awards under the 2015 Plan are necessary for us to remain competitive in our compensation practices. In addition, we believe that the 2015 Plan is an effective way to assure alignment of employees' and stockholders' interests and believe all such equity incentives are in the best interest of the stockholders. In addition, our directors receive annual compensation in restricted shares or stock option awards. Additional shares are needed under the Plan to ensure that grants to our directors can continue to be made on an annual basis.

A copy of the amendment is attached to this proxy as Annex A. The amendment to the 2015 Plan is being submitted for your approval pursuant to the rules and regulations of the SEC and the NASDAQ.

## **Description of 2015 Plan**



The following is a summary of the material provisions of the 2015 Plan and is qualified in its entirety by reference to the complete text of the 2015 Plan, a copy of which is filed as Annex A to our Proxy Statement on Schedule 14A filed with the SEC on September 3, 2015.

## **Administration**

The 2015 Plan is administered by a committee of the Board, which consists of not fewer than two directors of the Company designated by the Board, each of whom is a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code as amended (as now in effect or later amended and any successor thereto, the “Code”) and, for so long as our Common Stock is listed on the NASDAQ, an “independent director” within the meaning of the NASDAQ rules. Among other things, the committee administering the 2015 Plan has full power and authority to take all actions and to make all determinations required or provided for under the 2015 Plan, any award under the 2015 Plan or any award agreement under the 2015 Plan, not inconsistent with the specific terms and conditions of the 2015 Plan, which the committee deems to be necessary or appropriate to the administration of the 2015 Plan. The committee administering the 2015 Plan, may amend, modify or supplement the terms of any outstanding award, provided that no amendment, modification or supplement of the terms of any outstanding award shall impair a grantee’s rights under an award without the consent of the grantee. The committee administering the 2015 Plan is also authorized to construe the award agreements, and may prescribe rules relating to the 2015 Plan. Notwithstanding the foregoing, our full Board will conduct the general administration of the 2015 Plan with respect to all awards granted to our non-employee directors. In addition, in its sole discretion, our Board may at any time and from time to time exercise any and all rights and duties of the committee under the 2015 Plan except with respect to matters which are required to be determined in the sole discretion of the committee under Rule 16b-3 of the Exchange Act or Section 162(m) of the Code, or any regulations or rules issued thereunder.

**Grant of Awards; Shares Available for Awards; Award Limits; Eligible Grantees**

The 2015 Plan provides for the grant of stock options, SARs, restricted stock awards, stock unit awards and unrestricted stock awards, dividend equivalent rights, performance share awards or other performance-based awards, other equity-based awards or cash to eligible employees, officers and non-employee directors of the Company or any affiliate of the Company, or any consultant or adviser to the Company or an affiliate who is currently providing services to the Company or an affiliate, or to any other individual whose participation in the 2015 Plan is determined to be in the best interests of the Company by the committee administering the 2015 Plan. We have reserved a to