

SECURITIES AND EXCHANGE COMMISSION

FORM DEF 14A

Definitive proxy statements

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FILER

ASTEC INDUSTRIES INC

CIK: **792987** | IRS No.: **620873631** | State of Incorpor.: **TN** | Fiscal Year End: **1231**
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SIC: **3531** Construction machinery & equip

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ASTEC INDUSTRIES, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD APRIL 29, 1994

TO THE SHAREHOLDERS:

Notice is hereby given that the Annual Meeting of Shareholders (the "Annual Meeting") of Astec Industries, Inc., a Tennessee corporation (the "Company") will be held at the Company's executive offices, 4101 Jerome Avenue, Chattanooga, Tennessee, on April 29, 1994, at 10:00 A.M., Chattanooga time, for the following purposes:

1. To elect four directors in Class II to serve until the annual meeting of shareholders in 1997, or in the case of each director until his successor is duly elected and qualified; and
2. To transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

Only shareholders of record at the close of business on March 10, 1994 are entitled to notice of, and to vote at, the Annual Meeting. The transfer books will not be closed. A complete list of shareholders entitled to vote at the Annual Meeting will be available for inspection by shareholders at the offices of the Company from March 14, 1994 through the Annual Meeting.

By Order of the Board of Directors

[signature]

ALBERT E. GUTH,
Secretary

Dated: March 18, 1994

WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE MEETING IN PERSON, PLEASE VOTE, SIGN, DATE, AND RETURN THE ENCLOSED PROXY APPOINTMENT CARD PROMPTLY IN THE ENCLOSED BUSINESS REPLY ENVELOPE. IF YOU DO ATTEND THE MEETING, YOU MAY, IF

YOU WISH, WITHDRAW YOUR PROXY APPOINTMENT AND VOTE IN PERSON.

ASTECH INDUSTRIES, INC.
4101 Jerome Avenue
Chattanooga, Tennessee 37407
(615) 867-4210

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
APRIL 29, 1994

The enclosed proxy appointment is solicited by and on behalf of the Board of Directors of Astec Industries, Inc. (the "Company") for use at its Annual Meeting of Shareholders (the "Annual Meeting") to be held on April 29, 1994, and at any adjournments thereof. The appointment of proxy is revocable at any time prior to its exercise at the Annual Meeting by (i) written notice to the Secretary of the Company, (ii) properly submitting to the Company a duly executed proxy appointment bearing a later date, or (iii) attending the Annual Meeting and voting in person.

This Proxy Statement is being mailed by the Company to its shareholders on or about March 18, 1994. The Company's Annual Report to Shareholders for the fiscal year ended December 31, 1993, including financial statements, is being sent to the shareholders with this Proxy Statement.

Only holders of record of the Company's Common Stock as of the close of business on March 10, 1994 (the "Record Date") will be entitled to notice of, and to vote at, the Annual Meeting. As of the Record Date there were 9,796,402 shares of Common Stock outstanding and entitled to be voted at the Annual Meeting. A shareholder is entitled to one vote for each share of Common Stock held.

ELECTION OF DIRECTORS

The Board of Directors of the Company is divided into three classes, with the term of office of each class ending in successive years. The terms of directors of Class II expire with this Annual Meeting. The directors of Class III and Class I will continue in office until the 1995 and 1996 annual meetings of shareholders, respectively. At the present time there are three directors in Class I, four

directors in Class II, and four directors in Class III. The shareholders are being asked to vote for the re-election of the four directors in Class II.

If the enclosed proxy appointment card is properly executed and returned, the persons appointed as proxies will vote the shares represented by the proxy appointment in favor of the election to the Board of Directors of each of the four Class II nominees whose names appear below, unless either authority to vote for any or all of the nominees is withheld or such appointment has previously been revoked. It is anticipated that management shareholders of the Company will grant authority to vote for the election of all the nominees. Each Class II director will be elected to hold office until the 1997 annual meeting of shareholders and thereafter until his successor has been elected and qualified. In the event that any nominee is unable to serve (which is not anticipated), the persons appointed as proxies will cast votes for the remaining nominees and for such other persons as they may select.

The Board of Directors recommends that shareholders check "Authority Granted" to vote for the election of all of the nominees. The affirmative vote of the holders of a majority of the shares of Common Stock represented and entitled to vote at the Annual Meeting at which a quorum is present is required for the election of the nominees.
Certain Information Concerning Nominees and Directors

The following table sets forth the names of the nominees and of the directors continuing in office, their ages, the year in which they were first elected directors, their position(s) with the Company, their principal occupations and employers for at least the last five years, any other directorships held by them in companies that are subject to the reporting requirements of the Securities Exchange Act of 1934 or any company registered as an investment company under the Investment Company Act of 1940, the number of shares of the Company's Common Stock beneficially owned by them on March 10, 1994, and the percentage of the 9,796,402 total shares of Common Stock outstanding on such date that such beneficial ownership represents. For information concerning membership on Committees of the Board of Directors, see "Other Information About the Board and its Committees" below.

<TABLE>

NOMINEES FOR DIRECTOR
Class II

<CAPTION>

<S> <C> <S> Name, Age, and Year First Elected Director	<S> <C> Positions with the Company, Principal Occupations During At Least Past Five Years, and Other Directorships	<S> Shares of Common Stock Beneficially Owned and Percent of Common Stock Outstanding (1)
Daniel K. Frierson (51) <C> (nominated 1994)	<S> Mr. Frierson has been the Chief Executive Officer of Dixie Yarns, Incorporated, a public company in the textile manufacturing business, since 1979 and has served as Chairman of the Board of such company since 1987. Mr. Frierson also serves as a director on the board of American National Bank.	NONE
E. D. Sloan, Jr. (64) (1978)	Mr. Sloan is Chairman of the Board of Nolas Trading Company, Inc., a privately owned investment concern, and served from 1984 through 1987 as the Chairman of the Board of Sloan Construction Co., Inc.	251,000 (2) 2.56%
George C. Dillon (71) (1986)	Mr. Dillon was a director of the Barber-Greene Company from 1981 to December 1986 when the Company acquired Barber-Greene. Mr. Dillon is also currently a director of Phelps Dodge Corporation, Newhall Land & Farming Company, and was formerly the Chairman of the Board of Butler Manufacturing Co. (3)	2,200

NOMINEES FOR DIRECTOR
Class II (continued)
For Three-Year Term Expiring Annual Meeting 1997

<CAPTION>

<S> <C> <S> Name, Age, and Year First Elected Director	<S> Positions with the Company, Principal Occupations During At Least Past Five Years, and Other Directorships	<C> <S> Shares of Common Stock Beneficially Owned and Percent of Common Stock Outstanding (1)
Robert G. Stafford (53) (1988)	Mr. Stafford has served as President of Telsmith, Inc., a subsidiary of the Company, since April 1991. Previously, he served as President of the Company's Telsmith division from January 1991 until April 1991, and as President of the predecessor Telsmith, Inc., a subsidiary of the Company's Barber-Greene subsidiary, from January 1987 until December 1990. Mr. Stafford served as Vice President-Operations of Barber-Greene and General Manager of Telsmith from 1984 until the Company's acquisition of Barber-Greene in December 1986. (5)	58,619 (4)

MEMBERS OF BOARD OF DIRECTORS
CONTINUING IN OFFICE
Class III
Term Expiring Annual Meeting 1995

<CAPTION>

<S> <C> <S> Name, Age, and Year First Elected Director	<S> Positions with the Company, Principal Occupations During At Least Past Five Years, and Other Directorships	<C> <S> Shares of Common Stock Beneficially Owned and Percent of Common Stock Outstanding (1)
J. Don Brock (55) (1972)	Dr. Brock has been President and Treasurer of the Company	

since its incorporation in 1972, and assumed the additional position of Chairman of the Board in 1975. He earned his Ph.D. degree in mechanical engineering from the Georgia Institute of Technology and also serves as a director of Crown Andersen Inc.

2,220,000 (6)
22.66%

Albert E. Guth
(54)
(1972)

Mr. Guth has been Chief Financial Officer of the Company since 1987, Senior Vice President of the Company since 1984, and Secretary of the Company since 1972.

32,000 (7)

W. Norman Smith
(54)
(1982)

Mr. Smith has served as the President of Heatec, Inc., a subsidiary of the Company, since 1977.

166,570 (8)
1.7%

Class III (continued)
Term Expiring Annual Meeting 1995

<CAPTION>

<S> <C> <S> Name, Age, and Year First Elected Director	<S> <C> Positions with the Company, Principal Occupations During At Least Past Five Years, and Other Directorships	<S> Shares of Common Stock Beneficially Owned and Percent of Common Stock Outstanding (1)
---	--	---

James R. Spear
(72)
(1978)

Mr. Spear served as a financial consultant to the Company from 1986 to 1989. Previously, he served as Executive Vice President and Chief Financial Officer of Gifford-Hill & Company, Inc., a cement and construction materials company.

10,000 (9)

Class I
Term Expiring Annual Meeting 1996

<CAPTION>

<S> <C> <S> Name, Age, and Year First Elected Director	<S> <C> Positions with the Company, Principal Occupations During At Least Past Five Years, and Other Directorships	<S> Shares of Common Stock Beneficially Owned and Percent of Common Stock Outstanding (1)
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Joseph Martin, Jr.
(78)
(1986)

Mr. Martin has been a partner in the law firm of Pettit & Martin in San Francisco, California since 1955. He served as a director of Barber-Greene Company from February 1984 until December 1986 when the Company acquired Barber-Greene. (3)

2,000

Jerry F. Gilbert
(48)
(1991)

Mr. Gilbert has served as the President of Trencher Jetco, Inc., a subsidiary of the Company, since 1988 when the Company acquired all of the outstanding stock of its predecessor corporation, Trencher Corporation of America. Mr. Gilbert had served as President of Trencher Corporation of America since 1981.

17,827(10)

G. W. Jones
(67)
(1993)

Mr. Jones has served as a director of the Company since July, 1993. While currently retired, Mr. Jones served as president of APAC, Inc., a subsidiary of Ashland Oil, Inc., and as Senior Vice President of Ashland Oil, Inc., from 1987 to 1992.

2,000

<FN>

- (1) The amounts of the Company's Common Stock beneficially owned are reported on the basis of regulations of the Securities and Exchange Commission governing the determination of beneficial ownership of securities. The beneficial owner has both voting and dispositive power over the shares of Common Stock, unless otherwise indicated. As indicated, certain of the shares included are beneficially owned by the holders by virtue of their ownership of options to purchase Common Stock under the 1986 Stock Option Plan or the 1992 Stock Option Plan and such shares issuable upon currently exercisable options have been taken into account in determining the percent of Common Stock owned. Unless indicated in the table, the number of shares included in the table as beneficially owned by a director or nominee does not exceed one percent of the Common Stock of the Company outstanding on March 10, 1994.
- (2) Includes 100,000 shares held of record by Nolas Trading Company, Inc., a corporation of which Mr. Sloan owns all of the issued and outstanding shares of common stock, and 150,000 shares held of record by Nolas Trading Company, Inc. Pension Trust.
- (3) In connection with the acquisition of Barber-Greene in 1986, the Company entered into an oral agreement with B.V. Oceanic Finance Company, an affiliate of Overseas Lending Corporation, to nominate Messrs. Martin and Dillon to serve on the Company's Board of Directors. Messrs. Martin and Dillon no longer serve or are nominated pursuant to any agreement.
- (4) Includes 37,000 shares subject to options under the Company's 1986 Stock Option Plan, 20,000 shares subject to options under the Company's 1992 Stock Option Plan, and 1,377 shares held in the Company's 401(k) Plan over which Mr. Stafford has no voting power.
- (5) Telsmith, Inc., a Wisconsin corporation and wholly owned subsidiary of Barber-Greene, was merged into Barber-Greene effective January 1, 1991 to form the Telsmith division of the Company. On April 17, 1991 the Barber-Greene paving equipment business was sold to Caterpillar Paving Products Inc. Following such sale, Barber-Greene, a Delaware corporation, changed its name to Telsmith, Inc.
- (6) Does not include 443,800 shares held beneficially by Edna F. Brock, Dr. Brock's mother, over which shares he has no voting or dispositive power. Does include 40,000 shares subject to options under the Company's 1986 Stock Option Plan.

- (7) Includes 10,000 shares subject to options under the Company's 1992 Stock Option Plan.
- (8) Includes 10,000 shares subject to options under the Company's 1986 Stock Option Plan, 8,000 shares subject to options under the Company's 1992 Stock Option Plan, and 5,000 shares owned by Mr. Smith's children.
- (9) All 10,000 shares are owned beneficially by Mr. Spear through a living trust pursuant to which he and his spouse are joint trustees with sole voting and dispositive power.
- (10) Includes 10,000 shares subject to options under the Company's 1992 Stock Option Plan and 1,027 shares held in the Company's 401(k) Plan over which Mr. Gilbert has no voting power.

</TABLE>

Other Information about the Board and its Committees

Meetings. During 1993, the Board of Directors held 5 meetings, and the Board's Committees held the meetings described below. Each incumbent director attended at least 75% of the aggregate number of meetings of the Board of Directors.

Committees. The Company's Board of Directors has an Executive Committee, an Audit Committee, a Compensation Committee, and a Technical Committee. The Company does not have a nominating committee. The full Board of Directors performs the function which would be performed by a nominating committee. Certain information regarding the Board's Committees is set forth below.

Executive Committee. The Executive Committee is authorized to act on behalf of the Board of Directors on matters that may arise between regular meetings of the Board upon which the Board of Directors would be authorized to act. The current members of the Executive Committee are Dr. Brock (Chairman) and Messrs. Smith and Guth. The Executive Committee did not meet during 1993, all action of the Executive Committee was taken by unanimous written consent.

Audit Committee. The Audit Committee annually reviews and recommends to the Board the firm to be engaged as independent auditors for the next fiscal year, reviews

with the independent auditors the plan and results of the auditing engagement, reviews the scope and results of the Company's procedures for internal auditing, and inquires as to the adequacy of the Company's internal accounting controls. The current members of the Audit Committee are Messrs. Spear (Chairman), Martin, Dillon, and Jones. During 1993, the Audit Committee held three meetings.

Compensation Committee. The Compensation Committee is authorized to consider and recommend to the full Board the executive compensation policies of the Company and to administer both of the Company's stock option plans. The current members of the Compensation Committee are Messrs. Sloan (Chairman), Spear, Dillon, Martin and Jones. During 1993, the Compensation Committee did not meet.

Technical Committee. The Technical Committee met one time in 1993 to review the Company's product lines and to consider new areas of technical design. The current members of the Technical Committee are Dr. Brock (Chairman) and Messrs. Mize, Stafford, and Smith.

Common Stock Ownership of Management

Based on available information, the Company believes that its directors and executive officers as a group beneficially owned the following number of shares of Common Stock as of March 10, 1994:

<TABLE>

Title of Class	Shares Beneficially Owned	Percent of Class
Common Stock, \$.20 Par Value	2,824,316	28.83%

The table includes 157,000 shares which the executive officers have the right to acquire pursuant to currently exercisable options under the Company's stock option plans. Such shares issuable upon exercise of all currently exercisable options are assumed to be outstanding for purposes of determining the percent of shares owned by the group.

</TABLE>

Common Stock Ownership of Certain Beneficial Owners

The following table sets forth information as of the dates indicated with respect to the only persons who are known by the Company to be the beneficial owners of more than 5% of the outstanding shares of the Company's Common Stock.

<TABLE>

Name and Address of Beneficial Owner	Date	Amount and Nature of Beneficial Ownership	Percent of Class (1)
<CAPTION>			
<S> J. Don Brock Astec Industries, Inc. P.O. Box 72787 4101 Jerome Avenue Chattanooga, Tennessee 37407	<C> March 10, 1994	<C> 2,220,000 (2)	<C> 22.66%
Overseas Lending Corporation c/o Enpro International N.V. 345 Avenue of the Americas New York, New York 10105	March 10, 1994	554,000 (3)	5.66%
FMR Corp. 82 Devonshire Street Boston, Massachusetts 02109	March 10, 1994	838,700 (4)	8.56%

<FN>

(1) The amounts of the Company's Common Stock beneficially owned are reported on the basis of regulations of the Securities and Exchange Commission governing the determination of beneficial ownership of securities. The beneficial owner has both voting and dispositive power over the shares of Common Stock, unless otherwise indicated.

(2) Includes 40,000 shares subject to options under the 1986 Stock Option Plan. The shares of Common Stock issuable upon exercise of such options held by Dr. Brock are assumed to be outstanding for purposes of determining percent of shares owned by Dr. Brock. Does not include 443,800 shares held beneficially by Edna F. Brock, Dr. Brock's mother, over which shares he has no voting or dispositive power. This information is based on the filing of a Form 13G with the Securities and Exchange Commission, a copy of which has been provided to the Company.

(3) Overseas Lending Corporation ("Overseas") received 400,000 shares of the Company's Common Stock pursuant to an Assignment and Assumption Agreement, dated December 29, 1986, under which B.V. Oceanic Finance Company (OFC) ("Oceanic"), an affiliate of Overseas, transferred to Overseas its right to receive 400,000 shares of Common Stock. Oceanic acquired the right to receive such shares of Common Stock in connection with the Company's acquisition of Barber-Greene and pursuant to a Debenture Settlement Agreement dated October 20, 1986 among the Company, Barber-Greene, and Oceanic and pursuant to which Oceanic cancelled approximately \$15 million in Barber-Greene indebtedness. Overseas acquired an additional 77,000 shares of Common Stock in open market purchases during December 1990 and sold 200,000 shares in connection with the Company's secondary stock offering last year.

(4) Fidelity Management & Research Company ("Fidelity"), a wholly owned subsidiary of FMR Corp. and an investment advisor registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 825,400 of such shares as a result of acting as investment advisor to several investment companies registered under Section 8 of the Investment Company Act of 1940, and as a result of acting as sub-advisor to Domestic Values Fund ("FMR Account"). Edward C. Johnson 3d, Chairman of FMR Corp., FMR Corp., through its control of Fidelity, and the funds each has sole dispositive power over 821,300 shares owned by the funds, however, the funds' Board of Trustees have sole voting power which is carried out by Fidelity under written guidelines established by the funds' Board of Trustees. FMR Corp., through its control of Fidelity, and the FMR Account each has sole voting and dispositive power over the 4,100 shares owned by the FMR Account. Fidelity Management Trust Company ("FMTC"), a wholly owned subsidiary of FMR Corp. and a bank as defined in Section 3(a)(6) of the Securities Exchange Act of 1934, is the beneficial owner of 13,300 shares, over which FMR Corp., through its control of FMTC, has sole voting and dispositive power. The foregoing information is based on the filing of a Form 13G with the Securities and Exchange Commission, a copy of which has been provided to the Company.

</TABLE>

Executive Compensation

The following table presents certain summary information concerning compensation paid or accrued by the Company for services rendered in all capacities during the fiscal years ended December 31, 1991, 1992 and 1993 for (i)

the President of the Company and (ii) each of the four other most highly compensated executive officers of the Company (determined as of the end of the last fiscal year) whose total annual salary and bonus exceeded \$100,000 (collectively, the "Named Executive Officers").

<TABLE>

Summary Compensation Table

<CAPTION>

Name and Principal Position	Year	Annual Compensation Salary (\$)	Bonus (\$)	All Other Compensation (\$) (1) (2)
-----------------------------	------	---------------------------------	------------	-------------------------------------

<CAPTION>

<S>	<C>	<C>	<C>	<C>
J. Don Brock	1993	220,000	110,000	4,590
Chairman of the Board, President and Treasurer	1992	214,200	69,079	5,496
	1991	210,000	38,850	
Robert G. Stafford	1993	134,885	62,775	2,561
President of Telsmith, Inc.	1992	127,442	63,750	3,683
	1991	119,981	51,000	
Jerry F. Gilbert	1993	130,000	24,050	2,998
President of Trenchor Jetco, Inc.	1992	125,000	18,750	3,342
	1991	100,808	27,500	
Albert E. Guth	1993	125,000	40,000	2,864
Chief Financial Officer, Senior Vice President and Secretary	1992	120,500	15,000	3,498
	1991	120,211	15,000	
W. Norman Smith	1993	107,000	39,055	3,219
President of Heatec, Inc.	1992	105,086	51,036	3,666
	1991	103,419	42,543	

<FN>

(1) In accordance with the transitional provisions applicable to the revised rules on executive officer and director

compensation disclosure adopted by the Securities and Exchange Commission, amounts of All Other Compensation are excluded for the Company's 1991 fiscal year.

- (2) The compensation reported under All Other Compensation represents (a) contributions to the Company's 401(k) Plan on behalf of the Named Executive Officers to match 1993 pre-tax elective contributions (included under salary and bonus) made by each Named Executive Officer to such plan; and (b) insurance premiums on term life insurance policies for the benefit of each of the Named Executive Officers. Company contributions under the 401(k) Plan for the 1993 fiscal year were as follows: \$4,497 to Dr. Brock; \$2,249 to Mr. Stafford; \$2,975 to Mr. Gilbert; \$2,800 to Mr. Guth; and \$3,161 to Mr. Smith. The amount of insurance premium paid for the benefit of each of the Named Executive Officers for the 1993 fiscal year was: \$93 for Dr. Brock; \$312 for Mr. Stafford; \$23 for Mr. Gilbert; \$64 for Mr. Guth; and \$58 for Mr. Smith. The Named Executive Officers have no interest in the cash surrender value of the term life insurance policies.

The Company did not grant any stock options to its Named Executive Officers or other employees during 1993, however, due to a 2-for-1 share split in the form of a 100% share dividend distributed to the shareholders of the Company on September 10, 1993, all outstanding stock option grants under both of the Company's stock option plans were adjusted to reflect a 2-for-1 increase in the number of shares of the Company's Common Stock purchasable upon exercise of the options.

There were no stock option exercises by the Named Executive Officers during 1993. The following table shows the number of shares covered by both exercisable and non-exercisable stock options as of December 31, 1993. Also reported are the values for "in-the-money" options which represent the positive spread between the exercise price of any such existing stock options and the year-end price of the Company's Common Stock.

</TABLE>

<TABLE>

Fiscal Year-End Option Values

<CAPTION>

Number of Securities
Underlying

Value of Unexercised

Unexercised Options
at Fiscal Year-End (#)

In-the-Money Options
at Fiscal Year-End(\$)

<CAPTION>

Name	Exercisable	Unexercisable	Exercisable	Unexercisable
J. Don Brock	40,000		\$560,000	
Robert G. Stafford	57,000		\$737,400	
Jerry F. Gilbert	10,000		\$121,250	
Albert E. Guth	10,000		\$121,250	
W. Norman Smith	18,000		\$237,000	

</TABLE>

Pension Plan. The Company does not operate any defined benefit or actuarial plans for its employees, other than the defined benefit plan for the Telsmith plant or shop union employees. Formerly, the Barber-Greene Company (now Telsmith, Inc.), a subsidiary of the Company, operated a defined benefit plan under which one of the Named Executive Officers, Mr. Stafford, retains some benefits. This Pension Plan was frozen in August of 1986, and no additional benefits are scheduled to accrue thereunder. As of the end of the 1993 fiscal year, Mr. Stafford had eight and one-third years of credit under the Pension Plan, with an estimated annual benefit payable upon retirement of \$8,385.

Compensation of Directors. The Company's current policy regarding the compensation of directors is to pay directors who are not full-time employees of the Company a fee of \$6,000 per year for services as a director, plus \$1,000 for each Board meeting attended. Further, directors are paid \$500 per Committee meeting attended or \$300 if the Committee meeting occurs on the day of a Board meeting. The Company also reimburses the directors for travel and other out-of-pocket expenses incurred in connection with their duties as directors. Directors who are full-time employees of the Company receive no additional compensation for services as directors.

Employment Contracts. The Company's subsidiary, Trencor Jetco, Inc. ("Trencor Jetco") has an employment agreement

with Mr. Jerry F. Gilbert expiring on December 31, 1994. The agreement provides for a base salary of \$125,000, \$130,000 and \$135,000 per year for the calendar years ending December 1992, 1993 and 1994, respectively. The agreement further provides for an annual bonus to be paid pursuant to the Company's Performance Rating Management Bonus Plan. In the event that the Company sells or otherwise disposes of Trencor Jetco as a going concern, Mr. Gilbert is entitled to receive the full compensation provided for in the agreement from the Company through the term of the agreement.

Compensation Committee Interlocks and Insider Participation. The current members of the Company's Compensation Committee are Messrs. Sloan (Chairman), Spear, Dillon, Martin, and Jones, none of which served as an officer or employee of the Company during the 1993 fiscal year. Mr. Spear did serve as a financial consultant to the Company from 1986 to 1989.

Five-Year Shareholder Return Comparison. The following line-graph presentation compares cumulative, five-year shareholder returns of the Company with the Nasdaq Stock Market (US Companies) and an industry group composed of manufacturers of industrial and commercial machinery and computer equipment over the same period (assuming the investment of \$100 in the Company's Common Stock, the Nasdaq Stock Market (US Companies) and the industry group on December 31, 1988, and reinvestment of all dividends).

GRAPH APPREARS HERE ON PAPER COPY

<TABLE>

Comparison of Five Year-Cumulative Total Returns
Astec Industries, Inc.

<CAPTION>

Year-End Cumulative Returns

<CAPTION>

	1988	1989	1990	1991	1992	1993
<CAPTION>						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Astec Industries, Inc.	100	51.5	19.1	38.2	119.1	180.9

<CAPTION>

Nasdaq Stock Market	100	121.2	103.0	165.2	192.1	219.2
Peer Index	100	102.9	101.3	141.0	185.9	190.3

</TABLE>

Total return calculations for the Nasdaq Stock Market (US Companies) and the Peer Index were prepared by the Center for Research in Security Prices, The University of Chicago. The Peer Index is composed of the approximately 536 companies, including the Company, in the Standard Industrial Classification ("SIC") Code Group 35 - industrial and commercial machinery and computer equipment. Information with regard to SIC classifications in general can be found in the Standard Industrial Classification Manual published by the Executive Office of the President, Office of Management and Budget. Specific information regarding the companies comprising the Peer Index, SIC Code Group 35, will be provided to any shareholder upon request to the Secretary of the Company.

Compensation Committee Report on Executive Compensation.

The Compensation Committee of the Board of Directors has furnished the following report on executive compensation:

Overview and Philosophy

The Compensation Committee of the Board of Directors (the "Compensation Committee") is composed entirely of outside directors and is responsible for making recommendations to the Board with respect to the Company's executive compensation policies. In addition, the Compensation Committee, pursuant to authority delegated by the Board, recommends the compensation to be paid to the Company's executive officers.

The objectives of the Company's executive compensation program are to:

- Approve compensation policies and guidelines that will attract and retain qualified personnel and reward performance.

- Encourage the achievement of Company performance by utilizing a performance rated bonus plan.

The executive compensation program provides an overall level of compensation opportunity that is competitive within the construction equipment manufacturing industry, as well as with a broader group of companies of comparable size and complexity. Actual compensation levels may be greater or

less than average competitive levels in similar companies based upon annual and long-term Company performance as well as individual performance. The Compensation Committee will use its discretion to recommend executive compensation where in its judgment external, internal or an individual's circumstances so warrant.

Executive Officer Compensation Program

The Company's executive officer compensation program is comprised of base salary, annual cash performance rating bonus plan compensation, long-term incentive compensation in the form of stock options and various benefits, including medical and 401(k) plans generally available to all employees of the Company.

Base Salary

Base salary for the Company's executive officers is determined by the Compensation Committee based on the individual's education, experience and performance. The Compensation Committee periodically reviews each executive officer's compensation.

Annual Cash Incentive Compensation

The Performance Rating Management Bonus Plan is the Company's annual incentive program for executive officers and key managers, and all non-union employees. The purpose of the plan is to provide direct financial incentive in the form of an annual cash bonus to those who achieve their business units' annual goals. Budgeted goals for the Company and each business unit are set at the beginning of each fiscal year. In 1988, the following measures of Company performance were selected: return on capital employed, cash flow on capital employed, growth, and safety. Each year the relative value of these is adjusted based on the circumstance and goals defined. Individual performance may also be taken into account in determining bonuses, but no bonus is paid unless the above criteria have been achieved. A performance score which is weighted two-thirds for the current year and one-third for the prior year is applied to ten percent of earnings by division after consideration of income taxes. The performance rating earned may vary from 5% to 100% of the 10%.

Stock Option

The stock option program is the Company's long-term incentive plan for executive officers and key managers. The objectives of the program are to relate executive and

shareholder long-term interests by creating a strong and direct link between executive pay and shareholder return, and to enable executives to develop and maintain a long-term stock position in the Company's Common Stock. The Company's stock option plans authorize the Compensation Committee to award key personnel stock options and stock appreciation rights. Awards are granted at the discretion of the Compensation Committee based on Company performance, individual performance and the employee's position with the Company. On January 12, 1994, the Compensation Committee granted options totaling 74,000 to certain executive officers of the Company based on the foregoing criteria.

Benefits

The Company provides medical and 401(k) benefits to the executive officers that are generally available to Company employees. The amount of prerequisites, as determined in accordance with the rules of the Securities and Exchange Commission relating to executive compensation, did not exceed 10% of salary for fiscal 1993 and are very minimal.

Chief Executive Officer Compensation

Dr. Brock has served as President of the Company since he founded it in 1972. His base salary prior to the beginning of the fiscal year was \$214,200, a level believed to be competitive with that of other similarly situated companies in the construction equipment industry. During the year, the Compensation Committee increased Dr. Brock's base salary by \$5,800 in recognition of the significant improvement in the performance of the Company based both on profitability and shareholder return. His base salary at the end of the fiscal year was \$220,000.

Dr. Brock's bonus in fiscal 1993 was \$110,000. The bonus was determined in accordance with the Performance Rating Management Bonus Plan discussed above. On January 12, 1994, the Compensation Committee also granted Dr. Brock an option to acquire 20,000 shares of Company stock under the Company's 1992 Stock Option Plan in recognition of Dr. Brock's contribution to the Company's outstanding financial performance in 1993. The Compensation Committee believes Dr. Brock has managed the Company well in a challenging business climate and has achieved above-average results in comparison to others in 1993.

COMPENSATION COMMITTEE

E. D. Sloan, Jr., Chair
James R. Spear

George C. Dillon
Joseph Martin, Jr.
G.W. Jones

Section 16(a) Filing Requirements

Based solely on a review of the copies of the Forms 3, 4 and 5 received by it, or written representations from certain reporting persons that no Forms 5 were required to be filed, the Company believes that, during 1993 all filing requirements applicable to its officers, directors, and greater than ten-percent beneficial owners were complied with except that Mr. F. McKamy Hall failed to file a Form 4 to report the (i) exercise of an option in connection with the purchase of shares of the Company's Common Stock, and (ii) the sale of such shares of the Company's Common Stock acquired through exercise of the option. Each of the foregoing deficiencies were corrected on a Form 5 filed by Mr. Hall on January 25, 1994.

AUDITORS

Ernst & Young served as the Company's auditors for the year ended December 31, 1993, and that firm of independent accountants is serving as auditors for the Company for the current calendar year. Representatives of Ernst & Young are expected to be present at the Annual Meeting and will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

The reports of Ernst & Young on the financial statements of the Company for the three most recent fiscal years contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to audit scope or accounting principles. The reports of Ernst & Young on the financial statements of the Company for each of the three most recent fiscal years were modified as to uncertainties as follows: "As discussed in Note 9 to the consolidated financial statements, the Company is a defendant in two patent infringement lawsuits and various other claims and lawsuits. The ultimate amount of liability cannot be determined at this time."

SOLICITATION OF PROXIES

The cost of soliciting proxy appointments will be borne by the Company. In addition to solicitation by mail, officers of the Company may solicit proxy appointments by personal interview, and by telephone and telegraph, and may request brokers holding stock in their names, or the names of nominees, to forward proxy soliciting material to the

beneficial owners of such stock and will reimburse such brokers for their reasonable expenses.

OTHER MATTERS

Management does not know of any other matters to be brought before the meeting other than those referred to above. If any matters which are not specifically set forth in the form of proxy appointment and this proxy statement properly come before the meeting, the persons appointed as proxies will vote thereon in accordance with their best judgment.

Whether or not you expect to be present at the meeting in person, please vote, sign, date, and return promptly the enclosed proxy appointment card in the enclosed envelope. No postage is necessary if the proxy appointment card is mailed in the United States.

SHAREHOLDER PROPOSALS

Proposals of shareholders of the Company intended to be presented for consideration at the 1994 Annual Meeting of Shareholders of the Company must be received by the Company at its principal executive offices on or before November 25, 1994 in order to be included in the Company's Proxy Statement and Form of Proxy Appointment relating to the 1995 Annual Meeting of Shareholders.

FORM OF PROXY APPOINTMENT-FRONT

ASTECH INDUSTRIES, INC.

PROXY APPOINTMENT SOLICITED BY AND ON BEHALF OF
THE BOARD OF DIRECTORS

For Annual Meeting of Shareholders to be Held on April 29,
1994

The undersigned hereby appoints J. Don Brock and Albert E. Guth, and each of them, with individual power of substitution, proxies to vote all shares of the Common Stock of Astec Industries, Inc. (the "Company") that the undersigned may be entitled to vote at the Annual Meeting of Shareholders of the Company to be held in Chattanooga, Tennessee on April 29, 1994, and at any adjournment thereof, as follows:

1. Authority Granted (except as indicated to the

contrary below)

Authority Withheld

to vote for the election as directors of the Company in Class II of the three nominees set forth below to serve until the 1997 Annual Meeting of Shareholders, or in the case of each nominee until his successor is duly elected and qualified, as set forth in the accompanying Proxy Statement:

Daniel K. Frierson; E.D. Sloan, Jr.; George C. Dillon; Robert G. Stafford

(INSTRUCTION: To withhold authority to vote for any individual nominee(s), list name(s) below.)

2. To vote in accordance with their best judgment upon such other matters as may properly come before the meeting or any adjournments thereof.

(Continued and to be signed and dated on other side)

FORM OF PROXY APPOINTMENT-BACK

THIS PROXY APPOINTMENT, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED BY THE UNDERSIGNED SHAREHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY APPOINTMENT WILL BE VOTED AFFIRMATIVELY ON PROPOSALS 1 AND 2.

IMPORTANT: Please date this proxy appointment card and sign exactly as your name or names appear(s) hereon. If the stock is held jointly, signatures should include both names. Executors, administrators, trustees, guardians, and others signing in a representative capacity should give full title. In order to insure that your shares will be represented at the Annual Meeting of Shareholders, please vote, sign, date, and return this proxy appointment card promptly in the enclosed business reply envelope. If you do attend the meeting, you may, if you wish, withdraw your proxy

appointment and vote in person.

Signature of Shareholder

DATED: , 1994

Signature of Shareholder

DATED: , 1994