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business experience for the past five years and certain other information for our Nominees. The nominations were made in a timely manner and in compliance with the applicable provisions of the Company's governing instruments. The specific experience, qualifications, attributes and skills that led us to conclude that the Nominees should serve as directors of the Company are set forth above in the section entitled "Reasons for the Solicitation" and below. This information has been furnished to us by the Nominees.

**Andrew P. Hines**, age 78, has been the Principal of Hines & Associates, LLC, a consulting firm, since 2000. Previously he served as Executive Vice President and Chief Financial Officer of Natural Markets Foods Group, a chain of organic food markets, from October 2015 to November 2016, as Executive Vice President and Chief Financial Officer of Sonar Entertainment, a developer, producer and distributor of original made-for-television movies and mini-series, from June 2011 to June 2014, and as Executive Vice President and Chief Financial Officer of World Color Press Inc. (f/k/a Quebecor World), a provider of high-value and comprehensive print, digital, and related services to businesses worldwide, from September 2009 to June 2010. Additionally, Mr. Hines served as Vice President and Chief Financial Officer of GenTek, Inc., a manufacturer of industrial components and performance chemicals, from October 2005 to September 2006, as Executive Vice President & Chief Financial Officer of Onboard Marine Corporation, a marine engine and boat manufacturer, from 1997 to 2000, and as Senior Vice President & Chief Financial Officer of F.W. Woolworth Company, a retail company and one of the original pioneers of the five-and-dime store, from 1994 to 1997. Mr. Hines also served as the Senior Vice President & Chief Financial Officer of Adidas, USA, the North American division of Adidas AG (ETR: ADS), a multinational corporation that designs and manufactures shoes, clothing and accessories, from 1989 to 2002, and in various senior financial positions with RJR Nabisco, Inc., formerly a conglomerate that sold tobacco and food products, from 1976 to 1989. Mr. Hines has served as a director for Tronox Limited (NYSE: TROX), a worldwide chemical company, since 2012, Intermap Technologies (TSE: IMP), a geospatial industry leader that provides location-based solutions with its powerful suite of software applications, since July 2016. Mr. Hines was previously a director with C&D Technologies, Inc., a storage battery manufacturing company and a director of Superior Essex, Inc., one of the largest wire and cable manufacturers, from November 2003 to 2007. He is a member of the American Institute and New York Society of Certified Public Accountants. Mr. Hines has a B.B.A. from St. John's University and attended Harvard University Management Consulting.

SENTENTIA believes that Mr. Hines' significant industry experience and his public company board experience will make him a valuable addition to the Board.

**Michael R. Zapata**, age 40, has been the Founder and Managing Member of Sententia Capital, a value investing focused investment management firm, since 2012. His experience prior to Sententia Capital featured extensive leadership roles during his nearly 10 years of service in the U.S. Navy. During his service from 2001 to 2010, he held various leadership roles during the Global War on Terror, including Troop Commander for the nation's premiere SEAL assault force. Deploying to locations including Iraq, Afghanistan, Africa, the Middle East and the Arabian Peninsula, he brings valuable insight and expertise in intelligence fusion, operational execution, strategic planning and risk mitigation. Mr. Zapata has served as a director on Intermap Technologies (TSE: IMP), a geospatial industry leader that provides location-based solutions with its powerful suite of software applications, since 2016. He also serves as a director of Tip of the Spear Foundation, a non-profit dedicated to supporting Elite Operators and their families during times of need. Mr. Zapata received his B.S. from Texas A&M University, where he was recognized an Dougherty Award Recipient. He received his M.B.A. from Columbia University as a student in the Heilbrunn Center for Value Investing.

SENTENTIA believes Mr. Zapata's financial, strategic planning and execution expertise will make him a valuable addition to the Board.

Mr. Hines' principal business address is 28 Stoneleigh Park, Westfield, NJ 07090. Mr. Zapata's principal business address is c/o Sententia Capital Management, LLC, van Biema Value Partners, 745 5<sup>th</sup> Avenue, 14<sup>th</sup> Floor, New York, New York 10151.

As of the date hereof, Mr. Hines does not directly or beneficially own any securities of the Company and has not entered into any transactions in securities of the Company during the past two years. As of the date hereof, Mr. Zapata does not directly own any securities of the Company and has not made any direct purchases or sales of any securities of the Company during the past two years. Mr. Zapata, as the Managing Member of Sententia Capital, the General Partner of Sententia LP, may be deemed the beneficial owner of the 323,937 shares of Common Stock beneficially owned by Sententia LP.

For information regarding purchases and sales during the past two years by the Nominees and by the members of the Group (as defined below) of securities of the Company, see Schedule I.

On August 16, 2018, Sententia LP, Sententia Capital, Mr. Zapata and Mr. Hines (collectively, the "Group") entered into a Joint Filing and Solicitation Agreement pursuant to which, among other things, (i) the Group agreed to the joint filing on behalf of each of them of statements on Schedule 13D with respect to the securities of the Company and (ii) the Group agreed to solicit proxies or written consents for the election of the Nominees at the Annual Meeting.

Other than as stated herein, and except for compensation received by Mr. Zapata as an employee of Sententia Capital, there are no arrangements or understandings between the members of the Group or any other person or persons pursuant to which the nomination of the Nominees described herein is to be made, other than the consent by each Nominee to be named in this Proxy Statement and to serve as a director of the Company if elected as such at the Annual Meeting. None of the Nominees is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries in any material pending legal proceeding.

Based on the information furnished by the Nominees, SENTENTIA believes each Nominee presently is, and if elected as a director of the Company would be, an "independent director" within the meaning of (i) applicable NASDAQ listing standards applicable to board composition, including Rule 5605(a)(2), and (ii) Section 301 of the Sarbanes-Oxley Act of 2002.

We do not expect that the Nominees will be unable to stand for election, but, in the event any Nominee is unable to serve, or for good cause will not serve, the shares of Common Stock represented by the enclosed [COLOR] proxy card will be voted for substitute nominee(s), to the extent this is not prohibited under the Company's organizational documents and applicable law. In addition, we reserve the right to nominate substitute person(s) if the Company makes or announces any changes to its Bylaws or takes or announces any other action that has, or if consummated would have, the effect of disqualifying any Nominee, to the extent this is not prohibited under the Company's organizational documents and applicable law. In any such case, shares of Common Stock represented by the enclosed [COLOR] proxy card will be voted for such substitute nominee(s). We reserve the right to nominate additional person(s), to the extent this is not prohibited under the Company's organizational documents and applicable law, if the Company increases the size of the Board above its existing size or increases the number of directors whose terms expire at the Annual Meeting. Additional nominations made pursuant to the preceding sentence are without prejudice to our position that any attempt to increase the size of the current Board or to reconstitute or reconfigure the classes on which the current directors serve constitutes an unlawful manipulation of the Company's corporate governance.

While we currently intend to vote all of the Sententia Group Shares in favor of the election of the Nominees, we reserve the right to vote some or all of the Sententia Group Shares for some or all of the Company's director nominees, as we see fit, in order to achieve a Board composition that we believe is in the best interest of all shareholders. We would only intend to vote some or all of the Sententia Group Shares for some or all of the Company's director nominees in the event it were to become apparent to us, based on the projected voting results at such time, that less than all of the Nominees would be elected at the Annual Meeting and that by voting the Sententia Group Shares we could help elect the Company nominees that we believe are the most qualified to serve as directors and thus help achieve a Board composition that we believe is in the best interest of all shareholders. Shareholders should understand, however, that all shares of Common Stock represented by the enclosed [COLOR] proxy card will be voted at the Annual Meeting as marked.

**WE URGE YOU TO VOTE "FOR" THE ELECTION OF THE NOMINEES ON THE ENCLOSED [COLOR] PROXY CARD.**

PROPOSAL NO. 2

ADVISORY VOTE ON THE APPROVAL OF EXECUTIVE COMPENSATION

As discussed in further detail in the Company's proxy statement, the Company is asking shareholders to indicate their support for the Company's named executive officer compensation as disclosed in the Company's proxy statement. This proposal, commonly known as a "say-on-pay" proposal, gives the Company's shareholders the opportunity to express their views on the Company's executive compensation. As disclosed in the Company's proxy statement, this vote is not intended to address any specific item of compensation, but rather the overall compensation of the Company's named executive officers and the philosophy, policies and practices described in the Company's proxy statement.

Accordingly, the Company is asking its shareholders to vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the compensation paid to the Company's Named Executive Officers, as disclosed in the Company's Proxy Statement for the 2018 Annual Meeting of Shareholders pursuant to Item 402 of Regulation S-K, including the compensation tables and narrative discussion, is hereby APPROVED."

As disclosed in the Company's proxy statement, the say-on-pay vote is advisory, and therefore not binding on the Company. As disclosed in the Company's proxy statement, to the extent there is any significant vote against the named executive officer compensation as disclosed in the Company's proxy statement, the Company will consider the concerns of the shareholders and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

WE MAKE NO RECOMMENDATION WITH RESPECT TO THIS PROPOSAL AND INTEND TO VOTE OUR SHARES ["FOR"/ "AGAINST"] THIS PROPOSAL.

PROPOSAL NO. 3

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

As discussed in further detail in the Company's proxy statement, the Audit Committee of the Board has appointed Moss Adams LLP to act as independent auditors for the Company for the fiscal year ending May 31, 2019, and further directed that the selection of the independent registered public accounting firm be submitted for ratification by the shareholders at the Annual Meeting.

Additional disclosure regarding Moss Adams LLP and its relationship with the Company is included in the Company's proxy statement.

**WE MAKE NO RECOMMENDATION WITH RESPECT TO THE RATIFICATION OF THE appointment OF Moss Adams LLP as the Company's independent registered public accounting firm for the year ending May 31, 2019, AND INTEND TO VOTE OUR SHARES "FOR" THIS PROPOSAL.**

## VOTING AND PROXY PROCEDURES

Only shareholders of record on the Record Date will be entitled to notice of and to vote at the Annual Meeting. Shareholders who sell their shares of Common Stock before the Record Date (or acquire them without voting rights after the Record Date) may not vote such shares. Shareholders of record on the Record Date will retain their voting rights in connection with the Annual Meeting even if they sell such shares after the Record Date. Based on publicly available information, SENTENTIA believes that the only outstanding class of securities of the Company entitled to vote at the Annual Meeting is the Common Stock.

Shares of Common Stock represented by properly executed [COLOR] proxy cards will be voted at the Annual Meeting as marked and, in the absence of specific instructions, will be voted **FOR** the election of the Nominees, [FOR/AGAINST] the say-on-pay proposal, and **FOR** the ratification of the appointment of Moss Adams LLP as the Company's independent registered public accounting firm for the year ending May 31, 2019.

According to the Company's proxy statement for the Annual Meeting, the current Board intends to nominate two candidates for election at the Annual Meeting. This Proxy Statement is soliciting proxies to elect only our two Nominees. Accordingly, the enclosed [COLOR] proxy card may only be voted for our Nominees and does not confer voting power with respect to the Company's nominees. The participants in this solicitation intend to vote the Sententia Group Shares in favor of our Nominees. Shareholders should refer to the Company's proxy statement for the names, backgrounds, qualifications and other information concerning the Company's nominees.

While we currently intend to vote all of the Sententia Group Shares in favor of the election of the Nominees, we reserve the right to vote some or all of the Sententia Group Shares for some or all of the Company's director nominees, as we see fit, in order to achieve a Board composition that we believe is in the best interest of all shareholders. We would only intend to vote some or all of the Sententia Group Shares for some or all of the Company's director nominees in the event it were to become apparent to us, based on the projected voting results at such time, that less than all of the Nominees would be elected at the Annual Meeting and that by voting the Sententia Group Shares we could help elect the Company nominees that we believe are the most qualified to serve as directors and thus help achieve a Board composition that we believe is in the best interest of all shareholders. Shareholders should understand, however, that all shares of Common Stock represented by the enclosed [COLOR] proxy card will be voted at the Annual Meeting as marked.

## QUORUM; BROKER NON-VOTES; DISCRETIONARY VOTING

A quorum is the minimum number of shares of Common Stock that must be represented at a duly called meeting in person or by proxy in order to legally conduct business at the meeting. The presence, in person or by proxy, of a majority of the total number of outstanding shares of Common Stock entitled to vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting.

According to the Company's proxy statement, abstentions and "broker non-votes" are counted for purposes of determining whether a quorum exists at the Annual Meeting, but are not counted and have no effect on the outcome of any of the proposals to be voted upon. If you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote (a "broker non-vote"). Under applicable rules, your broker will not have discretionary authority to vote your shares at the Annual Meeting on any of the proposals.

If you are a shareholder of record, you must deliver your vote by mail, attend the Annual Meeting in person and vote, vote by Internet or vote by telephone in order to be counted in the determination of a quorum.



If you are a beneficial owner, your broker will vote your shares pursuant to your instructions, and those shares will count in the determination of a quorum. Brokers do not have discretionary authority to vote on any of the proposals at the Annual Meeting. Accordingly, unless you vote via proxy card or provide instructions to your broker, your shares of Common Stock will not count for purposes of attaining a quorum and will not be voted on any of the proposals.

#### VOTES REQUIRED FOR APPROVAL

*Election of Directors* According to the Company's proxy statement, under Oregon law and the Company's Second Restated Articles of Incorporation and Bylaws, the Company's directors are elected by a plurality of the shares voted at the Annual Meeting. As a result, the two nominees for director receiving the largest number of "FOR" votes cast will be elected as directors of the Company. With respect to the election of directors, only votes cast "FOR" a nominee will be counted. Proxy cards specifying that votes should be withheld with respect to one or more nominees will result in those nominees receiving fewer votes but will not count as a vote against the nominees. Therefore, withhold votes and broker non-votes will have no direct effect on the outcome of the election of directors.

*Advisory Vote on Executive Compensation* According to the Company's proxy statement, the advisory vote on executive compensation of the Company's named executive officers must be approved by a majority of the shares voted at the Annual Meeting without regard to broker non-votes or proxies marked "ABSTAIN". Therefore, abstentions and broker non-votes will have no direct effect on the outcome of this proposal.

*Ratification of Appointment of Independent Registered Public Accounting Firm* According to the Company's proxy statement, the ratification of the Company's independent registered public accounting firm must be approved by a majority of the shares voted at the Annual Meeting without regard to broker non-votes or proxies marked "ABSTAIN". Therefore, abstentions and broker non-votes will have no direct effect on the outcome of this proposal.

If you sign and submit your [COLOR] proxy card without specifying how you would like your shares voted, your shares will be voted FOR the election of the Nominees, [FOR/AGAINST] the say-on-pay proposal, FOR the ratification of the appointment of Moss Adams LLP as the Company's independent registered public accounting firm for the year ending May 31, 2019, and in accordance with the discretion of the persons named on the [COLOR] proxy card with respect to any other matters that may be voted upon at the Annual Meeting.

#### REVOCAION OF PROXIES

Shareholders of the Company may revoke their proxies at any time prior to exercise by attending the Annual Meeting and voting in person (although, attendance at the Annual Meeting will not in and of itself constitute revocation of a proxy) or by delivering a written notice of revocation. The delivery of a subsequently dated proxy that is properly completed will constitute a revocation of any earlier proxy. The revocation may be delivered either to SENTENTIA in care of InvestorCom at the address set forth on the back cover of this Proxy Statement or to the Company at 2765 N.W. Nicolai Street, Portland, Oregon 97210, or any other address provided by the Company. Although a revocation is effective if delivered to the Company, we request that either the original or photostatic copies of all revocations be mailed to SENTENTIA in care of InvestorCom at the address set forth on the back cover of this Proxy Statement so we will be aware of all revocations and can more accurately determine if and when proxies have been received from the holders of record on the Record Date of a majority of the total number of outstanding shares of Common Stock entitled to vote at the Annual Meeting. Additionally, InvestorCom may use this information to contact shareholders who have revoked their proxies in order to solicit later dated proxies for the election of the Nominees.

**IF YOU WISH TO VOTE FOR THE ELECTION OF THE NOMINEES TO THE BOARD, PLEASE SIGN, DATE AND RETURN PROMPTLY THE ENCLOSED [COLOR] PROXY CARD IN THE POSTAGE-PAID ENVELOPE PROVIDED.**





## SOLICITATION OF PROXIES

The solicitation of proxies pursuant to this Proxy Statement is being made by SENTENTIA. Proxies may be solicited by mail, facsimile, telephone, Internet, in person and by advertisements.

Sententia Capital has entered into an agreement with InvestorCom for solicitation and advisory services in connection with this solicitation, for which InvestorCom will receive a fee not to exceed \$[•], together with reimbursement for certain of its expenses, and will be indemnified against certain liabilities and expenses arising out of InvestorCom's fulfillment of the agreement. InvestorCom will solicit proxies from individuals, brokers, banks, bank nominees and other institutional holders. SENTENTIA has requested banks, brokerage houses and other custodians, nominees and fiduciaries to forward all solicitation materials to the beneficial owners of the shares of Common Stock they hold of record. SENTENTIA will reimburse these record holders for their reasonable out-of-pocket expenses in so doing. It is anticipated that InvestorCom will employ approximately [•] persons to solicit shareholders for the Annual Meeting.

The entire expense of soliciting proxies is being borne by SENTENTIA. Costs of this solicitation of proxies are currently estimated to be approximately \$[•] (including, but not limited to, fees for attorneys, solicitors and other advisors, and other costs incidental to the solicitation). SENTENTIA estimates that through the date hereof its expenses in connection with this solicitation are approximately \$[•]. To the extent legally permissible, if SENTENTIA is successful in its proxy solicitation, SENTENTIA intends to seek reimbursement from the Company for the expenses it incurs in connection with this solicitation. SENTENTIA does not intend to submit the question of such reimbursement to a vote of security holders of the Company.

## ADDITIONAL PARTICIPANT INFORMATION

The "Participants" in the proxy solicitation are Sententia LP, Sententia Capital and the Nominees. The principal business of Sententia LP is investing in securities. The principal business of Sententia Capital is investing for funds and accounts under its management. The principal occupation of Mr. Hines is serving as the Principal for Hines & Associates, LLC. The principal occupation of Mr. Zapata is serving as the Managing Member of Sententia Capital.

The business address of Sententia LP and Sententia Capital is c/o Sententia Capital Management, LLC, van Biema Value Partners, 745 5<sup>th</sup> Avenue, 14<sup>th</sup> Floor, New York, New York 10151.

As of the date hereof, Sententia LP beneficially owns 323,937 shares of Common Stock. Sententia Capital, as the General Partner of Sententia LP, and Mr. Zapata, as the Managing Member of Sententia Capital, may be deemed to beneficially own the 323,937 shares of Common Stock owned by Sententia LP. As of the date hereof, Mr. Hines does not beneficially own any shares of Common Stock.

Each Participant disclaims beneficial ownership of the shares of Common Stock that he or it does not directly own. For information regarding purchases and sales of securities of the Company during the past two years by the Participants, see [Schedule I](#).

Other than as disclosed on elsewhere in this Proxy Statement, the Participants have not effected any transaction in securities of the Company in the past two years. The shares of Common Stock owned by Sententia LP were purchased with working capital (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market purchases.

Except as set forth in this Proxy Statement (including the Schedules hereto), (i) during the past 10 years, no Participant has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors); (ii) no Participant directly or indirectly beneficially owns any securities of the Company; (iii) no Participant owns any securities of the Company which are owned of record but not beneficially; (iv) no Participant has purchased or sold any securities of the Company during the past two years; (v) no part of the purchase price or market value of the securities of the Company owned by any Participant is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such securities; (vi) no Participant is, or within the past year was, a party to any contract, arrangements or understandings with any person with respect to any securities of the Company, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits, or the giving or withholding of proxies; (vii) no associate of any Participant owns beneficially, directly or indirectly, any securities of the Company; (viii) no Participant owns beneficially, directly or indirectly, any securities of any parent or subsidiary of the Company; (ix) no Participant or any of his or its associates was a party to any transaction, or series of similar transactions, since the beginning of the Company's last fiscal year, or is a party to any currently proposed transaction, or series of similar transactions, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeds \$120,000; (x) no Participant or any of his or its associates has any arrangement or understanding with any person with respect to any future employment by the Company or its affiliates, or with respect to any future transactions to which the Company or any of its affiliates will or may be a party; (xi) no Participant has a substantial interest, direct or indirect, by securities holdings or otherwise, in any matter to be acted on at the 2018 Annual Meeting; (xii) no Participant holds any positions or offices with the Company; (xiii) no Participant has a family relationship with any director, executive officer, or person nominated or chosen by the Company to become a director or executive officer; and (xiv) no companies or organizations, with which any of the Participants has been employed in the past five years, is a parent, subsidiary or other affiliate of the Company.

There are no material proceedings to which any participant in this solicitation or any of his or its associates is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries. With respect to each of the Nominees, none of the events enumerated in Item 401(f)(1)-(8) of Regulation S-K of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), occurred during the past 10 years.

#### CERTAIN ADDITIONAL INFORMATION

Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy statements and annual reports. This means that only one copy of this Proxy Statement may have been sent to multiple stockholders in your household. SENTENTIA will promptly deliver a separate copy of the document to you if you write to or call our proxy solicitor, InvestorCom, at the address set forth on the back cover of this Proxy Statement. If you want to receive separate copies of our proxy materials in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact our proxy solicitor at the address and phone number set forth on the back cover of this Proxy Statement.

The information concerning the Company and the proposals in the Company's proxy statement contained in this Proxy Statement has been taken from, or is based upon, publicly available documents on file with the Securities and Exchange Commission and other publicly available information. Although we have no knowledge that would indicate that statements relating to the Company contained in this Proxy Statement, in reliance upon publicly available information, are inaccurate or incomplete, to date we have not had access to the books and records of the Company, were not involved in the preparation of such information and statements and are not in a position to verify such information and statements. All information relating to any person other than the Participants is given only to the knowledge of SENTENTIA.



This Proxy Statement is dated September [•], 2018. You should not assume that the information contained in this Proxy Statement is accurate as of any date other than such date, and the mailing of this Proxy Statement to stockholders shall not create any implication to the contrary.

## SHAREHOLDER PROPOSALS

According to the Company's proxy statement, any shareholder proposal must be received by the Company not later than May [•], 2019 to be eligible for inclusion in the Company's proxy statement in connection with the Company's 2019 annual meeting of shareholders (the "2019 Annual Meeting") pursuant to Rule 14a-8 under the Exchange Act.

According to the Company's proxy statement, under the Bylaws, a proposal or director nomination that a shareholder does not seek to include in the Company's proxy statement in connection with the 2019 Annual Meeting pursuant to Rule 14a-8 may be delivered to the Secretary of the Company not less than 60 days nor more than 90 days prior to the date of an 2019 Annual Meeting, unless notice or public disclosure of the date of the 2019 Annual Meeting occurs less than 60 days prior to the date of the 2019 Annual Meeting, in which event, shareholders may deliver such notice not later than the 10th day following the day on which notice of the date of the 2019 Annual Meeting was mailed or public disclosure thereof was made.

The information set forth above regarding the procedures for submitting shareholder proposals for consideration at the 2019 Annual Meeting is based on information contained in the Company's proxy statement and the Bylaws. The incorporation of this information in this proxy statement should not be construed as an admission by SENTENTIA that such procedures are legal, valid or binding.

## INCORPORATION BY REFERENCE

WE HAVE OMITTED FROM THIS PROXY STATEMENT CERTAIN DISCLOSURE REQUIRED BY APPLICABLE LAW THAT IS EXPECTED TO BE INCLUDED IN THE COMPANY'S PROXY STATEMENT RELATING TO THE ANNUAL MEETING. THIS DISCLOSURE IS EXPECTED TO INCLUDE, AMONG OTHER THINGS, CURRENT BIOGRAPHICAL INFORMATION ON THE COMPANY'S DIRECTORS, INFORMATION CONCERNING EXECUTIVE COMPENSATION AND OTHER IMPORTANT INFORMATION. SEE SCHEDULE II FOR INFORMATION REGARDING PERSONS WHO BENEFICIALLY OWN MORE THAN 5% OF THE COMMON STOCK AND THE OWNERSHIP OF THE COMMON STOCK BY THE DIRECTORS AND MANAGEMENT OF THE COMPANY.

The information concerning the Company contained in this Proxy Statement and the Schedules attached hereto has been taken from, or is based upon, publicly available information.

SCHEDULE I

## TRANSACTIONS IN SECURITIES OF THE COMPANY BY THE PARTICIPANTS DURING THE PAST TWO YEARS

<u>Nature of the Transaction</u>	Securities	Date of
	<u>Purchased/(Sold) Purchase / Sale</u>	

**SENTENTIA GROUP, LP**

Purchase of Common Stock	14,000	10/23/2017
Purchase of Common Stock	14,000	11/03/2017
Purchase of Common Stock	200	11/06/2017
Purchase of Common Stock	15,896	12/27/2017
Purchase of Common Stock	10,904	04/13/2018
Purchase of Common Stock	10,000	04/25/2018
Purchase of Common Stock	50,000	05/04/2018
Purchase of Common Stock	15,000	05/07/2018
Purchase of Common Stock	10,000	05/11/2018
Purchase of Common Stock	100	05/14/2018
Purchase of Common Stock	5,282	05/18/2018
Purchase of Common Stock	10,400	05/21/2018
Purchase of Common Stock	5,000	05/22/2018
Purchase of Common Stock	10,000	05/23/2018
Purchase of Common Stock	1,226	05/24/2018
Purchase of Common Stock	3,950	05/25/2018
Purchase of Common Stock	4,536	05/29/2018
Purchase of Common Stock	4,271	05/30/2018
Purchase of Common Stock	19,580	05/31/2018
Purchase of Common Stock	6,204	06/01/2018
Purchase of Common Stock	1,700	06/04/2018
Purchase of Common Stock	6,964	06/05/2018
Purchase of Common Stock	14,800	06/06/2018
Purchase of Common Stock	9,278	06/07/2018
Purchase of Common Stock	19,969	06/08/2018
Purchase of Common Stock	695	06/11/2018
Purchase of Common Stock	1,045	06/12/2018
Purchase of Common Stock	2,500	06/14/2018
Purchase of Common Stock	200	06/18/2018
Purchase of Common Stock	100	06/19/2018
Purchase of Common Stock	200	06/25/2018
Sale of Common Stock	(35,000)	07/19/2018
Purchase of Common Stock	4,559	07/25/2018
Purchase of Common Stock	10,373	07/26/2018
Purchase of Common Stock	19,452	07/27/2018

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Purchase of Common Stock 2,61607/30/2018  
Purchase of Common Stock 500 07/31/2018  
Purchase of Common Stock 3,29508/01/2018  
Purchase of Common Stock 6,97808/02/2018  
Purchase of Common Stock 3,88908/03/2018  
Purchase of Common Stock 9,05608/06/2018  
Purchase of Common Stock 1,32208/07/2018  
Purchase of Common Stock 521 08/09/2018  
Purchase of Common Stock 2,66408/14/2018  
Purchase of Common Stock 890 08/15/2018  
Purchase of Common Stock 372 08/17/2018  
Purchase of Common Stock 613 08/20/2018  
Purchase of Common Stock 8,800 08/21/2018  
Purchase of Common Stock 11,00008/23/2018  
Purchase of Common Stock 4,037 08/24/2018

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SCHEDULE II

The following table is reprinted from the preliminary proxy statement filed by Schmitt Industries, Inc. with the Securities and Exchange Commission on September 4, 2018.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of the Company's Common Stock as of August 24, 2018 by (i) each person who is known to the Company to own beneficially more than 5% of the Company's outstanding Common Stock, (ii) each of the Company's Directors, (iii) the Company's Named Executive Officers and (iv) all Directors and executive officers as a group. The information in this table is based solely on statements in filings with the SEC or other reliable information, and assumes that 3,994,545 shares were issued and outstanding on August 24, 2018.

	Shares	
	Number	Percent
Directors and Executive Officers(2)		
David W. Case(3)	137,929	3.4 %
Ann M. Ferguson(4)	63,333	1.6 %
David M. Hudson(5)	77,634	1.9 %
Michael J. Ellsworth(6)	48,032	1.2 %
Maynard E. Brown(7)	43,194	1.1 %
Charles Davidson(8)	11,000	*
All directors and executive officers as a group (six persons)(9)	381,122	9.4 %
>5% Shareholders		
GAMCO Investors, Inc., One Corporate Center, Rye, NY 10580(10)	701,029	17.5 %
Walter Brown Pistor, 2415 Kalama River Road, Kalama, WA 98625(11)	509,331	12.8 %
Sentientia Capital Management LLC, 102 W. 87th Street, No. 1S, New York, NY(12)	323,937	8.1 %
Renaissance Technologies LLC, 800 Third Avenue, New York, NY 10022(13)	283,100	7.1 %

\*

Less than 1%.

- (1) For the purpose of this table, beneficial ownership includes securities that can be acquired by a person within 60 days from August 24, 2018 upon the exercise of options. Accordingly, each person's percentage of beneficial ownership is determined by assuming that options held by such person (but not those held by any other person) and that are exercisable within 60 days from August 24, 2018 have been exercised. Unless otherwise noted, the Company believes that all persons named in the table have sole voting and investment power with respect to all shares of Common Stock beneficially owned by them.
- (2) Except as noted, the address of each person is: C/O Schmitt Industries, Inc., 2765 N.W. Nicolai Street, Portland, Oregon 97210.
- (3) Includes 79,596 shares held as of August 24, 2018 and 58,333 shares subject to options that are exercisable within 60 days of August 24, 2018.
- (4) Includes 63,333 shares subject to options that are exercisable within 60 days of August 24, 2018.
- (5) Includes 3,468 shares held as of August 24, 2018 and 74,166 shares subject to options that are exercisable within 60 days of August 24, 2018.
- (6) Includes 13,866 shares held as of August 24, 2018 and 34,166 shares subject to options that are exercisable within 60 days of August 24, 2018.
- (7) Includes 15,694 shares held as of August 24, 2018 and 27,500 shares subject to options that are exercisable within 60 days of August 24, 2018.

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- (8) Includes 1,000 shares held as of August 24, 2018 and 10,000 shares subject to options that are exercisable within 60 days of August 24, 2018.
- (9) Includes 267,498 shares subject to options that are exercisable within 60 days of August 24, 2018.
- (10) Information reported herein is made in reliance on a Schedule 13D/A filed by GAMCO Investors, Inc. et al.
- (11) Information reported herein is made in reliance on a Schedule 13D filed by Mr. Pistor.
- (12) Information reported herein is made in reliance on a Schedule 14A filed by Sententia Capital Management LLC.
- (13) Information reported herein is made in reliance on a Schedule 13F filed by Renaissance Technologies LLC.

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IMPORTANT

Tell the Board what you think! Your vote is important. No matter how few shares of Common Stock you own, please give SENTENTIA your proxy **FOR** the election of the Nominees by taking three steps:

SIGNING the enclosed [COLOR] proxy card;

DATING the enclosed [COLOR] proxy card; and

MAILING the enclosed [COLOR] proxy card TODAY in the envelope provided (no postage is required if mailed in the United States).

**If any of your shares of Common Stock are held in the name of a brokerage firm, bank, bank nominee or other institution, only it can vote such shares of Common Stock and only upon receipt of your specific instructions.**

Depending upon your broker or custodian, you may be able to vote either by toll-free telephone or by the Internet.

Please refer to the enclosed voting form for instructions on how to vote electronically. You may also vote by signing, dating and returning the enclosed [COLOR] voting form.

If you have any questions or require any additional information concerning this Proxy Statement, please contact InvestorCom at the address set forth below.

*If you have any questions, require assistance in voting your [COLOR] proxy card,*

*or need additional copies of SENTENTIA's proxy materials,*

*please contact InvestorCom at the phone numbers listed below.*

*65 Locust Avenue, Suite 302*

*New Canaan, CT 06840*

*Shareholders call toll free at (877) 972-0090*

*Banks and Brokers may call collect at (203) 972-9300*

PRELIMINARY COPY SUBJECT TO COMPLETION  
DATED SEPTEMBER 11, 2018

SCHMITT INDUSTRIES, INC.

2018 ANNUAL MEETING OF SHAREHOLDERS

THIS PROXY IS SOLICITED ON BEHALF OF SENTENTIA GROUP, LP

THE BOARD OF DIRECTORS OF SCHMITT INDUSTRIES, INC.  
IS NOT SOLICITING THIS PROXY

P R O X Y

The undersigned appoints Michael R. Zapata as attorney and agent with full power of substitution to vote all shares of common stock of Schmitt Industries, Inc. (the "Company") which the undersigned would be entitled to vote if personally present at the 2018 Annual Meeting of Shareholders of the Company scheduled to be held on Friday, October 12, 2018, at 3:00 p.m. local time, at the Company's headquarters at 2765 N.W. Nicolai St., Portland, Oregon 97210 (including any adjournments or postponements thereof and any meeting which may be called in lieu thereof, the "Annual Meeting").

The undersigned hereby revokes any other proxy or proxies heretofore given to vote or act with respect to the shares of common stock of the Company held by the undersigned, and hereby ratifies and confirms all action the herein named attorney and proxy, his substitutes, or any of them may lawfully take by virtue hereof. If properly executed, this Proxy will be voted as directed on the reverse and in the discretion of the herein named attorney and proxy or his substitutes with respect to any other matters as may properly come before the Annual Meeting that are unknown to Sententia Group, LP ("Sententia") a reasonable time before this solicitation.

**IF NO DIRECTION IS INDICATED WITH RESPECT TO THE PROPOSALS ON THE REVERSE, THIS PROXY WILL BE VOTED "FOR" PROPOSAL 1, ["FOR/AGAINST"] PROPOSAL 2 AND "FOR" PROPOSAL 3.**

This Proxy will be valid until the completion of the Annual Meeting. This Proxy will only be valid in connection with Sententia's solicitation of proxies for the Annual Meeting.

IMPORTANT: PLEASE SIGN, DATE AND MAIL THIS PROXY CARD PROMPTLY!

CONTINUED AND TO BE SIGNED ON REVERSE SIDE

[X] Please mark vote as in this example

SENTENTIA STRONGLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE NOMINEES LISTED BELOW IN PROPOSAL 1. SENTENTIA MAKES NO RECOMMENDATION WITH RESPECT TO PROPOSALS 2 AND 3.

1. Sententia's proposal to elect Andrew P. Hines and Michael R. Zapata as directors of the Company to serve until the 2021 Annual Meeting of Shareholders.

**FOR WITHHOLD  
AUTHORITY**

Nominees: Andrew P. Hines " "
Michael R. Zapata

Sententia does not expect that any of the nominees will be unable to stand for election, but, in the event that any nominee is unable to serve or for good cause will not serve, the shares of common stock represented by this proxy card will be voted for substitute nominee(s), to the extent this is not prohibited under the Company's organizational documents and applicable law. In addition, Sententia has reserved the right to nominate substitute person(s) if the Company makes or announces any changes to its organizational documents or takes or announces any other action that has, or if consummated would have, the effect of disqualifying any nominee, to the extent this is not prohibited under the Company's organizational documents and applicable law. In any such case, shares of common stock represented by this proxy card will be voted for such substitute nominee(s).

2. the Company's proposal to approve, on an advisory basis, the compensation paid to the Company's named executive officers.

"FOR" "AGAINST" "ABSTAIN"

3. the Company's proposal to ratify the appointment of Moss Adams LLP as the Company's independent registered public accounting firm for the year ending May 31, 2019.

" FOR " AGAINST " ABSTAIN

DATED: \_\_\_\_\_

(Signature)

(Signature, if held jointly)

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(Title)

WHEN SHARES ARE HELD JOINTLY, JOINT OWNERS SHOULD EACH SIGN. EXECUTORS, ADMINISTRATORS, TRUSTEES, ETC., SHOULD INDICATE THE CAPACITY IN WHICH SIGNING. PLEASE SIGN EXACTLY AS NAME APPEARS ON THIS PROXY.