

TAYLOR DEVICES INC
Form DEF 14A
September 27, 2018

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]

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))**

[X] Definitive Proxy Statement

[] Definitive Additional Materials

[] Soliciting Material Pursuant to Section 240.14a-12

TAYLOR DEVICES, INC.
(Name of Registrant as
Specified In Its Charter)

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

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No fee required

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4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

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3) Filing Party:

4) Date Filed:

TAYLOR DEVICES, INC.

90 TAYLOR DRIVE

NORTH TONAWANDA, NEW YORK 14120-0748

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF TAYLOR DEVICES, INC.

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of TAYLOR DEVICES, INC. (the "Company") will be held at the Millennium Buffalo, 2040 Walden Avenue, Buffalo, New York on November 2, 2018 at 11:00 a.m. for the following purposes:

1.
To elect two Class 1 directors of the Company to serve a three-year term to expire in 2021, or until the election and qualification of their successors.

2.
To elect one Class 3 director of the Company to serve a one-year term to expire in 2019, or until the election and qualification of his successor.

3.
To elect one Class 2 director of the Company to serve a two-year term to expire in 2020, or until the election and qualification of his successor.

4.

To ratify the appointment of Lumsden & McCormick, LLP as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2019.

5.

To approve and adopt the 2018 Taylor Devices, Inc. Stock Option Plan.

To transact such other business as may properly come before the meeting or any adjournment(s) or postponement(s) thereof.

6.

The Board of Directors has fixed the close of business on September 14, 2018 as the record date for determining which shareholders shall be entitled to notice of and to vote at the Annual Meeting. SHAREHOLDERS WHO ARE UNABLE TO BE PRESENT PERSONALLY MAY ATTEND THE MEETING BY PROXY. SUCH SHAREHOLDERS ARE REQUESTED TO DATE, SIGN AND RETURN THE ENCLOSED PROXY. THE PROXY MAY BE REVOKED AT ANY TIME BEFORE IT IS VOTED.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ F. Eric Armenat

F. Eric Armenat

Secretary

DATED: September 20, 2018

North Tonawanda, New York

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE ANNUAL MEETING OF SHAREHOLDERS

The Proxy Statement and the 2018 Annual Report to shareholders are available at www.taylordevices.com/investors.html

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PROXY STATEMENT

FOR THE

ANNUAL MEETING OF SHAREHOLDERS

OF

TAYLOR DEVICES, INC.

90 TAYLOR DRIVE

NORTH TONAWANDA, NEW YORK 14120-0748

TO BE HELD AT THE MILLENNIUM BUFFALO

2040 WALDEN AVENUE

BUFFALO, NEW YORK

NOVEMBER 2, 2018

This Proxy Statement is furnished to shareholders by the Board of Directors of Taylor Devices, Inc. in connection with the solicitation of proxies for use at the Annual Meeting of Shareholders to be held on November 2, 2018 at 11:00 a.m., and at any adjournments of the meeting, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. This Proxy Statement and the accompanying form of proxy are being mailed to shareholders commencing on or about September 18, 2018.

If the enclosed form of proxy is properly executed and returned, the shares represented by the proxy will be voted in accordance with the proxy's instructions. Any proxy given pursuant to this solicitation may be revoked by the

shareholder at any time prior to its use by written notice to the Secretary of the Company.

The Board of Directors has fixed the close of business on September 14, 2018 as the record date for determining the holders of common stock entitled to notice of and to vote at the meeting. On September 14, 2018, the Company had outstanding and entitled to vote a total of 3,467,560 shares of common stock. Each outstanding share of common stock is entitled to one vote on all matters to be brought before the meeting.

For shares held in the name of a broker or other nominee, the owner may vote such shares at the meeting if the owner brings with him or her a letter from the broker or nominee confirming his or her ownership as of the record date, and a legal proxy.

PROPOSAL 1

ELECTION OF DIRECTORS

General

Each year directors comprising one of the three Classes of the Board of Directors of the Company are proposed for election by the shareholders, each to serve for a three-year term, or until the election and qualification of his successor. The Board of Directors, acting upon the recommendation of the Nominating Committee, is responsible for nominating Messrs. Burgess, Armenat, Klembczyk and McDonough as management's nominees to be elected at this Annual Meeting. Mr. Burgess has previously served as a director and was elected at prior annual meetings of shareholders. Mr. Armenat was appointed as a director on April 27, 2018 to fill the vacancy created by the death of Reginald B. Newman II. Messrs. Klembczyk and McDonough were appointed as directors on June 1, 2018 to fill the vacancies created by the retirement of Douglas P. Taylor and Richard G. Hill.

The persons named on the enclosed form of proxy will vote all shares present at the Annual Meeting *for* the election of the nominees, unless a shareholder, by his or her proxy, directs otherwise. Should any of Messrs. Burgess, Armenat, Klembczyk and McDonough be unable to serve, proxies will be voted in accordance with the best judgment of the person or persons acting under such authority. Management expects that the nominees will be able to serve.

The Company believes that the nominees have professional experience in areas relevant to its strategy and operations. The Company also believes that the nominees have other attributes necessary to guide the Company and help the Board function effectively, including high personal and professional ethics, the willingness to engage management and each other in a constructive and collaborative fashion, the ability to devote significant time to serve on the Board

and its committees and a commitment to representing the long-term interests of the shareholders. In addition to these attributes, in each individual's biography set forth below, the Company has highlighted specific experience, qualifications and skills that led the Nominating Committee and the Board to conclude that each individual should continue to serve as a director.

Class 1 Directors Whose Terms Will Expire in 2021

John Burgess, 73, has served as a director since 2007 and is currently the Chairman of the Board of Directors. Mr. Burgess is an Operating Partner of Summer Street Capital LLC and director of Bird Technologies Corporation of Solon, Ohio.

Mr. Burgess gained his international strategy, manufacturing operations and organizational development expertise from his more than 40 years experience with middle market public and privately-owned companies. Mr. Burgess served as President and CEO of Reichert, Inc. a leading provider of ophthalmic instruments, and spearheaded the acquisition of the company from Leica Microsystems in 2002, leading the company until its sale in January 2007. Prior to the acquisition, Mr. Burgess served as President of Leica's Ophthalmic and Educational Divisions before leading the buyout of the Ophthalmic Division and formation of Reichert, Inc.

From 1996 to 1999, Mr. Burgess was COO of International Motion Controls (IMC), a \$200 million diversified manufacturing firm. During his tenure there, he led a significant acquisition strategy that resulted in seven completed acquisitions and sixteen worldwide businesses in the motion control market. Previously, Mr. Burgess operated a number of companies for Moog, Inc. and Carleton Technologies, including six years as President of Moog's Japanese subsidiary, Nihon Moog K.K. located in Hiratsuka, Japan. Moog, Inc. is the global leader in electro-hydraulic servo control technology with focus on the aerospace and defense sectors..

Mr. Burgess earned a Bachelor of Science in Engineering from Bath University in England, and a Masters of Business Administration from Canisius College.

As a result of the positions and experience described above, Mr. Burgess demonstrates leadership skills with his strong background in financial and accounting matters. He serves as Chairman of the Audit Committee as well as the Audit Committee financial expert. The Company believes that Mr. Burgess' academic background, and his experience in executive positions at a range of companies in industries related to that of the Company, qualify him to serve as a member of the Board of Directors.

F. Eric Armenat, 59, became Secretary of the Company and appointed as a director on April 27, 2018 to fill the vacancy created by the passing of Reginald B. Newman II..

Mr. Armenat has more than 37 years of business experience across a myriad of industries both private and public. He is currently the President and Chief Executive Officer of Multisorb Filtration Group which he successfully spearheaded the sale of in early 2018 from a private equity owner. Multisorb is the world leader in the active packaging industry solving complex technical challenges in the pharmaceutical, food, and industrial markets.

From 2012 to 2016, Mr. Armenat served as President and Chief Executive Officer for several companies owned by private equity. These companies included healthcare delivery, medical waste collection and disposal as well as active packaging. He was responsible for the successful business improvement and eventual divestiture of the companies.

From 2009 to 2012, Mr. Armenat served as Chief Operating Officer of Avox Systems (Zodiac Aerospace), a leading supplier of aircraft oxygen systems. From 1994 to 2009, he served as Vice President of Operations and then President and General Manager of Carleton Technologies (Cobham Mission Systems), a global leader of technology for the military and commercial aviation markets. Mr. Armenat also worked as an Operations Management Consultant with Ernst and Young beginning in 1984.

Mr. Armenat earned his Bachelor of Science Degree in Industrial Engineering from Southern Illinois University and his MBA in Finance and Accounting from St. Bonaventure University. He also proudly served in the United States Airforce.

Mr. Armenat's experience, together with his management and industry experience, enables him to provide the Board with a perspective on the Company's business, operations and strategic issues. The Company believes that Mr. Armenat's education, positions and experience described above qualify him to serve as a member of the Board of Directors.

MANAGEMENT RECOMMENDS THAT YOU VOTE "FOR" THE NOMINEES.

PROPOSAL 2

ELECTION OF DIRECTOR

Class 3 Director Whose Term Will Expire in 2019

Alan R. Klembczyk, 52. On June 1, 2018 the Board of Directors appointed Alan Klembczyk as President of the Company as well as a Class 3 director to fill the vacancies created by Mr. Taylor upon his retirement.

After graduating from the University of Buffalo in 1987 with a degree in Mechanical Engineering, Mr. Klembczyk has held key positions in Sales and Engineering at Taylor Devices over the last 30 years including Design Engineer, Assistant Chief Engineer, Chief Engineer, Vice President of Sales and Engineering and was appointed President of the Company and Member of the Board of Directors in June 2018.

Mr. Klembczyk has spent most of his career managing the Taylor Devices Engineering Department along with designing and developing shock and vibration mitigating products for a diverse customer base. These include hundreds of applications to improve performance under wind, seismic, shock and vibration for many aerospace, industrial and structural applications.

Mr. Klembczyk has been responsible for establishing new Sales & Marketing policies and has been directly involved with defining internal Company policy and strategic direction in cooperation with all levels of Taylor Devices' Management. He has been an integral part of the team that managed upgrades to the Quality System and obtaining 3rd party certification to International Standards ISO 9001, ISO 14000 and Aerospace Standard AS9100.

Mr. Klembczyk has served for many years on the Technical Advisory Group for the US Shock and Vibration Information & Analysis Center (SAVIAC) and the Shock and Vibration Exchange (SAVE). Additionally, he has been a tutorial and course instructor for various organizations internationally and has participated in technical conferences and symposia.

Mr. Klembczyk has participated in many research projects for products for military & aerospace, industrial, and structural applications. He has served as Program Manager for many of these projects and has worked with academia including the University at Buffalo's MCEER: Earthquake Engineering to Extreme Events, among others.

He has published several papers describing unique applications for structural dampers, tuned mass dampers, vibration isolators, shock absorbers, and shock isolators and holds US Patents for some of these components. These papers have been published by SAVE, SAVIAC, the Society for Experimental Mechanics (SEM) and the Applied Technology Council (ATC).

Mr. Klembczyk, as President, serves as the principal interface between management and the Board. The Company believes that his wide-ranging roles throughout his career at the Company provide him with significant leadership, industry, marketing and international experience, which qualify him to serve as a member of the Board of Directors.

MANAGEMENT RECOMMENDS THAT YOU VOTE "FOR" THE NOMINEE.

PROPOSAL 3

ELECTION OF DIRECTOR

Class 2 Director Whose Term Will Expire in 2020

Mark V. McDonough, 58, is the Treasurer and Chief Financial Officer of the Company. He was appointed as a director on June 1, 2018 to fill the vacancy created by Mr. Hill upon his retirement.

Mr. McDonough, who joined Taylor Devices in June 2003, is a Certified Public Accountant in New York State and holds a BBA degree from Niagara University, awarded in 1982. He has been involved in financial management of various Western New York manufacturing organizations for over twenty-five years. He has extensive experience in international operations coupled with a long history of implementing systems of internal controls. From 1986 to 1989 he was an auditor with the Buffalo office of Ernst & Young, LLP.

Mr. McDonough is a member of the New York State Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

The Company believes that Mr. McDonough's financial background, management experience and his extensive knowledge of the Company's history, philosophy, financing, products, and personnel, as well as its markets and customers, qualify him to serve as a member of the Board of Directors.

MANAGEMENT RECOMMENDS THAT YOU VOTE "FOR" THE NOMINEE.

Class 3 Director Whose Term Will Expire in 2019

Randall L. Clark, 75, has served as a director since 1996.

Mr. Clark holds a B.A. degree from the University of Pennsylvania, and earned his M.B.A. from the Wharton School of Finance and Commerce. He is and has been the Chairman of Dunn Tire LLC since 1996. From 1992 to 1996, Mr. Clark was Executive Vice President and Chief Operating Officer of Pratt & Lambert, until it was purchased by Sherwin-Williams.

Mr. Clark has been employed in the tire industry for many years. He was named President of the Dunlop Tire Corporation in 1980, was appointed to the Board of Directors in 1983, and named President and Chief Executive Officer in 1984. He was one of seven chief executives of operating companies appointed to the Group Management Board of Dunlop Holdings, PLC., and was Chairman of the Board and Chief Executive Officer of Dunlop Tire Corporation in North America from 1985 to 1991. In 2012 he was inducted into the Tire Industry Association Hall of Fame.

From 1977 to 1980, Mr. Clark was Vice President of Marketing for the Dunlop Tire Division. From 1973 to 1977, he was employed by Dunlop as Director of Marketing at the company's Buffalo, NY headquarters. From 1968 to 1973, Mr. Clark was employed by the B.F. Goodrich Company.

Mr. Clark is currently a Director of Merchants Mutual Insurance Company. He recently retired as a Director of Computer Task Group, a publicly traded company, and The Ten Eleven Group. He is a past President of the International Trade Council of Western New York, past Chairman of the Buffalo Chamber of Commerce, and past Chairman of Invest Buffalo Niagara. He is also a past Chairman of AAA of Western and Central New York. Mr. Clark was appointed by Governor George Pataki and served on the Council for the State University of New York at Buffalo. Recently he retired from the Board of Trustees of the University at Buffalo Foundation.

Mr. Clark brings to the Board significant executive and operational corporate experience. His service as a director of other public companies allows Mr. Clark to bring strong and effective leadership to the Board, as well as unique strategic and business insights into the Company. Mr. Clark's strong experience also facilitates his position as Chairman of the Nominating and Compensation Committees. The Company believes that these attributes qualify him to serve as a member of the Board of Directors.

CORPORATE GOVERNANCE

Board Committees and Meetings

During the fiscal year ended May 31, 2018, the Board of Directors met three times with all of the directors in attendance. All Board members traditionally attend the annual meeting, notwithstanding that the Company does not have a policy with regard to attendance. All five Board members attended the Company's Annual Meeting of Shareholders held on November 3, 2017.

The Executive Committee, between meetings of the Board of Directors and to the extent permitted by law, exercises all of the powers and authority of the Board in the management of the business of the Company. The Executive Committee was comprised of Messrs. Taylor and Hill. The Committee did not meet in fiscal 2018.

The Audit Committee represents and assists the Board of Directors with its oversight of the integrity of the Company's financial statements and internal controls, the Company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence and the performance of the Company's internal audit function and independent auditor. Except as otherwise required by applicable laws, regulations or listing standards, all major decisions are considered by the Board of Directors as a whole.

The Audit Committee, comprised of Messrs. Clark, Burgess and Armenat and chaired by Mr. Burgess, is governed by an Audit Committee Charter which was revised and adopted by the Board of Directors. Mr. Burgess also serves as the Audit Committee financial expert. The Audit Committee met five times in fiscal 2018, with all members in attendance. The Audit Committee Charter was revised by the Board on August 12, 2015 and is attached, as revised, as Appendix A to this Proxy Statement.

The Compensation Committee, comprised of Messrs. Clark, Burgess and Armenat and chaired by Mr. Clark, reviews the compensation of the Company's executive officers and makes recommendations in that regard to the Board as a whole. The Committee also administers the Company's stock option plans. The Compensation Committee met twice in fiscal 2018, with all members in attendance.

The Nominating Committee, comprised of Messrs. Clark, Burgess and Armenat and chaired by Mr. Clark, is responsible for identifying and evaluating individuals qualified to become Board members and recommending to the Board candidates to stand for election or re-election as directors. The Nominating Committee met three times in fiscal 2018, with all members in attendance.

Independence. Messrs. Clark, Burgess and Armenat are independent directors within the meaning of Rule 5605 of the applicable Nasdaq Capital Market listing standards.

Nominating Committee

The Nominating Committee is governed by the terms of its Charter with respect to the consideration and selection of nominees proposed for election to the Board of Directors, including those recommended by shareholders.

The Criteria and Procedures.

The Company strives to have a Board of Directors which will work diligently to promote the long-term interests of the Company and its shareholders. To that end, the Nominating Committee Charter sets forth certain director qualification criteria (the "Criteria") which the Nominating Committee and the Board believes are necessary for a director of the Company to possess, and provides a description of the procedures to be followed when making a recommendation as to any nominee. So long as any individual proposed by shareholders meets the Criteria, the Nominating Committee will consider such recommendations on the same basis as other candidates. The Criteria include integrity, reputation, judgment, knowledge, independence, experience and accomplishments, board interaction, skills and long-term commitment. The Committee is required to apply the Criteria to candidates recommended by a Nominating Committee member, other directors and management, as well as to any candidate meeting the Criteria recommended by shareholders.

During the selection process, the Nominating Committee seeks inclusion and diversity within the Board and adheres to the Company's policy of maintaining an environment free from discrimination based upon race, color, religion, national origin, sex, age, disability, sexual preference or orientation, marital status or any other unlawful factor. The Board strives to nominate directors with a variety of complementary skills so that, as a group, the Board will possess the appropriate talent, skills and expertise to oversee the Company's business.

The Nominating Committee annually reviews the requirements relating to diversity and recommends to the Board any changes it believes appropriate to reflect best practices. In addition, the Board assesses annually its overall effectiveness by means of a self-evaluation process. This evaluation includes, among other things, an assessment of the overall composition of the Board, including a discussion as to whether the Board has adequately considered diversity, among other factors, in identifying and discussing director candidates.

The Evaluation Process.

The Nominating Committee Charter also describes the process for identifying and evaluating nominees for director, including those nominated by shareholders. In each instance, the Nominating Committee must assess the Board's present and anticipated strengths and needs, based upon the Company's current and future needs. The selection of candidates is intended to provide the Board with an appropriate balance of expertise or experience in accounting and finance, technology, management, international business, compensation, corporate governance, strategy, industry knowledge and general business matters.

Management's Nominee.

Messrs. Clark, Burgess and Armenat recommended Messrs. Burgess and Armenat as management's proposed Class 1 Director nominees, Mr. Klembczyk as management's proposed Class 3 Director nominee and Mr. McDonough as management's proposed Class 2 Director nominee to stand for election by shareholders at this Annual Meeting. In addition to other Criteria, any nominee recommended to fill a vacancy on the Nominating, Audit or Compensation Committee must meet independence standards set forth in of Rule 5605 of the NASDAQ Capital Market listing standards.

Nominees by Shareholders.

Shareholders of the Company may make their suggestions for a director nominee to the entire Board of Directors or to any individual director, by a submission directed to the Company's Corporate Secretary's Office. The Corporate Secretary's Office will then forward the recommendation, together with all supporting documentation, to Mr. Clark, as Chairman of the Nominating Committee. Supporting documentation must include a detailed background of the proposed candidate and demonstrate how the candidate meets the Criteria.

Recommendations should be sent c/o Corporate Secretary's Office, Taylor Devices, Inc., 90 Taylor Drive, P. O. Box 748, North Tonawanda, NY 14120-0748.

Communicating with the Board of Directors

Although the Board of Directors does not have a formal procedure for shareholders to send communications to the Board of Directors, a shareholder may communicate with the Company at its website at www.taylordevices.com/Investors.htm. The Company will relay communications to specified individual directors if an express request to do so is included in the shareholder communication.

Code of Ethics

On August 23, 2003, the Company adopted a Code of Ethics (the "Code") which is a compilation of written standards reasonably designed to deter wrongdoing and promote honest and ethical conduct. Code requirements include, among others, the preparation of full, fair, timely and understandable disclosure in documents that the Company files with and submits to the SEC; compliance with governmental laws, rules and regulations; prompt internal reporting of violations to the Code; and accountability for adherence to the Code. There have been no amendments to the Code since its adoption.

Board Leadership Structure

The position of President is held by Mr. Alan Klembczyk. The Board believes that the role of President is the most effective leadership structure for the Company and in the best interests of its shareholders. It serves to promote strong and consistent leadership, allowing management to speak with a single voice and delineate primary responsibility for management of the Company. The Board believes that Mr. Klembczyk is best suited to serve because, as President, he is most knowledgeable regarding the Company's business, can best identify strategic priorities and opportunities, and thus, more effectively lead discussion at the Board level to execute the Company's strategy. The Board also believes that the role of President facilitates the flow of information between the Board and executive management. In considering its leadership structure, the Board believes that the majority of independent directors serving on the Board, and the Company's strong corporate policies and procedures, appropriately balance the role of President.

Board Risk Oversight

Risk management is primarily the responsibility of the Company's management; however, the Board has responsibility for overseeing management's identification and management of those risks. The Board considers risks in making significant business decisions and as part of the Company's overall business strategy. The Board and its committees, as appropriate, discuss and receive periodic updates from senior management regarding significant risks, if any, to the Company in connection with the annual review of the Company's business plan and its review of budgets, strategy and major transactions.

Each Board committee assists the Board in overseeing management of the Company's risks within the areas delegated to that committee, and is tasked with reporting to the full Board, as appropriate. The Audit Committee is responsible for risks relating to its review of the Company's financial statements and financial reporting processes, the evaluation of the effectiveness of internal control over financial reporting, and compliance with legal and regulatory requirements. The Compensation Committee is responsible for monitoring risks associated with the design and administration of the Company's compensation programs. The Nominating Committee oversees risk as it relates to the Company's corporate governance processes. Each committee has full access to management. In addition, the Audit Committee meets regularly with the Company's independent auditors.

Report of the Audit Committee for the Fiscal Year Ended May 31, 2018

The information contained in this Audit Committee Report shall not be deemed to be soliciting material, or deemed to be filed with or incorporated by reference in filings with the U.S. Securities and Exchange Commission ("SEC"), or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934.

As required by the terms of the Audit Committee Charter, the undersigned members of the Audit Committee have:

1. reviewed and discussed the Company's audited financial statements with management of the Company;
2. With Audit Committees); reviewed and discussed with the Company's independent registered public accounting firm the matters required to be discussed by the Public Company Accounting Oversight Board Auditing Standards No. 16 (Communication
3. Committee concerning independence, and has discussed with Lumsden & McCormick their independence; and received the written disclosures and the letter from Lumsden & McCormick, LLP, as required by the Public Company Accounting Oversight Board regarding Lumsden & McCormick's communications with the Audit
4. Company's audited financial statements be included in its Annual Report on Form 10-K for fiscal 2018 for filing with the SEC. based on the foregoing, the Audit Committee has recommended to the Company's Board of Directors that the

Respectfully submitted,

John Burgess

Randall L. Clark

F. Eric Armenat

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Director Compensation

Each non-employee member of the Board of Directors receives a \$3,500 quarterly retainer fee.

The Audit Committee meets independently of the Board of Directors not less than four times each year. Each committee member receives a fee of \$1,000 per committee meeting. The Secretary or Assistant Secretary of the meeting receives an additional fee of \$500 per meeting for secretarial services.

The Nominating Committee meets independently of the Board of Directors not less than twice a year. Each committee member receives a fee of \$500 per committee meeting. The Secretary or Assistant Secretary of the meeting receives an additional fee of \$250 per meeting for secretarial services.

The Compensation Committee meets independently of the Board of Directors not less than twice a year. Each committee member receives a fee of \$500 per committee meeting. The Secretary or Assistant Secretary of the meeting receives an additional fee of \$250 per meeting for secretarial services.

Pursuant to the formula set forth in the 2018 Taylor Devices, Inc. Stock Option Plan, on April 18, 2018, the fixed date of the grant, each director and the Company's Chief Financial Officer were granted options to purchase 5,000 shares of the Company's stock. The exercise price on April 18, 2018 was \$10.30, which was the fair market value for a share of common stock according to the terms of the 2018 Plan. The fair market value is the mean between the high and low prices for a share of common stock as quoted by NASDAQ on the date of the grant. If there is only one price quoted for the day of the grant, the fair market value shall be such price; and if no such price is quoted for the day of the grant, the fair market value shall be the previous closing price. In the event that no previous closing price is available, then the fair market value of one share of Common Stock on the day the option is granted shall be determined by the Committee or by the Board.

Director Compensation Table

Name	Fees earned or paid in cash (\$)	Stock awards (\$)	Option awards (\$)	Non-equity incentive plan compensation (\$)	Nonqualified deferred compensation earnings (\$)	All other compensation (\$)	Total (\$)
	John Burgess	\$21,500	None	\$13,687	None	None	\$1,000
Randall L. Clark	\$21,500	None	\$13,687	None	None	\$1,000	\$36,187
Reginald B. Newman II	\$21,500	None	\$13,687	None	None	\$1,000	\$36,187

Assumptions made in the valuation of option awards are described in Note 14 to the Company's Consolidated Financial Statements included in the Company's Annual Report to Shareholders accompanying this Proxy Statement.

EXECUTIVE COMPENSATION

Overview of Compensation Program

The primary purpose of the Compensation Committee is to annually review and approve the Company's overall compensation philosophy and establish corporate goals and objectives in accordance with such philosophy.

Duties and Responsibilities

In keeping with its primary purpose, the committee annually evaluates the performance of the Company's executive officers; determines and approves the compensation of the CEO, including individual elements of salary, bonus, supplemental retirement, incentive and equity compensation, and determines and approves executive officer (non-CEO) compensation, incentive compensation plans and equity-based plans. In its deliberations, the committee considers company performance, compensation at comparable companies, past years' compensation to the company's executive officers and other relevant factors.

The following table sets forth certain information concerning compensation of and stock options held by the Company's Chief Executive Officer, Chief Financial Officer and Vice President as of May 31, 2018.

Summary Compensation Table

Name and	Salary	Bonus	Stock awards	Option awards	incentive plan compensation	Nonequity earnings	Change in pension value and nonqualified deferred compensation	All other compensation	Total

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principal position	Year	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Douglas P. Taylor							
Chairman, President,	2018	\$218,693-	None	\$13,687-	None	\$72,750 ^[1]	\$304,630
Chief Executive Officer	2017	\$215,414-	None	\$16,484-	None	\$70,750 ^[2]	\$302,648
Mark V. McDonough	2018	\$158,633-	None	\$13,687-	None	\$57,250	\$229,570
Chief Financial Officer	2017	\$147,753-	None	\$16,484-	None	\$55,750	\$219,987
Richard G. Hill	2018	\$171,904-	None	\$13,687-	None	\$72,250 ^[3]	
Vice President	2017	\$169,271-	None	\$16,484-	None	\$70,250 ⁴	\$