

Edgar Filing: Neptune Technologies & Bioresources Inc. - Form 40-F

Neptune Technologies & Bioresources Inc.  
Form 40-F  
June 28, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

(Check one)

Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended: March 31, 2018

Commission File Number: 1-33526

NEPTUNE TECHNOLOGIES & BIORESOURCES INC.

(Exact name of Registrant as specified in its charter)

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Québec (Province or other jurisdiction of incorporation or organization)	2836 (Primary Standard Industrial Classification Code Number (if applicable))	Not Applicable (I.R.S. Employer Identification Number (if applicable))
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545 Promenade du Centropolis

Suite 100

Laval, Québec,

Canada H7T 0A3

(450) 687-2262

(Address and telephone number of Registrant's principal executive offices)

CT Corporation System

111 Eighth Avenue, New York, NY 10011

(212) 894-8700

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Common Shares	The Nasdaq Stock Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

For annual reports, indicate by check mark the information filed with this Form:

Annual Information Form Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

Common Shares outstanding as of March 31, 2018: 78,804,212

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes            No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes            No

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging Growth Company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.



## DISCLOSURE CONTROLS AND PROCEDURES

The Registrant's Principal Executive Officer ("CEO") and Principal Financial Officer ("CFO") have concluded that, based on an evaluation of the Registrant's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), as required by Rules 13a-15(b) and 15d-15(b) under the Exchange Act, the Registrant's disclosure controls and procedures were effective as of March 31, 2018.

## INTERNAL CONTROL OVER FINANCIAL REPORTING

The Registrant's management, with the participation of the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). The Registrant's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Registrant's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Registrant; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Registrant are being made only in accordance with authorizations of management and directors of the Registrant; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Registrant's assets that could have a material effect on the financial statements.

The Registrant's management assessed the effectiveness of the Registrant's internal control over financial reporting as of March 31, 2018. In making this assessment, the Registrant's management used the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Registrant's management, including the CEO and CFO, concluded that, as of March 31, 2018, the Registrant's internal control over financial reporting was effective.

KPMG LLP's attestation report, "Report of Independent Registered Public Accounting Firm" on the effectiveness of internal control over financial reporting as of March 31, 2018, accompanies the Registrant's Audited Consolidated Financial Statements as at March 31, 2018 and 2017, and for the fiscal years then ended, which are audited by KPMG LLP, and which are attached hereto as Exhibit 99.2.

## CAUTIONARY NOTE REGARDING CONTROLS

The Registrant's management, including the CEO and CFO, does not expect that its disclosure controls and procedures or internal controls and procedures will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Registrant have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

#### CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

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#### AUDIT COMMITTEE FINANCIAL EXPERT

The Registrant's board of directors has determined that it has at least one audit committee financial expert serving on its audit committee. Mr. François R. Roy has been determined to be such audit committee financial expert and is independent, as that term is defined by the NASDAQ's listing standards applicable to the Registrant. The Securities and Exchange Commission has indicated that the designation of Mr. Roy as an audit committee financial expert does not make Mr. Roy an "expert" for any purpose, impose any duties, obligations or liability on Mr. Roy that are greater than those imposed on members of the audit committee and board of directors who do not carry this designation or affect the duties, obligations or liability of any other member of the audit committee or board of directors.

#### CODE OF ETHICS

The Registrant has adopted a code of ethics entitled "Code of Business Conduct and Ethics for Directors, Officers and Employees" that applies to all directors, officers and employees, including the Registrant's principal executive officer, principal financial officer and principal accounting officer. The Registrant's code of ethics is available on the Registrant's Internet website: [www.neptunebiotech.com](http://www.neptunebiotech.com).

#### PRINCIPAL ACCOUNTANT FEES AND SERVICES

The disclosure provided under "Report on Audit Committee—External Auditor Fees" in Exhibit 99.1, the Registrant's Annual Information Form, is incorporated by reference herein.

#### AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

The disclosure provided under "Charter of the Audit Committee of the Board of Directors—Responsibilities for Engaging External Auditors" in Schedule "A" of Exhibit 99.1, the Registrant's Annual Information Form, is incorporated by reference herein. None of the services described above under "External Auditor Fees" were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

#### OFF-BALANCE SHEET ARRANGEMENTS

The disclosure provided under “Consolidated Off Balance Sheet Arrangements and Contractual Obligations” in Exhibit 99.3, the Registrant’s Management Discussion and Analysis of the Financial Situation and Operating Results for the year ended March 31, 2018 and the thirteen-month period ended March 31, 2017 (“Management’s Discussion and Analysis”), is incorporated by reference herein.

#### TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The disclosure provided under “Consolidated Off Balance Sheet Arrangements and Contractual Obligations” in Exhibit 99.3, Management’s Discussion and Analysis, is incorporated by reference herein.

#### IDENTIFICATION OF THE AUDIT COMMITTEE

The Registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Registrant’s audit committee is composed of the following directors: Mr. François R. Roy, Mr. John M. Moretz and Mr. Richard P. Schottenfeld.

#### INTERACTIVE DATA FILE

The Registrant is submitting as Exhibit 101 to this annual report on Form 40-F, and posting to its Internet website at [www.neptunebiotech.com](http://www.neptunebiotech.com), its Interactive Data File.

#### MINE SAFETY DISCLOSURE

Not applicable.

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## DIFFERENCES IN NASDAQ AND QUÉBEC CORPORATE GOVERNANCE REQUIREMENTS

NASDAQ Marketplace Rule 5615(a)(3) permits a foreign private issuer to follow its home country practice in lieu of certain of the requirements of the Rule 5600 Series. A foreign private issuer that follows a home country practice in lieu of one or more provisions of the Rule 5600 Series is required to disclose in its annual report filed with the Commission, or on its website, each requirement of the Rule 5600 Series that it does not follow and describe the home country practice followed by the issuer in lieu of such NASDAQ corporate governance requirements. The Registrant does not follow NASDAQ Marketplace Rule 5620(c), but instead follows its home country practice. The NASDAQ minimum quorum requirement under Rule 5620(c) for a meeting of shareholders is 33.33% of the outstanding shares of common voting stock. The Registrant's quorum requirement, as set forth in the Registrant's by-laws, is that a quorum for a meeting of the Registrant's holders of common shares is the attendance, in person or by proxy, of the shareholders representing 10% of the Registrant's common shares. The foregoing is consistent with the laws, customs and practices in Québec and the rules and policies of the Toronto Stock Exchange.

## FORWARD-LOOKING INFORMATION

The information provided under the heading "Cautionary Note Regarding Forward-Looking Statements" in Exhibit 99.1, contained in the Registrant's Annual Information Form, is incorporated by reference herein.

## UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

### A. Undertaking

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities in relation to which the obligation to file this annual report on Form 40-F arises; or transactions in said securities.

### B. Consent to Service of Process

The Registrant has previously filed with the Commission a Form F-X in connection with the class of securities in relation to which the obligation to file this report arises.

Any change to the name or address of the agent for service of process of the Registrant shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the relevant registration statement.

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EXHIBIT INDEX

Exhibits Description

- 99.1 Annual Information Form for the fiscal year ended March 31, 2018 dated June 28, 2018
- 99.2 Consolidated Financial Statements as at March 31, 2018 and 2017 and the fiscal years then ended, and the accompanying auditors' reports, dated June 5, 2018
- 99.3 Management Discussion and Analysis of the Financial Situation and Operating Results for the year ended March 31, 2018 and the thirteen-month period ended March 31, 2017, dated June 5, 2018
- 99.4 Consent of KPMG LLP dated June 28, 2018
- 99.5 Rule 13a-14(a)/15d-14(a) Certifications:

Certification of the Registrant's Principal Executive Officer

Certification of the Registrant's Principal Financial Officer

- 99.6 Section 1350 Certifications:

Certification of the Registrant's Principal Executive Officer

Certification of the Registrant's Principal Financial Officer

- 101 Interactive Data File
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SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

NEPTUNE TECHNOLOGIES &

BIORESSOURCES INC.

June 28, 2018 By: /s/ James S. Hamilton  
Name: James S. Hamilton  
Title: Principal Executive Officer