

MISONIX INC
Form DEF 14A
March 20, 2018

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

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

MISONIX, INC.

(Name of Registrant as Specified In Its Charter)

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

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2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

MISONIX, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Monday, May 7, 2018

To the Shareholders of

MISONIX, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the “Annual Meeting”) of Misonix, Inc., a New York corporation (the “Company”), will be held at the Company’s Corporate Office, 1938 New Highway, Farmingdale, NY 11735 on Monday, May 7, 2018 at 10:00 a.m., or at any adjournment thereof, for the following purposes:

1. To elect five Directors to the Board of Directors;
2. To consider and vote upon an amendment to the Company’s certificate of incorporation to increase the Company’s authorized common stock from 20,000,000 shares to 40,000,000 shares;
3. To conduct an advisory vote on the compensation of the Company’s Named Executive Officers;
4. To ratify the selection of BDO USA, LLP as the Company’s independent registered public accounting firm; and
5. To consider and act upon such other business as may properly come before the Annual Meeting or any adjournment thereof.

The above matters are set forth in the Proxy Statement attached to this Notice to which your attention is directed.

Only shareholders of record on the books of the Company at the close of business on March 19, 2018 will be entitled to vote at the Annual Meeting or at any adjournment thereof. You are requested to sign, date and return the enclosed Proxy at your earliest convenience in order that your shares may be voted for you as specified.

By Order of the Board of Directors,

JOSEPH P. DWYER
Secretary

Important Notice Regarding Internet Availability of Proxy Materials

for the Annual Meeting to Be Held on May 7, 2018:

**The proxy materials for the Annual Meeting, including the Annual Report
and the Proxy Statement, are available at <http://www.cstproxy.com/misonix/2018>.**

MISONIX, INC.

1938 New Highway

Farmingdale, New York 11735

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

Monday, May 7, 2018

The Annual Meeting of Shareholders (the “Annual Meeting”) of Misonix, Inc. (the “Company”) will be held on Monday, May 7, 2018, at the Company’s Corporate Office, 1938 New Highway, Farmingdale, NY 11735, at 10:00 a.m. for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. **The enclosed Proxy is solicited by and on behalf of the Board of Directors of the Company (“Board of Directors” or “Board”) for use at the Annual Meeting to be held on Monday, May 7, 2018, and at any adjournments of such Meeting.** The approximate date on which this Proxy Statement and the enclosed Proxy are being first mailed to shareholders is March 21, 2018.

If a Proxy in the accompanying form is duly executed and returned, the shares represented by such Proxy will be voted as specified. In the absence of such directions, the Proxy will be voted in accordance with the recommendations of the Board. Any person executing a Proxy may revoke it prior to its exercise either by letter directed to the Company or in person at the Annual Meeting.

Voting Rights

On March 19, 2018 (the “Record Date”), the Company had outstanding 9,402,466 shares of its only class of voting securities, namely common stock, par value \$.01 per share (the “Common Stock”). Shareholders are entitled to one vote for each share registered in their names at the close of business on the Record Date. The affirmative vote of a plurality

of the votes cast at the Annual Meeting is required for the election of Directors. The approval of Proposal Two requires the affirmative vote of a majority of shares of Common Stock outstanding as of the Record Date. The affirmative vote of holders of a majority of the shares represented at the meeting and entitled to vote on the matter is required for the approval (on an advisory basis) of the compensation of the Company's Named Executive Officers and for the ratification of the selection of BDO USA, LLP as the Company's independent registered public accounting firm. On all other matters which may come before the Annual Meeting, the affirmative vote of holders of a majority of the shares represented at the meeting and entitled to vote on the matter is required. For purposes of determining whether proposals have received a majority vote, abstentions will not be included in the vote totals and, in instances where brokers are prohibited from exercising discretionary authority for beneficial owners who have not returned a Proxy ("broker non-votes"), those votes will not be included in the vote totals. Therefore, abstentions and broker non-votes will be counted in the determination of a quorum, but will have no effect on the vote for the election of Directors, the approval (on an advisory basis) of the compensation of the Company's Named Executive Officers or the ratification of the selection of BDO USA, LLP as the Company's independent registered public accounting firm, and will have the effect of a vote against Proposal Two. Unless contrary instructions are given, all proxies received pursuant to this solicitation will be voted in favor of the (i) election of the nominees named in Proposal One, (ii) amendment to the Company's certificate of incorporation to increase the Company's authorized common stock from 20,000,000 shares to 40,000,000 shares, (iii) approval on an advisory basis of the compensation of the Company's Named Executive Officers and (iv) ratification of the selection of BDO USA, LLP.

Under the New York Business Corporation Law, shareholders are not entitled to dissenters' rights with respect to the proposals set forth in this Proxy Statement.

SECURITY OWNERSHIP

The following table sets forth, as of March 1, 2018, certain information with regard to the ownership of the Company's Common Stock by (i) each beneficial owner of more than 5% of the Company's Common Stock; (ii) each Director and nominee for Director; (iii) each executive officer or former executive officer named in the "Summary Compensation Table" below; and (iv) all current executive officers and Directors of the Company as a group. Unless otherwise stated, the persons named in the table have sole voting and investment power with respect to all Common Stock shown as beneficially owned by them.

Name and Address (1)	Common Stock Beneficially Owned		Percent Of Class
South Africa Alpha Capital Management Ltd. Praesidium Capital Management (Pty) Ltd.	502,270	(2)	5.3
Stavros G. Vizirgianakis	1,658,828	(3)	17.6
Michael A. McManus, Jr.	552,780		5.9
John W. Gildea	123,750	(4)	1.3
Patrick A. McBrayer	39,850	(5)	*
Charles Miner	111,250	(6)	1.2
Thomas M. Patton	35,000	(7)	*
Richard A. Zarembo	174,772	(8)	1.9
Robert S. Ludecker	111,443	(9)	1.2
Dan Voic	237,644	(10)	2.5
Christopher H. Wright	29,500	(11)	*
Joseph P. Dwyer	1,300		*
All executive officers and Directors as a group (Eleven people)	2,360,815	(12)	23.8

* Less than 1%

Except as otherwise noted, the business address of each of the named parties in this table is c/o Misonix, Inc., 1938 (1)New Highway, Farmingdale, New York 11735. Michael A. McManus has an address at 100 White Plains Road, Bronxville, New York 10708.

(2)Based upon information set forth in a Schedule 13G Amendment No. 1 filed with the SEC on February 14, 2018, by South Africa Alpha Capital Management Ltd. ("SAACM") and Praesidium Capital Management (Pty) Ltd. ("PCM"). SAACM and PCM each hold shared voting and dispositive power over all of the indicated shares. SAACM's business address is 69 Front Street, Hamilton, Bermuda, HM12; PCM's business address is The

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Terraces, Block G, Steenberg Office Park, Silverwood Close, Tokai, Cape Town, South Africa.

- (3) Includes 18,750 shares which Mr. Vizirgianakis has the right to acquire upon exercise of stock options which are exercisable within 60 days.
- (4) Includes 93,750 shares which Mr. Gildea has the right to acquire upon exercise of stock options which are exercisable within 60 days.
- (5) Includes 38,750 shares which Mr. McBrayer has the right to acquire upon exercise of stock options which are exercisable within 60 days.
- (6) Includes 93,750 shares which Dr. Miner has the right to acquire upon exercise of stock options which are exercisable within 60 days.
- (7) Includes 30,000 shares which Mr. Patton has the right to acquire upon exercise of stock options which are exercisable within 60 days.

- (8) Includes 34,999 shares which Mr. Zaremba has the right to acquire upon exercise of stock options which are exercisable within 60 days.
- (9) Includes 106,500 shares which Mr. Ludecker has the right to acquire upon exercise of stock options which are exercisable within 60 days.
- (10) Includes 98,749 shares which Mr. Voic has the right to acquire upon exercise of stock options which are exercisable within 60 days.
- (11) Includes 27,500 shares which Mr. Wright has the right to acquire upon exercise of stock options which are exercisable within 60 days.
- (12) Includes 517,999 shares which such persons have the right to acquire upon exercise of stock options which are exercisable within 60 days.

PROPOSAL ONE**ELECTION OF DIRECTORS**

Five Directors are to be elected at the Annual Meeting. The term of each Director expires at the Annual Meeting, with Messrs. Gildea, McBrayer, Miner, Patton and Vizirgianakis standing for reelection for a term of one year. The following table contains information regarding all Directors and executive officers of the Company:

Name	Age	Principal Occupation	Director Since
John W. Gildea	74	Director	2004
Dr. Charles Miner III	66	Director	2005
Stavros G. Vizirgianakis	47	President, Chief Executive Officer and Director	2013
Patrick A. McBrayer	66	Director	2014
Thomas M. Patton	54	Director	2015
Joseph P. Dwyer	62	Chief Financial Officer, Treasurer and Secretary	—
Robert S. Ludecker	50	Senior Vice President, Global Sales and Marketing	—
Dan Voic	55	Vice President of Research and Development and Engineering	—
Joseph J. Brennan	55	Vice President of Operations	—
John J. Salerno	62	Vice President of Quality and Regulatory Affairs	—
Christopher H. Wright	43	Vice President of Domestic Sales	—

Principal Occupations and Business Experience of Directors and Executive Officers

The following is a brief account of the business experience of the Company's Directors and executive officers:

Directors

John W. Gildea, now retired, was the founding principal of Gildea Management Co., a management company of special situations with middle market companies in the United States and Central Europe. From 2000 to 2003, Gildea Management formed a joint venture with J.O. Hambro Capital Management Co. to manage accounts targeting high yield debt and small capitalization equities. From 1996 to 2000, Gildea Management formed and founded Latona Europe, a joint venture between Latona U.S., Lazard Co. and Gildea Management to restructure several Czech Republic companies. Before forming Gildea Management in 1990, Mr. Gildea managed the Corporate Services Group at Donaldson, Lufkin and Jenrette, an investment banking firm. Mr. Gildea is a graduate of the University of Pittsburgh. Mr. Gildea has extensive experience as an international investment banker and sits on the board of several companies. The Board believes this experience in addition to his experience as a Director of Misonix and knowledge of the Company qualifies him to serve as a Director.

Dr. Charles Miner III currently practices internal medicine in Darien, Connecticut. Dr. Miner is on staff at Stamford and Norwalk Hospitals and since 1982 has held a teaching position at Columbia Presbyterian Hospital. Dr. Miner received his M.D. from the University of Cincinnati College of Medicine in 1979 and received a Bachelor of Science from Lehigh University in 1974. Dr. Miner is an experienced physician and teacher in the medical field. He serves on the board of The Stamford Hospital Foundation Board. The Board believes his experience as a medical doctor and his corporate experience qualifies him to serve as a Director.

Stavros G. Vizirgianakis became the Company's Interim Chief Executive Officer in September 2016 and its full-time President and Chief Executive Officer in December 2016. Mr. Vizirgianakis has a distinguished career in the medical devices field having worked for United States Surgical Corporation as director of sales for sub-Saharan Africa and later Tyco Healthcare in the capacity of General Manager South Africa. In 2006, Mr. Vizirgianakis co-founded Surgical Innovations, which has become one of the largest privately owned medical device distributors in the African region, and now part of the Johannesburg Stock Exchange listed entity Ascendis Health. In that capacity, Mr. Vizirgianakis acted as a distributor of the Company's products. Mr. Vizirgianakis was Managing Director of Ascendis Medical from January 2014 through July 2016. Mr. Vizirgianakis also served on the board of Tenaxis Medical and is a strategic investor and advisor to numerous medical device startups and established companies in this field. Mr. Vizirgianakis has a degree in commerce from the University of South Africa. The Board believes Mr. Vizirgianakis' industry knowledge, sales and marketing experience and his vast international business relationships qualify him to serve as a Director.

Patrick A. McBrayer has served since January 2016 as President and Chief Executive Officer of ACell Corporation, a surgery and wound care company. Mr. McBrayer previously served as President and Chief Executive Officer and as a director of privately-held AxioMed Spine Corporation from February 2006 to January 2015. AxioMed is a medical device company focused on restoring the natural function of the spine. Prior to joining AxioMed, he held positions with Xylos Corporation (medical biomaterials); Exogen, Inc. (treatment of musculoskeletal injury and disease); Osteotech, Inc. (tissue technology); and Johnson and Johnson Products, Inc. (healthcare products). Mr. McBrayer holds a B. S. in General Engineering from the United States Military Academy. The Board believes Mr. McBrayer's industry knowledge and experience as a CEO qualifies him to serve as a Director.

Thomas M. Patton has served as President and Chief Executive Officer of CAS Medical Systems, Inc. and as a member of its Board of Directors since August 2010. He previously served as the CEO of Wright Medical Group, an orthopedic device company, located in Memphis, Tennessee, and as President of Novamatrix Medical Systems, a patient-monitoring company, located in Wallingford, Connecticut. From 2003 to 2010, Mr. Patton acted as an advisor to the healthcare-focused private equity group of Ferrer Freeman & Company and, in that capacity, served as the interim CEO of Informed Medical Communications on a part-time basis in 2006 and 2007. Mr. Patton is a co-founder and CEO of QDx, Inc., a start-up company that developed a platform for hematology diagnostics beginning in 2003. Mr. Patton attended The College of the Holy Cross, where he majored in Economics and Accounting. After graduating magna cum laude from Georgetown University Law Center, Mr. Patton worked at the law firm of Williams & Connolly in Washington, D.C. Thereafter, he joined Wright Medical Group as its General Counsel where he served in various executive roles until being appointed CEO. The Board believes Mr. Patton's industry knowledge and experience qualify him to serve as a director.

Executive Officers who are not Directors

Joseph P. Dwyer has served as the Company's Chief Financial Officer since August 2017 and as the Company's Treasurer and Secretary since September 2017, and previously served as Interim Chief Financial Officer from

September 2016 to August 2017. From June 2015 to the present, Mr. Dwyer has provided financial consulting and advisory services to various companies, through the firms Dwyer Holdings and TechCXO. Prior thereto, from November 2012 until June 2015, he was Chief Financial Officer of Virtual Piggy, Inc., a publicly-traded technology company. Prior to joining Virtual Piggy, Mr. Dwyer served as chief financial officer of OpenLink Financial, Inc., a privately held company, which provides software solutions for trading and risk management in the energy, commodity, and capital markets. During 2011 and 2012, Mr. Dwyer was a member of the board of directors and chairman of the audit committee and served as interim chief administrative officer of Energy Solutions International, Inc., a privately-held company providing pipeline management software to energy companies and pipeline operators. From 2010 through 2011, Mr. Dwyer served as chief administrative officer of Capstone Advisory Group, LLC, a privately- held financial advisory firm providing corporate restructuring, litigation support, forensic accounting, expert testimony and valuation services. Mr. Dwyer served as a consultant to Verint Systems, Inc., a software company listed on the NASDAQ Global Market, from 2009 through 2010, assisting with SEC reporting and compliance. From 2005 through 2009, Mr. Dwyer served as chief financial officer and executive vice president of AXS-One Inc., a publicly traded software company. During 2004, Mr. Dwyer served as chief financial officer of Synergen, Inc., a privately held software company providing energy technology to utilities. Prior to 2004, Mr. Dwyer also served as chief financial officer and executive vice president of Caminus Corporation, an enterprise application software company that was formerly listed on the NASDAQ National Market, chief financial officer of ACTV, Inc., a digital media company that was formerly listed on the NASDAQ National Market, and chief financial officer of Winstar Global Products, Inc., a manufacturer and distributor of hair care, bath and beauty products until its acquisition by Winstar Communications, Inc. in 1995 when Mr. Dwyer went on to serve as senior vice president, finance of Winstar Communications. Mr. Dwyer received his BBA in Accounting from the University of Notre Dame in 1978 and is licensed as a Certified Public Accountant in the State of New York.

Robert S. Ludecker became Senior Vice President of Global Sales and Marketing in May 2015. Prior to joining the Company as Global Vice President of Sales and Marketing in May 2013, Mr. Ludecker served from February 2011 to May 2013 as Vice President of Global Sales and Marketing for BioMimetic Therapeutics, a NASDAQ-listed biotechnology company, specializing in the development and commercialization of products which promote the healing of musculoskeletal injury and diseases, including orthopedic, spine, and sports medicine applications. Prior to BioMimetic, Mr. Ludecker served from February 2008 to February 2011 in a variety of senior sales and marketing leadership positions with Small Bone Innovations, a private New York City-based orthopedic company specializing in small bones, and Smith and Nephew, a leading U.K.-based global provider of orthopedic reconstruction implants and a broad portfolio of medical instruments and supplies. Mr. Ludecker holds a B. A. degree from Kenyon College.

Dan Voic became Vice President of Research and Development and Engineering in January 2002. Prior thereto, he served as Engineering Manager and Director of Engineering with the Company. Mr. Voic has in excess of 15 years' experience in both medical and laboratory and scientific products development. Mr. Voic holds an M.S. degree in mechanical engineering from Polytechnic University "Traian Vuia" of Timisoara, Romania and an MS degree in applied mechanics from Polytechnic University of New York.

Joseph J. Brennan became Vice President of Operations in November 2014. Prior to joining the Company, Mr. Brennan served from October 2008 to August 2014 as Director of Operations for Air Techniques, Inc., a global medical device company. Mr. Brennan holds a B. T. degree from the State University of New York at Farmingdale.

John J. Salerno became Vice President of Quality and Regulatory Affairs in March 2015. Prior to joining the Company, Mr. Salerno served from December 2012 to March 2015 as Senior Director of Quality Assurance for US Nonwovens Corp., a privately-held over the counter drug products, cosmetics, personal care and EPA surface disinfectant company. From May 2010 to December 2012, Mr. Salerno was a consultant for US Nonwovens. From 2006 to 2010, Mr. Salerno held the position of Vice President of Quality Assurance and Regulatory Affairs for International Technidyne Corporation. Prior to 2006, Mr. Salerno held the position of Vice President of Regulator Compliance and Reliability Engineering for Pall Life Sciences. Mr. Salerno holds a Master's degree in Microbiology from Long Island University and a Bachelor's degree in biology from Fordham University.

Christopher H. Wright became Vice President of Domestic Sales in July 2015. Prior to that, he was National Sales Director of Surgical Sales for the Company since 2013. Prior to joining the Company, Mr. Wright served from 2011 to 2013 in the position of Senior Business Director with Wright Medical/BioMimetics, LLC. From 2007 – 2011 Mr. Wright held the position for Regional Manager with Small Bone Innovations. From 2005 – 2007 he held the position of Territory business manager with Baxter Healthcare. Prior to 2005, Mr. Wright was an independent sales representative. Mr. Wright holds a Bachelor of Arts degree in Business Administration from Xavier University of New Orleans in Louisiana.

Executive officers are elected annually by, and serve at the discretion of, the Board.

The Company's Board of Directors recommends a vote FOR the Board nominees described in Proposal One in this Proxy Statement.

Meetings of the Board of Directors

During the fiscal year ended June 30, 2017 ("fiscal 2017"), the Board of Directors held eleven meetings and acted twice by unanimous written consent. No Director attended less than 75% of the aggregate of the total number of meetings of the Board of Directors and meetings of Committees of which he was a member that were held during fiscal 2017.

Committees of the Board

The Board currently has standing Audit, Compensation, and Nominating and Governance Committees. Further information regarding these committees and the director nomination process is provided below.

The Audit Committee, which met nine times in fiscal 2017 and acted once by unanimous written consent, monitors our financial reporting standards and practices and our internal financial controls to ensure compliance with the policies and objectives established by the Board of Directors. The committee directly retains and recommends for shareholder approval an independent accounting firm to conduct the annual audit and discusses with our independent accountants the scope of their examinations, with particular attention to areas where either the committee or the independent accountants believe special emphasis should be directed. The committee reviews the quarterly and annual financial statements and the annual independent accountants' report, invites the accountants' recommendations on internal controls and on other matters, and reviews the evaluation given and corrective action taken by management. It reviews the independence of the accountants and pre-approves audit and permissible non-audit services. It has primary oversight responsibility for our Compliance Program. Members of the committee are Messrs. Patton, Gildea and McBrayer. Mr. Patton chairs the committee. Each member of the committee is independent as defined in Rule 10A-3 of the Securities and Exchange Commission and the listing standards of Nasdaq. The Board of Directors has determined that Messrs. Patton and Gildea each qualifies as an "audit committee financial expert," as that term is defined in Regulation S-K of the Securities and Exchange Commission.

The Compensation Committee, which met three times in fiscal 2017 and acted once by unanimous written consent, oversees our executive and director compensation programs and policies and annually reviews all components of compensation to ensure that our objectives are appropriately achieved. These functions are not delegated to our officers or to third-party professionals, although the committee may from time to time retain third-party consultants to provide advice regarding compensation issues. No such consultants were retained during fiscal 2017. The committee also considers input from our executive officers, although final decisions regarding executive compensation are made by the committee. The committee also did not set percentage compensation goals against a peer group of companies, or benchmark, our executives' compensation, though the availability to our executives of alternative employment opportunities is an important consideration in the compensation design process. Rather, the committee used its marketplace knowledge, background, experience and market information to make recommendations concerning executive compensation. The committee is also responsible for certain administrative aspects of our compensation plans and stock plans and approves or recommends changes in these plans. It also approves bonus payments and grants under our stock plans for our executive officers. The committee also reviews officers' potential for growth and, with the chief executive officer, will be responsible for succession planning. The members are Messrs. McBrayer, Miner and Patton. Mr. McBrayer is chairman of the committee. All members of the Compensation Committee are independent, based upon the criteria provided by Nasdaq rules.

The Nominating and Governance Committee, which met once in fiscal 2017, reviews, on a periodic basis, the overall effectiveness and/or appropriateness of our corporate governance and recommends improvements when necessary; assists the Board in identifying, screening, and reviewing individuals qualified to serve as directors in accordance with criteria approved by the Board and shall recommend to the Board candidates for nomination for election at the annual meeting of shareholders or to fill Board vacancies; develops and recommends to the Board and oversees implementation of our policies and procedures for the receipt of stockholder suggestions regarding Board composition and recommendations of candidates for nomination by the Board; and assists the Board in disclosing information relating to functions of the committee as may be required in accordance with the Federal securities laws. Members of the committee are Messrs. Gildea, McBrayer and Patton. Mr. Gildea is the chairman of the committee. All members serving on the committee are independent, based upon the criteria provided by Nasdaq rules.

Each committee is governed by a written charter. Copies of each committee charter are available on our website at www.misonix.com.

Nomination of Directors

The process followed by the Nominating and Governance Committee to identify and evaluate director candidates includes requests to the members of our board of directors and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the Nominating and Governance Committee and our board of directors.

While we do not have a formal diversity policy for board membership, we look for potential candidates that help ensure that the board of directors has the benefit of a wide range of attributes, including cultural, gender, ethnic and age diversity and experience in industries beyond healthcare. We also look for financial oversight experience, financial community experience and a good reputation within the financial community; business management experience and the potential to succeed top management in the event board intervention is necessary on an unexpected basis; business contacts, business knowledge and influence that may be useful to our businesses; and knowledge about our industry and technologies.

Our board of directors does not currently prescribe any minimum qualifications for director candidates; however, the Nominating and Governance Committee will take into account a potential candidate's experience, areas of expertise and other factors relevant to the overall composition of our board of directors.

Shareholders may recommend individuals to the Nominating and Governance Committee for consideration as potential director candidates by submitting the names of the candidate(s), together with appropriate biographical information and background materials and a statement as to whether the shareholder or group of shareholders making the recommendation has beneficially owned more than 5% of our common stock for at least a year as of the date such recommendation is made, to the Nominating and Governance Committee, Attn: Corporate Secretary, Misonix, Inc., 1938 New Highway, Farmingdale, New York 11735. Assuming that appropriate biographical and background material has been provided on a timely basis, the Nominating and Governance Committee will evaluate shareholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others.

Director Compensation For Fiscal 2017

Directors are compensated through payment of a cash fee and annual stock option grants. Commencing on January 1, 2017 and effective on May 9, 2017, each non-employee director received an annual fee of \$35,000 and the Chairman of the Audit Committee received \$45,000. Commencing February 3, 2015, each non-employee director received an annual fee of \$20,000 and the Chairman of the Audit Committee received \$25,000. Each non-employee director was also reimbursed for reasonable expenses incurred while traveling to attend a meeting of the Board of Directors or while traveling in furtherance of the business of the Company. In May 2017, the Chairman of the Audit Committee received a one time additional payment of \$25,000 in recognition of his services during the prior year.

The following table sets forth information for the fiscal year ended June 30, 2017 with respect to the compensation of our directors.

DIRECTOR COMPENSATION FOR THE 2017 FISCAL YEAR

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$)	Total (\$)
John W. Gildea	\$ 23,750	-	\$ 23,750
Dr. Charles Miner III	\$ 23,750	-	\$ 23,750

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T. Guy Minetti	\$ 11,250	-	\$ 11,250
Stavros G. Vizirgianakis	\$ 10,000	-	\$ 10,000
Thomas M. Patton	\$ 53,700	-	\$ 53,700
Patrick A. McBrayer	\$ 23,750	-	\$ 23,750

Outstanding options at June 30, 2017 for Messrs. Gildea and Miner were 90,000 shares each, Mr. Vizirgianakis was 37,500 shares, Mr. McBrayer was 30,000 shares, Mr. Patton was 15,000 shares and Mr. Minetti was 75,000 shares.

Section 16 (a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's executive officers, directors and persons who own more than 10% of a registered class of the Company's equity securities ("Reporting Persons") to file reports of ownership and changes in ownership on Forms 3, 4, and 5 with the SEC. These Reporting Persons are required by SEC regulation to furnish the Company with copies of all Forms 3, 4 and 5 they file with the SEC. Based solely on the Company's review of the copies of the forms it has received, the Company believes that all Reporting Persons, complied on a timely basis with all filing requirements applicable to them with respect to transactions during fiscal year 2017, with the exception of one transaction by Robert Ludecker during fiscal 2015 which was omitted from the original Form 4 and was filed late, via amendment, in fiscal 2017.

Communications with Directors

Shareholders, associates of the Company and other interested parties may communicate directly with the Board of Directors, with the non-management Directors or with a specific Board member, by writing to the Board (or the non-management Directors or a specific Board member) and delivering the communication in person or mailing it to: Board of Directors, Privileged & Confidential, c/o Joseph P. Dwyer, Secretary, Misonix, Inc., 1938 New Highway, Farmingdale, New York 11735. Correspondence will be discussed at the next scheduled meeting of the Board of Directors, or as indicated by the urgency of the matter. The non-management Directors are: Messrs. Gildea, McBrayer, Miner and Patton. From time to time, the Board of Directors may change the process by which shareholders may communicate with the Board of Directors or its members. Any changes in this process will be posted on the Company's website or otherwise publicly disclosed.

Director Independence

The Company is required to have a Board of Directors a majority of whom are "independent" as defined by the Nasdaq listing standards and to disclose in the proxy statement for each annual meeting those Directors that the Board of Directors has determined to be independent. Based on such definition, the Board of Directors has determined that all Directors other than Vizirgianakis, who is an officer of the Company, are independent.

The Company is required to have an audit committee of at least three members composed solely of independent Directors. The Board of Directors is required under the Nasdaq listing standards to affirmatively determine the independence of each Director on the Audit Committee. The members of the Audit Committee are Messrs. Patton, Gildea and McBrayer. The Board has determined that each member of the Audit Committee is "independent" not only under the Nasdaq listing standards but also within the definition contained in a final rule of the SEC. Furthermore, the

Board of Directors has determined that Mr. Gildea and Mr. Patton are “audit committee financial experts” within the definition contained in a final rule adopted by the SEC.

Corporate Governance

The Company has an ongoing commitment to good governance and business practices. In furtherance of this commitment, we regularly monitor developments in the area of corporate governance and review our policies and procedures in light of such developments. We comply with the rules and regulations promulgated by the SEC and the Nasdaq Stock Market, and implement other corporate governance practices we believe are in the best interests of the Company and the shareholders.

Board Leadership and Structure

Since September 2016, the Board of Directors has operated without a formal chairman. The Board does not have a specifically designated lead independent Director. However, Thomas M. Patton, an independent Director and Chair of our Audit Committee, has typically led the executive sessions of the Board and acts as a liaison between the Directors and management. In addition, all Directors have input into the preparation of the meeting agenda and topics of board discussion and oversight. The Board of Directors believes that this is an appropriate structure for the overall governance of the Board.

Risk Oversight

The Board oversees Company functions in an effort to assure that Company assets are properly safeguarded, that appropriate financial and other controls are maintained, and that the Company’s business is conducted prudently and in compliance with applicable laws, regulations and ethical standards.

While the Board is responsible for risk oversight, Company management is responsible for managing risk. The Company has developed internal processes and an internal control environment to identify and manage risks and to communicate with the Board. The Board monitors and evaluates the effectiveness of the internal controls and the risk management program at least annually. Management communicates routinely with the Board and individual Directors on the significant risks identified and how they are being managed. Directors are free to, and often do, communicate directly with senior management.

The Audit Committee has responsibility for reviewing and overseeing the Company's financial statements, including the integrity of the Company's financial and disclosure controls, its legal compliance programs and procedures, and its procedures for identifying, evaluating and controlling material financial, legal and operational risk.

Board Attendance at Annual Meetings of Shareholders

The Company has not established a formal policy regarding director attendance at its Annual Meetings of Shareholders, but the Directors generally do attend the Annual Meeting. The Chairman of the Board or the President presides at the Annual Meeting of Shareholders, and the Board of Directors generally holds one of its regular meetings in conjunction with the Annual Meeting of Shareholders. Accordingly, unless one or more members of the Board are unable to attend, all members of the Board are typically present for the Annual Meeting. However, due to the delayed timing of our fiscal 2016 Annual Meeting of Shareholders, held in June 2017, which did not coincide with a regular meeting of the Board of Directors, only three of our five Directors attended that meeting.

Code of Ethics

The Company has adopted a code of ethics that applies to all of its directors, officers (including its Chief Executive Officer, Chief Financial Officer, Controller and any person performing similar functions) and employees. The Company has made the Code of Ethics available on its website at www.MISONIX.com.

Audit Committee Report

Management is responsible for the Company's financial reporting process, including its system of internal control, and for the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States. The Company's independent auditors are responsible for auditing those financial statements. The Audit Committee's responsibility is to monitor and review these processes. It is not the Audit Committee's duty or responsibility to conduct audit or accounting reviews or procedures. The members of the Audit Committee are not employees of the Company and may not be, and may not represent themselves to be or to serve as, accountants or auditors by profession or experts in the fields of accounting or auditing. Therefore, the Audit Committee has relied, without independent verification, on management's representation that the financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States and on the representations of the independent registered public accounting firm included in its report on the Company's financial statements. The Audit Committee's oversight does not provide it with an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies, or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and

regulations. Furthermore, the Audit Committee's considerations and discussions with management and the independent registered public accounting firm do not assure that the Company's financial statements are presented in accordance with generally accepted accounting principles in the United States, that the audit of the Company's financial statements has been carried out in accordance with generally accepted auditing standards or that the Company's independent registered public accounting firm is in fact "independent".

In accordance with its written charter, the Audit Committee assists the Board of Directors in fulfilling its responsibility to monitor the integrity of the accounting, auditing and financial reporting practices of the Company. Typically, for each fiscal year, the Audit Committee selects the independent registered public accounting firm to audit the financial statements of the Company and its subsidiaries and such selection is subsequently presented to the Company's shareholders for ratification.

The Audit Committee has reviewed and discussed the audited financial statements contained in our Annual Report on Form 10-K for the year ended June 30, 2017 with our management and has discussed with the independent registered public accounting firm the matters required to be discussed by the statement on Auditing Standards No. 1301 "*Communications With Audit Committees*" as adopted by the Public Company Accounting Oversight Board. The Audit Committee has also discussed with the independent registered public accounting firm matters relating to its independence, including a review of audit and non-audit fees and the written disclosures and letter from the independent registered public accounting firm to the Audit Committee pursuant to the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence.

Based on the review and discussions of the above, the Audit Committee recommended to our Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended June 30, 2017 for filing with the SEC.

Reported upon by the Audit Committee

Thomas M. Patton, Chair

John W. Gildea

Patrick A. McBrayer

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview of Compensation Program and Philosophy

Our compensation program is intended to:

- Attract, motivate, retain and reward employees of outstanding ability;
- Link changes in employee compensation to individual and corporate performance;
- Align employees' interests with those of the Company's shareholders.

The ultimate objective of our compensation program is to increase shareholder value. We seek to achieve these objectives with a total compensation approach which takes into account a competitive base salary, bonus pay based on the annual performance of the Company and individual goals and stock option and restricted stock awards.

The Board's Compensation Committee, which is comprised solely of independent directors and is responsible for making decisions regarding the amount and form of compensation paid to the Company's executive officers, has carefully considered the results of prior say-on-pay shareholder votes. Based upon the vote results at the most recent annual shareholders meeting, shareholders appear to be generally supportive of the Compensation Committee's approach to the executive compensation program.

Base Salaries

Base salaries paid to executives are intended to attract and retain highly talented individuals. In setting base salaries, individual experience, individual performance, the Company's performance and job responsibilities during the year are considered. Executive salaries are evaluated against local companies of similar size and nature. During the fiscal year ended June 30, 2017, Messrs. Ludecker, Voic and Zaremba each received base salary increases of 3% based on performance.

Annual Bonus Plan Compensation

The Compensation Committee of the Board approves annual performance-based compensation. The purpose of the annual bonus compensation is to motivate executive officers and key employees. Target bonuses, based upon recommendations from the Chief Executive Officer, are evaluated and approved by the Compensation Committee for all management employees other than the Chief Executive Officer. The bonus recommendations are derived from individual and Company performance but not based on a specific formula and are discretionary. The Chief Executive Officer's bonus compensation is derived from the recommendation of the Compensation Committee based upon the Chief Executive Officer's performance and Company performance but is not based on a specific formula and is discretionary. Bonuses earned in fiscal 2017 based on performance were as follows: \$103,125 to Mr. Vizirgianakis, \$0 to Mr. McManus, \$0 to Mr. Zaremba, \$82,500 to Mr. Ludecker, and \$22,000 to Mr. Voic. Mr. Wright's performance-based compensation is commission based and he therefore did not participate in the bonus plan. Mr. Dwyer was not an employee of the Company during fiscal 2017 and was not eligible for a bonus.

Equity Incentive Awards

Company executives are eligible to receive restricted stock and stock options (which gives them the right to purchase shares of common stock at a specified price in the future). These grants will vest based upon the passage of time, the achievement of performance metrics, or both. We believe that the use of restricted stock and stock options as the basis for long-term incentive compensation meets our defined compensation strategy and business needs by achieving increased value for shareholders and retaining key employees.

Stock option awards are intended to attract and retain highly talented executives, to provide an opportunity for significant compensation when overall Company performance is reflected in the stock price and to help align executives' and shareholders' interests. Stock options are typically granted at the time of hire to key new employees and annually to a broad group of existing key employees, including executive officers. We have adopted a number of equity compensation plans governing the grant of such stock options. All of our equity compensation plans have been approved by our shareholders.

Annual option grants to executive officers are made at the discretion of the Board or the Compensation Committee and may be in the form of incentive stock options (“ISOs”) up to the fullest extent permitted under tax laws, with the balance granted in the form of nonqualified stock options. The option grants are subject to the terms of the relevant plan. ISOs have potential income tax advantage for executives if the executive disposes of the acquired shares after satisfying certain holding periods. Tax laws provide that at the date of grant, the aggregate fair market value of ISOs that become exercisable for any employee in any year may not exceed \$100,000.

Our current standard option vesting schedule for all employees is 25% on the first anniversary of the date of grant, 25% on the second anniversary of the date of grant, 25% on the third anniversary of the date of grant and 25% on the fourth anniversary of the date of grant. We have on occasion issued options that have two year vesting to employees.

The number of stock options granted in fiscal 2017 to the named executive officers, and their estimated fair value, were as follows:

Named Executive Officer	Grant Date	Number of Option Shares Granted	Estimated Fair Value of Awards at Grant Date
Richard A. Zaremba	12/6/2016	30,000	\$ 153,561
Robert S. Ludecker	11/3/2016	31,000	\$ 110,689
Robert S. Ludecker	12/6/2016	30,000	\$ 153,561
Dan Voic	12/6/2016	15,000	\$ 76,781
Christopher H. Wright	11/3/2016	15,000	\$ 53,559
Christopher H. Wright	12/6/2016	35,000	\$ 179,155

The stock options awarded on November 3, 2016 had an exercise price of \$6.76 (which was equal to the average of the opening and closing market price per share of our stock on the date of grant). The stock options awarded on December 6, 2016 had an exercise price of \$9.525 (which was equal to the average of the opening and closing market price per share of our stock on the date of grant). All stock options in the above table provide for vesting at 25% per year on the first four year anniversary dates of the grant date, with a stated expiration date of ten years after grant.

In conjunction with the execution of his employment agreement, on December 15, 2016 Mr. Vizirgianakis received grants of an aggregate of 400,000 shares of restricted stock pursuant to the Company's 2014 Employee Equity Incentive Plan (the "Plan") as follows: (i) a grant of 134,000 shares vesting in five equal installments on September 1, 2017, 2018, 2019, 2020 and 2021; (ii) a performance grant of 133,000 shares which vests if both of the following conditions are satisfied simultaneously: (A) at any time prior to the third anniversary of the grant date, the most recent publicly reported trailing four (4) fiscal quarter revenue of the Company (exclusive of the impact of any acquisitions after the grant date) is at least \$35,000,000 and (B) the closing price of the Company's Common Stock is at least \$10.50 per share (subject to adjustment for stock splits, stock dividends and the like) for ten (10) consecutive trading days; and (iii) a performance grant of 133,000 shares which vests if both of the following conditions are satisfied simultaneously: (A) at any time prior to the fifth anniversary of the grant date, the most recent publicly reported trailing four (4) fiscal quarter revenue of the Company (exclusive of the impact of any acquisitions after the grant date) is at least \$48,000,000 and (B) the closing price of the Company's Common Stock is at least \$13.00 per share (subject to adjustment for stock splits, stock dividends and the like) for ten (10) consecutive trading days. The aforementioned performance grants will vest on a change of control in accordance with the Plan only if the applicable share price threshold is met in such transaction.

Other Annual Compensation and Benefits

Although direct compensation, in the form of salary, non-equity incentive awards and long-term equity incentive awards provide most of the compensation to each Executive Officer, we also provide for the following items of additional compensation:

Retirement savings are provided by a 401(k) plan, in the same manner to all U.S. employees. This plan includes an employer matching contribution of 10% which is intended to encourage employees (including the chief executive officer) to save for retirement.

Health, life and disability benefits are offered to our executive officers in the same manner to all of our U.S. employees. We provided additional life insurance, long term care policies and certain transportation expenses for our chief executive officer and each of our executive officers.

Transportation expenses are provided to executive officers, primarily in the form of an automobile allowance. Our former chief executive officer had the use of a Company provided automobile with driver.

Compensation Committee Report

Our Compensation Committee has furnished the following report. The information contained in the “*Compensation Committee Report*” is not deemed to be “soliciting material” or to be “filed” with the SEC, nor is such information to be incorporated by reference into any future filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, as amended, except to the extent that we specifically incorporate it by reference in to such filings.

Our Compensation Committee has reviewed and discussed the “Compensation Discussion and Analysis” required by Item 402(b) of Regulation S-K of the Securities Act with management. Based on such review and discussion, our Compensation Committee recommended to our Board of Directors that the “*Compensation Discussion and Analysis*” be included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2017 for filing with the SEC.

Compensation Committee

Patrick A. McBrayer
Dr. Charles Miner III

Thomas M. Patton

Compensation Committee Interlocks and Insider Participation

During fiscal 2017, Messrs. Gildea, McBrayer, Patton and Miner and our former director, T. Guy Minetti served as members of our Compensation Committee. No Member of our Compensation Committee is or was during fiscal year 2017 an employee or an officer of Misonix or its subsidiaries.

Summary of Compensation

The table and footnotes below describe the total compensation for fiscal years ended June 30, 2017, June 30, 2016, and June 30, 2015 earned by the “named executive officers,” who are each of the persons who served as our principal executive officer and principal financial officer during fiscal 2017, and the three other most highly compensated individuals who were serving as executive officers of the Company on June 30, 2017, the last day of the fiscal year.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal year Ended June 30,	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	All Other Compen- sation (\$)	Total (\$)
Stavros G. Vizirgianakis President and Chief Executive Officer	2017	\$ 180,000	\$ 103,125	\$3,637,388	—	\$ 124,020 (1)	\$4,044,533
	2016	—	—	—	—	—	—
	2015	—	—	—	—	—	—
Joseph P. Dwyer Chief Financial Officer, Treasurer and Secretary	2017	\$285,000	—	—	—	—	\$285,000
	2016	—	—	—	—	—	—
	2015	—	—	—	—	—	—
Michael A. McManus, Jr. Former President and Chief Executive Officer (2)	2017	\$54,167	—	—	—	\$ 348,263 (3)	\$402,430
	2016	\$325,000	—	—	\$259,715	\$99,730	\$684,445
	2015	\$290,008	\$100,000	—	\$1,314,695	\$96,291	\$1,800,994
Richard A. Zaremba Former Senior Vice President of Finance, Treasurer and Secretary (4)	2017	\$239,804	\$—	—	\$153,561	\$15,093 (5)	\$408,458
	2016	\$232,819	\$45,000	—	\$110,379	\$10,081	\$398,279
	2015	\$226,038	\$25,000	—	\$178,374	\$10,731	\$440,143
Robert S. Ludecker Senior Vice President-Medical Global Sales and Marketing	2017	\$271,817	\$82,500	—	\$264,250	\$31,300 (6)	\$649,867
	2016	\$263,900	\$65,000	—	\$110,379	\$8,194	\$447,473
	2015	\$215,098	\$45,000	—	\$748,751	\$8,376	\$1,017,225
Dan Voic Vice President of Research and Development and Engineering	2017	\$185,523	\$22,000	—	\$76,781	\$15,615 (7)	\$299,919
	2016	\$180,119	\$25,000	—	\$128,776	\$11,885	\$345,780
	2015	\$174,873	\$20,000	—	\$208,103	\$12,147	\$415,123
Christopher H. Wright Vice President - U. S. Sales	2017	\$383,250	—	—	\$232,714	\$10,870 (8)	\$626,834
	2016	\$296,300	—	—	\$55,190	\$7,646	\$359,136
	2015	\$248,000	—	—	\$59,458	\$8,246	\$315,704

Includes \$65,020 of legal fees related to his employment contract with the Company and his visa application process, \$10,000 for relocation costs, \$3,900 for a car allowance and \$10,000 for director fees prior to being (1) appointed as Chief Executive Officer. Stock awards assume that all performance conditions are met. Refer to footnote 6 of the Consolidated Financial Statements in the Company's Form 10-K for the fiscal year ended June 30, 2017 for a description of the valuation method and inputs relating to the stock awards.

- (2) Mr. McManus retired from the Company effective September 2, 2016.
- (3) Includes \$270,833 of severance payments, \$58,617 of expenses for a Company-owned automobile and a driver, \$26,229 of life insurance benefits and long term care insurance coverage.
On September 13, 2016, Mr. Zaremba (i) ceased serving as the Company's Senior Vice President and Chief Financial Officer and (ii) was appointed Senior Vice President, Finance of the Company. Effective September 18, 2017, Mr. Zaremba stepped down from his positions as Senior Vice President, Finance, Treasurer and Secretary.
- (4) Includes a car allowance, life and long term care insurance coverage.
- (5) Includes \$10,220 for a car allowance, life and long term care insurance coverage and \$13,076 for a home security system.
- (6) Includes a car allowance, toll reimbursements and life and long term care insurance coverage.
- (7) Includes a car allowance, life and long term care insurance coverage.
- (8) Includes a car allowance, life and long term care insurance coverage.

Grants of Plan Based Awards

The following table presents non-equity and equity awards granted to the named executive officers in fiscal year 2017.

GRANTS OF PLAN-BASED AWARDS IN FISCAL 2017

Name	Grant Date	(1) All Other Stock Awards: Number of Shares of Stock	All Other Option Awards: Number of Securities Underlying Options	(2) Exercise or Base price of Option Awards (\$/Share)	(3) Grant Date Fair Value of Stock and Option Awards (\$)
Stavros G. Vizirgianakis	12/15/2016	133,334		\$ —	\$ 1,286,400
Stavros G. Vizirgianakis	12/15/2016	133,333		\$ —	\$ 1,180,801
Stavros G. Vizirgianakis	12/15/2016	133,333		\$ —	\$ 1,170,187
Richard A. Zaremba	12/6/2016		30,000	\$ 9.525	\$ 153,561
Robert S. Ludecker	11/3/2016		31,000	\$ 6.760	\$ 110,689
Robert S. Ludecker	12/6/2016		30,000	\$ 9.525	\$ 153,561
Dan Voic	12/6/2016		15,000	\$ 9.525	\$ 76,781
Christopher H. Wright	11/3/2016		15,000	\$ 6.760	\$ 53,559
Christopher H. Wright	12/6/2016		35,000	\$ 9.525	\$ 179,155

(1) Mr. Vizirgianakis received restricted stock awards pursuant to our 2014 Equity Incentive Plan.

Stock option awards were issued on November 3, 2016 pursuant to our 2009 Equity Incentive Plan except for Mr.

Wright who was awarded from the 2012 Employee Equity Incentive Plan. Stock option awards were issued on

(2) December 6, 2016 pursuant to our 2014 Equity Incentive Plan except for Mr. Ludecker who was awarded from the 2012 Employee Equity Plan. All stock options in the above table provide for vesting at 25% per year on the first four year anniversary dates of the grant date, with a stated expiration date of ten years after grant.

(3) This amount represents the Black-Scholes computation as of that date of award, except for Mr. Vizirgianakis, whose awards were valued using a Monte Carlo computation as of the grant date of the award.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information regarding outstanding equity awards held as of June 30, 2017 by our named executive officers.

OUTSTANDING EQUITY AWARDS AT 2017 FISCAL YEAR END

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable		Option Exercise Price (\$)	Option Expiration Date	(1) Number of Shares of Stock That Have Not Vested	Market Value of Shares of Stock That Have Not Vested
Stavros G. Vizirgianakis						134,000(7)	\$ 1,279,700
						133,000(7)	\$ 1,270,150
						133,000(7)	\$ 1,270,150
Richard A. Zarembo	7,000	—		2.96	9/13/2022		
	10,000	10,000	(1)	4.68	9/10/2023		
	7,500	15,000	(2)	7.67	9/9/2024		
	7,500	22,500	(3)	9.38	8/18/2025		
	—	30,000	(6)	9.25	12/6/2026		
Robert S. Ludecker	7,500	2,500	(1)	4.68	9/10/2023		
	17,500	17,500	(2)	7.67	9/9/2024		
	40,000	40,000	(4)	12.77	5/14/2025		
	7,500	22,500	(3)&nbs				