

ANGIODYNAMICS INC
Form DEF 14A
September 15, 2016
Table of Contents

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

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

AngioDynamics, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (check the appropriate box):

No fee required

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

..

Edgar Filing: ANGIODYNAMICS INC - Form DEF 14A

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

(1) Amount Previously paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

14 Plaza Drive

Latham, New York 12110

(518) 798-1215

September 15, 2016

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of AngioDynamics, Inc. to be held on Tuesday, October 25, 2016 at 2:00 p.m., local time, at the JW Marriott Essex House, 160 Central Park South, New York, New York, 10019.

At this year's Annual Meeting you will be asked to:

- (i) consider and vote upon a proposal to elect three Class I directors, each for a term of three years;
- (ii) consider and vote upon a Say-on-Pay advisory vote on the approval of the compensation of AngioDynamics' named executive officers;
- (iii) consider and vote upon a proposal to amend the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan to, among other things, increase the total number of shares of common stock reserved for issuance under the plan from 6,750,000 to 7,000,000, increase the maximum number of shares of common stock with respect to awards that may be granted to any individual in one calendar year from 100,000 shares to 500,000 shares, limit the grant date fair value of annual awards that each of our non-employee directors may receive to \$500,000, modify and approve the performance objectives pursuant to which performance-based awards may be granted to include EBIT and EBITDA, and add certain best practices provisions to the plan (including a minimum vesting requirement and a clawback provision);
- (iv) consider and vote upon a proposal to amend the AngioDynamics, Inc. Employee Stock Purchase Plan to increase the total number of shares of common stock reserved for issuance under the plan from 2,000,000 to 2,500,000; and
- (v) transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

As we did last year, we are pleased to furnish proxy materials to our shareholders over the internet. Instead of mailing printed copies to each shareholder, we are mailing a Notice Regarding Internet Availability which contains instructions on how to access your proxy materials, how each shareholder can receive a paper copy of proxy materials, including this Proxy Statement, our annual report on Form 10-K for the fiscal year ended May 31, 2016 and a form of proxy card, and how to access your proxy card to vote through the internet or by telephone. We believe that this e-proxy process will expedite shareholders' receipt of proxy materials and lower the costs and reduce the environmental impact of our Annual Meeting.

The Board of Directors unanimously believes that the election of its nominees for directors, the approval (on an advisory basis) of the compensation of its named executive officers, the approval of the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan, as amended, to, among other things, increase the total number of shares of common stock reserved for issuance under the plan from 6,750,000 to 7,000,000 and the AngioDynamics, Inc. Employee Stock Purchase Plan, as amended, to increase the total number of shares of common stock reserved for issuance under the plan from 2,000,000 to 2,500,000 are in the best interests of AngioDynamics and its shareholders, and, accordingly, recommends a vote FOR each proposal.

Edgar Filing: ANGIODYNAMICS INC - Form DEF 14A

In addition to the business to be transacted as described above, management will address shareholders with respect to AngioDynamics developments over the past year and respond to comments and questions of general interest to shareholders.

Table of Contents

Whether or not you plan to attend the Annual Meeting, your vote is important and we encourage you to vote promptly. You may vote your shares via a toll-free telephone number or over the internet. If you requested and received a paper copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. Instructions regarding all three methods of voting are contained on the proxy card. Voting by proxy will ensure your shares are represented at the Annual Meeting. As a result of changes in applicable law, banks and brokers can no longer exercise discretionary voting in uncontested elections of directors. If you are not a shareholder of record, please follow the instructions provided by the shareholder of record (your bank or broker) so that your shares are voted at the meeting on all matters.

Sincerely,

James C. Clemmer

Chief Executive Officer

Table of Contents

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

September 15, 2016

The 2016 Annual Meeting of Shareholders of AngioDynamics, Inc. will be held at the JW Marriott Essex House, 160 Central Park South, New York, New York, 10019, on Tuesday, October 25, 2016 at 2:00 p.m., local time, for the following purposes:

1. to vote upon a proposal to elect three Class I directors, each for a term of three years;
2. to vote upon a Say-on-Pay advisory vote on the approval of the compensation of AngioDynamics named executive officers;
3. to vote upon a proposal to amend the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan to, among other things, increase the total number of shares of common stock reserved for issuance under the plan from 6,750,000 to 7,000,000, increase the maximum number of shares of common stock with respect to awards that may be granted to any individual in one calendar year from 100,000 shares to 500,000 shares, limit the grant date fair value of annual awards that each of our non-employee directors may receive to \$500,000, modify and approve the performance objectives pursuant to which performance-based awards may be granted to include EBIT and EBITDA, and add certain best practices provisions to the plan (including a minimum vesting requirement and a clawback provision);
4. to vote upon a proposal to amend the AngioDynamics, Inc. Employee Stock Purchase Plan to increase the total number of shares of common stock reserved for issuance under the plan from 2,000,000 to 2,500,000; and
5. to transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Only shareholders who held shares at the close of business on Monday, August 29, 2016, are entitled to notice of and to vote at the meeting or any adjournments or postponements thereof. Directions to the Annual Meeting can be found at www.Marriott.com.

It is important that your shares be represented and voted at the meeting. You can vote your shares by completing and returning your proxy card or by voting on the internet or by telephone. Please see the instructions below under the heading **How do I vote my shares without attending the meeting?**

The Annual Meeting for which this notice is given may be adjourned from time to time without further notice other than announcement at the meeting or any adjournment thereof. Any business for which notice is hereby given may be transacted at any such adjourned meeting.

By Order of the Board of Directors,

Stephen A. Trowbridge, Senior Vice President, General Counsel and Assistant Secretary

Latham, New York

Important Notice Regarding the Availability of Proxy Materials

for the Annual Meeting to be Held on October 25, 2016.

Edgar Filing: ANGIODYNAMICS INC - Form DEF 14A

Our Proxy Statement for the 2016 Annual Meeting of Shareholders, the proxy card, and annual report on Form 10-K for our fiscal year ended May 31, 2016 are available on the following website: www.proxyvote.com. To view materials via the internet, please follow the instructions set forth on the Notice Regarding Internet Availability mailed on or about September 15, 2016 to all shareholders of record on August 29, 2016.

Table of Contents

TABLE OF CONTENTS

	Page
<u>Proxy Statement</u>	1
<u>Introduction</u>	1
<u>General Information About the Meeting and Voting</u>	1
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	6
<u>Nominees</u>	6
<u>Recommendation of the Board of Directors</u>	7
<u>Other Directors</u>	8
<u>CORPORATE GOVERNANCE</u>	10
<u>THE STOCKHOLDERS AGREEMENT</u>	12
<u>MEETINGS AND BOARD COMMITTEES</u>	15
<u>OWNERSHIP OF SECURITIES</u>	18
<u>Equity Compensation Plan Information</u>	20
<u>EXECUTIVE COMPENSATION</u>	21
<u>Compensation Discussion and Analysis</u>	21
<u>Compensation Philosophy and Objectives</u>	21
<u>The Compensation Committee</u>	22
<u>Components of Executive Compensation for Fiscal 2016</u>	22
<u>Potential Payments upon Termination or Change in Control</u>	30
<u>2015 Shareholder Advisory Vote on Executive Compensation</u>	34
<u>Compensation Committee Report on Executive Compensation</u>	34
<u>Summary Compensation Table for Fiscal 2016</u>	35
<u>Grants of Plan-Based Awards for Fiscal 2016</u>	37
<u>Outstanding Equity Awards at Fiscal 2016 Year-End</u>	38
<u>Option Exercises and Stock Vested for Fiscal 2016</u>	39
<u>Director Compensation Table</u>	40
<u>PROPOSAL 2 ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE</u>	41
<u>Recommendation of the Board of Directors</u>	41
<u>PROPOSAL 3 AMENDMENT TO THE ANGIODYNAMICS, INC. 2004 STOCK AND INCENTIVE</u>	42
<u>Summary Description of the 2004 Plan (as amended)</u>	43
<u>Summary of Federal Income Tax Consequences under the 2004 Plan</u>	46
<u>Recommendation of the Board of Directors</u>	48
<u>PROPOSAL 4 AMENDMENT TO THE ANGIODYNAMICS, INC. EMPLOYEE STOCK PURCHASE PLAN</u>	49
<u>Summary of the ESPP Plan (as amended)</u>	49
<u>Summary of Federal Income Tax Consequences under the ESPP</u>	51
<u>Recommendation of the Board of Directors</u>	52
<u>AUDIT MATTERS</u>	53
<u>Audit Committee Report</u>	53
<u>Principal Accounting Fees and Services</u>	54
<u>Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm</u>	55
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	56
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	57
<u>ANNUAL REPORT</u>	58
<u>SHAREHOLDER PROPOSALS AND NOMINATIONS</u>	59
<u>OTHER MATTERS</u>	60

Table of Contents

ANGIODYNAMICS, INC.

14 Plaza Drive

Latham, New York 12110

PROXY STATEMENT

FOR

ANNUAL MEETING OF SHAREHOLDERS

OF ANGIODYNAMICS, INC.

October 25, 2016

INTRODUCTION

We are furnishing this proxy statement to the shareholders of AngioDynamics, Inc. in connection with the solicitation by our Board of Directors of proxies to be voted at our 2016 Annual Meeting of Shareholders referred to in the attached notice and at any adjournments of that meeting (the Annual Meeting). The Annual Meeting will be held at the JW Marriott Essex House, 160 Central Park South, New York, New York, 10019, on Tuesday, October 25, 2016 at 2:00 p.m., local time, or at any adjournment or postponement thereof. We expect to mail this proxy statement and the accompanying proxy card or voting instruction form beginning on September 15, 2016 to each shareholder entitled to vote at the Annual Meeting.

When used in this proxy statement, the terms we, us, our, the Company and AngioDynamics refer to AngioDynamics, Inc. The terms Board of Directors and Board refer to the Board of Directors of AngioDynamics, Inc. Our principal executive offices are located at 14 Plaza Drive, Latham, New York 12110.

GENERAL INFORMATION ABOUT THE MEETING AND VOTING

What am I voting on?

At the Annual Meeting, we will ask holders of our common stock to consider and vote upon the following items:

1. Election of Directors

The election of three Class I directors, namely, Jeffrey G. Gold, Kevin J. Gould and Dennis S. Meteny. If elected, these Class I directors will each serve until the 2019 Annual Meeting of Shareholders and until their respective successors are duly elected and qualified.

2. Advisory Vote on the Compensation of our Named Executive Officers

A Say-on-Pay advisory vote on the approval of the compensation of our named executive officers.

3. The AngioDynamics, Inc. 2004 Stock and Incentive Award Plan, as amended

Edgar Filing: ANGIODYNAMICS INC - Form DEF 14A

Approval of the amendment of AngioDynamics 2004 Stock and Incentive Award Plan to, among other things, increase the total number of shares of common stock reserved for issuance under the plan from 6,750,000 shares to 7,000,000 shares, increase the maximum number of shares of common stock with respect to awards that may be granted to any individual in one calendar year from 100,000 shares to 500,000 shares, limit the grant date fair value of annual awards that each of our non-employee directors may receive to \$500,000, modify and approve the performance objectives pursuant to which performance-based awards may be granted to include EBIT and EBITDA, and add certain best practices provisions to the plan (including a minimum vesting requirement and a clawback provision).

Table of Contents

4. The AngioDynamics, Inc. Employee Stock Purchase Plan, as amended

Approval of the amendment of the AngioDynamics, Inc. Employee Stock Purchase Plan to increase the total number of shares of common stock reserved for issuance under the plan from 2,000,000 shares to 2,500,000 shares.

How can I receive proxy materials?

Under rules adopted by the U.S. Securities and Exchange Commission (the "SEC"), we are furnishing proxy materials to our shareholders primarily via the internet, instead of mailing printed copies of proxy materials to each shareholder. On or about September 15, 2016, we began mailing to our shareholders a "Notice of Internet Availability of Proxy Materials" (sometimes referred to herein as the "Notice") containing instructions on how to access this proxy statement, the accompanying notice of Annual Meeting and our annual report for the fiscal year ended May 31, 2016 online. If you received the Notice by mail, you will not automatically receive a printed copy of the proxy materials in the mail. Instead, the Notice instructs you on how to access and review all of the important information contained in the proxy materials. The Notice also instructs you on how you may submit your proxy via the internet.

Finally, you can receive a copy of our proxy materials by following the instructions contained in the notice regarding how you may request to receive your materials electronically or in printed form on a one-time or ongoing basis. Requests for printed copies of the proxy materials can be made through the internet at <http://www.proxyvote.com>, by telephone at 1-800-579-1639 or by e-mail at sendmaterial@proxyvote.com by sending a blank e-mail with your control number in the subject line.

Who is entitled to vote?

Shareholders of record at the close of business on August 29, 2016, the record date for the Annual Meeting, are entitled to receive this proxy statement and to vote at the meeting and at any adjournment or postponement thereof. As of the close of business on the record date, there were 36,800,761 outstanding shares of our common stock entitled to notice of, and to vote at, the Annual Meeting. Holders of our common stock have one vote per share on each matter to be acted upon. A list of the shareholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for 10 days prior to the Annual Meeting, for any purpose germane to the meeting, between the hours of 9:00 a.m. and 4:30 p.m. at our principal executive offices at 14 Plaza Drive, Latham, New York 12110, by contacting our General Counsel.

How do I vote my shares without attending the meeting?

If you are a shareholder of record as of the record date for the Annual Meeting, you may vote by granting a proxy. For shares held in street name, you may vote by submitting voting instructions to your broker or nominee. In most circumstances, you may vote:

By Internet or Telephone If you have internet or telephone access, you may submit your proxy by following the voting instructions in the Notice of Annual Meeting no later than 11:59 p.m., New York City Time, on October 24, 2016. If you vote by internet or telephone, you need not return your proxy card.

By Mail If you received a paper copy of this proxy statement, you may vote by mail by signing, dating and mailing your proxy card in the envelope provided. You should sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example, as guardian, executor, trustee, custodian, or attorney or an officer of a corporation), you should indicate your name and title or capacity.

Table of Contents

How do I vote my shares in person at the meeting?

If you are a shareholder of record and prefer to vote your shares at the meeting, bring the accompanying proxy card (if you received a paper copy of the proxy statement) and proof of identification. You may vote shares held in street name only if you obtain a legal proxy from the record holder (bank, broker or other nominee) giving you the right to vote the shares.

Even if you plan to attend the meeting in person, we encourage you to vote in advance by internet, telephone or mail so that your vote will be counted in the event you are unable to attend.

How do I gain admission to the meeting?

If you wish to attend the Annual Meeting and you are a record holder, you must bring valid state or federal identification or a passport to register before entering the meeting. All invited guests will need valid identification in order to enter the meeting. If you hold shares through an intermediary, such as a bank, broker, trustee or other nominee, and you plan to attend the Annual Meeting, you must bring proof of share ownership, such as a recent bank or brokerage firm account statement or a letter from the bank, broker, trustee or other nominee holding your shares, confirming your ownership in order to gain entrance to the meeting.

What does it mean if I receive more than one proxy card or Notice?

If you receive more than one proxy card or Notice, it generally means that you hold shares registered in more than one account. If you received a paper copy of this proxy statement and you vote by mail, you should sign and return each proxy card. Alternatively, if you vote by internet or telephone, you should vote once for each proxy card and/or Notice you receive. If you have received more than one Notice, you should vote once for each Notice that you receive.

May I change my vote?

Yes. Whether you have voted by mail, internet or telephone, you may change your vote and revoke your proxy, prior to the Annual Meeting, by:

Sending a written statement to that effect to AngioDynamics Senior Vice President and General Counsel;

Voting by internet or telephone at a later time;

Submitting a properly signed proxy card with a later date; or

Voting in person at the Annual Meeting and by filing a written notice of termination of the prior appointment of a proxy with AngioDynamics, or by filing a new written appointment of a proxy with AngioDynamics (unless you are a beneficial owner without a legal proxy, as described below).

Please note, however, that if a shareholder's shares are held of record by a bank, broker, trustee or other nominee and that shareholder wishes to vote at the Annual Meeting, the shareholder must bring to the Annual Meeting a letter or legal proxy from the bank, broker, trustee or other nominee, confirming the shareholder's beneficial ownership of the shares.

What constitutes a quorum?

A majority of the outstanding shares of common stock present in person or by proxy is required to constitute a quorum at the Annual Meeting. For purposes of determining the presence of a quorum for transacting business at the Annual Meeting, abstentions and broker non-votes (proxies from banks, brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares on a particular matter with respect to which the banks, brokers or nominees do not have discretionary power) will be treated as shares that are present.

Table of Contents

How does the Board recommend that I vote?

The Board of Directors recommends that you vote your shares:

FOR the election of three Class I directors who have been nominated by the Board of Directors;

FOR the approval (on an advisory basis) of the compensation of our named executive officers;

FOR the approval of the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan to, as amended, among other things, increase the total number of shares of common stock reserved for issuance under the plan from 6,750,000 to 7,000,000, increase the maximum number of shares of common stock with respect to awards that may be granted to any individual in one calendar year from 100,000 shares to 500,000 shares, limit the grant date fair value of annual awards that each of our non-employee directors may receive to \$500,000, modify and approve the performance objectives pursuant to which performance-based awards may be granted to include EBIT and EBITDA, and add certain best practices provisions to the plan (including a minimum vesting requirement and a clawback provision);

FOR the approval of the AngioDynamics, Inc. Employee Stock Purchase Plan, as amended, to increase the total number of shares of common stock reserved for issuance under the plan from 2,000,000 to 2,500,000; and with respect to any other matter that may properly be brought before the Annual Meeting, in accordance with the judgment of the person or persons voting. We do not expect that any matter other than as described in this proxy statement will be brought before the Annual Meeting.

Why are shareholders not being asked to ratify the appointment of the Company's independent registered public accounting firm for the fiscal year ending May 31, 2017?

As discussed under Information Regarding Independent Registered Public Accounting Firm on page 54, the Audit Committee has not yet appointed an independent registered public accounting firm for the fiscal year ending May 31, 2017 as it has elected to initiate a Request for Proposal for the 2017 audit, which will not be concluded prior to the Annual Meeting.

What happens if I do not give specific voting instructions?

Shareholders of Record. If you are a shareholder of record and you indicate when voting over the internet or by telephone that you wish to vote as recommended by the Board, or sign and return a proxy card without giving specific voting instructions, then the persons named as proxies will vote your shares in the manner recommended by the Board of Directors on all matters presented in this proxy statement and as the persons named as proxies may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

Street Name Holders. If you hold your shares in street name (that is, through a bank, broker, trustee or other nominee) and do not provide specific voting instructions, then, under the rules of The Nasdaq Stock Market, the bank, broker, trustee or other nominee may generally vote on routine matters but cannot vote on non-routine matters. If you do not provide voting instructions on non-routine matters, your shares will not be voted by your bank, broker or other nominee. As a result, your bank, broker, trustee or other nominee may not vote your shares without receipt of a voting instruction form with respect to Proposal 1 and Proposals 2, 3 and 4 because each proposal is a non-routine matter.

What is the voting requirement to approve each proposal?

Under Delaware law and AngioDynamics Amended and Restated Certificate of Incorporation and By-Laws, if a quorum exists at the meeting, the affirmative vote of a plurality of the votes cast at the meeting is

Table of Contents

required for the election of directors (Proposal 1). A properly executed proxy marked "withhold authority" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

For the "Say-on-Pay" advisory vote (Proposal 2), the affirmative vote of the holders of a majority of the shares represented in person or by proxy and entitled to vote on the item will reflect the advice of the shareholders. The approval, on an advisory basis, of the compensation paid to our named executive officers, also known as a "Say on Pay" vote, is an advisory vote mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act. This means that while we ask shareholders to approve the compensation paid to our named executive officers, it is not an action that requires shareholder approval, and shareholders are not voting to approve or disapprove the Board's recommendation with respect to this proposal. This advisory vote is non-binding on the Board, although the Board and the Compensation Committee welcome the input of shareholders on the Company's compensation policies and will take the advisory vote into account in making determinations concerning executive compensation.

For the approval of the amendment of the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan (Proposal 3), and the approval of the amendment of the AngioDynamics, Inc. Employee Stock Purchase Plan (Proposal 4), the affirmative vote of a majority of votes cast on this item will be required for approval.

A properly executed proxy marked "Abstain" with respect to any such matter will not be voted, although it will be counted for purposes of determining whether there is a quorum present. Accordingly, an abstention will have the effect of a negative vote on all proposals other than the election of directors, for which an abstention will not be considered a vote cast.

What is a broker non-vote?

If you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposal for which your broker does not have or does not exercise discretionary authority to vote (a "broker non-vote"). Shares constituting broker non-votes are not counted or deemed to be present in person or by proxy for the purpose of voting on a non-routine matter at the Annual Meeting and, therefore, will not be counted for the purpose of determining whether shareholders have approved the election of directors in Proposal 1, the "Say-on-Pay" advisory vote in Proposal 2, the amendment to the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan in Proposal 3, or the amendment to the AngioDynamics, Inc. Employee Stock Purchase Plan in Proposal 4, because such proposals are considered non-routine matters. Broker non-votes are counted as present for the purpose of determining whether a quorum is present at the Annual Meeting.

How can I find voting results of the Annual Meeting?

We will announce preliminary voting results at the Annual Meeting and, within four business days following the date of the Annual Meeting, we will file a Current Report on Form 8-K with the SEC indicating final voting results.

Who bears the cost of soliciting proxies?

The cost of solicitation of proxies being solicited on behalf of the Board of Directors will be borne by us. In addition to the use of the mail and the internet, proxy solicitation may be made by telephone, facsimile and personal interview by our officers, directors and employees.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

Nominees

Our Board of Directors currently consists of eight directors. There are two vacancies on our Board that were created when Vincent A. Bucci retired from our Board in March 2014 and Sriram Venkataraman resigned from our Board in August 2016. The Board is classified into three classes, each of which has a staggered three-year term. At the Annual Meeting, our shareholders will be asked to elect three Class I directors, namely, Jeffrey G. Gold, Kevin J. Gould and Dennis S. Meteny. If elected, Messrs. Gold, Gould and Meteny will hold office until the Annual Meeting of Shareholders to be held in 2019 and until their successors are duly elected and qualified. The Class II directors and Class III directors will continue in office during the terms indicated below. Unless otherwise specified, all proxies received will be voted in favor of the election of the nominees named below as directors of AngioDynamics. Directors will be elected by a plurality of the votes cast, in person or by proxy, at the Annual Meeting.

The current term of each of Jeffrey G. Gold, Kevin J. Gould and Dennis S. Meteny expires at the 2016 Annual Meeting and when his respective successor is duly elected and qualified. Each of Messrs. Gold, Gould and Meteny has consented to be named as a nominee and, if elected, to serve as a director. Management has no reason to believe that any of the nominees will be unable or unwilling to serve as a director if elected. Should any of the nominees not remain a candidate for election at the date of the Annual Meeting, proxies will be voted in favor of the nominees who remain candidates and may be voted for substitute nominees selected by the Board of Directors.

Set forth below are the names, principal occupations and director positions on public companies, in each case, for the past five years, ages of the directors and nominees, and information relating to other positions held by them with us and other companies. Additionally, there is a brief discussion of each director's and nominee's experience, qualifications, attributes or skills that led to the conclusion that such person should serve as a director. There are no family relationships between or among any of the directors, executive officers and nominees for director.

Class I Directors (Term expiring at the 2016 Annual Meeting):

Jeffrey G. Gold, age 68, has served as a director since 1997. From March 2014 to January 2016, Mr. Gold was President and CEO of Myoscience, Inc., a privately-held medical device company focusing on Focused Cold Therapy™ for the treatment of peripheral nerve conditions. From January 2012 to March 2014, Mr. Gold was CEO at Velomedix, Inc., a medical device company focused on therapeutic hypothermia for patients experiencing heart attack, stroke or cardiac arrest. Prior to January 2012, Mr. Gold was a Venture Partner for Longitude Capital, a healthcare venture capital fund from January 2007 through December 2011. Mr. Gold was President and CEO of CryoVascular Systems, a peripheral vascular disease device company, from 2001 through its sale to Boston Scientific in 2005. From 1997 to 2000, he was Executive Vice President and Chief Operating Officer of Cardio Thoracic Systems, Inc., a company engaged in the development and introduction of devices for beating-heart coronary bypass surgery. Prior to that, Mr. Gold spent 18 years with Cordis Corporation in a variety of senior management roles including Vice President of Manufacturing and Vice President of Research and Development, and was a co-founder and President of Cordis Endovascular Systems, a subsidiary engaged in the interventional neuroradiology and peripheral vascular businesses. At Cordis, Mr. Gold also had responsibility for its peripheral vascular business. He serves on the board of directors of Corindus Inc. (NYSE: CVRS) and several privately held start-up medical device companies and is a member of the Executive Committee for the Center for Entrepreneurship and Innovation at the University of Florida and is a member of the Commercialization Advisory Board for the Cleveland Clinic. Mr. Gold has a B.S. in Industrial Engineering from Northeastern University in Boston, Massachusetts and an MBA from the University of Florida in Gainesville, Florida. Mr. Gold is a member of our Nominating and Corporate Governance Committee and our Audit Committee.

Table of Contents

Mr. Gold provides us with valuable business, leadership and management experience as a result of his tenures at Cordis, CardioThoracic Systems and as President and CEO of CryoVascular Systems. In addition, Mr. Gold's experience as a Venture Partner for Longitude Capital provides insight into emerging technologies and strategic directions in the healthcare industry. Mr. Gold's breadth of experience in the healthcare industry, ranging from endovascular devices, coronary bypass surgery and peripheral vascular disease devices, provides our Board with valuable strategic and technical expertise necessary to direct a diverse medical device company.

Kevin J. Gould, age 62, joined our Board of Directors in October 2010. From 1991 to 2007, Mr. Gould held various management positions for the Kendall Company, which later became Tyco Healthcare, a division of Tyco International, Ltd., serving as COO of Tyco Healthcare from 2005 to 2007 and as President, North America, from 2000 to 2005. Tyco Healthcare became a public company in 2007 and is now known as Covidien. Mr. Gould served on the Board of Trustees of St. Elizabeth's Hospital in Brighton, Massachusetts. Mr. Gould holds a B.A. from St. Anselm's College in Manchester, New Hampshire and an M.B.A. from Anna Maria College in Paxton, Massachusetts. Mr. Gould is chairman of our Compensation Committee.

Mr. Gould's service as COO and President, North America of Tyco Healthcare provides our Board with valuable business, leadership and management experience, particularly with respect to the numerous operational, financial, business and strategic issues faced by a growing, diversified medical device company.

Dennis S. Meteny, age 63, joined our Board of Directors in March 2004. Since January 2014, Mr. Meteny has been a director of Blue Water Growth LLC, a global business consulting firm with services including mergers and acquisitions, private capital solutions, product distribution, outsourcing, and a wide variety of business advisory services for its Western and Asian clients. From 2006 to January 2014, Mr. Meteny was President and Chief Executive Officer of Cygnus Manufacturing Company LLC, a privately held manufacturer of medical devices, health and safety components, and high precision transportation, aerospace and industrial products. From 2003 to 2006, Mr. Meteny was an Executive-in-Residence at the Pittsburgh Life Sciences Greenhouse, a strategic economic development initiative of the University of Pittsburgh Health System, Carnegie Mellon University, the University of Pittsburgh, the State of Pennsylvania and local foundations. From 2001 to 2003, he was President and Chief Operating Officer of TissueInformatics, Inc., a privately held company engaged in the medical imaging business. From 2000 to 2001, Mr. Meteny was a business consultant to various technology companies. Prior to that, Mr. Meteny spent 15 years in several executive-level positions, including as President and Chief Executive Officer, from 1994 to 1999, of Respironics, Inc. a cardio-pulmonary medical device company. Mr. Meteny holds a B.S. Degree in Accounting from The Pennsylvania State University and an MBA from the University of Pittsburgh. Mr. Meteny is the Chairman of our Audit Committee.

Mr. Meteny's service as CFO, COO and CEO of Respironics, COO of TissueInformatics and CEO of Cygnus Manufacturing Company, provides our Board with valuable business, leadership and management experience, including leading a large, diverse healthcare company, giving him a keen understanding of the numerous operational and strategic issues facing a diversified medical device company such as AngioDynamics. In addition, as noted above, Mr. Meteny is the Chairman of our Audit Committee and is designated as a financial expert as a result of his extensive financial and accounting background with Ernst & Young and his position as CFO of Respironics.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE NOMINEES.

Table of Contents

Other Directors

The following Class II and Class III directors will continue on the Board of Directors for the terms indicated:

Class II Directors (Term expiring at the 2017 Annual Meeting):

James C. Clemmer, age 51, became our President and Chief Executive Officer in April 2016. Prior to joining AngioDynamics, Mr. Clemmer served as President of the Medical Supplies segment at Covidien plc from September 2006 to January 2015. In this role, Mr. Clemmer directed the strategic and day-to-day operations for global business divisions that collectively manufactured 23 different product categories. In addition, he managed global manufacturing, research and development, operational excellence, business development and all other functions associated with the Medical Supplies business. Prior to his role at Covidien, Mr. Clemmer served as Group President at Kendall Healthcare from July 2004 to September 2006, where he managed the US business across five divisions and built the strategic plan for the Medical Supplies segment before it was spun off from Tyco. Mr. Clemmer served as interim president at the Massachusetts College of Liberal Arts from August 2015 until March 1, 2016. Mr. Clemmer is a graduate of the Massachusetts College of Liberal Arts.

Through his position as our CEO and his tenure at Covidien, Mr. Clemmer brings leadership, extensive executive and operational experience, strategic expertise and a deep knowledge of the medical device industry to the Board. Mr. Clemmer's service as a Director and CEO of AngioDynamics creates a critical link between management and the Board, enabling the board to perform its oversight function with the benefits of management's perspectives on the business.

Howard W. Donnelly, age 55, joined our Board of Directors in March of 2004 and was named Chairman in April 2014. Since 2005, Mr. Donnelly has been President of Concert Medical LLC, a manufacturer of interventional medical devices. In addition in 2010, Mr. Donnelly became President and CEO of HydroCision Inc., a company focused on spine surgery and the pain management market. From 2002 to 2008, Mr. Donnelly was a director and member of the audit, compensation and nominating and governance committees of Vital Signs, Inc. From 1999 to 2002, he was President of Level 1, Inc., a medical device manufacturer and subsidiary of Smiths Group. From 1990 to 1999, Mr. Donnelly was employed at Pfizer, Inc., with his last position as Vice President, Business Planning and Development for Pfizer's Medical Technology Group from 1997 to 1999. Mr. Donnelly holds a B.S. and an M.B.A. from Bryant College.

Mr. Donnelly brings extensive industry experience as a result of his tenures at Pfizer, Level 1, Concert Medical and HydroCision. Mr. Donnelly provides the Board with valuable business, leadership and management insight, particularly in the areas of manufacturing and business combinations.

Class III Directors (Term expiring at the 2018 Annual Meeting):

David Burgstahler, age 48, joined our Board on May 22, 2012 in connection with our acquisition of Navilyst. Mr. Burgstahler is the President and Co-Managing Partner of Avista. He was a founding partner of Avista since 2005 and since 2009, has been President of Avista. Prior to forming Avista, he was a partner of DLJ Merchant Banking Partners. He was at DLJ Investment Banking from 1995 to 1997 and at DLJ Merchant Banking Partners from 1997 through 2005. Prior to that, he worked at Andersen Consulting (now known as Accenture) and McDonnell Douglas (now known as Boeing). He holds a Bachelor of Science in Aerospace Engineering from the University of Kansas and a Master of Business Administration from Harvard Business School. He currently serves as a Director of ACP Mountain Holdings, Inc., ConvaTec Inc., INC Research Holdings, Inc., Lantheus Holdings, Inc., Osmotica Holdings Corp. and WideOpenWest, LLC. He previously served as a Director of BioReliance Holdings, Inc., Strategic Partners, Inc. and Warner Chilcott plc.

Mr. Burgstahler's strong finance and management background, with over 20 years in banking and private equity finance and extensive experience serving as a director for a diverse group of private and public companies, provides valuable business, corporate governance and financial expertise to our Board.

Table of Contents

Wesley E. Johnson, Jr., age 58, joined our Board in January 2007. Since February 2013, Mr. Johnson has been Chief Executive Officer and Director of Admittance Technologies, Inc., a medical device company. Mr. Johnson is also a director of Minimus Spine, Inc., a private medical device company. From 2003 to 2007, Mr. Johnson served as a member of the board of RITA Medical Systems, Inc. From February 2008 to May 2012, Mr. Johnson served as President, CEO and director of Cardiokinetix, Inc., a developer of medical devices for the treatment of congestive heart failure. From October 2005 to February 2008, Mr. Johnson served as General Manager of Abbott Spine, S.A., a division of Abbott Laboratories. From June 2003 to October 2005, Mr. Johnson served as Division Vice President, Finance for Abbott Spine. From May 1999 to June 2003, he served as Vice President of Operations and Chief Financial Officer for Spinal Concepts. Mr. Johnson holds a B.B.A. in Accounting from Texas A&M University and became a certified public accountant in 1981. Mr. Johnson is a member of our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

Mr. Johnson's service as CFO for Spinal Concepts, General Manager of Abbott Spine and CEO of Cardiokinetix provides valuable business, leadership and management experience, particularly with respect to the numerous financial, business and strategic issues faced by a diversified medical device company.

Steven R. LaPorte, age 66, joined our Board in January 2007. From 2005 to 2007, Mr. LaPorte served as a member of the board of RITA Medical Systems, Inc. Mr. LaPorte is a partner at ONSET Ventures and currently serves as a member of the boards of Valeritas Inc., Neuro Access Technologies, Cardiosolv, and Biocontrol Ltd. (United Kingdom). Mr. LaPorte also served as the Chief Technology Officer for Intellect Medical until its acquisition by Boston Scientific in January 2011. From 1978 until his retirement in 2005, Mr. LaPorte worked for Medtronic Inc. Mr. LaPorte served in various executive positions in Medtronic's Cardiac Rhythm Management and Neurological Divisions, as well as in Corporate Headquarters. Mr. LaPorte holds a B.S. from the University of Wisconsin Stevens Point and an MBA from the University of Minnesota. Mr. LaPorte is the chairman of our Nominating and Corporate Governance Committee and a member of our Compensation Committee.

Mr. LaPorte's service with Medtronic and as CTO of Intellect Medical provides valuable business, leadership and management experience with respect to the issues facing a diversified medical device company. In addition, Mr. LaPorte's experience as a Venture Partner for Onset Ventures provides insight into emerging technologies and strategic directions in the healthcare industry.

Table of Contents

CORPORATE GOVERNANCE

Director Independence

The listing standards of The Nasdaq Stock Market LLC require that a majority of a listed company's directors qualify as independent. Our Board of Directors has determined that seven of our eight directors and nominees Messrs. Burgstahler, Donnelly, Gold, Gould, Johnson, LaPorte and Meteny are independent under the Nasdaq listing standards. Under the Nasdaq listing standards, an independent director is a director who is not an officer or employee of AngioDynamics or any subsidiary and who does not have any relationship that the Board of Directors believes would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our Board of Directors reviews the relationships that each director has with our Company on an annual basis and only those directors having no direct or indirect material relationship with our Company and who qualify as independent under the Nasdaq listing standards will be considered independent directors of AngioDynamics.

Communications with the Directors

Shareholders may communicate in writing with any particular director, the independent directors as a group, or the entire Board by sending such written communication to our Secretary at our principal executive offices, 14 Plaza Drive, Latham, New York 12110. Copies of written communications received at such address will be provided to the Board or the relevant director or directors unless such communications are determined by our outside counsel to be inappropriate for submission to the intended recipient(s). However, any communication not so delivered will be made available upon request to any director. Examples of shareholder communications that would be considered inappropriate for submission include, without limitation, customer complaints, business solicitations, product promotions, résumés and other forms of job inquiries, junk mail and mass mailings, as well as material that is unduly hostile, threatening, illegal or similarly unsuitable.

Policy on Director Attendance at Annual Meetings

All Board members are encouraged to attend our Annual Meetings of shareholders absent an emergency or other unforeseen circumstance. All of our directors other than Mr. Burgstahler and Mr. Venkataraman attended our 2015 Annual Meeting of Shareholders.

Code of Business Conduct and Ethics

Our Board of Directors has adopted a written Code of Business Conduct and Ethics for our Company. Our Code of Business Conduct and Ethics is available on our website located at www.angiodynamics.com under the Investors Corporate Governance Governance Documents Code of Ethics caption.

Board of Directors Leadership Structure

Howard W. Donnelly is our independent, non-executive Chairman of the Board of Directors, and James C. Clemmer is our Chief Executive Officer. We separate the roles of Chief Executive Officer and Chairman of the Board of Directors in recognition of the differences between the two roles. The Chief Executive Officer is responsible for setting the strategic direction for the Company and the day-to-day leadership and performance of the Company, while the Chairman of the Board of Directors provides guidance to the Chief Executive Officer and sets the agenda for Board meetings and presides over meetings of the Board. We also believe that separation of the positions reinforces the independence of the Board in its oversight of the business and affairs of the Company, and creates an environment that is more conducive to objective evaluation and oversight of management's performance, increasing management accountability and improving the ability of the Board to monitor whether management's actions are in the best interests of the Company and its shareholders.

Table of Contents

Risk Oversight

Our Board of Directors monitors management's enterprise-wide approach to risk management. The full Board of Directors' role in discussing and developing our business strategy is a key part of its understanding of the risks the Company faces and what steps management is taking to manage those risks. The Board of Directors regularly assesses management's appetite for risk and helps guide management in determining what constitutes an appropriate level of risk for the Company.

While the Board of Directors has the ultimate oversight responsibility for the risk management process, various committees of the Board also have responsibility for risk management. In particular, the Audit Committee participated in and reviewed management's enterprise risk assessment, which focused on four primary areas of risk: Strategic; Financial; Operational and Legal/Compliance. In addition, the Audit Committee focuses on financial risks, including internal controls. In setting compensation, the Compensation Committee strives to create incentives that encourage a level of risk-taking behavior consistent with our business strategy.

Table of Contents

THE STOCKHOLDERS AGREEMENT

In connection with our acquisition of Navilyst Medical in 2012, we entered into a Stockholders Agreement with certain of the former stockholders of Navilyst, including investment funds affiliated with Avista Capital Partners (which we refer to in this proxy statement as the Stockholders). The following is a summary of certain provisions of the Stockholders Agreement and is qualified in its entirety by reference to the Stockholders Agreement, which we incorporate by reference to Exhibit 2.2 of our Current Report on Form 8-K filed with the SEC on May 25, 2012. This summary may not contain all of the information about the Stockholders Agreement that is important to you. We urge you to read the entire Stockholders Agreement carefully because it is the legal document governing important aspects of the relationship among AngioDynamics and the Stockholders.

Board Representation

Pursuant to the terms of the Stockholders Agreement, the size of AngioDynamics Board of Directors was increased from eight to ten directors. In addition, our Board of Directors appointed two individuals designated by investment funds affiliated with Avista to serve on our Board (David Burgstahler and Sriram Venkataraman, who are together referred to in this proxy statement as the Stockholder Designees) until such time as, with respect to the first Stockholder Designee, the Stockholders beneficial ownership in AngioDynamics has been reduced below twenty percent (20%) of the then-outstanding voting shares and, with respect to the second Stockholder Designee, the Stockholders beneficial ownership in AngioDynamics has been reduced below ten percent (10%) of the then-outstanding voting shares (each, a Board Right Termination Event with respect to such Stockholder Designee). On August 5, 2016, following the Stockholders sale of shares of our common stock pursuant to an underwriting agreement, the Stockholders beneficial ownership in AngioDynamics was reduced below 20% of the outstanding voting shares. As a result, in accordance with the terms of his appointment to AngioDynamics Board of Directors and the terms of the Stockholders Agreement, the first Stockholder Designee, Sriram Venkataraman, resigned as a director on August 5, 2016. The second Stockholder Designee, David Burgstahler, serves as a Class III director. If the Stockholders materially breach the Stockholders Agreement, which breach is not cured in all material respects within 15 business days of receipt of notice of such breach, we have the right to terminate the Stockholders right to designate the Stockholder Designees.

For as long as the Stockholders have the right to designate the Stockholder Designees in accordance with the provisions of the Stockholders Agreement, AngioDynamics must use commercially reasonable efforts, at each annual general meeting of shareholders of AngioDynamics, to procure the election or re-election of the applicable Stockholder Designee to the Board, for a term expiring at the next annual general meeting of shareholders at which members of the class of directors to which the Stockholder Designee belongs are to be elected or re-elected, or until such Stockholder Designee s successor is elected and qualified, or at such earlier time, if any, as such Stockholder Designee may resign, retire, die or be removed as a director. If a Stockholder Designee has resigned, retired, died or been removed from office, the Stockholders have the right to designate a replacement Stockholder Designee.

Once a Stockholder Designee is not elected or re-elected, as the case may be, as a director by the requisite vote of AngioDynamics stockholders, AngioDynamics will not be obligated to procure the election or re-election of such Stockholder Designee pursuant to the terms of the Stockholders Agreement and the Stockholders will have the right to designate a replacement Stockholder Designee.

Standstill Restrictions

Under the terms of the Stockholders Agreement, each Stockholder and Avista Capital Holdings, LP (Avista) will be subject to customary standstill restrictions until the later of (a) the seven-year anniversary of the closing date of the acquisition and (b) the three-year anniversary of the date on which the Stockholders cease to beneficially own voting securities of AngioDynamics representing at least five percent (5%) of the voting securities then outstanding. The standstill restrictions will generally prevent the Stockholders and Avista from

Table of Contents

(i) acquiring any additional new AngioDynamics voting securities and (ii) taking a number of actions that might result in the Stockholders or Avista exerting influence or control over AngioDynamics, including, but not limited to, the following:

acquiring or agreeing to acquire beneficial ownership of any voting securities in addition to the shares issued in connection with the acquisition other than as a result of (i) reverse share splits or other actions of AngioDynamics that cause the Stockholders and their affiliates to beneficially own any excess amount or (ii) shares purchased in the ordinary course of business as a result of the acquisition of any portfolio company or other investment entity that owns any such shares at the time of such acquisition, if such additional shares represent five percent (5%) or less of then-outstanding voting securities or if such ownership is approved by the Board;

acquiring or agreeing to acquire beneficial ownership of any other securities issued by AngioDynamics other than shares or other securities purchased in the ordinary course of business as a result of the acquisition of any portfolio company or other investment entity that owns any such securities at the time of such acquisition, if such additional shares represent five percent (5%) or less of the then-outstanding securities of such type of security or if such purchase is approved by the Board;

proposing, offering or participating in any effort to acquire AngioDynamics or any of its subsidiaries or any of their assets or operations;

inducing or attempting to induce any third party to participate in any effort to acquire beneficial ownership of AngioDynamics voting securities;

proposing, offering or participating in any tender offer, exchange offer, merger, acquisition, share exchange or other business combination or change of control transaction involving AngioDynamics or any of its subsidiaries, or any recapitalization, restructuring, liquidation, disposition, dissolution or other extraordinary transaction involving AngioDynamics any of its subsidiaries or any material portion of their businesses;

seeking to call, requesting the call of, or calling a special meeting of the stockholders of AngioDynamics, or making or seeking to make a stockholder proposal, or requesting a list of AngioDynamics stockholders, or seeking election to the board or seeking to place a representative on the Board other than as specified in the Stockholders Agreement, or seeking removal of any director from the Board, or otherwise seeking to control or influence the governance or policies of AngioDynamics;

soliciting proxies, designations or written consents of stockholders, or conducting any referendum to vote the securities with respect to any matter, or becoming a participant in any contested solicitation for the election of AngioDynamics directors, other than in support of the voting obligations of the Stockholders pursuant to the Stockholders Agreement;

forming or participating in a partnership, limited partnership, syndicate or other group within the meaning of Section 13(d)(3) of the Exchange Act, or depositing any voting securities in a voting trust or similar arrangement; or

publicly disclosing or causing the public disclosure of any proposal to obtain any waiver, consent or amendment of any of the provisions of the Stockholders Agreement.

Voting

For a period of one year from the date of the Stockholders Agreement, the Stockholders were required to vote all voting securities owned by the Stockholders in accordance with the recommendation of the AngioDynamics Board of Directors. Thereafter, the Stockholders must vote their

Edgar Filing: ANGIODYNAMICS INC - Form DEF 14A

securities either (a) in accordance with the recommendation of the Board of Directors or (b) in proportion to the votes cast with respect to the voting securities not owned by the Stockholders, for so long as the Stockholders beneficially own at least

Table of Contents

ten percent (10%) of the outstanding voting securities of AngioDynamics. However, each Stockholder can vote its voting securities in its sole discretion if the Stockholders beneficially own less than fifteen percent (15%) of the Company's voting securities then-outstanding and there is no Stockholder Designee then serving on the Board.

Registration Rights

The Stockholders have certain registration rights under the Stockholders Agreement. On August 15, 2013, AngioDynamics filed a shelf registration statement on Form S-3. If, at any time, AngioDynamics is not eligible to use Form S-3, it will use Form S-1, but will undertake to register the Stockholders' shares on Form S-3 promptly thereafter. AngioDynamics will use its reasonable best efforts to keep the registration statement continuously effective and to cooperate in any shelf take down.

AngioDynamics has the right to postpone, for a period not to exceed 30 consecutive days or an aggregate of 75 days in any one-year period, and not more than once in any six-month period, the filing of a registration statement if (A) the SEC issues a stop order suspending the effectiveness of the registration statement or (B) in the good faith judgment of our Board of Directors, such registration would require AngioDynamics to make a public disclosure of material non-public information, which disclosure would reasonably be expected to be materially adverse to AngioDynamics or adversely and materially affect its ability to effect a reasonably imminent material proposed transaction, disposition, financing, reorganization, recapitalization or similar transaction. The obligation of AngioDynamics to register shares and maintain the effectiveness of registration statements shall terminate as to each Stockholder on the earliest of (a) the date that all shares owned by such Stockholder may be freely sold without registration and (b) the date that is four months after the first date on which Stockholders own less than five percent (5%) of the then-outstanding voting shares of the Company.

The Stockholders have certain additional rights in connection with their registration rights under the Stockholders Agreement, including the Company's agreement to pay all registration expenses and certain other costs in connection with an offering of the Stockholders' shares.

Termination

The Stockholders Agreement will terminate upon the earlier of (a) the later of (i) the seventh anniversary of the closing of the Navilyst acquisition and (ii) the date that is three years after the first date on which the Stockholders cease to own at least five percent (5%) of the voting shares of the Company then outstanding; and (b) a change of control with respect to AngioDynamics in which all voting shares of AngioDynamics are exchanged for cash consideration. If AngioDynamics consolidates or merges and is not the surviving corporation and the shares are converted or exchanged for non-cash consideration, the successors and assigns of AngioDynamics will honor the registration rights provisions of the Stockholders Agreement while all other provisions of the Stockholders Agreement will terminate upon such change of control.

Table of Contents

MEETINGS AND BOARD COMMITTEES

Committees of the Board

During our fiscal year ended May 31, 2016, our Board of Directors had three standing committees, the members of which have been elected by the Board: the Audit Committee; the Compensation Committee; and the Nominating and Corporate Governance Committee. Each committee is composed entirely of independent directors and the chairman and members of each committee are appointed annually by the Board. Each committee is authorized to retain its own outside counsel and other advisors as it desires, subject to, for the Nominating and Corporate Governance Committee a \$100,000 annual limitation on fees and expenses for such counsel and advisors without the full Board's prior consent.

Each committee has adopted a written charter, and a brief summary of each committee's responsibilities follows.

Audit Committee and Audit Committee Financial Expert

The Audit Committee assists our Board of Directors in its oversight of: (i) the integrity of our financial statements, financial reporting process, system of internal controls over financial reporting, and audit process; (ii) our compliance with, and process for monitoring compliance with, legal and regulatory requirements; (iii) our independent registered public accounting firm's qualifications and independence; and (iv) the performance of our independent registered public accounting firm. The Audit Committee also provides an open avenue of communication between the independent registered public accounting firm and the Board. The authority and responsibilities of the Audit Committee are set forth in detail in its charter, which is available on our website located at www.angiodynamics.com under the Investors Corporate Governance Committee Charters Audit Committee caption. The information on our website is not a part of this proxy statement.

During our fiscal year ended May 31, 2016, the members of the Audit Committee were Dennis S. Meteny, Jeffrey G. Gold, Wesley E. Johnson, Jr. and Sriram Venkataraman, each of whom has been determined by our Board to be independent under the Nasdaq listing standards. Mr. Venkataraman resigned from the Board on August 5, 2016. The Board has also determined that each member of the Audit Committee is financially literate in accordance with the Nasdaq listing standards and that Mr. Meteny, who serves as the chair of the Audit Committee, is an audit committee financial expert, as defined under SEC rules. The Audit Committee met 9 times during our fiscal year ended May 31, 2016. All of such meetings were attended, either in person or telephonically, by all of the members of the Audit Committee. The Audit Committee did not take any actions by unanimous written consent during the fiscal year ended May 31, 2016.

The report of the Audit Committee begins on page 53 of this proxy statement.

Compensation Committee

The Compensation Committee is responsible for: (i) developing and evaluating potential candidates for executive positions; (ii) reviewing and recommending to the Board each year the objectives that will be the basis for the payment of the annual incentive compensation to the CEO; (iii) reviewing our CEO's performance annually in light of the Compensation Committee's established goals and objectives; (iv) reviewing and approving the evaluation process and compensation structure for our other executive officers annually and overseeing the CEO's decisions concerning the performance and compensation of our other executive officers; and (v) reviewing and administering our incentive compensation and other stock-based plans and recommending changes in such plans to the Board, as needed. The authority and responsibilities of the Compensation Committee are set forth in detail in its charter, which is available on our website located at www.angiodynamics.com under the Investors Corporate Governance Committee Charters Compensation Committee caption. The information on our website is not a part of this proxy statement. The Compensation Committee has authority under its charter to delegate its responsibilities to a subcommittee of the Committee, but did not do so during our fiscal year ended May 31, 2016.

Table of Contents

During our fiscal year ended May 31, 2016, the members of the Compensation Committee were Kevin J. Gould, Wesley E. Johnson, Jr. and Steven R. LaPorte, each of whom has been determined by our Board of Directors to be independent under the Nasdaq listing standards. Mr. Gould serves as chair of the Compensation Committee. The Compensation Committee met 9 times during our fiscal year ended May 31, 2016. All of such meetings were attended, either in person or telephonically, by all of the members of the Compensation Committee. The Compensation Committee took action by written consent on one occasion during the fiscal year ended May 31, 2016.

Compensation Committee Interlocks and Insider Participation

During fiscal 2016 and as of the date of this proxy statement, none of the members of the Compensation Committee was or is an officer or employee of the Company, and no executive officer of the Company served or serves on the compensation committee or board of directors of any company that employed or employs any member of the Company's Compensation Committee or Board of Directors.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for: (i) assisting the Board in identifying individuals qualified to serve as directors of our Company and on committees of the Board and assessing the background and qualifications of director candidates; (ii) advising the Board with respect to Board composition, procedures and committees; (iii) developing and recommending to the Board a set of corporate governance principles applicable to our Company, including principles for determining the form and amount of director compensation; and (iv) overseeing the evaluation of the Board. The Nominating and Corporate Governance Committee's guidelines for selecting nominees to serve on the Board are set forth in its charter and summarized below.

The Nominating and Corporate Governance Committee may apply several criteria in selecting and assessing nominees. At a minimum, the committee will consider: (a) whether each such nominee has demonstrated, by significant accomplishment in the nominee's field, an ability to make a meaningful contribution to the Board's oversight of the business and affairs of our Company; and (b) the nominee's reputation for honesty and ethical conduct in the nominee's personal and professional activities. Additional factors that the committee shall take into account are set forth in its charter, and include, for example, the relevance of a candidate's specific experiences, skills, industry background and knowledge to the business and objectives of our Company; a candidate's potential contribution to the diversity of the Board (including gender, race and ethnicity); a candidate's personal and professional integrity, character and business judgment; a candidate's time availability in light of other commitments; any potential conflicts of interest involving a candidate; and any other factors or qualities that the committee believes will enhance the Board's ability to effectively manage and direct our Company's affairs and business, including, where applicable, the ability of Board committees to perform their duties or satisfy any independence requirements under the Nasdaq listing standards or otherwise. In identifying director candidates, the committee also considers the composition of the Board as a whole, with the goal of achieving a balance of the above-listed criteria across the entire Board and a mix of management and independent directors, while also filling the need for particular skill sets, such as those required of Audit Committee.

The Nominating and Corporate Governance Committee will identify nominees by first evaluating the current members of our Board of Directors whose terms are expiring and who are willing to continue in service. In doing so, the committee will balance the skills and experience of such current directors, as well as the value of continuity of their service, with that of obtaining new perspectives for the Board.

For new nominees, the committee will identify potential candidates based on input from members of the Board and management and, if the committee deems it appropriate, from one or more third-party search firms. The committee will seek new qualified director candidates from, among other areas, the traditional corporate/

Table of Contents

business environment, healthcare providers and other professional fields and governmental and regulatory agencies that are relevant to our company's business and objectives. The committee will seek to include qualified and diverse director candidates, including women and individuals from minority groups, in the pool from which nominees are selected. In this regard, the committee and the board believe that a diverse Board can lead to improved company performance by encouraging new ideas, expanding the knowledge base available to the Board and management and fostering a boardroom environment and culture that promotes new perspectives, innovation and deliberation.

Once a person has been identified by the committee as a potential candidate, the committee will assess, based on publicly available information regarding the person, whether the candidate should be considered further. If the committee determines that the candidate warrants further consideration and the person expresses a willingness to be considered and to serve on the Board, the committee will request information from the candidate, review his or her accomplishments and qualifications and conduct one or more interviews with the candidate. If the candidate appears qualified, committee members may also contact references provided by the candidate or other persons with first-hand knowledge of the candidate's experience and accomplishments. Additionally, candidates may be requested to meet with some or all of the other members of the Board of Directors. Using the input from these interviews and the other information it has obtained, the committee will determine whether it should recommend that the Board nominate, or elect to fill a vacancy with, a final prospective candidate. The committee's evaluation process is the same for candidates recommended by shareholders.

The authority and responsibilities of the Nominating and Corporate Governance Committee are set forth in detail in its charter, which is available on our website located at www.angiodynamics.com under the Investors Corporate Governance Committee Charters Nominating & Corporate Governance Committee caption. The information on our website is not a part of this proxy statement.

During our fiscal year ended May 31, 2016, the members of the Nominating and Corporate Governance Committee were Jeffrey G. Gold, Wesley E. Johnson, Jr. and Steven R. LaPorte, each of whom has been determined by our Board of Directors to be independent under the Nasdaq listing standards. Mr. LaPorte serves as the chair the committee. The Nominating and Corporate Governance Committee met 5 times during the fiscal year ended May 31, 2016. All of such meetings were attended, either in person or telephonically, by all of the members of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee took action by unanimous written consent one time during the fiscal year ended May 31, 2016.

Recommendations by Shareholders of Director Nominees

Shareholders may recommend individuals to the Nominating and Corporate Governance Committee for consideration as potential director candidates by submitting their names and appropriate background and biographical information to the Nominating and Corporate Governance Committee, c/o AngioDynamics, Inc., 14 Plaza Drive, Latham, New York 12110 at least 90 days but no more than 120 days prior to the anniversary date of the previous year's Annual Meeting. Assuming that the appropriate information has been timely provided, the committee will consider these candidates in the same manner as it considers other Board candidates it identifies. Our shareholders also have the right to nominate director candidates without any action on the part of the Nominating and Corporate Governance Committee or our Board of Directors by following the advance notice provisions of our by-laws as described under Nomination of Directors.

Meetings of the Board and Committees

Our Board of Directors held 17 meetings and took action by unanimous written consent one time during our fiscal year ended May 31, 2016. Each incumbent director attended more than 75% of the meetings of the Board and of each committee of which he was a member that were held during the period in which he was a director or committee member.

Table of Contents**OWNERSHIP OF SECURITIES**

The following table sets forth the AngioDynamics common stock beneficially owned by each of our directors, each of our named executive officers, all of our directors and executive officers as a group and each person known by us to beneficially own more than 5% of our common stock as of August 29, 2016. Except as otherwise noted, each individual director or named executive officer had sole voting and investment power with respect to the AngioDynamics common stock. As of August 29, 2016, there were 36,800,761 shares of our common stock outstanding. As of August 29, 2016, no director (except Mr. Burgstahler who is affiliated with Avista Capital Partners) or executive officer beneficially owned more than 1% of the shares of our outstanding common stock. As of August 29, 2016, AngioDynamics' current directors and executive officers as a group beneficially own 1.88% of the shares of common stock outstanding.

Name of Beneficial Owner	Number of Shares of Common Stock Owned as of August 29, 2016 ^(a)	% of Outstanding Shares	Number of Shares Beneficially Owned, Number that May be Acquired Within 60 Days of August 29, 2016
5% Owners			
Avista Capital Partners GP, LLC	7,183,008 ^(b)	19.52	
c/o Avista Capital Partners			
65 East 55 th Street, 18 th Floor			
New York, NY 10022			
RGM Capital, LLC	3,336,200 ^(c)	9.07	
9010 Strada Stell Court, Suite 105			
Naples, Florida 34109			
BlackRock, Inc.	3,053,869 ^(d)	8.30	
55 East 52 nd Street			
New York, NY 10022			
Broadfin Capital, LLC.	2,498,527 ^(e)	6.79	
237 Park Avenue, Suite 900			
New York, NY 10017			
Dimensional Fund Advisors LP	2,801,885 ^(f)	7.61	
Palisades West, Building One			
6300 Bee Cave Road			
Austin, TX, 78746			
Directors			
David Burgstahler	7,239,277 ^(g)	19.67 ^(g)	44,476
Howard W. Donnelly	89,829	*	47,476
Jeffery G. Gold	97,158	*	59,476
Kevin J. Gould	78,772	*	58,476

Edgar Filing: ANGIODYNAMICS INC - Form DEF 14A

Wesley E. Johnson, Jr.	74,683	*	47,476
Steven R. LaPorte	81,680	*	47,476
Dennis S. Meteny	106,272	*	59,476
Named Executive Officers			
James C. Clemmer			
Stephen A. Trowbridge	37,149	*	23,606
Mark A. Stephens	30,338	*	11,533
All directors and executive officers as a group (10 persons) ^(h)	691,286 ⁽ⁱ⁾	1.88	430,183

* Represents less than one percent of the number of shares outstanding at August 29, 2016.

Table of Contents

- (a) Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Under those rules, although not outstanding, shares of common stock subject to options that are exercisable or will become exercisable within 60 days of August 29, 2016 and restricted stock units that will vest within 60 days of August 29, 2016 are deemed to be outstanding and to be beneficially owned by the person holding the securities for the purpose of computing the percentage ownership of the person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.
- (b) Share ownership information is based upon a Schedule 13D/A filed by Avista Capital Partners GP, LLC on August 5, 2016, which reports that the Schedule 13D/A was jointly filed by the following persons (each a Reporting Person and collectively the Reporting Persons): (1) Avista Capital Partners GP, LLC, a Delaware limited liability company (Avista GP); (2) Avista Capital Partners, L.P., a Delaware limited partnership (ACP); (3) Avista Capital Partners (Offshore), L.P., a Bermuda limited partnership (ACP Offshore); and (4) Navilyst Medical Co-Invest, LLC, a Delaware limited liability company (NM Co-Invest) and together with ACP and ACP Offshore, collectively the Avista Capital Funds). ACP may be deemed to beneficially own 4,453,305 shares of Common Stock, ACP Offshore may be deemed to beneficially own 1,174,296 shares of Common Stock, and NM Co-Invest may be deemed to beneficially own 1,555,407 shares of Common Stock. Avista GP is the general partner of each of ACP and ACP Offshore and is the managing member of NM Co-Invest. Voting and investment determinations with respect to the shares held by the Avista Capital Funds are made by an investment committee comprised of the following members: Thompson Dean, Steven Webster, David Burgstahler, David Durkin and Sriram Venkataraman. As a result, and by virtue of the relationships described above, the investment committee of Avista GP may be deemed to exercise voting and dispositive power with respect to the shares held by the Avista Capital Funds. Each of the members of the investment committee of Avista GP disclaims beneficial ownership of such shares.
- (c) Share ownership information is based upon a Schedule 13G/A filed by RGM Capital, LLC and Robert G. Moses, managing member of RGM Capital, LLC, on February 16, 2016. According to the Schedule 13G/A, RGM Capital, LLC and Robert G. Moses beneficially own and have shared voting and dispositive power with respect to 3,336,200 shares.
- (d) Share ownership information based upon a Schedule 13G/A filed by BlackRock, Inc. on January 25, 2016. According to the Schedule 13G/A, Blackrock, Inc. has sole voting power with respect to 2,984,644 shares and sole dispositive power with respect to 3,053,869 shares.
- (e) Share ownership information is based upon a Schedule 13G/A filed by Broadfin Capital, LLC, Broadfin Healthcare Master Fund, Ltd. and Kevin Kotler on February 11, 2016. According to the Schedule 13G/A, Broadfin Capital, LLC, Broadfin Healthcare Master Fund, Ltd. and Kevin Kotler have beneficial ownership and shared voting and dispositive power with respect to 2,498,527 shares of common stock.
- (f) Share ownership information is based upon a Schedule 13G/A filed by Dimensional Fund Advisors LP on February 9, 2016. According to the Schedule 13G/A, Dimensional Fund Advisors serves as investment adviser to four investment companies and serves as investment manager to certain other commingled group trusts and separate accounts (collectively, the Funds). In its role as investment adviser, neither Dimensional Fund Advisors nor its subsidiaries possess voting and/or investment power over the securities of the Issuers that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Issuer held by the Funds. Dimensional Fund Advisors disclaims beneficial ownership of such securities. To the knowledge of Dimensional Fund Advisors, none of the Funds individually own more than 5% of the outstanding shares of Common Stock. The Funds have shared dispositive power with respect to 2,801,885 shares and have shared voting power with respect to 2,699,177 shares.
- (g) Includes shares owned by Avista Capital Funds. Mr. Burgstahler disclaims beneficial ownership of such shares.
- (h) Reflects shares owned by Avista Capital Funds. Mr. Burgstahler disclaims beneficial ownership of such shares.
- (i) Includes all of the persons identified as directors and Messrs. Clemmer, Trowbridge, and Stephens. Does not include shares owned by Avista Capital Funds.

Table of Contents**Equity Compensation Plan Information**

The following table sets forth information, as of May 31, 2016, with respect to compensation plans under which our equity securities are authorized for issuance.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (2)
Equity compensation plans approved by security holders	2,801,333 ⁽¹⁾	\$ 14.64	2,166,476
Equity compensation plans not approved by security holders	500,000 ⁽³⁾	\$ 12.14	None
Total	3,301,333	\$ 14.42	2,166,476

- (1) Includes (i) 2,111,618 stock options with a weighted-average exercise price of \$14.64, (ii) 494,073 restricted stock units, and (iii) 185,892 performance share awards.
- (2) Reflects the number of securities remaining available for future issuance under the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan, as amended, without giving effect to the proposed amendment to such plan set forth in this proxy statement.
- (3) On April 1, 2016, the Company entered into an employment agreement with James C. Clemmer to secure his service as President and Chief Executive Officer of the Company. As part of his employment agreement, the Company granted Mr. Clemmer 250,000 performance share awards, 200,000 options at an exercise price of \$12.14, and 50,000 restricted stock units. The awards were granted as an inducement material to Mr. Clemmer's entering into employment with the Company, within the meaning of Nasdaq Listing Rule 5635.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Philosophy and Objectives

AngioDynamics operates in an extremely competitive industry. Our compensation philosophy is designed to:

align our executive officers' compensation with our business objectives and the interests of our shareholders;

enable us to attract, motivate and retain the level of successful, qualified senior executive leadership talent necessary to achieve our long term goals; and

reward performance, company growth and advancement of our long-term strategic initiatives.

AngioDynamics generally sets executive compensation targets for cash and equity-based compensation at or near the 50th percentile of companies in a predetermined comparable group through a combination of fixed and variable compensation. Our compensation program supports our pay for performance philosophy by targeting fixed compensation (base salary) at or near the 50th percentile of the comparable companies and targeting variable compensation at the 50th percentile with the opportunity to earn above the 50th percentile when warranted by performance.

AngioDynamics views these ranges of compensation targets as a guideline, not a rule, in setting and adjusting our compensation programs. While the Compensation Committee attempts to base compensation decisions on the most recent market data available, it also recognizes the importance of flexibility, and may go above or below the targeted ranges for any individual or for any specific element of compensation. Individual executive compensation may be above or below the stated philosophy based on considerations such as individual performance, experience, history and scope of position, current market conditions and the specific needs of the business at critical points in time.

In addition, our compensation strategy takes into account our financial performance relative to our peer companies including companies that:

exclusively design, develop, manufacture, and market medical devices;

market and sell products primarily through a direct sales force;

are headquartered in the United States;

are publicly traded on the Nasdaq or NYSE stock exchanges and have at least one published proxy statement;

have revenues, market value, and an employee size of a minimum of approximately 50% of, and up to approximately 200% of our expected revenues, market size and employee count for the next fiscal year; and

are generally profitable.

Within this overall philosophy, the Compensation Committee's objectives are to:

offer a total compensation package that takes into consideration the compensation practices of similarly situated companies with which we compete for exceptional senior level talent;

provide annual cash incentive awards relative to attaining certain pre-determined financial metrics, along with completion of individual objectives;

align financial incentives with shareholders' interests through significant equity-based incentives to senior management; and

Table of Contents

reward overachievement of goals with programs designed to have significant upside bonus opportunity for participants.

The Compensation Committee

The Compensation Committee is responsible for: (i) assisting the Board in developing and evaluating potential candidates for executive positions; (ii) reviewing and recommending to the Board the corporate goals and objectives with respect to our CEO's compensation on an annual basis; (iii) reviewing our CEO's performance annually in light of the committee's established goals and objectives; (iv) reviewing and approving the evaluation process and compensation structure for our other named executive officers annually and overseeing the CEO's decisions concerning the performance and compensation of our other named executive officers; and (v) reviewing and ensuring our incentive compensation and other stock-based plans are administered consistent with the terms of such plans and recommending changes in such plans to the Board, as needed. The authority and responsibilities of the Compensation Committee are set forth in detail in its charter, which is available on our website located at www.angiodynamics.com under the Investors Corporate Governance Committee Charters Compensation Committee caption.

Our Board of Directors has determined that all of the directors who were members of the Compensation Committee during our fiscal year ended May 31, 2016 Messrs. Gould, Johnson and LaPorte are independent under the Nasdaq listing standards. Although the Compensation Committee comprises solely independent directors, it does consider the recommendations, if any, provided by our CEO in determining the appropriate levels of compensation for our named executive officers, other than the CEO.

Named Executive Officers

AngioDynamics' named executive officers (or our NEOs) are President and Chief Executive Officer (James C. Clemmer) and former President and Chief Executive Officer (Joseph M. DeVivo), former interim Chief Financial Officer (Michael Trimarchi) and former Chief Financial Officer (Mark T. Frost), the two individuals other than the Chief Executive Officer and Chief Financial Officer who served as executive officers as of May 31, 2016 (Stephen A. Trowbridge and Mark A. Stephens) and one former executive officer who would have been among the three most highly compensated executive officers other than the Chief Executive Officer and Chief Financial Officer but did not serve as an executive officer as of May 31, 2016 (John Soto). From Mr. Trimarchi's departure through July 27, 2016, we did not have a Chief Financial Officer, and instead were using the services of an outside consulting firm to fill this role. On July 27, 2016, Peter J. Kish was designated as our principal financial officer and principal accounting officer and served in this role until our new Chief Financial Officer Michael Greiner began his service on August 16, 2016.

This Compensation Discussion and Analysis and the tables that follow describe compensation decisions regarding our NEOs, including certain executives who left AngioDynamics during the year. In fiscal 2016, we experienced changes in the executive leadership team, including the following departures: former President and Chief Executive Officer (Mr. DeVivo), effective March 31, 2016; former interim Chief Financial Officer (Mr. Trimarchi), effective May 13, 2016; former Chief Financial Officer (Mr. Frost), effective November 20, 2015; and former Executive Vice President and Chief Commercial Officer (Mr. Soto), effective May 2, 2016. Pursuant to Securities and Exchange Commission rules, compensation information regarding these former officers is included in the tables and narrative below, as applicable. However, where the Compensation Committee did not assess compensation for these individuals, because they were no longer with the Company, their compensation is not described.

Components of Executive Compensation for Fiscal 2016

The three components of the compensation program for named executive officers are base salary, annual cash incentive compensation and long-term equity-based incentive awards in the form of performance share

Table of Contents

awards, stock options and restricted stock unit awards. The Compensation Committee administers these components with the goal of providing total compensation that is competitive in the marketplace, while recognizing meaningful differences in individual performance and offering the opportunity to earn superior rewards when merited by individual performance. The Compensation Committee’s policy is to establish ranges for base salary, annual cash incentive compensation and equity-based incentives for named executive officer positions, including that of the CEO, with consideration to the averages paid by similarly-situated companies, which include publicly traded companies of similar structure, revenue, and profitability in the life sciences industry.

In determining these ranges, the Compensation Committee reviewed information from a compensation survey conducted on our behalf in 2013 by Mercer, an independent consulting company engaged by the Compensation Committee to conduct the survey. The Compensation Committee also approved the list of peers to be used in the analysis. During our fiscal year ended May 31, 2016, the Company analyzed information with respect to the following peer group¹.

Accuray	Masimo Corporation
Conmed Corporation	Merit Medical Systems, Inc.
Cyberonics, Inc.	Natus Medical Incorporated
ICU Medical, Inc.	NxStage Medical, Inc.

In order to ensure a comprehensive review in preparing the compensation survey, Mercer took the following steps:

- 1) Compiled information to form the basis of the survey, including analyzing and selecting peer companies, analyzing our historical and current compensation practices and philosophies, and determining the positions to be included in the survey, with the assistance of the Compensation Committee and other key contributors.
- 2) Performed a proxy review using peer group data and other industry specific surveys to analyze base salary, total cash compensation, and long-term incentives paid to executives and summarized its findings in the form of a competitive pay analysis.
- 3) Presented recommendations for comprehensive executive plan strategy and pay structure for the next fiscal year, including base salary levels, design of the annual bonus program, and amount and allocation of short-term and long-term incentive compensation components.

The following table depicts the components of target compensation for our CEO and our NEOs established by our Compensation Committee for our fiscal year ending May 31, 2016. Each of the components is described in more detail below.

¹ Thoratec Corporation, Tornier N.V. and Volcano Corporation were eliminated from the peer group during AngioDynamics’ fiscal year ended May 31, 2016 because each company was acquired during such period.

Table of Contents

Appointment of New CEO

On April 1, 2016, AngioDynamics entered into an employment agreement with James C. Clemmer, appointing Mr. Clemmer as President and Chief Executive Officer of the Company, effective April 4, 2016. Mr. Clemmer succeeded Joseph M. DeVivo who had served as President and CEO since September 2011. Pursuant to the employment agreement with Mr. Clemmer, he will serve as the Company's President and CEO for an initial two-year term, subject to successive one-year extensions unless either party notifies the other in writing not later than March 1 immediately prior to the anniversary of the employment agreement effective date, beginning on March 1, 2018 and each March 1 thereafter. Mr. Clemmer will receive a base salary of \$625,000 per year and be eligible for annual bonuses at a target level of 100% of his base salary beginning with the Company's fiscal year ending May 31, 2017. Mr. Clemmer was not eligible for an annual bonus for the fiscal year ended May 31, 2016. Mr. Clemmer will receive (i) an executive car allowance of \$1,500 per month (less applicable taxes), (ii) reimbursement of up to \$15,000 for legal fees incurred by Mr. Clemmer in the review of his employment agreement, (iii) reimbursement for reasonable business expenses incurred during the period of employment subject to the Company's expense reimbursement policies, and (iv) a relocation allowance of \$75,000 in the form of reimbursements and payments. Mr. Clemmer will also be eligible to participate in the benefit and perquisite plans and programs generally available to senior executives of the Company, including health insurance, life and disability insurance, the Employee Stock Purchase Plan, 401(k) plan and flexible spending plan.

With respect to the Company's fiscal year ending May 31, 2017, Mr. Clemmer will be eligible to receive an equity award in accordance with the Company's customary procedures pursuant to the annual equity award program. It is the current policy of the Company's board of directors that the chief executive officer receives for his annual equity grant an award valued at 225% of base salary, and that such award comprises 25% stock options, 25% restricted stock units, and 50% performance share awards.

In addition, under his employment agreement, Mr. Clemmer was granted equity awards effective April 4, 2016 in the form of (i) 250,000 performance share awards, (ii) an option to purchase 200,000 shares of common stock, and (iii) 50,000 restricted stock units. The performance share awards have a three-year term with payouts to be made in shares of AngioDynamics common stock at the end of the term ranging between 0 and 200% of the grant amount depending on the Company's total shareholder return relative to a peer group of companies substantially similar to the peer group previously disclosed in connection with the Company's prior performance share award programs. The options will vest in four equal installments beginning on the first anniversary of the grant date, have a strike price equal to the closing price of AngioDynamics' common stock as of April 4, 2016 (\$12.14) and expire, if not exercised, on April 4, 2023. The restricted stock units will vest in four equal installments beginning on the first anniversary of the grant date. Each of these three grants was granted to Mr. Clemmer as inducement equity awards in accordance with Nasdaq Listing Rule 5635(c)(4).

In connection with Mr. DeVivo's departure, AngioDynamics entered into a Separation Agreement and General Release with Mr. DeVivo on April 22, 2016. Under the terms of this agreement, Mr. DeVivo will receive a payment equal to his annual base salary of \$644,000 on the terms and subject to the conditions set forth in the agreement. In addition, Mr. DeVivo's unexpired but unvested performance share awards, stock options and restricted stock units will continue to vest according to their terms during the twelve month period following the date of the agreement. Mr. DeVivo will also be entitled to payment for all accrued but unused vacation pay and to continued health benefits for a period of twelve months, subject to certain exceptions. Mr. DeVivo agreed to reasonably cooperate with the Company for one hundred eighty days in transitioning all pending matters and agreed to a general release to the Company. The agreement also provides that Mr. DeVivo will abide by the terms of certain non-competition and non-solicitation provisions for a period of twelve months from the date of the agreement.

Appointment of Interim CFO

On November 9, 2015, Michael Trimarchi, the Company's then Vice President and Global Controller, was appointed Interim CFO as of November 20, 2015, the effective date of Mark Frost's resignation. In connection

Table of Contents

with Mr. Trimarchi's appointment as the Company's Interim CFO, the Compensation Committee approved an \$80,000 cash retention bonus payable to Mr. Trimarchi, subject to his continued employment with the Company through May 6, 2016 (or his earlier termination by the Company for any reason other than for cause or his resignation for good reason). Mr. Trimarchi remained employed through May 6, 2016 and received his retention bonus.

Base Salaries

The base salary for each named executive officer is determined at levels considered appropriate for comparable positions at similarly situated companies, while targeting the average 50th percentile for total cash compensation of executives at such similarly situated companies. Adjustments to each individual's base salary are made based on annual performance reviews with consideration given to the executive's performance as well as his/her salary compared with the range of those listed in the aforementioned survey and our executives generally. Among the criteria used in the annual performance reviews are the work and supervisory performance of the executive, demonstrated management and leadership skills, performance to specific established personal goals, and the strengths and weaknesses that the executive demonstrates on the job.

Following are the base salary increases for the named executive officers for fiscal 2016 that were effective September 1, 2015.

Name	Fiscal 2015 Base Salary	Fiscal 2016 Base Salary	Percentage Increase
James C. Clemmer	N/A	\$ 625,000	N/A
Joseph M. DeVivo	\$ 644,000	\$ 663,000	3%
Michael Trimarchi	N/A	\$ 206,000	N/A
Mark T. Frost	\$ 362,457	\$ 373,331	3%
Stephen A. Trowbridge	\$ 296,125	\$ 305,000	3%
Mark A. Stephens	\$ 299,000	\$ 308,000	4%
John Soto	\$ 329,600	\$ 339,488	3%

Salary increases for all AngioDynamics employees averaged approximately 3% during our fiscal 2016. The salary increases for our named executive officers were within the guidelines for our employees. The Compensation Committee believes that the salaries for our named executive officers are within the stated philosophy.

Annual Cash Incentives

The Compensation Committee believes that a meaningful portion of the annual compensation of each named executive officer should be in the form of annual cash incentive compensation.

The annual cash incentive target comprises 80% based upon pre-determined financial metrics and 20% based upon achievement of pre-determined personal objectives. For our named executive officers, the financial metrics target comprised 50% based on our achievement of our pre-determined net sales target, 25% based on our achievement of our pre-determined adjusted EPS target and 25% based upon our achievement of our pre-determined free cash flow target. The Compensation Committee uses net sales, adjusted EPS and free cash flow as the targets to measure financial performance because they believe they are typically highly linked to creating value for shareholders. Additional compensation up to a maximum of 50% of the target incentive payment amounts may be awarded if we overachieve our annual financial targets.

For our fiscal 2016, we achieved 95% of our net sales target of \$372.4 million, resulting in no payout of the 50% target associated with net sales, 91% of our adjusted EPS target of \$0.67, resulting in no payout of the 25% target associated with adjusted EPS, and 108% of our free cash flow target of \$40 million, resulting in a 148% payout of the 25% target associated with free cash flow.

Table of Contents

For our fiscal year ended May 31, 2016, the only named executive officers whose personal goals were assessed were Mr. Trowbridge and Mr. Stephens. Mr. Trowbridge's personal objectives included developing clinical evidence generation strategies for the Company's three business franchises, implementing strategies to respond to certain intellectual property litigation, developing and implementing business metrics in the Company's business intelligence system, streamlining processes for marketing collateral approval and reducing costs. The Compensation Committee determined that Mr. Trowbridge should be paid 76.25% of his personal objectives component. Mr. Stephens' personal objectives included having all Senior Territory managers complete certain training courses, reducing voluntary sales force turnover to no more than 25%, launching an on-line developmental tool and leading a 3PL project. The Compensation Committee determined that Mr. Stephens should be paid 97.5% of his personal objectives component.

In fiscal 2016, the target incentive payment amounts and the actual payout amounts, each as a percentage of base salary, for the named executive officers were as follows:

Name	Target as a Percentage of Base Salary	Actual Payout as a Percentage of Base Salary
James C. Clemmer ⁽¹⁾	N/A	N/A
Joseph M. DeVivo ⁽²⁾	100%	
Michael Trimarchi ⁽³⁾	30%	
Mark T. Frost ⁽⁴⁾	50%	
Stephen A. Trowbridge	45%	20%
Mark A. Stephens	45%	22%
John Soto ⁽⁵⁾	50%	

(1) Mr. Clemmer was appointed President and CEO on April 1, 2016 and was not eligible for any annual cash incentive payment.

(2) Mr. DeVivo left the Company effective March 31, 2016 and was not eligible for any annual cash incentive payment.

(3) Mr. Trimarchi left the Company effective May 13, 2016 and was not eligible for any annual cash incentive payment.

(4) Mr. Frost left the Company effective November 20, 2015 and was not eligible for any annual cash incentive payment.

(5) Mr. Soto left the Company effective May 2, 2016 and was not eligible for any annual cash incentive payment.

For the Company's fiscal year ending May 31, 2017, the annual cash incentive target for the CEO is 100% of base salary, for the CFO it is 60% of base salary, and for SVPs it is 45% of base salary.

Long-Term, Equity-Based Incentive Awards

In 2004, we adopted the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan, as amended, or the 2004 Plan. The 2004 Plan provides for the grant of incentive awards, including performance share awards, performance unit awards, restricted stock awards and restricted stock unit awards, as well as incentive and non-qualified stock options and stock appreciation rights. The Compensation Committee believes that including equity grants as a significant component of executive compensation aligns our executives' interest with those of our shareholders. The Compensation Committee has made grants of stock options, restricted stock unit awards and performance share awards and, in the future, expects to offer other awards under the 2004 Plan in order to provide named executive officers with an opportunity to share, along with shareholders, in our long-term performance and to reward these individuals for their contribution to our performance.

Stock option and restricted stock unit grants generally are made to each named executive officer upon his or her joining AngioDynamics and satisfying the requirements for eligibility under the plan, with additional grants in the form of options, restricted stock units and performance share awards being made annually. Stock options

Table of Contents

granted under the 2004 Plan generally have a four-year vesting schedule and generally expire seven years from the date of grant. The exercise price of options granted under our plan must be at least 100% of the fair market value of the underlying stock on the date of grant. Restricted stock unit awards typically vest equally over a four-year period and are released if the employee remains active with the company through the vesting date. Performance share awards are generally made each year, with each grant having a three-year term with payouts to be made in shares of AngioDynamics' common stock at the end of the term depending on AngioDynamics' total shareholder return relative to a peer group of companies with similar risk profiles to AngioDynamics. The number of shares of common stock that vest under the performance share award will be in a range of 0% to 200% of the target amount of shares granted to the employee based upon AngioDynamics' TSR percentile ranking relative to the peer group as follows:

TSR Performance	Performance Share Awards as a Percent of Target
Percentile Rank	
75th Percentile or above	200%
50th Percentile	100%
25th Percentile	50%
Below 25th Percentile	0%

If the minimum level of performance (at least the 25th percentile) is achieved for the performance period, the number of shares of common stock vesting under the performance share award will be calculated linearly between each set of data points.

The peer group for performance share awards made in 2016 is set forth in the table below.

Abaxis Inc.	Dexcom, Inc.	Merit Medical Systems, Inc.
Abiomed Inc.	Digirad Corp	Mine Safety Appliances Company
Accuray Inc.	Edwards Lifesciences Corporation	Natus Medical Incorporated
AlphaTec Holdings Inc.	Endologix, Inc.	NuVasive, Inc.
Articure, Inc.	Exactech, Inc.	NxStage Medical, Inc.
Atrion Corporation	Haemonetics Corporation	Resmed Inc.
C.R. Bard, Inc.	ICU Medical, Inc.	RTI Surgical, Inc.
Becton, Dickinson & Company	Insulet Corporation	Span-America Medical Systems, Inc.
Boston Scientific Corporation	Integra Lifesciences Holdings Corporation	Spectranetics Corporation
Cantel Medical Corp.	Intricon Corporation	St. Jude Medical, Inc.
Conmed Corporation	Intuitive Surgical, Inc.	Steris Corporation
CryoLife, Inc.	Invacare Corporation	Stryker Corporation
Cutera, Inc.	Lakeland Industries Inc.	Teleflex Incorporated
Cynosure, Inc.	Lemaitre Vascular, Inc.	Varian Medical Systems, Inc.
	Masimo Corporation	Vascular Solutions, Inc.

In the event of the named executive officer's termination of employment, all of his or her unvested options, restricted stock units and performance share awards will be forfeited in accordance with the provisions of the 2004 Plan and the applicable grant agreement.

The number of stock options, restricted stock units or performance share awards granted to each named executive officer is generally based upon several factors, including: (i) position with AngioDynamics; (ii) base salary; (iii) performance; and (iv) the grants made, on average, by similarly situated companies to executives with similar responsibilities. For our fiscal year ended May 31, 2016, the Compensation Committee set targets of total long term incentive awards at 225% of base salary for the CEO, 85% of base salary for the Executive Vice Presidents and 75% of base salary for Senior Vice Presidents. During our fiscal year ended May 31, 2016, for each of the Company's named executive officers, the total long term incentive target comprises 40% of total value from performance share awards, 30% of total value from restricted stock units and 30% of total value from

Table of Contents

options. For our fiscal year ended May 31, 2017, for each of the Company's named executive officers, the value targets remain the same but the total long term incentive target comprises 50% of total value from performance share awards, 25% of total value from restricted stock units and 25% of total value from options.

The Compensation Committee and the Board of Directors believe that this annual long term incentive program provides a strong pay for performance orientation while effectively incentivizing management decision making and providing appropriate retention incentives. Performance share award payouts are directly tied to AngioDynamics' total shareholder return relative to a peer group of companies with similar risk profiles to AngioDynamics. Stock options effectively incentivize management to maximize company performance, as the value of options is directly tied to appreciation in the value of our common stock. Stock options also provide an effective retention mechanism because of the four-year vesting provisions. Restricted stock units are intended to retain key management through vesting periods, with the opportunity for capital accumulation and more predictable long-term incentive value than stock options.

For our fiscal year ended May 31, 2016, based upon the Black-Scholes valuation for our options as of July 22, 2015, the Compensation Committee set target grants of options for our named executive officers as follows:

CEO	96,251
CFO	20,473
SVP and General Counsel	14,758
SVP Administration	14,902
EVP and Chief Commercial Officer	18,617

For our fiscal year ended May 31, 2016, based upon the closing price for our common stock as of July 22, 2015, the Compensation Committee set target grants of restricted stock units for our named executive officers as follows:

CEO	28,061
CFO	5,969
SVP and General Counsel	4,303
SVP Administration	4,344
EVP and Chief Commercial Officer	5,428

For our fiscal year ended May 31, 2016, based upon the closing price for our common stock as of July 22, 2015, the Compensation Committee set target grants of performance share awards for our named executive officers as follows:

CEO	37,414
CFO	7,958
SVP and General Counsel	5,737
SVP Administration	5,793
EVP and Chief Commercial Officer	7,237

Grants of options and restricted stock units made to our named executive officers in fiscal 2016 are set forth below in the table titled **Grants of Plan-Based Awards for Fiscal 2016**.

Stock Ownership Guidelines

To further align the interests of management and shareholders, we maintain stock ownership guidelines for the Board of Directors and our senior executive officers. Under these guidelines, each member of our Board of Directors is required to hold 8,000 shares. New members of the Board of Directors are allowed 36 months from

Table of Contents

the time they join the Board to acquire the required number of shares, provided they acquire at least 1/3 of the required amount within 15 months of joining the Board and an additional 1/3 within 27 months of joining the Board. In August 2011, our Compensation Committee adopted revised guidelines with respect to our senior executives. Our CEO is required to hold an amount of shares equal to three times his or her base salary, our Executive Vice President and CFO and each of our Senior Vice Presidents is required to hold an amount of shares equal to one times his or her base salary. Employees who are hired or promoted to these management positions must acquire the required number of shares within five years. A senior executive that participates in our employee stock purchase plan at the maximum level from such senior executive's eligibility date may count unvested restricted stock units towards his or her shareholding requirement. A senior executive that holds an amount of shares less than the applicable ownership level must hold 100% of all Net Shares (as defined below) granted by the company to be eligible for future stock option grants or other equity awards. Net Shares are all shares received pursuant to all company equity awards excluding shares sold to cover (i) the exercise price of options and/or (ii) taxes. The Compensation Committee is mindful that each individual's personal circumstances will affect progress toward the targeted levels of stock ownership. Senior executives who are unable to achieve or maintain the targeted level of ownership within the prescribed time period may consult with the Compensation Committee with respect to a hardship exemption. Each member of our Board of Directors and each of our senior executives is currently in compliance with the applicable holding requirement.

Hedging and Pledging Policy

Our Insider Trading Policy prohibits directors and employees, including named executive officers, from engaging in hedging or monetization transactions, such as zero-cost dollars and forward sale contracts, and from engaging in borrowing against AngioDynamics' securities held in a margin account, or pledging AngioDynamics' securities as collateral for a loan (unless the individual can clearly demonstrate the financial capacity to repay the loan without resorting to the pledged securities).

Clawback Policy

If any award (including an annual cash incentive award as well as a long term equity-based incentive award) was granted to an AngioDynamics executive and the Compensation Committee (or the Board of Directors) later determines that the financial results of the Company used to determine the amount of that award, or any payment under that award, whether to the executive or to the executive's beneficiary, are materially restated and that such executive engaged in fraud or intentional misconduct with respect to the inputs to, or determination of, such financial results, the Company will seek repayment or recovery of the award, as the Board of Directors in its sole discretion determines is reasonable and appropriate, notwithstanding any contrary provision of any incentive plan. In addition, the Compensation Committee or the Board of Directors may provide that any executive and/or any award, including any shares subject to or issued under an award, is subject to any other recovery, recoupment, clawback and/or other forfeiture policy maintained by the Company from time to time.

Perquisites

All executives of AngioDynamics are eligible to participate in our Fleet Vehicle Program at the executive level. Executives hired before May 2012 may accept a company vehicle. Executives hired after May 2012 are entitled to an automobile allowance of \$1,200 per month (\$1,500 in the case of our CEO) and we will cover the employee's expenses for gas for company related business.

Deferred Compensation Program

We do not sponsor or maintain any non-qualified deferred compensation programs for the benefit of any of our named executive officers.

Table of Contents

Potential Payments upon Termination or Change in Control

Executive Severance Policy

Our named executive officers may be eligible for severance payments and benefits under our AngioDynamics Senior Executive Severance Pay Guidelines.

A senior executive may be eligible to receive severance benefits in the following situations:

The elimination of the executive's job or position;

The relocation of the executive's job or position to a location in excess of 60 miles from the current location of employment; or

Divestment of the executive's business or business unit, unless the acquiring/successor entity offers continuing employment that does not involve a major relocation, as described above.

A senior executive would generally not be eligible for severance benefits in the following situations:

Terminations for performance reasons, including, but not limited to, violating work rules;

Voluntary resignations;

In the event of an asset or stock sale, where the executive continues employment with a successor in interest to AngioDynamics or any of either its or AngioDynamics' subsidiaries, affiliates or joint ventures; or

A transfer or reassignment of the executive to another location, division, subsidiary, affiliate or joint venture that does not result in relocation as described above.

In addition, severance under this policy typically will not be available to executives who have agreements with AngioDynamics, its subsidiaries and/or affiliates and joint ventures that provide for payments upon termination of employment, other than those that derive from these guidelines. To be eligible for severance pay the executive must sign a separation agreement acceptable to the Company. During our fiscal year ended May 31, 2016, in general, the following schedule for the payment of cash severance is considered appropriate:

Service Completed	Severance Payment
Less than 3 years of service	1 month base salary
3-5 years of service	2 months base salary
6-9 years of service	3 months base salary
10-12 years of service	4 months base salary
13+ years of service	6 months base salary

The following additional consideration may be appropriate for exempt employee positions described below:

Vice Presidents: an additional 4 months of base salary; and

Sr. Vice Presidents: an additional 6 months of base salary.

Executive Vice Presidents and Sr. Vice Presidents who report directly to the CEO are entitled to an aggregate severance benefit equal to 12 months of base salary.

In general, the CEO is eligible for a severance benefit equal to 18 months of base salary, unless a different severance benefit is set forth in an effective agreement.

The maximum severance period that will be offered under any circumstances (other than to the CEO) is 12 months.

Table of Contents

Payments are generally made in accordance with the Company's regular salary payment practices, subject to modification in connection with Section 409A of the Internal Revenue Code, unless a different method is set forth in an effective agreement.

Additional benefits such as outplacement assistance, continued insurance coverage, and/or an agreement not to contest eligibility for unemployment compensation, may also be offered in a separation agreement.

Change-In-Control Arrangements

In August 2013, our Board of Directors authorized us to enter into change in control severance agreements with certain executive officers. Each agreement has an initial term ending December 31, 2013, and each year will automatically renew for an additional one year term, provided however, that if a change in control occurs the term will expire no earlier than 12 calendar months after the calendar month in which such change in control occurs. A change of control is generally defined in each agreement as any of the following: (i) a person is or becomes a beneficial owner of more than 50% of our voting securities, (ii) the composition of a majority of our Board changes, (iii) we consummate a merger or consolidation, or (iv) our shareholders approve a plan of liquidation or sale of substantially all of our assets. Each agreement provides, among other things, that if a change in control occurs during the term of the agreement, and the executive's employment is terminated either by us or by the executive, other than (a) by us for cause, (b) by reason of death or disability, or (c) by the executive without good reason, such executive will receive a severance payment equal to: (A) 2.5 times his annual base salary for the CEO and 2 times the executive's annual base salary for the CFO, SVP and General Counsel and SVP-Administration, (B) unpaid and prorated annual bonus amounts, and (C) earned but unused vacation time. In addition, each change in control Agreement provides that in the event that the severance and other benefits provided for in the agreement or otherwise payable to the executive would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, the benefits under the agreement will be either (i) delivered in full, or (ii) delivered to a lesser extent which would result in no portion of the benefits being subject to such excise tax, whichever is more beneficial to the executive.

Payment made under each respective agreement is generally made in a lump sum within thirty days following termination subject to delay if required by Section 409A of the Internal Revenue Code.

The following tables show potential payments to Messrs. Clemmer, Trowbridge and Stephens under existing agreements, plans or other arrangements, for various scenarios involving a change in control or termination of employment, in each case assuming the termination date was June 1, 2016 and where applicable, using the closing market price of our common stock of \$12.16 per share on that date (as reported on Nasdaq). No information is presented for Messrs. DeVivo, Trimarchi or Frost because none were employed by AngioDynamics on June 1, 2016. The terms of the separation agreement with Mr. DeVivo is discussed above. Mr. Soto received 12 months' salary continuation. Neither Mr. Trimarchi nor Mr. Frost received any severance benefits.

Table of Contents**James C. Clemmer**

Payments Due	Termination for Cause ⁽¹⁾	Voluntary Termination	Involuntary Termination Without Cause ⁽²⁾	Termination Following Change in Control ⁽³⁾	Disability	Death	Retirement
Upon Termination:							
Cash Severance							
Base Salary	\$	\$	\$ 937,500	\$ 1,562,500	\$	\$	\$
Bonus							
Total Cash Severance			937,500	1,562,500			
Benefits & Perquisites							
Health and Welfare Benefits							
Total Benefits & Perquisites							
Long Term Incentives							
Value of Accelerated Stock Options ⁽⁴⁾				4,000	4,000	4,000	
Value of Accelerated Restricted Stock Units and Performance Share Awards ⁽⁵⁾				3,648,000	25,333	25,333	
Total Value of Long Term Incentives				3,652,000	29,333	29,333	
Total Value:							
All Benefits	\$	\$	\$ 937,500	\$ 5,214,500	\$ 29,333	\$ 29,333	\$

Stephen A. Trowbridge

Payments Due	Termination for Cause ⁽¹⁾	Voluntary Termination	Involuntary Termination Without Cause ⁽²⁾	Termination Following Change in Control ⁽³⁾	Disability	Death	Retirement
Upon Termination:							
Cash Severance							
Base Salary	\$	\$	\$ 305,000	\$ 610,000	\$	\$	\$
Bonus				61,605			
Total Cash Severance			305,000	671,605			
Benefits & Perquisites							
Executive Car Allowance							
Total Benefits & Perquisites							
Long Term Incentives							
Value of Accelerated Stock Options ⁽⁴⁾				2,096	2,096	2,096	
Value of Accelerated Restricted Stock Units and Performance Share Awards ⁽⁵⁾				528,826	119,983	119,983	
Total Value of Long Term Incentives				530,922	122,079	122,079	

Total Value:								
All Benefits	\$	\$	\$ 305,000	\$ 1,202,527	\$ 122,079	\$ 122,079	\$	

Table of Contents**Mark A. Stephens**

Payments Due	Termination for Cause ⁽¹⁾	Voluntary Termination	Involuntary Termination Without Cause ⁽²⁾	Termination Following Change in Control ⁽³⁾	Disability	Death	Retirement
Upon Termination:							
Cash Severance							
Base Salary	\$	\$	\$ 308,000	\$ 616,000	\$	\$	\$
Bonus				68,093			
Total Cash Severance			308,000	684,093			
Benefits & Perquisites							
Long Term Incentives							
Value of Accelerated Stock Options ⁽⁴⁾				2,096	2,096	2,096	
Value of Accelerated Restricted Stock Units and Performance Share Awards ⁽⁵⁾				394,360	79,429	79,429	
Total Value of Long Term Incentives				396,456	81,525	81,525	
Total Value:							
All Benefits	\$	\$	\$ 308,000	\$ 1,080,549	\$ 81,525	\$ 81,525	\$

- (1) Employees, including named executive officers, are not entitled to any benefits upon termination for cause. All unvested stock options and restricted stock units, as well as all vested but unexercised stock options are forfeited as of the date of termination.
- (2) Amounts in this column represent benefits payable upon involuntary termination by the Company on June 1, 2016 (other than termination for cause or in connection with a change in control). The amounts depicted represent potential payments provided for by AngioDynamics Executive Severance Policy, assuming an 18 month severance period for the CEO and 12 months for other named executive officers.
- (3) Amounts in this column represent benefits payable under our Change in Control Agreements following termination without cause or resignation by the executive for good reason on June 1, 2016 in connection with a change in control of the Company. For a further description of our Change in Control Agreements, see the Compensation Discussion and Analysis section titled "Change in Control Arrangements."
- (4) Amounts in the "Value of Accelerated Stock Options" row represent the number of shares underlying in-the-money unvested stock options held by each named executive officer, multiplied by the difference between that option's exercise price and \$12.16 (the closing price of our common stock on June 1, 2016 as reported on Nasdaq).
- (5) Amounts in the "Value of Accelerated Restricted Stock Units" row represent the value of the number of each named executive officer's restricted stock units and performance share awards, the vesting of which would have accelerated as of June 1, 2016, calculated by multiplying the number of accelerated restricted stock units and performance share awards by \$12.16 (the closing price of our common stock on June 1, 2016). No value with respect to performance share awards is included in the death or disability column.

Internal Revenue Code Section 162(m) Considerations

Section 162(m) of the Internal Revenue Code generally prohibits a publicly-held corporation, such as AngioDynamics, from claiming a deduction on our federal income tax return for compensation in excess of \$1 million paid for a given fiscal year to the CEO (or person acting in that capacity) and to the three most highly compensated officers other than the CEO as of the end of our fiscal year (but not including the chief financial officer). This limitation does not apply to compensation that meets the requirements under section 162(m) for "qualifying performance-based compensation" (*i.e.*, compensation paid only if the individual's performance meets pre-established objective goals based on performance criteria approved by shareholders). In general, the Compensation Committee has structured awards to executive officers under the Company's incentive programs

Table of Contents

to qualify for this qualifying performance-based compensation exception under Section 162(m) of the Internal Revenue Code. However, the Compensation Committee retains the discretion to award compensation that exceeds the Section 162(m) deductibility limit.

2015 Shareholder Advisory Vote on Executive Compensation

At our 2015 annual meeting, our shareholders approved, on an advisory basis, the compensation paid to our named executive officers, as disclosed under the compensation disclosure rules of the SEC, including the compensation discussion and analysis, the compensation tables and any related materials disclosed in the proxy statement for the 2015 annual meeting. The shareholder vote in favor of our named executive officer compensation totaled approximately 89 percent of all votes cast, including abstentions. The Compensation Committee considered the results of the 2015 vote and views the outcome as evidence of strong shareholder support of our executive compensation decisions and policies. Accordingly, the Compensation Committee did not change its approach to executive compensation in 2016.

Compensation Committee Report on Executive Compensation

The Compensation Committee of the Board of Directors evaluates and makes recommendations to the Board of Directors regarding the compensation of the CEO and approves the compensation of our other named executive officers. The Compensation Committee also administers all executive compensation programs, incentive compensation plans and equity-based plans and all other compensation and benefit programs currently in place. We have reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on our review and discussion with management, we have recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement for filing with the SEC.

Kevin J. Gould (Chairman)

Steven R. LaPorte

Wesley E. Johnson, Jr.

Table of Contents**Summary Compensation Table for Fiscal 2016**

The following table sets forth information concerning the compensation for services, in all capacities for our fiscal year ended May 31, 2016 of (i) our CEO and former CEO (ii) our former CFO and former interim CFO, (iii) those persons who were, at the end of fiscal 2016, our two most highly compensated executive officers other than our CEO and CFO (we did not have three executive officers other than our CEO and CFO that were employed by AngioDynamics as of the end of the fiscal year), and (iv) a former executive officer who would have been one of our three most highly compensated executive officers at the end of the fiscal year if he had still been employed by us.

Name and Principal Position	Fiscal Year	Salary (\$) ⁽²⁾	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽²⁾	Change in Pension Value and Non-Equity Nonqualified Incentive Plan Compensation		All Other Compensation (⁽³⁾) (\$)	Total (\$)
						Non-Equity Nonqualified Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation (\$)		
James C. Clemmer President, Chief Executive Officer ⁽⁴⁾	2016	84,135		4,847,000	706,700			2,423	5,640,258
Joseph M. DeVivo Former President, Chief Executive Officer ⁽⁵⁾	2016	565,311	6,437 ⁽⁶⁾	1,241,872	445,488 366,107			658,615 23,996	2,917,723 2,700,598
	2015	638,702		1,251,098	219,220	420,695		27,911	3,640,952
	2014	599,540				70,653			
			250,000	2,473,628					
Michael Trimarchi Vice President Interim Chief Financial Officer ⁽⁷⁾	2016	200,423	80,000 ⁽⁸⁾	79,750				26,712	386,885
Mark T. Frost Former Executive Vice President Chief Financial Officer ⁽⁹⁾	2016	183,738		264,154 266,117	94,757			13,635	556,284 853,250
	2015	360,544		345,865	77,872	119,884		28,833	833,824
	2014	353,439			89,882	23,986		20,651	
Stephen A. Trowbridge Sr. Vice President and General Counsel	2016	302,275 293,803		190,429 448,328	68,306 56,135	61,810 96,412		29,972 29,069	652,793 923,746
	2015	280,579		246,707	64,115	28,875		32,853	650,128
	2014								
Mark A. Stephens Sr. Vice President Administration	2016	305,555		192,272 193,685 246,707	68,972 56,683 64,115	68,092 97,348 22,500		30,528 31,619 42,796	665,419 675,238 656,694

Edgar Filing: ANGIODYNAMICS INC - Form DEF 14A

	2015	295,904					
	2014	285,770					
John Soto ⁽¹⁰⁾	2016	318,166	240,218	86,167		379,419	1,023,969
			242,000			14,400	
Former Executive	2015	327,016	238,979	70,815	109,346	11,631	763,576
	2014	295,943		62,104	26,785		635,441
Vice President and Chief Commercial Officer							

- (1) Values in the Stock Awards column include the grant date fair value determined in accordance with FASB ASC Topic 718 of restricted stock units and the target amount of performance share awards granted during the fiscal year ended May 31, 2016. Grant date fair value of performance share awards was \$16.96 for the shares granted to Mr. Clemmer in April 2016, \$21.23 for all other shares granted during the fiscal year ended May 31, 2016, \$19.83 during the fiscal year ended May 31, 2015 and \$25.56 during the fiscal year ended May 31, 2014. Target amounts of performance share awards included in this column are: for Mr. Clemmer, 250,000, Mr. DeVivo, 37,414 for fiscal 2016, 41,178 for fiscal 2015 and 36,676 for fiscal 2014; for Mr. Trimarchi, 0; for Mr. Frost, 7,958 for fiscal 2016, 8,759 for fiscal 2015 and 10,025 for fiscal 2014; for Mr. Trowbridge, 5,737 for fiscal 2016, 6,314 for fiscal 2015 and 7,151 for fiscal 2014; for Mr. Stephens, 5,793 for fiscal 2016, 6,375 for fiscal 2015 and 7,151 for fiscal 2014; and for Mr. Soto, 7,237 for fiscal 2016, 7,965 for fiscal 2015 and 6,927 for fiscal 2014. If each named executive officer who is currently an officer earned the maximum amount of performance share awards at the end of the performance period, based on the closing price of our stock on June 1, 2016 of \$12.16, Mr. Clemmer's maximum value of performance share awards granted in

Table of Contents

fiscal 2016 would be \$6,080,000; Mr. Trowbridge's maximum value of performance share awards granted in fiscal 2016 would be \$139,524, for performance share awards granted in 2015 would be \$153,556 and for performance share awards granted in fiscal 2014 would be \$173,912, and Mr. Stephens' maximum value of performance share awards granted in fiscal 2016 would be \$140,886, for performance share awards granted in fiscal year 2015 would be \$155,040 and for performance share awards granted in fiscal 2014 would be \$173,912.

- (2) Values in the Option Awards column include the grant date fair value based upon a Black-Scholes valuation determined in accordance with FASB ASC Topic 718.
- (3) For each of the Named Executive Officers, the amounts reported include amounts we contributed as matching contributions under the 401(k) Plan. For fiscal 2016, such amounts were \$12,079 for Mr. DeVivo, \$12,588 for Mr. Trimarchi, \$6,435 for Mr. Frost, \$16,126 for Mr. Trowbridge, \$16,128 for Mr. Stephens, \$0 for Mr. Soto. For fiscal 2015, such amounts were \$16,200 for Mr. DeVivo, \$14,433 for Mr. Frost, \$15,242 for Mr. Trowbridge and \$17,219 for Mr. Stephens. For fiscal 2014, such amounts contributed were \$15,300 for Mr. DeVivo, \$9,020 for Mr. Frost, \$15,374 for Mr. Trowbridge and \$7,084 for Mr. Stephens. The amounts reported include amounts pursuant to the executive auto lease program described above. The amounts include the value of severance due to Mr. DeVivo and Mr. Soto in connection with their respective departures.
- (4) Mr. Clemmer was appointed President and CEO on April 1, 2016.
- (5) Mr. DeVivo left the Company effective March 31, 2016.
- (6) This amount reflects the balance of a multi-year personal objective bonus related to closing out the Company's warning letters.
- (7) Mr. Trimarchi became the Company's interim CFO effective November 20, 2015. Mr. Trimarchi left the Company effective May 13, 2016.
- (8) This amount is the retention bonus paid to Mr. Trimarchi.
- (9) Mr. Frost left the Company effective November 20, 2015.
- (10) Mr. Soto left the Company effective May 2, 2016.

Table of Contents**Grants of Plan-Based Awards for Fiscal 2016**

The following table provides information with respect to options to purchase shares of Common Stock, restricted stock units and performance awards granted to the named executive officers in fiscal 2016 pursuant to the 2004 Stock and Incentive Award Plan.

Name	Grant Date ⁽¹⁾	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#) ⁽³⁾	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Market Value of Stock and Option Awards ⁽⁴⁾ (\$)
		Threshold ⁽²⁾	Target (\$)	Maximum (#)	Threshold (#)	Target (#)	Maximum (#)				
James C. Clemmer	4/6/2016										706,700
	4/6/2016							50,000			607,000
	4/1/2016				125,000	250,000	500,000		200,000	12.14	4,240,000
Joseph M. DeVivo		82,875	663,000	994,500							
	7/22/2015								96,251	15.95	445,488
	7/22/2015				18,707	37,414	74,828	28,061			447,573
	7/22/2015										794,299
Michael Trimarchi	7/22/2015	7,725	61,800	92,700				5,000		15.95	79,750
Mark T. Frost		23,333	186,666	279,998							
	7/22/2015								20,473	15.95	94,757
	7/22/2015							5,969			95,206
	7/22/2015				3,979	7,958	15,916				168,948
Stephen A. Trowbridge		17,156	137,250	205,875							
	7/22/2015								14,758	15.95	68,306
	7/22/2015							4,303			68,633
	7/22/2015				2,869	5,737	11,474				121,797
Mark A. Stephens		17,325	138,600	207,900							
	7/22/2015								14,902	15.95	68,972
	7/22/2015							4,344			69,287
	7/22/2015				2,897	5,793	11,586				122,985
John Soto		21,218	169,744	254,616							
	7/22/2015								18,617	15.95	86,167
	7/22/2015							5,428			86,577
	7/22/2015				3,619	7,237	14,474				153,642

- (1) Grant Date pertains to the fiscal 2016 stock option and restricted stock awards.
- (2) Threshold represents the minimum amount earned if one of the financial metrics under the plan on which 25% of the bonus is based were achieved at the minimum level needed for any payment.
- (3) In accordance with the terms of the 2004 Plan, these options were granted at 100% of the closing market price on the date of grant, or if such date was not a trading day, the average of the high and low sale prices of our common stock on the most recent prior trading day. Options have a seven year term. Generally, all options become exercisable as to 25% of the shares on each of the first four anniversary dates of the date of grant.
- (4) Represents grant-date fair value based on FASB ASC 718 for fiscal 2016 equity grants.

Table of Contents**Outstanding Equity Awards at Fiscal 2016 Year-End**

The following table summarizes the number of securities underlying outstanding equity awards for the named executive officers on May 31, 2016.

Name	Option Awards ⁽¹⁾					Stock Awards ⁽²⁾			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) ⁽³⁾	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) ⁽⁴⁾	
James C. Clemmer		200,000		12.14	4/4/2023	50,000	600,500	250,000	3,002,500
Joseph M. DeVivo						24,883	298,845		
	200,000			13.92	4/22/2017				
	200,000			13.92	4/22/2017				
	26,250	8,750		10.63	4/22/2017				
	29,867	14,934		11.92	4/22/2017				
	22,216	22,216		14.07	4/22/2017				
		24,063		15.95	4/22/2017				
Michael Trimarchi	7,500			16.09	8/13/2016				
Mark T. Frost									
Stephen A. Trowbridge						21,787	261,661	19,202	230,616
	8,736	8,734		11.92	8/6/2020				
	3,407	10,218		14.07	7/25/2021				
		14,758		15.95	7/22/2022				
Mark A. Stephens						13,112	157,475	19,319	232,021
	37,500	12,500		12.39	2/1/2020				
	8,736	8,734		11.92	8/6/2020				
	3,440	10,318		14.07	7/25/2021				
		14,902		15.95	7/22/2022				
John Soto	4,297			14.07	8/2/2016				

(1) Stock options vest 25% on each of the first four anniversaries following the grant date. The stock options in this table were granted on the following dates: Mr. Clemmer, 4/4/2016; Mr. DeVivo, 9/7/2011, 10/7/2011, 8/17/12, 8/6/2013, 7/25/2014 and 7/22/2015; Mr. Trimarchi,

Edgar Filing: ANGIODYNAMICS INC - Form DEF 14A

- 8/13/2009; Mr. Trowbridge, 8/6/2013, 7/25/2014 and 7/22/2015; Mr. Stephens, 2/1/2013, 8/6/2013, 7/25/2014 and 7/22/2015; and Mr. Soto, 7/25/2014.
- (2) Restricted stock units and performance share awards are valued based on the closing stock price of the Company on May 31, 2016 (\$12.01).
 - (3) Restricted stock units (or RSUs) vest 25% on each of the first four anniversaries following the grant date. The RSUs in this table were granted on the following dates: Mr. Clemmer, 4/4/2016 (50,000 RSUs); Mr. DeVivo, 8/17/2012 (5,562 RSUs), 8/6/2013 (4,585 RSUs), 7/25/2014 (7,721 RSUs) and 7/22/2015 (7,015 RSUs); Mr. Trowbridge, 8/6/2013 (2,682 RSUs), 7/25/2014 (3,552 RSUs), 4/24/2015 (11,250 RSUs) and 7/22/2015 (4,303 RSUs); and Mr. Stephens, 2/1/2013 (2,500 RSUs), 8/6/2013 (2,682 RSUs), 7/25/2014 (3,586 RSUs) and 7/22/2015 (4,344 RSUs).
 - (4) Performance share awards (or PSAs) vest on the three-year anniversary of the grant date, subject to achievement of performance metrics. The PSAs in this table reflect the target amount of shares that were granted on the following dates: Mr. Clemmer, 4/4/2016 (250,000 PSAs); Mr. Trowbridge, 11/1/2013 (7,151 PSAs), 7/25/2014 (6,314 PSAs) and 7/22/2015 (5,737 PSAs); and Mr. Stephens, 11/1/2013 (7,151 PSAs), 7/25/2014 (6,375 PSAs) and 7/22/2015 (5,793 PSAs).

Table of Contents**Option Exercises and Stock Vested for Fiscal 2016**

The following table summarizes the stock option exercises and shares vested by the named executive officers during our fiscal year ended May 31, 2016.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
James C. Clemmer				
President, Chief Executive Officer				
Joseph M. DeVivo			24,117	370,794
President, Chief Executive Officer				
Michael Trimarchi			1,687	26,630
Vice President Interim Chief Financial Officer				
Mark T. Frost			3,522	55,575
Executive Vice President Chief Financial Officer				
Stephen A. Trowbridge	5,800	3,132	9,899	142,021
Senior Vice President General Counsel				
Mark A. Stephens			5,036	68,888
Sr. Vice President Administration				
John Soto	45,962	84,276	5,292	80,278
Executive Vice President Chief Commercial Officer				

Table of Contents**Director Compensation Table**

The following table sets forth the fees, awards and other compensation paid to or earned by our directors (other than named executive officers) for the fiscal year ended May 31, 2016:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	Change in Pension		Total (\$)
					Value and Nonqualified Deferred Compensation Earnings	All Other Compensation (\$)	
David Burgstahler ⁽²⁾	40,000	83,993	30,404				154,397
Howard W. Donnelly	80,000	83,993	30,404				194,397
Jeffrey G. Gold	55,000	83,993	30,404				169,397
Kevin J. Gould	57,500	83,993	30,404				171,897
Wesley E. Johnson, Jr.	62,500	83,993	30,404				176,897
Steven R. LaPorte	58,500	83,993	30,404				172,897
Dennis S. Meteny	65,000	83,993	30,404				179,397
Sriram Venkataraman ⁽³⁾							

(1) Represents grant-date fair value based on FASB ASC 718.

(2) David Burgstahler joined our Board of Directors on May 22, 2012 in connection with the acquisition of Navilyst Medical.

(3) Sriram Venkataraman joined our Board of Directors on May 22, 2012 in connection with the acquisition of Navilyst Medical. Pursuant to the Stockholders Agreement, Mr. Venkataraman does not receive compensation for serving as a director. In addition, In August 2016, pursuant to the terms of the Stockholders Agreement, Mr. Venkataraman resigned from the Board.

Director Compensation Program During the Fiscal Year Ended May 31, 2016

As of July 16, 2014, we modified our Director compensation program following review of a report prepared for our Board of Directors by Mercer. Directors who are not our employees receive an annual retainer of \$40,000. This total retainer replaces the previous retainer of \$24,000 as well as all per meeting fees. The chairman of the Board of Directors receives an additional annual retainer of \$40,000. The chairman of the Audit Committee receives an additional annual retainer of \$25,000, the chairman of the Compensation Committee receives an additional annual retainer of \$17,500, and the chairman of the Nominating and Corporate Governance Committee receives an additional retainer of \$11,000. Members of the Audit Committee receive an additional retainer of \$15,000, members of the Compensation Committee receive an additional retainer of \$10,000 and members of the Nominating Committee receive an additional retainer of \$6,000. Directors who are not our employees will also receive an annual equity grant, vesting in equal installments over three years, equal to \$112,000, comprising 75% restricted stock units and 25% options. New directors receive options for 25,000 shares of our common stock upon joining our Board, which vest one-fourth per year over four years from the grant date. Directors who are our employees receive no additional compensation for their services as directors.

Table of Contents

PROPOSAL 2 ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

The primary objective of our overall executive compensation program is to provide balanced, comprehensive and competitive rewards for the short and long-term in a cost-effective manner to the Company. We have designed our executive compensation program to incentivize achievement of earnings, sales and other financial metrics that we believe deliver value to our shareholders, drive operational results and promote high levels of individual performance. Our compensation program provides a combination of fixed and variable pay with an emphasis on at-risk compensation linked to performance goals. We believe that compensation levels in the medical device industry are dynamic and very competitive as a result of the need to attract and retain qualified executives with the necessary skills and experience to keep up with the complex regulatory environment in which we operate and to understand the rapidly changing medical technology in our industry. We believe that our current executive compensation program achieves our objectives effectively.

Shareholders are urged to read the Compensation Discussion and Analysis set forth in this proxy statement that discusses how our compensation policies and procedures reflect our compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative disclosure, which describe the compensation of our five most highly-compensated executive officers in fiscal 2016.

In accordance with the recent changes to Section 14A of the Exchange Act, as amended, which were made pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, and as a matter of good corporate governance, shareholders will be asked at the Annual Meeting to approve the following advisory resolution:

Adoption of Proposal No. 2

RESOLVED, that the shareholders of AngioDynamics, Inc. approve the compensation of the Company's named executive officers as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the Summary Compensation Table and related compensation tables, and the related disclosure contained in this proxy statement.

This advisory vote is not binding. Although non-binding, the Compensation Committee will consider the outcome of the advisory vote when making future decisions regarding our executive compensation programs.

The Board of Directors, taking into account the advisory vote of our shareholders at the 2011 Annual Meeting of Shareholders, has approved an annual frequency for shareholder votes to approve the compensation of our named executive officers. As a result, unless the Board determines otherwise, the next such vote will be held at the Company's 2017 Annual Meeting of Shareholders and on an annual basis thereafter.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

Table of Contents

PROPOSAL 3 AMENDMENT OF THE ANGIODYNAMICS, INC. 2004 STOCK AND INCENTIVE AWARD PLAN

We are asking our shareholders to approve the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan (the 2004 Plan), as amended, among other things, to (i) increase the number of shares of our common stock authorized under the 2004 Plan from 6,750,000 shares to 7,000,000 shares, an increase of 250,000 shares, (ii) increase the maximum number of shares of common stock with respect to awards that may be granted to any individual in one calendar year from 100,000 shares to 500,000 shares, (iii) limit the grant date fair value of annual awards that each of our non-employee directors may receive to \$500,000, (iv) modify and approve the performance objectives pursuant to which performance-based awards may be granted to include EBIT and EBITDA, and (v) add certain "best practices" provisions to the plan (including a minimum vesting requirement and a clawback provision). Our Board of Directors approved the amendment of the 2004 Plan on September 7, 2016, subject to shareholder approval at the Annual Meeting. Approval of the amendment of the 2004 Plan requires the affirmative vote of the holders of a majority of the shares cast at the Annual Meeting.

The use of equity compensation has historically been a significant part of our overall compensation philosophy at AngioDynamics, and is a practice that we plan to continue. The 2004 Plan serves as an important part of this practice, and is a critical part of the compensation package that we offer our personnel. We believe that the use of stock options, restricted stock units, performance share awards and other equity-based incentives are critical for us to attract and retain the most qualified personnel and to respond to relevant changes in equity compensation practices. In addition, awards under the 2004 Plan provide our employees an opportunity to acquire or increase their ownership stake in the Company, and we believe this alignment with our shareholders' interests creates a strong incentive to work hard for our growth and success.

We are also asking our stockholders to approve the performance objectives under our 2004 Stock and Incentive Award Plan in accordance with the shareholder approval requirements of Section 162(m) of the Internal Revenue Code. Section 162(m) of the Code limits the amount of compensation paid to certain senior executive officers that public companies may deduct to \$1 million for each such senior executive officer in any fiscal year. Certain performance-based compensation is exempt from the deduction limit if it meets the requirements of Section 162(m). The 2004 Plan is intended to permit awards granted thereunder to qualify for exemption from the deduction limit to the extent that the compensation is recognized by the employee as ordinary income and provided that the awards meet the Section 162(m) performance-based requirements. One of these requirements under Section 162(m) is that the material terms of the performance objectives under which the compensation is to be paid must be approved by our stockholders. For purposes of Section 162(m), the material terms include the employees eligible to receive compensation, a description of the business criteria on which the performance objective is based, and either the maximum amount of compensation that could be paid to any employee or the formula used to calculate the amount of compensation to be paid to the employee if the performance objective is attained.

If stockholders do not approve this Proposal 3, the company may be required to seek approval again at the 2017 annual stockholders meeting and, if shareholder approval is not obtained as required by Section 162(m), future awards under the 2004 Plan may not satisfy the requirements of Section 162(m) and may not be eligible for deductibility by the company.

Proposed Increase in Authorized Shares

As of August 29, 2016, options covering 2,227,934 shares of our common stock with a weighted-average exercise price of \$14.73 and a weighted-average remaining term of 4.38 years were outstanding. As of August 29, 2016, unvested restricted stock units covering 609,420 shares of our common stock were outstanding. As of August 29, 2016, performance share awards covering 421,188 shares of our common stock were outstanding. Finally, as of August 29, 2016, 1,699,189 shares of common stock were available for future grant under the 2004 Plan. Based on the closing market price of our common stock on August 29, 2016, the additional 250,000 shares proposed to be added to the 2004 Plan would have a market value of approximately \$4,207,500.

Table of Contents

Summary Description of the 2004 Plan (as amended)

The following is a summary of the principal provisions of the 2004 Plan, as amended by this Proposal No. 3. This summary is qualified in its entirety by reference to the full text of the 2004 Plan, as amended to date and as proposed to be amended, a copy of which is attached as Appendix A to this proxy statement.

Purposes of the 2004 Plan. The primary purposes of the 2004 Plan are (i) to provide competitive equity incentives to enable us to attract, retain, motivate and reward persons who render services to us and (ii) to align the interests of our employees and such other persons with the interests of our shareholders by providing participants with the opportunity to share in any appreciation in the value of our stock that their efforts help bring about.

Shares Authorized for Issuance. As proposed to be amended, up to 7,000,000 shares of our common stock may be issued under our 2004 Plan. Shares that are subject to issuance upon exercise of an option but cease to be subject to such option for any reason (other than exercise of such option), and shares that are subject to an award that is granted but is subsequently forfeited or reacquired by us, or that are subject to an award that terminates without shares being issued, will again be available for grant and issuance under the 2004 Plan. Shares that we may withhold in satisfaction of withholding taxes or permit to be used to pay the exercise price of an option are not available again for grant. Shares subject to a stock appreciation right that are not issued in connection with the stock settlement of that stock appreciation right upon its exercise are not available again for grant. No more than 6,000,000 shares can be issued (including shares issued, reacquired by us pursuant to the terms of awards, and then reissued) as incentive stock options, or ISOs (by which we mean stock options that meet certain requirements of the Internal Revenue Code of 1986, as amended, or the Code).

Administration. The Compensation Committee of our Board of Directors administers the 2004 Plan, except in instances when the Board decides to directly administer the 2004 Plan. As applicable, the Board and the Compensation Committee are referred to in this description as the committee. The committee determines the persons who are to receive awards, the number of shares subject to each such award and the other terms and conditions of such awards. The committee also has the authority to interpret the provisions of the 2004 Plan and of any awards granted thereunder and to modify awards granted under the 2004 Plan. The committee may not, however, re-price options issued under the 2004 Plan without the prior approval of our shareholders.

Eligibility. The 2004 Plan provides for the grant of ISOs, within the meaning of section 422 of the Code, to our employees, and for the grant of non-statutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and other incentive awards to our employees, directors and other service providers. As of August 29, 2016, there were approximately 1,300 employees (plus service providers) who were eligible to participate in the 2004 Plan.

Individual Limits. No participant in the 2004 Plan may receive options to purchase, or stock appreciation rights with respect to more than 500,000 shares in any calendar year. The maximum number of shares for which restricted stock, performance share awards and any other stock-value-based award not based solely on the appreciation of our common stock after the award may be granted to a plan participant in any calendar year is 500,000 shares. Dollar-denominated awards under the 2004 Plan may not exceed \$400,000 for a participant in any calendar year. No non-employee director may be granted awards with a grant date fair value of greater than \$500,000 in any calendar year. Generally all future awards will have a minimum restriction period or performance period, as applicable, of one year from the date of grant (though the committee may provide for earlier vesting upon a participant's termination by reason of death or disability, or a change in control).

Options. The committee will determine the exercise price of options granted under the 2004 Plan, but, for all ISOs, the exercise price must at least be equal to the fair market value of our common stock on the date of grant. The term of an ISO may not exceed ten years. For any participant who owns 10% of the voting power of all classes of our outstanding stock, the exercise price must equal at least 110% of the fair market value on the grant

Table of Contents

date and the term must not exceed five years. The committee will determine the term of all options, including the vesting period and exercise period in the event of termination of service of an employee, director or other service provider. All options will be subject to any other terms and conditions included in the applicable option agreement.

Stock Appreciation Rights. Stock appreciation rights, or SARs, may be granted under the 2004 Plan. SARs allow the recipient to receive the appreciation in the fair market value of our common stock between the date of grant and the exercise date of the SARs or, if the SARs are linked to an option, the date of grant of the option. The committee will determine the terms of SARs, including when such rights become exercisable and whether to pay the increased appreciation in cash or with shares of our common stock, or a combination thereof.

Restricted Stock and Restricted Stock Units. Restricted stock may be granted under the 2004 Plan. Restricted stock awards are grants of shares of our common stock that vest in accordance with the terms and conditions established by the committee. The committee will determine the number of shares of restricted stock granted to any employee, director or other service provider. The committee may impose whatever conditions to vesting it determines to be appropriate. For example, the committee may set restrictions based on the achievement of specific performance goals. Shares of restricted stock that do not vest are subject to our right of repurchase or forfeiture. The committee may also make restricted stock unit awards, which are shares of our common stock that are issued only after the recipient satisfies any service or performance objectives or contingencies determined by the committee.

Performance Units and Performance Shares. Performance units and performance shares may be granted under the 2004 Plan. Performance share awards are rights to receive a specified number of shares of our common stock and/or an amount of money equal to the fair market value of a specified number of shares of our common stock, at a future time or times if a specified performance goal is attained and any other terms and conditions specified by the committee are satisfied. Performance unit awards are rights to receive a specified amount of money (other than an amount of money equal to the fair market value of a specified number of shares of common stock) at a future time or times if a specified performance goal is attained and any other terms and conditions specified by the committee are satisfied. The committee will establish organizational or individual performance goals in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid out to participants.

Performance Metrics. Under the 2004 Plan, the performance goal applicable to any award (other than an appreciation-only award) that the Compensation Committee intends to qualify as performance-based compensation will be based on earnings per share (diluted or basic), total shareholder return, or any one or more of the following performance measures on a consolidated company, business unit or divisional level, or by product or product line, as the Compensation Committee may specify: net sales, net income, operating income, return on equity, return on capital, cash flow, earnings before interest and taxes, or earnings before interest, taxes, depreciation, and amortization. The Compensation Committee will select the performance measure or measures on which the performance goal applicable to any such award will be based and will establish the levels of performance at which such award is to be earned in whole or in part. Any such performance measure or combination of such performance measures may apply to the service provider's award in its entirety or to any designated portion or portions of the award, as the Compensation Committee may specify. The foregoing performance measures will be determined in accordance with generally accepted accounting principles (GAAPs) to the extent that GAAPs define such performance measures, and otherwise will be determined in accordance with any customary and reasonable definition the Compensation Committee approves. However, notwithstanding the preceding sentence, unless the Compensation Committee determines otherwise prior to payment of an award, and subject to any exercise of negative discretion by the Compensation Committee, extraordinary, unusual or non-recurring items; discontinued operations; effects of accounting changes; effects of currency fluctuations; effects of financing activities (by way of example, without limitation, effect on earnings per share of issuing convertible debt securities); expenses for restructuring or productivity initiatives; non-operating items; effects of acquisitions and acquisition expenses; and effects of divestitures and divestiture

Table of Contents

expenses, any of which affect any performance goal applicable to such award (including, without limitation, earnings per share but excluding total shareholder return) will be automatically excluded or included in determining the extent to which the performance goal has been achieved, whichever will produce the higher award.

If stockholders do not approve this Proposal 3, the company may be required to seek approval again at the 2017 annual stockholders meeting and, if shareholder approval is not obtained as required by Section 162(m), future awards under the 2004 Plan may not satisfy the requirements of Section 162(m) and may not be eligible for deductibility by the company.

Incentive Awards. The 2004 Plan authorizes the committee to grant incentive awards, which are rights to receive money or shares on such terms and subject to such conditions as the committee may prescribe. Restricted stock, performance shares and performance units are particular forms of incentive awards but are not the only forms in which they may be made. Incentive awards may also take, for example, the form of cash or stock bonuses.

Change in Control. The 2004 Plan authorizes the committee to grant options and SARs that become exercisable, and any award under the 2004 Plan that becomes non-forfeitable, fully earned and payable, if we have a change in control, and to provide for money to be paid in settlement of any award under the 2004 Plan in such event. Additionally, if we have a change of control, the committee may authorize the exercise of outstanding nonvested appreciation rights, make any award outstanding under the 2004 Plan non-forfeitable, fully earned and payable, or require the automatic exercise for cash of all outstanding stock appreciation rights.

In general, under the 2004 Plan, a change in control will be deemed to occur if any person or group of persons acting in concert becomes the beneficial owner of more than 40% of our common stock; a majority of our Board changes over any period of two years or less without the approval of a majority of the directors serving at the beginning of such period; there is consummated a merger or consolidation with any other corporation, or the shareholders approve a plan of complete liquidation or dissolution of the Company or there is consummated a sale of assets or plan of complete liquidation following which our shareholders before the transaction will not own at least 60% of our voting power or assets.

Transfers of Awards. The 2004 Plan does not allow for the transfer of awards, except for transfers by will or the laws of descent and distribution or to such other persons designated by a participant to receive the award upon the participant's death, or except as may otherwise be authorized by the committee for any award other than an ISO.

Clawbacks. The 2004 Plan provides that if an award has been granted to an executive of the Company and the committee later determines that the financial results used to determine the amount of that award are materially restated and that such executive engaged in fraud or intentional misconduct with respect to the inputs to, or determination of, such financial results, the Company will seek repayment or recovery of the award, as the Committee in its sole discretion determines is reasonable and appropriate, notwithstanding any contrary provision of the 2004 Plan. In addition, the committee may provide that any service provider and/or any award, including any shares subject to or issued under an award, is subject to recovery, recoupment, clawback and/or any other forfeiture policy maintained by the Company from time to time.

Amendment of Plan. Subject to any applicable shareholder approval requirements of Delaware or federal law, any rules or listing standards that apply to our Company, or the Code, the 2004 Plan may be amended by the Board of Directors at any time and in any respect, including without limitation to permit or facilitate qualification of options previously granted or to be granted in the future (1) as incentive stock options under the Code, or (2) for such other special tax treatment as may be enacted on or after the date on which the 2004 Plan is approved by the Board. Without shareholder approval, however, no amendment may increase the aggregate number of shares which may be issued under the 2004 Plan, or may permit the exercise price of outstanding options or

Table of Contents

SARs to be reduced, subject to limited exceptions. Without shareholder approval, the Company shall not execute any cash buyouts of underwater stock options or stock appreciation rights. No amendment of the 2004 Plan may adversely affect any award granted prior to the date of such amendment or termination without the written consent of the holder of such award.

Summary of Federal Income Tax Consequences under the 2004 Plan

The following is a general summary as of the date of this proxy statement of the material U.S. federal income tax consequences to AngioDynamics and participants in the 2004 Plan with respect to awards granted under the 2004 Plan. This summary is based upon the Code, Treasury Regulations, administrative pronouncements and judicial decisions, in each case as in effect on the date hereof, all of which are subject to change (possibly with retroactive effect). The specific tax consequences for any participant will depend upon his or her individual circumstances. This summary does not address state, local or foreign tax consequences to AngioDynamics or participants in the 2004 Plan.

Tax Treatment of the Participants.

ISOs. Subject to the discussion of the alternative minimum tax (AMT) below, a participant will recognize no income upon grant of an ISO and will incur no tax upon exercise of an ISO, provided that the participant is an employee when the ISO is granted and did not cease being an employee for more than three months prior to exercise of the ISO. If a participant holds the shares purchased upon exercise of the ISO (the ISO Shares) for more than one year after the date the ISO was exercised and for more than two years after the ISO s grant date (the required holding period), then the participant generally will realize long-term capital gain or loss (rather than ordinary income or loss) upon disposition of the ISO Shares in an amount equal to the difference between the amount realized upon such disposition and the exercise price of the ISOs.

If a participant disposes of ISO Shares prior to the expiration of the required holding period (a disqualifying disposition), then gain realized upon such disposition, to the extent of the difference between the ISO exercise price and the fair market value of the ISO Shares on the date of exercise, will be treated as ordinary income. Any additional gain will be capital gain, and treated as long-term capital gain if the ISO Shares were held by the participant for at least one year.

The difference between the exercise price and fair market value of the ISO Shares on the date of exercise is an adjustment to income for purposes of the AMT. The AMT (imposed to the extent it exceeds the taxpayer s regular tax) is currently 26% of an individual taxpayer s alternative minimum taxable income (28% percent in the case of alternative minimum taxable income in excess of \$186,300). Alternative minimum taxable income is determined by adjusting regular taxable income for certain items, increasing that income by certain tax preference items and reducing this amount by the applicable exemption amount. If a disqualifying disposition of the ISO Shares occurs in the same calendar year as exercise of the ISO, there is no AMT adjustment with respect to those ISO Shares. Also, upon a sale of ISO Shares that is not a disqualifying disposition, alternative minimum taxable income is reduced in the year of sale by the excess of the fair market value of the ISO Shares at exercise over the amount paid for the ISO Shares.

Nonqualified Stock Options. A participant will not recognize any taxable income at the time a nonqualified stock option, or NQSO, is granted. However, upon exercise of a NQSO, a participant must include in income as compensation an amount equal to the difference between the fair market value of the shares on the date of exercise and the NQSO s exercise price. The included amount must be treated as ordinary income by the participant and will be subject to income tax withholding by us if the participant is an employee. Upon disposition of the shares by a participant, the participant will recognize capital gain or loss in an amount equal to the difference between the amount received on disposition and the fair market value of the shares on the date of exercise. This gain will be long-term capital gain if the participant has held the shares for at least one year.

Table of Contents

Stock Appreciation Rights. A grant of a stock appreciation right has no federal income tax consequences at the time of grant. Upon the exercise of stock appreciation rights, the value of the shares or other consideration received is generally taxable to the recipient as ordinary income, which will be subject to income tax withholding by us if the participant is an employee.

Restricted Stock. A participant receiving restricted shares for services recognizes taxable income when the shares become vested, generally when they are transferable or no longer subject to a substantial risk of forfeiture. Upon vesting, the participant will include in ordinary income an amount, which will be subject to income tax withholding by us if the participant is an employee, equal to the difference between the fair market value of the shares at the time they become substantially vested and any amount paid for the shares.

Upon disposition of the shares by a participant, the participant will recognize capital gain or loss in an amount equal to the difference between the amount received on disposition and the fair market value of the shares on the date of exercise. This gain will be long-term capital gain if the participant has held the shares for at least one year.

A participant can file an election with the IRS (an 83(b) Election), not later than 30 days after the date of the transfer of the restricted shares, to include in income as compensation (treated as ordinary income), in the year of the transfer of such restricted shares, an amount equal to the difference between the fair market value of such shares on the date of transfer and any amount paid for such shares. The included amount must be treated as ordinary income by the participant and may be subject to income tax withholding by us. Income is not again required to be included upon the lapse of the restrictions. Upon disposition of the shares by a participant, the participant will recognize capital gain or loss in an amount equal to the difference between the amount received on disposition and the fair market value of the shares on the date of grant. This gain will be long-term capital gain if the 83(b) Election was made at least one year prior to the disposition.

Restricted Stock Units. A participant receiving a restricted stock unit will recognize ordinary income in an amount equal to the money or the fair market value of the shares received at the time of their receipt.

Performance Shares and Performance Units. Performance Shares and Performance Units will be treated in the same manner as Restricted Stock and Restricted Stock Units, respectively, described above.

Code Section 409A. Section 409A of the Code (Section 409A), imposes significant restrictions on a range of nonqualified deferred compensation plans, along with a penalty on a participant receiving compensation under a plan that does not meet the requirements of Section 409A.

The definition of a nonqualified deferred compensation plan is broad and could include certain awards granted under the 2004 Plan. Certain compensation under the 2004 Plan, however, would not be subject to Section 409A, such as:

options where the exercise price is at least equal to fair market value on the date of grant; and

transfers of property subject to Section 83 of the Code (other than option grants) (*e.g.*, where income is taxed at time of vesting or where the participant makes an 83(b) Election).

Amounts deferred under a nonqualified deferred compensation plan that do not comply with Section 409A are includable in a participant's gross income and taxable immediately to the extent that such amounts are not subject to a substantial risk of forfeiture (*e.g.*, when the participant becomes vested in the deferred amounts). Amounts deferred under a nonqualified deferred compensation plan before January 1, 2005, are generally not subject to the requirements of section 409A. However, amounts deferred under a nonqualified deferred compensation plan that is materially modified after October 3, 2004, and amounts deferred but not vested prior to January 1, 2005, are subject to section 409A. An increase in the number of shares authorized under the 2004 Plan should not constitute a material modification.

Table of Contents

Tax Treatment of AngioDynamics

Subject to any withholding requirement, the standard of reasonableness, and (if applicable) Section 162(m) of the Code, we generally will be entitled to a deduction to the extent any participant recognizes ordinary income from an award granted under the 2004 Plan. While the 2004 Plan is designed to allow for the granting of awards that comply with the qualifying performance-based compensation exception under Section 162(m) of the Internal Revenue Code, the Company retains the discretion to grant awards that exceed the Section 162(m) deductibility limit.

New Plan Benefits

Provided that the shareholders approve the amendment of the 2004 Plan, the number of shares of common stock issuable pursuant to the terms of the 2004 Plan will be available for awards to all eligible participants of the plan. The Board of Directors has not at this time considered or approved any future awards under the 2004 Plan, and, as a result, the identity of future award recipients and the size and terms of future awards are not known at this time.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE PROPOSAL TO AMEND THE ANGIODYNAMICS, INC. 2004 STOCK AND INCENTIVE AWARD PLAN.

Table of Contents

PROPOSAL 4 AMENDMENT OF THE ANGIODYNAMICS, INC.

EMPLOYEE STOCK PURCHASE PLAN

We are asking our shareholders to approve the Employee Stock Purchase Plan (the ESPP), as amended, to increase the total number of shares of common stock that may be offered under the plan from 2,000,000 to 2,500,000. Our Board of Directors approved the amendment of the ESPP on September 7, 2016, subject to shareholder approval at the Annual Meeting. Approval of the amendment of the ESPP requires the affirmative vote of the holders of a majority of the shares cast at the Annual Meeting.

The purpose of the ESPP is to provide a means by which employees of AngioDynamics and its designated subsidiaries (collectively, participants) may be given an opportunity to purchase AngioDynamics common stock through payroll deductions. Our Board of Directors believes that by providing our employees with the opportunity to acquire a proprietary interest in the Company, we will be better able to attract, motivate, and retain the best available personnel for the success of our business. All eligible participants will have the same purchase rights and privileges under the ESPP.

As of August 29, 2016, 887,456 shares of common stock remained available for purchase under the ESPP.

The essential features of the ESPP are summarized below. This summary does not purport to be a complete description of the ESPP and is qualified by reference to the ESPP, as amended to date and as proposed to be amended, a copy of which is attached as Appendix B to this proxy statement.

Summary of the ESPP Plan (as amended)

Administration. The ESPP will be administered by our Board of Directors. The Board has the final power to construe and interpret both the ESPP and the rights granted under it, and to adopt rules and regulations for the administration of the ESPP. Determinations made by the Board with respect to any matter or provision contained in the ESPP shall be final, conclusive, and binding on AngioDynamics and all participants in the ESPP.

Shares of Stock Subject to the ESPP. Subject to adjustment as provided below, as proposed to be amended, the maximum aggregate number of shares to be offered under the ESPP will be 2,500,000 shares of our common stock. Shares delivered under the ESPP may consist of authorized and unissued shares, treasury shares or shares purchased on the open market.

Purchase Periods and Purchase Dates. Shares of common stock will be offered under the ESPP through offering periods, each with a duration of approximately six months. The offering periods will commence on the first business day on or after September 1st and March 1st of each year and each consists of a series of successive six-month purchase periods. Purchases will occur on the last day of each purchase period.

Eligibility and Participation. Any person who, on the first day of an offering period, has been employed in a full-time capacity for at least three months, with a customary working schedule of 20 or more hours per week and more than five months in a calendar year, is eligible to participate in that offering period. However, no employee is eligible to participate in the ESPP if, on the first day of an offering period, the employee owns stock equal to 5% or more of the total combined voting power or value of all classes of our stock or those of any of our subsidiaries. Eligible participants may join an offering period prior to the beginning of the period.

Purchase Price for Shares. The purchase price of the shares of common stock acquired on each purchase date will be the lower of (i) 85% of the fair market value of a share of common stock on the first day of the offering period or (ii) 85% of the fair market value of a share of common stock on the last day of the offering period, subject to any adjustments made by the Board of Directors in the event of changes in capitalization,

Table of Contents

dissolution or liquidation, or merger or asset sale. Fair market value means the closing sale price (or closing bid price if no sales are reported) of our common stock as reported by the Nasdaq Global Select Market or, in the absence of an established trading market, as determined in good faith by the Board of Directors.

Payroll Deductions and Stock Purchases. The purchase price of the shares of common stock will be accumulated by payroll deductions in an amount of not less than one percent (1%) and not more than fifteen percent (15%) (or such greater percentage as the Board may establish from time to time before an offering commencement date) of a participant's compensation on each payday during an offering period. The accumulated deduction will automatically be applied on each purchase date to the purchase of whole shares of common stock at the purchase price in effect for that purchase date. For purposes of the ESPP, eligible compensation includes salary, wages, overtime, bonuses, commissions and incentive compensation.

Special Limitations. The ESPP imposes certain limitations upon a participant's right to acquire common stock, including the following:

A participant may not be granted rights under the ESPP and all other employee stock purchase plans of AngioDynamics and its subsidiaries to purchase more than \$25,000 worth of common stock (determined based on fair market value of the stock on the first day of the offering period) for each calendar year in which the offering period is in effect; and

No Participant may purchase more than \$9,000 worth of common stock on any one purchase date.

Withdrawal; Termination of Purchase Rights. A participant may withdraw all, but not less than all, the payroll deductions credited to his or her account and not yet used to acquire shares under the ESPP any time on or before 15 days prior to a purchase date.

Purchase rights granted pursuant to any offering period under the ESPP terminate immediately upon cessation of a participant's employment for any reason. The participant will be deemed to have elected to withdraw from the ESPP, and we will distribute to such participant, or, in the case of his or her death, to the person or persons designated as his or her beneficiary, all of his or her accumulated payroll deductions.

Upon a participant's withdrawal, all of the participant's payroll deductions credited to his or her account will be paid to such participant promptly after receipt of a notice of withdrawal, the participant's purchase right for the offering period will automatically be terminated, no further payroll deductions for the purchase of shares will be made for such offering period, and payroll deductions will not resume at the beginning of the succeeding offering period or any offering period thereafter unless the participant re-enrolls in the ESPP. A participant's withdrawal from a given offering period will not affect such participant's eligibility to participate in subsequent offering periods under the ESPP.

No Transfer. Purchase rights granted under the ESPP are not transferable by a participant and may be exercised only by the participant to whom such rights are granted.

Adjustment Provisions. The number of shares authorized but not yet issued and the purchase price thereof, and the maximum number of shares that a participant may purchase each purchase period, will be proportionately adjusted for any increase or decrease in the number of our issued shares of common stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of our common stock, or any other similar change in the number of our outstanding shares effected without the receipt of consideration by us.

Effect of Certain Corporate Transactions. The ESPP provides that, in the event of: (i) a sale of all or substantially all of our assets; or (ii) our merger with or into another corporation, the ESPP will be assumed, or an equivalent plan substituted, by the successor corporation or a parent or subsidiary of the successor

Table of Contents

corporation. However, if the successor corporation refuses to assume the ESPP or substitute an equivalent plan, the offering period then in progress will be shortened by changing the next purchase date to a date that falls before the date of the proposed sale of assets or merger. Similarly, in the event of a proposed dissolution or liquidation of the Company, the offering period then in progress will be shortened by changing the next purchase date to a date before the date of the proposed dissolution or liquidation. In each such instance, all participants purchase rights will be exercised automatically on the new purchase date unless before such date they have withdrawn from the offering period.

Shareholder Rights. No participant will have any shareholder rights with respect to the shares covered by his or her purchase rights until the shares are actually purchased on the participant's behalf.

Share Proration. Should the total number of shares of common stock to be purchased pursuant to outstanding purchase rights on any particular date exceed the number of shares available for issuance under the ESPP at that time, then the Board will make a *pro rata* allocation of the available shares in as uniform a manner as shall be practicable and as it shall determine to be equitable.

Duration, Amendment and Termination. Unless sooner terminated by our Board of Directors, the ESPP will continue in effect for a term of ten years.

The Board may modify or amend the ESPP at any time. Any modification or amendment of the ESPP must be approved by the shareholders if such approval is required under applicable rules and regulations.

The Board may also amend or modify the ESPP, and any purchase rights previously granted under the ESPP, to the extent necessary to ensure the continued qualification of the ESPP under Section 423 of the Code.

Summary of Federal Income Tax Consequences under the ESPP

The following is a summary of the principal United States Federal income taxation consequences to AngioDynamics and participants subject to U.S. taxation with respect to participation in the ESPP. This summary is not intended to be exhaustive and does not discuss the income tax laws of any city, state, or foreign jurisdiction in which a participant in the ESPP may reside.

The plan is intended to qualify as an employee stock purchase plan within the meaning of Section 423 of the Code.

Table of Contents

A participant will be taxed on amounts withheld for the purchase of shares of common stock as if such amounts were actually received. Other than this, no income will be taxable to a participant until disposition of the acquired shares, and the method of taxation will depend upon the holding period of the acquired shares.

If a participant sells or otherwise disposes of the purchased shares within two years after his or her entry date into the offering period in which such shares were acquired or within one year after the actual purchase date of those shares, then the participant will recognize ordinary income in the year of sale or disposition equal to the amount by which the closing selling price of the shares on the purchase date exceeded the purchase price paid for those shares, and AngioDynamics will be entitled to an income tax deduction, for the taxable year in which such disposition occurs, equal in amount to such excess. The participant also will recognize a capital gain to the extent the amount realized upon the sale of the shares exceeds the sum of the aggregate purchase price for those shares and the ordinary income recognized in connection with their acquisition.

If a participant sells or disposes of the purchased shares more than two years after his or her entry date into the offering period in which the shares were acquired and more than one year after the actual purchase date of those shares, the participant will recognize ordinary income in the year of sale or disposition equal to the lower of (i) the amount by which the closing selling price of the shares on the sale or disposition date exceeded the purchase price paid for those shares or (ii) fifteen percent (15%) of the closing selling price of the shares on the participant's entry date into that purchase period. Any additional gain upon the disposition will be taxed as a long-term capital gain. AngioDynamics will not be entitled to an income tax deduction with respect to such disposition.

If a participant still owns the purchased shares at the time of death, his or her estate will recognize ordinary income in the year of death equal to the lower of (i) the amount by which the closing selling price of the shares on the date of death exceeds the purchase price, or (ii) fifteen percent (15%) of the closing selling price of the shares on his or her entry date into the purchase period in which those shares were acquired.

Directors who are not employees will not be eligible to participate in the ESPP. The future benefits that will be received under the ESPP by the current executive officers of the Company and by all eligible employees are not currently determinable. The Company estimates that approximately 1,300 employees of the Company will be eligible to participate upon commencement of the next offering period of the ESPP.

On August 29, 2016, the closing price of the Company's common stock on the Nasdaq Global Select Market was \$16.83.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE PROPOSAL TO AMEND THE ANGIODYNAMICS, INC. EMPLOYEE STOCK PURCHASE PLAN.

Table of Contents

AUDIT MATTERS

Audit Committee Report

During our fiscal year ended May 31, 2016, the Audit Committee of the Board of Directors (the "Audit Committee") was composed of four directors, each of whom has been determined by the Board of Directors (the "Board") to be independent under the listing standards of The Nasdaq Stock Market LLC. In August 2016, pursuant to the terms of the Stockholders Agreement, Sriram Venkataraman resigned from the Board. During our fiscal year ended May 31, 2017, the Audit Committee is composed of three directors, each of whom has been determined by the Board to be independent under the listing standards of The Nasdaq Stock Market LLC. The Audit Committee operates under a written Audit Committee Charter, which was adopted by the Board of Directors on February 27, 2004, and revised and approved by the Board of Directors on May 10, 2006, May 11, 2009, October 2010 and January 2015. The Audit Committee Charter is available on our website at www.angiodynamics.com under the "Investors Corporate Governance Committee Charters Audit Committee" caption.

Management of the Company is responsible for internal controls, the financial reporting process and compliance with laws and regulations and ethical business standards. The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's financial statements and effectiveness of internal controls in accordance with auditing standards generally accepted in the United States of America and for issuing a report thereon. The Audit Committee is charged with the duty to monitor and oversee these processes.

Pursuant to the Charter, the primary responsibilities of the Audit Committee are to assist the Board in its oversight of: (i) the integrity of the Company's financial statements, financial reporting process, system of internal controls over financial reporting, and audit process; (ii) the Company's compliance with, and process for monitoring compliance with, legal and regulatory requirements; (iii) the independent registered public accounting firm's qualifications and independence; and (iv) the performance of the Company's independent registered public accounting firm, including, without limitation, ensuring that interim quarterly financial statements are reviewed by the Company's independent registered public accounting firm. The quarterly reviews include discussions by management and the independent registered public accounting firm with the Audit Committee. The Audit Committee must also pre-approve all audit and permitted non-audit services to be performed by the independent registered public accounting firm.

The Audit Committee has the authority to select, determine the compensation paid to, and replace the Company's independent registered public accounting firm. The Audit Committee selected PriceWaterhouseCoopers LLP in fiscal 2016 as the Company's independent registered public accounting firm. PriceWaterhouseCoopers LLP continues to act as the company's auditor. However, as described below, the Audit Committee has elected to initiate a Request for Proposal ("RFP") for an accounting firm for the 2017 audit.

The Charter provides that the Audit Committee shall always consist of not less than three members, all of whom must be independent directors. No member of the Audit Committee may serve on the Audit Committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to serve effectively on the Audit Committee, and discloses this determination in the proxy statement. To carry out its responsibilities, the Audit Committee met 9 times during fiscal 2016.

Prior to the issuance of the fiscal 2016 financial statements, the Audit Committee met with management and with PricewaterhouseCoopers to review the financial statements and to discuss significant accounting issues and policies. Management advised the Audit Committee that the Company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The Audit Committee's review included discussion with PricewaterhouseCoopers of matters that are required to be discussed pursuant to Statement on Auditing Standards No. 16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board.

Table of Contents

The Audit Committee discussed with PricewaterhouseCoopers matters relating to PricewaterhouseCoopers' independence, including the written disclosures and the letter provided by PricewaterhouseCoopers to the Audit Committee as required by applicable requirements of the Public Company Accounting Oversight Board. PricewaterhouseCoopers informed the Audit Committee in writing that it was independent with respect to the Company within the regulations promulgated by the Securities and Exchange Commission and the requirements of the Public Company Accounting Oversight Board. The Audit Committee has concluded that PricewaterhouseCoopers is independent of the Company and its management.

The Audit Committee discussed with the Company's independent registered public accounting firm the overall scope and plan for their audit. The Audit Committee met with the independent registered public accounting firm, with and without management present, to discuss the results of their examination and the evaluation of the Company's internal controls.

On the basis of these reviews and discussions, the Audit Committee recommended to the Board of Directors that the Board approve the inclusion of the Company's audited consolidated financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2016, for filing with the Securities and Exchange Commission.

Members of the Audit Committee:

Dennis S. Meteny, Chairman

Jeffrey G. Gold

Wesley E. Johnson

The Audit Committee Report does not constitute soliciting material, and shall not be deemed to be filed or incorporated by reference into any other filing we make under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (hereinafter referred to as the Exchange Act), except to the extent that we specifically incorporate the Audit Committee Report by reference therein.

Information Regarding Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP has served as the Company's independent registered public accounting firm since 2006 and shareholders have ratified their appointment each year since 2006. However, this year the Audit Committee has not yet appointed an independent registered public accounting firm for fiscal 2017 as it has elected to initiate an RFP for the 2017 audit, which will not be concluded prior to the Annual Meeting. Once the RFP process has concluded, the Audit Committee will appoint the Company's independent registered public accounting firm for the fiscal year ending May 31, 2017. Going forward, we expect the appointment of the Company's independent registered public accounting firm to be presented to the shareholders for ratification at each Annual Meeting. The Audit Committee has the discretion to appoint a different independent registered public accounting firm at any time during the year if the Audit Committee believes that such a change would be in the best interest of the Company and our shareholders.

Representatives of PricewaterhouseCoopers LLP will attend the Annual Meeting. They will have an opportunity to make a statement if they desire to do so, and they will be available to respond to appropriate questions.

Principal Accounting Fees and Services

The following table presents fees for professional audit services rendered by PricewaterhouseCoopers LLP for the audit of our financial statements for the fiscal years ended May 31, 2016 and May 31, 2015, for inclusion in our Annual Reports on Form 10-K for the fiscal years ended May 31, 2016 and May 31, 2015, reviews of

Table of Contents

quarterly financial statements, and fees paid in those periods for other services rendered by PricewaterhouseCoopers LLP, in thousands:

	2016	2015
Audit Fees	\$ 1,204	\$ 1,222
Audit-Related Fees	2	2
Tax Fees	423	176
All Other Fees	0	0
	\$ 1,629	\$ 1,400

All fees shown in the table were related to services that were approved by the Audit Committee.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

Consistent with SEC policies regarding auditor independence, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of the independent registered public accounting firm.

In recognition of this responsibility, the Audit Committee has established a policy to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm.

Prior to engagement of the independent registered public accounting firm for the next year's audit, management submits a list of services and related fees expected to be rendered during that year within each of four categories of services to the Audit Committee for approval.

1. **Audit** services include audit work performed on the financial statements and internal control over financial reporting, as well as work that generally only the independent registered public accounting firm can reasonably be expected to provide, including comfort letters, statutory audits, and discussions surrounding the proper application of financial accountin