

**WINLAND ELECTRONICS, INC.
1950 Excel Drive
Mankato, Minnesota 56001**

June 18, 2014

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders for Winland Electronics, Inc., which is scheduled for July 30, 2014, at 3:30 p.m. CDT, at Fredrikson & Byron P.A., 200 South Sixth Street, Suite 4000, Minneapolis, Minnesota 55402. At the Annual Meeting, we will submit proposals to (1) elect four (4) directors to continue to serve on our Board of Directors for a term ending on the date of the next Annual Meeting and (2) fix the size of the Board of Directors at four (4) directors.

These proposals are more fully described in the accompanying Proxy Statement. Any action may be taken on the foregoing proposals on the date specified above for the Annual Meeting, or on any date or dates to which the Annual Meeting may be adjourned. The Board of Directors is not aware of any other business to come before the meeting.

The Proxy Statement contains important information; please read it carefully. **Please also keep in mind that the information contained in these documents should be treated as confidential and should be used only to evaluate the proposals described herein.**

The Board of Directors recommends that you vote “**FOR**” each director nominee named in the Proxy Statement and “**FOR**” the proposal to fix the size of the Board of Directors at four (4) directors. Your vote is important to us. **If you are a record holder, whether or not you plan to attend the Annual Meeting, please vote your proxy via the internet, telephone or complete, sign and return the enclosed proxy card. If you hold your shares in street name, meaning that your shares are held in the name of a broker, bank, trust or other nominee as custodian, you may vote by completing the voting instruction form provided to you by your broker or nominee. You may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from your broker or nominee.**

On behalf of the Board,

/s/ Brian Lawrence
Chief Financial Officer

WINLAND ELECTRONICS, INC.
1950 Excel Drive
Mankato, Minnesota 56001

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD JULY 30, 2014

To: The Shareholders of Winland Electronics, Inc.

The Annual Meeting of Shareholders (the “Annual Meeting”) of Winland Electronics, Inc., a Minnesota corporation (“Winland”), will be held on July 30, 2014, at 3:30 p.m. CDT, at Fredrikson & Byron P.A., 200 South Sixth Street, Suite 4000, Minneapolis, Minnesota 55402, for the following purposes:

- To elect four (4) directors for a term ending on the date of the next Annual Meeting.
- To consider and vote upon a proposal to fix the size of the Board of Directors at four (4) directors.
- To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

Any action may be taken on the foregoing proposals on the date specified above for the Annual Meeting, or on any date or dates to which the Annual Meeting may be adjourned. The Board of Directors is not aware of any other business to come before the Annual Meeting.

Shareholders of record at the close of business on June 10, 2014, are entitled to notice of, and to vote at, the 2014 Annual Meeting. Each shareholder is entitled to one vote for each share of Common Stock held at that time. A list of these shareholders will be open for examination by any shareholder for any purpose germane to the 2014 Annual Meeting for a period of 10 days prior to the meeting at the Company’s principal executive office at 1950 Excel Drive, Mankato, Minnesota.

You can vote by proxy by Internet, telephone or mail by following the instructions set forth below:

Voting by Internet: You can vote at www.proxyvote.com, 24 hours a day, seven days a week. You will need the 12-Digit Control Number included on your proxy card.

Voting by Telephone: You can vote using touch-tone telephone by calling 1-800-690-6903, 24 hours a day, seven days a week. You will need the 12-digit control number included on your proxy card.

Voting by Mail: You may complete, sign and return by mail the proxy card sent to you together with the printed copies of the proxy materials. The proxy card should be mailed to Vote Processing, c/o Broadridge Financial Solutions, 51 Mercedes Way, Edgewood, NY 11717. Please vote as soon as possible to record your vote promptly, even if you plan to attend the 2013 Annual Meeting.

If you are a record holder and attend the Annual Meeting, you may, if you wish, revoke the proxy and vote in person on all matters brought before the Annual Meeting. If you hold your shares in street name, meaning that your shares are held in the name of a broker, bank, trust or other nominee as custodian, you may vote by completing the voting instruction form provided to you by your broker or nominee. You may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from your broker or nominee.

By Order of the Board of Directors,

/s/ Brian Lawrence
Chief Financial Officer

Mankato, Minnesota
June 18, 2014

TO ASSURE YOUR REPRESENTATION AT THE ANNUAL MEETING, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD WHETHER OR NOT YOU EXPECT TO ATTEND IN PERSON. SHAREHOLDERS WHO ATTEND THE MEETING MAY REVOKE THEIR PROXIES AND VOTE IN PERSON IF THEY SO DESIRE.

TABLE OF CONTENTS

| | |
|--|---|
| SUMMARY | 1 |
| INTRODUCTION | 5 |
| Proposals to be Voted On..... | 5 |
| Record Date; Shareholders Entitled to Vote; Quorum | 5 |
| Votes Required for Approval | 6 |
| PROPOSALS 1 AND 2 | 7 |
| ELECT FOUR (4) DIRECTORS AND FIX THE SIZE OF THE BOARD OF DIRECTORS AT FOUR (4) DIRECTORS | 7 |
| General Information | 7 |
| Director Nominees | 7 |
| Voting Information..... | 8 |

WINLAND ELECTRONICS, INC.

PROXY STATEMENT
for
Annual Meeting of Shareholders
To Be Held on July 30, 2014

SUMMARY

This summary highlights selected information from this Proxy Statement and may not contain all of the information that is important to you. To better understand the proposal to be voted on at the Annual Meeting, you should carefully read this entire Proxy Statement.

When and Where is the Annual Meeting?

The Annual Meeting of Shareholders (the “Annual Meeting”) of Winland Electronics, Inc. (“Winland” or the “Company”) will be held on July 30, 2014, at 3:30 p.m. CDT, at Fredrikson & Byron P.A., 200 South Sixth Street, Suite 4000, Minneapolis, Minnesota 55402.

What Will Be Voted on at the Annual Meeting?

Shareholders will vote on the following matters:

Proposal 1 – To elect the four (4) directors named in this Proxy Statement for a term ending on the date of the next Annual Meeting; and

Proposal 2 – To fix the size of the Winland Board of Directors at four (4) directors.

In addition, the shareholders will consider such other business as may properly come before the meeting or any postponement or adjournment thereof.

What is the Board of Directors Recommendation Regarding Voting?

The Board of Directors believes that approval of these proposals is in the best interests of Winland and its shareholders, and recommends that shareholders vote “**FOR**” the election of each director and “**FOR**” the proposal to fix the size of the Board of Directors at four (4) directors.

What is the Purpose of the Proposals?

Annually, the Winland shareholders vote to elect directors for the following year and establish the size of the Board of Directors. We respectfully request that you vote in favor of electing Board members for an term ending on the date of the next Annual Meeting and fixing the size of the Board of Directors at four (4) directors.

What Shareholder Vote is Required to Approve the Proposals to Be Voted on at the Meeting?

Approval of the proposal to fix the size of the Board of Directors at four (4) directors requires the affirmative vote of holders of a majority of the voting power of the shares present, in person or by proxy, and entitled to vote at the meeting. The election of each named director nominee requires the affirmative

vote of holders of a plurality of the voting power of the shares present, in person or by proxy, and entitled to vote at the meeting.

What is the Effect of Withhold Votes and Abstentions?

You may either vote “**FOR**” or “**WITHHOLD**” authority to vote for each nominee to the Board of Directors. If you withhold authority to vote on any or all nominees, your vote will be deemed present but will not be deemed to have voted in favor of the nominee. You may vote “**FOR**,” “**AGAINST**,” or “**ABSTAIN**” on the proposal to fix the size of the Board of Directors at four (4) directors. If you abstain from voting, your shares will be deemed present but will not be deemed to have voted in favor of the proposal, and it therefore has the same effect as a vote against the proposal. If you are a record holder and you fail to return your proxy card or otherwise vote, your shares will not be deemed present at the meeting and will have no effect on the outcome of the proposals.

What is the Effect of Broker Non-Votes?

Generally, a “broker non-vote” occurs if you hold your shares in street name, meaning that your shares are held in the name of a broker, bank, trust or other nominee as custodian, and you do not return a voting instruction form to your broker. If the broker has discretionary authority to vote on certain proposals, the broker may do so and the shares are deemed present at the meeting for purposes of a quorum. A “broker non-vote” results for those other proposals where discretionary authority is *not* available, and such “broker non-vote” does not have any effect on the outcome of the proposals.

However, if a broker does not have discretionary authority to vote on any proposal presented at the meeting, the shares will not be deemed present at the meeting for purposes of a quorum and will have no effect on the outcome of the proposals. Brokers will not have discretionary authority to vote on any proposals to be presented at the Annual Meeting, and we do not expect any “broker non-votes.”

Who is Entitled to Vote?

Only shareholders of record at the close of business on June 10, 2014 (the “Record Date”), are entitled to receive notice of and to vote at the Annual Meeting.

How Do I Vote?

If you are a record holder, you may vote in any of the following ways:

- ***Voting by Internet:*** You can vote at www.proxyvote.com, 24 hours a day, seven days a week. You will need the 12-Digit Control Number included on your proxy card.
- ***Voting by Telephone:*** You can vote using touch-tone telephone by calling 1-800-690-6903, 24 hours a day, seven days a week. You will need the 12-digit control number included on your proxy card.
- ***Voting by Mail:*** You may complete, sign and return by mail the proxy card sent to you together with the printed copies of the proxy materials. The proxy card should be mailed to Vote Processing, c/o Broadridge Financial Solutions, 51 Mercedes Way, Edgewood, NY 11717. Please vote as soon as possible to record your vote promptly, even if you plan to attend the 2013 Annual Meeting; or
- ***Voting in person at the Annual Meeting*** – complete and sign the enclosed proxy card and bring it to the Annual Meeting.

If you hold your shares in street name, meaning that your shares are held in the name of a broker, bank, trust or other nominee as custodian, you may vote by completing the voting instruction form provided to you by your broker or nominee. You may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from your broker or nominee.

What is a Proxy?

A proxy is your legal designation of another person or persons (the “Proxy Agents”) to vote on your behalf. By completing and returning the enclosed proxy card, you are giving Brian Lawrence, the Proxy Agent, the authority to vote your shares of common stock at the Annual Meeting in the manner you indicate on your proxy card. If you return a signed proxy card but do not give direction with respect to any nominee or other proposal, the Proxy Agent will vote your shares as recommended by the Board of Directors.

May I Change My Vote After I Have Submitted My Proxy?

Yes. If you are a record holder, to change your vote you can do any of the following:

- Sending a written notice of revocation dated after the date of the proxy to Winland;
- Execute and deliver to us a subsequently dated proxy.
- Attend the Annual Meeting, give oral notice of your intention to vote in person, and submit a proxy card or ballot at the Annual Meeting.

You should be aware that simply attending the Annual Meeting will not in and of itself constitute a revocation of your proxy. If you hold your shares in street name, contact your broker to determine how to change your vote.

Who Can Attend the Annual Meeting?

All shareholders of record at the close of business on the Record Date, or their duly appointed proxies, may attend the Annual Meeting. If you hold your shares in street name, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from your broker or nominee.

What Constitutes A Quorum?

The presence at the Annual Meeting, in person or by proxy, of a majority of the voting power of shares entitled to vote at the Annual Meeting will constitute a quorum. A quorum is required for business to be conducted at the Annual Meeting. As of the Record Date, 3,789,522 shares of our Common Stock were outstanding and therefore the presence of 1,898,551 shares at the Annual Meeting will constitute a quorum. If you submit a properly executed proxy card, even if you abstain from voting on the proposal to fix the size of the Board and withhold authority to vote for all directors, then you will be considered part of the quorum. Abstentions and withhold votes will be treated as shares present for purposes of determining the existence of a quorum. If you hold your shares in street name, meaning that your shares are held in the name of a broker, bank, trust or other nominee as custodian, and you do not return a voting instruction form to your broker, your broker does not have discretionary authority to vote your shares at the annual meeting, and therefore, your shares will not be deemed present for purposes of a quorum.

How Will Voting on any Other Business Be Conducted?

We do not know of business to be conducted at the Annual Meeting other than the matters described in this Proxy Statement and no proposals were received for the Annual Meeting pursuant to applicable provisions of the Company's Bylaws, which are described below. However, if you submit a proxy and any other business is properly presented at the Annual Meeting or any adjournment thereof, your proxy gives authority to the designated Proxy Agent to vote on such matters in their discretion.

Who Will Count the Votes?

At the Annual Meeting, Brian Lawrence, the Chief Financial Officer of the Company, will appoint an individual or individuals to serve as inspector of election for the Annual Meeting.

What Do I Need to do Now?

First, read this Proxy Statement carefully. Then, as soon as possible, submit your proxy by the internet, telephone or executing and returning the enclosed proxy card, using the accompanying prepaid, addressed envelope. Your shares represented by proxy will be voted in accordance with the instructions you specify on the proxy card. If you submit a signed proxy card without specifying how the shares should be voted, your shares will be voted in accordance with the recommendation of the Board of Directors for the proposals described in this Proxy Statement and in accordance with the judgment of the Proxy Agent, or his duly appointed substitutes acting at the Annual Meeting, on any other business that may properly come before the meeting or any postponement or adjournment thereof.

If you hold your shares in street name, meaning that your shares are held in the name of a broker, bank, trust or other nominee as custodian, you may vote by completing the voting instruction form provided to you by your broker or nominee. You may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from your broker or nominee.

How do I Nominate a Candidate for Election as a Director or Submit a Shareholder Proposal?

Certain provisions of the Company's Bylaws require shareholders who offer nominations or proposals to comply with certain procedural requirements intended to ensure that shareholders have sufficient information to make an informed choice when they cast their ballots and to allow the Board time to address such nominations or proposals prior to the shareholder meeting. Shareholders wishing to nominate director candidates or raise a shareholder proposal must provide notice to Winland at least 60 days, but not more than 90 days, prior to the anniversary of the previous annual meeting, or, if the annual meeting has been moved more than thirty days from the anniversary of the previous annual meeting, notice must be provided by the later of the date that is ninety days prior the annual meeting or ten days after the public announcement of the date of the annual meeting. Submission of shareholder proposals and director nominations for the 2014 Annual Meeting are required to be received by Winland by June 20, 2014. Since the 2014 Annual Meeting of Shareholders will be held on July 30, 2014, notice of nominations or proposals for the 2015 Annual Meeting must be received by Winland between May 1, 2015 and May 31, 2015. If not received within that time period, nominations or other proposals from shareholders will not be eligible for consideration at the 2015 Annual Meeting of Shareholders.

YOU SHOULD CAREFULLY READ THIS PROXY STATEMENT IN ITS ENTIRETY.

INTRODUCTION

This Proxy Statement (the “Proxy Statement”) is being provided to you in connection with the solicitation of proxies on behalf of the Board of Directors of Winland Electronics, Inc., a Minnesota corporation, for use in the Annual Meeting of Shareholders (the “Annual Meeting”) to be held on July 30, 2014, at 3:30 p.m. CDT, at Fredrikson & Byron P.A., 200 South Sixth Street, Suite 4000, Minneapolis, Minnesota 55402. In this Proxy Statement, references to “Winland,” the “Company,” “we,” “our,” or “us” refer to Winland Electronics, Inc., unless otherwise noted.

Proxy solicitations will be made by the use of the mails. Solicitations may also be made by telephone by directors, officers or employees of Winland. All costs of soliciting proxies will be borne by Winland.

Please keep in mind that the information contained in and provided in connection with this Proxy Statement should be treated as confidential and should be used only to evaluate the proposals described herein.

Your vote is important to us. Whether or not you plan to attend the Annual Meeting, please promptly complete and sign the enclosed proxy card, and return it by sending a fax or PDF copy to the fax number or e-mail address shown on the proxy card, or by mailing it in the accompanying prepaid, addressed envelope.

Proposals to be Voted On

Shareholders will vote on the following proposals:

Proposal 1 – To elect the four (4) directors named in this Proxy Statement for a term ending on the date of the next Annual Meeting; and

Proposal 2 – To fix the size of the Winland Board of Directors at four (4) directors.

The Board recommends that you vote “**FOR**” each director nominee named in the Proxy Statement and “**FOR**” the proposal to fix the size of the Board of Directors at four (4) directors.

The Board knows of no other matters that are likely to be brought before the Annual Meeting. If any other matters properly come before the Annual Meeting, however, the persons named in the enclosed proxy, or their duly appointed substitutes acting at the Annual Meeting, will be authorized to vote or otherwise act on those matters in accordance with their judgment. Any action may be taken on any one of the items of business on the date specified above for the Annual Meeting, or on any date or dates to which the Annual Meeting may be adjourned.

Record Date; Shareholders Entitled to Vote; Quorum

Shareholders of record at the close of business on June 10, 2014 (the “Record Date”) are entitled to receive notice of and vote at the Annual Meeting. If you hold your shares in street name, meaning that your shares are held in the name of a broker, bank, trust or other nominee as custodian, you may vote by completing the voting instruction form provided to you by your broker or nominee. You may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from your broker or nominee.

On the Record Date, 3,789,522 shares of common stock were issued and outstanding. For each proposal, holders of common stock as of the Record Date are entitled to one vote for each share held.

Shareholders do not have cumulative voting rights with respect to the election of directors or any other matter. Holders of common stock on the Record Date, or their duly appointed proxies, may attend the Annual Meeting.

A majority of the outstanding shares of Winland's common stock must be represented in person or by proxy at the Annual Meeting in order to transact business at the Annual Meeting. If a share is represented for any purpose at the Annual Meeting, other than for the purpose of objecting to the Annual Meeting or the transacting of business at the Annual Meeting, it will be deemed present for the purpose of determining whether a quorum exists. If less than a quorum is present, shareholders having a majority of the outstanding shares represented at the meeting may adjourn such meeting with the same effect and for all intents and purposes as though a quorum had been present. If the Annual Meeting is adjourned, at any subsequent reconvening of the Annual Meeting all proxies will be voted in the same manner as they would have been voted at the original convening of the meeting, except for any proxies that have been revoked or withdrawn. Consistent with Minnesota law, if the Annual Meeting is adjourned to a different place, date or time, Winland need not give notice of the new place, date or time if the new place, date or time is announced at the meeting before adjournment, unless a new record date is or must be set for the adjourned meeting.

Votes Required for Approval

The election of each named director nominee requires the affirmative vote of holders of a plurality of the voting power of the shares present, in person or by proxy, and entitled to vote at the meeting. Approval of the proposal to fix the size of the Board of Directors at four (4) directors requires the affirmative vote of holders of a majority of the voting power of the shares present, in person or by proxy, and entitled to vote at the meeting.

Shares represented by proxies properly signed, dated and returned will be voted at the Annual Meeting in accordance with the instructions set forth therein. If your proxy card is signed and returned without specifying a vote or an abstention with respect to the proposals to be voted on, your shares will be voted **"FOR"** the proposals and will be voted at the discretion of the Proxy Agent as to any other matters that may properly come before the Annual Meeting.

If you mark **"WITHHOLD"** with respect to the election of one or more director nominees, your shares will be deemed present but will not be deemed to have been voted in favor of such directors(s). If you mark **"ABSTAIN"** on the proposal to fix the size of the Board of Directors at four (4) directors, your shares will be deemed present but will not be deemed to have voted in favor of the proposal, and will therefore have the same effect as a vote against the proposal. If you are a record holder and you fail to return your proxy card or otherwise vote, your shares will not be deemed present at the meeting and will have no effect on the outcome of the proposals. If you hold your shares in street name and you do not return a voting instruction form to your broker, your broker does not have discretionary authority to vote your shares at the annual meeting, and therefore, your shares will not be deemed present at the meeting and will have no effect on the outcome of the proposals.

You may revoke your proxy at any time before it is voted by signing and returning a proxy card bearing a later date, by giving written notice to Winland, or by attending the Annual Meeting and voting in person.

PROPOSALS 1 AND 2

ELECT FOUR (4) DIRECTORS AND FIX THE SIZE OF THE BOARD OF DIRECTORS AT FOUR (4) DIRECTORS

General Information

Winland's Bylaws provide that the number of directors shall be the number set by the shareholders, which shall be not less than one. The Board of Directors currently consists of four (4) directors—Thomas Brady, Lorin Krueger, Thomas Braziel and Matthew Houk—and two vacancies currently exists. The Board of Directors has recommended that the number of directors be fixed at four (4) directors. Each signed proxy that is returned to Winland will be voted “**FOR**” the proposal to fix the size of the Board of Directors at four (4) directors unless the proxy is marked “**AGAINST**” or “**ABSTAIN**.”

If elected, each director will serve for a term ending on the date of the next Annual Meeting and until such time as his successor is elected, or until his earlier death, resignation, disqualification, or removal as provided by statute. Each signed proxy that is returned to Winland will be voted “**FOR**” each of the four (4) nominees named above unless authority to vote for any of them is withheld. Each nominee has consented to being named in this Proxy Statement and to serve, if elected. The Company has no reason to believe that any of the director nominees named in this Proxy Statement will be unable or unwilling to serve as a director if elected. However, in the event any of the nominees withdraws or otherwise becomes unavailable for election, the shares represented by all valid proxies will be voted for the election of a substitute nominee, as may be designated by the Board of Directors, or the Board of Directors may allow a vacancy to exist, in its discretion.

Director Nominees

The following table sets forth the age of each nominee as of the Record Date, his position with the Company, if any, and the year in which he first became a director of Winland:

| Name | Age | Director Since |
|--------------------------|-----|----------------|
| Lorin E. Krueger | 58 | 1983 |
| Thomas J. Brady | 49 | 2008 |
| Thomas R. Braziel | 29 | 2013 |
| Matthew D. Houk | 32 | 2013 |

Set forth below is a brief description of the background and business experience of each of the Company's directors and director nominees:

Lorin E. Krueger serves as a Director and Chairman of the Governance Committee. Mr. Krueger is currently the Chief Executive Officer and President of RT 66 Holding, a private investment holding company and Chairman and CFO of Supply Tigers Inc., a purchasing consulting group and group buying company. From June 1, 2001 to January 2, 2008, Mr. Krueger served as President and Chief Executive Officer of the Company and as President of the Company from January 1999 until June of 2001 when he assumed the additional role of Chief Executive Officer. Mr. Krueger has served as a Director of the Company since 1983. Mr. Krueger served as the Company's Chief Operating Officer, and other executive officer positions in the Company, from 1983 until January of 1999. Mr. Krueger was one of the founding partners of the Company. Mr. Krueger's qualifications to serve on the Board of Directors

include his senior leadership experience serving as the Company's past Chief Executive Officer and his breadth of managerial and operational experiences derived from various positions held with the Company and his other business interests.

Thomas J. Brady serves as a Director and Chairman of the Audit Committee. He is the Chief Financial Officer of DigiIneer, Inc., an IT consulting firm, which he joined in October 2006. At DigiIneer, he is responsible for all aspects of internal and external financial reporting, as well as legal and general administration. Previously, Mr. Brady spent 19 years with KPMG LLP, most recently as Audit Partner, where he was responsible for corporate audits in a wide range of companies and industries with revenues ranging from under \$10 million to over \$1 billion. Mr. Brady's qualifications to serve on the Board of Directors include senior leadership experience serving as Chief Financial Officer of DigiIneer, Inc. and specific expertise and knowledge in various areas of financial reporting, finance, corporate governance, compensation and operations.

Thomas R. Braziel serves as a Director and Co-Chairman of the Board of Directors. He is the Founder and a Managing Partner in B.E. Capital Management, an investment partnership which invests in small and micro-cap companies and securities. Mr. Braziel is also the Founder and Managing Partner of Campden Grove Capital, a family investment partnership which was created to leverage opportunities from small company bankruptcies. Prior to his current positions with B.E. Capital Management and Campden Grove Capital, Mr. Braziel was a Quantitative Financial Analyst in 2011 with Hellespont Ship Management. Prior to that, Mr. Braziel was an Economist in the Transfer Pricing and Economic Consulting Group of Thomson Reuters from 2007 to 2009. Mr. Braziel holds a Masters in Mathematics of Finance from Columbia University and a B.A. from New York University. Mr. Braziel is one of the Company's largest shareholders and his experience with analyzing and investing in small and micro-cap companies make him qualified to serve on the Company's Board of Directors.

Matthew D. Houk serves as a Director and Co-Chairman of the Board of Directors. He is a Portfolio Manager at Horizon Kinetics LLC, an investment management services firm. Mr. Houk has been with Horizon Kinetics since August 2008. Mr. Houk is responsible for identifying, analyzing and monitoring investment opportunities and portfolio companies for Horizon Kinetics. Previously, Mr. Houk was with Goldman, Sachs & Co., an investment bank, which he joined in August 2005. Mr. Houk holds a B.A. from Yale University. Through his work in investment management, Mr. Houk brings to the Board of Directors an ability to assess and oversee corporate and financial performance. Mr. Houk is one of the Company's largest outside shareholders and has experience as an investor and an understanding of the methods by which companies may unlock value for their shareholders.

Voting Information

The Board recommends a vote "**FOR**" each of the director nominees named in this Proxy Statement. You may vote for all, some or none of the nominees to be elected to the Board. If any nominee becomes unwilling or unable to serve and the Board elects to fill the vacancy, the Proxy Agents, or their duly appointed substitutes acting at the Annual Meeting, will vote for an alternative person nominated by the Board. Alternatively, the Board of Directors may allow a vacancy to exist, in its discretion. Our Articles of Incorporation prohibit cumulative voting, which means you can vote only once for any nominee. The affirmative vote of holders of a plurality of the voting power of the shares present and entitled to vote at the meeting is required to elect each director nominee.

The Board recommends a vote "**FOR**" the proposal to fix the size of the Board of Directors at four (4) directors. The affirmative vote of holders of a majority of the voting power of the shares present and entitled to vote at the meeting is required to fix the size of the Board of Directors at four (4) directors.