

Jaguar Health, Inc.
Form DEF 14A
February 15, 2018

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

JAGUAR HEALTH, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3)

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Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

- (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
 - o Fee paid previously with preliminary materials.
 - o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

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201 Mission Street, Suite 2375, San Francisco, CA 94105
Tel: 415.371.8300 • Fax: 415.371.8311
<https://jaguar.health>

February 15, 2018

Dear Stockholder:

You are cordially invited to attend the Special Meeting of Stockholders (the "Special Meeting") of Jaguar Health, Inc. (the "Company") to be held at 201 Mission Street, Suite 2375, San Francisco, CA 94105, on Monday, March 12, 2018, at 8:30 a.m., local time.

At the Special Meeting you will be asked to:

1. Approve an amendment to the Company's Third Amended and Restated Certificate of Incorporation (the "COI") to increase the number of authorized shares of the Company's voting common stock, par value \$0.0001 per share (the "Common Stock"), from 250,000,000 shares to 500,000,000 shares;
2. Approve an amendment to the COI to effect a reverse stock split at a ratio not less than 1-for-1.2 and not greater than 1-for-10, with the exact ratio, if effected at all, to be set within that range at the discretion of the Company's board of directors before June 30, 2018 without further approval or authorization of the Company's stockholders (the "Reverse Stock Split");
3. Approve, for purposes of Nasdaq Listing Rule 5635(d), the issuance of Common Stock in one or more non-public capital raising transactions at a price that may be less than the greater of book or market value of our Common Stock;
4. Approve the amendment of the Company's 2014 Stock Incentive Plan (the "2014 Plan") to increase the number of shares of Common Stock authorized for issuance under the 2014 Plan by up to 41,060,000 shares; and
5. Approve a proposal to grant discretionary authority to adjourn the Special Meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the Special Meeting to approve Proposals 1 through 4.

It is important that your shares be represented and voted whether or not you plan to attend the Special Meeting in person. You may vote on the Internet, by telephone or by completing and mailing a proxy card. Voting over the Internet, by telephone or by written proxy will ensure your shares are represented at the Special Meeting. If you do attend the Special Meeting, you may, of course, withdraw your proxy should you wish to vote in person. Please read the enclosed information carefully before voting.

Sincerely,

Lisa A. Conte
Chief Executive Officer & President

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JAGUAR HEALTH, INC.

201 Mission Street
Suite 2375
San Francisco, CA 94105

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held Monday, March 12, 2018**

NOTICE HEREBY IS GIVEN that a Special Meeting of Stockholders (the "Special Meeting") of Jaguar Health, Inc. (the "Company") will be held at 201 Mission Street, Suite 2375, San Francisco, CA 94105, on Monday, March 12, 2018, at 8:30 a.m., local time, for the following purposes:

1. Approve an amendment to the Company's Third Amended and Restated Certificate of Incorporation (the "COI") to increase the number of authorized shares of the Company's voting common stock, par value \$0.0001 per share (the "Common Stock"), from 250,000,000 shares to 500,000,000 shares;
2. Approve an amendment to the COI to effect a reverse stock split at a ratio not less than 1-for-1.2 and not greater than 1-for-10, with the exact ratio, if effected at all, to be set within that range at the discretion of the Company's board of directors before June 30, 2018 without further approval or authorization of the Company's stockholders (the "Reverse Stock Split");
3. Approve, for purposes of Nasdaq Listing Rule 5635(d), the issuance of Common Stock in one or more non-public capital raising transactions at a price that may be less than the greater of book or market value of our Common Stock;
4. Approve the amendment of the Company's 2014 Stock Incentive Plan (the "2014 Plan") to increase the number of shares of Common Stock authorized for issuance under the 2014 Plan by up to 41,060,000 shares; and
5. Approve a proposal to grant discretionary authority to adjourn the Special Meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the Special Meeting to approve Proposals 1 through 4.

In addition, stockholders may be asked to consider and vote upon such other business as may properly come before the Special Meeting or any adjournment or postponement. The Company's board of directors is not aware of any other business to be presented to a vote of the stockholders at the Special Meeting.

Information relating to the above matters is set forth in the attached Proxy Statement. Stockholders of record at the close of business on January 17, 2018 are entitled to receive notice of and to vote at the Special Meeting and any adjournment or postponement thereof. This Notice of Special Meeting of Stockholders and Proxy Statement and Proxy Card are being sent to stockholders beginning on or about February 16, 2018. If you have questions concerning the proposals in the Proxy Statement, would like additional copies of the Proxy Statement or need help in voting your shares of Common Stock, please contact our proxy solicitor Georgeson LLC at 866-821-0284.

By Order of the Board of Directors,

Lisa A. Conte
Chief Executive Officer & President

San Francisco, California
February 15, 2018

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Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on Monday, March 12, 2018. The proxy materials are available at <https://jaguarhealth.gcs-web.com/financial-information/annual-reports>

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PLEASE CAREFULLY READ THE ATTACHED PROXY STATEMENT. EVEN IF YOU EXPECT TO ATTEND THE SPECIAL MEETING, PLEASE PROMPTLY COMPLETE, EXECUTE, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE. NO POSTAGE IS NECESSARY IF MAILED IN THE UNITED STATES. YOU MAY ALSO VOTE ELECTRONICALLY VIA THE INTERNET OR BY TELEPHONE BY FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD. IF YOU VOTE BY INTERNET OR TELEPHONE, THEN YOU NEED NOT RETURN A WRITTEN PROXY CARD BY MAIL. STOCKHOLDERS WHO ATTEND THE SPECIAL MEETING MAY REVOKE THEIR PROXIES AND VOTE IN PERSON IF THEY SO DESIRE.

JAGUAR HEALTH, INC.

201 Mission Street
Suite 2375
San Francisco, CA 94105

PROXY STATEMENT

FOR THE SPECIAL MEETING OF STOCKHOLDERS

To Be Held Monday, March 12, 2018

GENERAL INFORMATION ABOUT THE SPECIAL MEETING

We are furnishing this Proxy Statement to our stockholders in connection with the solicitation of proxies by our board of directors (the "Board") to be voted at the Special Meeting of Stockholders and at any adjournment or postponement thereof. The Special Meeting will be held at 201 Mission Street, Suite 2375, San Francisco, CA 94105, on Monday, March 12, 2018, at 8:30 a.m., local time.

When used in this Proxy Statement, the terms the "Company," "we," "us," "our" and "Jaguar" refer to Jaguar Health, Inc.

Pursuant to rules adopted by the Securities and Exchange Commission ("SEC"), we are also providing access to our proxy materials over the Internet. All stockholders will have the ability to access the proxy materials at <https://jaguarhealth.gcs-web.com/financial-information/annual-reports>.

The date on which this Proxy Statement and form of proxy card, or voting instruction card, are first being sent or given to stockholders is on or about February 16, 2018.

GENERAL INFORMATION ABOUT VOTING

Record Date

As of January 17, 2018, the record date for the Special Meeting, 76,160,890 shares of our Common Stock were outstanding. Only holders of record of our Common Stock as of the close of business on the record date are entitled to notice of, and to vote at, the Special Meeting or at any adjournment or postponement thereof. A list of such holders will be open to the examination of any stockholder for any purpose germane to the meeting at Jaguar Health, Inc., 201 Mission Street, Suite 2375, San Francisco, CA 94105 for a period of ten (10) days prior to the Special Meeting. The list of stockholders will also be available for such examination at the Special Meeting. In addition, as of January 17, 2018, 42,617,893 shares of our non-voting common stock were outstanding but will not have any voting rights in connection with the Special Meeting. Each share of non-voting common stock is convertible into one share of Common Stock at the election of the holder thereof anytime on or after April 1, 2018 or automatically upon transfer to anyone that is not Nantucket Investments Limited or an affiliated investment fund. The use of the capitalized term "Common Stock" in this Proxy Statement and related materials refers only to the Company's voting common stock and does not include the Company's convertible non-voting common stock.

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Quorum and Revocability of Proxies

Each share of our Common Stock entitles the holder of record thereof to one vote. No other securities are entitled to be voted at the Special Meeting. Each stockholder holding Common Stock may vote in person or by proxy on all matters that properly come before the Special Meeting and any adjournment or postponement thereof. The presence, in person or by proxy, of stockholders entitled to vote a majority of the shares of Common Stock outstanding on the record date will constitute a quorum for purposes of voting at the Special Meeting. Properly executed proxies marked "ABSTAIN" will be counted as "present" for purposes of determining the existence of a quorum. If a quorum should not be present, the Special Meeting may be adjourned from time to time until a quorum is obtained.

The Board is soliciting the enclosed proxy for use in connection with the Special Meeting and any postponement or adjournment thereof. If the enclosed proxy is voted via the Internet, by telephone or the proxy card is executed and returned, the shares represented by it will be voted as directed on all matters properly coming before the Special Meeting for a vote. For each proposal, you may vote "FOR," "AGAINST" or "ABSTAIN". Returning your completed proxy card or voting on the Internet or by telephone will not prevent you from voting in person at the Special Meeting should you be present and desire to do so. You may revoke your proxy by (a) delivering to the Secretary of the Company at or before the Special Meeting a written notice of revocation bearing a later date than the proxy, (b) duly executing a subsequent proxy relating to the same shares of Common Stock and delivering it to the Secretary of the Company at or before the Special Meeting or (c) attending the Special Meeting and voting in person (although attendance at the Special Meeting will not in and of itself constitute revocation of a proxy). Any written notice revoking a proxy should be delivered at or prior to the Special Meeting to: Jaguar Health, Inc., 201 Mission Street, Suite 2375, San Francisco, CA 94105, Attention: Karen S. Wright. Beneficial owners of our Common Stock who are not holders of record and wish to revoke their proxy should contact their bank, brokerage firm or other custodian, nominee or fiduciary to inquire about how to revoke their proxy.

The shares represented by all valid proxies received will be voted in the manner specified on the proxies. Where specific choices are not indicated on a valid proxy, the shares represented by such proxies received will be voted "FOR" Proposals 1 through 5.

We will bear all expenses of this solicitation, including the cost of preparing and mailing this Proxy Statement. We have retained Georgeson LLC to solicit proxies for a fee of \$7,500 plus reimbursement of reasonable out-of-pocket expenses. In addition to solicitation by use of the mail, proxies may be solicited by telephone, facsimile or personally by our directors, officers and employees, who will receive no extra compensation for their services. We will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy soliciting materials to beneficial owners of shares of Common Stock.

Broker Voting

Brokers holding shares of record in "street name" for a client have the discretionary authority to vote on some matters if they do not receive instructions from the client regarding how the client wants the shares voted at least 10 days before the date of the Special Meeting. There are also some matters (non-routine matters) with respect to which brokers do not have discretionary authority to vote if they do not receive timely instructions from the client. When a broker does not have discretion to vote on a particular matter and the client has not given timely instructions on how the broker should vote, a broker non-vote results.

Proposals 1 through 5 are considered "non-routine" matters. Therefore, if you hold your shares in street name and do not give your broker specific voting instructions with respect to any of Proposals 1 through 5, your shares will not be voted with respect to such proposal(s), resulting in broker non-votes.

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Broker non-votes also will not be counted for purposes of determining a quorum at the Special Meeting.

Required Vote

Proposal 1

In voting with regard to the proposal to approve an amendment to our Third Amended and Restated Certificate of Incorporation (the "COI") to increase the number of authorized shares of our Common Stock, from 250,000,000 shares to 500,000,000 shares, you may vote in favor of the proposal, vote against the proposal or abstain from voting.

The vote required to approve Proposal 1 is governed by Delaware law, our COI and our Amended and Restated Bylaws and is the affirmative vote of the holders of a majority of outstanding shares of Common Stock entitled to vote. As a result, abstentions and broker non-votes will have the same legal effect as voting against Proposal 1.

Proposal 2

In voting with regard to the proposal to approve an amendment to our COI to effect a reverse stock split at a ratio not less than 1-for-1.2 and not greater than 1-for-10, with the exact ratio, if effected at all, to be set within that range at the discretion of our board of directors before June 30, 2018 without further approval or authorization of our stockholders (the "Reverse Stock Split"), you may vote in favor of the proposal, vote against the proposal or abstain from voting.

The vote required to approve Proposal 2 is governed by Delaware law, our COI and our Amended and Restated Bylaws and is the affirmative vote of the holders of a majority of outstanding shares of Common Stock entitled to vote. As a result, abstentions and broker non-votes will have the same legal effect as voting against Proposal 2.

Proposal 3

In voting with regard to the proposal to approve, pursuant to Nasdaq Listing Rule 5635(d), the issuance of up to an aggregate of 110,000,000 shares of Common Stock in one or more non-public capital raising transactions at a price that may be less than the greater of book or market value of our Common Stock, you may vote in favor of the proposal, vote against the proposal or abstain from voting.

The vote required to approve Proposal 3 is governed by Delaware law, the Nasdaq Listing Rules, our COI and our Amended and Restated Bylaws and is the affirmative vote of the holders of a majority of the votes cast in person or by proxy at the Special Meeting, provided a quorum is present. As a result, abstentions will be considered in determining whether a quorum is present but will have no effect on the vote for Proposal 3.

Proposal 4

In voting with regard to the proposal to approve an amendment to the Company's 2014 Stock Incentive Plan (the "2014 Plan") to increase the number of shares of Common Stock authorized for issuance under the 2014 Plan by 41,060,000 shares, you may vote in favor of the proposal, vote against the proposal or abstain from voting.

The vote required to approve Proposal 4 is governed by Delaware law, the Nasdaq Listing Rules, our COI and our Amended and Restated Bylaws and is the affirmative vote of the holders of a majority of the votes cast in person or by proxy at the Special Meeting, provided a quorum is present.

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As a result, abstentions will be considered in determining whether a quorum is present but will have no effect on the vote for Proposal 4.

Proposal 5

In voting with regard to the proposal to grant discretionary authority to adjourn the Special Meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the Special Meeting to approve Proposals 1 through 4, you may vote in favor of the proposal, vote against the proposal or abstain from voting. The vote required to approve Proposal 5 is governed by Delaware law, our COI and our Amended and Restated Bylaws and is the affirmative vote of the holders of a majority of votes cast affirmatively or negatively (excluding abstentions and broker non-votes), provided a quorum is present. As a result, abstentions will be considered in determining whether a quorum is present but will have no effect on the vote for Proposal 5.

NO DISSENTERS' RIGHTS

The corporate action described in this Proxy Statement will not afford to stockholders the opportunity to dissent from the actions described herein and receive an agreed or judicially appraised value for their shares of Common Stock.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The statements in this proxy statement that are not historical statements, including statements regarding future capital-raising activities and expected use of proceeds therefrom, our estimates regarding expenses, future revenues, capital requirements, needs for additional financing, our ability to obtain additional financing, our current inability to issue additional equity securities due to the limited number of authorized shares available for issuance under our certificate of incorporation, our success with regard to any business development initiatives, our ability to recruit or retain key scientific or management personnel or to retain our executive officers, our stock price and ability to meet the continued listing requirements of The NASDAQ Capital Market, and any other statements regarding our future expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance that are not historical facts, are forward-looking statements within the meaning of the federal securities laws. These statements are subject to numerous risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from the results expressed or implied by the statements. We describe risks and uncertainties that could cause actual results and events to differ materially in the "Risk Factors" section of our annual report on Form 10-K for the year ended December 31, 2016 and Periodic Report on Form 10-Q for the period ended September 30, 2017 and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this proxy statement. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

Any forward-looking statements should be considered in light of such important factors. We undertake no obligation to revise or update publicly any forward-looking statements for any reason. Readers are cautioned not to place undue reliance on any forward-looking statement, which speaks only as of the date on which such statement is made.

All subsequent written and oral forward-looking statements concerning the matters addressed in this proxy statement and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this proxy statement.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of shares of our Common Stock as of February 15, 2018 for:

each person known to us to be the beneficial owner of more than 5% of our outstanding shares of Common Stock;

each of our named executive officers;

each of our directors; and

all directors and named executive officers as a group.

Information with respect to beneficial ownership has been furnished by each director, executive officer or beneficial owner of more than 5% of our Common Stock. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting and investment power with respect to the securities. Except as otherwise provided by footnote, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them. The number of shares of Common Stock used to calculate the percentage ownership of each listed person includes the shares of Common Stock underlying options or warrants held by such persons that are currently exercisable or exercisable within 60 days of February 15, 2018, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Percentage of beneficial ownership is based on 101,675,251 shares of Common Stock outstanding as of February 15, 2018, which includes 42,617,893 shares of our non-voting common stock that (x) become convertible at the option of the holder on April 1, 2018 or (y) automatically convert upon transfer to anyone that is not Nantucket Investments Limited or an affiliated investment fund. Each share of non-voting common stock is convertible into one share of Common Stock at the election of the holder thereof anytime on or after April 1, 2018 or automatically upon transfer to anyone that is not Nantucket Investments Limited or an affiliated investment fund.

Except as otherwise set forth below, the address of each beneficial owner listed in the table below is c/o Jaguar Health, Inc., 201 Mission Street, Suite 2375, San Francisco, California 94105.

Name and address of beneficial owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned
5% Stockholders:		
Nantucket Investments Limited(1)	23,634,341	23.2%
Entities affiliated with Kingdon Capital Management L.L.C.(2)	16,709,864	16.4%
Invesco Ltd.	6,297,603	6.2%
Named executive officers and directors:		
James J. Bochnowski(3)	796,614	*
Lisa A. Conte(4)	566,664	*
Jiahao Qiu(5)	10,711	*
Zhi Yang, Ph.D.(6)	1,573,147	*
Folkert W. Kamphuis(7)	115,795	*
Steven R. King, Ph.D.(8)	178,206	*
John Micek III(9)	69,084	*
Ari Azhir, Ph.D.(10)	40,854	*
Karen S. Wright(11)	71,688	*
Roger Waltzman	0	*
All current executive officers and directors as a group (10 persons)(12)	3,422,763	3.3%

*
Less than 1%.

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- (1) Represents (i) 4,884,245 shares of Common Stock and (ii) 18,750,096 shares of Common Stock issuable upon conversion of shares of non-voting common stock that become convertible within 60 days of February 15, 2018.
- (2) Represents (i) 1,291,986 shares of Common Stock, (ii) 566,668 shares of Common Stock issuable upon exercise of warrants, and (iii) 10,946,312 shares of Common Stock issuable upon conversion of the Kingdon Notes owned by Kingdon Capital Management, L.L.C. and 3,904,901 shares of Common Stock issuable upon payment of accrued and unpaid interest on the Kingdon Notes in lieu of cash convertible at \$0.20 per share.
- (3) Includes (i) 587,576 shares of Common Stock, (ii) 110,150 shares of Common Stock issuable under stock options that are exercisable or will become exercisable within 60 days of February 15, 2018 and (iii) 98,888 shares of Common Stock issuable under warrants that are exercisable or will become exercisable within 60 days of February 15, 2018. All securities other than stock options are held by the Bochnowski Family Trust. Mr. Bochnowski is a co-trustee and beneficiary of such trust and shares voting and investment control over such shares with his spouse.
- (4) Represents 11,297 shares of Common Stock, and 555,367 shares of stock issuable under stock options that are exercisable or will become exercisable within 60 days of February 15, 2018.
- (5) Represents 10,711 shares of Common Stock issuable under stock options that are exercisable or will become exercisable within 60 days of February 15, 2018.
- (6) Represents 1,573,147 shares of Common Stock beneficially held by BVCF. Dr. Yang is the Chairperson, Founder, Managing Partner and sole shareholder of BVCF and he may be deemed to beneficially own all the shares held by BVCF.
- (7) Represents 115,795 shares of Common Stock issuable under stock options that are exercisable or will become exercisable within 60 days of February 15, 2018.
- (8) Represents 6,636 shares of Common Stock, and 171,570 shares of Common Stock issuable under stock options that are exercisable or will become exercisable within 60 days of February 15, 2018.
- (9) Represents 69,084 shares of Common Stock issuable under stock options that are exercisable or will become exercisable within 60 days of February 15, 2018.
- (10) Represents 40,854 shares of Common Stock issuable under stock options that are exercisable or will become exercisable within 60 days of February 15, 2018.
- (11) Represents 71,688 shares of Common Stock issuable under stock options that are exercisable or will become exercisable within 60 days of February 15, 2018.
- (12) See footnotes (3) - (11).

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PROPOSAL 1 TO APPROVE AN AMENDMENT TO OUR THIRD AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK

At the Special Meeting, holders of our Common Stock will be asked to approve an amendment to our Third Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 250 million shares to 500 million shares.

Background

Our Third Amended and Restated Certificate of Incorporation (the "COI") currently authorizes us to issue a total of 250,000,000 shares of common stock, \$0.0001 par value (the "Common Stock"), 50,000,000 shares of non-voting common stock, \$0.0001 par value, and 10,000,000 shares of preferred stock, \$0.0001 par value. The Board has approved, and is seeking stockholder approval of, an amendment to our COI (the "Amendment") to implement an increase in the number of shares of authorized Common Stock from 250,000,000 shares to 500,000,000 shares.

The Board is proposing the Amendment, in substantially the form attached hereto as *Annex A*, to (i) increase the number of authorized shares of our Common Stock from 250,000,000 shares to 500,000,000 shares and (ii) authorize the Board to effect a reverse stock split of our outstanding shares of Common Stock as described in Proposal 2 further below. Of the 250,000,000 shares of Common Stock currently authorized by the COI, as of February 15, 2018, 82,925,155 shares are issued and outstanding, 4,820,025 shares are reserved for issuance upon exercise of existing stock purchase warrants, 9,386,543 shares are reserved for future issuance under existing equity incentive awards and 94,995 shares are available for grant under the Company's 2014 Stock Incentive Plan. Therefore, we currently have limited authorized shares of Common Stock available for future issuance.

The Board has unanimously determined that the Amendment is advisable and in the best interests of the company and our stockholders, and recommends that our stockholders approve the Amendment. In accordance with the General Corporation Law of the State of Delaware (the "DGCL"), we are hereby seeking approval of the Amendment by our stockholders.

No changes to the Certificate are being proposed with respect to the number of authorized shares of non-voting common stock or preferred stock. Other than the proposed increase in the number of authorized shares of common stock, the Amendment is not intended to modify the rights of existing stockholders in any material respect. The additional shares of Common Stock to be authorized pursuant to the proposed amendment will be of the same class of Common Stock as is currently authorized under our COI.

Under the DGCL, our stockholders are not entitled to appraisal rights with respect to the proposed amendment to our COI to increase the number of authorized shares of Common Stock, and we will not independently provide stockholders with any such rights.

Bifurcation of Proposal 1 and Proposal 2

While the Amendment reflects the proposed amendments to our COI described in both Proposal 1 and Proposal 2, the approval of one proposal is not conditioned on the approval of the other proposal. To the extent that only one of these two proposals is approved by stockholders, we will only include the language relating to the proposal that was approved in the version of the Amendment that we file with the Secretary of State of the State of Delaware.

Reasons for the Amendment

The Board believes that the proposed increase in the number of authorized shares of Common Stock will benefit us by providing the shares needed to raise additional capital to execute our business

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plan as well as improving our flexibility in responding to future business opportunities. The additional authorized shares will be available for issuance from time to time to enable us to respond to future business opportunities requiring the issuance of shares, the consummation of Common Stock-based financings, acquisition or strategic joint venture transactions involving the issuance of Common Stock, or for other general purposes that the Board may deem advisable. In recent months, we have explored opportunities to raise funds from strategic or financial partners and determined that any such potential investment would require an increase in the number of authorized shares. We are seeking approval for the amendment at this time because opportunities requiring prompt action may arise in the future, and the Board believes the delay and expense in seeking approval for additional authorized Common Stock at a special meeting of stockholders could deprive us of the ability to take advantage of potential opportunities.

Without an increase in the number of authorized shares of Common Stock, we may be constrained in our ability to raise capital, may not be able to fund our operations, may not comply with our debt covenants and may lose important business opportunities, which could adversely affect our financial performance and growth.

In determining the size of the proposed authorized share increase, the Board considered a number of factors, including the amount of capital needed to fund our operations, the potential terms needed to raise additional capital including the potential issuance of warrants to purchase Common Stock associated with equity financings and that over a number of years we may potentially need additional shares in connection with future equity transactions, acquisitions or other strategic transactions. Aside from (i) preliminary discussions with potential investors regarding the proposed issuance of Common Stock in one or more non-public capital raising transactions described in Proposal 3, which may or may not occur and for which no definitive plans are currently in place, and (ii) the proposed increase to the number of shares of Common Stock authorized under the Company's 2014 Stock Incentive Plan by up to 41,060,000 shares as described in Proposal 4, we currently have no specific plans, proposals or arrangements to issue any of the newly authorized securities should stockholders approve this Proposal 1. If the stockholders do not approve this proposal, then we will not have the needed additional shares available to raise the capital to execute our business plan and we may default on our debt covenants in the future.

The Board does not intend to issue any Common Stock except on terms which the Board deems to be in the best interests of the company and our then existing stockholders.

Potential Effects of the Amendment

The proposed increase in the number of authorized shares of Common Stock will not have any immediate effect on the rights of our existing stockholders. The Board will have the authority to issue the additional shares of Common Stock without requiring future stockholder approval of such issuances, except as may be required by applicable law or rules of any stock exchange on which our securities may be listed. The issuance of additional shares of Common Stock will decrease the relative percentage of equity ownership of our existing stockholders, thereby diluting the voting power of their Common Stock, and, depending on the price at which additional shares may be issued, could also be dilutive to the earnings per share of our Common Stock.

It is possible that a subsequent issuance of these shares could have the effect of delaying or preventing a change in control of the Company. Shares of authorized and unissued Common Stock could, within the limits imposed by applicable law, be issued in one or more transactions that would make a change in control of the Company more difficult, and therefore, less likely. Issuances of additional shares of our Common Stock could dilute the earnings per share and book value per share of our outstanding Common Stock and dilute the stock ownership or voting rights of a person seeking to obtain control of the Company. While it may be deemed to have potential anti-takeover effects, the

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proposal to increase the authorized Common Stock is not prompted by any specific effort of which we are aware to accumulate shares of our Common Stock or obtain control of the Company.

The additional authorized shares of Common Stock, if and when issued, would be part of the existing class of Common Stock and would have the same rights and privileges as the shares of Common Stock currently outstanding. Stockholders do not have preemptive rights with respect to our Common Stock. Therefore, should the Board determine to issue additional shares of Common Stock, existing stockholders would not have any preferential rights to purchase such shares in order to maintain their proportionate ownership thereof.

Effectiveness of Amendment

If the Amendment is approved by our stockholders, it will become effective upon the filing of an amendment to our COI, which filing is expected to occur promptly after stockholder approval of this proposal. The text of *Annex A* remains subject to modification to include such changes as may be required by the Secretary of State of the State of Delaware and as the Board deems necessary or advisable to implement the increase in our authorized shares.

Required Vote of Stockholders

To approve the increase in the number of authorized shares of Common Stock, the affirmative vote of the holders of a majority of the outstanding shares of Common Stock as of the record date, present in person or by remote communication, if applicable, or represented by proxy at the Special Meeting, voting together as a single class and entitled to vote, is required. Because approval is based on the affirmative vote of a majority of the outstanding shares of Common Stock entitled to vote, a holder's failure to vote in person or by proxy at the special meeting, an abstention from voting, or the failure of a holder of Common Stock who holds his or her shares in "street name" through a broker or other nominee to give voting instructions to such broker or other nominee, will have the same effect as a vote "AGAINST" adoption of this proposal.

The Board of Directors unanimously recommends that the stockholders vote "FOR" Proposal No. 1 to amend our Third Amended and Restated Certificate of Incorporation to increase the number of authorized shares of Common Stock from 250,000,000 to 500,000,000.

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PROPOSAL 2 TO APPROVE AN AMENDMENT TO OUR THIRD AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT AT A RATIO OF NOT LESS THAN 1-FOR-1.2 AND NOT GREATER THAN 1-FOR-10, WITH THE EXACT RATIO, IF EFFECTED AT ALL, TO BE SET WITHIN THAT RANGE AT THE DISCRETION OF OUR BOARD OF DIRECTORS BEFORE JUNE 30, 2018 WITHOUT FURTHER APPROVAL OR AUTHORIZATION OF OUR STOCKHOLDERS

At the Special Meeting, holders of our Common Stock will be asked to approve an amendment to our Third Amended and Restated Certificate of Incorporation to effect a reverse stock split of our issued and outstanding Common Stock by a numerical ratio of not less than 1-for-1.2 and not more than 1-for-10, such ratio and the implementation and timing of such reverse stock split to be determined in the discretion of the Board. A reverse stock split would reduce the number of outstanding shares of our Common Stock, and the holdings of each stockholder, according to the same formula.

If the proposal is approved, the Board's present intention is to effect a reverse stock split of our issued and outstanding Common Stock by a numerical ratio of not less than 1-for-1.2 and not more than 1-for-10 on or prior to June 30, 2018. We are requesting authorization to effect the reverse stock split at the Board's discretion at any time prior to June 30, 2018 to provide the Board with the flexibility to determine the appropriate ratio for, and timing to effect, the reverse stock split based upon our performance and market factors. However, the Board reserves its right to elect not to proceed and abandon the reverse stock split if it determines, in its sole discretion, that this proposal is no longer in the best interests of our stockholders.

Background

The form of the proposed amendment to our COI (i) to effect the reverse stock split and (ii) increase the number of authorized shares of our Common Stock from 250,000,000 shares to 500,000,000 shares as described in Proposal 1 is attached to this proxy statement as *Annex A*. With respect to this Proposal 2, the Amendment will effect a reverse stock split of our Common Stock using a split ratio between, and including, 1-for-1.2 and 1-for-10, with the actual ratio within this range to be selected by the Board following stockholder approval. The Board believes that stockholder approval of a range of potential split ratios (rather than a single split ratio) provides the Board with the flexibility to achieve the desired results of the reverse stock split. The reverse stock split, if approved and implemented, would not have any effect on the authorized number of shares of our Common Stock or preferred stock. If the stockholders approve this proposal, the reverse stock split will be effected only upon a determination by the Board that the reverse stock split is in the best interests of the stockholders at that time. In connection with any determination to effect the reverse stock split, the Board will set the timing for such a split and select the specific ratio from within the range of ratios set forth herein. If the Board does not implement the reverse stock split on or before the day prior to June 30, 2018, the authority granted in this proposal to implement the reverse stock split on these terms will terminate. The Board reserves its right to elect not to proceed with and to abandon the reverse stock split if it determines, in its sole discretion, that this proposal is no longer in the best interests of the stockholders. No further action by the stockholders will be required for the Board to either implement or abandon the reverse stock split.

Bifurcation of Proposal 1 and Proposal 2

While the Amendment reflects the proposed amendments to our COI described in both Proposal 1 and Proposal 2, the approval of one proposal is not conditioned on the approval of the other proposal. To the extent that only one of these two proposals is approved by stockholders, we will only include the language relating to the proposal that was approved in the version of the Amendment that we file with the Secretary of State of the State of Delaware.

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Reasons for the Reverse Stock Split

The Board authorized the resolution to seek stockholder approval to effect the reverse split of our Common Stock with the primary intent of increasing the price of our Common Stock in order to meet The NASDAQ Capital Market's minimum price per share criteria for continued listing on that exchange. Our Common Stock is publicly traded and listed on The NASDAQ Capital Market under the symbol "JAGX." The Board believes that, in addition to increasing the price of our Common Stock, the reverse stock split would also reduce certain of our costs, such as NASDAQ listing fees, and make our Common Stock more attractive to a broader range of institutional and other investors. The combination of lower transaction costs and increased interest from institutional investors and investment funds may ultimately improve the trading liquidity of our Common Stock. Accordingly, we believe that authority granted to the Board to effect the reverse stock split is in the Company's and the stockholders' best interests.

On May 16, 2017, we received a letter from the Listing Qualifications Department of NASDAQ notifying us that we were not in compliance with Nasdaq Listing Rule 5550(a)(2), as the minimum bid price for the Company's listed securities was less than \$1 for the previous 30 consecutive business days. Since we did not regain compliance with the minimum bid price requirement during the initial 180 calendar day grace period, on November 13, 2017, we requested and were granted a second 180 calendar day grace period, or until May 14, 2018, to regain compliance with the minimum bid price requirement.

In addition to establishing a mechanism for the price of our Common Stock to meet the NASDAQ's minimum bid price requirement, we also believe that the reverse stock split will make our Common Stock more attractive to a broader range of institutional and other investors. It is our understanding that the current market price of our Common Stock may affect its acceptability to certain institutional investors, professional investors and other members of the investing public. It is also our understanding that many brokerage houses and institutional investors have internal policies and practices that either prohibit them from investing in low-priced stocks or tend to discourage individual brokers from recommending low-priced stocks to their customers. In addition, some of those policies and practices may function to make the processing of trades in low-priced stocks economically unattractive to brokers. Moreover, because brokers' commissions on low-priced stocks generally represent a higher percentage of the stock price than commissions on higher-priced stocks, the current average price per share of our Common Stock can result in individual stockholders paying transaction costs representing a higher percentage of their total share value than would be the case if the share price were substantially higher. However, some investors may view the reverse stock split negatively because it reduces the number of shares of Common Stock available in the public market.

Reducing the number of outstanding shares of our Common Stock through the reverse stock split is intended, absent other factors, to increase the per share market price of our Common Stock. However, other factors, such as our financial results, market conditions and the market perception of our business may adversely affect the market price of our Common Stock. As a result, there can be no assurance that the reverse stock split, if completed, will result in the intended benefits described above, that the market price of our Common Stock will increase following the reverse stock split, that the market price of our Common Stock will not decrease in the future, or that our Common Stock will achieve a high enough price per share to permit its continued listing by NASDAQ.

Certain Risks Associated with the Reverse Stock Split

In evaluating a reverse stock split, the Board also took into consideration certain risks associated with reverse stock splits, including the negative perception of reverse stock splits held by some investors, analysts and other stock market participants, the fact that the stock price of some companies

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that have effected reverse stock splits has subsequently declined back to pre-reverse stock split levels, and the risks described below.

There can be no assurance that the total market capitalization of our Common Stock (the aggregate value of our Common Stock at the then market price) after the implementation of a reverse stock split will be equal to or greater than the total market capitalization before the reverse stock split or that the per share market price of our Common Stock following a reverse stock split will increase in proportion to the reduction in the number of shares of our Common Stock outstanding before the reverse stock split.

There can be no assurance that the market price per new share of our Common Stock after a reverse stock split will remain unchanged or increase in proportion to the reduction in the number of shares of our Common Stock outstanding before the reverse stock split. For example, based on the closing price of our Common Stock on February 2, 2018, of \$0.15 per share, if the Board were to implement the reverse stock split and utilize a ratio of 1-for-7, we cannot assure you that the post-split market price of our Common Stock would be \$1.05 (that is, \$0.15 multiplied by 7) per share or greater. The market price of a company's shares may fluctuate and potentially decline after a reverse stock split.

Accordingly, the total market capitalization of our Common Stock after a reverse stock split when and if implemented may be lower than the total market capitalization before the reverse stock split. Moreover, in the future, the market price of our Common Stock following a reverse stock split may not exceed or remain higher than the market price prior to the reverse stock split.

If a reverse stock split is effected, the resulting per-share market price may not attract institutional investors or investment funds and may not satisfy the investing guidelines of such investors and, consequently, the trading liquidity of our common stock may not improve.

While the Board believes that a higher stock price may help generate investor interest, there can be no assurance that a reverse stock split will result in a per-share market price that will attract institutional investors or investment funds or that such share price will satisfy the investing guidelines of institutional investors or investment funds. As a result, the trading liquidity of our Common Stock may not necessarily improve.

A decline in the market price of our Common Stock after a reverse stock split is implemented may result in a greater percentage decline than would occur in the absence of a reverse stock split.

If a reverse stock split is effected and the market price of our Common Stock declines, the percentage decline may be greater than would occur in the absence of a reverse stock split. The market price of our Common Stock will, however, also be based upon our performance and other factors, which are unrelated to the number of shares of Common Stock outstanding.

Effecting the Reverse Stock Split; Board Discretion to Implement Reverse Stock Split

If approved by stockholders at the Special Meeting and the Board decides that it is in the best interests of the Company and our stockholders to effect the reverse stock split, the Board will establish an appropriate ratio for the reverse stock split based on several factors existing at such time and we will subsequently file the Amendment. The Board will consider, among other factors, prevailing market conditions, the likely effect of the reverse stock split on the trading price of our Common Stock and on our compliance with applicable NASDAQ listing requirements, and the marketability and liquidity of our Common Stock. The Board will determine the timing of the filing of the Amendment with the Secretary of State of the State of Delaware to effect the reverse stock split. If, for any reason, the Board of Directors deems it advisable, the Board in its sole discretion, may abandon the reverse stock split at any time prior to the effectiveness of any filing of the Amendment, without further action by our stockholders. The reverse stock split will be effective as of the date and time set forth in the Amendment (the "Effective Time").

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Upon the filing of the Amendment, without further action on the part of the Company or our stockholders, the outstanding shares of Common Stock held by stockholders of record as of the Effective Time would be converted into a lesser number of shares of Common Stock calculated in accordance with the terms of the Amendment, based on a reverse split ratio within the range of 1-for-1.2 and 1-for-10. In the event of a reverse stock split at a ratio of 1-for-7, for example, if a stockholder holds 700 shares of Common Stock as of the Effective Time, such stockholder would hold 100 shares of Common Stock following such reverse stock split.

Effect on Outstanding Shares, Options, and Certain Other Securities

If the reverse stock split is implemented, the number of shares of our Common Stock owned by each stockholder will be reduced in the same proportion as the reduction in the total number of shares outstanding, such that the percentage of our Common Stock owned by each stockholder will remain unchanged, except for any de minimis change resulting from the treatment of any fractional shares that such stockholder would have received as a result of the reverse stock split. The number of shares of Common Stock that may be received upon conversion, exercise or exchange, as the case may be, of outstanding options or other securities convertible into, or exercisable or exchangeable for, shares of our Common Stock, and the exercise or conversion prices for these securities, will also be adjusted in accordance with their terms, as of the Effective Time.

Effect on Registration and Stock Trading

Our Common Stock is currently registered under Section 12(b) of the Exchange Act and we are subject to the periodic reporting and other requirements of the Exchange Act. The proposed reverse stock split will not affect the registration of our Common Stock under the Exchange Act. If the reverse stock split is effected, our Common Stock will receive a new CUSIP number.

Mechanics of Reverse Split

If this Proposal 2 is approved by the stockholders at the Special Meeting and the Board decides that it is in the best interests of the Company and our stockholders to effectuate the reverse stock split, our stockholders will be notified that the reverse stock split has been effected. The mechanics of the reverse stock split will differ depending upon whether a stockholder holds its shares of Common Stock in brokerage accounts or "street name" or whether the shares are registered directly in a stockholder's name and held in book-entry form or certificate form.

Our stockholders who hold shares of Common Stock in "street name" through a nominee (such as a bank or broker) will be treated in the same manner as stockholders whose shares are registered in their names, and nominees will be instructed to effect the reverse stock split for their beneficial holders. However, nominees may have different procedures for processing the reverse stock split and stockholders holding shares in "street name" are encouraged to contact their nominees.

Our registered stockholders may hold some or all of their shares of Common Stock electronically in book-entry form under the direct registration system for securities. These stockholders will not have stock certificates evidencing their ownership of our Common Stock. They are, however, provided with a statement reflecting the number of shares registered in their accounts. Stockholders holding registered shares of our Common Stock in book-entry form need not take any action to receive post-reverse stock split shares as a transaction statement will automatically be sent to the stockholder's address of record indicating the number of shares held.

Some of our registered stockholders hold all their shares of Common Stock in certificate form or a combination of certificate and book-entry form. Stockholders holding shares of Common

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Stock in certificate form will receive a transmittal letter from Computershare Trust Company, N.A. (the "Transfer Agent") as soon as practicable after the Effective Date of the reverse stock split for use in transmitting the existing certificates representing shares of our Common Stock (the "Old Certificates") to the Transfer Agent. The letter of transmittal will contain instructions for the surrender of the Old Certificates to the Transfer Agent in exchange for new certificates representing the appropriate number of whole shares of new Common Stock giving effect to the reverse stock split. No new stock certificates will be issued to any stockholder until such stockholder has surrendered all certificates, together with a properly completed and executed Letter of Transmittal, to the Transfer Agent. The stockholders will then receive, at their option, either a new certificate or certificates or book-entry shares