

ARTS WAY MANUFACTURING CO INC
Form DEF 14A
March 15, 2019
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
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ART'S-WAY MANUFACTURING CO., 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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 - (4) Date Filed:
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ART'S-WAY MANUFACTURING CO., INC.

5556 Highway 9

Armstrong, Iowa, 50514-0288

Ph: (712) 864-3131

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON TUESDAY, APRIL 16, 2019

To our Stockholders:

The 2019 Annual Meeting of the Stockholders (the "2019 Annual Meeting") of Art's-Way Manufacturing Co., Inc. (the "Company") will be held on Tuesday, April 16, 2019, at the offices of the Company, located at 5556 Highway 9, Armstrong, Iowa, 50514-0288. Registration for the 2019 Annual Meeting will begin at 9:45 a.m. Central Daylight Time ("CDT"). The 2019 Annual Meeting will commence at approximately 10:00 a.m. CDT. The purposes of the 2019 Annual Meeting are to:

- (1) Consider and vote upon the election of five nominees to the Company's Board of Directors, to serve until the next annual meeting of stockholders and until such time as their successors are elected and qualified, or until their earlier resignation or removal;
- (2) Consider and vote upon the ratification of the appointment of Eide Bailly LLP as the Company's independent registered public accounting firm for the fiscal year ending November 30, 2019;
- (3) Consider and vote upon, on a non-binding, advisory basis, named executive officer compensation; and
- (4) Consider and recommend, on a non-binding, advisory basis, whether the vote on named executive officer compensation should occur every year, every two years, or every three years.

Any action may be taken on any one of the foregoing proposals at the 2019 Annual Meeting on the date specified above, or on any date or dates to which the 2019 Annual Meeting may be adjourned. The Board of Directors is not aware of any other business to come before the 2019 Annual Meeting. The foregoing proposals are described more

fully in the enclosed proxy statement (the “Proxy Statement”). **If you have any questions regarding the information contained in the Proxy Statement or regarding the completion of the enclosed proxy card or would like directions to the 2019 Annual Meeting, please call the Company at (712) 864-3131.**

Only stockholders listed on the Company’s records at the close of business on Friday, March 1, 2019, the record date set by the Board of Directors for the 2019 Annual Meeting, are entitled to notice of the 2019 Annual Meeting and to vote at the 2019 Annual Meeting and any adjournments thereof. The stock transfer books of the Company will not be closed.

All stockholders are cordially invited to attend the 2019 Annual Meeting in person. However, to ensure the presence of a quorum, the Board of Directors requests all stockholders of record to promptly complete, sign, date and return the enclosed proxy card, which is solicited by the Board of Directors, whether or not you plan to attend the 2019 Annual Meeting. The proxy is revocable and will not be used if a stockholder attends and votes at the 2019 Annual Meeting in person or otherwise provide notice of revocation. Please return the executed proxy card to the Company’s stock transfer agent in the enclosed envelope.

By order of the Board of Directors,

/s/ Marc H. McConnell

Chairman of the Board of Directors

Armstrong, Iowa

March 15, 2019

IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE THE COMPANY THE EXPENSE OF FURTHER REQUESTS FOR PROXIES IN ORDER TO ENSURE A QUORUM.

AN ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE.

NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

Proxy Statement

2019 Annual Meeting of Stockholders

Tuesday, April 16, 2019

10:00 a.m. CDT

This proxy statement (the “Proxy Statement”) is furnished in connection with the solicitation of proxies by the Board of Directors of Art’s-Way Manufacturing Co., Inc., a Delaware corporation (the “Company,” “we,” “us,” or “our”), for use at the 2019 Annual Meeting of Stockholders of the Company to be held on Tuesday, April 16, 2019 (the “2019 Annual Meeting”), and at any adjournment thereof. The 2019 Annual Meeting will be held at the offices of the Company, located at 5556 Highway 9, Armstrong, Iowa, 50514-0288. Registration for the 2019 Annual Meeting will begin at approximately 9:45 a.m. Central Daylight Time (“CDT”). The 2019 Annual Meeting will commence at approximately 10:00 a.m. CDT. This solicitation is being made by mail; however, the Company may also use its officers, directors, and employees (without providing them with additional compensation) to solicit proxies from stockholders in person or by telephone or letter. Distribution of this Proxy Statement and the proxy card via U.S. Mail is scheduled to begin on or about March 15, 2019.

Important Notice Regarding the Availability of Proxy Materials

for the Annual Meeting of Stockholders to be Held on April 16, 2019:

The Notice, Proxy Statement, Form of Proxy Card, and Annual Report on Form 10-K are available at

<http://www.artsway-mfg.com/investor-relations/>

QUESTIONS AND ANSWERS ABOUT THE 2019 Annual Meeting AND VOTING

Q: Why did I receive this proxy statement?

We are soliciting your proxy for the 2019 Annual Meeting because you owned of record one or more shares of
A: common stock of the Company at the close of business on Friday, March 1, 2019, the record date for the 2019 Annual Meeting, and are therefore entitled to vote at the 2019 Annual Meeting.

Q: What is a proxy?

A proxy is your legal designation of another person or persons (the “proxy” or “proxies,” respectively) to vote on your behalf. By completing and returning the enclosed proxy card, you are giving Marc H. McConnell and David R. Castle, the proxies, the authority to vote your shares of common stock at the 2019 Annual Meeting in the manner
A: you indicate on your proxy card. If you sign and return your proxy card, but do not give direction with respect to any nominee or other proposal, the proxies will vote your shares as recommended by the Board of Directors. The proxies are authorized to vote in their discretion if other matters are properly submitted at the 2019 Annual Meeting or any adjournments thereof.

Q: When and where is the 2019 Annual Meeting?

The 2019 Annual Meeting will be held on Tuesday, April 16, 2019, at the offices of the Company, located at
A: 5556 Highway 9, Armstrong, Iowa, 50514-0288. Registration for the meeting will begin at approximately 9:45 a.m. CDT. The 2019 Annual Meeting will commence at approximately 10:00 a.m. CDT.

Q: What am I voting on?

A: You are voting on the following matters:

Proposal 1 — The election of the five director nominees named in this Proxy Statement;

Proposal 2 — The ratification of the appointment of Eide Bailly LLP as the Company’s independent registered public accounting firm for the fiscal year ending November 30, 2019 (“fiscal year 2019”);

- Proposal 3** — The approval, on a non-binding, advisory basis, of named executive officer compensation; and
- Proposal 4** — The recommendation, on a non-binding, advisory basis, whether the vote on named executive officer compensation should occur every year, every two years, or every three years.

Q: What does the Board recommend?

A: The Board recommends a vote:

- FOR** — the election of the five director nominees named in this Proxy Statement;
- FOR** — the ratification of the appointment of Eide Bailly LLP as the Company’s independent registered public accounting firm for fiscal year 2019;
- FOR** — the approval, on a non-binding, advisory basis, of named executive officer compensation; and
- ONE YEAR** — as the recommendation, on a non-binding, advisory basis, of the frequency that the vote on named executive officer compensation should occur.

Q: How many votes do I have?

On any matter that may properly come before the 2019 Annual Meeting, each stockholder entitled to vote thereon **A:** will have one vote for each share of common stock owned of record by such stockholder as of the close of business on Friday, March 1, 2019.

Q: How many shares of common stock may vote at the 2019 Annual Meeting?

A: At the close of business on Friday, March 1, 2019, there were 4,296,703 shares of common stock outstanding. This means that there may be 4,296,703 votes on any matter presented at the 2019 Annual Meeting.

Q: What vote is required to approve each of the Proposals?

Proposal 1 — Election of Directors — With respect to the election of directors, the five nominees receiving the greatest number of votes cast relative to the votes cast for the other nominees will be elected, regardless of whether an individual nominee receives votes from a majority of the quorum of shares represented (in person or by proxy) at the 2019 Annual Meeting and entitled to vote on the proposal. Although directors are elected by plurality vote, the presence (in person or by proxy) of stockholders representing at least a majority of the issued and outstanding shares of common stock is required to constitute a quorum for the election of directors. **A:**

Proposal 2 — Independent Registered Public Accountant Firm — Provided a quorum of at least a majority of the issued and outstanding shares of common stock is present (in person or by proxy), the affirmative vote of the holders of a majority of the shares of common stock represented at the 2019 Annual Meeting (whether in person or by proxy) and entitled to vote on the proposal will result in the stockholders’ ratification of the appointment of Eide Bailly LLP as the Company’s independent registered public accounting firm for fiscal year 2019.

Proposal 3 — Approval, on a Non-Binding, Advisory Basis, of Named Executive Officer Compensation — Provided a quorum of at least a majority of the issued and outstanding shares of common stock is present (in person or by proxy), the affirmative vote of the holders of a majority of the shares of common stock represented at the 2019 Annual Meeting (whether in person or by proxy) and entitled to vote on the proposal will result in the approval of the compensation of our named executive officer. However, this is an advisory vote, which means that the result of the vote is not binding on the Company, the Board of Directors or the Compensation Committee. To the extent there is any significant vote against named executive officer compensation as disclosed in this Proxy Statement, the Compensation Committee will evaluate whether any actions are necessary to address the concerns of stockholders.

Proposal 4 — Recommendation, on a Non-Binding, Advisory Basis, of the Frequency of Votes on Named Executive Officer Compensation — Provided a quorum of at least a majority of the issued and outstanding shares of common stock is present (in person or by proxy), the alternative receiving the greatest number of votes cast relative to the votes cast for the other alternatives will be deemed the alternative recommended by the stockholders. However, this is an advisory vote, which means that the result of the vote is not binding on the Company, the Board of Directors or the Compensation Committee. The Board of Directors and the Compensation Committee will take into account the outcome of the vote when determining the frequency of future advisory votes on named executive officer compensation.

Q: Do stockholders have cumulative voting rights?

Stockholders do not have cumulative voting rights with respect to the election of directors or any other matter, which means that stockholders will not be able to cast all of their votes for a single director nominee. The cumulative voting method would entitle a stockholder to multiply the number of shares owned of record by such stockholder by the number of director positions being voted upon and then cast a number of votes equal to such total for only one nominee. Instead, stockholders will only be able to cast one vote per share owned of record for each director nominee (up to five nominees) at the 2019 Annual Meeting. Accordingly, a holder of 100 shares will only be able to cast 100 votes for each of the five nominees (or any lesser number of nominees, as desired) and will not instead be able to cast 500 votes for a single nominee (or distribute votes in any other manner).

Q: What constitutes a quorum?

Transaction of business may occur at the 2019 Annual Meeting if a quorum is present. The presence in person or by proxy of stockholders holding at least a majority of the issued and outstanding shares of common stock is required to constitute a quorum. On Friday, March 1, 2019, the Company had 4,296,703 shares of common stock issued and outstanding and, therefore, the presence of 2,148,352 shares will constitute a quorum for the transaction of business at the 2019 Annual Meeting. If you submit a proxy or vote in person at the meeting, your shares will be counted in determining whether a quorum is present at the 2019 Annual Meeting. Broker non-votes and abstentions are also counted for the purpose of determining a quorum, as discussed below.

Q: What is the effect of abstentions and withhold votes?

You may either vote FOR or WITHHOLD authority to vote for each director nominee (Proposal 1). If you withhold authority to vote on any or all nominees, your vote will have no effect on the outcome of the election. You may vote FOR, AGAINST or ABSTAIN on the ratification of Eide Bailly LLP as the Company's independent registered public accounting firm for fiscal year 2019 (Proposal 2) and the non-binding, advisory vote on named executive officer compensation (Proposal 3). If you abstain from voting on either of these proposals, your shares will be deemed present but will not be deemed to have voted in favor of the proposal. An abstention therefore has the same effect as a vote against the proposal. You may vote for ONE YEAR, TWO YEARS, or THREE YEARS or you may ABSTAIN on the non-binding, advisory recommendation on the frequency of votes on named executive officer compensation (Proposal 4). If you abstain from voting on this proposal, your vote will have no effect on the recommendation of the stockholders.

If you sign and submit your proxy card without voting instructions, your shares will be voted FOR each director nominee, FOR Proposals 2 and 3, and for ONE YEAR on Proposal 4.

Q: What is the effect of broker non-votes?

Shares that are held by brokers in "street name" may be voted by the stock broker on "routine" matters, such as ratification of Eide Bailly LLP as our independent registered public accounting firm for fiscal year 2019 (Proposal 2). To vote on "non-routine" matters, the broker must obtain stockholder direction. When the broker does not vote the shares, the broker's abstention is referred to as a "broker non-vote."

Broker non-votes will be considered present for quorum purposes at the 2019 Annual Meeting. Brokers do not have discretion to vote shares for the election of directors (Proposal 1), for the non-binding, advisory vote on named executive officer compensation (Proposal 3), for the non-binding, advisory recommendation on the frequency of votes on named executive officer compensation (Proposal 4) or for any other non-routine matters that may be brought before the 2019 Annual Meeting. Accordingly, if your shares are held in street name and you do not submit voting instructions to your broker, your shares will not be voted for these proposals. Broker non-votes in connection with the election of directors are not deemed “votes cast,” and, since directors are elected by a plurality of votes cast, will have no effect on the election. The shares underlying broker non-votes in connection with the vote on named executive officer compensation and the recommendation of the frequency of votes on named executive officer compensation will not be deemed entitled to vote and, therefore, these broker non-votes will have no effect on the outcome of these proposals.

If you do not provide voting instructions, brokers will have discretion to vote on the ratification of Eide Bailly LLP as the Company's independent registered public accounting firm for fiscal year 2019.

For any other business matters that may be brought before the 2019 Annual Meeting, the affirmative vote of a majority of the shares of the Company's common stock present in person or by proxy at the 2019 Annual Meeting and entitled to vote on the matter is required to pass the proposal. Broker non-votes will be counted as present for quorum purposes at the 2019 Annual Meeting, but will not be considered entitled to vote on non-routine matters, and will therefore not be treated as affirmative or opposing votes.

Q: How do I vote my shares?

A: If you are a stockholder of record, you may vote your shares of common stock at the 2019 Annual Meeting using either of the following methods:

Proxy card. The enclosed proxy card is a means by which a stockholder may authorize the voting of such stockholder's shares of common stock at the 2019 Annual Meeting. The shares of common stock represented by each properly executed proxy card will be voted at the 2019 Annual Meeting in accordance with the stockholder's directions. The Company urges you to specify your choices by marking the appropriate boxes on the enclosed proxy card. After you have marked your choices, please sign and date the proxy card and return the proxy card to the Company's stock transfer agent, American Stock Transfer and Trust Company, in the enclosed envelope. If you sign and return the proxy card without specifying your choices, your shares will be voted FOR the five director nominees (Proposal 1); FOR the ratification of the appointment of Eide Bailly LLP as the Company's independent public accounting firm for fiscal year 2019 (Proposal 2); FOR the approval, by a non-binding, advisory vote, of named executive officer compensation (Proposal 3); and for ONE YEAR as the recommendation, by a non-binding, advisory vote, of the frequency that votes on named executive officer compensation should occur (Proposal 4).

In person at the 2019 Annual Meeting. All stockholders of record as of Friday, March 1, 2019 may vote in person at the 2019 Annual Meeting. Even if you plan to attend the 2019 Annual Meeting, we recommend that you submit your proxy card ahead of time so that your vote can be counted if you later decide not to attend.

You are a "beneficial owner" of shares held in "street name," rather than a "stockholder of record," if your shares are held in the name of a broker, bank, trust or other nominee as a custodian, and this Proxy Statement and the accompanying Notice were forwarded to you by that organization. As a beneficial owner, you have the right to direct your broker, bank, trust or other nominee how to vote your shares. You may vote by proxy by completing the voting instruction form provided by your custodian. Since a beneficial owner is not the stockholder of record, you may not vote your shares in person at the 2019 Annual Meeting unless you obtain a "legal proxy" from the broker, bank, trustee, or nominee that holds your shares giving you the right to vote the shares at the meeting.

Q: Can I change my vote after I have mailed in my proxy card?

A: Proxies solicited by the Board of Directors may be revoked at any time prior to the 2019 Annual Meeting. No specific form of revocation is required. You may revoke your proxy by:

- Voting in person at the 2019 Annual Meeting;
- Returning a later-dated signed proxy card; or
- Giving personal or written notice of the revocation to the Company’s President, Chief Executive Officer, and Interim Chief Financial Officer, Carrie Gunnerson, at the commencement of the 2019 Annual Meeting.

If your shares are held in “street name” through a broker, bank, trustee, or other nominee, you will need to contact that custodian if you wish to change your voting instructions.

Q: How will my shares be voted if I do not specify how they should be voted or if I vote for too few or too many choices on the proxy card?

A: If you are a record holder and do not mark any choices for the election of directors on the proxy card, then the proxies solicited by the Board of Directors will be voted FOR the five nominees recommended for election by the Board of Directors. You may wish to vote for less than five director nominees. In such case, your shares will only be voted for the director nominee(s) you have selected. If you mark contradicting choices on the proxy card, such as both FOR and WITHHOLD for a director nominee, your shares will not be voted with respect to the director nominee for which you marked contradicting choices.

If you are a record holder and do not mark a choice with respect to the approval of any proposal other than the election of directors, then the proxies solicited by the Board of Directors will be voted FOR the ratification of the appointment of Eide Bailly LLP as the Company's independent public accounting firm for fiscal year 2019 (Proposal 2) and FOR the approval, by a non-binding, advisory vote, of named executive officer compensation (Proposal 3) and for ONE YEAR as the recommendation, by a non-binding, advisory vote, of the frequency that votes on named executive officer compensation should occur (Proposal 4). If you mark contradicting choices on your proxy card, such as a mark both FOR and AGAINST the approval of a proposal, then your shares will not be counted either for or against the proposal for which you have marked contradicting choices.

If you are a street name holder and do not submit specific voting instructions to your broker, the organization that holds your shares may generally vote your shares with respect to "routine" items, but not with respect to "non-routine" items. On non-routine items for which you do not submit specific voting instructions to your broker, the shares will be treated as "broker non-votes." Broker non-votes will be counted for purposes of determining whether a quorum is present. The proposal to ratify the appointment of Eide Bailly LLP as our independent registered public accounting firm (Proposal 2) is considered routine and therefore may be voted upon by your broker if you do not give instructions to your broker. However, brokers will not have discretion to vote your shares on the election of directors (Proposal 1), the non-binding, advisory vote on named executive officer compensation (Proposal 3) or the non-binding, advisory vote on the frequency of votes on named executive officer compensation (Proposal 4). Accordingly, if your shares are held in street name and you do not submit voting instructions to your broker, the broker non-votes will not be considered "votes cast" for purposes of determining the outcome of the election of director nominees and will have no effect on the outcome of the election. Similarly, the shares underlying broker non-votes on Proposals 3 and 4 will not be considered entitled to vote and will have no effect on the outcome of these proposals.

Q: Who can attend the 2019 Annual Meeting?

A: All stockholders of record as of the close of business on Friday, March 1, 2019, may attend the 2019 Annual Meeting. If you are not a stockholder of record but hold shares through a broker, bank, trustee, or other nominee as custodian (i.e., in "street name"), we may request proof of your beneficial ownership as of the record date, such as an account statement, a copy of the voting instruction card provided by your custodian, a "legal proxy" provided by your custodian, or other similar evidence of ownership.

Q: What is the record date for the 2019 Annual Meeting?

A: The Board of Directors has fixed Friday, March 1, 2019, as the record date.

Q: Who will count the votes?

A: All proxies submitted to the Company will be tabulated by our stock transfer agent, American Stock Transfer and Trust Company. All shares voted by stockholders of record present in person at the 2019 Annual Meeting will be tabulated by our Vice President of Finance.

Q: Who is paying for this proxy solicitation?

The entire cost of this proxy solicitation will be borne by the Company. The cost will include the cost of supplying necessary additional copies of the solicitation materials for beneficial owners of shares held of record by brokers, dealers, banks and voting trustees and their nominees and, upon request, the reasonable expenses of such record holders for completing the mailing of such materials to such beneficial owners. Our directors, executive officers and employees may, without compensation other than their regular remuneration, solicit proxies personally or by telephone.

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Q: How do I nominate a candidate for election as a director at next year's annual meeting?

You may recommend a candidate for nomination by the Board of Directors at next year's annual meeting by following the procedures explained below in this Proxy Statement under the caption "CORPORATE GOVERNANCE – Selection of Director Nominees" and contained in the rules and regulations of the Securities and Exchange Commission (the "SEC"). You may directly nominate a candidate for election at next year's annual meeting by following the procedures explained below in response to the question "When are stockholder proposals and director nominations due for next year's annual meeting?"

Q: What is a stockholder proposal?

A stockholder proposal is your recommendation or requirement that the Company and/or the Board of Directors take action, which you intend to present at a meeting of the stockholders. Your proposal should state as clearly as possible the course of action that you believe the Company should follow. If your proposal is included in the Company's proxy statement, then the Company must also provide the means for stockholders to vote on the matter via the proxy card. The deadlines and procedures for submitting stockholder proposals for next year's annual meeting are explained in the following question and answer. The Company reserves the right to reject, rule out of order, or take appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

Q: When are stockholder proposals and director nominations due for the next year's annual meeting?

In order to be considered for inclusion in next year's proxy statement, stockholder proposals must be submitted in writing to the Company no later than November 18, 2019 (approximately 120 days prior to the one year anniversary of the mailing of this Proxy Statement). The Company suggests that proposals for next year's annual meeting be submitted by certified mail, return receipt requested. The proposal must be in accordance with the provisions of Rule 14a-8 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

Stockholders who intend to present a proposal or director nomination at next year's annual meeting without including such proposal or nomination in the Company's proxy statement must, pursuant to the Company's Bylaws, deliver to the Company notice of such proposal no earlier than January 17, 2020 (approximately 90 days prior to the one year anniversary of the 2019 Annual Meeting) and no later than February 16, 2020 (approximately 60 days prior to the one year anniversary of the 2019 Annual Meeting). The Company reserves the right to reject, rule out of order, or take appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

If a stockholder proposal intended to be submitted at next year's annual meeting does not comply, as determined in the Chairman's discretion, with the timeframes and other procedures established by the Company's Bylaws, the proposal will be disregarded.

PROPOSALS TO BE VOTED UPON

PROPOSAL 1

ELECTION OF DIRECTORS

What am I voting on? The Board is asking our stockholders to elect each of the five director nominees named in this Proxy Statement to hold office until the 2020 Annual Meeting of Stockholders and until their successors are elected and qualified or until their earlier resignation or removal.

Board Recommendation: FOR the election of each of the five director nominees.

Required Vote: The five director nominees with the most number of shares voted FOR the director nominee will be elected.

Voting procedures and the method by which votes will be counted, including the treatment and effect of abstentions and broker non-votes, are more fully described above in the section titled “QUESTIONS AND ANSWERS ABOUT THE 2019 Annual Meeting AND VOTING.”

Five members of the Board of Directors (the “Board”) will be elected at the 2019 Annual Meeting to hold office until the 2020 Annual Meeting of Stockholders and until their successors are elected and qualified or until their earlier resignation or removal. Each of the five nominees listed below is currently a member of the Board and the Company has no reason to believe that any of the director nominees named below will be unable or unwilling to serve as director if elected. In addition to the nominees listed below, Mr. Joseph R. Dancy also currently serves as a member of the Board. Mr. Dancy’s term as a director will expire at the 2019 Annual Meeting.

The five nominees receiving the greatest number of affirmative votes cast will be elected as directors. Proxies cannot be voted for a greater number of persons than the number of nominees named. Except as otherwise directed on the proxy cards, the proxies will vote all valid proxies for the five nominees identified below. If for any reason any nominee withdraws or is unable to serve as director (neither of which is expected at this time), the shares represented by all valid proxies will be voted for the election of a substitute nominee recommended by the Board or the Board may reduce the size of the Board.

Nominees for Election as Directors at the 2019 Annual Meeting

The Board has recommended the following persons as nominees for election as directors at the 2019 Annual Meeting:

Nominee Name	Age (as of Annual Meeting)	Year First Became a Director
Marc H. McConnell	39	2001
J. Ward McConnell, Jr.	87	1996
Thomas E. Buffamante	66	2003
David R. Castle	69	2000
David A. White	65	2016

Certain biographical information relating to each of the director nominees is set forth below:

MARC H. McCONNELL, Chairman of the Board, Director. Mr. McConnell is currently the President of Bauer Corporation and the Vice Chairman of McConnell Holdings, Inc., both companies owned by J. Ward McConnell, Jr. Mr. McConnell is also the Vice President of Adamson Global Technology Corporation, a subsidiary of McConnell Holdings, Inc. Mr. McConnell further serves as the Chairman of the Board, Chairman of the Audit Committee, Chairman of the Executive Committee and member of the Asset-Liability and Loan Committees of West Town Bancorp, located in Raleigh, North Carolina, and has served as a director of West Town Bancorp since 2009. He is also the Chairman of the Board and Chairman of the Audit Committee of West Town Bank and Trust, located in Chicago, Illinois, and has served as Chairman of the Board, Chairman of the Audit Committee, Chairman of the Executive Committee and member of the Asset-Liability and Loan Committees of Sound Bank, located in Morehead City, North Carolina. Mr. McConnell has served as a director of the American Ladder Institute since 2004 and served as its President from 2006 to 2010. Mr. McConnell was also named a director of the Farm Equipment Manufacturers Association in October 2007, served as its President from 2013 to 2014 and served as its Treasurer from October 2015 to October 2016. Mr. McConnell was appointed to our Board in July 2001 and served as Vice Chairman of the Board from January 2008 to April 2015, at which time he became our Chairman. He is the son of our Vice Chairman and director, J. Ward McConnell, Jr., and currently resides in Kinston, North Carolina. Among other attributes, skills, and qualifications, the Board believes that Mr. McConnell's involvement and experience in the farm equipment manufacturing industry, particularly in leadership positions with similarly situated companies, contribute to his ability to understand the challenges and opportunities facing the Company and to guide its long-term strategies.

J. WARD McCONNELL, JR., Vice Chairman of the Board, Director. Mr. McConnell has been a private investor for more than twelve years. Mr. McConnell was a director of the Company from 1996 to 2001 and returned and has served as a director since February 2002. Our Chairman, Marc McConnell, is the son of Mr. McConnell. Mr. McConnell served as the Chairman of the Board from 2002 to April 2015, at which time he became our Vice Chairman. Mr. McConnell currently resides in Fort Myers, Florida. Among other attributes, skills, and qualifications, the Board believes that Mr. McConnell is uniquely qualified to serve as a director due to his extensive experience in the farm equipment manufacturing industry throughout his career.

THOMAS E. BUFFAMANTE, Director. Mr. Buffamante is a Certified Public Accountant and Director of Buffamante Whipple Buttafaro, P.C., where he has been a director and stockholder since 1981. Mr. Buffamante has been a director of the Company since 2003, was appointed to our Audit Committee in 2011, and has served as the Chairman of the Audit Committee since April 2012. He currently resides in Great Valley, New York. Among other attributes, skills, and qualifications, the Board believes that Mr. Buffamante is qualified to serve as a director in light of his ability to understand generally accepted accounting principles, internal control over financial reporting, and disclosure controls and procedures, his experience in analyzing and evaluating financial statements, and his ability to provide oversight with regard to tax filings, tax accruals, and other tax matters.

DAVID R. CASTLE, Director. Mr. Castle is the retired Director of Operations Worldwide for Avery Weigh-Tronix, LLC. Mr. Castle also serves on the board of directors of the non-profit Peterborough Tai Chi Association. Mr. Castle previously served on the Board from 2000 to 2012, during which time he served as the Chairman of the Audit Committee and a member of the Compensation Committee. Mr. Castle rejoined the Board in January 2013 and currently serves as the Chairman of the Compensation Committee. He previously served as a member of the Audit Committee from April 2016 to April 2017. He resides in Ontario, Canada. Among other attributes, skills, and qualifications, the Board believes that Mr. Castle's previous experience as a Director of Operations of a manufacturing company allows him to make a valuable contribution to the oversight of the Company's operations, and enables him to identify and understand trends presented in the Company's financial statements and results of operations.

DAVID A. WHITE, Director. Mr. White has been a general partner and the President and CEO of First Call Services LLC, a private holding company and advisory firm since May 2012. He serves on the boards of directors for Ag Growth International Inc., a Toronto Stock Exchange farm equipment manufacturer, Patient Care Logistics Solutions, a private equity sponsored company, and Avicanna Inc., a Canadian bio-tech company. He previously sat on the board of Sunrise Transportation Holdings LLC, a privately-held U.S. company, from 2015 to July 2018. Mr. White has held a number of senior financial and operating positions with John Labatt Limited, Lawson Mardon Group Inc., and Laidlaw Inc., and most recently was Chief Executive Officer of TransCare Inc., a medical transportation company, from 2008 to April 2012, and President and Chief Operating Officer of Student Transportation of America, a TSX-listed company, from 2005 to 2007. Mr. White has been a Canadian Chartered Accountant since 1978, he holds a BA from the University of Western Ontario and an MBA from the University of Toronto, and in 2013 he received the ICD.D designation from the Institute of Corporate Directors. Mr. White was appointed to the Board in December 2016 and currently serves as a member of the Audit and Compensation Committees. Among other attributes, skills, and qualifications, the Board believes that Mr. White is qualified to serve as a director in light of his involvement and experience in the farm equipment manufacturing industry, board experience, his ability to understand generally accepted accounting principles, internal control over financial reporting, and disclosure controls and procedures, his

experience in analyzing and evaluating financial statements, and management experience.

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PROPOSAL 2

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

What am I voting on? The Board is asking our stockholders to ratify its selection of Eide Bailly LLP as our independent registered public accounting firm for the fiscal year ending November 30, 2019.

Voting Recommendation: FOR the ratification of our independent registered public accounting firm.

Vote Required: Ratification requires an affirmative vote of the majority of shares present in person or represented by proxy and entitled to vote.

Voting procedures and the method by which votes will be counted, including the treatment and effect of abstentions and broker non-votes, are more fully described above in the section titled “QUESTIONS AND ANSWERS ABOUT THE 2019 Annual Meeting AND VOTING.”

The Board, acting on the recommendation of the Audit Committee, has selected Eide Bailly LLP as the Company’s independent registered public accounting firm for fiscal year 2019. Eide Bailly LLP has been the Company’s independent registered public accounting firm since July 2006. Eide Bailly LLP has advised the Company that it has no relationship to the Company except that of independent registered public accounting firm. A representative of Eide Bailly LLP is expected to be present at the 2019 Annual Meeting. Such representative will have an opportunity to make a statement if the representative desires to do so and will be available to respond to appropriate questions regarding audit of the financial statements.

Audit Fees

The following table presents fees for professional services billed by Eide Bailly LLP to the Company for the audit of the Company’s annual financial statements, the review of the Company’s interim financial statements, and related services for the fiscal years ended November 30, 2018 and November 30, 2017.

Category	Fiscal Year Fees (\$)	
Audit Fees (1)	2018	112,193
	2017	114,085
Audit-Related Fees (2)	2018	-
	2017	-
Tax Fees (3)	2018	22,500
	2017	22,000
All Other Fees	2018	-
	2017	-

Audit fees represent fees billed for each of the last two fiscal years for professional services provided for the audit (1) of the Company's annual financial statements and review of the Company's quarterly financial statements in connection with the filing of current and periodic reports.

(2) Audit-related fees represent fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements.

(3) Tax fees represent fees billed for each of the last two fiscal years for tax compliance, tax advice and tax planning, which included preparation of tax returns.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee pre-approved the engagement of Eide Bailly LLP as the Company's principal independent registered public accounting firm to perform audit services for the Company. The Audit Committee pre-approves all auditing services and permitted non-audit services, including the fees and terms of those services, to be performed for the Company by its independent registered public accounting firm prior to engagement. One hundred percent of the services referenced above were pre-approved by our Audit Committee.

PROPOSAL 3

APPROVAL, ON A NON-BINDING, ADVISORY BASIS, OF NAMED EXECUTIVE OFFICER COMPENSATION

What am I voting on? The Board is asking our stockholders to approve, on a non-binding, advisory basis, the compensation of the named executive officers disclosed in this Proxy Statement.

Voting Recommendation: FOR the approval of the compensation of the named executive officers.

Vote Required: Approval requires an affirmative vote of the majority of shares present in person or represented by proxy and entitled to vote.

Voting procedures and the method by which votes will be counted, including the treatment and effect of abstentions and broker non-votes, are more fully described above in the section titled “QUESTIONS AND ANSWERS ABOUT THE 2019 Annual Meeting AND VOTING.”

The Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 14A of the Exchange Act require that the Company provide its stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with the compensation disclosure rules of the SEC. In accordance with the preference of our stockholders, as expressed in a non-binding, advisory vote on the frequency of votes on named executive officer compensation at our 2013 Annual Meeting of Stockholders, the Company previously determined to hold annual votes on the compensation of named executive officers.