

HEICO CORP
Form DEF 14A
February 13, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)
Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

HEICO CORPORATION

(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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials:

Edgar Filing: HEICO CORP - Form DEF 14A

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

HEICO CORPORATION

3000 Taft Street, Hollywood, Florida 33021

Notice of Annual Meeting of Shareholders

To Be Held March 16, 2018

Conrad Miami

1395 Brickell Avenue

Miami, FL 33131

The Annual Meeting of Shareholders of HEICO Corporation (the "Annual Meeting"), a Florida corporation, will be held on Friday, March 16, 2018 at 10:00 a.m., Eastern Daylight Time, at the Conrad Miami, 1395 Brickell Avenue, Miami, Florida 33131, for the following purposes:

1. To elect a Board of Directors for the ensuing year;

To re-approve the performance goals included in the HEICO Corporation 2012 Incentive Compensation Plan (the 2. "2012 Plan") and ratify awards made under the 2012 Plan, which awards are subject to the re-approval of the performance goals included in the 2012 Plan;

3. To approve the HEICO Corporation 2018 Incentive Compensation Plan;

To approve an amendment to Article III of HEICO's Articles of Incorporation to increase the number of authorized 4. shares of HEICO Corporation Common Stock, \$0.01 par value per share, from 75,000,000 shares to 150,000,000 shares;

To approve an amendment to Article III of HEICO's Articles of Incorporation to increase the number of authorized 5. shares of HEICO Corporation Class A Common Stock, \$0.01 par value per share, from 75,000,000 shares to 150,000,000 shares;

6. To hold an advisory vote on executive compensation;

To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting 7. firm for the fiscal year ending October 31, 2018; and

8. To transact such other business as may properly come before the meeting or any adjournments thereof.

Only holders of record of HEICO Corporation Common Stock and Class A Common Stock as of the close of business on January 17, 2018 will be entitled to vote at the Annual Meeting.

You are requested, regardless of the number of shares owned, to sign and date the enclosed proxy and to mail it promptly, or to use the telephone or Internet voting systems set forth in the proxy. You may revoke your proxy either by a written notice to HEICO or in person at the Annual Meeting or by a later dated proxy that is received in sufficient time by HEICO prior to the Annual Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Laurans A. Mendelson

Chairman of the Board and
Chief Executive Officer
February 13, 2018

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 16, 2018

The accompanying Proxy Statement and the 2017 Annual Report on Form 10-K are available at:
<http://www.heico.com>

YOUR VOTE IS IMPORTANT

HEICO CORPORATION

3000 Taft Street, Hollywood, Florida 33021

PROXY STATEMENT

This Proxy Statement is furnished to the shareholders of HEICO Corporation (collectively, "HEICO," "we," "us," "our" or the "Company") in connection with the solicitation of proxies by HEICO's Board of Directors (the "Board") for use at the Annual Meeting of Shareholders of HEICO (the "Annual Meeting") to be held at the Conrad Miami, 1395 Brickell Avenue, Miami, Florida 33131, on Friday, March 16, 2018 at 10:00 a.m. Eastern Daylight Time. If you plan to attend the Annual Meeting, you can obtain directions to the Conrad Miami from the hotel's website at <http://conradhotels3.hilton.com/en/hotels/florida/conrad-miami-MIACICI/about/directions.html>. This Proxy Statement and form of proxy are first being mailed to shareholders on or about February 15, 2018.

At the Annual Meeting, the shareholders will be asked to: (1) elect a Board of Directors for the ensuing year; (2) re-approve the performance goals included in the HEICO Corporation 2012 Incentive Compensation Plan (the "2012 Plan") and ratify awards made under the 2012 Plan, which awards are subject to the re-approval of the performance goals included in the 2012 Plan; (3) approve the HEICO Corporation 2018 Incentive Compensation Plan; (4) approve an amendment to Article III of HEICO's Articles of Incorporation to increase the number of authorized shares of HEICO Corporation Common Stock, \$0.01 par value per share, from 75,000,000 shares to 150,000,000 shares; (5) approve an amendment to Article III of HEICO's Articles of Incorporation to increase the number of authorized shares of HEICO Corporation Class A Common Stock, \$0.01 par value per share, from 75,000,000 shares to 150,000,000 shares; (6) hold an advisory vote on executive compensation; (7) ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending October 31, 2018; and (8) vote on any other business as may properly come before the meeting or any adjournments thereof.

The Board of Directors of HEICO urges you to promptly date, sign and mail your proxy, or to use the telephone or Internet voting systems set forth in the proxy, in the form enclosed with this Proxy Statement, to make certain that your shares are voted at the Annual Meeting. Proxies enclosed, or in other acceptable forms, that are received in time for the Annual Meeting will be voted. However, you may revoke your proxy at any time prior to its use by a revocation in writing to the Corporate Secretary at the Company's principal executive offices at 3000 Taft Street, Hollywood, Florida 33021 or a later dated proxy that is received in sufficient time by HEICO prior to the Annual Meeting and, if you attend the Annual Meeting, you may vote your shares in person.

If your proxy is received in time for the Annual Meeting, it will be voted in the manner specified by you in the proxy. If you do not specify a choice, the proxy will be voted as indicated in the form of proxy.

We will bear the expense of soliciting proxies in the accompanying form. Solicitations will be by mail and in some cases by telephone and/or email, and our directors, officers and regular employees may solicit proxies personally or by telephone, telegram or special letter. Our directors, officers and regular employees will receive no compensation in connection with the solicitation of proxies. We will also employ D. F. King & Co., 48 Wall Street, New York, New York 10005, to assist in soliciting proxies for a fee of \$10,000 plus related out-of-pocket expenses.

Only holders of record of HEICO Common Stock, \$0.01 par value per share ("Common Stock"), and Class A Common Stock, \$0.01 par value per share ("Class A Common Stock"), as of the close of business on January 17, 2018 (the record date) will be entitled to vote at the Annual Meeting. On that date, there were outstanding 42,213,345 shares of Common Stock, each entitled to one vote, and 63,423,039 shares of Class A Common Stock, each entitled to 1/10th vote per share.

Voting Requirements

The presence, in person or by proxy, of the holders of a majority of the voting power of the shares of all classes of HEICO's common stock entitled to vote shall constitute a quorum at the Annual Meeting. If a quorum is present, approval of Proposals 1, 6 and 7 require the affirmative vote of a majority of the voting power of the shares of all classes of HEICO's common stock represented at the meeting in person or by proxy and entitled to vote. If a quorum is present, approval of Proposals 2 and 3 will require the affirmative vote of a majority of the votes cast with respect to each of these proposals, pursuant to the New York Stock Exchange's (the "NYSE") shareholder approval policy. If a quorum is present, approval of Proposals 4 and 5, require the affirmative vote of a majority of the votes entitled to be cast on each of the proposals.

A proxy submitted by a shareholder may indicate that all or a portion of the shares represented by such proxy are not being voted by such shareholder with respect to a particular matter ("non-voted shares"). This could occur, for example, when a broker is not permitted to vote shares held in "street name" on certain matters in the absence of instructions from the beneficial owner of the shares. Under NYSE rules, a broker does not have the discretion to vote on Proposals 1, 2, 3, 4, 5, and 6. Non-voted shares with respect to a particular matter will be counted for purposes of determining the presence of a quorum but with respect to Proposals 4 and 5 will count as a vote against such proposals and with respect to Proposals 1, 2, 3 and 6 will have no effect on the outcome of such proposals. Shares voted to abstain as to a particular matter will be counted for purposes of determining the presence of a quorum and will count as a vote against such matter.

Under the terms of the HEICO Savings and Investment Plan (the "401(k) Plan"), all shares allocated to the accounts of participating employees will be voted or not voted by the trustee of the 401(k) Plan as directed by written instructions from the participating employees, and allocated shares for which no instructions are received and all unallocated shares will be voted by the trustee of the 401(k) Plan in the same proportion as the shares for which instructions are received. Voting instruction cards are being mailed to all participants in the 401(k) Plan. If a participant also owns shares outside the 401(k) Plan, the participant must return both the proxy card and the voting instruction card as indicated on those cards in order to cause all of their shares to be voted in accordance with their instructions. To be assured that the trustee will receive voting instruction cards on a timely basis, voting instruction cards for shares in the 401(k) Plan must be duly signed and received no later than March 9, 2018. The total number of shares in the 401(k) Plan as of the record date represents approximately 3.8% of the voting power of all classes of common stock outstanding as of the record date and entitled to vote at the Annual Meeting.

Internet Availability of Proxy Materials and Annual Report

This Proxy Statement and our 2017 Annual Report are also available on our website at www.heico.com under the heading "Investors." Our website does not constitute a part of the Proxy Statement.

VOTING SECURITIES OF PRINCIPAL SHAREHOLDERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of HEICO Common Stock and Class A Common Stock by (i) each person who is known to us to be the beneficial owner of more than 5% of the outstanding Common Stock or Class A Common Stock; (ii) the Chief Executive Officer, the Chief Financial Officer and the other three most highly compensated executive officers; (iii) each of the members of the Board of Directors; and (iv) all directors and executive officers of the Company as a group. Information regarding our executive officers and directors is as of January 17, 2018 and information regarding certain other 5% shareholders is as of the date indicated in the corresponding footnote. Except as set forth below, the shareholders named below have sole voting and investment power with respect to all shares of Common Stock and Class A Common Stock shown as being beneficially owned by them. Information has been adjusted as necessary for all stock dividends and stock splits.

Name and Address of Beneficial Owner ⁽¹⁾	Shares Beneficially Owned ⁽²⁾			
	Common Stock		Class A Common Stock	
	Number	Percent	Number	Percent
(a) Certain beneficial owners:				
Mendelson Reporting Group ⁽³⁾	7,595,561	17.10 %	1,536,135	2.42 %
Dr. Herbert A. Wertheim ⁽⁴⁾	4,334,166	10.27 %	4,318,983	6.81 %
Vanguard Group, Inc. ⁽⁵⁾	2,487,722	5.89 %	5,041,085	7.95 %
Janus Henderson Group plc ⁽⁶⁾	—	—	6,340,070	10.00 %
Blackrock, Inc. ⁽⁷⁾	—	—	4,107,622	6.48 %
FMR LLC ⁽⁸⁾	—	—	3,390,320	5.35 %
Select Equity Group, L.P. ⁽⁹⁾	2,135,965	5.06 %	—	—
(b) Directors:				
Thomas M. Culligan ⁽¹⁰⁾	—	—	8,522	*
Adolfo Henriques ⁽¹¹⁾	—	—	23,675	*
Mark H. Hildebrandt ⁽¹²⁾	—	—	39,903	*
Wolfgang Mayrhuber ⁽¹³⁾	56,590	*	93,765	*
Eric A. Mendelson ⁽¹⁴⁾	2,210,520	5.10 %	666,462	1.05 %
Laurans A. Mendelson ⁽¹⁵⁾	3,234,899	7.66 %	560,423	*
Victor H. Mendelson ⁽¹⁶⁾	2,150,142	4.96 %	730,632	1.15 %
Julie Neitzel ⁽¹⁷⁾	3,258	*	10,519	*
Dr. Alan Schriesheim ⁽¹⁸⁾	256,350	*	269,298	*
Frank J. Schwitter ⁽¹⁹⁾	—	—	4,701	*
(c) Executive officers listed in Summary Compensation Table who are not directors:				
Carlos L. Macau, Jr. ⁽²⁰⁾	1,173	*	215,054	*
Steven M. Walker ⁽²¹⁾	5,912	*	34,582	*
All directors and executive officers as a group (13 persons) ⁽²²⁾	8,164,419	18.28 %	2,275,353	3.55 %
All directors, executive officers, the HEICO Savings and Investment Plan and the Mendelson Reporting Group as a group ⁽²³⁾	9,669,437	21.65 %	3,693,714	5.77 %

* Represents ownership of less than 1%.

(1)

Unless otherwise indicated, the address of each beneficial owner identified is c/o HEICO Corporation, 3000 Taft Street, Hollywood, Florida 33021.

(2) The number of shares of Common Stock and Class A Common Stock deemed outstanding as of January 17, 2018 includes (i) 42,213,345 shares of Common Stock; (ii) 63,423,039 shares of Class A Common Stock; and (iii) shares issuable upon exercise of stock options held by the respective person or group which are presently exercisable or which may be exercised within 60 days after January 17, 2018 as set forth below. Pursuant to the rules of the Securities and Exchange Commission, presently exercisable stock options and stock options that become exercisable within 60 days are deemed to be outstanding and beneficially owned by the person or group for the purpose of computing the percentage ownership of such person or group, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person or group.

(3) The Mendelson Reporting Group consists of Laurans A. Mendelson; Eric A. Mendelson; Victor H. Mendelson; LAM Limited Partners, a partnership whose sole general partner is a corporation controlled by Arlene H. Mendelson, the wife of Laurans A. Mendelson; LAM Alpha Limited Partners, a partnership whose sole general partner is a corporation controlled by Laurans A. Mendelson; trusts for the benefit of Victor H. Mendelson's immediate family members and whose Trustee is Victor H. Mendelson; EAM Management Limited Partners, a partnership whose sole general partner is a corporation controlled by Eric A. Mendelson; trusts for the benefit of Eric A. Mendelson's immediate family members and whose Trustee is Eric A. Mendelson; Mendelson International Corporation, a corporation whose stock is owned solely by Eric A. and Victor H. Mendelson and whose Chairman of the Board is Laurans A. Mendelson; VHM Management Limited Partners, a partnership whose sole general partner is a corporation controlled by Victor H. Mendelson; the Laurans A. and Arlene H. Mendelson Charitable Foundation, Inc., of which Laurans A. Mendelson is President; Victor H. Mendelson Revocable Investment Trust, whose grantor, sole presently vested beneficiary and trustee is Victor H. Mendelson; individual Keogh accounts for both Eric A. and Victor H. Mendelson; and shares of both Common Stock and Class A Common Stock owned by the children of both Eric A. and Victor H. Mendelson. Includes 2,205,322 shares of Common Stock and 156,248 shares of Class A Common Stock subject to stock options that are presently exercisable or exercisable within 60 days after January 17, 2018, 163,299 shares of Common Stock and 155,299 shares of Class A Common Stock held by the HEICO Savings and Investment Plan, and 7,494 shares of Class A Common Stock held by the HEICO Leadership Compensation Plan. See Notes (14), (15) and (16) below. The address of the Mendelson Reporting Group is 825 Brickell Bay Drive, 16th Floor, Miami, Florida 33131.

(4) Based on information in Dr. Wertheim's latest filing dated March 7, 1995. The address of Dr. Wertheim is 191 Leucadendra Drive, Coral Gables, Florida 33156.

(5) Based on information in a Schedule 13G and a Schedule 13G/A each filed on February 12, 2018, all shares are beneficially owned by Vanguard Group, Inc., a registered investment adviser, and on behalf of its wholly-owned subsidiaries, Vanguard Fiduciary Trust Company, who is the beneficial owner of 14,775 shares of Common Stock and 28,737 shares of Class A Common Stock and Vanguard Investments Australia, Ltd., who is the beneficial owner of 11,436 shares of Common Stock and 9,203 shares of Class A Common Stock. Vanguard Group, Inc. has sole and shared voting power over 17,368 and 8,842 shares of Common Stock, respectively, and 33,833 and 4,107 shares of Class A Common Stock, respectively. Vanguard Group, Inc. has sole and shared dispositive power over 2,464,105 and 23,617 shares of Common Stock, respectively, and 5,008,240 and 32,845 shares of Class A Common Stock, respectively. The address of Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

Based on information in a Schedule 13G/A filed on February 12, 2018, all shares may be deemed to be beneficially owned by Janus Henderson Group plc (“Janus Henderson”), a parent holding company, and on behalf of Janus Capital Management LLC, a registered investment adviser, who is the beneficial owner of 6,091,555 shares, or 9.60%, of Class A Common Stock, in which Janus Henderson has an indirect ownership stake of 100% and Intech Investment Management LLC, a registered investment adviser, who is the beneficial owner of 248,515 shares of Class A Common Stock, in which Janus Henderson has an indirect ownership stake of 97.11%. Janus Henderson also has an indirect ownership stake of 100% in Perkins Investment Management LLC, Geneva Capital Management LLC, Henderson Global Investors Limited, Janus Henderson Investors Australia Institutional Funds Management Limited, and Henderson Global Investors North America Inc, each a registered investment advisor. The address of Janus Henderson is 201 Bishopsgate EC2M 3AE, United Kingdom.

Based on information in a Schedule 13G/A filed on January 25, 2018, all shares are beneficially owned by BlackRock, Inc., a parent holding company, and on behalf of its wholly owned subsidiaries (i) BlackRock International Limited; (ii) BlackRock Advisors, LLC; (iii) BlackRock (Netherlands) B.V.; (iv) BlackRock Institutional Trust Company, National Association; (v) BlackRock Asset Management Ireland Limited; (vi) BlackRock Financial Management, Inc.; (vii) BlackRock Japan Co., Ltd.; (viii) BlackRock Asset Management Schweiz AG; (ix) BlackRock Investment Management, LLC; (x) BlackRock Investment Management (UK) Limited; (xi) BlackRock Asset Management Canada Limited; (xii) BlackRock Investment Management (Australia) Limited; (xiii) BlackRock Advisors (UK) Limited; and (xiv) BlackRock Fund Advisors. BlackRock, Inc. has sole voting power over 3,862,213 shares, or 6.09%, of Class A Common Stock. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055.

Based on information in a Schedule 13G filed on February 13, 2018, all shares are beneficially owned by FMR LLC, a parent holding company, and on behalf of its wholly owned subsidiaries (i) Entity ITEM 3 Classification; (ii) FIAM LLC IA; (iii) Fidelity Institutional Asset Management Trust Company BK (iv) FMR CO., INC IA; and (v) STRATEGIC ADVISERS, INC. IA and by Abigail P. Johnson, who is a Director, the Chairman and the Chief Executive Officer of FMR LLC. FMR LLC has sole voting power over 740,168 shares of Class A Common Stock. The address of FMR LLC and Abigail P. Johnson is 245 Summer Street, Boston, Massachusetts 02210.

Based on information in a Schedule 13G filed on February 13, 2017, all shares may be deemed to be beneficially owned by Select Equity Group, L.P. ("Select LP") and George S. Loening, who is the majority owner of Select LP and managing member of its general partner. The address of Select LP and George S. Loening is 380 Lafayette Street, 6th Floor, New York, New York 10003.

(10) Includes 7,544 shares of Class A Common Stock held by the HEICO Leadership Compensation Plan and allocated to Thomas M. Culligan’s account.

(11) Includes 17,975 shares of Class A Common Stock held by the HEICO Leadership Compensation Plan and allocated to Adolfo Henriques’ account.

(12) Includes 38,258 shares of Class A Common Stock held by the HEICO Leadership Compensation Plan and allocated to Mark H. Hildebrandt’s account, and 1,645 shares of Class A Common Stock held in an Irrevocable Trust, whose trustees are Mark H. Hildebrandt’s wife and daughter.

(13) Includes 27,251 shares of Class A Common Stock held by the HEICO Leadership Compensation Plan, and 8,414 shares of Class A Common Stock held in a non-qualified deferred compensation plan, both allocated to Wolfgang Mayrhuber’s accounts.

Includes 1,102,661 shares of Common Stock and 78,124 shares of Class A Common Stock subject to stock options that are presently exercisable or exercisable within 60 days after January 17, 2018; 314,175 shares of Common Stock held by EAM Management Limited Partners; 228,644 shares of Common Stock held by trusts for the benefit of Eric A. Mendelson's immediate family members; 210,691 shares of Class A Common Stock held by Mendelson International Corporation; 88,678 shares of Common Stock and 84,316 shares of Class A Common Stock held by the HEICO Savings and Investment Plan and allocated to Eric A. Mendelson's account; 12,183 shares of Common Stock and 8,064 shares of Class A Common Stock held in an individual Keogh account; and 3,619 shares of Common Stock and 4,166 shares of Class A Common Stock owned by Eric A. Mendelson's children. Also includes 7,494 shares of Class A Common Stock held by the HEICO Leadership Compensation Plan and allocated to Eric A. Mendelson's account. See Note (3) above.

Laurans A. Mendelson disclaims beneficial ownership with respect to 1,374,344 shares of Common Stock held by LAM Limited Partners, a partnership whose sole general partner is a corporation controlled by Arlene H. Mendelson; 210,691 shares of Class A Common Stock, which are held in the name of Mendelson International Corporation; and 70,855 shares of Common Stock and 39,176 shares of Class A Common Stock, which were donated to and are presently held by the Laurans A. and Arlene H. Mendelson Charitable Foundation, Inc., of which Mr. Mendelson is President. Includes 1,788,455 shares of Common Stock and 309,023 shares of Class A Common Stock held solely by Mr. Mendelson or LAM Alpha Limited Partners. Also includes 1,245 shares of Common Stock and 1,533 shares of Class A Common Stock held by the HEICO Savings and Investment Plan and allocated to Laurans A. Mendelson's account. See Notes (3), (14) and (16).

Includes 1,102,661 shares of Common Stock and 78,124 shares of Class A Common Stock subject to stock options that are presently exercisable or exercisable within 60 days after January 17, 2018; 372,255 shares of Common Stock and 109,763 shares of Class A Common Stock held by trusts for the benefit of Victor H. Mendelson's immediate family members; 210,691 shares of Class A Common Stock held by Mendelson International Corporation; 138,013 shares of Common Stock held by VHM Management Limited Partners; 73,376 shares of Common Stock and 69,450 shares of Class A Common Stock held by the HEICO Savings and Investment Plan and allocated to Victor H. Mendelson's account; 23,046 shares of Common Stock and 6,773 shares of Class A Common Stock held by the Victor H. Mendelson Revocable Investment Trust; 3,810 shares of Common Stock and 15,311 shares of Class A Common Stock owned by Victor H. Mendelson's children; and 738 shares of Common Stock and 12,908 shares of Class A Common Stock held in an individual Keogh account. See Note (3) above.

Includes 1,909 shares of Common Stock and 1,196 shares of Class A Common Stock held in an individual retirement account. Julie Neitzel disclaims beneficial ownership with respect to 1,037 shares of Common Stock and 776 shares of Class A Common Stock, which are held by Julie Neitzel's son. Also includes 7,569 shares of Class A Common Stock held by the HEICO Leadership Compensation Plan and allocated to Julie Neitzel's account.

Includes 246,874 shares of Common Stock and 254,111 shares of Class A Common Stock subject to stock options that are presently exercisable or exercisable within 60 days after January 17, 2018. Also includes 7,148 shares of Common Stock and 5,134 shares of Class A Common Stock held by the HEICO Leadership Compensation Plan and allocated to Dr. Schriesheim's account and 8,390 shares of Class A Common Stock held by the estate of Dr. Schriesheim's spouse.

Includes 195 shares of Class A Common Stock held by Frank J. Schwitter's spouse.

Includes 208,008 shares of Class A Common Stock subject to stock options that are presently exercisable or exercisable within 60 days after January 17, 2018. Also includes 1,173 shares of Common Stock and 1,188 shares

of Class A Common Stock held by the HEICO Savings and Investment Plan and allocated to Carlos L. Macau, Jr.'s account.

(21) Includes 27,838 shares of Class A Common Stock subject to stock options that are presently exercisable or exercisable within 60 days after January 17, 2018. Also includes 5,912 shares of Common Stock and 5,281 shares of Class A Common Stock held by the HEICO Savings and Investment Plan and allocated to Steven M. Walker's account.

(22) Includes 2,452,196 shares of Common Stock and 646,205 shares of Class A Common Stock subject to stock options that are presently exercisable or exercisable within 60 days after January 17, 2018. The total for all directors and executive officers as a group (13 persons) also includes 170,695 shares of Common Stock and 162,080 shares of Class A Common Stock held by the HEICO Savings and Investment Plan and allocated to accounts of the executive officers pursuant to the Plan. Also includes 7,148 shares of Common Stock and 111,225 shares of Class A Common Stock held by the HEICO Leadership Compensation Plan and 8,414 shares of Class A Common Stock held in a non-qualified deferred compensation plan, both allocated to the accounts of the directors pursuant to these plans.

(23) Includes 7,595,561 shares of Common Stock and 1,536,135 shares of Class A Common Stock owned by the Mendelson Reporting Group and 1,675,713 shares of Common Stock and 1,580,441 shares of Class A Common Stock held by the HEICO Savings and Investment Plan, of which 1,674,942 shares of Common Stock and 1,579,657 shares of Class A Common Stock are allocated to participants in the Plan, including 170,695 shares of Common Stock and 162,080 shares of Class A Common Stock allocated to the directors and executive officers as a group, and of which 771 shares of Common Stock and 784 shares of Class A Common Stock are unallocated as of January 17, 2018.

PROPOSAL TO ELECT DIRECTORS

(Proposal No. 1)

Each of the ten individuals named in the table below has been nominated by our Board of Directors for election to the Board at the Annual Meeting to serve until the next annual meeting or until their successor is elected and qualified. All of the nominees are currently serving on the Board of Directors. The Board has no reason to believe that any of the nominees will not be a candidate or will be unable to serve.

Name	Age	Corporate Office or Position	Director Since
Thomas M. Culligan	66	Director	2014
Adolfo Henriques	64	Director	2011
Mark H. Hildebrandt	61	Director	2008
Wolfgang Mayrhuber	70	Director	2001
Eric A. Mendelson	52	Co-President and Director; President and Chief Executive Officer of the HEICO Flight Support Group	1992
Laurans A. Mendelson	79	Chairman of the Board; Chief Executive Officer; and Director	1989
Victor H. Mendelson	50	Co-President and Director; President and Chief Executive Officer of the HEICO Electronic Technologies Group	1996
Julie Neitzel	58	Director	2014
Dr. Alan Schriesheim	87	Director	1984
Frank J. Schwitter	84	Director	2006

Business Experience of Nominees

Thomas M. Culligan has been in the Aerospace and Defense industry for more than forty years, serving in senior management positions at the Raytheon Company, Honeywell International and McDonnell Douglas Corporation. Prior to that, following his service in the U.S. Air Force, Mr. Culligan was Legislative Director for U.S. Congressman Earl Hutto and Chief of Staff for a Florida Secretary of State. From 2001 until December 2013, Mr. Culligan was Senior Vice President of the Raytheon Company for Business Development and Strategy. He was also concurrently the Chairman and Chief Executive Officer of Raytheon International, Incorporated. In these roles, he was responsible for worldwide sales and marketing, Raytheon's international business and its government relations and operations. He was also responsible for developing and leading the execution of Raytheon's business strategy. Prior to joining Raytheon, Mr. Culligan was Honeywell's Vice President and General Manager of Defense and Space, with worldwide responsibility for all related sales, marketing and government relations. He also directed Honeywell's aerospace operations in Europe, Russia, the Middle East and Africa. He also held line management and profit and loss responsibilities for the company's defense aftermarket business and its technical services subsidiary. Before joining Honeywell, Mr. Culligan held executive positions with McDonnell Douglas, including Corporate Vice President of Program Development and Marketing and Vice President and General Manager of Government Affairs. Mr. Culligan is currently retired and serves as a member of the Board of Directors of CPS Technologies Corporation, a member of the Board of Advisors of M International, and a member of the Foundation Board of Florida State University. Mr. Culligan is considered an "independent" director under NYSE rules.

The Board believes that Mr. Culligan's broad and deep Aerospace and Defense industry experience, coupled with his intimate knowledge of international sales and government relations, add important insight and advice to the Board's activities.

Adolfo Henriques is Vice Chairman of The Related Group, a real estate development company headquartered in Miami, Florida and also serves as Chairman and immediate past Chief Executive Officer of

Gibraltar Private Bank and Trust, a private banking and wealth management company. From 2005 until its sale in December 2007, Mr. Henriques was Chairman, President and Chief Executive Officer of NYSE-listed Florida East Coast Industries, having served on its Board since 1998 and having been Chairman of its Audit Committee, as well as a member of its Governance Committee. From 1998 until 2005, he served as Chief Executive Officer of the South Region for Regions Bank (and its predecessor, Union Planters Bank). Prior to joining Regions Bank, Mr. Henriques served in executive capacities at Bank of America's predecessor banks since 1986, including positions as Chairman of NationsBank in South Florida and Executive Vice President of Barnett Bank. He began his career as a Certified Public Accountant. Mr. Henriques was appointed by the Governor of the State of Florida as Chairman of the Financial Oversight Board for the City of Miami. Mr. Henriques served on the Board of Directors of Boston Private Financial Holdings, Inc. from 2007 until February 2011 when he joined Gibraltar Private Bank and Trust. Mr. Henriques also serves on the Board of Intcomex, Inc. Mr. Henriques is the Chairman of the Miami-Dade Cultural Affairs Council. Mr. Henriques is considered an "independent" director under NYSE rules.

The Board believes that Mr. Henriques' broad experience in the banking industry, his history as the CEO of a publicly-held company and his prior board experience will be valuable to the Board's activities, especially as they pertain to governance, oversight and financial matters.

Mark H. Hildebrandt began his legal career as an Assistant State Attorney at the Miami-Dade County State Attorney's Office. In 1986, Mr. Hildebrandt went into private practice and has been the president and sole owner of Mark H. Hildebrandt, P.A., a law firm with offices in Miami-Dade and Broward counties, Florida. In 2004, while continuing with his own firm, he became a partner in the law firm of Waldman Trigoboff Hildebrandt & Calnan, P.A., a full-service boutique law firm. He has practiced law continuously for 34 years and specializes in complex corporate litigation and business law. Mr. Hildebrandt is the Vice Chairman of the Board of Trustees of Mount Sinai Medical Center in Miami Beach, Florida. He previously served from 2007 to 2011 as the President of the Mount Sinai Medical Center Foundation. He is a current member of the Executive Committee of both the Board of Trustees and the Foundation. Additionally, he is the Chairman of the Compensation Committee, a member of the Finance and Investment Committee, a member of the Audit Committee, Chairman of the Trustee Services Committee, and former Chairman of the Finance Committee of the Board of Trustees of the Mount Sinai Medical Center. Mr. Hildebrandt formerly served as a member of the Board of Directors of Easter Seals of Miami-Dade County, Florida, and has served in numerous other local civic posts. Mr. Hildebrandt is considered an "independent" director under NYSE rules.

Mr. Hildebrandt's significant legal expertise and other business experience assist the Board in evaluating various matters. Given the Company's complexity and its global activities, the Board believes Mr. Hildebrandt's experience in complex commercial litigation, contract and employment disputes and intellectual property helps the Board in minimizing legal exposure, and in so doing, helps protect the Company's and its shareholders' interests. Mr. Hildebrandt's experience as a member of the board and related committees for other companies enhances his ability to evaluate business issues.

Wolfgang Mayrhuber was elected to our Board of Directors in 2001 after serving as Advisor to the Board of Directors of the Company since 1997. He served as Chairman of the Supervisory Board of Deutsche Lufthansa AG ("Lufthansa") from May 2013 to September 2017 and previously served as their Chairman of the Executive Board and Chief Executive Officer from June 2003 until December 2010. From 1970 to 2017, he served with Lufthansa and has held various senior management positions, including those of Executive Vice President and Chief Operating Officer Technical at Lufthansa, Chairman of the Executive Board of Lufthansa Technik AG and President of Passenger Airlines of Lufthansa. He was appointed to the Executive Board of Lufthansa in 2001. He is also the Chairman of the Supervisory Board of Infineon Technologies, a major global semiconductor manufacturer. Additionally, Mr. Mayrhuber is a former member of the supervisory board of Munich RE Group and the supervisory board of BMW AG. Mr. Mayrhuber is considered an "independent" director under NYSE rules.

Mr. Mayrhuber has over 45 years of multi-faceted experience in the global airline and aircraft maintenance industries. His senior leadership history at Lufthansa, a global leader in the aviation industry, and his background as a mechanical engineer provide him with deep operational, technical and strategic knowledge that benefits the Board of Directors. In addition to his service on several boards and related committees, Mr. Mayrhuber has significant

international business experience, as well as extensive relationships with airlines and aircraft maintenance organizations throughout the world, which experience and relationships are important to the Board.

Eric A. Mendelson has been an employee of the Company since 1990, serving in various capacities. Mr. Mendelson has served as our Co-President since October 2009 and served as our Executive Vice President from 2001 through September 2009. Mr. Mendelson has also served as President and Chief Executive Officer of the HEICO Flight Support Group since its formation in 1993, as well as President of various Flight Support Group subsidiaries. Mr. Mendelson is a co-founder, and, since 1987, has been Managing Director of Mendelson International Corporation, a private investment company, which is a shareholder of HEICO. In addition, Mr. Mendelson is a member of the Advisory Board of Trustees of Mount Sinai Medical Center in Miami Beach, Florida and Immediate Past Chairman of the Board of Trustees of Ransom Everglades School in Coconut Grove, Florida, as well as a member of the Board of Visitors of the Columbia College in New York City. Eric Mendelson is the son of Laurans Mendelson and the brother of Victor Mendelson. Eric Mendelson is considered an “inside” director under NYSE rules.

As the principal architect of the Company’s parts development program since its commencement in 1992, Eric Mendelson has unique knowledge in the FAA-approved aircraft replacement parts industry which the Company pioneered under his leadership. Mr. Mendelson is well versed in the marketplace for the Company’s products and he has deep experience with the Company’s Team Members, customers and shareholders. His 28 years of progressive experience with running and growing the business render him a valuable resource to the Board. Eric Mendelson and his family are significant Company shareholders.

Laurans A. Mendelson has served as our Chairman of the Board since December 1990. He has also served as our Chief Executive Officer since February 1990 and served as our President from September 1991 through September 2009. Mr. Mendelson is a member of the Board of Governors of the Aerospace Industries Association ("AIA") in Washington, D.C., of which HEICO is a member. He is the former Chairman of the Board of Trustees, former Chairman of the Executive Committee and a current member of the Society of Mount Sinai Founders of Mount Sinai Medical Center in Miami Beach, Florida. In addition, Mr. Mendelson is a Trustee Emeritus of Columbia University in The City of New York, where he previously served as Trustee and Chairman of the Trustees’ Audit Committee. Early in his career, Mr. Mendelson was licensed as a Certified Public Accountant in the states of Florida and New York. Mr. Mendelson's license is currently inactive and he no longer practices as a Certified Public Accountant. Laurans Mendelson is the father of Eric Mendelson and Victor Mendelson. Laurans Mendelson is considered an “inside” director under NYSE rules.

The Board believes that Mr. Mendelson’s 28 years of solid and successful leadership of the Company, his demonstrated expertise and vast experience in the aerospace and electronic technologies industries and his background in finance, accounting and audit, make him ideally suited to serve on the Board. The impact of Mr. Mendelson’s investment and acquisition acumen has led directly to the significant growth of the Company since 1990; he has a unique ability to recognize and capitalize on growth opportunities at the opportune time. Laurans Mendelson and his family are significant Company shareholders.

Victor H. Mendelson has been associated with the Company since 1990, serving in various capacities. Mr. Mendelson has served as our Co-President since October 2009 and served as our Executive Vice President from 2001 through September 2009. Mr. Mendelson has also served as President and Chief Executive Officer of the HEICO Electronic Technologies Group since its formation in September 1996. He served as General Counsel of the Company from 1993 to 2008 and Vice President of the Company from 1996 to 2001. In addition, Mr. Mendelson was the Chief Operating Officer of the Company’s former MediTek Health Corporation subsidiary from 1995 until its profitable sale in 1996. Mr. Mendelson is a co-founder, and, since 1987, has been President of Mendelson International Corporation, a private investment company, which is a shareholder of HEICO. Mr. Mendelson is a former Director and Audit Committee member of NASDAQ-listed Terrapin 3 Acquisition Corp. Mr. Mendelson is Chairman of the Board of Visitors of

Columbia College in New York City, a Trustee of St. Thomas University in Miami Gardens, Florida, a Director of Boys & Girls Clubs of Miami-Dade and is a Director and Past President of the Board of Directors of the Florida Grand Opera. Victor Mendelson is the son of Laurans Mendelson and the brother of Eric Mendelson. Victor Mendelson is considered an “inside” director under NYSE rules.

The Board believes that Mr. Mendelson's experience and expertise, garnered by serving the Company in a variety of roles over the past 28 years, make him uniquely qualified to serve on the Board because he understands the Company's operations and strategy very well. As the founder of the Company's Electronic Technologies Group, he has extensive knowledge and experience in the electronic technologies and defense segments of the business, which have experienced significant growth under his stewardship. Further, as the Company's former General Counsel for 15 years, he is familiar with the Company's matters, including contractual relationships and the Company's numerous acquisitions. Victor Mendelson and his family are significant Company shareholders.

Julie Neitzel is a Partner with WE Family Offices, an independent, financial advisory and wealth management firm. Ms. Neitzel advises entrepreneurs in areas including acquisition and financing of closely-held businesses, real estate portfolio acquisition and management, investment capital management, estate planning, beneficiary mentoring and education, in addition to other aspects of multi-generational planning. Prior to joining WE Family Offices in January 2013, she served as President of the Miami-based operation of GenSpring Family Offices, a leading wealth management firm for over ten years. Her previous professional roles include Director of Trivest Partners, a private equity firm where she worked on the aviation portfolio company team and other firm matters; President of PLC Investments, a private investment company where she led the firm's strategy on direct company investments, real estate and global financial market investments, in addition to serving on private company boards. Prior to those positions, she held key management roles with Citicorp, Chase Manhattan Bank and Clark Equipment Company. Ms. Neitzel is considered an "independent" director under NYSE rules.

Ms. Neitzel brings to the Board extensive knowledge and expertise in acquisitions, business strategy, banking and finance gained through her many years of experience in the financial advisory industry.

Dr. Alan Schriesheim is retired from the Argonne National Laboratory, where he served as Director from 1984 to 1996, and currently holds the distinction of Director Emeritus. From 1983 to 1984, he served as Senior Deputy Director and Chief Operating Officer of Argonne. From 1956 to 1983, Dr. Schriesheim served in a number of capacities with Exxon Corporation in research and administration, including positions as General Manager of the Engineering Technology Department for Exxon Research and Engineering Co. and Director of Exxon's Corporate Research Laboratories. Dr. Schriesheim is also a member of the Board of the Children's Memorial Hospital of Chicago, Illinois, the President and Co-Founder of the Chicago Council on Science and Technology, and is a member of the National Academy of Engineering. Dr. Schriesheim is considered an "independent" director under NYSE rules.

Dr. Schriesheim has deep experience and is accomplished in business, science and technology. His background in senior management of organizations involved with advanced technological developments and his advocacy for continuous technology development are important to the Board's evaluation of the Company's operations and potential acquisitions. The Board believes that Dr. Schriesheim's international business experience through numerous economic cycles provides the Board with a stable perspective which is useful in navigating complex business judgments.

Frank J. Schwitter has been a partner with the investment firm, 1624 Capital LLC since February 2013. In 2014, he was appointed to the Accounting and Audit Committee of the New York Athletic Club. Mr. Schwitter has also been engaged principally as a consultant for law and accounting firms from 1998 to 2010. From 1996 to 1998, Mr. Schwitter served as Senior Business Advisor and Technical Consultant to Prasetyo Utomo & Co. in Indonesia. Prior to 1996, Mr. Schwitter served 38 years with Arthur Andersen LLP, where he was a partner and the Managing Director of the Firm's International Business Program from 1982 to 1996. Mr. Schwitter also served as an officer and director of a number of business organizations including the Foreign Policy Association, the Business Council for International Understanding, Council of the Americas, the Long Island Association of Business and the Huntington Chamber of Commerce. From 1998 to 2003, Mr. Schwitter served on the Technical Standards Committee of the American Institute of Certified Public Accountants ("AICPA") and he remains a member of the AICPA. Mr. Schwitter is a Certified Public Accountant in New York State. Additionally, Mr. Schwitter is a veteran of the United States Air

Force. Mr. Schwitter is considered an “independent” director under NYSE rules.

Mr. Schwitter brings to the Board a wealth of knowledge in finance and accounting at both the domestic and international levels. His prior experience as a partner of one of the largest accounting firms at that time, has provided him with a solid foundation from which to assess and advise on the Company's internal controls, financial strategy, financial reporting and interactions with the Company's independent registered public accounting firm. His strong leadership skills, acquired during many years of senior management, are a complement to the Board's composition.

Board Leadership Structure

Within the Board's purview is the determination as to whether the roles of Chief Executive Officer and Chairman of the Board should be combined or separate. HEICO believes a combined role of Chairman of the Board and Chief Executive Officer, along with Board committees that are chaired by independent directors (with the exception of the Executive Committee chaired by Mr. Laurans Mendelson) is the appropriate leadership structure for the Company at this time, and is one that provides exceptional value to HEICO and its shareholders. Mr. Mendelson has vast expertise in the aerospace, defense and electronics industries and a proven track record of successful leadership, as evidenced by HEICO's substantial and consistent revenue, net income, cash flow and share value growth in the past 28 years, even though the period saw several economic downturns. The combined role fosters open communication between the Board and management team, provides both groups with unified leadership and promotes efficient development and execution of the Company's strategic plan.

The independent directors meet as frequently as they desire, but at least once per year, in an executive session. The independent directors elect a presiding director to act as the lead independent director for each executive session among the chairs of the committees of the Board on a rotating basis.

Board Risk Oversight

While the Company's management team takes primary responsibility for risk management, the Board plays a large role in the oversight, evaluation and strategy for handling the material risks facing the Company. The risk environment in which HEICO currently operates includes a variety of risks, both financial and operational, some of which may manifest themselves in unforeseen ways, which may affect our ability to anticipate, fully comprehend, mitigate or respond to them. At regular intervals, HEICO's management team presents the Board with reports on the status of critical risks that are currently affecting or have the potential to impact the business. These reports are designed to provide the Board with timely identification of the nature of any risks, so they may respond appropriately.

The Board addresses risk management at both the full Board and Committee levels. The full Board oversees risks that may impact HEICO and its subsidiaries as a whole, with particular emphasis on operational and strategic risk; while each Committee oversees specific areas of risk within its purview. The Finance/Audit Committee is responsible for oversight of HEICO's financial risks, including the adequacy of internal controls, compliance, financial reporting, and tax positions. To this end, the Finance/Audit Committee meets regularly with the Company's internal and external auditors to ensure visibility into pending risks and the mitigation of the financial and non-financial impact of these risks. The Nominating and Corporate Governance Committee is responsible for the oversight of the Company's directorship policies and practices, succession planning and the evaluation and recommendation of qualified Board candidates. Other Board committees also consider areas of risk within their particular subject matter, for example, the Compensation Committee considers the areas of risk related to the compensation policy and programs of the Company.

Director Independence

The Board of Directors has determined that Mr. Culligan, Mr. Henriques, Mr. Hildebrandt, Mr. Mayrhuber, Ms. Neitzel, Dr. Schriesheim, Mr. Schwitter and Mr. Higginbottom (who passed away in November 2016) have met the standards of independence as set forth in the Company's Corporate Governance Guidelines, which are consistent with

the standards established by the NYSE.

12

The full Board of Directors discussed and reviewed whether each director was “independent” under NYSE rules. The Board of Directors has used these rules to determine whether each director is independent. These rules state that a director who has a “material” relationship with the Company will be deemed an “inside” or “non-independent” director. As Laurans, Eric and Victor Mendelson are all employed in executive positions with the Company, they are deemed “inside” or “non-independent” directors.

As noted above, Mr. Mayrhuber served as Chairman of the Supervisory Board of Lufthansa from May 2013 to September 2017 and previously served as their Chairman of the Executive Board and Chief Executive Officer from June 2003 until December 2010. A Lufthansa subsidiary is a customer of the Company’s Flight Support Group and owns 20% of certain subsidiaries of the Flight Support Group. However, the Company’s fiscal 2017 sales to Lufthansa and all of its subsidiaries constituted less than 1% of Lufthansa’s consolidated annual revenues, and, in addition, neither Lufthansa nor Mr. Mayrhuber receive any remuneration from the Company other than Mr. Mayrhuber’s standard director fees paid to him for service as a member of the Board of Directors of the Company. As a result, the Board of Directors concluded that Mr. Mayrhuber is an “independent” director under NYSE rules.

As Mr. Culligan, Mr. Henriques, Mr. Hildebrandt, Mr. Mayrhuber, Ms. Neitzel, Dr. Schriesheim, and Mr. Schwitter and their employers lack material relationships with the Company, they are deemed “independent” under NYSE rules. The Board of Directors reviewed and confirmed these conclusions.

Board Committees

The Board of Directors has the following standing committees: an Executive Committee, a Nominating and Corporate Governance Committee, a Compensation Committee, a Finance/Audit Committee, an Environmental, Safety and Health Committee, and a Stock Option Plan Committee. From time to time, special committees for a limited purpose and duration may be established. Committee member appointments to the standing committees are re-evaluated annually and approved by the Board of Directors at its next regularly scheduled meeting that follows the Annual Meeting of Shareholders. Information regarding each of the standing committees follows.

The Executive Committee has such powers as are delegated by the Board of Directors, which may be exercised while the Board of Directors is not in session, provided such powers are not in conflict with specific powers conferred to other committees or are otherwise contrary to law. The Executive Committee did not meet in fiscal 2017 and its members consist of Mr. Laurans Mendelson (Committee Chairman), Mr. Mayrhuber, and Dr. Schriesheim. Mr. Higginbottom was also a member until he passed away in November 2016.

The Nominating and Corporate Governance Committee assists the Board of Directors in identifying and recommending to the Board qualified individuals to be nominated as directors; makes recommendations concerning committee membership and appointments; periodically reviews and recommends to the Board of Directors updates to the Company’s Corporate Governance Guidelines; assists the Board and the Company in interpreting and applying the Company’s Corporate Governance Guidelines and Code of Business Conduct; and oversees the annual evaluation of management and of the Board of Directors. The Nominating and Corporate Governance Committee met three times in fiscal 2017 and its members consist of Mr. Hildebrandt (Committee Chairman) and Dr. Schriesheim. Mr. Higginbottom was Committee Chairman until he passed away in November 2016. The Board of Directors has determined that each member of the Nominating and Corporate Governance Committee is “independent” in accordance with the NYSE’s listing standards.

Prior to nominating an existing director for re-election to the Board of Directors, the Nominating and Corporate Governance Committee will consider the existing director’s independence, if required, skills, performance and meeting attendance. The Nominating and Corporate Governance Committee will consider candidates recommended by shareholders (see the caption “Shareholder Proposals and Nominations” contained herein). All candidates will be

reviewed in the same manner, regardless of the source of recommendation. In evaluating candidates for potential director nomination, the Nominating and Corporate Governance Committee will consider, among other things, candidates that are independent, if required; who possess personal and professional integrity; have good business judgment, relevant experience and skills; and who would be effective as a director in conjunction with the full Board of Directors in collectively serving the long-term interests of our shareholders.

While we do not have a formal policy on diversity, when considering the selection of director nominees, the Nominating and Corporate Governance Committee considers individuals with diverse backgrounds, viewpoints, accomplishments, cultural background and professional expertise, among other factors.

The Compensation Committee reviews and approves compensation of our officers, key employees and directors. For further information on the Compensation Committee's processes and procedures for consideration and determination of executive compensation, see the "Compensation Discussion and Analysis" section contained herein. Pursuant to the terms of its charter, the Compensation Committee may form and delegate any or all of its responsibilities to subcommittees, as it deems appropriate. In addition, the Compensation Committee reviews and discusses with management the Compensation Discussion and Analysis and based on the review and discussion, recommends its inclusion in the proxy statement. The Compensation Committee met four times in fiscal 2017 and its members consist of Mr. Hildebrandt (Committee Chairman), Ms. Neitzel, and Dr. Schriesheim. Mr. Higginbottom was Committee Chairman until he passed away in November 2016. The Board of Directors has determined that each member of the Compensation Committee is "independent" in accordance with the NYSE's listing standards. The report of the Compensation Committee regarding the Compensation Discussion and Analysis is contained herein.

The Finance/Audit Committee oversees the quality and integrity of our accounting, auditing, internal control and financial reporting practices, including the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm. The Finance/Audit Committee also advises the Board of Directors regarding transactions presenting a potential conflict of interest between the Company and any member of the Board of Directors or any executive officer. The Finance/Audit Committee met four times in fiscal 2017 and its members consist of Mr. Schwitter (Committee Chairman), Mr. Henriques, Mr. Hildebrandt, Ms. Neitzel and Dr. Schriesheim. Mr. Higginbottom was also a member until he passed away in November 2016. The Board of Directors has determined that each member of the Finance/Audit Committee is "financially literate" and "independent" in accordance with the NYSE's listing standards and that Mr. Schwitter is an "audit committee financial expert," as defined by the Securities and Exchange Commission. The report of the Finance/Audit Committee is contained herein.

The Environmental, Safety and Health Committee meets with our senior management and oversees compliance in all matters relating to federal and state environmental, safety and health regulations. The Environmental, Safety and Health Committee met four times in fiscal 2017 and its members consist of Dr. Schriesheim (Committee Chairman), Mr. Culligan, Mr. Mayrhuber, Mr. Eric Mendelson, and Mr. Victor Mendelson. The Environmental, Safety and Health Committee also visits our operating locations on a periodic basis.

The Stock Option Plan Committee administers our stock option plans and has authority to grant options, to determine the persons to whom and the times at which options are granted, and to determine the terms and provisions of each grant. The Stock Option Plan Committee met four times in fiscal 2017 and its members consist of Mr. Hildebrandt (Committee Chairman) and Mr. Henriques. Mr. Higginbottom was also a member until he passed away in November 2016.

The Nominating and Corporate Governance Committee, Compensation Committee and the Finance/Audit Committee are governed by written charters relating to corporate governance matters. All Board of Directors Committee Charters, Corporate Governance Guidelines, as well as HEICO's Code of Ethics and Business Conduct are located on HEICO's website at www.heico.com.

Board Meetings

During the fiscal year ended October 31, 2017, the Board of Directors held four meetings. Each of the directors attended 75% or more of the meetings of the Board of Directors and committees on which they served in fiscal 2017. We do not have a formal policy regarding attendance by members of the Board of Directors at the Annual Meeting of

shareholders, but we encourage directors to attend and historically, most have done so. All ten of the members of the Board of Directors attended the 2017 Annual Meeting of Shareholders.

Compensation Committee Interlocks and Insider Participation

Mr. Hildebrandt, Ms. Neitzel, Dr. Schriesheim and Mr. Higginbottom (who passed away in November 2016) served as members of the Compensation Committee during fiscal 2017. No member of the Compensation Committee was an officer or employee of the Company during fiscal 2017 or was formerly an officer of the Company. During the fiscal year ended October 31, 2017, none of HEICO's executive officers served on the board of directors or compensation committee of any other entity whose directors or executive officers served either on HEICO's Board of Directors or on HEICO's Compensation Committee.

Compensation of Directors

Effective September 19, 2017, our directors receive an annual retainer of \$175,000 and are required to purchase shares of HEICO common stock equivalent to approximately 63% of the annual retainer (\$110,000). Prior to September 19, 2017, our directors received an annual retainer of \$170,000 and were required to purchase shares of HEICO common stock equivalent to approximately 65% of the annual retainer (\$110,000). Directors may purchase these shares on their own behalf or have the Company complete the purchases for them using funds the Company withholds from their retainers.

Directors are paid a fee of \$2,000 for each regular Board of Directors meeting attended and members of committees of the Board of Directors are paid a \$9,500 annual retainer for each committee served and \$1,200 for attendance at each committee meeting or site visit. In addition, committee chairmen are paid an annual retainer of \$10,500 for each committee chaired.

The Directors' Retirement Plan, which was adopted in 1991 in order to facilitate director retirements and covered our then current directors, was amended as of November 2003 to effectively freeze vested benefits. One of our current ten directors is covered under the Directors' Retirement Plan and he will receive annually \$19,000 payable in quarterly installments. At the election of such director, these quarterly payments begin either at age 70 or upon retirement from the Board of Directors and continue for the same period of time that the participant served on the Board of Directors, not to exceed ten years. In addition, payments are presently being made to the estate of a former director who was covered under the Directors' Retirement Plan. During fiscal 2017, \$2,072 was accrued pursuant to the Directors' Retirement Plan and \$19,000 was paid to the estate of a former director.

Director Compensation Table

The table below summarizes the compensation paid to our non-employee directors during fiscal 2017.

Name	Fees Earned or Paid in Cash	Option Awards (1)	Non-qualified Deferred Compensation Earnings (2)	All Other Compensation (3)	Total
Thomas M. Culligan	\$197,684	\$—	\$—	\$—	\$197,684
Adolfo Henriques	207,184	—	—	—	207,184
Samuel L. Higginbottom ⁽⁴⁾	—	—	—	—	—
Mark H. Hildebrandt	251,637	—	—	—	251,637
Wolfgang Mayrhuber	197,984	—	—	—	197,984
Julie Neitzel	207,184	—	—	—	207,184
Dr. Alan Schriesheim	265,769	—	—	—	265,769
Frank J. Schwitter	198,969	—	—	—	198,969

No stock options were granted to any non-employee director in fiscal 2017. As of October 31, 2017, the only non-employee director holding options was Dr. Schriesheim who held options for 246,874 shares of Common (1) Stock and 254,111 shares of Class A Common Stock (adjusted as necessary for all stock dividends and stock splits).

(2) There were no above-market or preferential earnings on deferred compensation.

(3) The aggregate value of perquisites and other personal benefits is less than \$10,000 per non-employee director.

(4) Mr. Higginbottom passed away November 13, 2016.

Recommendation

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE “FOR” EACH OF THE NOMINEES.

COMPENSATION DISCUSSION AND ANALYSIS

Our compensation methods and their results have remained essentially the same during the past several years, so this Compensation Discussion & Analysis ("CD&A"), which is submitted by the Compensation Committee of the Company's Board of Directors (the "Committee"), is again similar to the prior year's CD&A. This CD&A should be read in conjunction with the compensation tables contained elsewhere in this proxy statement. References to our "named executive officers" in this CD&A are to the persons set forth in the compensation tables.

Our shareholders adopted an annual interval for "management say on pay" review. Accordingly, our shareholders last voted on the matter at our Annual Meeting in 2017 and approved, on an advisory basis, the compensation of our named executive officers. Our existing compensation policies and decisions are consonant with our compensation philosophy and objectives discussed below and align the interests of our named executive officers with the Company's short and long term goals.

Compensation Background Data

Substantial Growth

For more than two decades, the Committee has applied the same deliberate and consistent principles which have succeeded in retaining and incentivizing our management over a long period of time. Accordingly, when setting compensation, the Committee considers the following key facts:

• HEICO achieved compound annual growth in Total Shareholder Return⁽¹⁾ of 23% from 1990 through December 31, 2017

• HEICO achieved 18% compound annual net income growth from fiscal 1990 through fiscal 2017

• HEICO achieved 16% compound annual sales growth from fiscal 1990 through fiscal 2017

• HEICO achieved 21% compound annual cash flow from operations growth from fiscal 1990 through fiscal 2017

The following four pages display the net sales and net income growth for the past twenty-seven years and the Total Shareholder Return which investors who held HEICO shares would have experienced over the past three years and the past twenty-seven years (which includes the time since current management took office).

(1) Total Shareholder Return is the change in share price, as adjusted for stock splits and stock dividends, and all cash dividends, assuming reinvestment of those dividends in our Company's shares.

Twenty-Seven Year Net Sales and Net Income Results
(in thousands)

	1990	1991	1992	1993	1994	1995
Net Sales	\$26,239	\$25,368	\$21,729	\$25,882	\$19,212	\$25,613
Net Income	1,961	2,363	(580)	728	640	1,437
	1996	1997	1998	1999	2000	2001
Net Sales	\$34,565	\$63,674	\$95,351	\$141,269	\$202,909	\$171,259
Net Income	3,665	7,019	10,509	16,337	27,739	15,833
	2002	2003	2004	2005	2006	2007
Net Sales	\$172,112	\$176,453	\$215,744	\$269,647	\$392,190	\$507,924
Net Income	15,226	12,222	20,630	22,812	31,888	39,005
	2008	2009	2010	2011	2012	2013
Net Sales	\$582,347	\$538,296	\$617,020	\$764,891	\$897,347	\$1,008,757
Net Income	48,511	44,626	54,938	72,820	85,147	102,396
	2014	2015	2016	2017		
Net Sales	\$1,132,311	\$1,188,648	\$1,376,258	\$1,524,813		
Net Income	121,293	133,364	156,192			