

ARTS WAY MANUFACTURING CO INC
Form DEF 14A
March 25, 2013

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 x
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Check the appropriate box:

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

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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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 THURSDAY, APRIL 25, 2013

To our Stockholders:

The 2013 Annual Meeting of the Stockholders (the "2013 Annual Meeting") of Art's-Way Manufacturing Co., Inc. (the "Company") will be held on Thursday, April 25, 2013, at the offices of the Company, located at 5556 Highway 9, Armstrong, Iowa, 50514-0288. Registration for the 2013 Annual Meeting will begin at 9:45 a.m. Central Time ("CT"). The 2013 Annual Meeting will commence at approximately 10:00 a.m. CT. The purposes of the 2013 Annual Meeting are to:

- (1) Elect seven (7) directors to our Board of Directors to serve until the next annual meeting of stockholders or until such time as their successors are elected and qualified;
- (2) Consider and vote upon a proposal to ratify the appointment of Eide Bailly LLP as the Company's independent registered public accountant for the 2013 fiscal year.
- (3) Consider and vote upon, on a non-binding and advisory basis, named executive officer compensation; and
- (4) Consider and recommend, on a non-binding and advisory basis, whether named executive officer compensation votes 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 2013 Annual Meeting on the date specified above, or on any date or dates to which the 2013 Annual Meeting may be adjourned. The Board of Directors is not aware of any other business to come before the 2013 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 2013 Annual Meeting, please call the Company at (712) 864-3131.

Only stockholders that were listed on the Company's records at the close of business on Monday, March 4, 2013, the record date set by the Board of Directors for the 2013 Annual Meeting, are entitled to notice of the 2013 Annual Meeting and to vote at the 2013 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 2013 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 2013 Annual Meeting. The proxy is revocable and will not be used if you attend and vote at the 2013 Annual Meeting in person or otherwise provide notice of your revocation. Please mail your executed proxy card to the Company's stock transfer agent in the enclosed envelope.

By order of the Board of Directors,

/s/ J. Ward McConnell, Jr.
Chairman of the Board and Director
Armstrong, Iowa
March 25, 2013

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.

Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Stockholders to be Held on April 25, 2013:
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/>

Proxy Statement
2013 Annual Meeting of Stockholders
Thursday, April 25, 2013
10:00 a.m. CT

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”), for use at the 2013 Annual Meeting of Stockholders of the Company to be held on Thursday, April 25, 2013 (the “2013 Annual Meeting”), and at any adjournment thereof. The 2013 Annual Meeting will be held at the offices of the Company, located at 5556 Highway 9, Armstrong, Iowa, 50514-0288. Registration for the 2013 Annual Meeting will begin at approximately 9:45 a.m. Central Time (“CT”). The 2013 Annual Meeting will commence at approximately 10:00 a.m. CT. 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 25, 2013.

Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Stockholders to be Held on April 25, 2013:
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 2013 ANNUAL MEETING AND VOTING

Q: Why did I receive this proxy statement?

A: The Company is soliciting your proxy vote at the 2013 Annual Meeting because you owned of record one or more shares of common stock of the Company at the close of business on Monday, March 4, 2013, the record date for the 2013 Annual Meeting, and are therefore entitled to vote at the 2013 Annual Meeting.

Q: What is a proxy?

A: 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 J. Ward McConnell, Jr. and David R. Castle, the proxies, the authority to vote your shares of common stock at the 2013 Annual Meeting in the manner 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 2013 Annual Meeting, or any adjournments thereof.

Q: When and where is the 2013 Annual Meeting?

A: The 2013 Annual Meeting will be held on Thursday, April 25, 2013, at the offices of the Company, located at 5556 Highway 9, Armstrong, Iowa, 50514-0288. Registration for the meeting will begin at approximately 9:45 a.m. CT. The 2013 Annual Meeting will commence at approximately 10:00 a.m. CT.

Q: What am I voting on?

A: You are voting on the following matters:

- Proposal 1 — The election of the seven (7) directors named in this Proxy Statement;
- Proposal 2 — The ratification of the appointment of Eide Bailly LLP as the Company's independent registered public accountant for the 2013 fiscal year;
- Proposal 3 — The approval, by a non-binding vote, of named executive officer compensation; and
- Proposal 4 — The recommendation, by a non-binding vote, whether named executive officer compensation votes 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 seven (7) directors named in this Proxy Statement;
- FOR — the ratification of the appointment of Eide Bailly LLP as the Company's independent registered public accountant for the 2013 fiscal year;
- FOR — the approval, by a non-binding vote, of named executive officer compensation; and
- ONE YEAR — as the recommendation, by a non-binding vote, of the frequency that named executive officer compensation votes should occur.

Q: How many votes do I have?

A: On any matter which may properly come before the 2013 Annual Meeting, each stockholder entitled to vote thereon will have one (1) vote for each share of common stock owned of record by such stockholder as of the close of business on Monday, March 4, 2013.

Q: How many shares of common stock may vote at the 2013 Annual Meeting?

A: At the close of business on Monday, March 4, 2013, there were 4,035,052 outstanding shares of common stock. This means that there may be 4,035,052 votes on any matter presented at the 2013 Annual Meeting.

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

A: Proposal 1— Election of Directors — With respect to the election of directors, the seven (7) nominees receiving the greatest number of votes 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 2013 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 an aggregate of at least a majority of the issued and outstanding shares of common stock is required to constitute a quorum for the election of directors.

Proposal 2 — Ratification of the Appointment of Eide Bailly LLP as the Company's Independent Registered Public Accountant for the 2013 fiscal year — 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 2013 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 accountant for the 2013 fiscal year.

Proposal 3 — Approval, by a Non-Binding Vote, 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 2013 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, our Board of Directors or the Compensation and Stock Option Committee. To the extent there is any significant vote against our named executive officer compensation as disclosed in this proxy statement, the Compensation and Stock Option Committee will evaluate whether any actions are necessary to address the concerns of stockholders.

Proposal 4 — Recommendation, by a Non-Binding Vote, of the Frequency of Named Executive Officer Compensation Votes – 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 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, our Board of Directors or the Compensation and Stock Option Committee. The Board of Directors and the Compensation and Stock Option Committee will take into account the outcome of the vote, however, when considering the frequency of future advisory votes on executive compensation.

Q: Do stockholders have cumulative voting rights?

A: 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 seven nominees) at the 2013 Annual Meeting. Accordingly, a holder of 100 shares will only be able to cast 100 shares for each nominee (up to the number of directorships up for election) and will not instead be able to cast 700 shares for a single nominee (or distribute votes in any other manner).

Q: What constitutes a quorum?

A: Transaction of business may occur at the 2013 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 Monday, March 4, 2013, the Company had 4,035,052 issued and outstanding shares of common stock and, therefore, the presence of 2,017,527 shares will constitute a quorum for the transaction of business at the 2013 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 2013 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?

A: You may either vote FOR or WITHHOLD authority to vote for each nominee for the Board of Directors. 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 Proposals 2 and 3. If you abstain from voting on any 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 Proposal 4. If you abstain from voting on this proposal, your vote will have no effect on the recommendation of the stockholders.

If you just 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?

A: Shares that are held by stock brokers in "street name" may be voted by the stock broker on "routine" matters, such as ratification of our independent registered public accountant. To vote on "non-routine" matters, the stock broker must obtain stockholder direction. When the stock broker does not vote the shares, the stock broker's abstention is referred to as a "broker non-vote."

Broker non-votes will be considered present for quorum purposes at the 2013 Annual Meeting. Brokers do not have discretion to vote shares for the election of directors, for the advisory vote on named executive officer compensation, for the advisory recommendation on the frequency of the vote on named executive officer compensation or for any other non-routine matters that may be brought before the 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, 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 these broker non-votes therefore will have no effect on the outcome of these proposals.

Brokers will have discretion to vote on the ratification of Eide Bailly LLP as the Company’s independent registered public accountant for the 2013 fiscal year if you do not provide voting instructions.

For any other business matters that may be brought before the meeting, the affirmative vote of a majority of the shares of our common stock present in person or by proxy at the 2013 Annual Meeting and entitled to vote on the proposal is required to pass the proposal. Broker non-votes will be counted as present for quorum purposes at the 2013 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 2013 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 his, her, its or their shares of common stock at the 2013 Annual Meeting. The shares of common stock represented by each properly executed proxy card will be voted at the 2013 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 mail 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 Board of Director’s nominees for directors; FOR the ratification of the appointment of Eide Bailly LLP as the Company’s independent public accountant for the 2013 fiscal year; FOR the approval, by a non-binding vote, of named executive officer compensation; and for ONE YEAR as the recommendation, by a non-binding vote, for the frequency that named executive officer compensation votes should occur.

In person at the 2013 Annual Meeting. All stockholders of record as of Monday, March 4, 2013 may vote in person at the 2013 Annual Meeting. Even if you plan to attend the 2013 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 stock 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 stock 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 2013 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 2013 Annual Meeting. No specific form of revocation is required. You may revoke your proxy by:

- Voting in person at the 2013 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 Majeski, at the commencement of the 2013 Annual Meeting.

If your shares are held in “street name” through a broker or other nominee, you will need to contact that nominee 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 nominees recommended for election by the Board of Directors. You may wish to vote for less than seven (7) director candidates. In such case, your shares will only be voted for the director candidate(s) you have selected. If you mark contradicting choices on the proxy card, such as both FOR and WITHHOLD for a director candidate, your shares will not be voted with respect to the director candidate 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 approval of Proposals 2 and 3 and for ONE YEAR for 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 accountant 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, the advisory vote on named executive officer compensation or the advisory vote on the frequency of the vote on named executive officer compensation. 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 2013 Annual Meeting?

A: All stockholders of record as of the close of business on Monday, March 4, 2013, may attend the 2013 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 2013 Annual Meeting?

A: The Board of Directors has fixed Monday, March 4, 2013, 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 2013 Annual Meeting will be tabulated by our Director of Finance.

Q: Who is paying for this proxy solicitation?

A: 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.

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

A: You may recommend a candidate for nomination by the Board of Directors at the 2014 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 the 2014 Annual Meeting by following the procedures explained below in response to the question "When are stockholder proposals and director nominations due for the 2014 Annual Meeting?"

Q: What is a stockholder proposal?

A: 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 the 2014 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 2014 Annual Meeting?

A: 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 28, 2013 (approximately 120 days prior to the one year anniversary of the mailing of this Proxy Statement). The Company suggests that proposals for the 2014 Annual Meeting of Stockholders 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 the 2014 Annual Meeting of Stockholders 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 25, 2014 (approximately 90 days prior to the one year anniversary of this year's meeting) and no later than February 24, 2014 (approximately 60 days prior to the one year anniversary of this year's 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 to the 2014 Annual Meeting of Stockholders 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

The Board of Directors (the “Board”) is currently composed of eight directors. Fred W. Krahmer has decided to not stand for reelection at the 2013 Annual Meeting. Seven directors will be elected at the 2013 Annual Meeting to hold office until the 2014 Annual Meeting of Stockholders or until the successor of each shall be elected and qualified in accordance with the Company’s Bylaws. Proxies cannot be voted for a greater number of persons than the number of nominees named. All seven of the nominees named herein are presently serving as members of the Board. 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. 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.

The seven nominees receiving the greatest number of affirmative votes cast will be elected as directors. Except as otherwise directed on the proxy cards, the proxies will vote all valid proxies for the seven nominees identified below.

Nominees for Election as Directors at the 2013 Annual Meeting

The Board has recommended the following persons as nominees for election as directors at the 2013 Annual Meeting:

Nominee Name	Age (as of Annual Meeting)	Year First Became a Director
J. Ward McConnell, Jr.	81	1996
Marc H. McConnell	34	2001
Thomas E. Buffamante	60	2003
David R. Castle	63	2000
Joseph R. Dancy	58	2012
James Lynch	67	2006
Douglas McClellan	62	1987

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

J. WARD McCONNELL, JR., Chairman of the Board, Director. Mr. McConnell has been a private investor for more than ten years. Mr. McConnell was a director of the Company from 1996 to 2001 and returned in and has served since February 2002. Our Vice Chairman and director, Marc H. McConnell, is the son of Mr. McConnell. Mr. McConnell has been the Chairman of the Board since 2002 and 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.

MARC H. McCONNELL, Vice Chairman of the Board, Director. Mr. McConnell is currently the President of Bauer Corporation and a director of McConnell Holdings, Inc. and Mountain Aircraft Services, Inc., all companies owned by J. Ward McConnell, Jr. Mr. McConnell is also currently Chairman of West Town Savings Bank, located in Chicago, Illinois, and has served as a director since 2009. He has served as a director of the American Ladder Institute since 2004 and served as President from 2006-2010. Mr. McConnell was also named a director of the Farm Equipment Manufacturers Association in October 2007 and currently serves as the Association's 1st Vice President. Mr. McConnell was appointed to the Company's Board in July 2001 and has served as Vice Chairman of the Board since January 2008. He is the son of our 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.

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 of the firm 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 reviewing 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, and continues to serve as a director of Avery Weigh-Tronix Holdings, Inc. 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 through 2012, during which time he served as the Chairman of the Audit Committee and a member of the Compensation and Stock Option Committee. Mr. Castle rejoined the Board in January 2013 and currently serves as the Chairman of the Compensation and Stock Option Committee. He resides in Ontario, Canada. Among other attributes, skills, and qualifications, the Board believes that Mr. Castle's 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.

JOSEPH R.