

AAON INC
Form DEF 14A
April 04, 2017

SCHEDULE 14A
Information Required in Proxy Statement

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

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))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

AAON, 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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3) Filing party:

4) Date Filed:

AAON, INC.

Notice of
Annual Meeting
May 16, 2017
and
Proxy Statement

AAON, INC.

NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS

May 16, 2017

Notice is hereby given that the 2017 Annual Meeting of Stockholders (the “Annual Meeting”) of AAON, Inc., a Nevada corporation (the “Company”), will be held on Tuesday, May 16, 2017 at 10:00 A.M. (Local Time), at 2440 South Yukon, Tulsa, Oklahoma, for the following purposes, as more fully described in the accompanying proxy statement (“Proxy Statement”):

1. To elect two Class II Directors for terms ending in 2020;
2. To ratify the selection of Grant Thornton LLP as our independent registered public accounting firm for 2017;
3. To approve (on a non-binding, advisory basis) the compensation of our named executive officers;
4. To approve (on a non-binding, advisory basis) whether an advisory vote on named executive officer compensation should occur once every one, two or three years; and
5. To transact such other business as may properly come before the meeting or any adjournment thereof.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 16, 2017.

We have elected to take advantage of the Securities and Exchange Commission’s rules that allow us to furnish our proxy materials to our stockholders over the Internet. We believe electronic delivery will expedite the receipt of materials and, by printing and mailing a smaller volume, will reduce the environmental impact of our annual meeting materials and help lower our costs. A Notice of Internet Availability of Proxy Materials (the “Notice of Internet Availability”) is being mailed concurrently to our stockholders. The Notice contains instructions on how to access the Notice of Annual Meeting, Proxy Statement and Annual Report to Stockholders online. You will not receive a printed copy of these materials, unless you specifically request one. The Notice of Internet Availability contains instructions on how to receive a paper copy of the proxy materials.

It is important that your shares be represented and voted at the meeting. You may vote your shares in person at the meeting, by internet, by telephone or by completing, signing, dating and returning a proxy card which will be mailed to you if you request delivery of a full set of proxy materials.

Our Proxy Statement and Annual Report on Form 10-K, are available at www.proxyvote.com

By Order of the Board of Directors

Tulsa, Oklahoma Luke A. Bomer

April 4, 2017 Secretary

AAON, INC.
2425 South Yukon
Tulsa, Oklahoma 74107

PROXY STATEMENT

This statement is furnished in connection with the solicitation by the Board of Directors of AAON, Inc., for proxies to be used at our Annual Meeting of Stockholders (the "Annual Meeting") to be held on May 16, 2017, at the time and place set forth in the Notice of Annual Meeting accompanying this Proxy Statement. Unless the context otherwise requires, references herein to "AAON", "we", "us", "our" or "ours" refers to AAON, Inc., a Nevada corporation.

Pursuant to provisions of our Bylaws and action of our Board of Directors, the close of business on March 20, 2017, has been established as the time and record date for determining the stockholders entitled to notice of and to vote at this Annual Meeting. The stock transfer books will not be closed.

Stockholders of record on the record date are entitled to cast their votes at the Annual Meeting in person or by internet, telephone or properly executed proxy. The presence, by any of these means, of thirty-three and one-third percent (33-1/3%) of the Common Stock outstanding on the record date is necessary to constitute a quorum at the Annual Meeting. Abstentions and broker non-votes are counted as shares present in determining whether the quorum requirement is satisfied. If a quorum is not present at the time the Annual Meeting is convened, we may adjourn or postpone the meeting.

Determination of whether a proposal specified in the Notice of 2017 Annual Meeting of Stockholders has been approved will be determined, assuming a quorum is present either in person or by proxy, as follows:

Proposal No. 1. A nominee for director will be elected if a majority of the stockholders voting on the nominee's election vote in favor such nominee's election. Accordingly, abstentions and broker non-votes will have no effect on the outcome of the vote on the director nominees.

Proposal No. 2. The proposal to ratify Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2017 will require the affirmative vote of a majority of the shares of Common Stock present at the Annual Meeting in person or by proxy and entitled to vote on the proposal. An abstention will have the effect of a vote against this proposal. Brokers have discretionary authority and may vote on the proposal without having instructions from the beneficial owners or persons entitled to vote thereon.

Proposal No. 3. The proposal to approve, on an advisory basis, the compensation of our named executive officers will require the affirmative vote of a majority of the voting shares that are present at the Annual Meeting in person or by proxy and entitled to vote on this proposal. An abstention will have the effect of a vote against this proposal. A broker non-vote will have no effect on the outcome of the vote on this proposal.

Proposal No. 4. Relating to the frequency of future advisory votes on the compensation of our named executive officers, allows you to vote to recommend that such future votes be held every year, every two years, or every three years, or you may vote to abstain. This proposal will be determined by a plurality of votes cast, meaning that the option receiving the highest number of votes will be approved. Neither abstentions nor broker non-votes will affect the outcome of this proposal.

While the advisory votes on Proposal Nos. 3 and 4 are non-binding (as provided by law), the Board of Directors welcomes our stockholders' view on these subjects and will take the vote results into account in making its determinations.

You may vote in several different ways:

In person at the Annual Meeting

You may vote in person at the Annual Meeting. You may also be represented by another person at the meeting by executing a proxy properly designating that person. If you are the beneficial owner of shares held in "street name," you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the meeting.

By telephone

You may vote by calling the toll-free telephone number indicated on the voting instructions you will receive. Easy-to-follow voice prompts allow you to vote your shares and confirm that your voting instructions have been properly recorded.

By Internet

You may vote by going to the Internet web site indicated on the voting instructions you will receive. Confirmation that your voting instructions have been properly recorded will be provided.

By mail

You may vote by completing, signing, dating and returning a proxy card which will be mailed to you if you request delivery of a full set of proxy materials. A postage-paid envelope will be provided along with the proxy card.

Telephone and Internet voting for stockholders of record will be available until 11:59 p.m. Central time on May 15, 2017. A mailed proxy card must be received by May 15, 2017, in order to be voted at the Annual Meeting. The availability of telephone and Internet voting for beneficial owners of other shares held in "street name" will depend on your broker, bank or other holder of record and we recommend that you follow the voting instructions on the Notice of Internet Availability that you receive from them.

If you are mailed a set of proxy materials and a proxy card or voting instruction card and you choose to vote by telephone or by Internet, you do not have to return your proxy card or voting instruction card. However, even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance so that your vote will be counted if you later decide not to attend the meeting.

Proxies received in advance of the meeting may be revoked at any time prior to the voting thereof, either by giving notice to the Secretary of AAON or by personal attendance at the meeting.

We have adopted a procedure approved by the SEC called "householding" pursuant to which stockholders of record who have the same address and last name and who request a written copy of our Annual Report and Proxy Statement will receive only one copy of such materials unless one or more of these stockholders notify us that they wish to receive individual copies. Stockholders who participate in householding will continue to receive separate proxy cards.

We will pay the costs of the solicitation of proxies. We may reimburse brokerage firms and other persons for expenses incurred in forwarding the proxy materials to their customers who are beneficial owners and obtaining their voting instructions. Stockholders electing to vote over the Internet should understand that there may be costs associated with electronic access (such as charges from their Internet access provider) and that these costs must be borne by the stockholder.

Stockholders currently receiving multiple copies of our Annual Report and Proxy Statement at their household can request householding by contacting our transfer agent at 1-801-277-1400 or writing to Progressive Transfer Company, 1981 East Murray-Holladay Road, Suite 200, Salt Lake City, Utah 84117. Stockholders now participating in householding who wish to receive a separate document in the future may do so in the same manner. Those owning shares through a bank, broker or other nominee may request householding by contacting the nominee.

This Proxy Statement, the Notice of Annual Meeting and accompanying proxy card, as well as our 2016 Annual Report (which includes our Annual Report on Form 10-K for the year ended December 31, 2016), can also be found at our website (www.aaon.com). Copies of exhibits omitted from the enclosed Annual Report on Form 10-K are available without charge upon written request to Kathy I. Sheffield, 2425 S. Yukon, Tulsa, Oklahoma 74107, or may also be obtained at the Securities and Exchange Commission's website at www.sec.gov.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of March 20, 2017 (the record date), we had issued a total of 52,629,862 shares of \$.004 par value Common Stock, our only class of stock outstanding. Each share is entitled to one vote on all matters submitted to a vote by stockholders.

The following table sets forth as of March 20, 2017, the aggregate number of our shares of Common Stock owned by each person known by us to be the beneficial owner of more than 5% of our Common Stock:

Name and address of beneficial owner	Number of shares owned	Percent of Class
Norman H. Asbjornson 2425 South Yukon Tulsa, OK 74107	9,775,582	(1) 18.57%
Blackrock, Inc. 55 East 52nd Street New York, NY 10055	4,398,712	(2) 8.36%
Neuberger Berman Group LLC & Neuberger Berman Investment Advisers LLC 1290 Avenue of the Americas New York, NY 10104	3,541,105	(3) 6.73%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	3,381,462	(4) 6.42%

(1) Includes 6,524 shares under AAON's 401(k) plan, 22,326 shares issuable upon exercise of stock options exercisable currently or within 60 days of the annual meeting, 14,905 shares of restricted stock that will vest within 60 days of the annual meeting, 154,000 shares owned by his foundation and 552,416 shares held as trustee of trusts for the benefit of his grandchildren. Mr. Asbjornson has sole voting and investment powers with respect to all shares beneficially owned by him.

(2) This share ownership information was provided in a Schedule 13G/A filed January 18, 2017, which discloses that BlackRock, Inc. possesses the sole voting power of 4,305,177 shares and sole dispositive power of all of the reported shares.

(3) This share ownership information was provided in a Schedule 13G/A filed on February 14, 2017, which discloses that Neuberger Berman Group LLC and Neuberger Berman Investment Advisers LLC possess shared voting power and shared dispositive power of 3,541,105 shares, respectively.

(4) This share ownership information was provided in a Schedule 13G/A filed on February 9, 2017, which discloses that The Vanguard Group possesses sole voting power of 80,176 shares, shared voting power of 7,252 shares, sole dispositive power of 3,296,184 shares and shared dispositive power of 85,278 shares.

The following table sets forth as of March 20, 2017, the aggregate number of shares of our Common Stock owned of record or beneficially by each current director, nominee for director, each person named in the Summary Compensation Table (herein, "Named Executive Officers") and all directors, nominees for director and Named Executive Officers as a group:

Name and address of beneficial owner	Number of shares owned	(1)	Percent of Class
Norman H. Asbjornson	9,775,582	(2)	18.57 %
Jack E. Short	55,774	(3)	*
Paul K. Lackey, Jr.	64,799	(3)	*
A. H. McElroy II	64,799	(3)	*
Jerry R. Levine	241,024	(4)	*
Gary D. Fields	5,532	(9)	*
Angela E. Kouplen	1,687	(10)	*
Stephen O. LeClair	—		*
Scott M. Asbjornson	1,393,998	(5)	2.65 %
Kathy I. Sheffield	58,152	(6)	*
Sam J. Neale	15,205	(7)	*
Robert G. Fergus	35,381	(8)	*
Directors, nominees and Named Executive Officers as a group (12 persons)	11,711,933	(11)	22.25 %

(1) All shares are held beneficially and of record and the owner has sole voting and investment power with respect thereto, except as otherwise noted.

(2) Includes 6,524 shares under AAON's 401(k) plan, 22,326 shares issuable upon exercise of stock options exercisable currently or within 60 days of the annual meeting, 14,905 shares of restricted stock that will vest within 60 days of the annual meeting, 154,000 shares owned by his foundation and 552,416 shares held as trustee of trusts for the benefit of his grandchildren.

(3) Includes 5,062 shares of restricted stock that will vest within 60 days of the annual meeting.

(4) Includes 5,062 shares held by Mr. Levine's IRA account, 2,527 shares held jointly by Mr. Levine and his wife, 19,625 shares issuable upon exercise of stock options that are exercisable currently or within 60 days of the annual meeting and 5,062 shares of restricted stock which will vest within 60 days of the annual meeting.

(5) Includes 129 shares under AAON's 401(k) plan, 7,758 shares issuable upon exercise of stock options exercisable currently or within 60 days of the annual meeting, 1,857 shares of restricted stock that will vest within 60 days of the annual meeting and 540,000 shares held as custodian for the benefit of his children.

(6) Includes 27 shares under AAON's 401(k) plan, 44,508 shares issuable upon exercise of stock options exercisable currently or within 60 days of the annual meeting and 1,860 shares of restricted stock that will vest within 60 days of the annual meeting.

(7) Includes 2,198 shares under AAON's 401(k) plan, 4,500 shares issuable upon exercise of stock options exercisable currently or within 60 days of the annual meeting and 1,431 shares of restricted stock that will vest within 60 days of the annual meeting.

(8) Includes 8,170 shares under AAON's 401(k) plan, 15,656 shares issuable upon exercise of stock options exercisable currently or within 60 days of the annual meeting and 1,560 shares of restricted stock that will vest within 60 days of the annual meeting.

(9) Includes 470 shares under AAON's 401(k) plan and 3,375 shares of restricted stock that will vest within 60 days of the annual meeting.

(10) Includes 1,687 shares of restricted stock that will vest within 60 days of the annual meeting.

(11) Includes 114,373 shares issuable upon the exercise of stock options that are exercisable currently or within 60 days of the annual meeting and 46,923 shares of restricted stock that will vest within 60 days of the annual meeting by

all directors and Named Executive Officers.

* Less than 1%.

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DIRECTORS AND EXECUTIVE OFFICERS

General

Our Board of Directors is comprised of seven members. Our Bylaws (the "Bylaws") divide the Board of Directors into three classes having staggered terms of three years each, with Classes II, III and I having terms expiring at the Annual Meeting of Stockholders in 2017, 2018 and 2019, respectively. The Bylaws provide that a stockholder may nominate a director for election at an annual meeting if written notice is given to us not less than 60 and not more than 90 days in advance of the anniversary date of the immediately preceding annual meeting.

On the recommendation of our Governance Committee, the Board of Directors has nominated Jack E. Short, a current member of the Class II Directors, whose term expires at the 2017 Annual Meeting, for re-election to the Board. Also on the recommendation of our Governance Committee, the Board of Directors nominated Stephen O. LeClair for election to the Board as a Class II Director, to replace Jerry R. Levine, who will complete his current term at the 2017 Annual Meeting. The persons named in the proxy will vote for the election of each of Mr. Short and Mr. LeClair. Each of the above named nominees have consented to being named in this Proxy Statement and to serve if elected.

If any nominee becomes unavailable for any reason, the shares represented by the proxies will be voted for such other person, if any, as may be designated by the Board of Directors. However, the Board has no reason to believe that any nominee will be unavailable.

Nominees:

Class II - Terms Expire in 2017

Name	Age	Current Position	Director Since
Jack E. Short	76	Director	2004
Stephen O. LeClair	48	Nominee	-

Directors Continuing in Office:

Class III - Terms Expire in 2018

Name	Age	Current Position	Director Since
Norman H. Asbjornson	81	Director and Chief Executive Officer	1989
Gary D. Fields	57	Director and President	2015
Angela E. Kouplen	43	Director	2016