

AAON INC
Form DEF 14A
April 03, 2018

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))
- [X] 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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- 1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing party:

4) Date Filed:

AAON, INC.

Notice of
Annual Meeting
May 15, 2018
and
Proxy Statement

AAON, INC.

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

May 15, 2018

Notice is hereby given that the 2018 Annual Meeting of Stockholders (the "Annual Meeting") of AAON, Inc., a Nevada corporation (the "Company"), will be held on Tuesday, May 15, 2018 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 three Class III Directors for terms ending in 2021;

To amend the Company's 2016 Long-Term Incentive Plan (the "2016 Incentive Plan") to (i) increase the number of shares of common stock available for issuance pursuant to awards under the 2016 Incentive Plan, and (ii) establish a maximum number of common shares that may be granted as restricted stock and restricted stock units under the 2016 Incentive Plan;

3. To ratify the selection of Grant Thornton LLP as our independent registered public accounting firm for 2018;

4. 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 15, 2018.

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 3, 2018 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 15, 2018, 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 19, 2018, 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 2018 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 (i) increase the shares eligible for issuance under the Company's 2016 Incentive Plan and (ii) establish a maximum number of common shares that may be granted as restricted stock and restricted stock units under the 2016 Incentive Plan, will require the affirmative vote of a majority of the stockholders voting on such proposal. Accordingly, abstentions and broker non-votes will have the effect of a vote against the proposal.

Proposal No. 3. The proposal to ratify Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2018 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.

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 14, 2018. A mailed proxy card must be received by May 14, 2018, 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 Issuer Direct Corporation, 1981 East Murray-Holladay Road, Suite 100, 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 2017 Annual Report (which includes our Annual Report on Form 10-K for the year ended December 31, 2017), can also be found at

our website (www.aaon.com). Copies of exhibits omitted from the enclosed

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Annual Report on Form 10-K are available without charge upon written request to Scott Asbjornson, 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 19, 2018 (the record date), we had issued a total of 52,429,867 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 19, 2018, 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	9,815,887	(1) 18.72%
Blackrock, Inc. 55 East 52nd Street New York, NY 10055	5,111,653	(2) 9.75%
Neuberger Berman Group LLC & Neuberger Berman Investment Advisers LLC 1290 Avenue of the Americas New York, NY 10104	3,736,069	(3) 7.13%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	3,732,821	(4) 7.12%

(1) Includes 6,479 shares under AAON's 401(k) plan, 44,162 shares issuable upon exercise of stock options exercisable currently or within 60 days of the annual meeting, 13,217 shares of restricted stock that will vest within 60 days of the annual meeting, 154,000 shares owned by his foundation and 554,108 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 23, 2018, which discloses that BlackRock, Inc. possesses the sole voting power of 5,031,832 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 15, 2018, which discloses that Neuberger Berman Group LLC and Neuberger Berman Investment Advisers LLC possess shared voting power of 3,708,269 and shared dispositive power of 3,736,069 shares.

(4) This share ownership information was provided in a Schedule 13G/A filed on February 8, 2018, which discloses that The Vanguard Group possesses sole voting power of 80,273 shares, shared voting power of 7,252 shares, sole dispositive power of 3,648,446 shares and shared dispositive power of 84,375 shares.

The following table sets forth as of March 19, 2018, 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	9,815,887	(2)	18.72 %
Jack E. Short	60,835	(3)	*
Paul K. Lackey, Jr.	69,860	(3)	*
A. H. McElroy II	69,860	(3)	*
Mikel D. Crews	60,208	(4)	*
Gary D. Fields	19,811	(8)	*
Angela E. Kouplen	5,061	(9)	*
Stephen O. LeClair	1,687	(10)	*
Scott M. Asbjornson	1,398,347	(5)	2.67 %
Kathy I. Sheffield	99,516	(6)	*
Sam J. Neale	13,572	(7)	*
Robert G. Fergus	26,168		*
Directors, nominees and Named Executive Officers as a group (12 persons)	11,640,812	(11)	22.20 %

(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 6,479 shares under AAON's 401(k) plan, 44,162 shares issuable upon exercise of stock options exercisable currently or within 60 days of the annual meeting, 13,217 shares of restricted stock that will vest within 60 days of the annual meeting, 154,000 shares owned by his foundation and 554,108 shares held as trustee of trusts for the benefit of his grandchildren.

(3) Includes 5,061 shares of restricted stock that will vest within 60 days of the annual meeting.

(4) Includes 41,563 shares under AAON's 401(k) plan, 10,975 shares issuable upon exercise of stock options exercisable currently or within 60 days of the annual meeting and 91 shares of restricted stock that will vest within 60 days of the annual meeting.

(5) Includes 806 shares under AAON's 401(k) plan, 8,807 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 8 shares under AAON's 401(k) plan and 77,435 shares issuable upon exercise of stock options exercisable currently or within 60 days of the annual meeting.

(7) Includes 2,948 shares under AAON's 401(k) plan.

(8) Includes 1,436 shares under AAON's 401(k) plan, and 8,859 shares issuable upon exercise of stock options exercisable currently or within 60 days of the annual meeting and 5,061 shares of restricted stock that will vest within 60 days of the annual meeting.

(9) Includes 3,374 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 150,238 shares issuable upon the exercise of stock options that are exercisable currently or within 60 days of the annual meeting and 40,470 shares of restricted stock that will vest within 60 days of the annual meeting by all directors and Named Executive Officers.

* Less than 1%.

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 III, I and II having terms expiring at the Annual Meeting of Stockholders in 2018, 2019 and 2020, 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 Norman H. Asbjornson, Gary D. Fields and Angela E. Kouplén, the current members of the Class III Directors, whose terms expire at the 2018 Annual Meeting, for re-election to the Board. The persons named in the proxy will vote for the election of each of Mr. Asbjornson, Mr. Fields and Ms. Kouplén. 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 III - Terms Expire in 2018

Name	Age	Current Position	Director Since
Norman H. Asbjornson	82	Director and Chief Executive Officer	1989
Gary D. Fields	58	Director and President	2015
Angela E. Kouplén	44	Director	2016

Directors Continuing in Office:

Class I - Terms Expire in 2019

Name	Age	Current Position	Director Since
Paul K. Lackey, Jr.	74	Director	2007
A.H. McElroy II	55	Director	2007

Class II - Terms Expire in 2020

Name	Age	Current Position	Director Since
Jack E. Short	77	Director	2004
Stephen O. LeClair	49		