

ALLIED MOTION TECHNOLOGIES INC  
Form DEF 14A  
April 11, 2014

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

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

**SCHEDULE 14A**

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

**Allied Motion Technologies Inc.**

---

(Name of Registrant as Specified In Its Charter)

---

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

Payment of Filing Fee (Check the appropriate box):

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

Edgar Filing: ALLIED MOTION TECHNOLOGIES INC - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

**Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

---

Table of Contents

**ALLIED MOTION TECHNOLOGIES INC.**

**455 Commerce Drive, Suite 4  
Amherst, New York 14228**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 13, 2014**

To the Shareholders of Allied Motion Technologies Inc.:

You are hereby notified that the 2014 Annual Meeting of Shareholders of Allied Motion Technologies Inc. (the "Company") will be held on Tuesday, May 13, 2014 at 2:00 p.m. (Eastern Time) at the offices of Jaeckle Fleischmann & Mugel, LLP, 200 Delaware Avenue, Suite 900, Buffalo, New York 14202. At this meeting, the shareholders will be asked to act on the following matters:

1. To elect six directors of the Company;
2. To provide an advisory approval of the compensation of our named executive officers; and
3. To ratify the appointment of EKS&H LLLP ("EKS&H") as the Company's independent registered public accounting firm for the 2014 fiscal year; and
4. To transact such other business as may properly come before the 2014 Annual Meeting or any adjournment thereof.

Only shareholders of record at the close of business on March 24, 2014 are entitled to notice of and to vote at the 2014 Annual Meeting and any adjournment thereof.

The Board of Directors of the Company extends a cordial invitation to all shareholders to attend the 2014 Annual Meeting, as it is important that your shares be represented at the meeting. Even if you plan to attend the Annual Meeting, you are strongly encouraged to mark, date, sign and mail the enclosed proxy in the return envelope provided as promptly as possible.

If your shares are held in street name and YOU do not vote your shares, your broker or other nominee generally can no longer vote them for you and your shares will remain unvoted. **THEREFORE, IT IS VERY IMPORTANT THAT YOU VOTE YOUR SHARES FOR ALL PROPOSALS.**

By Order of the Board of Directors

Joseph P. Kubarek  
*Secretary*

DATED: April 11, 2014

**Important Notice Regarding the Internet Availability of Proxy Materials: This Proxy Statement and the Company's Annual Report are available on the Internet at <https://materials.proxyvote.com/019330>.**

THIS IS AN IMPORTANT MEETING. ALL SHAREHOLDERS ARE URGED TO VOTE.

---

Table of Contents

## TABLE OF CONTENTS

	Page
<b><u>QUESTIONS AND ANSWERS ABOUT THE 2014 ANNUAL MEETING</u></b>	<b><u>1</u></b>
<b><u>Why did I receive this proxy?</u></b>	<b><u>1</u></b>
<b><u>Who is entitled to vote?</u></b>	<b><u>1</u></b>
<b><u>What is the quorum for the Annual Meeting?</u></b>	<b><u>1</u></b>
<b><u>How many votes do I have?</u></b>	<b><u>1</u></b>
<b><u>What is the difference between a shareholder of record and a beneficial owner of shares held in street name?</u></b>	<b><u>1</u></b>
<b><u>If I am a shareholder of record of Common Stock, how do I vote?</u></b>	<b><u>1</u></b>
<b><u>If I am a beneficial owner of shares held in street name, how do I vote?</u></b>	<b><u>2</u></b>
<b><u>What am I voting on?</u></b>	<b><u>2</u></b>
<b><u>Will there be any other items of business on the agenda?</u></b>	<b><u>2</u></b>
<b><u>How many votes are required to act on the proposals?</u></b>	<b><u>2</u></b>
<b><u>How are votes counted?</u></b>	<b><u>2</u></b>
<b><u>What happens if I return my proxy card without voting on all proposals?</u></b>	<b><u>3</u></b>
<b><u>Can I change my vote after I return my proxy card?</u></b>	<b><u>3</u></b>
<b><u>Will anyone contact me regarding this vote?</u></b>	<b><u>3</u></b>
<b><u>Who has paid for this proxy solicitation?</u></b>	<b><u>3</u></b>
<b><u>May shareholders ask questions at the Annual Meeting?</u></b>	<b><u>3</u></b>
<b><u>How can I obtain a copy of this year's Annual Report on Form 10-K?</u></b>	<b><u>3</u></b>
<b><u>What does it mean if I receive more than one proxy card?</u></b>	<b><u>4</u></b>
<b><u>When was this proxy statement mailed?</u></b>	<b><u>4</u></b>
<b><u>Can I find additional information on the Company's website?</u></b>	<b><u>4</u></b>
<b><u>PROPOSAL ONE: ELECTION OF DIRECTORS</u></b>	<b><u>4</u></b>
<b><u>Nominees for Election as Directors</u></b>	<b><u>4</u></b>
<b><u>Nominating Procedures</u></b>	<b><u>6</u></b>
<b><u>Board Leadership Structure</u></b>	<b><u>6</u></b>
<b><u>Independent Directors</u></b>	<b><u>7</u></b>
<b><u>Risk Oversight</u></b>	<b><u>7</u></b>
<b><u>Director Stock Ownership Policy</u></b>	<b><u>7</u></b>
<b><u>BOARD COMMITTEES AND MEETINGS</u></b>	<b><u>8</u></b>
<b><u>Audit Committee</u></b>	<b><u>8</u></b>
<b><u>Compensation Committee</u></b>	<b><u>8</u></b>
<b><u>Governance and Nominating Committee</u></b>	<b><u>8</u></b>
<b><u>Board Attendance at Meetings</u></b>	<b><u>8</u></b>
<b><u>Shareholder Communication With the Board</u></b>	<b><u>9</u></b>
<b><u>Audit Committee Report</u></b>	<b><u>9</u></b>
<b><u>EXECUTIVE COMPENSATION</u></b>	<b><u>10</u></b>
<b><u>Executive Officers</u></b>	<b><u>10</u></b>
<b><u>Compensation of Executive Officers</u></b>	<b><u>11</u></b>
<b><u>Chief Executive Officer Employment Agreement</u></b>	<b><u>11</u></b>
<b><u>Executive Compensation Program</u></b>	<b><u>13</u></b>
<b><u>Change in Control Agreements</u></b>	<b><u>15</u></b>
<b><u>Outstanding Equity Awards at 2013 Fiscal Year End</u></b>	<b><u>16</u></b>
<b><u>Director Compensation for 2013</u></b>	<b><u>16</u></b>
<b><u>New Director Compensation Program</u></b>	<b><u>17</u></b>
<b><u>OWNERSHIP OF COMPANY STOCK</u></b>	<b><u>18</u></b>
<b><u>Security Ownership of Certain Beneficial Owners</u></b>	<b><u>18</u></b>
<b><u>Security Ownership of Management and Directors</u></b>	<b><u>19</u></b>
<b><u>Section 16(a) Beneficial Ownership Reporting Compliance</u></b>	<b><u>19</u></b>

Edgar Filing: ALLIED MOTION TECHNOLOGIES INC - Form DEF 14A

Table of Contents

	<b>Page</b>
<u>PROPOSAL TWO: AN ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>	<u>20</u>
<u>PROPOSAL THREE: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>20</u>
<u>OTHER MATTERS</u>	<u>21</u>
<u>SHAREHOLDER PROPOSALS FOR THE 2015 ANNUAL MEETING</u>	<u>22</u>
<u>Proposals for the Company's Proxy Material</u>	<u>22</u>
<u>Proposals to be Introduced at the Annual Meeting but not Intended to be Included in the Company's Proxy Material</u>	<u>22</u>

Table of Contents

**PROXY STATEMENT**

**QUESTIONS AND ANSWERS  
ABOUT THE 2014 ANNUAL MEETING**

**Why did I receive this proxy?**

The Board of Directors of Allied Motion Technologies Inc. (the "Company") is soliciting proxies to be voted at the Annual Meeting of Shareholders. The Annual Meeting will be held Tuesday, May 13, 2014, at 2:00 p.m. (Eastern Time) at the offices of Jaeckle Fleischmann & Mugel, LLP, 200 Delaware Avenue, Suite 900, Buffalo, New York 14202. This proxy statement summarizes the information you need to know to vote by proxy or in person at the Annual Meeting. You do not need to attend the Annual Meeting in person in order to vote.

**Who is entitled to vote?**

All shareholders of record as of the close of business on Thursday, March 24, 2014 (the "Record Date") are entitled to vote at the Annual Meeting.

**What is the quorum for the Annual Meeting?**

A quorum at the Annual Meeting will consist of a majority of the votes entitled to be cast by the holders of all shares of Common Stock outstanding on the Record Date. No business may be conducted at the Annual Meeting if a quorum is not present. Broker non-votes (shares held in street name for which the broker indicates that instructions have not been received from the beneficial owners or other persons entitled to vote) and abstentions will be counted as shares present in determining whether a quorum is present. As of the Record Date, 9,241,301 shares of Common Stock were issued and outstanding.

**How many votes do I have?**

Each share of Common Stock outstanding on the Record Date is entitled to one vote on each item submitted to you for consideration.

**What is the difference between a shareholder of record and a beneficial owner of shares held in street name?**

*Shareholder of Record.* If your shares are registered directly in your name with the Company's transfer agent, American Stock Transfer & Trust Company, you are considered the shareholder of record with respect to those shares.

*Beneficial Owner of Shares Held in Street Name.* If your shares are held in an account at a brokerage firm, bank, broker-dealer or other similar organization, then you are the beneficial owner of shares held in "street name." The organization holding your account is considered the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares held in your account.

**If I am a shareholder of record of Common Stock, how do I vote?**

If you are a shareholder of record, you may vote by mailing a completed proxy card. To vote by mailing a proxy card, please sign and return the enclosed proxy card in the enclosed prepaid and self-addressed envelope and your shares will be voted at the Annual Meeting in the manner you





Table of Contents

directed. You may also vote your shares in person at the Annual Meeting. If you are a shareholder of record, you may request a ballot at the Annual Meeting.

**If I am a beneficial owner of shares held in street name, how do I vote?**

If you are the beneficial owner of shares held in street name, you will receive instructions from the brokerage firm, bank, broker-dealer or other similar organization (the "shareholder of record") that must be followed for the shareholder of record to vote your shares per your instructions. You may complete and return the voting instruction form in the self-addressed postage paid envelope provided, or you may vote 24 hours a day via the internet or telephone by following the instructions on the enclosed vote instruction form.

If you hold your shares in street name and do not instruct your bank or broker how to vote in the election of directors, no votes will be cast on your behalf. Your bank or broker will, however, continue to have discretion to vote any uninstructed shares on the appointment of EKS&H (Proposal Three). Please ensure that you complete the voting instruction card sent by your bank or broker.

If your shares are held in street name and you wish to vote in person at the Annual Meeting, you must obtain a proxy issued in your name from the shareholder of record and bring it with you to the meeting. We recommend that you vote your shares in advance as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

**What am I voting on?**

You will be voting on the following proposals:

Proposal One: the election of six Directors of the Company;

Proposal Two: an advisory vote on the compensation of our named executive officers; and

Proposal Three: the ratification of EKS&H as the Company's independent registered public accounting firm for the 2014 fiscal year.

**Will there be any other items of business on the agenda?**

We do not expect any other items of business because the deadline for shareholder proposals and nominations has passed. Nonetheless, in case there is an unforeseen need, your proxy gives discretionary authority to Richard S. Warzala and Robert P. Maida with respect to any other matters that might be brought before the Annual Meeting. Those persons intend to vote that proxy in accordance with their best judgment.

**How many votes are required to act on the proposals?**

The holder of each outstanding share of Common Stock is entitled to one vote for each share of Common Stock on each matter submitted to a vote at a meeting of shareholders.

Pursuant to our Amended and Restated Articles of Incorporation and Bylaws, directors will be elected by the affirmative vote of the majority of the votes cast with respect to such director's election.

Approval of Proposals Two and Three requires an affirmative vote by a majority of the votes cast on each proposal.

**How are votes counted?**

Edgar Filing: ALLIED MOTION TECHNOLOGIES INC - Form DEF 14A

For purposes of each proposal, abstentions and broker non-votes, if any, will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

Table of Contents

**What happens if I return my proxy card without voting on all proposals?**

When the proxy is properly executed and returned, the shares it represents will be voted at the Annual Meeting in accordance with your directions. If the signed card is returned with no direction on a proposal, the proxy will be voted with the Board's recommendations.

**Can I change my vote after I return my proxy card?**

You can revoke your proxy and change your vote at any time prior to the voting thereof at the Annual Meeting. You can do this by:

filing with the Secretary of the Company a written revocation or signing and submitting another proxy with a later date, or

attending the Annual Meeting, withdrawing the proxy and voting in person.

If your shares are held by a nominee and you seek to vote shares in person at the Annual Meeting, you must bring to the Annual Meeting a written statement from the nominee confirming the shareholder's beneficial ownership of a stated number of shares and that such shares have not been voted by the nominee. Your attendance at the Annual Meeting will not in itself revoke your proxy.

**Will anyone contact me regarding this vote?**

Solicitation of proxies for use at the Annual Meeting may be made in person or by mail, telephone or telegram, by directors, officers and regular employees of the Company. Such persons will receive no special compensation for any solicitation activities. In addition, we have retained the services of D.F. King & Co., Inc. to aid in the solicitation of proxies in person, by mail or telephone. The costs are not expected to exceed \$7,000 plus expenses. We will request banking institutions, brokerage firms, custodians, trustees, nominees and fiduciaries to forward solicitation materials to the beneficial owners of Common Stock held of record by such entities, and we will, upon the request of such record holders, reimburse reasonable forwarding expenses.

**Who has paid for this proxy solicitation?**

The Company has paid the entire expense of this proxy statement and any additional materials furnished to shareholders.

**May shareholders ask questions at the Annual Meeting?**

Yes. There will be time allotted at the end of the meeting when Company representatives will answer questions from the floor.

**How can I obtain a copy of this year's Annual Report on Form 10-K?**

A copy of the Company's 2013 Annual Report to Shareholders, including financial statements for the fiscal year ended December 31, 2013, accompanies this Proxy Statement. The Annual Report, however, is not part of the proxy solicitation material. A copy of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") may be obtained free of charge by writing to Allied Motion Technologies Inc., 455 Commerce Drive, Suite 4, Amherst, New York 14228, Attention: Secretary or by accessing the "SEC Filings" section of the Company's website at [www.alliedmotion.com](http://www.alliedmotion.com). In addition, the Proxy Statement and Annual Report are available on the internet at <https://materials.proxyvote.com/019330>.

Table of Contents

**What does it mean if I receive more than one proxy card?**

It means that you have multiple accounts at the transfer agent or with stockbrokers. Please complete and return *ALL* proxy cards to ensure that all your shares are voted.

**When was this proxy statement mailed?**

This proxy statement, the enclosed proxy card and the Annual Report were mailed to shareholders beginning on or about April 11, 2014.

**Can I find additional information on the Company's website?**

Yes. Our website is located at [www.alliedmotion.com](http://www.alliedmotion.com). Although the information contained on our website is not part of this proxy statement, you can view additional information on the website, such as our code of ethics, corporate governance principles, charters of board committees and reports that we file with the SEC. A copy of our code of ethics, corporate governance principles and each of the charters of our board committees may be obtained free of charge by writing to Allied Motion Technologies Inc., 455 Commerce Drive, Suite 4, Amherst, New York 14228, Attention: Secretary.

**PROPOSAL ONE: ELECTION OF DIRECTORS**

Our Articles of Incorporation and Bylaws provide for a Board consisting of not less than three and not more than nine persons, as such number is determined by the Board of Directors, all of whom will be elected annually to serve until the next annual meeting of shareholders and until their successors are elected and qualified, or until the Director resigns or is otherwise removed.

Our Board of Directors currently consists of Richard D. Federico, S.R. (Rollie) Heath, Jr., Gerald J. (Bud) Laber, William P. Montague, Michel M. Robert, Richard D. Smith and Richard S. Warzala. Messrs. Montague and Robert previously indicated that they will not be standing for re-election at the Annual Meeting. In accordance with the Bylaws of the Company, the Board of Directors has reduced the size of the Board from seven to six directors effective at the Annual Meeting. The affirmative vote of a majority of the votes cast is required for the election of directors. Unless instructed otherwise, it is intended that the shares represented by proxy at the Annual Meeting will be voted in favor of the six nominees named below, each of whom was nominated by the Board based on the recommendation of our Governance and Nominating Committee. Each nominee is an incumbent director standing for re-election with the exception of James J. Tanous, who was recommended to the Governance and Nominating Committee by our Chief Executive Officer. All nominees have agreed to serve if elected.

If, at the time of the Annual Meeting, any nominee is unable or declines to serve, the discretionary authority provided in the proxy may be exercised to vote for a substitute or substitutes. The Board of Directors has no reason to believe that any substitute nominee or nominees will be required.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES.**

**Nominees for Election as Directors**

The biography of each director nominee below contains information regarding that person's principal occupation, positions held with the Company, service as a director, business experience, other director positions currently held or held at any time during the past five years, involvement in certain legal or administrative proceeding, if applicable, and the experiences, qualifications, attributes or skills that caused our Governance and Nominating Committee to conclude that the person should serve as a member of our Board of Directors.

Table of Contents

**Richard D. Federico**, age 59 Mr. Federico has over thirty years of operational, strategy and investment experience. He has served as a director since February 2012. Since November 2012 he has been the Founder and Managing Partner at Cetan Partners, an investment and advisory firm. From October 2011 he was Managing Director at Ocean Tomo, the leading global merchant banc specializing in intellectual capital. He spent the prior ten years as a Senior Advisor and Managing Director in private equity with Sterling Partners, where he served as an investment partner and additionally worked with a number of Sterling portfolio investments to build, capture and maximize best-in-class practices across the firm and instituted effective governance at the portfolio level. His background also includes senior management positions with companies including Fisher Scientific, The Millard Fillmore Health System, The Science Kit Group and KPMG. He currently is and has been involved with numerous private and non-profit boards.

**S.R. (Rollie) Heath, Jr.**, age 76 Mr. Heath has served as a director of the Company since August 2007. He is a recognized civic and business leader in Colorado, currently serving as a State Senator from District 18. Mr. Heath has extensive knowledge of, and experience with, the manufacturing industry. Mr. Heath spent 17 years in senior management with Johns Manville Corporation and later became the chairman, CEO and a co-founder of Ponderosa Industries, a precision metal parts manufacturing company.

**Gerald J. (Bud) Laber**, age 70 Mr. Laber has served as a director of the Company since November 2010. He has been a private investor since 2000, when he retired after 33 years of service with Arthur Andersen LLP. He holds a BSBA degree in accountancy from the University of South Dakota and is a certified public accountant. Mr. Laber is currently on the board of directors and chair of the audit and compensation committees of Boulder Brands Inc. and member of the board and chair of the audit committee and member of the compensation committee at Scott's Liquid Gold.

**Richard D. Smith**, age 66 Mr. Smith has served as a director of the Company since August 1996. Mr. Smith has broad executive management experience with the Company and extensive knowledge and experience in accounting and financial matters. He served as Chief Financial Officer from June 1983 until December 1, 2012, as Chief Executive Officer from August 1998 until May 2009 and as Executive Chairman of the Board of Directors from May 2009 until his retirement in March 2013. Mr. Smith served as non-executive Chairman of the Board from March 2013 until February 2014. Pursuant to Mr. Smith's consulting agreement with the Company, the Board shall nominate him for election to the Board as long as he has not been terminated and is willing to serve on the Board of Directors.

**James J. Tanous**, age 66 Mr. Tanous is a new director nominee in 2014. He is currently the Executive Director of the Prentice Family Foundation, a not-for-profit foundation whose primary mission is to promote the economic development of the Western New York area, a position he has held since January 1, 2014. From April 2007 through June 2013 he served as Executive Vice President, Secretary and General Counsel of Erie Indemnity Company, a publicly traded Fortune 500 company that manages the property and casualty and life insurance companies that comprise the Erie Insurance Group. Prior to joining Erie Indemnity Company, Mr. Tanous was a Partner and Chairman of Jaeckle Fleischmann & Mugel, LLP, a law firm headquartered in Buffalo, New York where he represented numerous public and private companies for over 30 years.

**Richard S. Warzala**, age 60 Mr. Warzala has a strong management and technical background in the motion control industry and has served as a director of the Company since August 2006 and as Chairman of the Board since February 2014. Mr. Warzala joined Allied Motion as President and Chief Operating Officer in May 2002 and was appointed President and Chief Executive Officer in May 2009. Prior to joining Allied Motion, Mr. Warzala was President of the Motion Components Group of Danaher Corporation and held various positions at American Precision Industries Inc., including Corporate Vice President and President of its API Motion Division. Pursuant to his employment

Table of Contents

agreement, as long as Mr. Warzala is Chief Executive Officer and is willing to serve, the Board of Directors will nominate him for election to the Board.

**Nominating Procedures**

The Governance and Nominating Committee identifies nominees by first evaluating the current members of the Board of Directors willing to continue in service. Current members of the Board with skills and experience that are relevant to the Company's business and who are willing to continue in service are considered for re-nomination. If any member of the Board does not wish to continue in service, or if the Governance and Nominating Committee decides not to nominate a member for re-election, the Governance and Nominating Committee first considers the appropriateness of the size of the board. If the Governance and Nominating Committee determines the board seat should be retained and a vacancy exists, the Governance and Nominating Committee considers factors that it deems are in the best interests of the Company and its shareholders in identifying and evaluating a new nominee. Skills and characteristics that are considered include judgment, accountability, integrity, experience, technical skills, diversity, financial literacy, mature confidence, high performance standards, time, other board appointments, industry knowledge, and degree of independence from management.

In identifying suitable candidates for nomination as a director, the Governance and Nominating Committee will consider the needs of the Board and the range of skills and characteristics required for effective functioning of the Board. In evaluating such skills and characteristics, the Governance and Nominating Committee takes into consideration such factors as it deems appropriate, including those included in the Corporate Governance Principles, which are available at [www.alliedmotion.com](http://www.alliedmotion.com).

While we do not have a formal policy or guidelines regarding diversity of membership of our Board of Directors, our Corporate Governance Principles recognize the value of having a Board that encompasses a broad range of skills, expertise, contacts, industry knowledge and diversity of opinion, our Board has not attempted to define "diversity," or otherwise require that the composition of our Board include individuals from any particular background or who possess specific attributes. The Governance and Nominating Committee will continue to consider whether it would be appropriate to adopt a policy or guidelines regarding board diversity or define diversity as it relates to the composition of our Board of Directors.

The Board of Directors will consider nominees recommended by shareholders. Any such person will be evaluated in the same manner as any other potential nominee for director. Any suggestion for a nominee for director by a shareholder should be sent to the Company's Secretary within the time periods set forth under "Shareholder Proposals for the 2015 Annual Meeting."

**Board Leadership Structure**

Richard S. Warzala serves as the Company's Chairman of the Board and also serves as President and Chief Executive Officer of the Company. The Company believes that having Mr. Warzala serve as both an executive officer and as Chairman demonstrates to the Company's employees and other stakeholders that the Board of Directors is under strong leadership, with a single person setting the tone and having primary responsibility for leading the Board of Directors. The Company believes this unity of leadership eliminates the potential for confusion or duplication of efforts, and provides clear leadership for the Company. In addition, the Board of Directors recognizes that, given Mr. Warzala's familiarity with the Company and his long standing experience with the Company, it is valuable to have him lead board discussions.

To provide for an additional independent leadership role, the Board of Directors has designated Richard D. Federico, as Lead Director. The Lead Director's responsibilities include: presiding at meetings of the Board of Directors at which the Chairman is not present, including executive sessions of the independent directors; serving as liaison between the Chairman and the independent directors; convening meetings of the independent directors; and consulting with the Chairman on matters relating to Board of Director performance and corporate governance.

Table of Contents

Another component of our leadership structure is the active role played by our independent directors in overseeing the Company's business, both at the Board and Committee level. Four of the six director nominees are considered independent under the corporate governance standards of the Nasdaq Global Market. All of our Directors are free to suggest the inclusion of items on the agenda for meetings of our Board of Directors or raise subjects that are not on the agenda for that meeting. In addition, our Board of Directors and each committee have complete and open access to any member of management and the authority to retain independent legal, financial and other advisors as they deem appropriate without consulting or obtaining the approval of any member of management. Our Board of Directors also holds regularly scheduled executive sessions of only independent Directors, led by the Lead Director, in order to promote discussion among the independent Directors and assure independent oversight of management. Moreover, our Audit Committee, Compensation Committee and Governance and Nominating Committee, all of which are comprised entirely of independent Directors, also perform oversight functions independent of management.

The Company believes its leadership structure is the most effective leadership structure for the Board of Directors at this time. However, the Board of Directors recognizes that no single leadership model is appropriate for a board at all times. Accordingly, the Board of Directors may in the future consider a different leadership structure, including a structure providing for a Chairman of the Board who is not an executive officer of the Company.

**Independent Directors**

Under the corporate governance standards of the Nasdaq Global Market, at least a majority of our Directors, and, except in limited circumstances, all of the members of our Audit Committee, Compensation Committee and Governance and Nominating Committee, must meet the test of "independence" as defined by Nasdaq. The Nasdaq standards provide that to qualify as an "independent" director, in addition to satisfying certain bright-line criteria, the Board of Directors must affirmatively determine that a director has no material relationship with the Company. The Board of Directors has determined that each director nominee, other than Mr. Warzala and Mr. Smith, satisfies the bright-line criteria and that no other director or nominee has a relationship with the Company that would interfere with such person's ability to exercise independent judgment as a member of our Board.

**Risk Oversight**

The Board of Directors oversees our risk management process. This oversight is primarily accomplished through the Board's committees and management's reporting processes. We do not have a formal risk committee; however, our Audit Committee focuses on risk related to accounting, internal controls, financial and tax reporting, and also assesses economic and business risks. Our Compensation Committee identifies and oversees risks associated with our executive compensation policies and practices, and our Governance and Nominating Committee identifies and oversees risks associated with director independence, related party transactions, the implementation of corporate governance policies and also monitors compliance with ethical standards.

**Director Stock Ownership Policy**

The Board of Directors believes it is generally desirable for directors to own shares of the Company's stock. By becoming equity owners, the outside directors assume a personal stake in the success or failure of the Company and it aligns their financial interests with the long-term shareholders of the Company. Pursuant to the Director Stock Ownership Policy, which was adopted in 2010 and revised in 2014, non-employee directors are required to make a minimum investment in Company stock equal to three times the annual cash and stock retainer (the "Guideline Investment"). Each non-employee director is allowed a grace period to meet the Guideline Investment in full, from the date of initial election or appointment to the Board through the fifth anniversary of such election or

Table of Contents

appointment. The Company has a Non-Employee Director Stock in Lieu of Cash Retainer Plan. Pursuant to the Plan, each non-employee director may elect to forego receipt of all or a portion of the cash retainer in exchange for newly issued common stock, however, until the Guideline Investment is achieved, directors must utilize 50% of the cash retainer to purchase Company stock and such stock, along with stock grants received from the Company, will be used to reach the Guideline Investment.

**BOARD COMMITTEES AND MEETINGS**

The Board of Directors has a standing Audit Committee, Compensation Committee and Governance and Nominating Committee. Each member of each of these committees is "independent" as that term is defined in the Nasdaq listing standards. The Board has adopted a written charter for each of these committees, which is available on our web site at [www.alliedmotion.com](http://www.alliedmotion.com).

**Audit Committee**

The Audit Committee of our Board of Directors oversees the Company's financial reporting on behalf of the Board and is responsible for the appointment, replacement, compensation and oversight of the work of the Company's independent auditors. The Audit Committee also reviews the Company's annual and quarterly reports filed with the SEC. The Audit Committee held four regular meetings during 2013 and consisted of Messrs. Laber (Chairman), Heath and Montague. The Audit Committee also met various times throughout the second half of 2013 to review SEC reporting requirements in relation to the Company's acquisition of Globe Motors, Inc. Each member of the Audit Committee meets the current independence and experience requirements of Nasdaq and the SEC. Mr. Laber has been designated as the Company's "Audit Committee financial expert" in accordance with the SEC rules and regulations and qualifies as a financially sophisticated audit committee member under the Nasdaq listing standards. See "Report of the Audit Committee" below.

**Compensation Committee**

In 2013, the Compensation Committee of our Board of Directors consisted of Messrs. Montague (Chairman), Federico and Laber. The Compensation Committee has the principal responsibility to make recommendations to the Board of Directors concerning the compensation of the Company's management employees including its executive officers and the Board of Directors. The Compensation Committee also reviews, approves and recommends to the Board for their approval all awards granted under the Company's stock incentive plan and performs other functions regarding compensation as the Board may delegate. The Compensation Committee met five times during 2013.

**Governance and Nominating Committee**

The Governance and Nominating Committee (i) monitors and oversees matters of corporate governance, including the evaluation of Board performance and processes and the "independence" of directors, and (ii) selects, evaluates and recommends to the Board qualified candidates for election or appointment to the Board and each Committee of the Board. The Governance and Nominating Committee of our Board of Directors met four times during 2013 and consisted of Messrs. Federico (Chairman), Heath and Robert.

**Board Attendance at Meetings**

The Board of Directors held four regular and two special meetings in 2013. Our Independent Directors meet in executive session without management directors or management present. These sessions generally take place prior to or following regularly scheduled board meetings. The directors met in such sessions four times during 2013. Each director attended 100% of the total number of meetings of the Board of Directors and meetings held by all committees of the Board of Directors on



Table of Contents

which he served. Our Corporate Governance Principles provide that all directors are expected to regularly attend all meetings of the Board and the Board committees on which he serves. In addition, each director is expected to attend the Annual Meeting of Shareholders. In 2013, the Annual Meeting of Shareholders was attended by all of the directors.

**Shareholder Communication With the Board**

We provide an informal process for shareholders to send communications to the Board of Directors. Shareholders who wish to contact the Board of Directors or any of its members may do so in writing to Allied Motion Technologies Inc., 455 Commerce Drive, Suite 4, Amherst, New York 14228. Correspondence directed to an individual board member will be referred to that member. Correspondence not directed to a particular board member will be referred to the Lead Director.

**Audit Committee Report**

*The following Report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 except to the extent the Company specifically incorporates this Report by reference therein.*

Management is responsible for the Company's financial statements and reporting process. The Company's independent registered public accounting firm, EKS&H LLLP (EKS&H) is responsible for performing an independent audit of the Company's annual financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States)("PCAOB") and for issuing a report on those statements.

As members of the Audit Committee, our work is guided by our Audit Committee Charter which is reviewed annually by the Board of Directors. We have completed all Charter tasks scheduled to be performed in 2013 prior to year-end and all Charter tasks scheduled to be performed in 2014 prior to the filing of this proxy statement. Our work included, among other procedures:

- (1) We pre-approved audit and permitted non-audit services of the Company's independent auditors.
- (2) We met with management and the independent auditors on a quarterly basis to discuss financial statements and related reports and to review significant accounting and reporting matters.
- (3) We discussed with the independent auditors their independence and the matters required to be discussed by Statement on Auditing Standards 61, "Communications with Audit Committees," as amended. We received the written disclosures from the independent auditors required by PCAOB Rule 3526, "Communication with Audit Committees Concerning Independence."
- (4) Prior to their publication, we reviewed and discussed with management and the independent auditors the Company's December 31, 2013, audited financial statements, the related audit report, and the applicable management's discussion and analysis.

Table of Contents

Based on the work referred to above, we recommended to the Board of Directors that the Board approve the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, for filing with the SEC.

Submitted by:  
THE AUDIT COMMITTEE  
Gerald J. (Bud) Laber, Chairman  
S.R. (Rollie) Heath  
William P. Montague

**EXECUTIVE COMPENSATION**

**Executive Officers**

The following provides certain information regarding our executive officers. Each individual's name and position with the Company is indicated. In addition, the principal occupation and business experience for the past five years is provided for each executive officer. There are no family relationships between any of our directors or executive officers.

**Richard S. Warzala**, age 60 Mr. Warzala has served as director of the Company since August 2006 and as Chairman of the Board since February 2014. Mr. Warzala joined Allied Motion as President and Chief Operating Officer in May 2002 and was appointed President and Chief Executive Officer in May 2009. Prior to joining Allied Motion, Mr. Warzala was President of the Motion Components Group of Danaher Corporation and held various positions at American Precision Industries Inc., including Corporate Vice President and President of its API Motion Division.

**Robert P. Maida**, age 49 Mr. Maida was named Chief Financial Officer effective December 1, 2012. Prior to joining Allied Motion he worked for over two years as the Director of Finance for Avox Systems, Inc., a subsidiary of Zodiac Aerospace. For the ten years prior to that, Mr. Maida held several positions with API Motion / Danaher Motion where he progressed to the position of Director of Finance for the Applied Products Group of Danaher Motion, a subsidiary of Danaher Corporation. Prior to that, he was the Vice President of Finance for Great Lakes Industries, Inc. and the Director of Finance of BRC, a division of Bryce Corporation. After Mr. Maida graduated from the State University of New York at Buffalo with a Bachelor of Science degree in Business Administration, he was a Certified Public Accountant for Dopkins & Company in Buffalo for just under four years.

**Kenneth R. Wyman**, age 71 Mr. Wyman was named Vice President of Marketing of the Company in February 2003. He was designated as an executive officer in February 2005. From 2000 to 2002, he was Vice President of Marketing for the Motion Components Group of Danaher Corporation. In 1995, Mr. Wyman joined API Motion as Director of Marketing, and later was named Vice President of Marketing.

Table of Contents**Compensation of Executive Officers**

The following table presents information relating to total compensation of the Executive Officers of the Company (the "Named Executive Officers") for the fiscal years ended December 31, 2013 and 2012.

Name and Principal Position	Year	Salary	Stock Awards(1)	Non-Equity Incentive		Total
				Plan Compensation(2)	All Other Compensation	
Richard S. Warzala President and Chief Executive Officer	2013	\$ 406,000	\$ 2,263,951	\$ 240,329	\$ 203,137(3)	\$ 3,113,417
	2012	\$ 380,000	\$ 213,900	\$ 373,148	\$ 203,915	\$ 1,170,963
Robert P. Maida Chief Financial Officer	2013	\$ 175,000	\$ 274,251	\$ 63,748	\$ 16,772(4)	\$ 529,771
	2012	\$ 43,750	\$ 38,940	\$ 16,777	\$ 4,504	\$ 103,971
Kenneth R. Wyman Vice President of Marketing	2013	\$ 152,500	\$ 35,150	\$ 34,720	\$ 18,641(5)	\$ 241,011
	2012	\$ 149,167	\$ 35,650	\$ 42,902	\$ 20,530	\$ 248,248

- (1) Represents the total grant date fair value of stock awards on the date of the award. The awards consist of restricted shares with performance and/or service based vesting conditions. The fair values of these awards were based on the average closing bid and ask price of the Company's common stock as reported on the Nasdaq Global Market on the date of grant.
- (2) Non-Equity Incentive Plan Compensation for 2013 represents an amount paid pursuant to the Annual Incentive Bonus Plan, which is generally available to all employees of the Company and is payable based upon the achievement of Company performance goals established by the Board of Directors.
- (3) All Other Compensation for Mr. Warzala for 2013 includes (a) fair value of personal use of Company provided automobile of \$5,912, as determined with reference to IRS regulations, (b) the Company's contribution of \$15,519 to tax-qualified defined contribution plans, (c) contribution under the Deferred Compensation Plan of \$153,856 to provide Mr. Warzala supplemental retirement benefit, (d) the Company paid life insurance premiums of \$24,500, and (e) financial planning services of \$3,350.
- (4) All Other Compensation for Mr. Maida for 2013 includes (a) auto allowance paid of \$7,200, and (b) the Company's contribution of \$9,572 to tax-qualified defined contribution plans.
- (5) All Other Compensation for Mr. Wyman for 2013 includes (a) auto allowance paid of \$6,000, (b) fair value of personal use portion of reimbursed automobile operating expenses of \$1,644, as determined with reference to IRS regulations, and (c) the Company's contribution of \$10,997 to tax-qualified defined contribution plans.

**Chief Executive Officer Employment Agreement**

The Company has an employment agreement with Richard S. Warzala, President, Chief Executive Officer and Chairman of the Board. The Agreement has an initial term of five years, through May 2014, and continues subsequently on a year-to-year basis unless the Company or the officer gives termination notice at least 60 days prior to expiration of the initial or subsequent terms. The Agreement contains the provisions outlined below.

*Base Salary.* The Agreement provides an annual base salary that may be reviewed annually for increase on a merit basis. Mr. Warzala's salary was increased to \$435,000 effective March 1, 2014.



Table of Contents

*Annual Incentive Bonus.* Annual incentive bonuses are paid based on achieving performance criteria recommended annually by the Compensation Committee and approved by the Board of Directors within ninety days of the beginning of the performance period. The performance criteria will recognize the overall financial performance of the Company and the improvements made in financial results. Mr. Warzala participates in the Company's annual incentive plan which is described below under the heading *Executive Compensation Program Annual Incentive Plan*.

*Short-Term and Long-Term Incentive Compensation.* The Company utilizes stock based awards for short-and long-term incentives. In making its determination regarding the grant of stock based awards, the Board considers, among other things, the Employee's responsibilities and efforts and performance in relation to the business plan and forecast, the relationship between the benefits of restricted stock and improving shareholder value, the development and performance of the Company's products in the marketplace and an increase in the trading price per share of the Company's Common Stock. The Board also considers customary business practices and Short- and Long-Term Incentive Plan benefits granted in comparison to such benefits provided to other executives in similar positions. A discussion of Mr. Warzala's short-term and long-term equity incentive awards is set forth below under the heading *Executive Compensation Program Equity Incentive Plans*.

*Nonqualified Deferred Compensation.* The Company maintains a Deferred Compensation Plan which provides eligible key employees with the opportunity to defer the receipt of base compensation, bonuses, or a combination thereof, receive an allocation of any discretionary amount contributed to the Plan by the Company and receive an allocation of any performance based contributions by the Company. During 2013, no participants elected to defer any compensation and no discretionary amounts, other than described below, were contributed to the Plan. Performance based contributions are set annually based on performance goals based on the achievement of a minimum return on equity.

Effective May 31, 2011 Mr. Warzala's employment agreement was amended to add supplemental retirement contributions. Under this amendment, the Company will make an annual contribution of \$153,856 each May beginning in 2011 and ending in 2017. These contributions are guaranteed provided Mr. Warzala does not voluntarily terminate his employment and will be payable if his employment is terminated due to Employee's death, Disability, involuntary termination by the Company without Cause, or at any time and for any reason after a Change in Control. The contributions will be treated as Discretionary Contributions under the Deferred Compensation Plan.

*Other Provisions.* Mr. Warzala participates in other benefits and perquisites as are generally provided by the Company to its employees. In addition, the Company provides Mr. Warzala with an automobile, personal financial planning, an annual physical examination and with life insurance for which the executive may designate the beneficiaries.

In the event of termination pursuant to a change in control, the Agreements provide for continuation of salary, insurance benefits and other bonus proration or settlements as outlined below.

*Retirement.* Payments upon retirement will be made pursuant to a retirement arrangement established with the Named Officer's consent, which may provide for the settlement of the Annual Incentive Bonus for the current year.

*Termination for Cause.* Termination for cause payments include salary continuation through the date of termination and benefit continuation until the end of the termination month.

*Death.* Upon death, salary continues to the end of the month containing the date of death and for three months following. Any proration of the Annual Incentive Bonus is at the Board of Directors' discretion.

Table of Contents

*Disability.* In the case of disability, salary is continued until the end of the term of the employment agreement, as adjusted for any compensation payable under any Company paid disability plan, or until long term disability insurance becomes effective. Benefits are continued as generally provided by the Company to its employees in accordance with the Company's disability plan. Any proration of the Annual Incentive Bonus is at the Board of Directors' discretion.

*Involuntary Termination for other than Cause, Retirement, Death or Disability.* Involuntary termination payments include salary continuation through the end of the termination month and for twelve months following termination. For one year following the termination, medical, dental, long-term disability and life insurance benefits equal to the coverage provided to the employee at the time of termination are provided. An amount equal to 90% of the base salary at time of termination is to be paid in lieu of the annual bonus and an equity award is granted at the discretion of the Board for the fiscal year in which employment is terminated.

**Executive Compensation Program**

The Executive Compensation Program approved by the Compensation Committee is made up of base compensation and performance-based compensation. In allocating compensation among these elements, the Compensation Committee believes that the compensation of our executive officers, specifically our Chief Executive Officer, should be predominately performance-based. The performance-based compensation consists of awards under the Company's, annual cash incentive plan, short-term equity incentive program, long-term equity incentive program and deferred compensation plan, as further described below.

*Base Compensation.* Base compensation is comprised of the annual salary and annual time-based restricted stock awards. In addition, the CEO will receive a supplemental retirement contribution through May 2017 as discussed above under the heading *Chief Executive Officer Employment Agreement Nonqualified Deferred Compensation*. The annual time-based restricted stock awards are equal to a percentage of the officer's then annual salary divided by the share price (average of bid and ask) on the day of the first meeting of the Board of Directors that year ("First BOD meeting"). In February 2014, the Compensation Committee granted Mr. Warzala 12,975 shares of time-based restricted stock (33.3% of annual salary). The Compensation Committee also made a discretionary award of time-based restricted stock to Mr. Maida (2,720 shares) and Mr. Wyman (900 shares). The time-based shares will vest 1/3 on each of March 31, 2015, 2016, and 2017.

*Annual Cash Incentive Plan.* The annual incentive plan is a pay-for-performance cash award plan based on the actual Economic Value Added (EVA) achieved as compared against a threshold and target EVA performance goals established for each year by the Board of Directors. EVA is net operating profit after taxes, as defined, less a cost of capital charge. If the target EVA is achieved, then the target bonus is paid. If the actual EVA achieved falls between the threshold and the target EVA performance goals, the annual cash incentive plan award equals the target amount multiplied by the prorata percent of the EVA target achieved (0% to 100% of the target bonus amount). If the actual EVA achieved is greater than the target EVA performance goal, then the annual cash incentive plan award will be greater than 100% of the target amount with the total award being a certain prorata percent of the incremental EVA achieved above the target EVA.

For 2013, the annual cash incentive target as a percentage of the actual salary earned for the year was set as follows: Mr. Warzala (65%), Mr. Maida (40%) and Mr. Wyman (30%). The Company's actual EVA fell between the threshold and the target EVA performance goals specified at the beginning of 2013. Applying the pre-established bonus formula to the financial performance resulted in annual cash incentive plan payments to the executive officers equal to 91.1% of target bonus levels, as set forth in the Summary Compensation Table under the heading Non-Equity Incentive Plan

Table of Contents

Compensation. For 2014, Mr. Warzala's annual cash incentive plan target was increased from 65% to 70% of annual salary.

*Short-Term Equity Incentive Program (STIP).* The STIP is a pay-for-performance incentive program under which restricted stock is awarded annually and earned upon the achievement of certain annually determined performance criteria. Any shares earned under the STIP will then vest over a three year period. The Compensation Committee uses adjusted EBITDA as the performance criteria under the STIP and measures the Company's results against threshold, target and high performance measures. The STIP target is equal to the weighted average of the combined EBITDA of the Company and Globe Motors, Inc., adjusted to account for business development costs relating to the Globe Motors acquisition, for the immediately preceding three year period. The STIP threshold is 95% of target and the STIP high performance measure is 105% of target. If the STIP high performance measure is achieved or exceeded, then all of the STIP shares will be earned. If the Company's actual results are less than the STIP high performance measure but greater than the STIP threshold, then the STIP shares will be earned on a prorata basis. If the Company's actual results are less than the STIP threshold, then no STIP shares will be earned. Any unearned STIP shares will be forfeited and returned to the Stock Incentive Plan and be available for future awards. The Board of Directors may change the terms of the STIP at any time taking into consideration the relationship of the incentive pay earned to the increase in profitability achieved for any period.

The annual STIP awards are equal to a percentage of the officer's then annual salary divided by the share price (average of bid and ask) on the day of the First BOD meeting. In February 2013, the Compensation Committee approved the award of 38,909 STIP shares to Mr. Warzala (67.7% of annual salary) and 1,993 STIP shares for Mr. Maida (8.0% of annual salary), each in the form of restricted stock. The performance targets established for the STIP were partially met during 2013 and approximately 38.9% of each officers' STIP shares were earned and the remainder were forfeited prior to vesting.

For 2014, the Compensation Committee approved the award of 25,951 STIP shares to Mr. Warzala, 1,360 shares for Mr. Maida and 1,500 shares for Mr. Wyman.

*Long-Term Equity Incentive Program (LTIP).* The LTIP is a five year pay-for-performance incentive program implemented in 2013 under which the CEO and CFO will earn shares based upon the achievement of an increase in sales over the five years ending December 31, 2017. The sales target to be achieved over the five year period is \$250 million ("Sales Target"), an increase in sales of approximately \$148 million over the base sales of approximately \$102 million in 2012, and can be achieved in two ways organic sales growth and acquired sales (defined as the actual sales achieved by any company or business unit acquired by Allied Motion for the trailing twelve months immediately preceding the closing date of such acquisition).

The target incentive compensation to be paid upon the achievement of the Sales Target is the award of the number of shares that equals \$2,050,000 for the CEO (500% of annual salary at the beginning of the performance period) and \$210,000 for the CFO (120% of annual salary at the beginning of the performance period), paid on a prorata basis as all or a portion of the Sales Target is achieved during the performance period. Accordingly, for every million dollar increase in sales in any year during the performance period, the CEO will earn shares of stock with a value equal to approximately \$13,848 and the CFO will earn shares of stock with a value equal to approximately \$1,419. The LTIP performance criteria for organic sales growth is measured after the end of each year of the performance period at the First BOD Meeting and the number of shares earned will be calculated based on the stock price (average of bid and ask) as measured at the beginning of the previous year (or for 2013, the date the LTIP was adopted). The LTIP shares that are earned based on actual organic sales growth will vest 1/3 on the Annual BOD Meeting and the remainder will vest annually over the following two years. The LTIP performance criteria for acquired sales is measured as

Table of Contents

of the closing date for an acquisition during the performance period and the number of shares earned will be calculated based on the stock price (average of bid and ask) as measured at the beginning of the year (or for 2013, the date the LTIP was adopted). The LTIP shares that are earned based on acquired sales will vest annually (1/5 each year) over the following five years. When calculating the increase in sales, the Company will make appropriate adjustments to account for any acquired sales for which a LTIP payment has been paid. If the recipient's employment with the Company is terminated due to cause or voluntary resignation, any unvested LTIP shares will be forfeited. The Board of Directors may change the terms of the LTIP at any time taking into consideration the relationship of the incentive pay earned to the increase in profitability achieved for any period.

In 2013, Messrs. Warzala and Maida each earned approximately 80% of the total LTIP target compensation that was eligible to be paid over the five-year LTIP performance period. In October 2013 Messrs. Warzala and Maida were awarded 225,232 and 23,073 LTIP shares, respectively, in connection with the closing of the Company's acquisition of Globe Motors, Inc. These LTIP shares will vest 1/5 on each of October 18, 2014, 2015, 2016, 2017 and 2018. In February 2014, Mr. Warzala was also awarded 7,975 LTIP shares and Mr. Maida earned 817 LTIP shares based on the Company's organic sales growth for 2013. These LTIP shares vested 1/3 on February 15, 2014 and the remainder will vest 1/3 on each of March 31, 2015 and 2016. To date, Messrs. Warzala and Maida have been awarded an additional 36,840 and 5,190 LTIP shares, respectively, that may be earned during the remainder of the five-year performance period and, if earned, will vest in accordance with the LTIP program.

*Deferred Compensation (DCP).* The DCP is a pay-for-performance incentive plan pursuant to which Mr. Warzala will receive an annual performance contribution to his deferred compensation account based on the achievement of a minimum return on equity (the "DCP Performance Target") determined each year by the Board of Directors within 90 days of the beginning of the performance period. If the DCP Performance Target is achieved, an amount equal to 12.5% of the excess over the DCP Performance Target is contributed to Mr. Warzala's deferred compensation account, provided that performance contribution will be capped at an amount that is equal to one time Mr. Warzala's base pay in any given year.

For 2013, the DCP Performance Target was not achieved, accordingly no performance contribution was contributed to the Plan for Mr. Warzala. The DCP Performance Target was set at 12% return on equity for 2014.

**Change in Control Agreements**

The Company has entered into separate agreements with Messrs. Warzala and Maida, for termination resulting within 90 days prior to or 24 months following a change in control of the Company. The agreements are extended automatically on January 1 of each year to a total term of two years, unless notice of non-renewal is given by the Company not later than the September 30 immediately preceding such January (meaning that notice must be given at least 15 months prior to termination). Under the terms of the agreements, upon termination by the Company (other than for cause as defined in the agreement) or by the executive for good reason (as defined in the agreement), they are entitled to receive a severance payment equal to 2.5 times (one times for Mr. Maida) the sum of current annual base salary plus the highest amount paid or payable under the Annual Incentive Bonus Plan for any of the three preceding fiscal years, an allocation for incentive compensation for the current year up to the date of termination and a monthly payment for a two year period equal to 25% of the base salary for the individual to acquire insurance benefits. Any payments due under the Long-Term Incentive Payment Plan shall be paid in accordance with the plan provisions. The Company has a similar agreement (providing one times severance payments) with one other key officer. The change in control agreements are applicable to a change in control of the Company and require the key executives to remain in the employ of the Company for a specified period in the event of a potential change in control of the Company and provide employment security to them in the face of



Table of Contents

pressures to sell the Company or in the event of take-over threats, so that they can devote full time and attention to the Company's efforts free of concern about discharge in the event of a change in control of the Company. The Board of Directors has considered termination of these agreements and determined that the reasons for executing the agreements are valid and concluded that notices of non-renewal would not be in the best interests of the shareholders.

**Outstanding Equity Awards at 2013 Fiscal Year End**

The following table shows all outstanding equity awards held by the Named Executive Officers as of December 31, 2013.

Name	Stock Awards	
	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(1)
Richard S. Warzala	279,811(2)	\$ 3,483,647
Robert P. Maida	39,855(3)	\$ 496,195
Kenneth R. Wyman	9,666(4)	\$ 120,342

(1) Value is based on the closing price of the Company's common stock of \$12.45 on December 31, 2013, as reported on the Nasdaq Global Market.

(2) Includes 10,000 shares of restricted stock that are subject to future performance goals. Assuming continued employment with the Company, 18,193 shares vest on March 31, 2014; 45,047 vest on October 18, 2014; 14,860 shares vest on March 31, 2015; 45,047 shares vest on October 18, 2015; 11,526 shares vest on March 31, 2016; and 45,046 shares vest on each of October 18, 2016, 2017 and 2018.

(3) Includes 5,190 shares of restricted stock that are subject to future performance goals Assuming continued employment with the Company, 3,757 shares vest on March 31, 2014; 4,615 shares vest on October 18, 2014; 3,755 shares vest on March 31, 2015; 4,615 shares vest on October 18, 2015; 3,754 shares vest on March 31, 2016; 4,615 shares vest on October 18, 2016; 163 shares vest on March 31, 2017; 4,614 shares vest on October 18, 2017; 163 shares vest on March 31, 2018 and 4,614 shares vest on October 18, 2018.

(4) Assuming continued employment with the Company, 4,667 shares vest on March 31, 2014; 3,333 shares vest on March 31, 2015; and 1,666 shares vest on March 31, 2016.

**Director Compensation in 2013**

Through March 2013, non-employee directors received an annual retainer of \$22,000, paid quarterly, plus \$1,200 per full day meeting of the board attended and \$600 per telephone meeting attended. The Audit Committee chairman received an annual retainer of \$7,200, the Compensation Committee and Governance and Nominating Committee chairmen each received an annual retainer of \$4,700 and each committee member received a \$2,000 annual retainer.

Beginning April 2013, non-employee directors received an annual retainer of \$25,000, paid quarterly, plus \$1,500 per full day meeting of the board attended and \$700 per telephone meeting attended. The Audit Committee chairman received an annual retainer of \$7,500, the Compensation Committee and Governance and Nominating Committee chairmen each received an annual retainer of \$5,000 and each committee member received a \$2,000 annual retainer. The Chairman of the Board received an additional annual retainer of \$25,000.

Table of Contents

The following table shows the compensation paid by the Company to each non-employee director for 2013.

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Total (\$)
Richard D. Federico	\$ 36,600	\$ 24,605	\$ 61,205
S. R. (Rollie) Heath, Jr.	\$ 35,850	\$ 24,605	\$ 60,455
Gerald J. (Bud) Laber	\$ 43,275	\$ 28,120	\$ 71,395
William P. Montague	\$ 30,850	\$ 35,150	\$ 66,000
Michel M. Robert	\$ 32,250	\$ 21,090	\$ 53,340
Richard D. Smith(3)	\$ 42,700	\$ 70,300	\$ 113,000

- (1) Includes amounts that were used to purchase stock pursuant to the Company's Non-Employee Director Stock in Lieu of Cash Retainer Plan.
- (2) Represents the total grant date fair value of stock awards on the date of the award. The fair values of these awards were based on the average closing bid and ask price of the Company's common stock as reported on the Nasdaq Global Market on the date of grant.
- (3) Mr. Smith served as Executive Chairman of the Board until his retirement in March 2013. The Company entered into a five-year consulting agreement with Mr. Smith effective upon his retirement pursuant to which Mr. Smith will receive an annual consulting fee, paid monthly, and will be available to work part time as an independent contractor on assignments as requested by the Chief Executive Officer and agreed upon by Mr. Smith. The director compensation reported in this table does not include \$124,003 that Mr. Smith was paid in 2013 pursuant to the terms of the consulting agreement.

The aggregate number of unvested stock awards outstanding for each non-employee director as of December 31, 2013 is shown below:

Name	Number of Shares Unvested Stock Awards
Richard D. Federico	6,833
S. R. (Rollie) Heath, Jr.	6,500
Gerald J. (Bud) Laber	8,833
William P. Montague	5,000
Michel M. Robert	6,000
Richard D. Smith	19,999

**New Director Compensation Program**

On February 15, 2014, the Compensation Committee of the Board approved a revised compensation program for the non-employee directors. Under the director compensation program, each non-employee director will be paid an annual cash retainer of \$35,000. The chairperson of the Audit Committee will receive an additional \$12,500 annual cash retainer and other members of the Audit Committee will receive an additional annual cash retainer in the amount of \$7,500. The chairperson of the Compensation Committee and the Corporate Governance and Nominating Committee will each receive an additional \$8,000 annual cash retainer and other members of those committees will receive an additional annual cash retainer in the amount of \$5,000. The Lead Director will receive an

Table of Contents

additional \$10,000 annual cash retainer. All cash retainers will be payable ratably on a quarterly basis. The Company will no longer pay a separate fee for each meeting attended; however each non-employee director will be reimbursed for his or her expenses in connection with attendance at each meeting.

Non-employee directors will also receive an annual award of restricted stock under the 2007 Stock Incentive Plan, as amended. Beginning with the February 2014 Board of Directors meeting, the annual award will consist of shares of the Company's common stock with a value of \$50,000 as of the date of grant. The Lead Director will receive an additional award of restricted stock with a value of \$10,000 as of the date of grant. Directors who are appointed to the Board outside of the annual meeting of shareholders will receive a pro rated amount of the annual award. These restricted shares will vest over a three-year period upon the performance of future service as a director, subject to certain exceptions.

The Board approved grants of 4,474 shares of restricted stock to each non-employee director effective February 15, 2014, with one-third vesting each year on March 31, 2015, 2016 and 2017. As Lead Director, Mr. Federico received an additional 895 shares.

**OWNERSHIP OF COMPANY STOCK**

**Security Ownership of Certain Beneficial Owners**

To the best of our knowledge, no person or group (as those terms are used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) beneficially owned, as of the Record Date, more than five percent of the shares of Common Stock outstanding, except as set forth in the following table.

Name and Address of Beneficial Owner	Amount of Common Stock Beneficially Owned	Percent of Common Stock(1)
Richard S. Warzala 455 Commerce Drive, Suite 4 Amherst, New York 14228	1,165,383(2)	12.6%
Juniper Public Fund, L.P. 600 Madison Avenue, 16th Floor New York, New York 10022	712,080(3)	7.7%
Richard D. Smith 455 Commerce Drive, Suite 4 Amherst, New York 14228	656,171(4)	7.1%
Eugene E. Prince 7560 Panorama Drive Boulder, Colorado 80303	603,780(5)	6.5%

(1) The percentages are based upon 9,241,301 shares of Common Stock outstanding as of the Record Date.

(2) Includes 363,552 shares of Common Stock granted as incentive restricted shares under the Company's stock incentive plans that have not yet vested. Includes 13,051 shares of Common Stock credited to the Company's Employee Stock Ownership Plan ("ESOP") account of Mr. Warzala and 80,901 shares of Common Stock held by Mr. Warzala's children. Except as set forth in this note (2), does not include shares held by the ESOP as to which Mr. Warzala serves as one of three trustees.

(3) Based on a Statement on Schedule 13D/A filed with the Securities and Exchange Commission on August 30, 2013 by Juniper Public Fund, L.P., Juniper HF

## Edgar Filing: ALLIED MOTION TECHNOLOGIES INC - Form DEF 14A

### Table of Contents

Investors II, LLC, Juniper Investment Company, LLC, Alexis P. Michas and John A. Bartholdson.

- (4) Includes 24,473 shares of Common Stock granted as incentive restricted shares under the Company's stock incentive plans that have not yet vested. Includes 602,043 shares of Common Stock held by Smith Family Trust, of which Mr. Smith is trustee. Includes 900 shares held by Mr. Smith's wife's IRA.
- (5) Includes 74,000 shares of Common Stock held by the Prince Children's Trusts, of which Mr. Prince's wife is trustee and as to which Mr. Prince disclaims beneficial ownership.

### **Security Ownership of Management and Directors**

The following table sets forth certain information available to the Company with respect to shares of Common Stock owned by each director, each nominee for director, each executive officer and all directors, nominees and executive officers as a group, as of the Record Date:

Name	Amount and Nature of Beneficial Ownership			Percentage of Common Stock(1)
	Common Stock	Unvested Restricted Stock	Total Beneficial Ownership	
Richard D. Federico	13,022	12,202	25,224	*
S. R. (Rollie) Heath, Jr.	23,427	10,974	34,401	*
Gerald J. (Bud) Laber.	12,667	13,307	25,974	*
Robert P. Maida.		43,935	43,935(2)	*
Richard D. Smith	631,698	24,473	656,171(3)	7.1%
James J. Tanous				
Richard S. Warzala	801,831	363,552	1,165,383(4)	12.6%
Kenneth R. Wyman	31,137	12,066	43,203(5)	*
Employee Stock Ownership Plan	406,737		406,737(6)	4.4%
All directors, nominees and executive officers as a group	1,897,159	480,509	2,377,668	25.7%

\*  
Less than 1.0%.

- (1) The percentages are based upon 9,241,301 shares of Common Stock outstanding as of the Record Date.
- (2) Does not include shares held by the ESOP as to which Mr. Maida serves one of three trustees.
- (3) See note (4) under "Security Ownership of Certain Beneficial Owners."
- (4) See note (2) under "Security Ownership of Certain Beneficial Owners."
- (5) Includes 10,309 shares of Common Stock credited to the ESOP account of Mr. Wyman.
- (6) Messrs. Maida and Warzala are trustees of the ESOP and could be deemed to have shared investment power over those shares. The ESOP holds an aggregate of 406,737 shares of Common Stock, including 13,051 shares credited to the ESOP account of Mr. Warzala and 10,309 shares credited to the ESOP account of Mr. Wyman previously reported in this table.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires directors and executive officers and persons who own more than ten percent of the Company's Common Stock to report their ownership and any changes in that ownership to the Securities and Exchange Commission. The Company believes that all Section 16(a) filing requirements applicable to its directors, executive officers and greater than ten percent beneficial owners were met for 2013, except for one filing for each of Messrs. Robert and Wyman, which were not timely made. All reports are current as of the date hereof.

Table of Contents

**PROPOSAL TWO: AN ADVISORY VOTE TO APPROVE THE  
COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

Shareholders are being asked to approve, on an advisory, non-binding basis, the compensation of our Named Executive Officers, as disclosed in this proxy statement in accordance with Securities and Exchange Commission rules. This proposal, commonly known as a "Say-on-Pay" proposal, gives you, as a shareholder, the opportunity to express your views on our Named Executive Officers' compensation. Your vote is not intended to address any specific item of our compensation program, but rather to address our overall approach to the compensation of our Named Executive Officers described in this proxy statement.

Our executive compensation programs are designed to attract, motivate, and retain our executive officers, who are critical to our success. Under these programs, our Named Executive Officers are rewarded for the achievement of our shorter-term and longer-term financial and strategic goals and for driving corporate performance. The programs contain elements of cash and equity-based compensation and are designed to align the interests of our executives with those of our shareholders.

The "Executive Compensation" section of this proxy statement describes in detail our executive compensation programs and the decisions made by the Compensation Committee. As we describe in this section of the proxy statement, our executive compensation program incorporates a pay-for-performance philosophy that supports our business strategy and aligns the interests of our executives with our shareholders. The Board believes this link between compensation and the achievement of our short- and long-term business goals has helped drive the Company's performance over time. At the same time, we believe our program does not encourage excessive risk-taking by management.

Our Board of Directors is asking shareholders to approve a non-binding advisory vote on the following resolution:

RESOLVED, that Allied Motion Technologies Inc.'s shareholders approve, on an advisory basis, the compensation paid to the Named Executive Officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission.

This vote on the Named Executive Officer compensation is advisory, and therefore will not be binding on the Company and will not affect any existing compensation or award programs. However, we value the opinions expressed by our shareholders and the Board of Directors and the Compensation Committee expect to consider the outcome of the vote, along with other relevant factors, when considering future compensation programs.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE APPROVAL OF THIS PROPOSAL.  
UNLESS OTHERWISE INSTRUCTED, PROXIES WILL BE VOTED "FOR" THE APPROVAL.**

**PROPOSAL THREE: RATIFICATION OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has appointed EKS&H LLLP (EKS&H) to act as auditors for the fiscal year ending December 31, 2014. EKS&H has served as the independent registered public accounting firm for the Company since 2006. Representatives of EKS&H are not expected to be present at the Annual Meeting, but will be available telephonically if necessary.

At the Annual Meeting, the shareholders will be asked to ratify the selection of EKS&H as the Company's independent registered public accounting firm. Pursuant to the Rules and Regulations of the Securities and Exchange Commission, the Audit Committee has the direct responsibility to appoint, retain, fix the compensation and oversee the work of the Company's independent registered public

## Edgar Filing: ALLIED MOTION TECHNOLOGIES INC - Form DEF 14A

### Table of Contents

accounting firm. Consequently, the Audit Committee will consider the results of the shareholder vote on ratification, but will exercise its judgment, consistent with its primary responsibility, on the appointment and retention of the Company's independent auditors.

The following table shows the fees paid by the Company for the audit and other services provided by EKS&H for 2013 and 2012.

	2013	2012
Audit Fees(1)	\$ 303,500	\$ 223,000
Audit-Related Fees(2)	307,000	28,000
Tax Fees(3)	154,910	107,463
All Other Fees(4)	58,500	
<b>Total</b>	<b>\$ 823,910</b>	<b>\$ 358,463</b>

- 
- (1) Audit fees includes amounts related to professional services provided in connection with the audits of the Company's annual financial statements, reviews of the Company's quarterly financial statements and audit services provided in connection with other regulatory filings.
- (2) Audit-related fees includes \$275,000 for professional services provided in connection with consultations, audits and regulatory filings related to the acquisition of Globe Motors and \$32,000 for benefit plan audits.
- (3) Tax fees consists of fees for tax compliance and tax consulting including services provided in 2013 in connection with the acquisition of Globe Motors.
- (4) All other fees for 2013 includes amounts for professional services provided in connection with due diligence work related to the acquisition of Globe Motors.

The Audit Committee of the Board has adopted policies and procedures providing for the pre-approval of audit and non-audit services performed by the Company's independent registered public accounting firm. Pre-approval may be given as part of the Audit Committee's approval on the engagement of the independent auditor or on an individual case-by-case basis before the independent auditor is engaged to provide each service. The pre-approval of services may be delegated to the Audit Committee chairman, but the decision is subsequently reported to the full Audit Committee.

The Audit Committee has considered whether provision of the non-audit related services described above is compatible with maintaining the independent accountants' independence and has determined that those services have not adversely affected EKS&H's independence.

The affirmative vote of a majority of the votes cast on the proposal, assuming a quorum is present at the Meeting, is required to ratify the appointment of EKS&H LLLP as the Company's independent public accounting firm for 2014.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE RATIFICATION. UNLESS OTHERWISE INSTRUCTED, PROXIES WILL BE VOTED "FOR" THE RATIFICATION.**

### **OTHER MATTERS**

Our management does not know of any other matters to come before the 2014 Annual Meeting. However, if any other matters come before the Annual Meeting, it is the intention of the persons designated as proxies to vote in accordance with their judgment on such matters.





Table of Contents

**SHAREHOLDER PROPOSALS  
FOR THE 2014 ANNUAL MEETING**

**Proposals for the Company's Proxy Material**

Any Company shareholder who wishes to submit a proposal to be included in the Proxy Material for the Company's 2015 Annual Meeting of Shareholders must submit such proposal to the Company at its office at 455 Commerce Drive, Suite 4, Amherst, New York 14228, Attention: Secretary, no later than December 12, 2014, in order to be considered for inclusion, if appropriate, in the Company's proxy statement and form of proxy relating to its 2015 Annual Meeting of Shareholders.

**Proposals to be Introduced at the Annual Meeting but not Intended to be Included in the Company's Proxy Material**

For any shareholder proposal to be presented in connection with the 2015 Annual Meeting of Shareholders, including any proposal relating to the nomination of a director to be elected to the Board of Directors of the Company, a shareholder must give timely written notice thereof in writing to the Secretary of the Company in compliance with the advance notice and eligibility requirements contained in the Company's Bylaws. To be timely, a shareholder's notice must be delivered to the Secretary at the principal executive offices of the Company not less than 60 days and not more than 90 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event the date of the annual meeting has been changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, notice by the shareholder to be timely must be so received at a reasonable time before the solicitation is made. The notice must contain specified information about each nominee or the proposed business and the shareholder making the nomination or proposal.

Based upon a meeting date of May 13, 2014 for the 2014 Annual Meeting of Shareholders, a qualified shareholder intending to introduce a proposal or nominate a director at the 2015 Annual Meeting of Shareholders should give written notice to the Company's Secretary not later than March 14, 2015 and not earlier than February 12, 2015.

The specific requirements of these advance notice and eligibility provisions are set forth in Article II of the Company's Bylaws, a copy of which is available upon request.

Such requests and any shareholder proposals should be sent to the Secretary of the Company at Allied Motion Technologies Inc., 455 Commerce Drive, Suite 4, Amherst, New York 14228.

BY ORDER OF THE BOARD OF DIRECTORS

JOSEPH P. KUBAREK  
*Secretary*

April 11, 2014

**ALLIED MOTION TECHNOLOGIES INC.**

**455 Commerce Drive, Suite 4  
Amherst, New York 14228**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned hereby appoints Richard S. Warzala and Robert P. Maida, or either of them, proxies for the undersigned, each with the power of substitution, and hereby authorizes them to vote, as designated below, all the shares of common stock, no par value, which the undersigned would be entitled to vote at the annual meeting of shareholders of Allied Motion Technologies Inc. (the Company) to be held on May 13, 2014, and at all adjournments thereof, and directs that the shares represented by this proxy should be voted as indicated on the reverse:

**(Continued and to be signed on the reverse side.)**

---

**ANNUAL MEETING OF SHAREHOLDERS OF**

**ALLIED MOTION TECHNOLOGIES INC.**

**MAY 13, 2014**

**NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:**

**The Notice of Meeting, proxy statement and proxy card are available at**

**<https://materials.proxyvote.com/019330>**

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x**

Item 1. TO ELECT SEVEN DIRECTORS TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS.

**NOMINEE:**

R.D. Federico	<input type="radio"/> FOR	<input type="radio"/> AGAINST	<input type="radio"/> ABSTAIN
S.R. Heath Jr.	<input type="radio"/> FOR	<input type="radio"/> AGAINST	<input type="radio"/> ABSTAIN
G.J. Laber	<input type="radio"/> FOR	<input type="radio"/> AGAINST	<input type="radio"/> ABSTAIN
R.D. Smith	<input type="radio"/> FOR	<input type="radio"/> AGAINST	<input type="radio"/> ABSTAIN
J.J. Tanous	<input type="radio"/> FOR	<input type="radio"/> AGAINST	<input type="radio"/> ABSTAIN
R.S. Warzala	<input type="radio"/> FOR	<input type="radio"/> AGAINST	<input type="radio"/> ABSTAIN

Item 2. ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

FOR  AGAINST  ABSTAIN

Item 3. RATIFICATION OF THE APPOINTMENT OF THE COMPANY'S INDEPENDENT PUBLIC ACCOUNTING FIRM FOR 2014

FOR  AGAINST  ABSTAIN

**This proxy is being solicited on behalf of the Board of Directors of the Company, and may be revoked prior to its exercise. This proxy, when properly executed, will be voted as directed above by the undersigned shareholder. If no direction is made, it will be voted FOR the nominees named in Item 1 and FOR proposals 2 and 3. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting.**

**PLEASE SIGN AND RETURN THIS PROXY IN THE ENCLOSED POSTAGE PAID ENVELOPE AS PROMPTLY AS POSSIBLE.**

Signature of Shareholder:

Date:

Signature of Shareholder:

Date:

**Note:** Please sign exactly as your name appears on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

