

STANDEX INTERNATIONAL CORP/DE/
Form DEF 14A
September 09, 2016

11 Keewaydin Drive

Salem, New Hampshire 03079

September 9, 2016

To the Stockholders of Standex International Corporation:

You are cordially invited to attend the Annual Meeting of Stockholders of Standex International Corporation, which will be held at the Burlington Marriott, One Burlington Mall Road, Burlington, Massachusetts 01803, on Thursday, October 27, 2016 at 11:00 a.m., local time.

We hope that you will be able to attend the meeting. If you do attend the meeting, you may vote your shares personally. However, if you cannot do so, it is important that your shares be represented. All stockholders received a Notice of Internet Availability of Proxy Materials, which provides instructions on how to access the proxy electronically, so that you may vote your shares. We urge you to read the proxy statement carefully, and to vote your shares by telephone or the Internet, or by requesting a paper copy of the proxy and signing, dating and returning your card in the postage prepaid envelope provided.

Pursuant to the procedures governing the meeting, shareholders will be requested to verify their status as stockholders or proxy holders prior to or during meeting attendance.

This booklet includes the Notice of Annual Meeting and the Proxy Statement, both of which contain information about the formal business to be acted on by the stockholders. In addition, a presentation regarding the operations of your Company, and a question and discussion period, will also take place.

Thank you in advance for voting your shares, and for your interest in the Company.

Sincerely,

David Dunbar

President/Chief Executive Officer

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**11 Keewaydin Drive
Salem, New Hampshire 03079**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Standex International Corporation (the Company) will be held at the Burlington Marriott, One Burlington Mall Road, Burlington, Massachusetts 01803, on Thursday, October 27, 2016, at 11:00 am, local time for the following purposes:

1.

To elect two directors to hold office for three-year terms ending on the date of the Annual Meeting of Stockholders in 2019;

2.

To conduct an advisory vote on the total compensation paid to the named executive officers of the Company;

3.

To approve the material terms of the performance goals under the Company's Amended and Restated 2008 Long Term Incentive Plan for the purposes of compensation deductibility under Internal Revenue Code Section 162(m);

3.

To approve an amendment of the Bylaws of the Company to allow the Board of Directors to fix the number of directors from time to time, within the existing range of between seven and fifteen;

5.

To ratify the appointment by the Audit Committee of the Board of Directors of Grant Thornton LLP as independent auditor of the Company for the fiscal year ending June 30, 2017; and

4.

To transact such other business as may properly come before the meeting or any adjournments thereof.

The Company has provided each stockholder with a Notice of Internet Availability of Proxy Materials (the Notice), which encourages stockholders to review the Notice of Annual Meeting/Proxy Statement and 2016 Annual Report on

Form 10-K on the Internet, at www.envisionreports.com/sxi. We believe that encouraging electronic reviewing of the proxy statement creates value for stockholders by reducing costs to the Company, eliminating wasteful surplus printed materials, and expediting the tabulation of stockholders' votes. The Notice also provides stockholders with information about how to obtain a paper or email copy of the proxy statement, if they prefer.

Once the proxy materials have been reviewed, we ask stockholders to vote their shares in one of the following ways:

(a)

Call 1-800-652-VOTE (8683), and use your Stockholder Control Number to vote. This number appears in the shaded bar on the Notice that you received;

(b)

Visit the Internet web site at: <https://www.envisionreports.com/sxi>, or follow your broker's instructions relative to Internet voting;

(c)

Request a paper or emailed proxy statement by calling 1-866-641-4276 or emailing investorvote@computershare.com and inserting the words "Proxy Materials Standex International Corporation" in the subject line. Then, after review of the materials, vote via telephone or the Internet or mark, date, sign and mail your proxy card in the prepaid envelope provided; or

(d)

Attend the Annual Meeting and vote in person. A ballot will be provided to you if you hold Company shares in your own name. If you hold your shares through a bank or broker (i.e., in "street name"), you must obtain a proxy from your bank or broker to vote the shares at the Annual Meeting.

Your vote is important. Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible.

By Order of the Board of Directors,

Alan J. Glass, *Secretary*

September 9, 2016

Important notice regarding the availability of proxy materials for the Annual Meeting to be held on October 27, 2016. The 2016 Notice of Annual Meeting/Proxy Statement and the 2016 Annual Report on Form 10-K are available for review at www.standex.com under the Investors tab, in the section labeled Annual Reports and Proxy Materials.

The Notice of Internet Availability and Proxy Statement are first being made available to stockholders on or about September 9, 2016.

STANDEX INTERNATIONAL CORPORATION

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

October 27, 2016

This Proxy Statement is being furnished on or about September 9, 2016, in connection with the solicitation of proxies by the Board of Directors of Standex International Corporation (the "Company"), for use at the Annual Meeting of Stockholders to be held on Thursday, October 27, 2016. The Board of Directors is recommending that you vote **for** the election as Directors of each of the individuals nominated by the Board of Directors, **for** the total compensation paid to the named executive officers of the company, **for** the approval of the material terms of the performance goals under the Company's Amended and Restated 2008 Long Term Incentive Plan, **for** the approval of an amendment to the Company's Bylaws to allow the Board of Directors to fix the number of directors from time to time, within the currently established limits, and **for** the ratification of Grant Thornton LLP as independent auditor for the Company for the fiscal year ended June 30, 2017.

The Board of Directors has fixed August 29, 2016 as the record date for the determination of stockholders entitled to vote at the Annual Meeting. At the record date, there were outstanding and entitled to vote 12,780,767 shares of the Common Stock of the Company. You may vote the shares you own directly in your name as a stockholder of record, shares you hold through Company benefit plans, and shares held for you as a beneficial owner through a broker, bank or other nominee. Each share is entitled to one vote.

A quorum must be present to transact business at the Annual Meeting. A quorum is the majority of the outstanding shares of the Company's Common Stock entitled to vote at the Annual Meeting and represented in person or by proxy. Proposals 1, 2, 3 and 5 will require the affirmative vote of a majority of the shares of Common Stock voting, in person or by proxy, at the Annual Meeting. Proposal 4 requires the affirmative vote of eighty percent (80%) of the issued and outstanding shares entitled to vote at the Annual Meeting. For Proposal 1 (the election of directors), stockholders may vote in favor of all nominees for Director, or may withhold their votes as to all nominees or as to specific nominees. With respect to the other Proposals, stockholders should specify their choice on the form of proxy.

Your bank or broker will send you voting instructions if you hold your shares in street name.

Abstentions and broker non-votes (i.e. when a broker or bank holding shares in street name is present at the meeting in person or by proxy, yet has no authority to vote on a particular proposal because the beneficial owner has not instructed the broker or bank how to vote, and the broker or bank has no discretionary voting power on its own) will be counted for quorum purposes, but will not be counted as votes in favor of Proposals 1 through 4. Proposal 5 is considered routine by the New York Stock Exchange (NYSE), so abstentions and broker non-votes will be counted in favor of Proposal 5. The Company asks shareholders who hold shares in street name to instruct their bank or broker how they want to vote on Proposals 1, 2, 3 and 4.

You may revoke any proxy at any time prior to the Annual Meeting by delivery of written notice to the Secretary of the Company or by executing a subsequent proxy.

Each stockholder received a Notice of Internet Availability providing instructions about how to view and vote proxy materials electronically. We believe that electronic delivery of proxy documents, rather

than delivery of a paper copy to every stockholder, maximizes value for all stockholders and eliminates waste. We strive to be vigilant stewards of Company resources, and we believe that electronic delivery of the proxy to the majority of stockholders helps the Company attain this goal.

All costs of solicitation of proxies will be borne by the Company. In addition to solicitations by mail, the Company's directors and officers, without additional remuneration, may solicit proxies in person and by telecommunications.

Brokers, custodians and fiduciaries will be requested to forward proxy soliciting materials to the owners of stock held in their names, and the Company will reimburse them for their out-of-pocket expenses in this regard.

To assure the presence in person or by proxy of the necessary quorum for holding the meeting, the Company has engaged the firm of Morrow & Co., LLC, 470 West Avenue, Stamford, CT 06902 to assist in soliciting proxies by mail, telephone, facsimile and personal interview, for a fee estimated at approximately \$6,250 plus disbursements. The Company pays this expense.

PROPOSAL 1 ELECTION OF DIRECTORS

Nominees Recommended by the Board of Directors

In Proposal 1, Election of Directors, we are asking stockholders to consider and vote on the election of the two nominees listed below for three-year terms. Stockholders are asked to elect as Directors, Thomas E. Chorman and Thomas J. Hansen, each for a three-year term expiring in 2019, unless authority to vote for the election of directors is withheld by marking the proxy to that effect. No proxy can be voted for a greater number of persons than the two nominees named below.

In the event that any nominee for election becomes unavailable, the person acting under the proxy may vote for the election of a substitute. We have no reason to believe that any nominee will become unavailable.

Messrs. Chorman and Hansen are independent, as defined by the NYSE.

The terms of two longstanding directors will expire on the date of the Annual Meeting. Under the Company's Corporate Governance Guidelines, the Board has established a retirement age for directors of 75 years. Directors may complete the term for which they were elected prior to age 75. Under this policy, both Messrs. William R. Fenoglio and H. Nicholas Muller, III are concluding their service as directors. Mr. Fenoglio has severed as a director since 1997. Mr. Muller has served since 1984. The Company is deeply grateful for their combined fifty-one years of guidance and wisdom. The Company offers sincere thanks for their commitment and wishes them well in their retirement from Board service.

Further, on the date of the Annual Meeting, Director Roger L. Fix has elected to cede his role as non-executive Chairman of the Board. However, Mr. Fix, whose current term expires in 2017, will continue to serve as Director. The role of Chairman of the Board, after the Annual Meeting, will be assumed by David A. Dunbar, President/CEO of the Company. A full discussion of this transition appears in the Corporate Governance/Nominating Committee Report on page 44 herein.

Finally, please note that the Classes of directors as noted below are for ease of reference and conform to the Company's reporting to the New York Stock Exchange. Mr. Chorman has been reassigned into Class II due to the imbalance created in the Classes due to the two retirements noted above. Mr. Chorman's term had previously been scheduled to expire in 2017.

Information about each Director, including the two Board-recommended nominees, as of July 31, 2016, follows.

The Board of Directors recommends a vote FOR each nominee.

Nominees for Directors For Terms Expiring in 2019 (Class II)

Thomas E. Chorman

Age 62

Mr. Chorman has been a Director since 2004. He currently chairs the Corporate Governance/Nominating Committee. Mr. Chorman brings significant financial management experience to the Board. He is not only a financial executive, but also an entrepreneur and private investor who has successfully launched and led various enterprises. He currently serves as Chief Executive Officer of Solar LED Innovations, LLC, a designer, manufacturer and marketer of solar rechargeable lighting products, with headquarters in Pennsylvania. Mr. Chorman established the company in 2008. Prior thereto Mr. Chorman co-founded and served as Chief Executive Officer of Foam Partners, LLC (a fabricator of polyurethane foam products). Additionally, from June, 2007 through 2008, Mr. Chorman served as a partner and President of Boomer Capital (a leadership consulting and career placement service). Mr. Chorman is no longer affiliated with Foam Partners, and presently has a minority ownership interest in Boomer Capital.

From June 2009 through April 2012, Mr. Chorman served on the Board of Directors of Symmetry Medical, a provider of implants, instruments and cases to orthopedic device manufacturers trading on the NYSE. Mr. Chorman was chairman of the Finance and Systems Committee and also served on the Audit Committee of Symmetry.

Mr. Chorman's decades of senior financial management experience, along with the entrepreneurial business opportunities he has pursued in recent years, is of significant benefit to the Company. Mr. Chorman remains closely involved in the day to day financial reporting requirements for established international public companies as well as smaller start-ups. This perspective is helpful to the Board when analyzing acquisition opportunities. Mr. Chorman's skills and abilities qualify him to serve on the Board of the Company.

Thomas J. Hansen

Age 67

Mr. Hansen has been a Director since 2013. He currently chairs the Audit Committee, and serves as the lead independent director. Mr. Hansen joined the Company Board after his retirement from Illinois Tool Works (ITW), where his career spanned thirty-two years, during which he served in increasingly responsible strategic management roles with global reach. At the time of his retirement in 2012, Mr. Hansen was serving as the Vice Chairman of ITW, where he was responsible for the company's worldwide automotive components and fasteners business, its construction products and fluids and polymers businesses, and its industrial metal and plastics businesses.

In addition, Mr. Hansen currently serves as a member of the board of directors of Terex Corporation, a manufacturer of equipment for the lifting and material handling industries, trading on the NYSE. Mr. Hansen chairs the Audit Committee of Terex. Mr. Hansen also is a board member and the chair of the Audit Committee of Mueller Water Products, Inc., a manufacturer of products used in the transmission and distribution of drinking water. Mueller stock trades on the NYSE. Mr. Hansen also serves on the Nominating and Corporate Governance Committee of Mueller.

The Company believes that the industrial manufacturing insight that Mr. Hansen has gained during his long and distinguished career at ITW is of immense value as the Company continues to execute its long term strategy. Mr. Hansen's broad end-market knowledge and acquisition experience are also helpful to the Board. Mr. Hansen's financial analysis and background are also well utilized in his role as Chairman of the Company's Audit Committee. Mr. Hansen has been involved in the oversight and preparation of financial statements for over thirty years.

Directors To Continue In Office For Terms Expiring in 2018 (Class I)

Charles H. Cannon, Jr.

Age 64

Mr. Cannon has been a Director since 2004. He chairs the Compensation Committee. Until his retirement in 2014, he served as Executive Chairman of John Bean Technologies Corporation (JBT), an NYSE-traded global company providing technology solutions to the food processing and air transportation industries. Mr. Cannon was President/CEO of JBT Corporation from 2008 through 2013. In 2008, JBT was spun off from its former parent company, FMC Technologies, Inc., where Mr. Cannon had served as Vice President from 2001 to 2004 and Senior Vice President from 2004 until the JBT spinoff.

The Company believes that Mr. Cannon is qualified to continue his service on the Board, based upon his lengthy senior executive experience at an international manufacturer which operates in some of the same industries as does the Company. Mr. Cannon, with decades of experience as a general manager and senior executive, exhibits demonstrated leadership success. He was responsible, as CEO of a publicly traded company, for multiple aspects of corporate organization, governance, finance and operations. Finally, Mr. Cannon's technical and business education and his international perspective are of unique benefit to the Company's Board.

Jeffrey S. Edwards

Age 54

Mr. Edwards has served as a member of the Board of Directors since October, 2014. Mr. Edwards is the Chairman and CEO of Cooper-Standard Holdings Inc., a manufacturer of fluid handling, body sealing, and anti-vibration

systems components for the automotive industry. He has been CEO of Cooper-Standard since 2012, and Chairman since 2013 (also serving as President during 2012 and 2013). This NYSE global company, with more than 90 locations in 21 countries and 2015 annual revenue of \$3.2 billion, sells primarily to the automotive OEM market. Prior to 2012, Mr. Edwards had a distinguished 28 year career at Johnson Controls, a global diversified technology and industrial company, trading on the NYSE. At the time of his departure from Johnson Controls, Mr. Edwards was Corporate Vice President, Group Vice President and General Manager of the Automotive Experience Asia Group, based in Tokyo.

Since becoming a director in 2014, Mr. Edwards has brought valuable insight to the Board's activities. Mr. Edwards' successful and lengthy history leading global manufacturing businesses enable him to advise the Board in myriad ways regarding the challenges facing the Company. Mr. Edwards' position as Chairman of the Cooper Standard Board provides useful peer insight. Finally, Mr. Edwards' management acumen assists the Board as it assesses both short and long-term Company performance and strategy.

Gerald H. Fickenscher

Age 73

Mr. Fickenscher has been a Director since 2004. He brings to the Company decades of financial management and general management experience at various global operations. Most recently, at Crompton Corporation, he served as Vice President-Europe, Middle East and Africa of Crompton Corporation, a specialty chemicals manufacturer, from 1994 to 2003. In this capacity, he led 1,900 employees and was responsible for \$700 million in sales. Prior thereto, he was Chief Financial Officer of Uniroyal Chemical, a worldwide industrial chemical company with a complex operational structure, from 1986 to 1993. At Uniroyal, he oversaw the issuance of over \$800 million in bank and publicly traded debt. He regularly communicated with the Audit Committee of Uniroyal's Board and with external auditors. He also played a key role in a successful \$1 billion management-led buyout, which concluded in an IPO with excellent returns to shareholders.

Since retiring in 2003, Mr. Fickenscher has remained active in the field of finance. He regularly attends training at NACD (National Association of Corporate Directors) and FEI (Financial Executive International), and has been active in other international finance and trade organizations.

Mr. Fickenscher is qualified to serve on the Board of the Company due to his years of financial experience, analysis and acumen. He has senior executive management experience with multinational, industrial organizations. For many years, he interacted with audit committees and external auditors, experience which is beneficial to his current service on the Company's Audit Committee. His continuing education and training through various industry and governance organizations provides insight to the Board regarding peer practices. The Company believes that Mr. Fickenscher is a valuable asset to the financial and organizational needs of the Board.

Directors To Continue In Office For Terms Expiring in 2017 (Class II)

Roger L. Fix

Age 63

From 2014 through the date of the 2016 Annual Meeting, Mr. Fix served as non-executive Chairman of the Board of Directors of the Company. He was President of the Company from 2001 until the appointment of David Dunbar in January, 2014. Further, Mr. Fix served as CEO of the Company from 2003 to January, 2014. Mr. Fix retired from employment with the Company in April, 2014. Mr. Fix has been a Company Director since 2001 and a member of the Board's Executive Committee since 2003. From 2001 to 2002, Mr. Fix also served as the Company's Chief Operating Officer.

Additionally, Mr. Fix has been a director of Flowserve Corporation since 2006, serving on the Organization and Compensation Committee and the Finance Committee. Flowserve, which trades on the NYSE, is a global manufacturer and supplier of fluid motion and control products and services. The company operates in over 50 countries and had net sales last year of approximately \$4.5 billion.

In 2014, Mr. Fix joined the Board of Vehicle Group, Inc., a global supplier of cab-related products and systems for commercial vehicles, trading on NASDAQ.

The Company believes that Mr. Fix is well qualified to serve as Director due to his executive management experience and thirteen years as leader of the Company, including during periods of global economic challenges. His detailed knowledge of all Company operations and his many years of experience in manufacturing management provide valuable insight and a perspective not otherwise available to the Board. Further, his service on the boards of two publicly traded manufacturing companies allows him to communicate an additional perspective regarding global economic trends and their impact on Company operations.

David A. Dunbar

Age 54

The Board appointed Mr. Dunbar as President/CEO and a member of the Board of Directors in January, 2014. Mr. Dunbar joined the Company from Pentair Ltd., where he had served as President of the valves and controls global business unit since 2009. At that time, the unit was owned by Tyco Flow Control; Tyco Flow Control and Pentair

merged in 2012. Pentair, trading on the NYSE, is a global provider of products and services relating to energy, water, thermal management and equipment protection, with sales in 2015 of \$6 billion.

Prior to his tenure at Pentair, Mr. Dunbar held a number of senior positions at Emerson Electric Co., including President of each of the following: Emerson Process Management Europe; Machinery Health Management; and Emerson Climate Technologies Refrigeration.

Mr. Dunbar brings to the Company Board decades of executive experience with global manufacturing companies. Mr. Dunbar's diverse experience at various operational levels brings a broad management perspective. Further, Mr. Dunbar is an electrical engineer by training, and therefore his technical background provides insight to the execution of Company strategy. The Company believes that he continues to be a valuable contributor to the Board.

Daniel B. Hogan, J.D., Ph.D.

Age 73

Dr. Hogan has been a Director since 1983. He brings significant management, consulting and governance experience to the Board.

Dr. Hogan currently serves as Senior Advisor to Passim, a non-profit arts organization located in Cambridge, Massachusetts. Prior thereto, he served as Executive Director of Passim from 2008 to 2015. Passim has seen a dramatic improvement in its vibrancy and financial health under Dr. Hogan's leadership, and many innovations he has championed are helping this arts group assure its primacy in the folk music industry.

Dr. Hogan has over three decades of management consulting experience, including positions as Vice President of McBer & Company (a division of the Hay Group) and the Apollo Group, which he founded and served as President. Apollo Group provided consulting services to major international financial and manufacturing entities. In these roles, he specialized in leadership development, team building, executive assessment and competency modeling. Dr. Hogan has served on many non-profit boards over the last 30 years, often chairing or heading up the governance committee. He is currently on the Executive Board of the Harvard Square Business Association in Cambridge, MA.

Dr. Hogan's service to the Board over the past thirty-three years provides valuable insight and institutional knowledge, which is unique to Dr. Hogan and makes him well qualified to serve as a member of the Board.

Determination of Independence

The Board of Directors operates pursuant to Corporate Governance Guidelines, which are available under the heading Guidelines, under the Governance tab on the Company's website at www.standex.com. Under these Guidelines, the Board requires that at least a majority of directors be independent as defined by the NYSE listing standards. Pursuant to the NYSE standards, the Board annually undertakes an analysis of independence as the criteria apply to each Director and nominee for Director.

The NYSE rules require that, in order to be considered independent, each Director or nominee have no material relationship with the Company (either directly or as a partner, stockholder, or officer of an organization that has a relationship with the Company), nor may any Director or nominee have any prohibited relationships, such as certain employment relationships with the Company, its independent auditor or another organization in business with the Company.

At its meeting on July 28, 2016, the Board affirmatively determined that the following Directors are independent: Messrs. Cannon, Chorman, Edwards, Fickenscher, Hansen, and Hogan.

In assessing Dr. Hogan's independence, the Board considered that Dr. Hogan is the son of Daniel E. Hogan, who was a co-founder of the Company and served in various capacities with the Company (including terms as President and CEO) through 1985. Daniel E. Hogan served as a consultant to the Company from 1985 until his death in 1991. The Board determined that this familial relationship between Director Daniel B. Hogan, who has never been employed by the Company, and Company co-founder Daniel E. Hogan did not create a relationship which in any way compromised the exercise of Dr. Hogan's disinterested and independent judgment as a director. Thus, the Board concluded that Dr. Hogan is independent within the meaning of the NYSE rules.

The remaining Board members, Messrs. Dunbar and Fix, were determined by the Board not to be independent due to their status as a currently employed executive of the Company, in the case of Mr. Dunbar, or a recent retiree, in the case of Mr. Fix.

The Board will continue to monitor all of its members' activities on an ongoing basis to insure the independence of a majority of the Company's directors.

Certain Relationships and Related Transactions

We monitor transactions between the Company and its Directors, executive officers, beneficial owners of more than 5% of our common stock, and their respective immediate family members, where the amount involved exceeds or is expected to exceed \$120,000 during the fiscal year. Annual questionnaires inquiring about any potential transactions are completed and submitted to the Chief Legal Officer of the Company. There were no transactions during the past fiscal year with any related person, promoter or control person that are required to be disclosed or reported under the applicable rules of the NYSE and the Securities and Exchange Commission (SEC).

In addition, our Code of Conduct requires all officers, directors and employees to avoid engaging in any activity that might create a conflict of interest. All individuals are required to report any proposed transaction that might reasonably be perceived as conflicting with the Company's interest to their supervisor and/or the Chief Legal Officer.

STOCK OWNERSHIP IN THE COMPANY**Stock Ownership by Directors, Nominees for Director and Executive Officers**

The following table sets forth information regarding beneficial ownership of the Company's Common Stock as of July 31, 2016 of each director, each nominee for election, each executive officer named in the Summary Compensation Table and all directors and executive officers of the Company as a group:

| Name | Beneficial Ownership (1) | |
|---|--------------------------|-------------------------------------|
| | No. of Shares | Percent of Outstanding Common Stock |
| Paul C. Burns | 7,223 (2) | ** |
| Charles F. Cannon | 33,524 (2) | ** |
| Thomas E. Chorman | 9,856 | ** |
| Thomas D. DeByle | 55,425 (2) | ** |
| Anne De Greef-Safft | 7,409 (2) | ** |
| David Dunbar | 50,547 (2) | ** |
| Jeffrey S. Edwards | 1,565 | ** |
| William R. Fenoglio | 15,499 (2) | ** |
| Gerald H. Fickenscher | 12,737 | ** |
| Roger L. Fix | 4,945 | ** |
| Thomas J. Hansen | 2,780 | ** |
| Daniel B. Hogan, Ph.D. | 9,538 (2) | ** |
| Ross McGovern | 2,004 (2) | ** |
| H. Nicholas Muller, III, Ph.D. | 8,570 (2) | ** |
| Deborah A. Rosen | 36,552 (2) | ** |
| All Directors and Executive Officers | 262,948 | |
| As a Group (19 Persons) | | 2.1 |

**

Less than 1% of outstanding Common Stock.

(1)

As used herein, beneficial ownership means the sole or shared power to vote, and/or the sole or shared investment power with respect to shares of Common Stock. The individuals included in this table have sole voting and investment power with respect to the shares shown as beneficially owned by them, except for 200 shares held by Ms. Rosen's children and 100 shares held by Dr. Muller's grandson.

(3)

The numbers listed include estimates of the shares held in the Employees Stock Ownership Plan (ESOP) portion of the Standex Retirement Savings Plan at June 30, 2016, which are vested to the accounts of Mr. DeByle and Ms. Rosen. These individuals have voting power over the shares allocated to them in this Plan. The number of ESOP shares included above may differ slightly from the ESOP shares reported on Form 4s and filed with the Securities and Exchange Commission, due to the Company s adoption in April 2002 of unitized accounting for the ESOP, under which each participant is allocated a number of units (comprised of Company shares plus between 0% and 3% of their ESOP investment in cash), rather than a defined number of Company ESOP shares.

The numbers also include the following shares which will be converted from restricted stock units, and also, in the case of Messrs. Burns, Dunbar, DeByle and McGovern and Messes. De Greef-Safft and Rosen, performance share units, into shares of common stock within 60 days of July 31, 2016: Messrs. Cannon and Fenoglio (1,015); Drs. Hogan and Muller (254); Mr. DeByle (6,428); Mr. Dunbar (14,497); Mr. Burns (340); Ms. De Greef-Safft (796); Mr. McGovern (198) and Ms. Rosen (428).

Stock Ownership of Certain Beneficial Owners

The table below sets forth each stockholder who, based on public filings, is known to be the beneficial owner of more than 5% of the Common Stock of the Company as of July 31, 2016. All information is presented as of December 31, 2015 and is based upon stock ownership reports filed with the SEC on Schedule 13G. Each holder listed below has sole voting power and sole dispositive power of the shares indicated on the table, unless otherwise noted in the footnote.

| Name and Address of Beneficial Owner | Beneficial Ownership (1) | |
|---|-----------------------------|-----------------------------|
| | Outstanding Common Stock | Percent of No. of Shares |
| Black Rock, Inc. 55 East 52 nd Street New York, NY 10055 The Vanguard Group | 1,202,762 (2) | 9.4% |
| 100 Vanguard Blvd. Malvern, PA 19355 National Rural Electric Cooperative Association | 1,015,310 (3) | 7.94% |
| 4301 Wilson Blvd. Arlington, VA 22203 Dimensional Fund Advisors LP | 668,959 (4) | 5.27% |
| Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746 FMR, L.L.C. | 653,530 (5) | 5.12% |
| 245 Summer Street Boston, MA 02210 | 643,908 (6) | 5.04% |

(1)

Beneficial ownership has been determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934 and, unless otherwise indicated, represents securities for which the beneficial owner has sole voting and investment power.

(2)

This information is based on a Schedule SC13G/A filed on January 27, 2016. The filing indicates sole power to vote or to direct the vote for 1,172,130 shares; sole dispositive power for 1,202,762 shares; and zero shares with either shared voting or shared dispositive power.

(3)

This information is based on a Schedule SC13G/A, filed on February 10, 2016. The filing indicates sole voting power for 24,969 shares; sole dispositive power for 989,841 shares; 25,469 shares with shared dispositive power, and 1,300 shares with shared voting power.

(4)

This information is based on a Schedule 13G filed on February 17, 2016. The filing indicates both sole voting and sole dispositive power for 668,959 and 200 shares with shared voting or dispositive power.

(5)

This information is based on a Schedule SC13G/A filed on February 9, 2016. The filing indicates sole power to vote or to direct the vote for 624,534 shares; sole dispositive power for 653,530 shares; and zero shares with either shared voting or shared dispositive power.

(6)

This information is based on a Schedule SC13G/A filed on February 12, 2016. The filing indicates sole power to dispose or to direct the disposition for 643,908 shares and 8 shares with sole power to vote or to direct the vote.

EXECUTIVE COMPENSATION

2016 COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This Compensation Discussion and Analysis describes in detail our executive compensation program. It covers the objectives of the program, its administration by the Compensation Committee of the Board of Directors (the Committee), the specific elements of compensation payable to our named executives, and how the amount of compensation payable to each named executive with respect to each element is determined. This Compensation Discussion and Analysis should be read in conjunction with the actual compensation tables and accompanying narrative disclosures found on pages 26 through 41 of this proxy statement. Our named executives, as determined in accordance with SEC rules, for fiscal 2016 are:

David A. Dunbar

President and Chief Executive Officer

Thomas D. DeByle

Vice President, Chief Financial Officer and Treasurer

Deborah A. Rosen

Former Vice President, Secretary, and Chief Legal Officer

Anne De Greef-Safft

President, Food Service Equipment

Paul C. Burns

Vice President, Strategy and Business Development

Ross McGovern

Vice President, Human Resources

Ms. Rosen served as Vice President, Secretary and Chief Legal Officer until her retirement on April 15, 2016.

Objectives of Executive Compensation Program

Our compensation program is designed to

Attract and retain highly qualified executives.

Link executive compensation to the performance of the Company (or in the case of business unit executives, the business units which they head) and the creation of shareholder value.

Align the interests of our executives with those of our shareholders.

Alignment between an executive's compensation and shareholder interests is further strengthened by the fact that a significant portion of the executive's performance-based compensation is paid in the form of long-term equity incentives. The percentage of an executive's target compensation based on the performance of the Company and the portion paid in equity incentives increases as the executive's responsibility and direct ability to affect the performance of the Company increases. For fiscal year 2016, the percentage of each named executive's total target compensation (consisting of base salary, annual incentive bonus and long-term incentive compensation) based upon the meeting of pre-established performance criteria, and the percentage of such compensation paid in long-term equity incentives is as follows:

| Executive | % of Target Compensation | |
|-------------------|---|---|
| | Dependent on Pre-established Performance Criteria | To Be Paid In Long-Term Equity Incentives |
| D. Dunbar | 57% | 61% |
| T. DeByle | 46% | 54% |
| D. Rosen | 42% | 33% |
| A. De Greef-Safft | 45% | 50% |
| P. Burns | 42% | 31% |
| R. McGovern | 36% | 29% |

Components of Executive Compensation Program

Our executive compensation program consists of several discrete components, each designed to serve a specific purpose and which together accomplish the overall objectives of the program. Those components are summarized in the chart below. A more detailed description of each component and its purpose is contained elsewhere in this Compensation Discussion and Analysis.

Annual

Base Salary

Incentive Bonus

-

Based upon meeting pre-established financial and strategic objectives

.

Management Stock Purchase Plan

-

Ability to defer up to 50% of bonus may into the receipt of discounted restricted stock units, convertible into an equivalent number of shares of common stock three years after purchase

Long Term

.

Restricted Stock

-

Cliff vests three years after grant

.

Performance Share Units

-

Convertible into a variable number of shares of stock depending upon success in meeting pre-established financial performance targets over a one-year performance period, payable in three equal annual installments after end of performance period

Other Benefits

.

Customary Health, Welfare and Retirement Benefits

.

Limited Perquisites

Changes for Fiscal 2017.

The Committee strongly believes that the program in place is a sound one, and appropriately aligns the compensation of our executives with the interests of all shareholders; however, during fiscal 2016, the Committee decided to further strengthen the alignment with shareholder interest and the overall competitiveness of its Executive Compensation Program by revising it effective for fiscal year 2017 as follows:

Performance Share Units. Moved to a three-year performance measurement period for its Performance Share Units for pre-established financial performance targets for EBIT and ROIC.

Peer Group. The Committee, with the help of its independent compensation consultant, adopted a peer group using the following selection criteria: industrial and technology manufacturing companies that (a) have revenue 1/3 to 3x Standex revenue; (b) have multiple business units; and (c) serve global markets. The peer group is comprised of the following 22 companies:

Albany International Corp.

ESCO Technologies, Inc.

Lydall, Inc.

Altra Industrial Motion Corp.

Graco, Inc.

Middleby Corporation

Barnes Group, Inc.

Hardinge, Inc.

NN, Inc.

Blount International, Inc.

Hillenbrand, Inc.

Nordson Corporation

Chart Industries, Inc.

JBT Corporation

RBC Bearings, Inc.

CIRCOR International, Inc.

Kadant, Inc.

TriMas Corporation

CLARCOR, Inc.

L. B. Foster Company

Xerium Technologies, Inc.

Enpro Industries, Inc.

Say -On-Pay

Shareholders are afforded the opportunity to annually cast an advisory vote with respect to the compensation of the Company's named executive officers. At the Annual Meeting of Shareholders held on October 28, 2015, a substantial majority (98.3%) of the votes cast on the advisory proposal were voted in its favor. After reviewing these results, the Committee decided to continue to apply the same general philosophy, compensation objectives and governing principles that it used in 2015 and did not change the structure of the executive compensation program in fiscal 2016.

Administration of Executive Compensation Program

The Committee is responsible for all aspects of our executive compensation program. The Committee is comprised of four independent members of the Board of Directors of the Company, as the term independent is defined under the applicable rules of the NYSE. The Committee is governed by its Charter, which can be accessed at www.standex.com and a copy of which shall be provided to any shareholder upon request.

Use of Independent Compensation Consultants

In exercising its responsibility for insuring that our executive compensation program is effective in meeting its objectives, the Committee is assisted by Meridian Compensation Partners, LLC (Meridian), an independent compensation consulting firm. The services provided by Meridian consist of advising on the competitiveness of our program, both overall and with respect to each named executive, determining its effectiveness in meeting the goals established for it, and providing general information regarding trends and best practices in executive compensation. Similar assistance is provided with respect to the compensation of directors. In addition, Meridian assists the Committee in determining appropriate stock ownership guidelines for the directors and executives of the Company. Meridian has not provided any other services to either the Committee or the Company. The Committee determined that no conflicts of interest existed between Meridian, including any of its employees, and the Company, including its directors and executive officers, and that Meridian is independent.

Evaluation of Chief Executive Officer

The Committee is also charged with evaluating the performance of Mr. Dunbar as Chief Executive Officer, and setting his compensation level. In fulfilling this role, the Committee annually conducts a detailed review of his performance and discusses its conclusions with the independent members of the Board of Directors. As a key part of its analysis, the Committee asks Mr. Dunbar to summarize his key achievements against a written set of objectives previously approved by the Committee, and meets directly with Mr. Dunbar to discuss that summary.

Details for Determination of Components of Executive Compensation Program

For fiscal 2016, the Committee asked Meridian to evaluate competitiveness of the compensation program for our executive officers, including those of the named executives. To accomplish this, Meridian used the Towers Watson CSR Top Management Compensation Survey (the Survey Data). As a result of its evaluation, the Committee determined that executive compensation for the named executives was market competitive compared to similarly situated executives in manufacturing companies of comparable size and complexity. In addition to its use of the information provided by Meridian, the Committee based its compensation decisions on an executive's experience, future potential, specific individual accomplishments, current equity holdings, and such factors as the breadth of an executive's responsibility, including whether he or she has strategic rather than merely operational or functional responsibilities, the complexity of the function or business unit headed by an executive, whether the executive has global responsibilities, and other factors deemed relevant by the Committee. The Committee may establish the base salary and incentive targets of an individual new in his or her position at a lower level and increase it over time by amounts greater than the increases granted to other executives, as the executive achieves expectations and gains experience in the position.

The Committee also seeks the views of Mr. Dunbar and the Vice President of Human Resources with respect to the effectiveness of the executive compensation program, especially with regard to its motivational effects on our executives. Mr. Dunbar also provides input to the Committee on the performance of each of the named executives and certain other executives reporting either to him or to one of the other named executives.

What follows is a more detailed description of each of the components of the executive compensation program, and the compensation paid with respect to each component.

Base Salary

We provide a competitive base salary to each named executive. The percentage of an executive's total target compensation that consists of base salary is lower as an executive's responsibility and ability to affect the overall performance of the Company increases. In that regard, the percentage of Mr. Dunbar's total compensation which is represented by base salary is lower than for the other named executives. For fiscal year 2016, base salary represented 26% of Mr. Dunbar's target compensation, while for the other named executives, the percentage ranged from a low of 36% for Mr. DeByle to a high of 56% for Mr. McGovern.

The base salaries of the Company's executives were reviewed against the Survey Data and the factors described above under the section headed Administration of Executive Compensation Program-Use of Independent Compensation Consultants. Effective October 1, 2015, the base salary of each named executive officer was set as follows:

| Officer | 2015 Base Salary | 2016 Base Salary | Increase |
|----------------|-------------------------|-------------------------|-----------------|
| D. Dunbar | \$735,000 | \$757,050 | 3% |
| T. DeByle | \$373,000 | \$384,190 | 3% |
| D. Rosen | \$339,300 | \$349,479 | |