TRANSCAT INC
Form DEF 14A
July 23, 2015

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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 §240.14a-12

Transcat, Inc.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.
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1)	Amount Previously Paid:
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TRANSCAT, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
SEPTEMBER 9, 2015

The annual meeting of shareholders of Transcat, Inc. will be held at our corporate headquarters, which are located at 35 Vantage Point Drive, Rochester, New York 14624, on Wednesday, September 9, 2015, at 12:00 noon, local time, for the following purposes, which are more fully described in the accompanying proxy statement:

- to approve an amendment to our articles of incorporation, as amended, to eliminate cumulative voting in the election of directors;
- to approve an amendment to our code of regulations, as amended, to declassify our board of directors (implementation of this proposal is conditioned upon the approval of the amendment to our articles of incorporation to eliminate cumulative voting in the election of directors);
- to elect three directors;
- to approve, on an advisory basis, the compensation of our named executive officers;
- to ratify the selection of Freed Maxick CPAs, P.C. as our independent registered public accounting firm for the fiscal year ending March 26, 2016; and
- to transact such other business as may properly come before the annual meeting or at any adjournment of the meeting.

Our board of directors has fixed the close of business on July 15, 2015 as the record date for determining the shareholders entitled to notice of and to vote at the annual meeting and at any adjournment of the annual meeting.

By Order of the Board of Directors
Lee D. Rudow
President and Chief Executive Officer

Rochester, New York
July 24, 2015

Your Vote is Important. If you own your shares through a broker, we encourage you to follow the instructions provided by your broker about how to vote. Unless you provide your broker with voting instructions, your broker may not vote your shares on the proposal to amend our articles of incorporation to eliminate cumulative voting in the election of directors, on the proposal to amend our code of regulations to declassify the board of directors, for the election of the three director nominees, or on the advisory vote on executive compensation.

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TRANSCAT, INC.

PROXY STATEMENT

The board of directors of Transcat, Inc., an Ohio corporation, is soliciting the enclosed proxy for use at the annual meeting of shareholders to be held on Wednesday, September 9, 2015, at 12:00 noon, local time, or at any adjournment of the meeting, for the purposes set forth in this proxy statement and in the accompanying notice of annual meeting of shareholders.

Location of Annual Meeting

The annual meeting will be held at our corporate headquarters, which are located at 35 Vantage Point Drive, Rochester, New York 14624. Our telephone number is (585) 352-7777.

Mail Date of Proxy Materials

We are first mailing these proxy solicitation materials to shareholders on or about July 24, 2015.

Record Date and Shares Outstanding

Each holder of shares of our common stock at the close of business on July 15, 2015, the record date for the annual meeting, is entitled to notice of and to vote at the annual meeting. We have one class of shares outstanding, designated common stock, $0.50 par value per share. As of the record date, there were 6,882,617 shares of our common stock issued and outstanding.

Quorum

A quorum is required for shareholders to conduct business at the annual meeting. According to our code of regulations, the holders of a majority of the issued and outstanding shares of our common stock present in person or by proxy at the meeting will constitute a quorum.

Vote Required

The table below shows the vote required to approve each of the proposals described in this proxy statement, assuming the presence of a quorum, in person or by proxy, at the annual meeting.

Proposal	Description	Vote Required
One	To approve an amendment to our articles of incorporation, as amended, to eliminate cumulative voting in the election of directors	Two-thirds of the issued and outstanding shares of our common stock
Two	To approve an amendment to our code of regulations, as amended, to declassify our board of directors (implementation of this proposal is contingent upon the approval of the amendment to our articles of incorporation to eliminate cumulative voting in the election of directors)	Seventy-five percent of the issued and outstanding shares of our common stock
Three	Election of three directors	Plurality of the votes duly cast at the annual meeting

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Proposal	Description	Vote Required
Four	To approve, on an advisory basis, the compensation of our named executive officers	Majority of the votes duly cast at the annual meeting (1)
Five	To ratify the selection of Freed Maxick CPAs, P.C. as our independent registered public accounting firm for the fiscal year ending March 26, 2016	Majority of the votes duly cast at the annual meeting (2)

(1) The results of the advisory vote to approve the compensation of our named executive officers is not binding on our board of directors or our compensation committee. However, our board and our compensation committee value the opinions expressed by our shareholders in their vote on this proposal and will consider the outcome of this vote when making future compensation decisions regarding our named executive officers.

(2) We are presenting the selection of Freed Maxick CPAs, P.C. as our independent registered public accounting firm to our shareholders for ratification. The audit committee will consider the outcome of this vote when selecting our independent registered public accounting firm for subsequent fiscal years.

Recommendations of our Board of Directors

Our board of directors recommends that shareholders vote their shares:

FOR the proposal to approve an amendment to our articles of incorporation, as amended, to eliminate cumulative voting in the election of directors;

FOR the proposal to approve an amendment to our code of regulations, as amended, to declassify our board of directors;

FOR the three director nominees named in this proxy statement;

FOR the proposal to approve, on an advisory basis, the compensation of our named executive officers; and

FOR the ratification of the selection of Freed Maxick CPAs, P.C. as our independent registered public accounting firm for the fiscal year ending March 26, 2016.

Voting

Most of our shareholders hold their shares through a broker or other financial institution rather than directly in their own name. If your shares are registered in your name with our transfer agent, you are considered the shareholder of record of these shares, and we are making these proxy materials available directly to you. As a shareholder of record, you may vote your shares either by signing, dating, and returning your proxy or by attending the annual meeting and voting in person. If your shares are held through a broker or other financial institution, you are considered the beneficial owner of shares held in street name, and your broker or other financial institution is making these proxy materials available to you together with a voting instruction form. As the beneficial owner, you have the right to direct your broker on how to vote your shares. You are also invited to attend the annual meeting and vote in person.

If we receive a properly executed and dated proxy in time to be voted at the annual meeting, the shares represented by the proxy will be voted in accordance with the instructions given in the proxy. A properly executed proxy without specific voting instructions marked on it will be voted:

FOR the proposal to approve an amendment to our articles of incorporation, as amended, to eliminate cumulative voting in the election of directors;

FOR the proposal to approve an amendment to our code of regulations, as amended, to declassify our board of directors;

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- **FOR** the three director nominees named in this proxy statement;
- **FOR** the proposal to approve, on an advisory basis, the compensation of our named executive officers; and
- **FOR** the ratification of the selection of Freed Maxick CPAs, P.C. as our independent registered public accounting firm for the fiscal year ending March 26, 2016.

A properly executed proxy without voting instructions marked on it may also be voted by the named proxies for such other business as may properly come before the annual meeting or at any adjournment or postponement of the meeting.

Beneficial owners will receive voting instructions from their broker or other financial institution. Please note, however, that if your shares are held by a broker or other financial institution and you wish to vote in person at the annual meeting, you must bring to the annual meeting a legal proxy from the broker or other financial institution that gives you the right to vote your shares in person.

Cumulative Voting

Generally, each shareholder is entitled to one vote for each share of common stock held as of the record date. With respect to the election of directors, shareholders may cumulate their votes if they follow the procedures outlined below. Cumulative voting is a system of voting whereby each shareholder receives a number of votes equal to the number of shares that the shareholder holds as of the record date multiplied by the number of directors to be elected. Thus, for example, if you held 100 shares as of the record date, you would be entitled to cast 300 votes (100, the number of shares held, multiplied by three, the number of directors to be elected) for the election of directors. Cumulative voting can be used only for the election of directors and is not permitted for voting on any other proposal.

To employ cumulative voting at the annual meeting in accordance with Ohio law, you must notify our president, a vice president, or our corporate secretary that you desire that cumulative voting be used at the annual meeting for the election of directors. Such notice must be in writing, and it must be given at least 48 hours before the time fixed for holding the annual meeting. In addition, our chairman, our corporate secretary, you or someone on your behalf must make a formal announcement at the commencement of the annual meeting stating that such notice has been given.

At this year s annual meeting, we are asking our shareholders to approve an amendment to our articles of incorporation to eliminate cumulative voting in future elections of directors. Please see Proposal One for more information on the proposed amendment.

Effect of Not Casting Your Vote and Broker Non-Votes

If you hold your shares in street name and you do not provide your broker with specific voting instructions, or if you do not obtain a legal proxy that gives you the right to vote the shares in person at the annual meeting, your broker is not permitted to, and will not, vote your shares on your behalf, and your shares will not be counted on the proposal to amend our articles of incorporation to eliminate cumulative voting in the election of directors, on the proposal to amend our code of regulations to declassify the board of directors, in the election of directors, and the advisory vote on executive compensation, all of which are non-routine proposals. Your broker has discretionary authority to vote your uninstructed shares to ratify the selection of our independent registered public accounting firm, which is a routine proposal. Uninstructed shares with respect to which your broker does not have discretionary authority are known as broker non-votes.

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We count shares subject to broker non-votes for the purpose of determining the presence of a quorum but do not count them for the purpose of the number of shares voting in the election of directors or the advisory vote on executive compensation. Thus, broker non-votes will have no effect on the outcome of these proposals. Broker non-votes will have the effect of a vote against the proposal to amend our articles of incorporation to eliminate cumulative voting in the election of directors and the proposal to amend our code of regulations to declassify the board of directors, because shares that are not voted for these proposals will not count towards the number of shares required to approve the proposals.

If you are a shareholder of record and you do not cast your vote in person or by proxy, no votes will be cast on your behalf on any of the items of business at the annual meeting.

Effect of Abstentions

An abstention represents a shareholder s affirmative choice to decline to vote on a proposal other than the election of directors. Shares that abstain from voting on a proposal are counted for the purpose of determining the presence of a quorum but are not considered votes duly cast for a proposal. Thus, abstentions will have no effect on the outcome of the vote on the proposals requiring the approval of a plurality or a majority of votes cast, because abstentions are not counted as votes duly cast. Abstentions will have the effect of a vote against the proposal to amend our articles of incorporation to eliminate cumulative voting in the election of directors and the proposal to amend our code of regulations to declassify the board of directors, because shares that abstain from voting on these proposals will not count towards the number of shares required to approve the proposals.

Revocability of Proxies

You may change your vote by revoking your proxy at any time before it is voted at the annual meeting in one of three ways:

- submit a signed proxy card with a later date;
- notify our corporate secretary in writing before the annual meeting that you are revoking your proxy; or
- attend the annual meeting and vote in person.

Solicitation of Proxies

Our board of directors is soliciting proxies for use at the annual meeting, and we will bear the cost of the proxy solicitation. In addition to solicitation by mail, our directors, officers, and employees may solicit proxies personally, by telephone, or other telecommunication. We will not compensate any of these persons for soliciting proxies on our behalf. We will reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to such beneficial owners. In addition, we have retained Regan & Associates, Inc., a professional solicitation firm, which will assist us in delivering these proxy materials and soliciting proxies for a fee of approximately $12,750.

Annual Report to Shareholders and Annual Report on Form 10-K

We have enclosed our 2015 annual report to shareholders with this proxy statement. Our annual report on Form 10-K for the fiscal year ended March 28, 2015, as filed with the Securities and Exchange Commission, is included in the 2015 annual report. The 2015 annual report includes our audited consolidated financial statements, along with other information about us, which we encourage you to read.

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You can obtain, free of charge, an additional copy of our Form 10-K by:

accessing our website, Transcat.com, and going to SEC Filings under Investor Relations ;

writing to us at: Transcat, Inc., 35 Vantage Point Drive, Rochester, New York 14624, Attention: Corporate Secretary; or

telephoning us at 585-352-7777.

You can also obtain a copy of our annual report on Form 10-K and all other reports and information that we file with, or furnish to, the Securities and Exchange Commission from the Securities and Exchange Commission s EDGAR database at sec.gov.

The information contained on our website is not a part of this proxy statement.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on September 9, 2015

As required by rules adopted by the Securities and Exchange Commission, we are making this proxy statement and our 2015 annual report to shareholders available to you online at:

www.edocumentview.com/TRNS

For directions on how to attend the annual meeting and vote in person, see the Voting and Revocability of Proxies sections above.

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PROPOSAL ONE:
AMENDMENT TO OUR ARTICLES OF INCORPORATION
TO ELIMINATE CUMULATIVE VOTING IN THE ELECTION OF DIRECTORS

Background

Under Ohio law, unless a company s articles of incorporation provide otherwise, shareholders have the right to cumulatively vote their shares in the election of directors if they comply with the provisions of the law. Cumulative voting is a system of voting whereby each shareholder receives a number of votes equal to the number of shares that the shareholder holds as of the record date multiplied by the number of directors to be elected. Each shareholder is entitled to cast all of the shareholder s votes for a single nominee or may distribute them among as many nominees as the shareholder determines. Currently, our articles of incorporation, as amended, do not expressly prohibit cumulative voting.

Cumulative voting has the potential to allow a shareholder that holds less than a majority of the outstanding voting power to elect one or more directors. Our board believes that each director is responsible to, and should represent the interests of, all shareholders and not a particular minority shareholder that may have special interests or an agenda that is contrary to that of the majority of shareholders. The election of directors who view themselves as representing a particular minority shareholder can result in dissention among board members and impair the ability of the board to act in the best interest of the company and all shareholders. For this reason, our board believes that cumulative voting is not in the best long-term interests of our company and our shareholders. Accordingly, our board has approved, and recommends that our shareholders approve, an amendment to our articles of incorporation to eliminate cumulative voting in the election of directors.

As we state under Contingency and Voting Requirements under Proposal Two: Amendment to our Code of Regulations to Declassify the Board of Directors, if our shareholders do not approve the amendment to our articles of incorporation to eliminate cumulative voting, we will not implement the amendment to our code of regulations to declassify the board, even if it is approved by shareholders. The reason for this is that the annual election of all directors, coupled with cumulative voting, increases the ability of a single shareholder to disproportionately influence director elections.

Description of the Proposed Amendment

If this proposal is approved by our shareholders, our articles of incorporation, as amended, will be amended to add a new Article Eighth that expressly prohibits cumulative voting in the election of directors as follows:

EIGHTH: No holder of shares of any class of capital stock of the Corporation shall have the right to cumulate the voting power with respect to those shares in the election of directors, and the right to cumulate voting power in the election of directors as provided in Section 1701.55 of the Ohio Revised Code is hereby specifically denied to all holders of any class of capital stock of the Corporation.

The amendment will become effective upon the filing of the amended articles of incorporation with the Secretary of State of Ohio, which we expect to file as soon as possible after the annual meeting.

Board Recommendation

The board of directors recommends that you vote FOR the proposal to approve the amendment to our articles of incorporation to eliminate cumulative voting in the election of directors.

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PROPOSAL TWO:
AMENDMENT TO OUR CODE OF REGULATIONS
TO DECLASSIFY THE BOARD OF DIRECTORS

Background

Our code of regulations currently provides for a classified board. The board is divided into three classes, and directors are elected to staggered three-year terms with members of one of the three classes elected every year.

While our board believes that stability and continuity on the board are important factors in effective corporate governance, as part of our continuing commitment to best governance practices, our corporate governance and nominating committee and our board has considered the view held by many institutional shareholders that a classified board has the potential effect of reducing the accountability of directors because it limits the ability of shareholders to evaluate and elect all directors on an annual basis.

After thoughtful consideration and upon the recommendation of the corporate governance and nominating committee, our board approved, and recommends that our shareholders approve, an amendment to our code of regulations that, if adopted, would eliminate our classified board structure over a three-year period, beginning with this year s election. We have designed this phase-in approach to ensure a smooth transition to annual elections of all directors.

Description of the Proposed Amendment

If this proposal is adopted, Article II, Section 2 of our code of regulations will be amended to provide that all director nominees standing for election at or after the 2017 annual meeting of shareholders will be elected to a one-year term. Directors elected prior to the 2015 annual meeting of shareholders will continue to serve for the full three-year term for which they were elected. At this year s annual meeting of shareholders, directors whose terms expire at the meeting will be elected to a two-year term; at the 2016 annual meeting of shareholders, directors whose terms expire at that meeting will be elected to a one-year term. As a result, beginning at the 2017 annual meeting of shareholders, and at each annual meeting thereafter, all directors will stand for election annually. As currently provided in our code of regulations (which will remain unchanged under the proposed amendment), directors elected to fill any vacancy on the board or to fill newly created director positions resulting from an increase in the number of directors would serve the remainder of the term of that position.

The full text of amended Article II, Section 2, is as follows:

Section 2. Election and Classification. The election of directors shall be held at the annual meeting of the shareholders or at a special meeting called for that purpose. Until the 2017 annual meeting of shareholders, the directors shall be classified with respect to the terms for which they shall hold office by dividing them into three classes, each consisting of one-third of the whole number of the Board of Directors, or, if such number shall not be a multiple of three, then such division shall be as nearly equal as the total number of directors will permit. Directors elected prior to the 2015 annual meeting of shareholders shall hold office for a term of three years from the date of their election and until their successors are elected. At the 2015 annual meeting of shareholders, the directors elected to succeed those directors whose terms expire at that meeting shall hold office for a term of two years from the date of their election and until their successors are elected. At the 2016 annual meeting of shareholders, the directors elected to succeed those directors whose terms expire at that meeting shall hold office for a term of one year from the date of their election and until their successors are elected. At the 2017 annual meeting of

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shareholders, and each annual meeting thereafter, all directors shall be elected for a term expiring at the next annual meeting and until their successors are elected. Any vacancy created in the Board of Directors may be filled by the majority vote of the remaining directors. Any person so elected to fill a vacancy shall serve for the unexpired term of that director whose vacancy is being filled.

Article II, Section 3 of our code of regulations provides that all of the directors of a particular class or any individual director may be removed from office without cause by the vote of 75% of the outstanding shares at any meeting of shareholders called for that purpose. This provision will continue if shareholders approve the amendment to declassify the board.

Contingency and Voting Requirement

We are submitting this proposal to amend our code of regulations to declassify the board of directors contingent upon the approval of the amendment to our articles of incorporation to eliminate cumulative voting in the election of directors. Even if our shareholders approve this proposal to declassify the board, we will not implement it unless the amendment to the articles of incorporation to eliminate cumulative voting in the election of directors is also approved by shareholders at the annual meeting.

Board Recommendation

The board of directors recommends that you vote FOR the proposal to approve the amendment to our code of regulations to declassify the board of directors.

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PROPOSAL THREE:
ELECTION OF DIRECTORS

Our code of regulations currently provides for a classified board of directors consisting of three classes of directors, each serving staggered three-year terms. As a result, only a portion of our board of directors is elected each year. This year, we are asking our shareholders to approve an amendment to our code of regulations to declassify the board, as we describe in Proposal Two.

The term of three of our directors, Mr. Bradley, Mr. Resnick, and Mr. Sassano, will expire at this year s annual meeting. In June 2015, after 15 years of dedicated service to our company and the board, Mr. Bradley advised us that he would not be standing for re-election at the 2015 annual meeting. After a diligent evaluation, our corporate governance and nominating committee recommended that Lee. D. Rudow, our president and chief executive officer, be nominated to fill the vacancy on the board created by Mr. Bradley s departure.

Based on the recommendation of the corporate governance and nominating committee, we have nominated Alan H. Resnick, Lee D. Rudow, and Carl E. Sassano, each to serve for a term as follows: if our shareholders approve the amendment to our code of regulations to declassify the board (which is contingent on the approval of the amendment to our articles of incorporation to eliminate cumulative voting in the election of directors), each of the nominees will serve for a two-year term expiring in 2017. If our shareholders do not approve the amendment to our code of regulations to declassify the board, each of the nominees will serve for a term expiring in 2018.

The board of directors recommends that you vote FOR the election of each of Mr. Resnick, Mr. Rudow and Mr. Sassano.

Unless authority to vote for one of the nominees is specifically withheld according to the instructions on your proxy card, proxies will be voted FOR the election of Mr. Resnick, Mr. Rudow and Mr. Sassano. The votes represented by such proxies may be cumulated if proper notice is given (please see Cumulative Voting on page 3 of this proxy statement).

We do not contemplate that any of the nominees will be unable to serve as a director, but if that contingency should occur prior to the voting of the proxies, the persons named in the enclosed proxy reserve the right to vote for such substitute nominee or nominees as they, in their discretion, determine, provided that proxies cannot be voted for a greater number of persons than the number of nominees named in this proxy statement.

The Securities and Exchange Commission s rules require us to briefly discuss the particular experience, qualifications, attributes, or skills that led our board of directors to conclude that each director or nominee for director should serve on our board of directors. We have provided this discussion in a separate paragraph immediately below the biographical information of each director.

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Nominees Proposed for Election as Directors for a Term Expiring in 2017 or 2018

Alan H. Resnick

Age: 71 **Board Committee(s):**

Director since: 2004 *Compensation*

Corporate Governance and Nominating Committee

Mr. Resnick has served as president of Janal Capital Management LLC, an investment advisory firm, since August 2004 after a 31-year career at Bausch & Lomb Incorporated. Mr. Resnick served as vice president and treasurer and a member of Bausch & Lomb s corporate strategy board until his retirement in October 2004. He also served as a member of the advisory board of FM Global, a leading property insurance carrier, until his retirement. Mr. Resnick is a member of the board of directors of the Visiting Nurse Service of Rochester and Monroe County and serves or has served on the boards and committees of several other not-for-profit organizations in the greater Rochester, New York area. Mr. Resnick also serves as chairman of the board of ACM Medical Laboratory, a subsidiary of Rochester Regional Health, in Rochester, New York.

Experience and Qualifications

As the former treasurer of Bausch & Lomb for more than 15 years, Mr. Resnick brings invaluable knowledge of financial instruments and the financial markets to our board as we continue our effort to increase financial market awareness of our performance and improve our market capitalization. Mr. Resnick s creative skill set with respect to executive compensation by virtue of his experience in managing and implementing compensation policies in the context of executive compensation uniquely positions him to serve on our compensation committee.

Lee D. Rudow

Age: 51

First-time Director Nominee

Mr. Rudow joined us in November 2011 as our chief operating officer and was appointed president in September 2012. He was appointed chief executive officer, effective July 1, 2013. From 2008 until 2011, Mr. Rudow served as vice president in various capacities for SIMCO Electronics, Inc., an independent provider of global calibration, repair, and software solutions. Prior to that, from 2006 to 2008, he was president and chief executive officer of Davis Calibration, Inc., served as president and chief executive officer of its related business and predecessor, Davis Inotek Corp. from 1996 to 2006, and served as president of Davis Instruments Corp. from 1986 to 1996.

Experience and Qualifications

Mr. Rudow brings more than 25 years of experience in both of our industry segments. He has a strong understanding of the execution needed for our current business strategy and has served in sales, sales management, and operational positions at Transcat and our competitors. Mr. Rudow has worked at startups, private equity-funded and large industrial companies in our industry space. His skill set is uniquely suited for our organic and acquisitive strategic initiatives. Our customers, recently acquired companies, and our board recognize his experience as providing a broad set of skills in his roles as our chief executive officer and board member.

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Carl E. Sassano

Age: 65

Director since: 2000

Board Committee(s):

Compensation (Chairman)

Corporate Governance and Nominating (Chairman)

Mr. Sassano served as our chairman of the board from October 2003 until April 2007 and from May 2008 until July 2013. From April 2007 to May 2008, he served as our executive chairman of the board. Mr. Sassano became our president and chief executive officer in March 2002 and served in these roles until May 2006 and April 2007, respectively. Prior to joining us, Mr. Sassano served as president and chief operating officer of Bausch & Lomb Incorporated in 1999 and 2000. He also held positions in Bausch & Lomb as president-global vision care (1996-1999), president-contact lens division (1994-1996), group president (1993-1994), and president-Polymer Technology (1983-1992), a subsidiary of Bausch & Lomb. Mr. Sassano also serves as a director of Medifast, Inc. (NYSE: MED) and served as a member of the board of directors of IEC Electronics Corp. (NYSE MKT: IEC) from 2006 through August 2012, and as a trustee of Rochester Institute of Technology from 1996 through June 2013.

Experience and Qualifications

Mr. Sassano s experience in small-to-medium size divisions within Bausch & Lomb, as well as the processes associated with Bausch & Lomb s overall corporate organization, provided Mr. Sassano with the necessary skill set to grow Transcat out of financial turmoil in 2002 and then position it on a path toward growth in the years that followed. Mr. Sassano s leadership skills and institutional knowledge of our company, coupled with his significant corporate experience, provides our board with a strong understanding of the issues we face in our growth strategy.

Directors Whose Terms Do Not Expire at the 2015 Annual Meeting

Charles P. Hadeed

Age: 65

Director since: 2007

Term expires: 2016

Mr. Hadeed is our chairman of the board. He served as our executive chairman from July 2013 until June 2014, as our chief executive officer from April 2007 to July 2013, and as our president from May 2006 to September 2012. He also served as chief operating officer from October 2004 to November 2011. Mr. Hadeed joined us in April 2002 as our vice president of finance and chief financial officer, a role he served in until May 2006. Prior to joining us, Mr. Hadeed most recently served as vice president-healthcare ventures group with Henry Schein Inc. Prior to that, he served as group vice president-operations at Del Laboratories Inc. and in various executive positions during his 20-year career at Bausch & Lomb Incorporated. Mr. Hadeed currently serves on the board of directors of IEC Electronics Corp. (NYSE MKT: IEC). He also served on the board of directors of Rochester Rehabilitation Center, Inc., Rehabilitation Enterprises, Inc., Rehabilitation Philanthropies, Inc., and Center Information Services, Inc. until March 2014.

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Experience and Qualifications

As our former executive chairman, chief executive officer, president, chief operating officer, and vice president of finance and chief financial officer, Mr. Hadeed provides our board with invaluable institutional knowledge of the operations of our company, its markets, and its customers. When Mr. Hadeed joined us in April 2002, our company was facing a number of critical challenges. His financial and management skills contributed to the resolution of those challenges, as well as the financial turnaround and growth the company has experienced during his tenure with us. Mr. Hadeed continues to provide leadership for our sustained growth, profitability, and financial stability.

Paul D. Moore

Age: 64	**Board Committee(s):**
Director since: 2001	*Audit*
Term expires: 2016	

Mr. Moore retired as senior vice president of M&T Bank Corporation in March 2014. Prior to his retirement, Mr. Moore last served as senior credit officer overseeing all corporate lending activity in the Rochester, Buffalo, and Binghamton, New York markets. Additionally, Mr. Moore had credit responsibility for M&T s automotive dealership customers throughout its Middle Atlantic markets. During his 35-year career at M&T Bank, Mr. Moore served as the commercial banking manager for the Rochester, New York market and held various commercial loan positions in Buffalo, New York.

Experience and Qualifications

Mr. Moore s more than 35-year corporate banking career qualifies him to represent the interests of shareholders as a member of our board. Over the course of his career, he extended loans to thousands of companies and was required to assess the management, products, markets, and financial performance of these businesses. This process has provided Mr. Moore with a broad perspective of what makes a business successful, an insight that is invaluable to our board, particularly as it relates to strategic planning and growth.

Angela J. Panzarella

Age: 57	**Board Committee(s):**
Director since: January 2014	*Compensation*
Term expires: 2016	

Ms. Panzarella is the president of ACM Medical Laboratory, Inc., a subsidiary of Rochester Regional Health, and a leading clinical and pathology laboratory in the northeastern United States and an emerging leader in central laboratory services for clinical trials. Prior to joining ACM Medical Laboratory, Inc. in 2010, Ms. Panzarella held various legal and executive positions with Bausch & Lomb Incorporated from 1988 to 2008, where she most recently served as corporate vice president-global vision care. Since 2008, Ms. Panzarella has also served as a consultant and expert witness in litigation matters involving the contact lens industry. Prior to joining Bausch & Lomb Incorporated, she was an associate at the law firm of Harris Beach & Wilcox specializing in litigation.

Experience and Qualifications

Ms. Panzarella s experience as a chief executive officer in a regulated services industry, which is similar to the industries we serve, positions her to provide valuable insight to our board and management in implementing our calibration services growth strategy.

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Richard J. Harrison

Age: 70 **Board Committee(s):**
Director since: 2004 *Audit (Chairman)*
Term expires: 2017 *Governance and Nominating Committee*

Mr. Harrison has served as executive vice president and chief operating officer of Five Star Bank (a wholly-owned subsidiary of Financial Institutions, Inc.) since August 2012. Mr. Harrison previously served as executive vice president and senior retail lending administrator of Five Star Bank from 2009 until 2012. From 2003 until 2009, Mr. Harrison served as senior vice president of Five Star Bank and its predecessor, The National Bank of Geneva. From January 2001 through January 2003, he served as executive vice president and chief credit officer of the Savings Bank of the Finger Lakes, as well as a director from 1997 through 2000. Prior to that, he held senior executive management positions with United Auto Finance, Inc., American Credit Services, Inc. (a subsidiary of Rochester Community Savings Bank), and Security Trust Company/Security New York State Corporation (now Fleet/Bank of America). Mr. Harrison also serves and has served on the board of directors or as manager of several privately-held for profit and not-for-profit entities.

Experience and Qualifications

Mr. Harrison s experience in analyzing complex financial transactions, as well as his skills in credit, financial statement analysis, and risk management, qualify him as our audit committee financial expert. Mr. Harrison s work with small to medium-size businesses throughout his career in banking and finance has provided him with an understanding of business-to-business marketing and provides our board with an understanding of the financial and business environment in which our company operates. His prior service on a publicly-traded company board also provides our board with valuable insight.

Gary J. Haseley

Age: 53 **Board Committee(s):**
Director since: January 2015 *Compensation*
Term expires: 2017

Mr. Haseley is the Senior Vice President and General Manager of Kaman Automation, Control & Energy, a division of Kaman Corporation, a manufacturer in the aerospace industry and the third largest distributor in the power transmission/motion control market. Prior to joining Kaman, from January 2001 to August 2012, Mr. Haseley served as president and chief executive officer of Zeller Corporation, a distributor of electrical and automation components and solutions, which Kaman acquired in 2012. From 1995 until 2001, Mr. Haseley served as Zeller s vice president of sales. Prior to joining Zeller, Mr. Haseley held various engineering and sales positions.

Experience and Qualifications

Mr. Haseley brings extensive knowledge in the distribution and services markets to our board. His role as chief executive officer of Zeller Corporation and subsequent operational and sales roles at Kaman provide the board with valuable insights into the leveraging of two market segments substantially similar in synergies to our industry segments.

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John T. Smith

Age: 68

Director since: 2002

Term expires: 2017

Board Committee(s):

Audit

Mr. Smith is the chairman and chief executive officer of Brite Computers, Inc., an information technology consulting firm, which he joined in 1999. Prior to that, from 1997 to 1999, he was the president of JTS Chequeout Solutions, Inc. From 1980 to 1997, Mr. Smith was president of JTS Computer Services, Inc. Mr. Smith serves on the board of directors of the Monroe Community College Foundation.

Experience and Qualifications

Mr. Smith brings a unique entrepreneurial creativity to our board. He has founded and developed over ten information technology companies over the past 30 years that range from small, local service companies to national product and service companies to major accounts. In the process, Mr. Smith has gained extensive management, financial, banking, and technical expertise. Mr. Smith s provocative approach to management has aided the board as the company continues its acquisitive strategy and brings a different yet compelling smaller-business perspective.

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PROPOSAL FOUR:
TO APPROVE, ON AN ADVISORY BASIS, THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Section 14A of the Securities Exchange Act of 1934, as amended, requires us to provide our shareholders with the opportunity to vote to approve, on an advisory basis, the compensation of our named executive officers (referred to as a say-on-pay vote). We first provided our shareholders with this opportunity at our 2013 annual meeting, at which time our shareholders expressed a preference for this vote to occur on an annual basis, as recommended by our board of directors. Our board of directors subsequently adopted this preference, and we are providing our shareholders with a say-on-pay vote this year.

The primary goal of our compensation program is to align the interests of our named executive officers with those of our shareholders to achieve long-term growth. As detailed in the Compensation Overview section of this proxy statement, our objectives with respect to executive compensation are to attract, motivate, and retain talented executive officers, promote the achievement of key business objectives and drive growth in corporate earnings by linking annual cash and long-term cash and equity incentives to the achievement of measurable corporate and, in some cases, individual performance goals, align the incentives of our executives with the creation of value for our shareholders, foster teamwork, support our core values, and contribute to our long-term success. To achieve these objectives, our compensation committee, in conjunction with a third-party compensation consultant, when appropriate, reviews and evaluates our executive compensation program. In addition, our executive compensation program ties a substantial portion of each executive s overall compensation to attainment of key business and operational goals. The Executive Compensation section of this proxy statement, including the Compensation Overview, describes in detail our executive compensation program and the decisions made by our compensation committee.

We are asking our shareholders to indicate their support and approval for our named executive officer compensation as described in the Executive Compensation section of this proxy statement. We believe that our compensation program for our named executive officers is designed to create value for our shareholders over the long term and appropriately aligns pay with performance.

For the reasons summarized above, and as discussed in more detail in the Executive Compensation section of this proxy statement, our board of directors is asking our shareholders to vote for the following advisory resolution:

RESOLVED, that the compensation paid to the company s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Overview, compensation tables, and related narrative discussion is hereby approved.

The say-on-pay vote is advisory, and therefore it is not binding on our compensation committee or our board of directors. Nevertheless, our board of directors and our compensation committee value the opinions expressed by shareholders in their vote on this proposal and will consider the outcome of the vote in deciding whether to take any action as a result of the vote and when making future compensation decisions for our named executive officers.

The board of directors recommends that you vote FOR the proposal to approve, on an advisory basis, the compensation of our named executive officers.

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PROPOSAL FIVE:
RATIFICATION OF SELECTION OF
OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audit committee has selected Freed Maxick CPAs, P.C. as our independent registered public accounting firm for the fiscal year ending March 26, 2016. This selection is being presented to our shareholders for ratification at the annual meeting. The audit committee will consider the outcome of this vote in its future discussions regarding the selection of our independent registered public accounting firm.

We have been advised by Freed Maxick CPAs, P.C. that a representative will be present at the annual meeting and will be available to respond to appropriate questions. We intend to give such representative an opportunity to make a statement if he or she should so desire.

The board of directors recommends that you vote FOR the proposal to ratify the selection of Freed Maxick CPAs, P.C. as our independent registered public accounting firm for the fiscal year ending March 26, 2016.

Fees Paid to Freed Maxick CPAs, P.C.

The following table shows the fees we paid for professional services provided by Freed Maxick CPAs, P.C. during fiscal year 2015 and fiscal year 2014.

	Fiscal Year 2015	Fiscal Year 2014
Audit Fees	$144,000	$149,385
Audit-Related Fees		
Tax Fees		
All Other Fees		
Total	$144,000	149,385

Audit fees paid to Freed Maxick CPAs, P.C. during fiscal year 2015 and fiscal year 2014 were for professional services rendered for the audit of our annual consolidated financial statements and for the reviews of the financial statements included in our Quarterly Reports on Form 10-Q.

Policy on Pre-Approval of Retention of Independent Registered Public Accounting Firm

In accordance with applicable laws, rules and regulations, the audit committee charter requires that the audit committee have the sole authority to review in advance and pre-approve all audit and non-audit fees and services provided to us by our independent registered public accounting firm. Accordingly, all audit services for which Freed Maxick CPAs, P.C. was engaged were pre-approved by the audit committee. The audit committee may delegate to one or more designated members of the audit committee the authority to grant required pre-approval of audit and permitted non-audit services. The decision of any member to whom authority is delegated is required to be presented to the full audit committee at its next scheduled meeting.

Independence Analysis by Audit Committee

The audit committee considered whether the provision of the services described above was compatible with maintaining the independence of Freed Maxick CPAs, P.C. and determined that the provision of these services was compatible with the firm s independence.

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REPORT OF THE AUDIT COMMITTEE[1]

The audit committee of the board of directors is currently composed of three members of the board of directors, each of whom the board of directors has determined is independent under the independence standards of The Nasdaq Stock Market and applicable Securities and Exchange Commission rules. The audit committee assists the board of directors in overseeing the company s accounting and financial reporting processes and financial statement audits. The specific duties and responsibilities of the audit committee are set forth in the audit committee charter, which is available on our website, Transcat.com, under the heading Investor Relations and the subheading Corporate Governance.

The audit committee has:

reviewed and discussed the company s audited consolidated financial statements for fiscal year 2015 with the company s management and Freed Maxick CPAs, P.C.;

discussed with Freed Maxick CPAs, P.C. the matters required to be discussed by Public Accounting Oversight Board Auditing Standard No. 16, *Communications with Audit Committees*;

received and discussed the written disclosures and the letter from Freed Maxick CPAs, P.C. required by applicable requirements of the Public Accounting Oversight Board regarding the independent registered public accounting firm s communications with the audit committee concerning independence; and

has discussed with Freed Maxick CPAs, P.C. its independence.

Based on these reviews and discussions with management and Freed Maxick CPAs, P.C. and the report of Freed Maxick CPAs, P.C., and subject to the limitations on the committee s role and responsibilities contained in the audit committee charter, the audit committee recommended to the board of directors, and the board of directors approved, that the audited consolidated financial statements for fiscal year 2015 be included in the company s annual report on Form 10-K for fiscal year 2015 for filing with the Securities and Exchange Commission.

The audit committee selects the company s independent registered public accounting firm annually and has submitted such selection for fiscal year 2016 for ratification by shareholders at the annual meeting.

Audit Committee:

Richard J. Harrison, Chairman
Paul D. Moore
John T. Smith

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[1] The material in this report is not deemed to be soliciting material, or to be filed with the Securities and Exchange Commission and is not to be incorporated by reference in any of our filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filings.

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CORPORATE GOVERNANCE

Board Meetings

The board of directors held six meetings during fiscal year 2015. Each director then in office attended at least 75% of the total of board meetings and meetings of board committees on which he or she served.

Director Independence

The board of directors has determined that Mr. Bradley, Mr. Harrison, Mr. Haseley, Mr. Moore, Ms. Panzarella, Mr. Resnick, Mr. Sassano, and Mr. Smith are each independent under the independence standards of The Nasdaq Stock Market.

Executive Sessions

During fiscal year 2015, our independent directors met in regularly scheduled executive sessions, without management present, as required by the listing standards of The Nasdaq Stock Market. Mr. Sassano presided over the executive sessions of the independent directors.

Board Leadership Structure

On June 28, 2014, Mr. Hadeed s service as executive chairman ended, and he now serves as chairman of the board. Mr. Rudow, our chief executive officer, who does not currently serve on the board, but attends all board meetings by invitation, has been nominated as a director for the first time at this year s annual meeting.

The board of directors separates the roles of chief executive officer and chairman, based on the board s belief that corporate governance of the company is most effective when these positions are not held by the same person. The board recognizes the differences between the two roles and believes that separating them allows each person to focus on his individual responsibilities. Under this leadership structure, our chief executive officer can focus his attention on day-to-day company operations and performance, and can establish and implement long-term strategic plans, while our chairman can focus his attention on board responsibilities. Additionally, the board recognizes its obligations to confer in executive session with its independent directors.

Presently, the board believes it is appropriate to keep the roles of chief executive officer and chairman separate. The board may, however, change the leadership structure if it believes that a change would better serve the company and its shareholders.

Retirement Policy

The mandatory retirement age for board members is age 72. However, the board of directors has reserved the right to extend the mandatory retirement age if it will better serve the interests of our shareholders and our company.

Board Committees

The board of directors has a standing audit, compensation, and corporate governance and nominating committee. The table below shows the number of meetings held during fiscal year 2015 and the names of the directors currently serving on each committee.

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Committee Name	Number of Meetings Held	Committee Members	
Audit	4	Mr. Harrison (1)	Mr. Moore
		Mr. Smith	
Compensation	2	Mr. Bradley	Ms. Panzarella
		Mr. Resnick	Mr. Sassano (1)
Corporate Governance and Nominating	2	Mr. Harrison	Mr. Resnick
		Mr. Sassano (1)	

(1) Chairman

Each committee acts pursuant to a written charter adopted by our board of directors. The current charter for each board committee is available on our website, Transcat.com, under the heading Investor Relations and the subheading Corporate Governance. The information contained on our website is not a part of this proxy statement.

Audit Committee

The board of directors has determined that each member of the audit committee has sufficient knowledge in financial and auditing matters to serve on the committee and is independent under applicable Securities and Exchange Commission rules. The board of directors has designated Mr. Harrison as an audit committee financial expert in accordance with applicable Securities and Exchange Commission rules and based on his professional experience in banking and finance as described in his biography under Proposal Three: Election of Directors. The board of directors has determined that Mr. Moore would also qualify as an audit committee financial expert in accordance with applicable Securities and Exchange Commission rules and based on his professional experience in banking and corporate lending as described in his biography under Proposal Three: Election of Directors.

The audit committee serves as an independent and objective party to monitor our financial reporting process and internal control system; retains, pre-approves audit and permitted non-audit services to be performed by, and directly consults with, our independent registered public accounting firm; reviews and appraises the services of our independent registered public accounting firm; and provides an open avenue of communication among our independent registered public accounting firm, financial and senior management, and our board of directors. Our audit committee charter more specifically sets forth the duties and responsibilities of the audit committee.

The audit committee, which was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended, is also responsible for preparing the committee s report that Securities and Exchange Commission rules require be included in our annual proxy statement, and for performing such other tasks that are consistent with its charter.

The audit committee s report relating to fiscal year 2015 appears under the heading Report of the Audit Committee.

Compensation Committee

The compensation committee is responsible for establishing and implementing compensation programs for our executive officers and directors that further the intent and purpose of our fundamental compensation philosophy and objectives and for performing such other tasks that are consistent with its charter.

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For more information on executive compensation and director compensation and the role of the compensation committee, see Compensation Overview under the heading Executive Compensation and Director Compensation.

Corporate Governance and Nominating Committee

The corporate governance and nominating committee is charged with identifying candidates, consistent with criteria approved by the committee, qualified to become directors and recommending that the board of directors nominate such qualified candidates for election as directors. The committee is also responsible for reviewing our code of regulations, shaping corporate governance, overseeing the evaluation of the board of directors, board committees, and management, and performing such tasks that are consistent with the corporate governance and nominating committee charter.

The process the corporate governance and nominating committee follows to identify and evaluate candidates includes requests to board members, the chief executive officer, and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and their qualifications, and interviews of selected candidates.

The corporate governance and nominating committee also considers and establishes procedures for shareholder recommendations of nominees to the board. Shareholder recommendations, together with relevant biographical information, should be sent to the following address: Transcat, Inc., 35 Vantage Point Drive, Rochester, New York 14624, Attention: Corporate Secretary. The qualifications of recommended candidates will be reviewed by the corporate governance and nominating committee.

In evaluating the suitability of candidates (other than our executive officers) to serve on the board of directors, including candidates recommended by shareholders, the corporate governance and nominating committee seeks candidates who are independent under the independence standards of The Nasdaq Stock Market and meet certain selection criteria established by the corporate governance and nominating committee from time to time. The corporate governance and nominating committee also considers an individual s skills, character and professional ethics, judgment, leadership experience, business experience and acumen, familiarity with relevant industry issues, national and international experience, and other relevant criteria that may contribute to our success. The corporate governance and nominating committee evaluates candidates in light of their skill sets and other characteristics that complement those of the current board, including the diversity, maturity, skills, and experience of the board as a whole. Although the corporate governance and nominating committee does not have a specific written diversity policy, the committee values and considers diversity when seeking and evaluating candidates for the board. The committee believes that diversity is not limited to gender and ethnicity, but also includes perspective gained from educational and cultural backgrounds and life experiences.

Director Attendance at Annual Meetings

Company policy requires all directors, absent special circumstances, to attend our annual shareholder meetings. All of our directors who were serving as directors at the time attended the annual meeting of shareholders held on September 9, 2014.

The Board s Role in Risk Oversight

Our board of directors is responsible for overseeing risks that could affect our company. This oversight is conducted primarily through the board s committees. The audit committee focuses on financial risks, including those that could arise from our accounting and financial reporting processes and financial statement audits. The compensation committee focuses on the management of risks arising

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from our compensation policies and programs. The corporate governance and nominating committee focuses on the management of risks associated with board organization, membership, and structure, as well as corporate governance.

While our board committees are focused on these specific areas of risk, the full board retains responsibility for general risk oversight. Our board satisfies this responsibility by reviewing periodic reports from each committee chairman regarding the risk considerations within each committee s area of expertise, as well as periodic reports to our board of directors or the appropriate committee from the members of our senior management team who are responsible for risk management.

As part of its risk oversight responsibilities, the board of directors and its committees review the processes that senior management use to manage risk exposure. In doing so, the board and its committees review our overall risk function and senior management s establishment of appropriate systems and processes for managing areas of material risk to our company, including, but not limited to, operational, financial, legal, regulatory, strategic, and information technology risks.

Code of Ethics

We have a code of business conduct and ethics that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. You can find our code of business conduct and ethics on our website, Transcat.com, under the heading Investor Relations and the subheading Corporate Governance. We will provide a printed copy of our code of business conduct and ethics, without charge, to any shareholder who requests it by contacting our corporate secretary at 35 Vantage Point Drive, Rochester, New York 14624.

We intend to post any amendments to or waivers from our code of business conduct and ethics on our website.

Shareholder Communications

Shareholders may send correspondence by mail to the full board of directors or to individual directors. Shareholders should address correspondence to the board of directors or individual board members in care of: Transcat, Inc., 35 Vantage Point Drive, Rochester, New York 14624, Attention: Corporate Secretary.

All shareholder correspondence will be compiled by our corporate secretary and forwarded as appropriate. In general, correspondence relating to corporate governance issues, long-term corporate strategy, or similar substantive matters will be forwarded to the board of directors, the individual director, one of the aforementioned committees of the board, or a committee member for review. Correspondence relating to the ordinary course of business affairs, personal grievances, and matters as to which we tend to receive repetitive or duplicative communications are usually more appropriately addressed by our officers or their designees and will be forwarded to such persons accordingly.

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EXECUTIVE OFFICERS AND SENIOR MANAGEMENT

We are currently served by three executive officers, Mr. Rudow, Mr. Zimmer, and Mr. Flack, together with five additional members of the senior management team. During fiscal year 2015, Mr. Stellrecht served us as an executive officer.

Lee D. Rudow, age 51, is our president and chief executive officer. Additional information about Mr. Rudow can be found under Proposal Three: Election of Directors.

John J. Zimmer, age 57, is a certified public accountant and our senior vice president of finance and chief financial officer. Mr. Zimmer also serves as our treasurer and corporate secretary. Prior to June 1, 2011, Mr. Zimmer was our vice president of finance and chief financial officer. Prior to joining us in June 2006, Mr. Zimmer served as executive vice president and chief financial officer of E-chx, Inc., a payroll outsourcing company. Prior to joining E-chx, Inc. in October 2003, he was a principal with the public accounting firm of DeJoy, Knauf & Blood, LLP. Prior to that, Mr. Zimmer served for four years as vice president-finance and treasurer of Choice One Communications Inc. Prior to joining Choice One, Mr. Zimmer was employed for seven years by ACC Corp., during which time he served as controller, then vice president-finance and later vice president and treasurer.

Robert A. Flack, age 45, is our vice president of operations, a position he has held since May 2015. Prior to joining us in February 2014 as vice president of business development and from June 2013, Mr. Flack served as chief operating officer of ADG Creative, a strategic communications firm. From June 2012 until June 2013, Mr. Flack owned and operated Flack Consulting. From 2010 to 2012, he served as director of sales for the Americas at Tektronix, Inc., a subsidiary of Danaher Corporation. From 1999 to 2010, he served in a variety of executive capacities at Davis Calibration, Inc. including vice president of operations, vice president of business development, and director of operations.

Jennifer J. Nelson, age 44, is our vice president of human resources and has served us in this position since April 2015. Ms. Nelson joined us in July 2012 as a human resources manager. Prior to joining us, Ms. Nelson served as a human resources representative at Jamestown Container, a custom-designed packaging manufacturer, from April 2011 to July 2012, and as human resources manager for Mercury Print Productions, an offset commercial printer, from April 2010 to April 2011.

Rainer Stellrecht, age 65, is our vice president of operational systems, a position he has held since May 2015. Prior to that and since July 2007, he served as our vice president of laboratory operations. Mr. Stellrecht, who joined us in 1977, has served in a number of other positions with us, including senior director of laboratory operations and technical director.

Scott D. Sutter, age 44, is our vice president of sales. Prior to joining us in February 2013 as our vice president of strategic business development, from 1999 until 2013, Mr. Sutter served in various positions with SIMCO Electronics, Inc., an independent provider of global calibration, repair, and software solutions. Mr. Sutter s recent positions with SIMCO Electronics, Inc. included vice president of eastern region and vice president of business development.

Michael W. West, age 44, is our vice president of marketing and has served us in this position since November 2014. From 1995 to 2014, Mr. West was a principal owner of QuestCom Inc., a marketing and advertising company, and served most recently as a marketing consultant to various direct mail, web, and catalog clients. Mr. West worked with our marketing team, as one of his clients, for 13 years.

Jay F. Woychick, age 58, has served as our vice president of inside sales since April 2012. Mr. Woychick, who joined us in September 2000, has served us in sales and marketing positions, including vice president of special markets from April 2012 to July 2013 and vice president of wind energy commercial operations and vendor relations from January 2010 to April 2012. Prior to joining us, Mr. Woychick was employed for 13 years by Polymer Technology, a subsidiary of Bausch & Lomb Incorporated, most recently serving as director of marketing and sales for the RGP Group.

EXECUTIVE COMPENSATION

As a smaller reporting company under the Securities Exchange Act of 1934, as amended, we are providing the following executive and director compensation information in accordance with the scaled disclosure requirements of Regulation S-K.

Named Executive Officers

This proxy statement contains information about the compensation paid to our named executive officers during fiscal year 2015. For fiscal year 2015, in accordance with the executive compensation disclosure rules and regulations of the Securities and Exchange Commission for smaller reporting companies, we determined that the following officers were our named executive officers:

- **Lee D. Rudow**, our president and chief executive officer;
- **John J. Zimmer**, our senior vice president of finance and chief financial officer; and
- **Rainer Stellrect**, our vice president of operational systems.

Compensation Overview

Overview of the Compensation Committee

The compensation committee of our board of directors is responsible for establishing, implementing, and monitoring adherence to our compensation philosophy and objectives. The compensation committee s policy is to provide a competitive total compensation package to our named executive officers. Generally, the types of compensation and benefits provided to our named executive officers are similar to those provided to our other executive officers.

Compensation Philosophy and Objectives

Our compensation program is designed to attract, motivate and retain a highly qualified and effective senior management team. We believe the most effective executive compensation program is one that is designed to reward the achievement of specific annual, long-term, and strategic company goals, which are intended to align the interests of each of our named executive officers with those of our shareholders.

The objectives of the compensation program for our executive officers, including our named executive officers, are to ensure that such programs:

- attract, motivate, and retain our talented executive officers;
- promote the achievement of key business objectives and drive growth in corporate earnings by linking annual cash and long-term cash and equity incentives to the achievement of measurable corporate and, in some cases, individual, performance goals;
- align the incentives of our executives with the interests of our shareholders;
- foster teamwork on the part of management; and
- support our core values and contribute to our long-term success.

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For fiscal year 2015, as in previous years, the key components of our compensation program for our named executive officers were: (1) annual base salary; (2) annual performance-based cash incentive compensation; and (3) long-term, performance-based cash and equity incentive compensation (non-performance based restricted stock may be used in unique circumstances). The annual performance-based cash incentive compensation for our chief executive officer for fiscal year 2015 was based solely on company performance. The annual performance-based cash incentive compensation for our chief financial officer was based on company and individual performance; however, Mr. Zimmer agreed that for fiscal year 2015, his personal performance goals would parallel corporate performance goals. The annual performance-based cash incentive compensation for our vice president of operational systems was based on company and individual performance, which individual performance goals were closely aligned with corporate performance goals.

The compensation committee s intention is to provide a compensation program to our named executive officers that remains competitive with the compensation paid to executives with similar responsibilities in publicly traded companies of comparable size. The compensation committee believes that our executive compensation program is aligned with market best practices for companies of our size. Specifically, our executive compensation program contains the following features:

Focus on variable, performance-based compensation. We intend that total executive compensation corresponds to both corporate performance and the interest of our shareholders by placing our principal emphasis on variable, performance-based incentives through a combination of annual performance-based cash incentive compensation and long-term, performance-based cash and equity incentive compensation. A significant percentage of total compensation for our named executive officers is placed at-risk through annual and long-term performance-based incentive compensation.

Focus on long-term earnings growth. The amount earned under our long-term cash and equity compensation program is tied directly to our achieving specific cumulative fully diluted earnings per share objectives over a multi-year period.

Stock Ownership Objectives. All of our named executive officers are subject to significant stock ownership objectives based on a multiple of annual base salary.

Double-Triggered Change in Control Severance Agreement. The payment of severance under the change in control agreement with our president and chief executive officer requires an involuntary termination without cause or a constructive termination within 24 months following a change in control.

Clawback of Incentive Compensation. All of our named executive officers are subject to our recoupment policy (clawback) for long-term incentive compensation under the 2003 Incentive Plan, as Amended and Restated, which we refer to as the Incentive Plan.

Stock Ownership Objectives

To more closely align the efforts of our named executive officers with the interests of our shareholders, we set a minimum stock ownership objective for our executive officers. This objective requires all executive officers, including our named executive officers, to work towards acquiring and maintaining specific levels of equity ownership interests in our common stock. Under these objectives, our named executive officers are directed to be in compliance with their respective ownership objectives within five years of becoming a named executive officer. Executive officers who were elected prior to the adoption of the objectives in May 2008 were required to be in compliance with the objectives by the fifth anniversary of the adoption date. The compensation committee and the chief executive officer monitor the progress toward achievement of stock ownership objectives, and, if warranted, can make reductions in long-term compensation awards as deemed appropriate.

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Mr. Rudow s stock ownership objective is 2.5 times his base salary and Mr. Zimmer s and Mr. Stellrecht s stock ownership objective is 1.5 times their base salary. As of the end of fiscal year 2015, Mr. Zimmer and Mr. Stellrecht had met their ownership objectives, and Mr. Rudow had achieved 47% of his ownership objective. The compensation committee believes Mr. Rudow is making progress towards compliance with his stock ownership objective.

Retirement Benefits

We have established certain retirement benefits for our employees, including our named executive officers, which we and the compensation committee believe are consistent with our goals of enhancing long-term performance by our employees.

Long-Term Savings and Deferred Profit Sharing Plan (Our 401(k) Plan). The Long-Term Savings and Deferred Profit Sharing Plan is a tax-qualified defined contribution plan pursuant to which all U.S.-based employees, including our named executive officers, are eligible to participate. All employees are able to contribute a portion of their annual salary to the plan on a before-tax basis, subject to limitations imposed by the Internal Revenue Service. We currently match 50% of the first 6% of pay that employees contribute to the plan. All participant contributions to the plan are immediately vested, and all company matching contributions vest pro rata over a three-year period. The plan contains a discretionary deferred profit sharing component, which, if made, has the same three-year vesting schedule as is applicable to company matching contributions. The amount of company matching contributions under this plan for our named executive officers is included in the All Other Compensation column of the 2015 Summary Compensation Table.

Non-Qualified Deferred Compensation. Our non-qualified deferred compensation plan allows our executive officers, including our named executive officers, and directors to elect to defer designated percentages or amounts of their compensation. The plan also allows the company to make discretionary contributions to the account of a plan participant, which are intended to provide the match that would have been made under our 401(k) Plan but for the limitations imposed on our 401(k) Plan under the Internal Revenue Code. The amount of company discretionary contributions under this plan for our named executive officers is included in the All Other Compensation column of the 2015 Summary Compensation Table.

Post-Retirement Plan. The post-retirement benefit plan for officers is a group health plan that provides benefits to eligible retired officers and their spouses. The original effective date of the plan was December 23, 2006. The plan was amended and restated effective April 2, 2012. Three kinds of benefits are provided under the plan: (1) long-term care insurance coverage; (2) medical and dental insurance coverage; and (3) medical premium reimbursement benefits. Officers who retire from active employment with us on or after December 23, 2006 at age 55 or older with five or more years of qualifying service and who do not work in any full-time employment (30 hours or more per week) after retirement are eligible to participate in the plan. Qualifying service is described as the individual s most recent period of continuous, uninterrupted employment with the company on or after the individual reaches age 50. Service with a business acquired by the company is not counted as qualifying service. For purposes of eligibility to participate in the plan, an individual is considered an officer if the individual has the title of vice president or higher or is the corporate controller.

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2015 Summary Compensation Table

The following table shows certain information about the compensation of our named executive officers for services rendered to us in all capacities during fiscal years 2015 and 2014.

Name and Principal Position	Year	Salary (1) $	Stock Awards (2) $	Option Awards (3) $	Non-Equity Incentive Plan Compensation (4) $	All Other Compensation (5) $	Total $
Lee D. Rudow	2015	348,750	362,996			91,309	803,055
President and Chief Executive Officer	2014	322,500	228,000	423,200	102,069	15,383	1,091,152
John J. Zimmer	2015	244,624				124,738	369,362
Senior Vice President of Finance and Chief Financial Officer	2014	237,633	176,320		66,834	35,233	516,020
Rainer Stellrecht	2015	195,498				43,111	238,609
Vice President of Operational Systems	2014	190,513	74,398		47,860	27,987	340,758

(1) The amounts shown in this column include cash compensation earned and paid during fiscal year 2015.

(2) These amounts do not reflect the actual value realized by the recipient. The amounts shown in this column reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for restricted stock awards granted during each fiscal year, except that no estimates for forfeitures have been included. A discussion of the assumptions used to calculate grant date fair value are set forth in Note 1 (General Stock-Based Compensation) and Note 6 (Stock-Based Compensation) to the Consolidated Financial Statements in our annual reports on Form 10-K for the fiscal years ended March 28, 2015 and March 29, 2014, respectively. For fiscal year 2015, the value of the performance-based restricted stock disclosed in this column is based on the probable outcome of the performance conditions as of the date of grant. If the highest level of performance is achieved, the value of Mr. Rudow s award is $544,494. Mr. Zimmer and Mr. Stellrecht s long-term performance-based incentive compensation awards were also performance-based; however, because Mr. Zimmer and Mr. Stellrecht met their stock ownership objectives prior to the award date and elected to receive cash, each long-term performance-based incentive compensation award was granted in the form of a contractual right to receive cash upon attainment of the specific performance conditions. These awards will be reported in the Non-Equity Incentive Plan Compensation column of the 2017 Summary Compensation Table, to the extent such award is earned in fiscal year 2017.

(3) This stock option was granted to Mr. Rudow under our Incentive Plan in connection with his appointment as our chief executive officer. The amount shown in this column reflects the aggregate grant date fair value of the option computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. A discussion of the assumptions used to calculate grant date fair value is set forth in Note 1 (General Stock-Based Compensation) and Note 6 (Stock-Based Compensation) to the Consolidated Financial Statements in our annual report on Form 10-K for the fiscal year ended March 29, 2014.

(4) The amounts shown in this column reflect amounts earned during fiscal year 2015 under our performance incentive plan. Our performance incentive plan for fiscal year 2015 is described in greater detail below under the heading Discussion of 2015 Summary Compensation Table.

(5) The amounts shown in this column reflect amounts paid by us to or on behalf of each named executive officer as company matching contributions under our 401(k) plan and our nonqualified deferred compensation plan, executive life insurance premiums, excess long-term disability premiums, financial planning reimbursements, and a reimbursement for taxes associated with the vesting of restricted stock awards during fiscal year 2015.

	401(k) and Deferred Compensation Plan Matches	Insurance	Financial Planning	Tax Reimbursement
Lee D. Rudow	7,907	2,553	2,100	78,749

John J. Zimmer	7,571	7,228	3,500	106,439
Rainer Stellrecht	6,705	9,487		26,919

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Discussion of 2015 Summary Compensation Table

Employment Agreements

During fiscal year 2015, we were not a party to any employment agreement with our named executive officers.

Performance Incentive Plan

We maintain a performance incentive plan, which is an annual cash incentive program designed to compensate key management members, including our named executive officers, based on their contributions to the achievement of specific corporate fiscal year financial objectives and the achievement of individual performance goals. The performance incentive plan includes various incentive levels based on a participant s position within the company, accountability, and impact on company operations. Target award opportunities are established as a percentage of base salary. The target award opportunity under the performance incentive plan for fiscal year 2015 as a percentage of base salary for each of our named executive officers was 65% for Mr. Rudow and 45% for both Mr. Zimmer and Mr. Stellrecht.

Payment of performance-based cash incentive awards under the performance incentive plan for our chief executive officer is expressly linked to successful achievement of specific pre-determined corporate goals, which our board of directors approves on an annual basis. Payment of performance-based cash incentive awards for our chief financial officer and vice president of operational systems is based on successful achievement of specific pre-established corporate and individual performance goals, which are determined by our chief executive officer. In addition to the corporate and individual performance goals, the performance incentive plan also provides guidelines for the calculation of annual incentive-based compensation, subject to compensation committee oversight and modification.

For fiscal year 2015, Mr. Rudow s performance-based cash incentive award was based solely on corporate financial results, as measured against specific corporate financial objectives which were pre-established and approved by our board of directors. For performance incentive plan awards for fiscal year 2015, the following percentage of Mr. Rudow s performance-based cash incentive award was based on our achievement of the following objectives: free cash flow 15%; service gross profit 25%; earnings per share 45%; and the board of director s assessment of corporate performance 15%. Mr. Zimmer s and Mr. Stellrecht s performance-based cash incentive awards were each evaluated 50% on the achievement of the same corporate financial objectives and 50% on individual performance objectives, in each case, as measured against approved objectives. For fiscal year 2015, Mr. Zimmer agreed that his personal performance objectives would parallel corporate financial objectives. Mr. Stellrecht s personal performance objectives were closely aligned with corporate financial objectives.

As described below, the corporate financial objectives are separated into five performance levels. Performance-based cash incentive awards can range from a minimum of 0% to a maximum of 150% of the targeted award depending on the level of performance achieved. An individual must achieve at least a specific minimum performance level (a rating of 1 on a scale of 1 to 5) against individual performance objectives to be eligible for any portion of the performance-based cash incentive award.

Generally, the target level for corporate financial results is set in alignment with our annual operating plan. Payment of the awards under the performance incentive plan is based upon the achievement of such objectives for the current fiscal year. With respect to the corporate performance portion of the award, participants in the performance incentive plan receive:

No payment for the corporate financial objective portion of the performance incentive plan award unless we achieve the minimum corporate performance level.

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A pro rata payment, less than 100% of the target award opportunity, for the corporate financial objective portion of the performance incentive plan award if we achieve or exceed the minimum corporate performance level but do not achieve the target corporate performance level.

A payment of 100% of the target award opportunity for the corporate financial objective portion of the performance incentive plan award if we achieve the target corporate performance level.

A pro rata payment of at least 100% but less than 150% of the target award opportunity for the corporate financial objective portion of the performance incentive plan award if we exceed the target corporate performance level but do not achieve the maximum corporate performance level.

A payment of 150% of the target award opportunity for the corporate financial objective portion of the performance incentive plan award if we achieve or exceed the maximum corporate performance level.

Upon completion of the fiscal year, our chief executive officer and our chief financial officer review our performance against each pre-established corporate financial objective, comparing the fiscal year results to the pre-determined minimum, target, and maximum levels for each objective, and an overall percentage for the corporate financial objectives is calculated. The results of our financial performance are then provided to and reviewed by the compensation committee and the board.

With respect to the individual performance portion of the award, our chief executive officer evaluates each officer s accomplishments relative to their individual objectives, calculates a performance rating and provides summaries of performance and the award amount to the compensation committee based on the performance incentive plan previously approved by the committee. Depending on the named executive officer s position, individual performance goals for our named executive officers could include product segment gross margin, calibration sales, calibration units per direct labor hour, calibration quality measures, and operating cash flow, as well as other objectives designed to improve our efficiency, profitability, quality, customer service, or performance. For fiscal year 2015, Mr. Zimmer agreed that his individual performance objectives would parallel the pre-established corporate financial objectives approved by the board. Mr. Stellrecht s individual performance objectives were closely aligned with the corporate financial objectives.

We did not achieve corporate financial performance levels in fiscal year 2015 sufficient enough to warrant payment of a performance-based cash incentive award to any named executive officer, as reflected in the Non-Equity Incentive Plan Compensation column of the 2015 Summary Compensation Table.

Long-Term Cash and Equity Incentive Compensation

On March 31, 2014, the compensation committee approved long-term cash and equity incentive compensation award opportunities to our named executive officers as follows: Mr. Rudow 39,116 shares, Mr. Zimmer $133,840 and Mr. Stellrecht $76,400. Long-term performance-based incentive compensation is targeted to a specific dollar award, which is reviewed and approved annually by the compensation committee. Pursuant to current compensation practices approved by the compensation committee, executive officers who have achieved their stock ownership objective may irrevocably elect, in advance of an award that would otherwise be settled in shares of our common stock, to receive an equivalent award in cash. Mr. Zimmer and Mr. Stellrecht, who had achieved their stock ownership objective prior to the award date, elected to receive their long-term performance-based incentive award in cash.

Prior to March 30, 2013, named executive officers whose long-term performance-based incentive compensation awards were delivered in the form of shares of our stock were also entitled to a reimbursement payment for the taxes incurred to the extent that such shares became earned and vested.

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We reduced our cost for this tax reimbursement at grant by reducing the number of shares awarded to the named executive officer to account for the tax reimbursement. In granting these awards, the compensation committee took into account each named executive officer s progress towards achieving their respective stock ownership objective. Effective for long-term equity incentive awards granted after March 30, 2013, we no longer provide reimbursements for taxes, which results in a greater number of shares awarded upon grant.

The shares or cash underlying these long-term performance-based cash and equity incentive compensation awards for all named executive officers will vest after three years subject to our achieving specific cumulative fully-diluted earnings per share objectives, which we refer to as EPS, over the eligible three-year period ending in fiscal year 2017. At such times, the holders of these awards will receive the following percentage of their respective restricted stock (with the exception of Mr. Zimmer and Mr. Stellrecht, whose awards will be settled in cash) if we meet certain pre-determined EPS thresholds:

Maximum cumulative EPS	150%
Target cumulative EPS	100%
Midpoint cumulative EPS	75%
Minimum cumulative EPS	50%

Performance at the minimum, midpoint, and target levels must be achieved to earn that award level, and performance between such levels is not pro-rated. Awards will be pro-rated in the event performance is above the target level but less than the maximum. Failure to achieve the minimum EPS will result in no shares or cash becoming earned under these awards. Cash awards are adjusted at the vesting date to reflect any change in our stock price subsequent to the date of grant. The aggregate grant date fair value (at target) of the long-term performance-based equity incentive award to Mr. Rudow is reflected in the Stock Awards column of the 2015 Summary Compensation Table.

Outstanding Equity Awards at March 28, 2015

The following table shows information about the number of unexercised stock options and the number and value of unvested restricted stock awards held by our named executive officers as of March 28, 2015:

	Option Awards				Stock Awards	
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Lee D. Rudow		100,000 (1)	7.57	7/30/2023		
					63,436 (2)	608,349
John J. Zimmer	30,080		7.72	7/25/2017		
					27,179 (2)	260,642
Rainer Stellrecht	1,958		5.68	8/8/2016		
	5,947		7.72	7/25/2017		
	10,000		7.72	7/25/2017		
	4,370		6.75	5/5/2018		

(1) This option vests as follows: 20,000 shares on July 30, 2015, 20,000 shares on July 30, 2016, and 60,000 shares on July 30, 2017.

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(2) These restricted stock awards are performance-based and will vest after three years subject to our achieving specific cumulative fully diluted EPS objectives over the three-year periods ending in fiscal year 2015, 2016 and 2017. The shares related to the three-year period ended March 28, 2015 were distributed on May 19, 2015. Mr. Rudow received 6,384 shares and Mr. Zimmer received 5,746 shares, which represented 75% achievement of the target EPS objective for the three-year period ended March 28, 2015. For the remaining three-year periods, the holders of the restricted stock will receive the percentage of their restricted stock award that corresponds to the level of cumulative EPS achieved. For more information on performance-based restricted stock awards, see Long-Term Cash and Equity Incentive Compensation in the Compensation Overview section above.

Payments upon Termination or Change in Control

On May 7, 2012, we entered into a change-in-control severance agreement with Mr. Rudow. This agreement requires a change in control of the company and a subsequent qualifying termination of the executive s employment (often referred to as a double trigger). The agreement is intended to promote continuity of leadership, maintain the focus of our executive officer on pursuing any corporate transaction that is in the best interests of our shareholders, and to retain services of our leadership by providing sufficient severance protection during a period of uncertainty.

A change in control occurs under Mr. Rudow s change-in-control severance agreement upon the occurrence of any of the following events: (1) we merge with or are consolidated into another entity and less than fifty percent of the outstanding voting securities of the resulting entity are owned by our former shareholders; (2) a majority of our directors before any tender offer, merger or other business combination, or sale or other disposition of assets do not constitute a majority of the board after such transaction; (3) a tender offer for over twenty-five percent of the combined voting power of our outstanding voting securities is made and consummated; (4) any person or group acquires more than twenty-five percent of the combined voting power of our outstanding voting securities; or (5) we transfer substantially all of our assets to another corporation that is not a wholly-owned subsidiary of ours.

Assuming Mr. Rudow s employment was involuntarily or constructively terminated on March 28, 2015 within the 24-month period following a change in control, Mr. Rudow would be entitled to receive: (1) annual base salary for 24 months; (2) target annual bonus for 24 months; (3) the value of annual benefits and allowances for 24 months; (4) the pro-rated value of unvested performance-based restricted stock awards; (5) the income tax gross up on pro-rated unvested performance-based stock awards; and (6) the value of all unvested options, which would vest immediately.

In addition, upon a change in control of the company, as defined under the Incentive Plan, each of our named executive officers would be entitled to immediate vesting of all unvested stock options and the pro-rated value of performance-based restricted stock awards assuming target performance, along with the associated gross up for taxes. The performance-based restricted stock awards that vested at the end of fiscal year 2015 were the last awards that included a tax gross-up feature.

Also, as described above under Post-Retirement Plans, upon retirement at age 55 or older after five or more years of continuous service, each of our named executive officers is eligible to participate in the post-retirement health benefit plan for officers.

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DIRECTOR COMPENSATION

Cash Retainers

For fiscal year 2015, each of our non-employee directors was entitled to an annual cash retainer of $50,000 and a performance-based cash award with a target value of $20,000, which we discuss in greater detail below. The chairman of the board was entitled to receive an additional $30,000 annual retainer, the chairman of the audit committee was entitled to receive an additional $15,000 annual retainer, and the chairman of the compensation committee was entitled to receive an additional $10,000 annual retainer. Due to Mr. Hadeed s transition from executive chairman to chairman of the board during fiscal year 2015, Mr. Hadeed s retainer was pro-rated accordingly.

Performance-Based Cash Compensation

In addition to the annual cash retainer, each of our non-employee directors may receive an annual performance-based cash payment. The target payment under this program is $20,000, with a maximum payment of $30,000. This performance-based cash payment is tied to the company s stock price appreciation measured against a base price, which is the trading day average for the fourth quarter of the prior fiscal year. Based on the $8.88 trading day average for the fourth quarter of fiscal year 2014, which we refer to as the Fiscal 2015 Base Price, if the trading day average for fiscal year 2015 was 10% greater or less than the Fiscal 2015 Base Price, or between $7.99 and $9.77, the earned amount would be $20,000; if the trading day average was above $9.77, the earned amount would be $30,000; if the trading day average was below $7.99 (but equal to or greater than $7.10), the earned amount would be $10,000; and if the trading day average was below $7.10 (20% below the Fiscal 2015 Base Price), no amount would be earned. If earned, payment to any director who has not met his or her stock ownership requirement after five years of service is limited to $10,000.

Based on the trading day average of $9.60 for fiscal year 2015, each non-employee director received a $20,000 performance-based payment for fiscal year 2015, other than Mr. Hadeed, whose payment was prorated from the date he became chairman of the board in June 2014, Dr. Palmer, whose payment was prorated through his retirement date from the board in September 2014, and Mr. Haseley, who did not receive a payment based on his short term of service on the board during fiscal year 2015.

Our non-employee directors are reimbursed for travel and other related expenses incurred in the performance of their duties.

Equity Compensation

Newly-elected non-employee directors are eligible to receive an initial five-year stock option grant of 10,000 shares of common stock pursuant to the Incentive Plan. The option will vest immediately; however, 2,000 shares subject to the option will expire each year if unexercised.

Stock Ownership Objective

In order to more closely align the interests of our non-employee directors with the interests of our shareholders, the compensation committee adopted a minimum stock ownership objective that requires our directors to work towards acquiring and maintaining a specific level of equity ownership interest in our common stock within a specified time frame. The stock ownership objective for non-employee directors is common stock valued at 2.5 times their annual cash retainer.

We expect new non-employee directors to be in compliance with this stock ownership requirement within five years from the date of their election to the board. Non-employee directors who were elected prior to the adoption of the objectives in May 2008 were required to be in compliance with the objectives by the fifth anniversary of the adoption date. The compensation committee monitors the progress made by new non-employee directors in achieving their stock ownership objective.

As of the end of fiscal year 2015, each of our non-employee directors was in compliance with our stock ownership objective other than Ms. Panzarella, who joined the board in January 2014, and Mr. Haseley, who joined the board in January 2015. The compensation committee believes both Ms. Panzarella and Mr. Haseley are making progress towards achieving their stock ownership requirements.

2015 Director Compensation Table

The table below shows information about the compensation paid to our non-employee directors for their service during fiscal year 2015.

Name	Fees Earned or Paid in Cash (1) $	Option Awards (2)(3) $	Non-Equity Incentive Plan Compensation (4) $	Total $
Francis R. Bradley	$50,000		$20,000	$70,000
Charles P. Hadeed (5)	60,000		15,000	75,000
Richard J. Harrison	65,000		20,000	85,000
Gary J. Haseley (6)	8,333	$14,100		22,433
Paul D. Moore	50,000		20,000	70,000
Harvey J. Palmer (7)	25,000		10,000	35,000
Angela J. Panzarella	50,000		20,000	70,000
Alan H. Resnick	50,000		20,000	70,000
Carl E. Sassano	60,000		20,000	80,000
John T. Smith	50,000		20,000	70,000

(1) The amounts shown include all fees earned by the directors during fiscal year 2015, including their annual board and committee retainers.

(2) The table below presents the aggregate number of outstanding stock options for each of our non-employee directors as of March 28, 2015.

Name	Stock Option Awards
Francis R. Bradley	-0-
Charles P. Hadeed	161,273
Richard J. Harrison	4,000
Gary J. Haseley	10,000
Paul D. Moore	4,000
Harvey J. Palmer	-0-
Angela J. Panzarella	8,000
Alan H. Resnick	4,000
Carl E. Sassano	79,858
John T. Smith	4,000

(3) This stock option was granted to Mr. Haseley under our Incentive Plan in connection with his appointment to the board. The dollar value of the award shown in this column is equal to the aggregate grant date fair value computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures, on the same basis as disclosed in footnote (2) to the Fiscal Year 2015 Summary Compensation Table.

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(4) The amounts shown are the performance-based cash payments made based on the company s stock price performance, as described above under the heading Performance-Based Cash Compensation.

(5) On June 28, 2014, Mr. Hadeed s service as executive chairman ended, and he now serves as chairman of the board.

(6) Mr. Haseley was elected to the board on January 27, 2015.

(7) Dr. Palmer retired from the board on September 9, 2014.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The table below presents certain information as of July 15, 2015 about the persons known by us to be the record or beneficial owner of more than 5% of our common stock. Percentages are based on 6,882,617 shares issued and outstanding.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Class
NSB Advisors LLC 200 Westage Business Center Drive, Suite 228 Fishkill, New York 12524	1,539,236 (1)	22.4%
Heartland Advisors, Inc., et al 789 North Water Street Milwaukee, Wisconsin 53202	507,151 (2)	7.4%
Opus Capital Group, LLC 221 East Fourth Street, Suite 2700 Cincinnati, Ohio 45202	349,112 (3)	5.1%

(1) This information as to the beneficial ownership of shares of our common stock is based on an amendment to Schedule 13G dated February 12, 2015 filed with the Securities and Exchange Commission by NSB Advisors LLC, a registered investment adviser. NSB Advisors LLC reports sole dispositive power with respect to all 1,539,236 shares.

(2) This information as to the beneficial ownership of shares of our common stock is based on the Schedule 13G dated February 12, 2015 filed with the Securities and Exchange Commission by Heartland Advisors, Inc., a registered investment adviser, and William J. Nasgovitz, chairman and control person of Heartland Advisors, Inc. The Heartland Value Fund, a series of the Heartland Group, Inc., a registered investment company, owns the 507,151 shares reported in the Schedule 13G. Heartland Advisors, Inc. and Mr. Nasgovitz each report shared voting and shared dispositive power with respect to all 507,151 shares. Mr. Nasgovitz disclaims beneficial ownership of any shares reported in the Schedule 13G.

(3) This information as to the beneficial ownership of shares of our common stock is based on the Schedule 13G dated February 17, 2015 filed with the Securities and Exchange Commission by Opus Capital Group, LLC. Opus Capital Group, LLC, reports sole voting and sole dispositive power with respect to all 349,112 shares.

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SECURITY OWNERSHIP OF MANAGEMENT

The table below presents certain information as of July 15, 2015 about shares of our common stock held by (1) each of our directors; (2) each of our named executive officers (as defined under the heading Executive Compensation); and (3) all of our directors and executive officers as a group.

Name of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned (1)	Percent of Class (1)
Directors		
Francis R. Bradley	28,048	
Charles P. Hadeed	257,942 (2)	3.7%
Gary J. Haseley	17,484 (3)	
Richard J. Harrison	33,000 (4)	
Paul D. Moore	57,698 (4)	
Angela J. Panzarella	10,000 (5)	
Alan H. Resnick	35,400 (4)	
Carl E. Sassano	170,538 (6)	2.5%
John T. Smith	49,250 (7)	
Named Executive Officers		
Lee D. Rudow	63,191 (8)	
John J. Zimmer	89,204 (9)	1.3%
Rainer Stellrecht	69,715 (10)	1.0%
All directors and executive officers as a group (13 persons)	883,470 (11)	12.3%

(1) The amounts reported by such persons are as of July 15, 2015, with percentages based on 6,882,617 shares issued and outstanding except where the person has the right to receive shares within the next 60 days (as indicated in the other footnotes to this table), which would increase the number of shares owned by such person and the number of shares outstanding. Under the rules of the Securities and Exchange Commission, beneficial ownership is deemed to include shares for which an individual, directly or indirectly, has or shares voting or dispositive power, whether or not they are held for the individual s benefit, and includes shares that may be acquired within 60 days, including, but not limited to, the right to acquire shares by the exercise of options. Shares that may be acquired within 60 days are referred to in the footnotes to this table as presently exercisable options. Unless otherwise indicated in the other footnotes to this table, each shareholder named in the table has sole voting and sole investment power with respect to the all of the shares shown as owned by the shareholder. We have omitted percentages of less than 1% from the table.

(2) The amount shown includes presently exercisable options to purchase 155,170 shares.

(3) The amount shown includes a presently exercisable option to purchase 10,000 shares.

(4) The amount shown represents a presently exercisable option to purchase 4,000 shares.

(5) The amount shown includes a presently exercisable option to purchase 8,000 shares.

(6) The amount shown includes presently exercisable options to purchase 68,963 shares.

(7) The amount shown includes (i) 12,150 shares held jointly by Mr. Smith and his wife; and (ii) a presently exercisable option to purchase 4,000 shares.

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(8) The amount shown includes a presently exercisable option to purchase 20,000 shares and excludes performance-based stock awards of 36,953 shares, 39,116 shares and 40,719 shares.

(9) The amount shown includes a presently exercisable option to purchase 30,080 shares and excludes a performance-based restricted stock award of 28,577 shares.

(10) The amount shown includes presently exercisable options to purchase 22,275 shares.

(11) The amount shown includes presently exercisable options to purchase 330,488 shares.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires directors, officers and greater than 10% shareholders to file with the Securities and Exchange Commission reports of ownership and changes in ownership regarding their holdings in company securities. For purposes of Section 16(a), our officers are Mr. Zimmer, Mr. Rudow and Mr. Flack.

During fiscal year 2015, all of our directors and officers timely complied with the filing requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended, except for Mr. Hadeed who filed one report late disclosing two transactions. In making this statement, we have relied upon the written representations of our directors and officers, and copies of the reports that they have filed with the Securities and Exchange Commission.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Policies and Procedures for Review, Approval or Ratification of Related Person Transactions

Our board of directors has adopted a written policy for transactions with related persons. Pursuant to the policy, the audit committee reviews and, when appropriate, approves any relationships or transactions in which our company and our directors and executive officers or their immediate family members are participants. Existing related person transactions, if any, are reviewed at least annually by the audit committee. Any director with an interest in a related person transaction is expected to recuse him or herself from any consideration of the matter.

During its review of such relationships and transactions, the audit committee considers (1) the nature of the related person s interest in the transaction; (2) the material terms of the transaction, including the amount and type of transaction; (3) the importance of the transaction to the related person and to the company; (4) whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the company; and (5) any other matters the committee deems appropriate.

In addition, to the extent that the transaction involves an independent director, consideration is also given, as applicable, to the listing standards of The Nasdaq Stock Market and other relevant rules related to independence.

There were no reportable related person transactions during fiscal 2015 or 2014.

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SHAREHOLDER PROPOSALS FOR 2016 ANNUAL MEETING

Proposals Submitted for Inclusion in Our Proxy Materials

We will include shareholder proposals that comply with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, in our proxy materials for the 2016 annual meeting of shareholders. Among other things, Rule 14a-8 requires that we receive such proposals no later than 120 days prior to the one-year anniversary of this proxy statement. Thus, for the 2016 annual meeting of shareholders, we must receive shareholder proposals submitted for inclusion in our proxy materials no later than March 26, 2016. Shareholder proposals submitted for inclusion in our proxy materials should be mailed to the following address: Transcat, Inc., 35 Vantage Point Drive, Rochester, New York 14624, Attention: Corporate Secretary.

Proposals Not Submitted for Inclusion in Our Proxy Materials

Shareholder proposals that are not submitted for inclusion in our proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, as described above, may be brought before the 2016 annual meeting of shareholders in accordance with Rule 14a-4(c) under the Securities Exchange Act of 1934, as amended. Pursuant to Rule 14a-4(c), we must receive these proposals no later than 45 days prior to the one-year anniversary of this proxy statement. Thus, for the 2016 annual meeting of shareholders, we must receive shareholder proposals that are not submitted for inclusion in our proxy materials no later than June 9, 2016. In accordance with Rules 14a-4(c) and 14a-8, we will not permit shareholder proposals that do not comply with the foregoing notice requirement to be brought before the 2016 annual meeting of shareholders. Shareholder proposals that are not submitted for inclusion in our proxy statement should be mailed to the following address: Transcat, Inc., 35 Vantage Point Drive, Rochester, New York 14624, Attention: Corporate Secretary.

OTHER MATTERS

As of the date of this proxy statement, the board of directors does not know of any other matters that are to be presented for action at the annual meeting. Should any other matter come before the annual meeting, the persons named in the enclosed proxy will have discretionary authority to vote all proxies with respect to the matter in accordance with their judgment.

By Order of the Board of Directors
Lee D. Rudow
President and Chief Executive Officer

Rochester, New York
July 24, 2015

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TRANSCAT, INC.

IMPORTANT ANNUAL MEETING INFORMATION

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

X

Annual Meeting Proxy Card

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A Proposals The Board of Directors recommends a vote FOR the three director nominees and FOR Proposals 1, 2, 4 and 5.

1. To approve an amendment to our articles of incorporation, as amended, to eliminate cumulative voting in the election of directors. **For Against Abstain**

2. To approve an amendment to our code of regulations, as amended, to declassify our board of directors (implementation of this proposal is conditioned upon the approval of the amendment to our articles of incorporation to eliminate cumulative voting in the election of directors). **For Against Abstain**

3. Election of Directors: 01 - Alan H. Resnick 02 - Lee D. Rudow 03 - Carl E. Sassano

Mark here to vote FOR all director nominees

Mark here to WITHHOLD vote from all director nominees

For Against Abstain

4. To approve, on an advisory basis, the compensation of our named executive officers.

01 02 03

For all EXCEPT - To withhold a vote for one or more of the nominees, mark the box to the left and the corresponding numbered box to the right.

For Against Abstain

5. To ratify the selection of Freed Maxick CPAs, P.C. as our independent registered public accounting firm for the fiscal year ending March 26, 2016.

6. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the annual meeting.

B Non-Voting Items

Change of Address Please print new address below.

C **Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below**

Please date and sign name exactly as it appears on this proxy. Executors, administrators, trustees, etc. should so indicate when signing. If the shareholder is a corporation, the full corporate name should be inserted and the proxy signed by an officer of the corporation, indicating his or her title.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

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YOUR VOTE IS IMPORTANT

Regardless of whether you plan to attend the Annual Meeting of Shareholders, you can be sure your shares are represented at the meeting by promptly returning your proxy in the enclosed envelope.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON SEPTEMBER 9, 2015.

The proxy statement and annual report to security holders are available at www.edocumentview.com/TRNS.

For directions on how to attend the annual meeting and vote in person, see the "Voting" and "Revocability of Proxies" sections of the proxy statement that accompanies this proxy card.

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proxy TRANSCAT, INC.

THIS PROXY IS SOLICITED ON BEHALF OF OUR BOARD OF DIRECTORS AND EACH MATTER TO BE VOTED ON AT THE ANNUAL MEETING HAS BEEN PROPOSED BY OUR BOARD OF DIRECTORS.

The undersigned appoints CARL E. SASSANO and CHARLES P. HADEED, and each of them, as proxies for the undersigned, with full power of substitution, to vote all shares of the common stock of TRANSCAT, INC. owned by the undersigned at the annual meeting of shareholders to be held at our corporate headquarters, which are located at 35 Vantage Point Drive, Rochester, New York 14624, on Wednesday, September 9, 2015, at 12:00 noon, local time, and at any adjournment of the annual meeting, reserving to such proxies the right to vote such shares cumulatively to elect the maximum number of director nominees, as stated on the reverse side of this proxy.

This proxy will be voted as specified by you, and it revokes any prior proxy given by you.

Unless you withhold authority to vote for one or more of the nominees according to the instructions on the reverse side of this proxy, your signed proxy will be voted FOR the election of the three director nominees listed on the reverse side of this proxy and described in the accompanying proxy statement.

Unless you specify otherwise, your signed proxy will be voted FOR Proposals 1, 2, 4 and 5 listed on the reverse side of this proxy and described in the accompanying proxy statement.

You acknowledge receipt with this proxy of a copy of the notice of annual meeting and proxy statement dated July 24, 2015, describing more fully the proposals listed in this proxy.

(Continued and to be signed on reverse side)