STANDEX INTERNATIONAL CORP/DE/
Form DEF 14A
September 12, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under § 240.14a-12

STANDEX INTERNATIONAL CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Guide to Standex s Proxy Statement

INDEX OF FREQUENTLY REQUESTED INFORMATION

INDEX OF COMMONLY USED ACRONYMS

BPP	Balanced Performance Plan
CHRO	Chief Human Resources Officer
CIC	Change in Control
CLO	Chief Legal Officer
DE	Dividend Equivalents
EBIT	Earnings Before Income Tax
EBITDA	Earnings Before Income Tax, Depreciation & Amortization
EPS	Earnings Per Share
GAAP	Generally Accepted Accounting Principles
IRC	Internal Revenue Code
IRS	Internal Revenue Service
LTIP	Long-Term Incentive Plan
MSPP	Management Stock Purchase Plan
N&CG	Nominating & Corporate Governance

NEO	Named Executive Officer
NYSE	New York Stock Exchange
OIP	2018 Omnibus Incentive Plan
PCAOB	Public Company Accounting Oversight Board
PSUs	Performance Share Units
ROIC	Return on Invested Capital
RSAs	Awards of Restricted Stock
RSUs	Restricted Stock Units
SARs	Stock Appreciation Rights
SEC	Securities and Exchange Commission
TSR	Total Shareholder Return

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Invitation to 2018 Annual Meeting of Shareholders

Tuesday, October 23, 2018

9:00 a.m., local time

Standex International Corporation Corporate Headquarters

11 Keewaydin Drive, Suite 300, Salem, New Hampshire 03079

Dear Shareholder,

We cordially invite you to attend Standex s Annual Meeting of Shareholders. We hope that you will join me, our Board of Directors, and other shareholders at the meeting. The attached Notice of Annual Meeting of Shareholders and Proxy Statement contain information about the business that will be conducted at the meeting. Following the meeting, I will present information on Standex s operations and welcome any questions from shareholders.

Your vote is important to us! If you plan on attending the meeting, you may vote your shares in person. If you cannot vote in person, we urge you to vote via your proxy card, over the phone or on the Internet prior to the meeting. Detailed instructions on how to vote are found on page 59.

Standex s Board and senior leadership have received feedback from shareholders on the Proxy Statement. In response, we have created this new format to simplify and streamline the information that shareholders need to know. Thank you in advance for voting your shares, and thank you for your continued support of Standex.

Sincerely,

David Dunbar,

President/CEO

Chair, Board of Directors

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Notice of Annual Meeting of Shareholders

The 2018 Annual Meeting of Shareholders (the Annual Meeting) of Standex International Corporation (the Company or Standex) will be held on Tuesday, October 23, 2018 at 9:00 a.m., local time, at the Company s Corporate Headquarters, located at 11 Keewaydin Drive, Suite 300, Salem, New Hampshire 03079.

You are receiving these proxy materials in connection with the solicitation of proxies by the Board of Directors (the Board) of Standex International Corporation, a Delaware corporation, to be voted at the 2018 Annual Meeting and any continuation, adjournment or postponement thereof.

Shareholders of record at the close of business on August 31, 2018 are entitled to vote at the meeting, either in person or by proxy, on the following matters, as well as the transaction of any other business properly presented at the Annual Meeting:

On September 12, 2018, we began to mail our shareholders either a notice containing instructions on how to access this Proxy Statement and our Annual Report through the Internet, or a printed copy of these materials. We have provided each shareholder with a Notice of Internet Availability of Proxy Materials (the Notice), which encourages shareholders to review all proxy materials and our annual report and vote online at www.envisionreports.com/sxi. We believe that reviewing materials online reduces our costs, eliminates surplus printed materials and generally reduces the environmental impact of our Annual Meeting. If you would like to receive a printed copy of our proxy materials, please follow the instructions contained in the Notice.

All proxy solicitation costs are paid by the Company. In addition to proxy solicitations made by mail, the Company s directors and officers may solicit proxies in person or by telephone.

Your vote is important. Whether or not you plan to attend the Annual Meeting, we hope that you will vote your shares as soon as possible. We encourage you to vote via the Internet, since it is convenient and significantly reduces postage and processing costs. You may also vote via telephone or by mail if you received paper copies of the proxy materials. Instructions regarding the methods of voting are included in the Notice, the proxy card and the Proxy Statement.

By Order of the Board of Directors,

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON OCTOBER 23, 2018.

Alan J. Glass, *Secretary*

As permitted by the SEC, the 2018 Notice of Annual Meeting of Shareholders and Proxy Statement and the 2018 Annual Report on Form 10-K are available for review at www.standex.com under the Investors tab in the Annual Reports & Proxy Materials section.

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Proxy Statement Summary

This summary contains a general overview of this Proxy Statement. It highlights information contained elsewhere in this Proxy Statement and is meant to be used as a quick reference. This summary does NOT contain all of the information that you should consider before voting. You should read the entire Proxy Statement carefully before voting.

2018 Annual Meeting

You are receiving these proxy materials in connection with the solicitation of proxies by the Board of Directors of Standex International Corporation, a Delaware corporation, to be voted at the 2018 Annual Meeting and any continuation, adjournment or postponement thereof.

On September 12, 2018, we began to mail our shareholders either a notice containing instructions on how to access this Proxy Statement and our Annual Report through the Internet or a printed copy of these materials. The Notice explains how you may access and review the proxy materials and how you may submit your proxy on the Internet. If you would like to receive a printed copy of our proxy materials, please follow the instructions contained in the Notice.

All proxy solicitation costs are paid by the Company. In addition to proxy solicitations made by mail, the Company s directors and officers may solicit proxies in person or by telephone.

Agenda and Voting Recommendations

Item	Proposals	Board Vote Recommendation
1	Election of Directors	**FOR** each Director Nominee
2	Approval of the 2018 Omnibus Incentive Plan	**FOR**
3	Advisory Vote on Executive Compensation	**FOR**
4	Ratification of Auditors	**FOR**

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Board Nominees and Members

Class & Term Expiration		Name	Age	Director Since	Independence	Committee Memberships Audit	Comp.	N&CG**
Class I Nominee	2021	Charles H. Cannon, Jr.	66	2004	Independent Director			
Class I Nominee	2021	Jeffrey S. Edwards*	56	2014	Independent Director		Chair	
Class I Nominee	2021	B. Joanne Edwards*	62	new nominee	Independent Director			
Class III	2019	Thomas E. Chorman	64	2004	Independent Director			Chair
Class III	2019	Thomas J. Hansen	69	2013	Lead Independent Director	Chair		
Class II	2020	David Dunbar	57	2014	Standex CEO/ Not independent			
Class II	2020	Michael A. Hickey	57	2017	Independent Director			
Class II	2020	Daniel B. Hogan	75	1983	Independent Director			

* Jeffrey S. Edwards and B. Joanne Edwards are not related.

** Nominating & Corporate Governance Committee

Director Snapshot

Corporate Governance Highlights

We are committed to strong corporate governance practices, which promote the long-term interests of shareholders, strengthen financial integrity and hold our Board and management accountable. The highlights of our corporate governance practices include the following:

- 7 out of 8 of our directors are independent
- Regular executive sessions of independent directors
- Audit, Compensation and Nominating and Corporate Governance committees are comprised solely of independent directors
- Annual board and committee self-evaluations
- Risk oversight by the full board and committees
- 50% of the directors are new since 2013
- Ongoing review of optimal Board composition
- Board members participate in our Company-wide compliance and ethics training programs
- Independent compensation consultant reports directly to the Compensation Committee

Lead Independent Director
Corporate Governance Guidelines
Stock ownership guidelines for directors and executive officers
Policy against hedging and pledging of Company stock
Code of Conduct applies to directors & all employees
Annual advisory approval of executive compensation
Board and committees may engage outside advisors independently of management

2018 Omnibus Incentive Plan

Our Long Term Incentive Plan (LTIP) is scheduled to terminate on October 28, 2018. We are asking shareholders to approve the Standex 2018 Omnibus Incentive Plan, which the Compensation Committee and the Board have adopted, subject to shareholder approval, to enable the Company to continue making equity awards to executives and other eligible participants. The following is an overview* of the key provisions of the OIP. Please see Proposal Two: 2018 Omnibus Incentive Plan starting on page 16 for the full summary of the OIP.

Term: 10 Years

Share Pool: 500,000

Eligibility: Any employee, Third-Party Advisor or Non-Employee Director, as selected by the Committee

Plan Administration: Compensation Committee of the Board

Key Plan Administration Powers:

- Select individuals eligible to participate in the Plan;
- Determine awards to be granted to eligible individuals;
- Determine and modify the terms and conditions of awards;
- Determine timing of grants; and
- Accelerate exercisability or vesting of all or any portion of any Award.

Permitted Award Types:

- Incentive Stock Options (ISO);
- Non-Statutory Stock Options (NSOs);
- Restricted Stock Awards (RSAs);
- Restricted Stock Units (RSUs);
- Unrestricted Stock Awards (Stock Awards);
- Performance Cash Awards (PCAs); and
- Stock Appreciation Rights (SARs).

Share Counting:

- Shares of Stock underlying any Awards that are granted under the OIP or under the LTIP that are forfeited, cancelled, reacquired by the Company or otherwise terminated (other than by exercise or settlement in cash in lieu of shares of Stock) return to the share pool.
- Shares of Stock used for tax withholding, to pay an option s exercise price and shares not issued upon the exercise of a stock-settled SAR share do not return to the share pool.

Equity Restructuring: In the event of an equity restructuring, the Administrator shall make appropriate adjustments in:

- The number and kind of shares of Stock or securities with respect to which Awards may thereafter be granted;
- The number and kind of shares of Stock remaining subject to outstanding Awards;
- The exercise or purchase price in respect of such shares; and

The number and kind of shares of Stock or other securities that may be issued under the OIP or under particular forms of Award Agreements.

Transferability of Awards: Generally, Awards are not transferable other than by will or the laws of descent and distribution. The Compensation Committee, in its discretion, may approve the transfer of an Award by gift to certain allowable transferees.

Dividends and Dividend Equivalents (DEs):

- Dividends/DEs may not accrue or be paid on stock options/SARs.
- Compensation Committee shall determine if dividends/DEs will accrue on RSAs and RSUs.
- Any dividends/DEs accruing on RSAs or RSUs shall be subject to the same service and/or performance vesting conditions as the underlying Award.

Amendment and Termination:

- Board may amend or terminate the OIP at any time, unless shareholder approval is required by the securities exchange on which the Stock is listed;
- Compensation Committee may amend or terminate any outstanding Award Agreement; however, the Compensation Committee cannot reprice options/SARs without shareholder approval;
- No amendment/termination may adversely affect an outstanding Award without Participant consent.

Change in Control (CIC):

- Upon a CIC, outstanding Awards immediately vest (performance Awards are paid based on the greater of actual or target performance, without proration) and are settled within 30 days of the CIC, except to the extent that Replacement Awards are granted in exchange for such Awards.
- Replacement Awards must be approved by the Compensation Committee as constituted immediately prior to the CIC and include certain Participant safeguards such as the following:
  - Provide for immediate vesting upon a post-CIC involuntary termination;
  - Preserve pre-CIC intrinsic value of Replaced Award;
  - Relate to publicly traded securities listed on a U.S. exchange; and
  - Include terms and conditions not less favorable than the terms and conditions of the Replaced Award.

Director Compensation Limits: The OIP limits the aggregate annual compensation for Non-Employee Directors to $400,000, subject to certain exceptions.

* Capitalized terms have the definitions set forth in the OIP. See Appendix A, beginning on page 64 for the full text of the OIP.

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Executive Compensation

Objectives	Principles
Align the interests of our executives with the interests of our shareholders	Incentive compensation should be performance-based
Attract, retain and motivate highly qualified executives	Compensation levels should be competitive
Pay for performance by rewarding current activity/success and driving future growth	Incentive compensation should represent the majority of total compensation
Appropriately manage risk	Incentive compensation should balance short and long-term performance
Provide a competitive pay opportunity	Incentive compensation should discourage excessive risk-taking
Promote long-term commitment to the Company via deferred equity awards	Long term incentives should balance stock-based appreciation and financial achievements
	Executive compensation should be reviewed annually

Compensation Program Design

Category	Compensation Element	Purpose	Description
Short-Term Incentives	Base Salary	Attract and retain executives	Fixed cash compensation based on responsibilities of the position
	Annual Incentive Opportunity	Attract and retain executives Reward short-term performance	Variable annual cash incentive for achievement of pre-determined performance goals and metrics
	Management Stock Purchase Plan	Attract and retain executives	Optional deferral of up to 50% of the annual incentive opportunity

		Align interests with shareholders	into the receipt of discounted restricted stock units
Long-Term Incentives	Restricted Stock Awards	Attract and retain executives Align interests with shareholders	Grants of restricted stock, which cliff vest at the end of a 3-year period
	Performance Share Units	Attract and retain executives Reward long term performance Align interests with shareholders	Cliff vest at the end of a 3-year period at between 0% and 200% of award value based on pre-determined financial performance metrics
Retirement	Standex Deferred Compensation Plan	Attract and retain executives	Unfunded, non-qualified deferred compensation plan, available to executive officers and other U.S. employees based on salary level
	401(k) Plan	Attract and retain executives	Qualified 401(k) plan available to U.S. employees
Other	Employment Agreements	Attract and retain executives Manage risk	Caps severance pay in the event of termination and enforces non-competition
	Other Benefits	Attract and retain executives	Certain executives receive an automobile allowance and/or tax preparation services; no other perquisites offered

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Compensation Mix

2018 Compensation Summary

Name & Principal Position	Salary ($)	Stock Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value & Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
David Dunbar President & CEO	797,327	2,120,875	357,814	40,012	112,340	3,428,368
Thomas D. DeByle Vice President, CFO & Treasurer	408,530	790,571	120,505	33,668	58,870	1,412,144
Alan J. Glass Vice President, CLO & Secretary	337,297	451,045	77,383	-	22,303	888,028
Paul C. Burns Vice President of Strategy & Business Development	315,953	487,082	134,577	177	16,723	954,512
Ross McGovern Vice President & CHRO	283,800	246,547	90,267	6,101	15,939	642,654

Note: This table provides the summary compensation information for FY 2018. The full Summary Compensation Table may be found on page 51.

More than 97% of the votes cast on our 2017 say-on-pay proposal

were in favor of our executive compensation program and policies

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Audit

The following are the aggregate audit and non-audit fees billed to Standex by Grant Thornton LLP. (Grant Thornton) for FYs 2017 and 2018. A full explanation of the types of fees and Grant Thornton s role is contained in Proposal Four: Ratification of Independent Auditor on starting on page 23.

Type of Fees	2017 ($) *	2018 ($) *
Audit Fees	1,303,000	1,560,000
Audit-Related Fees	336,000	251,000
Tax Fees	24,000	24,000
All Other Fees	2,000	2,000
Total Fees	1,665,000	1,837,000

* Amounts have been rounded to the nearest thousand.

What our Audit Committee considered when engaging Grant Thornton:

Grant Thornton s independence and integrity.

The business acumen, value-added benefit, continuity and consistency, and technical and core competency provided by the Grant Thornton team.

Grant Thornton s efforts toward efficiency, including with respect to process improvement and fees.

The effectiveness of Grant Thornton s processes, including its quality control, timeliness and responsiveness, and communication and interaction with management and the Board.

Grant Thornton s regulatory expertise and ability to provide guidance on changing laws and regulations.

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Proposal One: Election of Directors

The Board currently consists of eight directors. We have three classes of directors, each class being as equal in size as possible. The term of each class is three years. Class terms expire on a rolling basis, so that one class of directors is elected each year. The term for the 3 director nominees will expire at the 2021 annual meeting.

The Board has nominated Charles H. Cannon, Jr., Jeffrey S. Edwards and B. Joanne Edwards as Class I directors for the three-year term expiring at the 2021 annual meeting. Please note there is no relation between Jeffrey S. Edwards and B. Joanne Edwards.

In accordance with the Board s director retirement policy, Gerald H. Fickenscher will retire from the Board effective as of the Annual Meeting and is therefore not nominated for re-election. The Company extends its sincere thanks to Mr. Fickenscher for his 14 years of service and wishes him well in his retirement.

Board of Directors

The Board regularly reviews the skills, experience and background that it believes are desirable to be represented on the Board. On an annual basis, the Board reviews each director s skills and assesses whether there are gaps that need to be filled. As a result, recruitment is an ongoing activity. The Board aims to strike a balance between the experience that comes from long-term service on the Board with the new perspective that new Board members bring. The Board also has a mandatory retirement policy, whereby no director may stand for re-election if he or she has reached the age of 75. Over the past 5 years, the Company has added 4 new directors due to Board refreshment. We believe this balanced approach creates a renewed perspective that is beneficial to shareholders.

Biographical Information

The following is biographical information for each director nominee and each continuing director. The information includes names, ages, principal occupations for at least the past five years, the year in which each director joined our Board and certain other information. The information is current as of September 12, 2018, except for the director s ages, which are current as of October 23, 2018.

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Director Nominees Class I

Charles H. Cannon, Jr.

Former Executive Chairman and CEO, John Bean Technologies, (JBT), a NYSE-traded global technology solutions provider for the food processing and air transportation industries.

DIRECTOR SINCE: 2004

AGE: 66

INDEPENDENT

BOARD COMMITTEES:

Audit, *Financial Expert*

Compensation

Mr. Cannon has several decades of senior executive experience at an international manufacturing company that operates in some of the same industries as our Company. Mr. Cannon contributes his demonstrated executive leadership skills, as well as his knowledge of corporate organization, finance and operations to the Board. Mr. Cannon s technical and business education, coupled with his global perspective, provide a unique voice to our Board.

BUSINESS EXPERIENCE

Executive Chairman, JBT (2013-2014)

Chairman and CEO, JBT (2008-2013)

Vice President and Senior Vice President, FMC Technologies (2001-2008)

Various managerial and executive positions, FMC Technologies (1994-2001)

CURRENT BOARD MEMBERSHIP

None

PAST BOARD MEMBERSHIP

JBT

Jeffrey S. Edwards

Chairman and CEO, Cooper Standard Holdings, Inc., (Cooper Standard), a global manufacturer of fluid handling, body sealing and anti-vibration systems components.

DIRECTOR SINCE: 2014

AGE: 56

INDEPENDENT

BOARD COMMITTEES:

Compensation (Chair)

Nominating and Corporate Governance

Mr. Edwards successful and lengthy history of leading a global manufacturing business has enabled him to advise the Board in a myriad of ways, including how to address operational and growth challenges and how to execute both short and long-term performance strategies. Mr. Edwards contributes his management acumen, knowledge of global manufacturing and insight into peer practices to the Board.

BUSINESS EXPERIENCE

Chairman, Cooper Standard (since 2013)

CEO, Cooper Standard (since 2012)

Corporate Vice President, Group Vice President and General Manager of the Automotive Experience Asia Group, Johnson Controls, Inc. (2004-2012)

Group Vice President and General Manager of the Automotive Experience North America, Johnson Controls, Inc. (2002-2004)

Various managerial & executive positions, Johnson Controls, Inc. (1984-2002)

CURRENT BOARD MEMBERSHIP

Cooper Standard Holdings, Inc.

Cooper Standard Foundation, Inc.

PAST BOARD MEMBERSHIP

None

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B. Joanne Edwards

Former Senior Vice President & General Manager, Residential & Wiring Device Business, Eaton Corporation Plc, (Eaton), a global power management company.

DIRECTOR SINCE: 2018

AGE: 62

INDEPENDENT

Ms. Edwards distinguished career as a senior executive in various global diversified manufacturing companies will be of great benefit to our Board upon election. Prior to her retirement, Ms. Edwards had increasingly responsible roles with strategic, financial and operational reach. She provides a wealth of insight into profit and growth strategies, both in the short term and the long term, which will be beneficial to the Board as Standex continues to execute on its growth strategies and initiatives. Ms. Edwards decades of leadership and management experience will add value to the Board s deliberations.

BUSINESS EXPERIENCE

Senior VP & GM, Residential & Wiring Device Division, Eaton (2013-2017)

VP & GM, Residential Products, Eaton (2011-2013)

Senior Business Unit Manager, Residential Products, Eaton (2007-2011)

President, Veris Industries LLC (2002-2007)

CURRENT BOARD MEMBERSHIP

None

PAST BOARD MEMBERSHIP

Pauline Auberle Foundation

Self Enhancement Inc.

Anesthesiologists, Inc.

Terasys, Inc.

Class III Directors Term Expiring 2019

Thomas E. Chorman

CEO, Solar LED Innovations, LLC, a designer, manufacturer and marketer of solar lighting products.

DIRECTOR SINCE: 2004

AGE: 64

INDEPENDENT

Mr. Chorman is a seasoned financial professional, with experience as a financial executive, an entrepreneur and a private equity investor. Mr. Chorman remains involved in the day to day financial reporting obligations of established, publicly traded, global companies as well as smaller start-ups. Mr. Chorman s financial background provides a significant benefit to the Board when analyzing acquisition opportunities and when evaluating both the current financial results and long range strategic plans of Standex.

BOARD COMMITTEES:

Audit, *Financial Expert*

Compensation

Nominating and Corporate Governance (Chair)

BUSINESS EXPERIENCE

CEO, Solar LED Innovations, LLC (since 2008)

CEO & President, Foamex (2001-2006)

CFO, Ansell Healthcare (2000-2001)

CFO, Armstrong World Industries (1997-2000)

CURRENT BOARD MEMBERSHIP

None

PAST BOARD MEMBERSHIP

Symmetry Medical, Inc.

Foamex

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Thomas J. Hansen

Former Vice Chairman, Illinois Tool Works, Inc., (ITW), a global manufacturing company that produces engineered fasteners and components, equipment and consumable systems and specialty products.

DIRECTOR SINCE: 2013

AGE: 69

LEAD INDEPENDENT DIRECTOR

BOARD COMMITTEES:

Audit (Chair), *Financial Expert*

Prior to his retirement, Mr. Hansen had a long and distinguished career with a global manufacturing company that has similar diversified aspects to Standex. Mr. Hansen s broad end-market knowledge and acquisition experience, as well as his service on other global manufacturers boards, provide valuable insight to the Board. Mr. Hansen s integrity and independent judgment make him especially well-suited for the role of Lead Independent Director, which he has held since 2016.

BUSINESS EXPERIENCE

Vice Chairman, ITW (2006-2013)

Executive Vice President, ITW (1998-2006)

Various managerial and executive roles, ITW (1980-1998)

CURRENT BOARD MEMBERSHIP

Terex Corporation

Mueller Water Products, Inc.

Gill Industries

PAST BOARD MEMBERSHIP

ITW

CDW Corporation

Class II Directors Term Expiring 2020

David Dunbar

Chair, President and CEO, Standex International Corporation.

DIRECTOR SINCE: 2014

AGE: 57

CHAIR, PRESIDENT & CEO

Mr. Dunbar has decades of executive experience with global manufacturing companies. His diverse background at various operational levels, coupled with his technical engineering education, provides a broad perspective to the Board. As President & CEO, Mr. Dunbar is uniquely positioned to report to the Board on Company activities and guide discussions regarding the Company s strategic growth initiatives.

BUSINESS EXPERIENCE

Chair, Standex (since 2016)

President & CEO, Standex (since 2014)

President of Valves and Controls, Pentair Ltd., (2012-2014)

President of Valves and Controls, Tyco Flow Control (2009-2012)

Various managerial and executive roles, Emerson Electric (2004-2009)

CURRENT BOARD MEMBERSHIP

Watts Water Technologies, Inc.

PAST BOARD MEMBERSHIP

None

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Michael A. Hickey

Executive Vice President and President of Global Institutional, Ecolab Inc., a global provider of water, hygiene and energy technologies and solutions.

DIRECTOR SINCE: 2017

AGE: 57

INDEPENDENT

BOARD COMMITTEES:

Compensation

Mr. Hickey continues to enjoy a distinguished career at Ecolab Inc., where he has served in managerial and executive roles of increasing responsibility since 1984. Mr. Hickey s track record of leading a solutions-driven business with an intimate customer focus, together with his mergers and acquisitions, marketing and sales and operational experience provides a dynamic voice to the Board.

BUSINESS EXPERIENCE

President of Global Institutional, Ecolab Inc. (since 2012)

Executive Vice President of Institutional Sector North America, Ecolab Inc. (2011-2012)

Executive Vice President of the Global Service Sector, Ecolab Inc. (2010-2011)

Various executive and managerial roles, Ecolab Inc. (1985-2010)

CURRENT BOARD MEMBERSHIP

National Restaurant Association

Women s Food Service Foundation

PAST BOARD MEMBERSHIP

International Foodservice Manufacturers Association

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

Senior Advisor, Passim, a non-profit performing arts organization.

DIRECTOR SINCE: 1983

AGE: 75

INDEPENDENT

BOARD COMMITTEES:

Nominating and Corporate Governance

Dr. Hogan s diverse management and leadership experience, including specialties in leadership development, team building, executive assessment and competency modeling are integral to the Board s processes. His decades of consulting experience provides valuable guidance to the Board, particularly through his leadership of the Board s, Committees and CEO s annual evaluation processes. Dr. Hogan s service on the Standex Board over the past 35 years provides institutional knowledge and a unique historical perspective to the Board.

BUSINESS EXPERIENCE

Senior Advisor, Passim (since 2015)

Executive Director, Passim (2008-2015)

Executive Director, Fathers & Families (2006-2007)

Managing Director, Fathers and Families (2003-2006)

CURRENT BOARD MEMBERSHIP

Harvard Square Business Association

PAST BOARD MEMBERSHIP

Passim

East Chop Association

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Required Vote & Recommendation

Our By-Laws require that, in an uncontested election, each director be elected by a majority of the votes cast. A majority of votes cast means that the number of shares cast FOR a director s election exceeds the number of votes cast AGAINST that director. Shareholders that either mark ABSTAIN on the proxy card or otherwise abstain from voting will not be counted as either FOR or AGAINST. Broker non-votes will not be counted as either FOR or AGAINST.

In the event that there is a contested election, each director will be elected by a plurality of the votes cast, which means the directors receiving the largest number of FOR votes will be elected to the open positions.

In the event that any nominee becomes unavailable, the Board may either choose a substitute or postpone filling the vacancy until a qualified candidate is identified. If there is a substitute, the individuals acting under your proxy may vote for the election of a substitute. The nominees have indicated their willingness to serve as directors and we have no reason to believe that any nominee will become unavailable.

The Board of Directors recommends that you vote FOR the election of each nominee and set the number of directors at 8.

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Proposal Two: 2018 Omnibus Incentive Plan

Background

As part of the Company s continuing incentive compensation program, and upon the consideration and recommendation of the Compensation Committee, the Board approved and adopted the 2018 Omnibus Incentive Plan (OIP) on July 26, 2018 and is recommending it for approval by the shareholders at the Annual Meeting.

In connection with the Board s consideration and recommendation of the OIP, the Compensation Committee reviewed and analyzed the OIP and determined that the maximum dilutive impact of the awards permitted under the OIP would be well within the investor-based guidelines. Meridian Compensation Partners, LLC, the independent compensation consultant, also provided recommendations, which the Compensation Committee adopted in order to ensure that the OIP complied with current standards of good governance.

If approved, the OIP will replace the Standex 2008 Long Term Incentive Plan, as amended and restated in 2011, (the LTIP) and the LTIP will terminate except as it relates to awards granted under the LTIP. The LTIP had a term of 10 years and is scheduled to expire on October 28, 2018.

The OIP is similar to the LTIP, which was originally approved by shareholders at the 2008 annual meeting, and approved as amended at the 2011 annual meeting. The approval of the OIP will not affect awards previously granted under the LTIP, which will remain outstanding according to their terms.

The following summary highlights the key features of the OIP. The subsequent discussion provides more detail on its material aspects. The summary and discussion are qualified by reference to the full text of the OIP, attached as Appendix A to this Proxy.

Highlights of the OIP

Fungible share pool. The OIP uses a fungible share pool under which each share issued will reduce the number of shares available under the OIP by one share.

No discounted stock options or SARs. All stock options and SARs must have an exercise price or base price equal to or greater than the fair market value of the underlying stock on the date of grant.

Change in control vesting. Awards granted under the OIP will automatically vest and pay out in the event of a change in control unless the Compensation Committee has arranged for the issuance of Replacement Awards.
Independent Committee Administration. The OIP will be administered by the Compensation Committee, which is made up entirely of independent directors.

Awards subject to forfeiture/clawback. Awards under the OIP will be subject to recoupment under certain circumstances.

Minimum Vesting Period. At least 95% of awards under the OIP must have a minimum one-year vesting requirement.

Limitations on non-employee directors compensation. The OIP sets limits on total compensation paid to non-employee directors.

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Purpose

The purpose of the OIP is the same as the purpose of the LTIP, namely, to encourage and enable executives, employees, directors and others (as defined in the OIP) to acquire a proprietary interest in Standex. This enables Standex to:

- attract and maintain executive, managerial and other key employees;
- motivate participants to achieve long-range goals consistent with increases in shareholder value;
- provide incentive compensation opportunities that are flexible and competitive with those offered by other businesses;
- support the Company s executive compensation program, as discussed in the Compensation Discussion & Analysis section of this Proxy Statement; and
- align the interests of participants with shareholder interests through compensation that is based on the value of the Company s common stock.

Eligibility & Types of Awards

The OIP authorizes the following types of awards to be made to any employee, officer, non-employee director, or Third Party Service Provider, as defined in the OIP, of the Company and its subsidiaries, as designated by the Compensation Committee. All awards will be evidenced by a written award agreement between the Company and the participant and will include such provisions and conditions as may be specified by the Compensation Committee.

Stock Options

Stock options give the holder the right to purchase shares of common stock at a specified price during specified time periods. The exercise price of an option granted under the OIP may not be less than the fair market value of the common stock on the date of grant. Stock options granted under the OIP have a maximum term of 10 years. The OIP authorizes both incentive stock options and nonqualified stock options. Incentive stock options can only be granted to employees of the Company or its subsidiaries and have an annual fair market value limit of $100,000 per recipient. The Compensation Committee has not granted stock options since 2003, but believes that the ability to grant stock options is important to maintain flexibility in determining long-term equity compensation.

Stock Appreciation Rights

Stock Appreciation Rights (SARs) give the holder the right to receive, either in cash or common stock equivalent, the excess of the fair market value of one share of common stock on the date of exercise, over the exercise price of the SAR. The exercise price of the SAR may not be less than the fair market value of the common stock on the date of grant. SARs granted under the OIP have a maximum term of 10 years. SARs are not a part of the Company s current compensation program, but the Compensation Committee believes that allowing it the ability to grant SARs maintains flexibility in determining the Company s equity compensation.

Restricted Stock and Restricted Stock Units

Awards of Restricted Stock (RSAs) grant the recipient shares of common stock which are subject to certain

vesting requirements. Restricted Stock Unit (RSU) awards grant the recipient the right to receive a certain number of common stock at vesting, subject to certain vesting requirements. Recipients of such awards do not have any voting rights until the vesting requirements are satisfied, unless the Compensation Committee determines otherwise. Vesting requirements include continued employment, achievement of pre-established goals or a combination of both. The Company currently grants time-based RSAs, which do have voting rights, and also grants RSUs as part of the Management Stock Purchase Plan, which do not have voting rights.

Unrestricted Stock Awards

The Compensation Committee, in its discretion, may grant or sell to any eligible person shares of common stock free of restrictions. The sales price of such stock awards is determined by the Compensation Committee. The OIP allows the granting or selling of unrestricted stock awards as payment for past services or other valid consideration. Unrestricted stock awards cannot be sold, assigned, transferred, pledged or otherwise encumbered.

Performance Awards

Performance awards grant the recipient the right to receive, either in cash or shares of common stock, a payout upon the attainment of pre-established performance goals. The Company s current compensation program includes performance share unit awards, as a component of long-term equity incentive compensation, and performance cash awards, as annual short-term incentive compensation.

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Shares

Maximum Number of Shares Available

The maximum number of shares of Company common stock which may be allocated to awards, including SARs, under the OIP is 500,000 shares. Any shares of Company common stock previously authorized but unissued under the LTIP will not be issued.

Fungible Pool and Share Counting

Each share issued pursuant to an award under the OIP will reduce the number of shares available by one share, with the exception of awards issued pursuant to a range of payouts, in which case, the share reserve will be reduced by the number of shares representing the maximum possible payout. Shares subject to awards under the LTIP or the OIP that terminate or expire unexercised, or are cancelled, terminated, forfeited or lapse for any reason, or are exchanged for an award that does not involve the issuance of shares and shares underlying awards that are ultimately settled in cash, will become available for future grants of awards under the OIP. Similarly, in the event that a maximum payout is not reached, the unearned shares originally subject to the award will be added back to the share reserve. The following shares do not return to the share pool and are not available for issuance under the OIP: (i) shares used to pay the exercise price or withholding taxes related to an outstanding stock option or SAR; (ii) shares that are not issued or delivered upon the exercise of an SAR; and (iii) shares repurchased by the Company on the open market with proceeds from the exercise of a stock option.

Expected Duration of the Share Reserve

If this proposal is approved by our shareholders, we expect that the share reserve under the OIP will be sufficient for awards for approximately 5 years. Expectations regarding future share usage could be impacted by a number of factors such as award type mix; hiring and promotion activity at the executive level; the rate at which shares are returned to the OIP s share pool upon expiration, forfeiture or cash settlement; the future performance of our stock price; the consequences of acquiring other companies; and other factors. While we believe that the assumptions are reasonable, future share usage may differ from current expectations.

Burn Rate

The following table provides information regarding stock-settled, time-vested equity awards granted and performance-based, stock-settled equity awards granted over each of the last 3 fiscal years:

	2018	2017	2016
Time-Vested Restricted Shares/Units Granted	51,485	51,563	48,984
MSPP Shares Granted	9,050	16,661	12,383
Performance-Based Stock Units Granted (at Target)	26,361	26,703	24,567
Weighted Average Basic Common Stock Outstanding	12,697,626	12,666,000	12,682,000

These burn rate figures are different from the disclosures in the Company s Annual Reports on Form 10-K for the fiscal years endings June 30, 2016, 2017 and 2018 because this table excludes all cash-settled awards. Per 10-K filings, the cash-settled time-vested restricted stock units granted in 2018, 2017 and 2016 were 51,792, 51,563, and

48,984 respectively.

Overhang

The following table provides certain information regarding the Company s existing equity compensation plans:

Stock Options Outstanding	0
Full-Value Awards Outstanding	209,984
Basic Common Shares Outstanding as of the Record Date (August 31, 2018)	12,830,209

This includes time-vested restricted stock units (120,010), stock-settled performance share units outstanding at target (58,.028) and MSPP shares granted (31,760).

Adjustments to Share Reserve

The number of shares allocated to the OIP shall be appropriately adjusted to reflect any subsequent equity restructuring, such as stock dividends, stock splits, reverse stock splits and similar matters affecting the overall number of the Company s outstanding shares. Similarly, in the event of any other change in corporate capitalization, the Compensation Committee has the authority to make equitable adjustments to prevent dilution or enlargement of any rights granted under the OIP.

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Administration

The OIP will be administered by the Compensation Committee. The Compensation Committee will have the authority to:

- make awards;
- designate participants;
- determine the type or types of awards to be granted to each participant and the amount, terms and conditions thereof;
- establish, adopt or revise any rules, regulations, guidelines and procedures as it may deem advisable to carry out to provisions and purposes and administer the OIP; and
- prescribe forms of award agreements, and make rules, interpretations and any and all other decisions and determinations that may be required under the OIP.

Additionally, the Compensation Committee may, by resolution, authorize any officer of the Company to designate employees as award recipients and determine the amount of such awards. This delegation is limited by: (i) not allowing the authorized officer to grant an award to an officer (defined as a reporting person under Section 16 of the Exchange Act); (ii) requiring the resolution to include the total number and/or dollar value of awards the officer is allowed to grant; and (iii) requiring the officer to periodically report to the Compensation Committee regarding the nature and scope of awards granted by the officer. Lastly, the Compensation Committee may expressly delegate to one or more of its members or to one or more officers of the Company or its affiliates or to one or more agents or advisors its administrative duties or powers under the OIP.

Treatment of Awards upon Certain Events

Termination of Continuous Service

The applicable award agreement or special plan document governing an award will specify the treatment of such award upon the termination of a participant s continuous service. Continuous service means the absence of any interruption or termination of service as an employee, officer or director; provided that the following will not be considered an interruption in service: (i) a participant transfers employment, without interruption, between the Company and an affiliate or between affiliates, (ii) in the case of a spin-off, sale or disposition transaction where the Compensation Committee determines that no interruption will result or (iii) the participant is granted an unpaid leave of absence authorized in writing by the Company that does not exceed 12 months. The OIP defines an affiliate as any parent company of Company and each subsidiary of the Company, as those terms are defined in Section 424 of the IRC.

Change in Control

Unless otherwise provided in an award agreement or any special plan document or separate agreement with a participant governing an award, upon the occurrence of a change in control (CIC) of the Company in which awards are not assumed by the surviving entity or otherwise converted into a Replacement Award, as defined in the OIP, the following shall occur:

- A participant s then-outstanding stock options and SARs that are not vested and are only subject to continuous service shall immediately become fully vested and exercisable over the exercise period set forth in the applicable award agreement. The Compensation Committee may elect to cancel such awards and pay a cash amount, unless the exercise price exceeds the value of the consideration received by the participant as a result of the CIC.
- All other awards subject to continuous service shall become fully vested.
- A participant s then-outstanding stock options and SARs that are not vested and are subject to attaining certain performance measures shall immediately become vested and exercisable as of the date of the CIC. Where performance measures provide for a range of payouts, the number of shares that shall vest is based on the higher of (i) actual performance through the date of the CIC, or (ii) target performance. No payment shall be made if the exercise price exceeds the value of the consideration received by the participant as a result of the CIC.
- All other awards subject to attaining certain performance measures shall immediately vest and be settled based on the higher of (i) actual performance through the date of the CIC, or (ii) target performance.

Unless otherwise provided in an award agreement or any special plan document or separate agreement with a participant governing an award, if there is a change in control of the Company and a qualifying Replacement Award is provided to the participant, the participant shall not receive any automatic vesting or acceleration of the Replaced Award, as defined in the OIP. However, if a participant s employment is involuntarily terminated other than for cause after such a change in control, then a participant s Replacement Award in the form of:

- stock options or SARs shall become fully exercisable;

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performance-based awards shall be deemed to be fully satisfied at the target level and be paid within 60 days of the termination; and

service-based awards shall become fully vested and paid within 60 days of the termination.

Forfeiture Events

Awards under the OIP will be subject to any compensation recoupment policy that the Company may adopt from time to time that is applicable to the participant, including the claw back policy. An award agreement may specify that an award will be reduced, cancelled, forfeited or recouped upon certain events, including (i) termination of employment for cause; (ii) violation of material Company policies; (iii) breach of noncompetition, confidentiality or other restrictive covenants that may apply to the participant; (iv) other conduct by the participant that is detrimental to the business or reputation of the Company; and (v) a later determination that the vesting of, or amount realized from, a performance award was based on materially inaccurate financial statements or performance metric criteria, whether or not the participant caused or contributed to such inaccuracy. The Company will also seek to recover any granted awards as required by the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act or any other law or listing standards of the NYSE.

Termination & Amendment

If the OIP is approved at the 2018 Annual Meeting, it will terminate on October 23, 2028 unless earlier terminated by the Board or the Compensation Committee. The Board or the Compensation Committee may, at any time and from time to time, amend, modify or terminate the OIP, unless such an amendment or modification would require shareholder approval under applicable laws, regulations or the NYSE rules.

The Compensation Committee may amend, modify or terminate an outstanding award without the approval of the participant, provided however, (i) the value of such award may not be reduced or diminished without the participant s consent; (ii) the original term of an option or SAR may not be extended without prior approval of the Company s shareholders; (iii) subject to the anti-dilution provisions of the OIP, the exercise price of an option or base price of an SAR may not be reduced, directly or indirectly (such as an exchange of an underwater option or SAR for cash or for another award), without the prior approval of the Company s shareholders; and (iv) no termination, amendment or modification of the OIP will adversely affect any award previously made under the OIP without the consent of the affected participant.

Tax Consequences of Awards

The following discussion is limited to a summary of the U.S. federal income tax provisions relating to the making, exercising and vesting of awards under the OIP and the subsequent sale of common stock acquired under the OIP. The tax consequences of awards may vary depending upon the particular circumstances, and it should be noted that the income tax laws, regulations and interpretations thereof change frequently. Participants should rely upon their own tax advisors for advice concerning the specific tax consequences applicable to them, including the applicability and effect of state, local and foreign tax laws.

Nonstatutory Stock Options

There will be no federal income tax consequences to the optionee or to the Company upon the grant of a stock option under the OIP. When the optionee exercises a stock option, however, they will recognize ordinary income in an amount equal to the excess of the fair market value of the common stock received upon exercise over the exercise price, and the Company expects that it will be allowed a corresponding deduction. Any gain that the optionee realizes when the optionee later sells or disposes of the option shares will be short-term or long-term capital gain, depending on how long the shares were held.

SARs

At the time the award is granted, a participant receiving a SAR will not recognize income, and the Company will not be allowed a tax deduction. When the participant exercises the SAR, the amount of cash and the fair market value of any shares of common stock received will be ordinary income to the participant and the Company expects that it will be allowed a corresponding income tax deduction at that time.

Restricted Stock

Unless a participant makes an election to accelerate recognition of income to the date of grant as described below, the participant will not recognize income and the Company will not be allowed a tax deduction, at the time a restricted stock award is granted, provided that the award is subject to restrictions on transfer and is subject to a substantial risk of forfeiture. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the common stock as of that date (less any amount paid for the stock), and the Company will be allowed a corresponding

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income tax deduction at that time, subject to any applicable limitations under IRC Section 162(m). If the participant files an election under IRC Section 83(b) within 30 days after the date of grant of the restricted stock, they will recognize ordinary income as of the date of grant equal to the fair market value of the stock as of that date (less any amount paid for the stock), and the Company will be allowed a corresponding income tax deduction at that time, subject to applicable IRC Section 162(m) limitations. Any future appreciation in the stock will be taxable to the participant at capital gains rates. However, if the stock is later forfeited, the participant will not be able to recover the tax previously paid pursuant to the election. To the extent unrestricted dividends are paid during the restricted period under the applicable award agreement, any such dividends will be taxable to the participant as ordinary income and will be deductible by the Company unless the participant has made an election under IRC Section 83(b), in which case the dividends will thereafter be taxable to the participant as dividends and will not be deductible by the Company.

Stock Units

A participant will not recognize income, and the Company will not be allowed a tax deduction, at the time a stock unit award is granted. Stock unit awards are typically RSUs or PSUs. Upon receipt of shares of common stock (or the equivalent value in cash) in settlement of a stock unit award, a participant will recognize ordinary income equal to the fair market value of the common stock or other property as of that date, and the Company will be allowed a corresponding income tax deduction at that time, subject to any applicable limitations under IRC Section 162(m).

Cash-Based Awards

A participant will not recognize income at the time a cash-based award is granted (for example, when the performance goals are established). Upon receipt of cash in settlement of the award, a participant will recognize ordinary income equal to the cash received. The Company will be allowed a corresponding income tax deduction at the time the award is accrued under GAAP, as long as the award is settled within 2 $^{1}/_{2}$ months of the end of the fiscal year and subject to any applicable limitations under IRC Section 162(m). Otherwise, the Company will be allowed a corresponding income tax deduction at the time the award is paid.

IRC Section 409A

If an award is subject to IRC Section 409A (which relates to nonqualified deferred compensation plans), and if the requirements of Section 409A are not met, the taxable events as described above could apply earlier than described, and could result in the imposition of additional taxes and penalties. All awards that comply with the terms of the OIP, however, are intended to be exempt from the application of IRC Section 409A or meet the requirements of Section 409A in order to avoid such early taxation and penalties.

Tax Withholding

The Company has the right to deduct or withhold, or require a participant to remit to the Company, an amount sufficient to satisfy the Company s federal, state and local tax withholding obligations (including employment taxes) imposed by law with respect to any exercise, lapse of restriction or other taxable event arising as a result of an award under the OIP. The Compensation Committee may, at the time the award is granted or thereafter, require or permit that any such withholding requirement be satisfied, in whole or in part, by delivery of, or withholding from the award, shares having a fair market value on the date of withholding equal to the amount required to be withheld for tax purposes.

Benefits to Named Executive Officers & Others

No awards have been granted under the OIP. If the OIP is approved, awards will be granted at the discretion of the Compensation Committee. Accordingly, future benefits under the OIP are not determinable.

Required Vote & Recommendation

Approval of this proposal will require the affirmative vote of a majority of the votes cast in person or represented by proxy. Abstentions will not count as votes cast on this proposal, so abstentions will have no effect on the outcome. Broker non-votes will not be considered to have voted on this proposal, so will have no effect on the outcome.

The Board recommends that you vote FOR the adoption of the 2018 Standex Omnibus Incentive Plan.

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Proposal Three: Advisory Vote on Executive Compensation

At each annual meeting, the Board provides shareholders with the opportunity to cast an advisory vote to approve the compensation of our named executive officers. Please see the Summary Compensation Table of this Proxy Statement on page 51 for full details. This proposal, commonly known as a Say on Pay proposal, gives our shareholders the opportunity to endorse or not endorse our executive compensation programs and policies and the total compensation paid to our named executive officers. This advisory vote does not address any specific element of compensation, but rather the overall compensation of our named executive officers and our compensation philosophy, policies and practices, as detailed in the Compensation Discussion & Analysis section of this Proxy Statement, beginning on page 35.

Although this vote is non-binding, the Board values the opinions of the Company s shareholders and will consider the outcome of the vote when making future compensation decisions for our named executive officers.

As described in more detail in the Compensation Discussion and Analysis (CD&A) section, we have designed our executive compensation programs to align the long-term interests of our executives with those of our shareholders, attract and retain talented individuals and reward current performance. A large portion of the compensation is tied to the Company s performance and is paid in both performance and time-based equity that does not vest for 3 years. This closely aligns both the short-term and long-term interests of our executives with those of shareholders and drives the creation of shareholder value.

We encourage shareholders to review the CD&A, which describes our philosophy and business strategy underpinning the programs, the individual elements of the compensation programs and how our compensation plans are administered.

Required Vote & Recommendation

Approval of this advisory proposal will require the affirmative vote of a majority of the votes cast in person or represented by proxy. Abstentions will not count as votes cast on this proposal, so abstentions will have no effect on the outcome. Broker non-votes will not be considered to have voted on this proposal, so will have no effect on the outcome.

The advisory vote on executive compensation is non-binding, therefore, our Board will not be obligated to take any compensation actions or adjust our executive compensation programs or policies as a result of the vote. Notwithstanding, the resolution will be considered passed with the affirmative vote of the majority of the votes cast at the Annual Meeting.

The Board recommends that you vote FOR the following non-binding resolution:

RESOLVED, that the compensation of the Company s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.

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Proposal Four: Ratification of Independent Auditor

The Audit Committee has approved Grant Thornton LLP (Grant Thornton) to serve as our independent registered public accounting firm for the 2019 fiscal year. Grant Thornton has served as the Company s independent auditors since 2014.

We are asking our shareholders to ratify the appointment of Grant Thornton as our independent registered public accounting firm. Although shareholder ratification is not required, the Board is submitting the proposal because we value our shareholders views on the Company s independent auditor and as a matter of good corporate practice. In the event that our shareholders fail to ratify the appointment, the Audit Committee will investigate the reasons and consider selecting a different firm. Even if the selection is ratified, the Audit Committee may select a different independent auditor at any time during the year if it determines such a change would be in the best interests of the Company and its shareholders.

A representative from Grant Thornton will be available at the Annual Meeting, as requested, to make a statement, speak with shareholders and answer any questions.

Pre-Approval Policy

All services performed in FY 2018 were pre-approved by the Audit Committee in accordance with the Audit Committee s charter. The pre-approval policy requires Grant Thornton to submit an itemization of the services to be provided and fees to be incurred during the fiscal year. The Audit Committee approves the scope and timing of the external audit plan and focuses on any matters that may affect the scope of the audit or the independence of Grant Thornton. In that regard, the Audit Committee receives certain representations from Grant Thornton regarding its independence and the permissibility, under the applicable laws and regulations, of any services provided.

Once the initial audit plan has been approved, any requests for additional services or fees must be submitted to the Audit Committee for approval. These additional services may not commence until the Audit Committee reviews and approves the request.

These requests for approval are normally evaluated during regularly scheduled Audit Committee meetings. However, if a request is submitted between meeting times, the Chair of the Audit Committee may approve the request pursuant to a delegation of authority. This approval authority is limited to services valued at less than $50,000. Any requests for services exceeding $50,000 must be approved by the full Audit Committee. If the Chair has exercised its approval authority, the Chair must disclose all approval determinations to the full Audit Committee at the next regularly scheduled meeting.

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Independent Auditor s Fees

The following table summarizes the aggregate fees for Grant Thornton s services incurred by the Company. The Audit Committee pre-approved all of these audit and non-audit fees in accordance with the pre-approval policy described above.

	2017 ($) *	2018 ($) *
Audit Fees (1)	1,303,000	1,560,000
Audit-Related Fees (2)	336,000	251,000
Tax Fees	24,000	24,000
All Other Fees (3)	2,000	2,000
TOTAL FEES	1,665,000	1,837,000

* Amounts have been rounded to the nearest thousand.

(1) Fees for audit services performed during fiscal years 2017 and 2018 consisted substantially of: auditing the Company s annual financial statements, reviewing the Company s quarterly financial statements, audit services in connection with changes in FASB ASC 606 and audit services in connection with two acquisitions in 2017.

(2) Fees for audit-related services performed during fiscal years 2017 and 2018 consisted substantially of international audit related services in Germany, India, Ireland, Japan, Malaysia, Mexico, Portugal and the United Kingdom.

(3) Fees for all other services in 2017 and 2018 represent agreed upon procedures performed by Grant Thornton in Ireland in connection with a government grant.

Relationship with Independent Registered Public Accounting Firm

The Audit Committee reviews all relationships between Grant Thornton and the Company, including the provision of non-audit services. Grant Thornton provides limited non-audit services to the Company, which are made up of agreed upon procedures performed in Ireland in connection with a government grant.

The Audit Committee considered the effect of Grant Thornton s non-audit services in assessing its independence. After discussion with Company management and Grant Thornton, the Audit Committee concluded that the provision of these services was permitted under the rules and regulations concerning auditor independence.

Required Vote & Recommendation

Approval of this advisory proposal will require the affirmative vote of a majority of the votes cast in person or represented by proxy. Abstentions will not count as votes cast on this proposal, so abstentions will have no effect on the outcome. Broker non-votes will be considered as a vote FOR this proposal.

The Board recommends that you vote FOR the ratification of the appointment of Grant Thornton LLP as the Company s independent registered public accounting firm for the 2019 fiscal year.

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Governance

The purpose of corporate governance is to ensure that we maximize shareholder value consistent with both applicable law and a business model of integrity and ethical practices. As part of its duties to the Company, the Board monitors and oversees the governance practices of the CEO and senior management. In order to serve the best interests of shareholders while carrying out its purpose, the Board has established internal guidelines designed to promote effective oversight of the Company s governance program and principles.

The Corporate Governance Guidelines set parameters for the director recruiting process and the composition of Board committees. They also determine the formal review of the CEO, individual directors and the overall Board s performance. These guidelines further establish targets for director equity ownership and age and retirement requirements. The guidelines also include delineated duties for the Lead Independent Director. The Board reviews these guidelines, the corporate laws of Delaware, the rules and listing standards of the NYSE and SEC regulations, as well as best practices recognized by governance authorities to benchmark the standards under which it operates.

Governance Dashboard

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Governance Information

Board Leadership Structure

The Board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure in order to best serve shareholders interests. To ensure an efficient and high-functioning board, in 2016, the Board elected our President and CEO, David Dunbar, to serve as Chair of the Board. In its determination that Mr. Dunbar should serve in this role, our Board examined several factors and believed that Board independence and management oversight were effectively maintained through the Board s composition of independent directors, the committee system and a seasoned and engaged Lead Independent Director. A combined CEO and Chair role serves as an effective bridge between the Board and senior management and also provides strong unified leadership of the Company.

Optimal Board leadership structure may change as circumstances warrant. The Board reviews its determination annually in accordance with the Corporate Governance Guidelines. This annual review allows the Board to maintain flexibility and promote the execution of the Company s strategy, the independent oversight of senior management and the best interests of shareholders. In the event the Board determines that a different leadership structure is in the best interests of the Company and its shareholders, the Board will consider a change.

The delineated duties of the Lead Independent Director include calling and leading the executive sessions of independent directors; leading Board discussions regarding the CEO s compensation and CEO succession planning; liaising between the Board and the CEO on particular issues brought up by the independent directors; providing feedback on information flow from management to the Board; and such other duties and responsibilities as the Board may request from time to time.

Meetings of the Board: Director Attendance

Under our Corporate Governance Guidelines, directors have a duty to attend, whenever possible, all Board meetings and all committee meetings where the director is a member. The Board held 4 regular meetings and 2 special meetings in FY 2018. Each director attended at least 75% of the meetings of the Board. In addition, each of our directors attended all of the meetings of the committees on which they served during FY 2018. All Board members attended the Company s 2017 annual meeting of shareholders. The Company anticipates that all of the Board members will attend the 2018 Annual Meeting.

The Board holds regularly scheduled executive sessions of only its independent directors. Thomas J. Hansen has been selected by the Board to serve as the Lead Independent Director for such executive sessions. He has served in this capacity since 2016.

Director Independence

Under our Corporate Governance Guidelines, the Board requires that at least a majority of directors either meet or exceed the independence requirements of the NYSE. These rules provide that, in order to be considered independent, each director or nominee does not have a material relationship with the Company, either directly or as a partner, shareholder, or officer of an organization that has a relationship with the Company. Furthermore, directors and nominees cannot have any prohibited relationships, such as certain employment relationships, with the Company, its independent auditor or another organization that has an affiliated relationship with the Company.

The Board undertakes an annual evaluation of director independence. At its meeting on July 26, 2018, the Board affirmatively determined that, other than David Dunbar, the Company s President and CEO, each member of the Board, including all nominees, meet the independence standards. In addition, all members of the Audit Committee satisfy the enhanced independence criteria required for members of audit committees, and all members of the Compensation Committee satisfy the enhanced independence criteria required for members of compensation committees.

Certain Relationships and Related Party Transactions

Daniel B. 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 President and CEO, through 1985, and then as a consultant from 1985 until his death in 1991. The Board determined that this familial relationship has not compromised Mr. Hogan s ability to exercise independent judgment or to serve as a director.

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Any transaction between the Company and its directors, executive officers, beneficial owners, and their immediate family members, is monitored closely. Proposed transactions in excess of $120,000 must be disclosed to the CLO. Furthermore, in the event a transaction is completed without the CLO s knowledge, the transaction must be disclosed in an annual questionnaire that is completed and submitted to the CLO. During the past fiscal year and all prior periods, there have not been any such related party transactions.

Additionally, the Code of Conduct requires that all directors, executive officers and employees 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 creating a conflict of interest to their supervisor and/or the CLO. During the past fiscal year and all prior periods, there have not been any reports of such transactions.

Board Risk Oversight

The CEO and other members of senior management are primarily responsible for managing the risks the Company faces. Our Enterprise Risk Management process is driven by our Corporate Governance Officer (a senior member of our internal legal department), in cooperation with the Company s Director of Internal Audit, Risk Manager, CFO and other members of senior management. Risks that are identified are categorized by classes, where Class I risks are high risks that are known, obvious and are actively being managed; Class 2 risks are risks that have a high potential impact but have lower visibility and lower residual risk; and Emerging risks are risks that are a potential threat and are being monitored closely for any developments.

The Board s responsibility regarding risk management is to oversee the Company s risk management policies and procedures and provide guidance on the overall effectiveness of the policies and procedures. To fulfill this responsibility, the Audit Committee receives reports, on a quarterly basis, regarding the risks that have been identified and the measures that are being taken. The Audit Committee also receives reports from our Corporate Governance Officer, CLO and Secretary regarding material litigation, legal loss contingencies and calls received on our whistleblower hotline. The Board is regularly informed through the Audit Committee s reports and through direct communications from senior management.

The Board and each committee s risk oversight roles, as provided in their respective charters, are evaluated on an annual basis to determine whether the risk oversight responsibilities are being discharged effectively. The Board undertook this evaluation in FY 2018 and found that changing the current structure of risk oversight was not warranted.

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Board Committees

The Board maintains an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee (N&CG Committee). Only independent directors are eligible to serve on these Board committees. Each committee is governed by a written charter. The charters of the Audit Committee, Compensation Committee and N&CG Committee are available on the Company s website at www.standex.com under the Governance tab.

The following table shows the composition of each committee for FY 2018:

Name	Audit	Compensation	Nominating and Corporate Governance
Charles H. Cannon, Jr.			
Thomas E. Chorman			Chair
Jeffrey S. Edwards		Chair	
Gerald H. Fickenscher			
Thomas J. Hansen	Chair		
Michael A. Hickey			
Daniel B. Hogan			

COMPENSATION COMMITTEE

Chair: Jeffrey S. Edwards

Other Members:

Charles H. Cannon, Jr.,

Thomas E. Chorman

Michael A. Hickey

Key Responsibilities:

Retaining or terminating compensation consultants;

Reviewing and approving corporate goals and objectives regarding CEO compensation;

Recommending salary structures and compensation plans to the Board;

Reviewing and approving performance and operating goals under incentive plans for senior management;

Reviewing and approving senior management s employment agreements, severance agreements and CIC agreements;

Recommending changes to non-employee director compensation to the Board;

Reviewing management s Compensation Discussion and Analysis to be included in the Proxy Statement; and

Reviewing the results of the say-on-pay resolution and other input received from our shareholders on compensation practices.

Meetings in FY 2018: 3

Additionally, the Compensation Committee prepares and issues the Report of the Compensation Committee included in this Proxy Statement.

The Board has determined that each member of the Compensation Committee meets the independence standards set forth in the SEC rules and required by the NYSE.

Presently, the Compensation Committee has not delegated any of its authority to any individual. However, under the proposed OIP the Compensation Committee may delegate some decision-making authority regarding awards under the OIP to the CEO. This authority would be limited to granting and approving awards for designated individuals, as long as such individuals are not officers of the Company, as determined by the Board.

Compensation Committee Interlocks and Insider Participation in Compensation Decisions

During FY 2018, the members of the Compensation Committee were Charlie H. Cannon, Jr., Thomas E. Chorman, Jeffrey S. Edwards and Michael A. Hickey. None of these directors have ever been an employee or officer of the Company. None of our executive officers serve as a member of the board of directors or on the compensation committee of any other entity that has had any executive officer serving as a member of our Board or Compensation Committee.

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AUDIT COMMITTEE [1]

Chair: Thomas J. Hansen

Other Members:

Charles H. Cannon, Jr.

Thomas E. Chorman

Gerald H. Fickenscher

Key Responsibilities:

Appointing, compensating, evaluating, retaining or terminating as well as overseeing the independent auditor;

Reviewing matters pertaining to auditor independence and the provision of non-audit services;

Resolving disagreements between senior management and the independent auditor regarding financial reporting;

Reviewing and assessing the Company s financial and accounting policies and procedures as well as the quality and accuracy of annual and quarterly financial statements;

Monitoring the establishment, maintenance and evaluation of the disclosure controls and procedures required by the SEC;

Reviewing programs instituted by the Company s Internal Audit Department;

Reviewing identified risks and the mitigation measures taken by senior management;

Reviewing the CLO s reports relating to litigation and compliance; and

Overseeing the whistleblower procedures for reporting questionable accounting and audit practices and other matters that may be reported through the whistleblower hotline.

Meetings in FY 2018: 5

(1) The Board has determined that each member of the Audit Committee qualifies as an audit committee financial expert under SEC rules and has accounting or related financial management expertise and is financially literate for purposes of the NYSE corporate governance listing standards. The Board has also determined that each member of the Audit Committee meets the independence standards set forth in the SEC rules and required by the NYSE.

Report of the Audit Committee

The Company s internal controls and financial reporting are a multi-faceted undertaking, monitored and overseen by the Audit Committee. The Company s management has the primary responsibility for the Company s internal controls and financial reporting process. The independent auditors are responsible for performing an independent audit of the Company s consolidated financial statements and reporting on the Company financial statements conformity with generally accepted accounting principles. Additionally, the independent auditors are responsible for providing an attestation on management s assessment of the Company s internal controls over financial reporting. The Audit Committee s responsibility is to monitor and oversee all of these processes on behalf of the Board. This responsibility includes engaging the independent auditors, pre-approving their annual audit plan and reviewing their annual audit report.

In this context, the Audit Committee has reviewed and discussed the consolidated financial statements with management and Grant Thornton. The Audit Committee has also reviewed management s assessment of the effectiveness of the Company s internal controls over financial reporting and Grant Thornton s evaluation of these controls. The Audit Committee further discussed matters required to be discussed by standards, including PCAOB Auditing Standard No. 1301, Communications with Audit Committees. Grant Thornton has provided the Audit Committee the written disclosures and the letter required by the PCAOB and has discussed with the Audit Committee its independence from the Company and Company management. Finally, the Audit Committee considered whether Grant Thornton s provision of non-audit services to the Company was compatible with maintaining its independence.

Based on these reviews and discussions, the Audit Committee has recommended to the Board that the audited consolidated financial statements be included in the Company s Annual Report on Form 10-K for the year ended June 30, 2018 for filing with the SEC.

AUDIT COMMITTEE

Thomas J. Hansen, Chair

Charles H. Cannon, Jr.

Thomas E. Chorman

Gerald H. Fickenscher

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NOMINATING & CORPORATE GOVERNANCE COMMITTEE

Chair: Thomas E. Chorman

Other Members:

Jeffrey S. Edwards

Gerald H. Fickenscher

Daniel B. Hogan

Key Responsibilities:

Drafting and reviewing the Corporate Governance Charter, Corporate Governance Guidelines and each committee charter;

Monitoring all charters compliance with laws, rules and regulations and recommending changes as appropriate;

Reviewing the Company s policies and procedures for compliance with the Company s Code of Business Conduct and Ethics;

Evaluating Board and committee memberships;

Selecting and recommending candidates for Board membership;

Retaining or terminating search firms to identify candidates for Board membership; and

Establishing and leading the Board performance review process to measure the effectiveness of the Board, its committees and the individual directors.

Meetings in FY 2018: 4

Report of the Nominating and Corporate Governance Committee

The duties and responsibilities of the Nominating and Corporate Governance (N&CG) Committee are broad. The N&CG Committee operates pursuant to the Corporate Governance Charter. In fulfilling the responsibilities and duties contained therein, the N&CG Committee actively reviews all Board principles, guidelines and charters. The N&CG Committee also maintains responsibility for overseeing senior management s compliance with the Code of Business Conduct and Ethics. The N&CG Committee further identifies and evaluates candidates for Board membership, evaluates Board committee membership and recommends Company employees for election to Company officer roles. Lastly, the N&CG Committee establishes and maintains a Board performance review process and recommends changes to the Board based on the review.

Code of Business Conduct and Ethics

Management has the primary responsibility for creating, maintaining and administering programs to ensure employees compliance with the Code of Business Conduct and the Code of Ethics for Senior Financial Management, (the Codes), both of which are available on Standex s website under the Governance tab. The N&CG Committee routinely receives updates from the Corporate Governance Officer on the existing programs and any proposed programs.

Currently, the Company utilizes an online interactive compliance training program to educate employees on the Codes as well as other regulatory and workplace compliance topics. Employees are assigned training modules on a quarterly basis to promote ongoing awareness of ethics issues. The Company divisions routinely customize the modules to address ethics issues specific to their organizations.

The N&CG Committee is also responsible for evaluating and approving requests for waivers of the Codes. Any request must be submitted, in writing, to the Chair of the N&CG Committee, who then reports the submission to the whole N&CG Committee. The N&CG Committee then provides their recommendation on the request to the Board. Any waivers granted to executive officers are disclosed to shareholders as soon as practicable via the Company s website. No waivers have been granted during FY 2018 or during any prior period.

Additionally, a third-party global, multi-language hotline is available 24/7 at every Company location worldwide, for anonymous reporting of financial, accounting, auditing or other employee concerns. This communication tool is a beneficial outlet for employees to express concerns.

Identifying and Evaluating Candidates for Board Membership

The N&CG Committee is responsible for recommending candidates for Board membership when the N&CG Committee has identified a need to add new members or when there is a vacancy. The N&CG Committee has not established specific, minimum qualifications for director nominees. However, the N&CG Committee strives to find candidates whose skills complement the needs presented by the global, multi-sector, engineered manufacturing operations of the Company and whose skills include analytical financial expertise and strategic planning. Candidates must also possess characteristics, such as integrity and sound judgment, that would enable the Board to function cohesively and effectively. The N&CG Committee also evaluates whether a particular candidate has the capacity and desire to make a significant time commitment to serving on the Board.

To identify such candidates, the N&CG Committee has the authority to retain a third-party search firm and to consider suggestions by directors, shareholders and management. The N&CG Committee ensures that the pool of candidates reflect a range of professional experience and expertise as well as diversity of gender, race and ethnicity by instructing the search firm to seek out and present diverse candidates who may expand the perspectives of the Board. The N&CG Committee views diversity expansively and considers depth and breadth of relevant business experience, leadership performance and strategic acumen alongside other immutable characteristics that a candidate may possess.

The N&CG Committee reviews and evaluates each candidate by taking into account all available information concerning the candidate. All candidates, whether identified by a third-party search firm, the directors, management or shareholders, are evaluated based on the same criteria. The candidates must also fit within the existing composition of the Board to be recommended to the Board as a prospective nominee.

Shareholders may submit recommendations for future candidates by notifying the N&CG Committee, in writing, using the process described under Shareholder Proposals and Nominations on page 60. Please attach any appropriate supporting materials. Shareholders may submit direct nominations for inclusion in the Company s Proxy Statement by following the process described under Shareholder Proposals and Nominations on page 60.

This year, utilizing this process, the N&CG Committee identified B. Joanne Edwards as the optimal candidate for Board membership. The N&CG Committee is pleased to present Ms. Edwards for election, as her skills and experience are anticipated to be of great benefit to the Board. Additionally, the Company will be pleased to welcome our first female director to the Board.

Board Self-Assessment

The N&CG Committee has developed a detailed self-evaluation questionnaire to assess the configuration and enhance the functionality of the Board. This questionnaire measures current Board members attributes, expertise and experiences and creates a skills matrix, which is used to identify areas of improvement within Board structure and committee configuration. The self-evaluation is instrumental in evaluating the future needs of the Board in relation to the Company s strategic goals and identifying the qualifications a future candidate should have to aid in the achievement of those strategic goals.

Corporate Social Responsibility & Sustainability

During the fiscal year, our corporate social responsibility program began to flourish with broader participation across U.S. locations. The program is called Standex CARES (Connect, Act, Reach, Engage, Serve) and is part of our employee engagement effort. While working at various community-based non-profit organizations, several hundred employees were able to enjoy a paid day of service, while volunteering in teams alongside fellow employees. These efforts fostered a beneficial team building spirit among our employees, and supported local charities that directly aid the communities in which our employees live and work. We also supported numerous educational and workforce readiness programs, which both allowed our employees to inform our communities about our work and products and also encouraged potential employees to consider the Company for career opportunities. More than half of all U.S. facilities were engaged in these programs during the year, and it is our intention to continue to grow this initiative both domestically and internationally.

We also continued our efforts toward developing more sustainable workplaces. Through our Operational Excellence efforts, we continue to focus on improvements in all aspects of environmental, health and safety matters at our facilities. Recycling, reduction of waste and process improvements will lead to greater awareness and development of more sustainable facilities. Our footprint is global, and we continue to be aware of, and focus on, the change that we can affect when we focus on improvement to our facilities and work practices.

NOMINATING & CORPORATE GOVERNANCE COMMITTEE

Thomas E. Chorman, Chair

Jeffrey S. Edwards

Gerald H. Fickenscher

Daniel B. Hogan

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Director Compensation

Director Compensation Elements

The compensation elements and amounts are established by the Board after a review of data prepared by the Compensation Committee s independent compensation consultant. The data and report show competitive director compensation levels for peer companies and the Company s peer group. More information about the Compensation Committee s independent consultant report and the methods for determining competitive compensation can be found under Basis for Determining Executive Compensation on page 39.

In FY 2018, non-employee directors received, as applicable, the following:

Compensation Element		
Board Membership		
	Annual Cash Retainer	$ 60,000
	Annual Equity Stock Grant	$ 100,000
Audit Committee		
	Non-Chair Membership	$ 8,000
	Chair	$ 16,000
Compensation Committee		
	Non-Chair Membership	$ 5,000
	Chair	$ 10,000
Nominating and Corporate Governance		
	Non-Chair Membership	$ 3,000
	Chair	$ 8,000
Lead Independent Director Service Fee		$ 16,000

Directors may choose to defer up to 100% of their annual cash retainer into the MSPP, which is described in detail on page 44, under Management Stock Purchase Plan. The equity portion of non-employee director compensation is granted in the form of shares of restricted stock having a $100,000 fair market value at the time of grant, which is established using the closing price of the Company s stock on the date of the Annual Meeting. These shares of restricted stock vest 3 years after the grant date. Upon the retirement of a director or a change in control of the Company, all unvested shares of restricted stock are subject to acceleration and immediate vesting. Directors do not receive benefits under Standex retirement plans or any perquisites.

Under the Company s Corporate Governance Guidelines, all non-employee directors must own shares of Company stock with a value of at least five times the value of their annual cash retainer. Until a director has the requisite number of shares, they are required to retain at least 50% of the share units they are awarded. Directors have 5 years after their election or appointment to attain the requisite share ownership level. As of June 29, 2018, all non-employee directors are presently in compliance with this requirement. Additionally, the Company has a policy concerning transactions involving Company securities. The policy is explained under Policy Concerning Transactions Involving Company Securities on page 49. None of the directors have engaged in any of the prohibited transactions during FY 2018 or any prior periods.

Director Compensation Table

The following table sets forth certain information with respect to our non-employee director compensation for FY 2018. Compensation information for Mr. Dunbar detailed in the Compensation Discussion & Analysis and Compensation Tables sections of this Proxy Statement. Mr. Dunbar did not receive any compensation solely for his service as a director.

Name	Fees Earned or Paid in Cash ($) (1)	Stock Awards ($) (2)	All Other Compensation ($) (3)	Total ($)
Charles H. Cannon, Jr.	75,500	100,000	2,602	178,102
Thomas E. Chorman	82,000	100,000	1,359	183,359
Jeffrey S. Edwards	69,750	100,000	1,359	171,109
Gerald H. Fickenscher	71,000	100,000	1,359	172,359
Thomas J. Hansen	32,000	186,278	2,602	220,880
Michael A. Hickey	3,250	143,139	-	146,389
Daniel B. Hogan	18,000	164,708	1,359	184,067

(1) This column includes the annual cash retainer and fees earned for serving as Lead Independent Director, Chair or member of any committee less the portion of the annual cash retainer that the director elected to defer pursuant to the MSPP.

(2) This column includes the aggregate grant date fair value of the annual equity stock grant and the RSUs granted under a director s deferment election under the MSPP. The annual equity stock grants were made on October 26, 2017, valued at $104.95 per share, the closing price of our common stock on the grant date. The MSPP RSU grants were made on September 6, 2018, valued at $102.20 per share, the closing price of our common stock on June 29, 2018. Totals have been calculated in accordance with FASB ASC 718.

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(3) This column consists of dividends equivalents that were paid in FY 2018 which had accrued during the 3-year vesting period for the director s previous stock awards.

As of June 30, 2018, the aggregate number of unvested shares or share units held by each director was as follows:

Name	Unvested Stock	Name	Unvested Stock
Charles H. Cannon, Jr.	4,569	Thomas E. Chorman	2,899
Jeffrey S. Edwards	4,815	Gerald H. Fickenscher	2,899
Thomas J. Hansen	5,454	Michael A. Hickey	952
Daniel B. Hogan	4,385		

Stock Ownership Information

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the Exchange Act) requires Standex directors, executive officers and other persons who beneficially own more than 10% of our common stock, to file reports with the SEC regarding their initial stock ownership and any changes in their stock ownership.

Based solely on a review of the reports filed for FY 2018 and related written representations, we believe that all of our executive officers and directors filed the required reports on a timely basis under Section 16(a).

Management Stock Ownership

The following table shows, as of July 31, 2018, the number of shares of our common stock beneficially owned by each of our current directors, direct nominee and Named Executive Officers, and all directors and executive officers as a group.

Name of Beneficial Owner	Common Stock Beneficially Owned (1)	Percent of Outstanding Shares
Paul C. Burns	9,161	*
Charles H. Cannon, Jr. (2)	22,220	*
Thomas E. Chorman	8,645	*
Thomas D. DeByle (3)	65,436	*
David Dunbar (4)	61,043	*
B. Joanne Edwards	-	*
Jeffrey S. Edwards	4,340	*
Gerald H. Fickenscher	8,867	*
Alan J. Glass	4,566	*
Thomas J. Hansen	5,275	*
Michael A. Hickey	952	*
Daniel B. Hogan	14,269	*
Ross McGovern	5,010	*

All Directors & Executive Officers	209,784	1.64%

* Less than 1 % of outstanding common stock

(1) Beneficially Owned means having the sole or shared power to vote, and/or the sole or shared power to invest the shares of common stock. The column contains stock which is, as of June 30, 2018, beneficially owned by the director or executive. The column also includes shares of restricted stock units and performance share units that will be converted to common stock within 60 days: Burns (341), Cannon (860), DeByle (2,348), Dunbar (6,879), Edwards (645), Hansen (860), Hogan (215), McGovern (198), and all other directors and executive officers (350).

(2) Mr. Cannon has 18,460 shares held in a trust, of which he is the trustee, for the benefit of Mr. Cannon s children.

(3) Mr. DeByle has shares held in the Employees Stock Ownership Plan portion of the Standex Retirement Savings Plan. The number of such shares may differ slightly from the number reported on Mr. DeByle s SEC ownership filing due to the Company s adoption of unitized accounting for such shares under which each participant is allocated a number of units (Company shares + between 0% and 3% of their investment), rather than a defined number of shares.

(4) Mr. Dunbar has 35,683 shares held in a revocable trust, of which he is the trustee, for the benefit of his immediate family members.

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Stock Ownership of Certain Beneficial Owners

Based on the most recent Schedule 13G filings, the following table sets forth information about the number of shares of our common stock held by persons we know to be the beneficial owners, as determined in accordance with Rule 13d-3 of the Exchange Act, of more than 5% of the issued and outstanding common stock.

Name and Address	Common Stock Beneficially Owned (1)	Percent of Outstanding Shares as of the Record Date
Black Rock Inc. 55 East 52nd Street New York, New York 10055	1,571,867	12.3%
The Vanguard Group 100 Vanguard Blvd. Malvern, Pennsylvania 19355	1,212,567	9.5%
RE Advisers Corp. & National Rural Electric Cooperative Association 4301 Wilson Blvd. Arlington, Virginia 22203	720,759	5.6%
Champlain Investment Partners, LLC 180 Battery Street Burlington, Vermont 05401	695,800	5.4%

(1) This column shows shares beneficially owned by the named owner as follows:

	Black Rock (a)	Vanguard (b)	RE Advisers (c)	Champlain (d)
Sole voting power	1,546,664	22,494	720,759	477,155
Shared voting power	0	2,181	0	0
Sole investment power	1,571,867	1,188,943	720,759	695,800
Shares investment power	0	23,624	0	0

The foregoing information is based solely on:

(a) a Schedule 13G/A filed by Black Rock with the SEC on January 19, 2018;
(b) a Schedule 13G/A filed by Vanguard with the SEC on February 12, 2018;

(c) a Schedule 13G filed by RE Advisers on February 13, 2018; and
(d) a Schedule 13G/A filed by Champlain with the SEC on February 21, 2018.

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Compensation Discussion & Analysis

Introduction

The following sections contain our Compensation Discussion and Analysis. This CD&A provides an overview and analysis of our executive compensation program and policies and the material compensation decisions we have made for our principal executive officer and our other executive officers named in the Summary Compensation Table on page 51. This group is collectively referred to as our Named Executive Officers. During FY 2018, our Named Executive Officers were:

- David Dunbar, President and Chief Executive Officer (CEO);
- Thomas D. DeByle, Vice President, Chief Financial Officer (CFO) and Treasurer;
- Alan J. Glass, Vice President and Chief Legal Officer (CLO);
- Paul C. Burns, Vice President of Strategy and Business Development; and
- Ross McGovern, Vice President and Chief Human Resources Officer (CHRO).

Business Highlights

Standex had a solid year in 2018, with year over year sales increasing by 15% to $868.4M, adjusted operating income increasing by 17.8% to $95.6M and adjusted EPS increasing by 13.6% to $5.17. Acquisitions over the past three years have delivered nearly $100M in sales and an EBIT of over 15%. In 2014, we began a business development strategy to seek and develop growth laneways across our business segments. In 2018, our strategy has continued to deliver and provided $39M of organic sales increases, which has fueled a year over year growth of 5.1%. At the beginning of FY 2017, we began a restructuring process for the standard product businesses within our Food Service Equipment segment. The restructuring was largely completed during FY 2018 and should result in margin improvements going forward.

* Net revenue, operating income, diluted EPS and their growth rates exclude special items consisting of purchase accounting, restructuring and acquisition related expenses.

** Cumulative stock price appreciation including dividends, with the dividends reinvested quarterly.

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Our Compensation Program Results in Alignment of Pay with Performance

The Compensation Committee designs the executive compensation program to deliver pay in accordance with performance.

As a result, a large percentage of our Named Executive Officers total target compensation is at- risk, tied to performance-based annual incentive awards and long-term equity awards which also have a performance-based component. The Compensation Committee sets those performance metrics and strategic goals that it believes will drive sustainable creation of shareholder value.

On an annual basis, the Compensation Committee reviews the compensation consultant s report on realizable pay for performance to ensure that the CEO s realizable pay is in line with overall Company performance and is also competitive when compared to the Company s peer group. This approach has created a compensation program whereby the Named Executive Officers pay is in line with shareholder value, as shown in the adjacent graph with respect to our CEO s compensation.

* This EPS adjusts for non-cash charges, gains or losses associated with the sale of excess real estate as well as mergers and acquisitions related costs that were incurred during the fiscal year.

** Reported CEO earnings from the Summary Compensation Table, excluding any earnings or losses reported in the non- qualified deferred compensation column.

Good Compensation Practices

In addition to providing compensation for performance, the Compensation Committee strives to design the Company s compensation program to include what is considered good practices in the industry. Much like our corporate governance practices, we believe that good compensation practices increase shareholder value, strengthen our business and encourage us to manage risk properly. The checklist below provides a highlight of our compensation practices.

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Objectives and Principles

OUR PRIMARY OBJECTIVES ARE TO:	OUR PRIMARY PRINCIPLES ARE:
	Incentive compensation should be performance-based
Align the interests of our executives with the interests of our shareholders	Incentive compensation should represent the majority of total target compensation
Attract, retain and motivate highly qualified executives	Incentive compensation should balance short and long-term performance
Pay for performance by rewarding current performance and driving future performance	Incentive compensation should discourage excessive risk-taking
Appropriately manage risk	Long term incentives should balance stock appreciation and financial achievements
Provide a competitive pay opportunity	Compensation levels should be competitive
Promote long-term commitment to the Company via deferred equity awards	Executive compensation should be reviewed annually

The aforementioned principles have been established by the Compensation Committee to further the objectives and guide the design and administration of specific plans, agreements and arrangements for our executives, including the Named Executive Officers.

Incentive Compensation should Be Performance-Based

The Compensation Committee believes that a significant portion of the compensation received by executives should be tied to the performance of the Company relative to established financial objectives and to individual strategic metrics. The elements of the executive compensation program embody this principle by linking the annual incentive opportunity and long-term equity grants directly to such performance.

Incentive Compensation should Represent the Majority of Total Target Compensation

The Compensation Committee believes that the majority of an executive s compensation should be at risk, as an incentive to drive the creation of sustainable shareholder value and align the interests of our executives with those of our shareholders. In 2018, our Named Executive Officers incentive compensation amounted to 62.7% of their total target compensation, on average. The Committee believes that the CEO s incentive compensation should be a higher percentage of total compensation given the CEO s strategic position to drive company performance. In 2018, the CEO s incentive compensation was 75% of his total target compensation. The following table presents the percentage of total target compensation that was at-risk for each Named Executive Officer, and the graph represents the mix of the Named Executive Officers total target compensation.

Name	Percent of Fiscal 2018 Pay At Risk
David Dunbar	75.0
Thomas D. DeByle	68.3
Alan J. Glass	60.0
Paul C. Burns	56.5
Ross McGovern	53.5

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Incentive Compensation should Balance Short-Term and Long-Term Performance

The Compensation Committee believes that driving sustained shareholder value creation requires that executive incentive compensation be appropriately balanced between short and long-term objectives. In addition, the Compensation Committee believes that such balancing discourages excess risk taking that otherwise could drive short-term results at the expense of sustained long-term performance. Our executive compensation program promotes this objective by balancing the long-term incentive components in the form of equity-based awards, such as restricted stock awards and contingent performance shares, with short-term annual cash incentive opportunities. The long-term incentive components make the Company s common stock price a targeted incentive for executives, thereby aligning executives interests with those of shareholders. The Compensation Committee recognizes that stock prices are an incomplete measure of Company performance in the short-term, as other factors may significantly impact stock prices. Accordingly, the base salary and annual cash incentive opportunity components of executive compensation emphasize current or short-term corporate performance and the realization of defined business and financial objectives. The balance between the annual, short-term, cash incentive opportunities and the long-term equity incentives is crucial, and the Compensation Committee believes that maintaining a reasonable balance is the optimal way of creating short and long-term shareholder value, while fulfilling business objectives and strategic goals.

Long-Term Incentives should Balance Stock Price Appreciation and Business/Financial-Based Achievements

Our long-term incentive awards are equally weighted between restricted stock awards, which generally cliff vest at the end of a 3-year period, and contingent performance shares, which vest to the extent that pre-established financial performance criteria are met at the expiration of a 3-year performance period. The Compensation Committee has determined that this long-term incentive mix appropriately encourages long-term equity ownership, promotes a balance between stock price appreciation and financial-based achievement and aligns the interests of our Named Executive Officers with shareholders.

Compensation Levels should be Competitive

The Compensation Committee reviews market compensation data compiled and prepared by the Compensation Committee s independent executive compensation consultant to evaluate how and whether our executive compensation program is market competitive. The Compensation Committee uses this data to benchmark our executives base salary, annual incentive opportunities and long-term incentive compensation. The Compensation Committee then sets target compensation at levels that generally approximate the market median, which balances our interests in maintaining competitive compensation and organizational efficiency. This principle and ongoing compensation evaluation builds long-term shareholder value and attracts and retains highly qualified executives.

The Executive Compensation Program should be Reviewed Annually

The Compensation Committee believes that it is prudent to review and evaluate the executive compensation program annually in light of evolving market practices, regulatory requirements, the competitive market for executives and our executive compensation philosophy. This process is repeated in a structured manner annually.

Basis for Determining Executive Compensation

The Compensation Committee uses a multi-faceted approach to designing the executive compensation program. The approach includes the use of the independent compensation consultant to advise the Compensation Committee on the selection of an appropriate peer group, analysis of the peer group s practices and compensation levels and recommendations for the Compensation Committee to consider. Compensation levels for specific executives are based on various factors, including the executive s experience, individual accomplishments and the breadth of the executive s organizational responsibilities. The Compensation Committee discusses the program with the CEO and the CHRO to determine the effectiveness of the program in terms of achieving our stated objectives, including whether the current program is achieving desired motivational effects and properly incentivizing the executives.

Executive Compensation Consultant

In FY 2018, the Compensation Committee retained the same independent compensation consultant, Meridian Compensation Partners, LLC (Meridian), who has assisted the Company since 2015. Meridian is an internationally recognized executive compensation consulting firm. No other compensation consultant was engaged in FY 2018.

Meridian was retained to assist in establishing the peer group and to advise on our existing executive compensation program. Meridian also assisted in drafting, analyzing and benchmarking our proposed OIP. Meridian provided research, data analyses, survey information and design expertise as part of its services. Meridian also notified the Compensation Committee of regulatory developments and market trends relating to executive compensation practices. Meridien did not determine nor recommend the exact amount of compensation for any Named Executive Officer.

As part of the services Meridian provides, it conducted a survey of our peer group companies to determine whether our executive compensation program, as a whole, is competitive when compared to similarly situated executives in our peer group companies. Based on the survey, the Compensation Committee determined that our executive compensation program is appropriate when compared to our peer group.

The Compensation Committee, in determining whether to continue retaining Meridian for FY 2018, assessed Meridian s independence under the NYSE s listing standards. Meridian provided the Compensation Committee with confirmation of its independent status under the NYSE s standards. As such, the Compensation Committee believes that Meridian is independent and that there is no conflict of interest between Meridian and the Company, the Company executives, the Compensation Committee or its members.

Peer Group

The following selection criteria were used in establishing the Company s compensation peer group:

- The company must be an industrial and technology manufacturing company;
- The company must have revenues between 1/3 and 3 times the Company s revenue;
- The company must have multiple business units; and
- The company must serve global markets.

Based on this selection criteria, our 2018 peer group consisted of the following 20 companies:

Albany International Corporation	Graco, Inc.	Middleby Corporation
Altra Industrial Motion Corporation	Hardinge, Inc.	NN, Inc.
Barnes Group, Inc.	Hillenbrand, Inc.	Nordson Corporation
Chart Industries, Inc.	JBT Corporation	RBC Bearings, Inc.
CIRCOR International, Inc.	Kadant, Inc.	TriMas Corporation
Enpro Industries, Inc.	L.B. Foster Company	Xerium Technologies, Inc.
ESCO Technologies, Inc.	Lydall, Inc.	

The Compensation Committee, with Meridian s assistance, routinely reviews the selection criteria and the peer group companies. The latest review resulted in the removal from our peer group of 2 companies that had previously been included in our peer group. The 2 companies are CLARCOR, Inc. and Blount International, Inc., which were both acquired during FY 2017 and no longer publicly disclose their compensation practices.

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Components of Executive Compensation

Overview

The primary components of the Company s executive compensation program in FY 2018 are shown in the following table and are discussed in detail below:

Category	Compensation Element	Description
Short-Term Incentives	Base Salary	Fixed cash compensation based on responsibilities of the position
	Annual Incentive Opportunity	Variable annual cash incentive for achievement of pre-determined performance goals and metrics
	Management Stock Purchase Plan	Optional deferral of up to 50% of the annual incentive opportunity into the receipt of discounted RSUs
Long-Term Incentives	Restricted Stock Awards	Grants of restricted stock, which cliff vest at the end of a 3-year period
	Performance Share Units	Cliff vest at the end of a 3-year period at between 0% and 200% of award value based on pre-determined financial performance metrics
Retirement	Standex Deferred Compensation Plan	Unfunded, non-qualified deferred compensation plan, available to executive officers and other U.S. employees based on salary level
	401(k) Plan	Qualified 401(k) plan available to U.S. employees
Other	Employment Agreements & Severance	Caps severance pay in the event of termination and enforces non-competition
	Other Benefits	Certain executives receive an automobile allowance and/or tax preparation services; no other perquisites offered

Base Salary

Base salary is fixed cash compensation. During the first quarter of each fiscal year, the Compensation Committee reviews and establishes the base salaries of the executives including the Named Executive Officers. For each Named Executive Officer, the Compensation Committee takes into account the scope of the executive s responsibilities, experience and individual performance and balances these factors against competitive salary practices. The Compensation Committee does not assign any relative or specific weights to these factors. Salary levels are reviewed annually and are adjusted when appropriate. Increases are not automatic or guaranteed in order to promote a performance culture.

Effective October 1st of FYs 2017 and 2018, the base salary of each Named Executive Officer was set as follows:

Name	FY 2018 Base ($)	FY 2017 Base ($)	Increase
David Dunbar	803,175	779,782	3%
Thomas D. DeByle	411,526	399,540	3%
Alan J. Glass	339,771	329,875	3%
Paul C. Burns	318,270	309,000	3%
Ross McGovern	290,400	264,000	10% [1]

(1) Mr. McGovern received an above-market base salary increase as a market adjustment to reflect Mr. McGovern s new and expanded role as CHRO.

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Annual Incentive Opportunity

The Compensation Committee establishes the annual cash incentive opportunity for executives including our Named Executive Officers through a detailed performance planning process called the Balanced Performance Plan (BPP). During the BPP process, the Compensation Committee establishes (i) the target incentive amounts; (ii) the percentages of the target incentive allocated to financial performance measures and strategic goals; (iii) the Company financial performance measures at threshold, target, and superior levels; and (iv) the strategic goals for each Named Executive Officer to achieve. The BPPs and each goal are reviewed and discussed during the course of two meetings through the first quarter of each fiscal year before being approved.

2018 Annual Incentive Formula

* *These factors are calculated by taking the goal weight and multiplying it by the goal achievement percentage. For example, if the weight of financial goals totals 70%, and the financial achievement percentage is 100%, the financial achievement factor would be 70%.*

Target Incentive Amounts

Each year the Compensation Committee sets the target incentive amount for each Named Executive Officer, expressed as a percentage of the executive s base salary. The Compensation Committee sets these targets in consultation with its compensation consultant and in adherence to our stated executive compensation objectives and principles. The target annual incentive opportunity for each Named Executive Officer in FY 2018 is as follows:

Name	Target Annual Incentive (% of Base Salary)	Target Annual Incentive Amount ($)
David Dunbar	100%	803,175
Thomas D. DeByle	65%	267,492
Alan J. Glass	50%	169,886

Paul C. Burns	55%	175,049
Ross McGovern	45%	130,680

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Goal Weight within Target Incentive

After establishing a target bonus amount for each executive, the Compensation Committee determines what percentages to allocate to the attainment of the financial performance measures and strategic goals. The Compensation Committee has determined that for FY 2018, 70% of the annual incentive opportunity is based on the achievement of financial performance goals, while 30% of the annual incentive opportunity is based on individual achievement of strategic goals. Payout for the achievement of financial performance goals can range between 0% and 243% depending on whether financial performance met or exceeded specified levels. Payout for individual achievement of strategic goals can range between 0% and 133% depending on several factors. Total payout is capped at 200% of the target percentages specified above.

Setting Financial Performance Measures

The Compensation Committee, working with its compensation consultant and the CEO, evaluates and establishes financial objectives that correlate to the creation of shareholder value and are appropriate measures for judging executive performance. For FY 2018, the Compensation Committee determined that achieving a specified level of adjusted earnings per share and adjusted operating cash flow were the Company s most important financial objectives, followed by sales. The Compensation Committee believes that these measures were the most important factors in preserving and enhancing shareholder value in the short-term and sustaining growth and stability for the long-term.

After determining the measures, the Compensation Committee sets threshold, target, and superior performance levels where the annual incentive amount is 50%, 100% or 243% of the target bonus amount, respectively. If the performance results meet and exceed a level, the executive will earn a bonus on a sliding scale up to the maximum achievement allowed. The Compensation Committee sets the threshold performance level high enough so that achieving the level is not guaranteed, while setting the superior performance level high enough so that achieving it is difficult and represents an outstanding accomplishment. The Compensation Committee may adjust the financial performance targets to reflect the impact of special events, such as acquisitions or divestitures, during a fiscal year. These adjustments are made pursuant to established guidelines and are appropriate in light of long-term growth strategies and business operations.

Setting Strategic Goals

The Compensation Committee, in consultation with the Board and its compensation consultant, evaluates and establishes strategic objectives that correlate to the creation of shareholder value and are appropriate measures for judging individual executive performance. As with financial performance measures, the Compensation Committee sets relative weights and metrics for each strategic goal. The specific goals are developed based on the individual nature of an executive s role and are specific to the position the executive holds.

In FY 2018, the Compensation Committee set the following strategic goals for the CEO:

- Apply the standard work of the Company s Growth Disciplines, Operational Excellence, Talent Management and BPP across the Company to deliver value and improve growth;

Execute the Company s mergers and acquisitions strategy by making accretive acquisitions that build our strategic platforms and assure recent acquisitions meet their targets; and

Successfully manage the cost structure of the legacy businesses to continue to deliver required EBIT and cash flow.

In consultation with the CEO, the Compensation Committee sets strategic goals for corporate staff that are tied to the completion of specific projects in their functional areas. These projects are important to the Company in that they improve productivity and significantly lower the cost structures of the respective departments, resulting in better processes and reduced costs.

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Results for FY 2018

For FY 2018, the financial goals for executives at the Company level, weighting and performance levels were as follows:

(1) This value is greater than the Company s actual reported earnings per share of $2.68 for FY 2018. This value, used for the purpose of determining the annual incentive opportunity, adjusts only for tax-related expenses due to the change in the tax law and additional interest expense due to indebtedness from acquisitions that were incurred during the fiscal year.

(2) Operating cash flow is a non-GAAP financial measure which is determined by subtracting capital expenditures from the sum of: (i) income from operations, (ii) depreciation and amortization, and (iii) change in net working capital (defined as net receivables plus inventories less accounts payable) from the end of the prior fiscal year.

The Compensation Committee met with the CEO to evaluate the performance of each executive in meeting their strategic goals. To determine the extent to which each strategic goal was met, the Compensation Committee evaluated several factors including the difficulty of reaching the goal, the work performed to achieve the goal, the quality of the work performed and other factors that influenced the ease or difficulty of meeting the goal. The Compensation Committee determined that each Named Executive Officer achieved either target or superior performance on their strategic goals. For the CEO, the Compensation Committee evaluated his performance based on the following:

The continued deployment of the Company s Growth Disciplines resulted in an increase of $36M in laneway sales. Improvements to the Talent Development system resulted in an internal fill rate of 55% for management level and above positions.

The acquisitions funnel has grown to include attractive target businesses in Magnetics, Sensors, Scientific and Pumps. The funnel includes total sales of over $3B. 46 Tier 1 businesses in the funnel have been approached and due diligence was entered into on 5 opportunities with IRR greater than 15%. Recent acquisitions are exceeding projections.

The Company successfully eliminated redundancies within the Food Service Equipment segment and this, together with restructuring the standardized product segments within the business, has reduced costs and improved plant performance.

The following table shows the overall annual incentive opportunity results for FY 2018.

Name	Financial Performance Weighted Achievement (% of Target)	Strategic Goals Weighted Achievement (% of Target)	Total BPP Score	Annual Incentive Amount ($)
David Dunbar	57%	32%	89%	715,629
Thomas D. DeByle	57%	33%	90%	241,010
Alan J. Glass	57%	34%	91%	154,766
Paul C. Burns	57%	39%	96%	168,222
Ross McGovern	57%	35%	92%	120,356

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Management Stock Purchase Plan

The Compensation Committee believes that while the annual incentive award provides motivation for executives to meet annual performance goals, the Management Stock Purchase Plan (MSPP) adds an additional long-term component. Under the MSPP, which is similar to our Employee Stock Purchase Plan, management at a certain salary level can elect to defer their annual incentive awards into the receipt of RSUs at a 25% discount, valued at the lower of (i) the closing price of the Company s common stock on the last business day of the fiscal year (June 29th, 2018) or (ii) the closing price of the Company s common stock on the date on which the award is certified by the Compensation Committee. Executives must make their election prior to the beginning of the fiscal year and can defer up to 50% of their award. These RSUs cliff vest at the end of a 3-year period and the executive receives shares of stock equal to the amount of RSUs granted. Executives accrue dividends, which are paid upon vesting, on the RSUs, but do not have voting rights until the shares underlying the RSUs are delivered. The following table details, for FY 2018, the percent each Named Executive Officer elected to defer under the MSPP, the value of that deferral and the amount of RSUs granted pursuant to the deferral.

Name	Annual Incentive Award Deferred	Amount of the Deferral ($) (1)	RSUs Granted (#) (2)
David Dunbar	50%	357,814	4,668
Thomas D. DeByle	50%	120,505	1,572
Alan J. Glass	50%	77,383	1,010
Paul C. Burns	20%	33,644	439
Ross McGovern	25%	30,089	393

(1) The amount of the deferral is the dollar value of the annual incentive award that is actually deferred into the receipt of discounted RSUs under the MSPP.

(2) Based on the closing price of the Company s common stock on June 29, 2018 ($102.20). The Compensation Committee certified the awards on August 30, 2018, when the closing price of the Company s common stock was $106.65. RSUs have been rounded up to the nearest whole share.

Long-Term Incentive Plan

In 2008, the Company, with the approval of its shareholders, adopted the 2008 Long Term Incentive Plan (LTIP). The purpose of the LTIP is to align executives interests with those of shareholders through the annual grant of long-term equity awards. These long-term equity awards reward executives for the Company s performance over a multi-year period.

LTIP Structure

The LTIP consists of an annual grant of time-vested RSAs, which generally vest after 3 years, and performance-based PSUs, which vest after 3 years. The Compensation Committee believes that the LTIP incentivizes executives to remain in the employ of the Company and aligns their interests with those of shareholders. In addition to the following standard components, the Compensation Committee may award grants of restricted stock based on performance or other factors.

LTIP Component	Description
Awards of Restricted Stock (RSAs)	Cliff vest at the end of a 3-year period
Performance Share Units (PSUs)	Cliff vest at the end of a 3-year period at 0% to 200% of award value based on pre-determined financial performance metrics

The RSA grant component provides executives with meaningful stock ownership and promotes long-term executive employment with the company. FY 2017 grants of RSAs under the LTIP vest pro-rata annually over a 3-year period. All other grants vest on the 3rd anniversary of the grant. RSAs are only vested if the individual is employed by the Company on the vest date of the award. All RSAs under the LTIP are considered beneficially owned by the executive, have voting rights, and earn dividend equivalents, which are paid upon vesting.

The PSU grant component motivates executives to meet financial performance criteria that the Compensation Committee has established. PSU grants provide a strong incentive for our executives to achieve specific performance goals over the performance period that advance our business strategies and build long-term shareholder value. The Compensation Committee, with consultation from their compensation consultant and the CEO, establishes goals that impact long-term performance of the Company and enhance shareholder value. Prior to FY 2017, performance-based PSUs were granted based on performance criteria measured over a 1-year period. Starting in FY 2017, the performance period was expanded to 3 years, so currently there are 2 performance periods, FYs 2017-2019 and FYs 2018-2020. Shares of common stock underlying the PSUs are not delivered to the extent the performance goals are not met at the conclusion of the performance period. PSUs are also subject to forfeiture if the executive s employment terminates for any reason other than death, disability, involuntary termination or change in control before the end of the 3-year performance period.

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The Compensation Committee believes that long-term incentive compensation is essential for retaining and motivating executives. It further believes that providing our executives with long-term incentives will encourage them to operate the Company s business with a view towards building long-term shareholder value. Based on these considerations, the Compensation Committee, in consultation with Meridian, establishes (i) the target incentive amounts, (ii) the percentage of the target award that is granted in the form of RSAs and PSUs, and (iii) the performance measures at threshold, target and superior levels.

Target Incentive Amounts

Each year the Compensation Committee sets the target incentive amount for each Named Executive Officer, expressed as a percentage of the executive s base salary. The Compensation Committee sets these targets in consultation with its compensation consultant and in adherence to our stated executive compensation objectives and principles. The Compensation Committee also sets the percentage of the total LTIP incentive compensation that will be granted in the form of PSUs and RSAs based on the understanding that executives in a position to drive overall Company performance should have a larger portion of their long-term incentive award be awarded in PSUs. The target long-term incentive opportunity and PSU percentage for each Named Executive Officer in FY 2018 is as follows:

Name	Target LTIP (% of Base Salary)	Target LTIP Amount ($)	Target LTIP Awarded in PSUs
David Dunbar	200%	1,606,350	60%
Thomas D. DeByle	150%	617,289	50%
Alan J. Glass	100%	339,771	50%
Paul C. Burns	75%	238,703	50%
Ross McGovern	70%	203,280	50%

FYs 2017-2019 Performance Goals

The performance metrics for the 3-year period of FYs 2017-2019 and their respective weights are:

Goal	Weight
Three Year Cumulative EBITDA	60%
Three Year Average Return on Invested Capital	40%

The first goal, 3-year cumulative EBITDA, which stands for earnings before interest, tax, depreciation and amortization, is a non-GAAP financial measure that is determined by the sum of (i) income from continuing operations before income taxes, (ii) interest expense, and (iii) depreciation and amortization. The Compensation Committee selected this financial goal because of its direct correlation to profitability and cash flow. Profitability and cash flow are critical to the Company s ability to complete acquisitions, invest in its core businesses, declare dividends for shareholders and improve overall liquidity.

The second goal, 3-year average return on invested capital (ROIC), is the average over the three-year period of the Company s return on invested capital. The Compensation Committee selected average ROIC as the second performance measure because it provides a means of determining whether the Company s earnings are being invested in a way that optimizes the Company s returns.

The Compensation Committee may adjust the threshold, target and superior levels to reflect the impact of special events, such as acquisitions or divestitures, during the performance period. These adjustments are made pursuant to established guidelines and are appropriate in light of long-term growth strategies and business operations. This performance period ends at the end of FY 2019 - June 30, 2019. If the goals are met, all earned shares will be delivered to the executives once the Compensation Committee certifies the financial performance results. Currently, if the Company were to certify the results over the two years of the performance period, as of June 30, 2018, payout would be 76.2% of target.

FYs 2018-2020 Performance Goals

The performance metrics for the 3-year period of FYs 2018-2020 and their respective weights are the same as the FYs 2017-2019 metrics and weights. The threshold, target and superior goal levels differ. This performance period ends at the end of FY 2020 - June 30, 2020. If the goals are met, all earned shares will be delivered to the executives that are still employed with the Company once the Compensation Committee certifies the financial performance results. Currently, if the Company were to certify the results over the first year of the performance period, as of June 30, 2018, payout would be 103.0% of target.

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Retirement Plans

Standex Retirement Savings Plan

The Company offers a qualified savings and investment 401(k) plan to most of our non-production U.S.-based employees, including our Named Executive Officers. This plan provides eligible employees an opportunity to save for retirement on both a pre-tax and after-tax basis up to 100% of their eligible pay subject to annual IRS limits. The Company provides eligible employees with a matching contribution equal to:

- 100% of the employee s contribution for the first 3% of the employee s total compensation (base salary plus annual incentive award); and

- 50% of the employee s contribution for the next 2%.

The Named Executive Officers, and employees who are at a location that is covered by the now-frozen Standex Pension Plan (see below), receive an additional 1% of their eligible pay as a Company contribution regardless of the amount of the employee s contribution. Some employees receive an additional sliding scale age-based Company contribution if they were employed with the Company on December 31, 2007 and were of a certain age. All eligible employees are immediately 100% vested in all contributions to this plan.

Standex Deferred Compensation Plan

The Standex Deferred Compensation Plan is a non-qualified, top hat and unfunded plan maintained for the purpose of permitting a select group of management and highly compensated employees, including Named Executive Officers, to continue saving for retirement once they can no longer make contributions to the Retirement Savings Plan. If a highly compensated employee reaches the IRS compensation limit for the Retirement Savings Plan, the Deferred Compensation Plan allows the employee to continue to save for retirement under near identical terms. Eligible employees may defer up to 50% of their base salaries and 100% of their annual bonuses that combined exceed the IRS compensation limit. All Company contributions (match and non-match) are made on the same basis as the Retirement Savings Plan described above.

Deferral elections must be made by December 31st of each year for the upcoming calendar year and all deferral elections are irrevocable. All eligible employees are immediately 100% vested in all contributions to this plan. Employees may elect the timing and form of distribution of the accrued benefits provided that the accrued benefit is greater than $10,000. For accrued benefits of less than $10,000, the distribution will be paid in a lump sum. Distributions will be paid no sooner than six months after termination of employment for our Named Executive Officers, pursuant to the IRC.

Pension Plans

The Standex Retirement Plan, a tax-qualified defined benefit pension plan, and the Standex Supplemental Retirement Plan, a non-qualified defined benefit pension plan for highly compensated employees, are the Company s two pension plans. Both plans were frozen as to future benefit accruals and new participants on December 31, 2007. All of our Named Executive Officers became employed with the Company after this date and are not accruing benefits under either of these plans.

Perquisites and Other Benefits

Employment Agreements

We have entered into employment agreements with each of the Named Executive Officers. Even though each Named Executive Officer has an employment agreement which sets out an initial term that automatically renews, the executives serve at the will of the Board because the agreements may be terminated for any reason with 30 days notice. All of the provisions within the employment agreements were crafted to consider the needs of the Company and the executive s specific circumstances. The Compensation Committee believes that the employment agreements are an important tool to attract and retain highly qualified executives in a competitive marketplace, while also protecting the Company in the event of an executive s termination.

In addition to the material terms detailed below, our employment agreements contain a non-compete provision, which precludes an executive from engaging, in any active capacity, in any business other than Standex while they are employed with the Company. This term is vital to ensure that an executive s attention and focus during their employment is solely on the Company s business. The non-compete also precludes the executives from engaging in a business that is competitive with the Company for the duration noted in the table below. The non-compete clause also contains a non-poaching provision, which restricts a departing executive s ability to hire then-current employees of the Company. The non-poaching provision is the same duration as the non-compete provision. These terms are beneficial to the Company because they safeguard against executives, who know the most about the Company, its businesses, its employees and its markets, using their knowledge to adversely impact the Company after their employment ends.

The material terms of the employment agreements are detailed in the following table. The termination and severance terms are further discussed under Potential Payments upon Termination or Change in Control on page 56.

Name	Length of Agreement (1)	Signing Award ($) (2)	Involuntary Termination Severance (3)	Non-compete Provision
David Dunbar	3 years	500,000	2 years	2 years
Thomas D. DeByle	1 year	-	1 year	1 year
Alan J. Glass	1 year	20,000	1 year	1 year
Paul C. Burns	1 year	100,000	1 year	1 year
Ross McGovern	1 year	50,000	1 year	1 year

(1) The amount of time in this column is the duration of the initial term. The employment agreements automatically renew for the same duration as the initial term but may be terminated with 30 days notice for any reason.

(2) Mr. Dunbar received a $500,000 signing award when he was hired as well as a $1,225,000 grant of restricted stock granted and valued on January 20, 2014, which vested in 2 installments over a 2-year period. Mr. Glass received a $20,000 signing award when he was hired as well as a $75,000 grant of restricted stock granted and valued on April 4, 2016, which cliff vest at the end of a 3-year period. Mr. Burns received a $100,000 signing award when he was hired as well as a grant of 6,021 shares of restricted stock, which vest in 4 installments over a 3-year period. Mr. McGovern received a $50,000 signing award when he was hired as well as a $100,000 grant of restricted stock granted and valued on September 1, 2015, which vest in three installments over a 3-year period. These awards were granted to compensate the executives for incentives they forfeited because of their departure from their previous employers.

(3) Involuntary termination is termination for a reason other than death, disability, material breach of the employment agreement or change in control. The severance for involuntary termination is a continuation of base annual salary for the years stated.

Perquisites

We provide a limited number of perquisites to certain Named Executive Officers, including the CEO. The Compensation Committee designed these perquisites to be competitive and assist in attracting and retaining highly qualified executives. Furthermore, these perquisites also assist the Named Executive Officers in performing their responsibilities. The types of perquisites that are currently provided to the Named Executive Officers are: car allowances, reimbursement of automobile operating expenses (such as gas costs, auto insurance, maintenance and repairs) and Mr. Dunbar receives tax return preparation and counseling. We do not provide gross ups for any attributed income relating to these perquisites.

Change in Control

Our employment agreements, rather than a companywide plan, contain provisions governing what happens when there is a change in control. The benefits provided to the Named Executive Officers under these provisions, if payable, are in lieu of any other severance benefits. The Compensation Committee believes that these benefits are important to encourage the executives involved in any negotiation or completion of a change in control transaction to act in the best interest of shareholders, without regard to personal interest.

The severance benefits also promote the financial protection and security of an executive s long-term incentive compensation arrangements in the event of the loss of their positions following a transaction that involves a change in the ownership or control of the Company. None of the severance benefits are triggered if the executive retains their position or a substantially similar position following a change in control. With equity compensation, if the executive is granted an award that substantially mirrors their then-current award, there is no acceleration of that current equity award. This double trigger only provides for a payment of benefits if (i) there is a change in control and (ii) the executive is involuntarily terminated or resigns for a specified reason. The Compensation Committee believes that this is appropriate because if an executive retains their position following a change in control, the impact on the executive is not significant enough to warrant the provision of benefits.

The severance benefits include a lump sum payment equal to a multiple of the executive s annual base salary and annual incentive bonus, accelerated vesting of all outstanding equity awards under the LTIP and RSUs under the MSPP and a continuation of life insurance and medical plan benefits for a specified period of time. The Compensation Committee believes that these terms and amounts are customary and reasonable. The Compensation Committee, in consultation with its compensation consultant, periodically reviews these terms to evaluate both their effectiveness and competitiveness.

More detailed information concerning the trigger events and the severance benefits of each Named Executive Officer is discussed below under Potential Payments upon Termination or Change in Control on page 56.

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Other Compensation Information

CEO Pay Ratio

Standex has approximately 5,376 employees in 70 locations across 24 countries. With our global footprint, a majority (approximately 65%) of our employee population is located outside of the United States. In line with the customary nature of manufacturing organizations, a large segment of our employees is operations-based and paid on an hourly basis (approximately 73%). In order to attract and retain employees globally, we pay what we believe to be market competitive rates in each market where we operate. Our pay ratio below is a reasonable estimate that has been calculated in a manner consistent with Item 402(u) of Regulation S-K using the data and assumptions summarized below.

The CEO Pay Ratio was calculated by first identifying the median employee using our global employee population as of June 30, 2018, which included all global full-time, part-time and temporary employees, including newly hired employees, that were employed on that date. In determining our median employee, we used base annual salary during the period from July 1, 2017 through June 30, 2018. All international employees base annual salaries were converted to USD from local currencies using exchange rates for the month ending June 30, 2018. Once the median employee was identified, we calculated their total compensation in accordance with Item 402(c)(2)(x) of Reg. S-K. The total compensation for our median employee and our CEO and the ratio of the two is as follows:

Median Employee Compensation (1)	35,355
CEO Compensation (2)	3,428,368
CEO Pay Ratio (3)	97:1

(1) Our median employee was an hourly individual located in the United States.
(2) This is the CEO s total compensation, as detailed in the Summary Compensation Table.
(3) This value has been rounded to the nearest whole number.

Stock Ownership Guidelines

The Compensation Committee believes that Company executives, including the Named Executive Officers, should have at least a minimum level of Company stock ownership to align their interests with those of Company shareholders. The Compensation Committee has adopted stock ownership guidelines through a competitive analysis prepared by management and reviewed by the compensation consultant. These guidelines require the CEO to maintain stock ownership valued at 5 times their base salary and requires all other executives to maintain stock ownership valued at 2 times their base salary. Additionally, the guidelines require all non-executive Vice Presidents, Group Presidents and Division Presidents to maintain stock ownership valued at 1 times their base salary. Until an executive has attained the applicable amount, the executive is expected to retain at least 50% of the share units they are awarded, net of amounts required to pay taxes. To determine if the guideline amount is met, shares are valued at the average stock price during the 4th quarter of the prior fiscal year. Shares that are either owned outright or are unvested RSAs or RSUs are considered owned for the purpose of the guidelines. PSUs are not considered in the determination.

The required amount under the guidelines is recalculated annually or whenever an executive receives an increase in pay. The Compensation Committee monitors compliance with these stock ownership guidelines on an ongoing basis. The following table shows the stock ownership requirements for each Named Executive Officer as of their most recent Form 4 filing.

Name	Stock Ownership Guideline Amount (% of Annual Base Salary)	Required Ownership on June 30, 2018 (#) [1]	Actual Stock Ownership (#)
David Dunbar	500%	40,288	54,164
Thomas D. DeByle	200%	8,257	63,088
Alan J. Glass	200%	6,817	4,566
Paul C. Burns	200%	6,386	8,820
Ross McGovern	200%	5,827	4,066

(1) Based on the average price of the Company s common stock between April 2, 2018 and June 29, 2018 ($99.86). Shares have been rounded up to the nearest whole share.

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Say-on-Pay

Stockholders are afforded the opportunity to cast an advisory vote on an annual basis with respect to the total compensation of our Named Executive Officers. At the 2017 annual meeting, 97.9% of the votes cast on the advisory proposal were voted in its favor. After reviewing the results, the Compensation Committee decided to continue to apply the same general philosophy, compensation objectives and governing principles that it used in FY 2017.

Clawback Provision

In the event that the Company s financial results for any reporting period require restatement so that the period s financial performance measures are not met, and the restatement is necessary due to the executives misconduct, the LTIP gives our Board of Directors the discretion and authority to claw-back or cancel unpaid annual and long-term incentive awards and to recover excess annual and long-term incentive awards that have been paid to any executive officer.

Tax and Accounting Aspects of Compensation

The federal Tax Cuts and Jobs Act (TCJA) signed into law on December 22, 2017 made significant changes to the tax laws regarding executive compensation. Previously, Section 162(m) of the IRC limited the amount of compensation paid to the Named Executive Officers that a public corporation may deduct from its federal income tax to $1.0 million per year, unless the compensation met certain requirements. Beginning on January 1, 2018, the TCJA repealed the performance-based compensation and commission exceptions to the Section 162(m) limitation. Additionally, the TCJA revised the definition of a covered employee to specifically include the principal financial officer. As a result of the changes in the law, all compensation paid to the Named Executive Officers in excess of $1.0M will not be deductible.

The Company does not have a specific policy regarding executive compensation and Section 162(m). The Compensation Committee retains the discretion to provide compensation that is not deductible under Section 162(m) if it determines that such compensation is in the best interests of the Company.

Policy Concerning Transactions Involving Company Securities (Anti-Hedging Policy & Anti-Pledging Policy)

The Company has a policy, which is applicable to all officers, directors and employees, that prohibits certain transactions involving the Company s securities. The prohibited transactions include engaging in short-term speculative transactions, such as hedging transactions and buying or selling put or call options, holding Company securities in a margin account or engaging in short sales of Company securities. In addition, the policy prohibits pledging Company securities without first providing at least two weeks advance notice explaining the purpose of the pledge. No Named Executive Officer has entered into any such prohibited transactions.

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Risk in Compensation Programs

The Compensation Committee regularly monitors and reviews the executive compensation program to determine the program s effectiveness at achieving the stated objectives and principles. In August 2018, the Compensation Committee conducted its annual review of the executive compensation policies and practices and assessed whether the current incentives could lead to excessive or inappropriate risk taking by the executives. Following the review, the Compensation Committee concluded that the Company s executive compensation program elements, when considered both separately and as a whole, are not reasonably likely to have a material adverse effect on the Company. In reaching this conclusion, the Compensation Committee noted the following factors:

Compensation elements are mixed. The executive compensation program has a balanced mix of base salary, annual cash incentive awards and long-term equity incentive awards. The mix between the elements decreases the dependency on one form of compensation over other forms and thus provides executives with an incentive to perform at high levels, both in the short-term and long-term.

Incentive award metrics contain both short and long-term goals. The annual incentive award is contingent upon the attainment of pre-established short-term corporate, business and financial objectives, while the long-term incentive award is based on long-term stock growth as well as the attainment of financial performance goals. This balance between short and long-term goals reduces the incentive to prioritize short-term performance at the expense of long-term growth.

Short-term and long-term performance metrics differ. The performance metrics used to determine the amount of annual incentive awards are different than the performance metrics used to determine the amount of long-term incentive awards. This helps avoid excessive risk-taking to achieve one performance objective at the detriment of other objectives.

Annual incentive awards are capped. The total annual incentive award is capped at 200% of target, which reduces the incentive to engage in unnecessarily risky behavior in any given year at the expense of long-term growth.

Long-term incentives are completely equity-based. All long-term incentive awards are paid in the form of shares and are only paid if an executive remains employed with the Company at the time of vesting. This practice aligns the executive s interests with those of shareholders and reduces the likelihood that an executive will act in a way that is detrimental to the long-term stock growth of the Company.

Long-term performance metrics are based on corporate objectives. The performance metrics for long-term incentive awards are based on overall corporate performance rather than individual business unit performance. This reduces the risk that business unit heads will engage in conduct that inflates their business unit performance, but does not benefit the Company, as a whole, in the long-term.

Incentives have performance thresholds. The annual incentive award and the PSUs granted under the LTIP have threshold payout levels, which ensures that incentive compensation is reduced or eliminated completely if the minimum performance levels are not achieved.

Compensation is benchmarked. The Compensation Committee benchmarks compensation against the peer group to ensure that the compensation program elements and payout levels are consistent with industry practice.

Compensation can be recouped. The Board is empowered to claw-back any portion of the annual or long-term incentive compensation attributable to misconduct or financial misstatement in the event of a financial restatement.

Executives have ownership requirements. Our executives are subject to stock ownership guidelines, which require executives to maintain ownership of a certain amount of Company stock during their employment. This encourages executives to focus on sustainable long-term growth and aligns the interests of our executives with those of our shareholders.

Report of the Compensation Committee

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with management. Based on that review and discussion, the Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

COMPENSATION COMMITTEE

Jeffrey S. Edwards, Chair

Charles H. Cannon, Jr.

Thomas E. Chorman

Michael A. Hickey

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Compensation Tables

Summary Compensation Table

The following table sets forth compensation information for 1fiscal years 2016, 2017 and 2018 for our Named Executive Officers the individuals who served during FY 2018 as CEO and CFO and three other highly compensated executive officers of the Company.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (1)	Non-Equity Incentive Plan Compensation ($) (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (3)	All Other Compensation ($) (4)	Total ($)
David Dunbar	2018	797,327	-	2,120,875	357,814	40,012	112,340	3,428,368
	2017	774,098	-	2,113,055	155,957	54,708	112,655	3,210,473
President and CEO	2016	751,537	-	1,987,958	428,021	(749)	92,082	3,258,849
Thomas D. DeByle	2018	408,530	-	790,571	120,505	33,668	58,870	1,412,144
	2017	395,703	-	786,492	51,940	52,212	60,788	1,347,135
Vice President, CFO								
and Treasurer	2016	381,393	-	620,640	112,726	(1,084)	60,212	1,173,887
Alan J. Glass (5)	2018	337,297	-	451,045	77,383	-	22,303	888,028
	2017	328,656	-	446,900	32,988	19	18,610	827,173
Vice President, CLO								
and Secretary	2016	-	-	-	-	-	-	-
Paul C. Burns (6)	2018	315,953	-	487,082	134,577	177	16,723	954,512
	2017	306,750	-	249,108	54,384	301	18,213	628,756
VP of Strategy &								
Business Development	2016	280,768	100,000 (7)	661,370	141,768	-	74,678	1,258,584
Ross McGovern (8)	2018	283,800	-	246,547	90,267	6,101	15,939	642,654
	2017	258,000	-	195,876	31,680	82	11,727	497,365
Vice President, CHRO	2016	210,000	111,600 (9)	236,406	2,811	-	10,083	570,900

(1) This column includes the grant date fair value (calculated in accordance with FASB ASC 718) of the long-term incentive awards under the Company s long-term incentive program (RSAs and PSUs) and RSUs that an executive received pursuant to a deferral election under the MSPP. Assumptions used in the valuations may be found in Note 13 to the Company s Notes to Consolidated Financial Statements for the year ended June 30, 2018 included in our Annual Report on Form 10-K. The assumptions used in the valuation of the RSUs received pursuant to a deferral election under the MSPP were as follows:

Risk-free interest rate:	2.63%
Expected life of option grants:	3 years
Expected stock value volatility:	25.06%
Expected quarterly dividends:	$0.18 per share

The grant date fair value of these three separate equity awards is as follows:

	Grant Date Fair Value of Annual Incentive Deferred Pursuant to MSPP ($)	Grant Date Fair Value of Restricted Stock Awards under the LTIP ($)	Grant Date Fair Value of Performance Share Unit Awards under the LTIP ($)	Total ($)
David Dunbar	514,525	642,540	963,810	2,120,875
Thomas D. DeByle	173,282	308,645	308,645	790,571
Alan J. Glass	111,274	169,886	169,886	451,045
Paul C. Burns	48,379	119,351	119,351	487,082 [(a)]
Ross McGovern	43,267	101,640	101,640	246,547

(a) Mr. Burns received an additional discretionary stock grant of $200,000, which is included in this total and in the Summary Compensation Table above.

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The value of performance-based awards is based on the probable outcome of the performance conditions as of the grant date. The payout for 2016 grants was 79.03% of the target levels shown. The payout for 2017 and 2018 grants will be determined in 2019 and 2020, respectively, due to a change starting in FY 2017 from a one-year performance measurement period to a three-year performance measurement period. The probable outcome for 2016, 2017 and 2018 grants of performance-based awards was estimated at the target payout level, or 100%. The following table shows the grant date fair value of the performance share units granted in 2018 at the target level included in the Summary Compensation Table above and the potential maximum grant date fair value:

	Grant Date Fair Value of Performance Share Awards under the LTIP ($)	Potential Maximum Grant Date Fair Value ($)
David Dunbar	963,810	1,927,620
Thomas D. DeByle	308,645	617,289
Alan J. Glass	169,886	339,771
Paul C. Burns	119,351	238,703
Ross McGovern	101,640	203,280

(2) This column shows the amounts earned in cash under our annual incentive opportunity. Each of our Named Executive Officers elected to defer a portion of their annual incentive award under the MSPP. The values of these deferrals are contained in the stock awards column and further explained above in footnote (1).

(3) This column includes the above-market earnings of the Named Executive Officer s accumulated benefit under the Standex Deferred Compensation Plan. None of the Named Executive Officers have any accumulated benefits under the now-frozen Standex pension plans.

(4) This column includes the following compensation:

	Accrued Dividends ($) [a]	401(k) Contributions ($)	Non-qualified Deferred Compensation Contribution ($)	Life Insurance Premium ($)	Perquisites & Personal Benefits ($) [b]	Total ($)
David Dunbar	19,973	13,750	41,712	10,578	26,327	112,340
Thomas D. DeByle	10,269	13,498	11,821	8,550	14,732	58,870
Alan J. Glass	420	11,744	6,416	3,723	-	22,303
Paul C. Burns	2,601	11,172	1,093	1,857	-	16,723
Ross McGovern	202	12,259	2,406	1,072	-	15,939

(a) The amounts in this column represent the accrued dividends on RSAs and RSUs that were paid during the 2018 fiscal year. Dividends that are earned accrue during the vesting period and are only paid once vesting conditions are satisfied.

(b) Mr. Dunbar has an automobile allowance of which he used $13,977. Mr. Dunbar also received tax preparation reimbursement in the amount of $12,350. Mr. DeByle has an automobile allowance of which he used $14,732. No other Named Executive Officer received total perquisites and personal

benefits exceeding $10,000.

(5) Mr. Glass became employed by the Company on April 4, 2016.
(6) Mr. Burns became employed by the Company on July 27, 2015.
(7) Under his employment agreement, Mr. Burns received a gross cash payment of $100,000 as a sign-on bonus.
(8) Mr. McGovern became employed by the Company on August 17,2015.
(9) Under his employment agreement, Mr. McGovern received a gross cash payment of $50,000 as a sign-on bonus. Additionally, he received a minimum bonus measured at target performance pro-rated based on the amount of the year during which he was employed. He received $61,600 in cash, included in this column, and an additional $26,400, which was deferred under the MSPP and is included in the Stock Awards column for the 2016 fiscal year.

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Grants of Plan-Based Awards

The following table sets forth information with respect to 2018 plan-based awards granted to our Named Executive Officers for the year ended June 30, 2018.

Name	Grant Date	Action Date (1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (2) Threshold ($)	Target ($)	Maximum ($)	Estimated Payouts Under Equity Incentive Plan Awards (3) Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (4)	Total ($) (5)
David Dunbar										
Annual Incentive			401,588	803,175	1,606,350					
LTIP - PSU	9/6/17					5,253	10,505	21,010		963,834
LTIP - RSA	9/6/17								7,003	642,525
Thomas D. DeByle										
Annual Incentive			133,746	267,492	534,984					
LTIP - PSU	9/6/17					1,682	3,364	6,728		308,647
LTIP - RSA	9/6/17								3,364	308,647
Alan J. Glass										
Annual Incentive			84,943	169,886	339,771					
LTIP - PSU	9/6/17					926	1,852	3,704		169,921
LTIP - RSA	9/6/17								1,852	169,921
Paul C. Burns										
Annual Incentive			87,524	175,049	350,097					
LTIP - PSU	9/6/17					651	1,301	2,602		119,367
LTIP - RSA	9/6/17								1,301	119,367
Additional Grant	9/6/17								2,180	200,015
Ross McGovern										
Annual Incentive			65,340	130,680	261,360					
LTIP - PSU	9/6/17					554	1,108	2,216		101,659
LTIP - RSA	9/6/17								1,108	101,659

(1) The date on which the Compensation Committee took action for the grant of all of the plan-based awards was 8/23/2017.

(2) The amounts in these columns indicate the threshold, target and maximum amounts payable under the annual incentive opportunity prior to deducting any amounts the named executive officers elected to defer under the MSPP. Each of our Named Executive Officers elected to defer a portion of their annual incentive opportunity under the MSPP. The annual incentive opportunity amounts are based on the achievement of specific financial performance metrics and individual strategic goals. The annual incentive opportunity metrics are discussed under Annual Incentive Opportunity on page 41. Payouts range from 50% of target for the attainment of threshold levels, to 200% of target for the attainment of

superior performance levels. If threshold levels are not met, no annual incentive opportunity is paid. The amount the executives actually received and the amounts they elected to defer for fiscal year 2018 are discussed under the Annual Incentive Opportunity and Management Stock Purchase Plan sections of the CD&A.

(3) The amounts in these columns indicate the threshold, target and maximum amounts payable under the LTIP for PSUs. The LTIP PSU amounts are based on the achievement of specific financial performance metrics over a three-year performance period. Payouts range from 50% of target for the attainment of threshold levels, to 200% of target for the attainment of superior performance levels. If threshold levels are not met, no PSUs are awarded.

(4) The amounts shown in this column reflect the number of RSAs granted to each Named Executive Officer pursuant to the LTIP.

(5) These amounts represent the grant date fair value, as determined under FASB ASC Topic 718. For the PSU awards under the LTIP, the fair value assumes performance and payout at the target level.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information with respect to equity awards that were outstanding as of June 30, 2018. The Company has not awarded stock options since 2003 and there are no outstanding option awards.

	Stock Awards			
Name	Number of Shares or Units of Stock That Have Not Vested (#) (1)	Market Value of Shares or Units of Stock That Have Not Vested ($) (2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (3)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (4)
David Dunbar	33,182	2,908,026	32,160	3,286,752
Thomas D. DeByle	13,442	1,181,930	10,333	1,056,033
Alan J. Glass	4,935	484,093	5,669	579,372
Paul C. Burns	6,168	594,985	3,799	388,258
Ross McGovern	4,366	418,319	2,216	226,475

(1) The outstanding stock awards presented in this column include: RSAs awarded under the LTIP, which remain subject to service-based vesting conditions; PSUs awarded in 2016 under the LTIP, which have been earned but are subject to service-based vesting conditions; RSUs granted pursuant to an MSPP deferral; and discretionary RSA grants. These awards are scheduled to vest as follows:

Vest Date	David Dunbar	Thomas D. DeByle	Alan J. Glass	Paul C. Burns	Ross McGovern
7/27/2018	-	-	-	1,338	-
8/25/2018	4,414	1,253	-	430	198
8/30/2018	2,478	1,190	655	399	315
9/1/2018	6,522	2,507	-	862	1,806
9/9/2018	3,391	1,357	-	-	-
4/4/2019	-	-	962	-	-
7/27/2019	-	-	-	669	-
8/30/2019	2,478	1,190	655	399	315
9/6/2019	4,604	1,818	327	571	450
9/6/2020	9,295	4,127	2,336	1,500	1,282
Total	33,182	13,442	4,935	6,168	4,366

(2) The market values in this column are calculated using a price of $102.20 per share, the closing price of the Company s common stock on June 29, 2018, less the value of an executive s deferral under the MSPP.

(3) The shares presented in this column are performance share units granted in fiscal years 2017 and 2018 for the three-year performance periods ending on June 30, 2019 and June 30, 2020, respectively. These units will vest

if certain targets are met during the applicable performance period. See Long-Term Incentive Plan on pages 44-45 for more information. For FY 2017 PSUs, the number of shares reported in this column are based on achieving the target level of performance because our financial performance for the FYs 2017-2019 performance period through June 30, 2018 indicated performance between threshold and target levels. For FY 2018 PSUs, the number of shares reported in this column are based on achieving the superior level of performance because our financial performance for the FYs 2018-2020 performance period through June 30, 2018 indicated performance between target and superior levels.

(4) The values shown in this column are calculated using a price of $102.20 per share, the closing price of the Company s common stock on June 29, 2018.

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Options Exercised and Stock Vested

The following table sets forth information about option exercises and the vesting of stock during the fiscal year. The Company has not awarded stock options since 2003, so no options are reported. The stock vested during the fiscal year represents PSUs, RSAs granted under the LTIP and RSUs granted from an MSPP deferral.

	Stock Awards	
Name	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($) (1)
David Dunbar	21,866	1,831,395
Thomas D. DeByle	9,232	705,994
Alan J. Glass	655	62,061
Paul C. Burns	2,747	256,697
Ross McGovern	512	47,948

(1) The value realized on vesting for the three stock categories was calculated as follows. For PSUs that vested during the year, the number of shares that vested was multiplied by the closing price of our stock on June 29, 2018. For RSAs granted under the LTIP that vested during the year, the number of shares that vested was multiplied by the closing price of our stock on the vest date. For RSUs issued pursuant to an MSPP deferral that vested during the year, the number of shares that vested was multiplied by the closing price of our stock on the vest date less the value the executive paid under the deferral.

Pension Benefits

The Company s two pensions plans, the Standex Retirement Plan and the Standex Supplemental Retirement Plan, were frozen as to future benefit accruals and new participants on December 31, 2007. All of our Named Executive Officers became employed with the Company after this date and are not accruing benefits under either of these plans.

Nonqualified Deferred Compensation

The following table contains compensation information relating to the Company s nonqualified deferred compensation plan. For a description of the Standex Deferred Compensation Plan, including material factors, see Standex Deferred Compensation Plan on page 46.

Name	Executive Contributions in Last FY ($) (1)	Registrant Contributions in Last FY ($) (2)	Aggregate Earnings in Last FY ($) (3)	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE ($) (4)
David Dunbar	41,712	41,712	59,115	-	520,528
Thomas D. DeByle	11,821	11,821	47,584	-	379,190
Alan J. Glass	6,416	6,416	494	-	13,541
Paul C. Burns	-	1,093	319	-	3,857
Ross McGovern	2,406	2,406	6,118		