

Ocean Power Technologies, Inc.
Form PRE 14A
August 19, 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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(3) Filing Party:

(4) Date Filed:

1590 Reed Road

Pennington, NJ 08534 USA

Tel: 609-730-0400 — Fax: 609-730-0404

_____, 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

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

, 2016

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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 _____ 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 \$_____ 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.

Name	Age	Position(s) with the Company	Served as Director From
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 one executive officer who is not also a director:

<u>Name</u>	<u>Age</u>	<u>Position with Ocean Power Technologies, Inc.</u>
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Mark A. Featherstone	54	Chief Financial Officer and Treasurer
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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.

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 in Cash (\$)	Restricted Stock and Option Awards (\$)	All Other Compensation (\$)	Total (\$)
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.

	Restricted Stock Awards	Option Awards	Total
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. 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.

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 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.

<u>Fee Category</u>	Fiscal Year 2016	Fiscal Year 2015
Audit Fees(1)	\$ 250,000	\$249,320
Audit-Related Fees(2)	\$ 115,000	\$15,000
Tax Fees(3)	\$ 29,300	