

KEY TRONIC CORP
Form 8-K
February 06, 2006

EFFECTIVE FEBRUARY 6, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported) February 6, 2006

Key Tronic Corporation

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction

of incorporation)

0-11559
(Commission File Number)

91-0849123
(IRS Employer

Identification No.)

4424 North Sullivan Road, Spokane Valley, Washington
(Address of principal executive offices)

99216
(Zip Code)

Registrant's telephone number, including area code (509) 928-8000

(Former name or former address, if changed since last report)

Edgar Filing: KEY TRONIC CORP - Form 8-K

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provision (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

ITEM 5.02 DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS

On January 31, 2006, William E. Terry notified the registrant that he will not stand for re-election as a director at the registrant's Annual Meeting of Shareholders to be held on October 26, 2006. Mr. Terry's term will end at the Annual Meeting and he will continue to serve as a director until the Annual Meeting. Mr. Terry's decision not to seek re-election was not because of a disagreement with the registrant on any matter relating to the registrant's operations, policies or practices.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KEY TRONIC CORPORATION

(Registrant)

Date: February 6, 2006

By: */s/Ronald F. Klawitter*
Ronald F. Klawitter, Executive Vice

President of Administration, CFO and

Treasurer

Components of Executive Compensation for Fiscal 2012 24

Potential Payments upon Termination or Change in Control

29

Summary Compensation Table for Fiscal 2012

35

Grants of Plan-Based Awards for Fiscal 2012

36

Outstanding Equity Awards at Fiscal 2012 Year-End

37

Option Exercises and Stock Vested for Fiscal 2012

38

Director Compensation Table

39

PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

40

Recommendation of the Board of Directors

40

AUDIT MATTERS

41

Audit Committee Report

41

Principal Accounting Fees and Services

42

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

42

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

44

Proposed Increase in Authorized Shares

44

Burn Rate Commitment

44

Summary Description of the 2004 Plan (as amended)

44

Summary of Federal Income Tax Consequences under the 2004 Plan

46

Recommendation of the Board of Directors

49

PROPOSAL 4 AMENDMENT TO THE ANGIODYNAMICS, INC. EMPLOYEE STOCK PURCHASE PLAN

50

Summary of the Plan (as amended)

50

Summary of Federal Income Tax Consequences under the Employee Stock Purchase Plan

52

Recommendation of the Board of Directors

53

Edgar Filing: KEY TRONIC CORP - Form 8-K

PROPOSAL 5 ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

54

Recommendation of the Board of Directors

54

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

55

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

56

ANNUAL REPORT

57

SHAREHOLDER PROPOSALS AND NOMINATIONS

58

OTHER MATTERS

59

Appendix A

A-1

Appendix B

B-1

Table of Contents

ANGIODYNAMICS, INC.

14 Plaza Drive

Latham, New York 12110

PROXY STATEMENT

FOR

ANNUAL MEETING OF SHAREHOLDERS

OF ANGIODYNAMICS, INC.

October 22, 2012

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 2012 Annual Meeting of Shareholders referred to in the attached notice and at any adjournments of that meeting. The Annual Meeting will be held at the New York Marriott East Side, 525 Lexington Avenue, New York, NY 10017, on Monday, October 22, 2012 at 2:00 p.m., 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 11, 2012 to each shareholder entitled to vote.

When used in this proxy statement, the terms *we*, *us*, *our*, *the Company* and *AngioDynamics* refer to AngioDynamics, Inc. The terms *Board*, *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 of AngioDynamics' ten directors, namely David Burgstahler, Steven R. LaPorte and Wesley E. Johnson, Jr. If elected, these Class III directors will each serve until the 2015 Annual Meeting of Shareholders and their respective successors are duly elected and qualified.

2. Ratification of Appointment of Independent Registered Public Accounting Firm

Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending May 31, 2013.

Edgar Filing: KEY TRONIC CORP - Form 8-K

3. Amendment to AngioDynamics 2004 Stock and Incentive Plan

Approval of an amendment to AngioDynamics 2004 Stock and Incentive Award Plan to increase the total number of shares of common stock reserved for issuance under the plan from 4,750,000 shares to 5,750,000 shares.

4. Amendment to AngioDynamics Employee Stock Purchase Plan

Approval of an amendment to AngioDynamics Employee Stock Purchase Plan to increase the total number of shares of common stock reserved for issuance under the plan from 700,000 shares to 1,200,000 shares.

Table of Contents

5. 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.

How can I receive proxy materials?

Under rules adopted by the U.S. Securities and Exchange Commission, 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 11, 2012, we began mailing to our shareholders a Notice of Internet Availability of Proxy Materials 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, 2012 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 by internet at <http://www.proxyvote.com>, by telephone at 1-800-579-1639 or by email at sendmaterial@proxyvote.com by sending a blank email with your control number in the subject line.

Who is entitled to vote?

Shareholders of record at the close of business on August 22, 2012, 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 34,882,510 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, 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 21, 2012. If you vote by internet or telephone, you need not return your proxy card.

By Mail If you received a paper copy of the 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, attorney or officer of a corporation), you should indicate your name and title or capacity.

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 (broker or other nominee) giving you the right to vote the shares.

Table of Contents

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

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

It generally means you hold shares registered in more than one account. If you received a paper copy of the proxy statement and you vote by mail, sign and return each proxy card. Or, if you vote by internet or telephone, vote once for each proxy card and/or Notice you receive. If you have received more than one Notice, 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 the AngioDynamics Vice President, General Counsel and Assistant Secretary;

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.

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 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.

How does the Board recommend that I vote?

AngioDynamics Board recommends that you vote your shares:

FOR the election as directors of the persons who have been nominated by the Board of Directors;

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as AngioDynamics independent registered public accounting firm for the fiscal year ending May 31, 2013;

Edgar Filing: KEY TRONIC CORP - Form 8-K

FOR the approval of the amendment to AngioDynamics 2004 Stock and Incentive Award Plan to increase the total number of shares of common stock reserved for issuance under the plan from 4,750,000 to 5,750,000;

Table of Contents

FOR the approval of the amendment to AngioDynamics Employee Stock Purchase Plan to increase the total number of shares of common stock reserved for issuance under the plan from 700,000 to 1,200,000;

FOR the approval of the compensation of our named executive officers; 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.

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 (through a bank, broker or other nominee) and do not provide specific voting instructions, then, under the rules of the NASDAQ Stock Market, the bank, broker 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.

How many votes are required 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 required for the election of directors. 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 each of the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ended May 31, 2013, the amendment of AngioDynamics 2004 Stock and Incentive Award Plan and the amendment of AngioDynamics Employee Stock Purchase Plan, 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 be required for approval. For the Say-on-Pay advisory vote, a majority of the votes cast will reflect the advice of the shareholders. 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. Accordingly, an abstention will have the effect of a negative vote.

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, are not counted for the purpose of determining whether shareholders have approved the election of directors in proposal 1, the amendment to the AngioDynamics 2004 Stock and Incentive Award Plan in proposal 3, the amendment to AngioDynamics Employee Stock Purchase Plan in Proposal 4, or the Say-on-Pay advisory vote in proposal 5, because such proposals are considered non-routine matters. If you do not provide voting instructions to your broker, your broker will have discretion to vote your shares on proposal 2, because the ratification of auditor appointment is considered a routine matter. Broker non-votes are counted as present for the purpose of determining a quorum at the Annual Meeting.

Table of Contents

How can I find voting results of the Annual Meeting?

We will announce preliminary voting results at the Annual Meeting and file a Form 8-K with the Securities and Exchange Commission indicating final 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 10 directors. The board is classified into three classes, each of which has a staggered three-year term. At the Annual Meeting, our shareholders will elect three Class III directors. If elected, David Burgstahler, Steven R. LaPorte and Wesley E. Johnson, Jr. will hold office until the Annual Meeting of Shareholders to be held in 2015 and until their successors are duly elected and qualified. The Class I directors and Class II 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 David Burgstahler, Steven R. LaPorte and Wesley E. Johnson, Jr. expires at the 2012 Annual Meeting and when his respective successor is duly elected and qualified. 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.

Nominees to serve as Class III Directors (Term expiring at the 2015 Annual Meeting):

David Burgstahler, age 44, joined our board on May 22, 2012 in connection with our acquisition of Navilyst. Mr. Burgstahler is 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. Mr. Burgstahler currently serves as a Director of Armored AutoGroup Inc., Cidron Healthcare Limited (ConvaTec), INC Research Holdings, Inc., Lantheus Medical Imaging, Visant Corporation and WideOpenWest, LLC. He previously served as a Director of BioReliance Holdings and Warner Chilcott plc.

Mr. Burgstahler's strong finance and management background, with over 17 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.

Wesley E. Johnson, Jr., age 54, joined our board in January 2007. 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.

Table of Contents

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 62, 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 Venture Partner for Onset Ventures and serves on the boards of Valeritas and Biocontrol. Mr. LaPorte also served as the Chief Technology Officer for Intellect Medical until its acquisition by Boston Scientific in January 2011. From 2002 until his retirement in August 2005, Mr. LaPorte served as the Vice President of NeuroVentures and Business Development at Medtronic, Inc., a global leader in medical technology. From 2000 to 2002, Mr. LaPorte served as Vice President and General Manager of Medtronic's Drug Delivery Division; from 1994 to 2000, he held the position of Vice President and General Manager of Medtronic's Electrophysiology Systems Division; and from 1988 to 1994 he was the Vice President of Operations for Medtronic's Neurological Division. He began his career at Medtronic in 1978. Mr. LaPorte received his M.B.A. from the University of Minnesota and a B.S. in mathematics and computer science from the University of Wisconsin Stevens Point. 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.

Recommendation of the Board of Directors

The Board of Directors recommends a vote FOR the election of each of the nominees.

Other Directors

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

Class I Directors (Term expiring at the 2013 Annual Meeting):

Jeffrey G. Gold, age 64, has served as a director since 1997. Mr. Gold is a Venture Partner for Longitude Capital, a healthcare venture capital fund. 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 business. At Cordis, Mr. Gold also had responsibility for its peripheral vascular business. He serves on the board of directors of several 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 is a member of our Licensing and Acquisition Committee and our Nominating and Corporate Governance Committee.

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

Table of Contents

our board with valuable strategic and technical expertise necessary to direct a diverse medical device company.

Kevin J. Gould, age 58, 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 and a member of our Licensing and Acquisition Committee.

Mr. Gould's service as COO and President, North America of Tyco Healthcare provides 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 59, joined our Board of Directors in March 2004. Mr. Meteny is 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 Respirationics, 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 Respirationics, COO of TissueInformatics and CEO of Cygnus Manufacturing Company, provides 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, 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 as CFO of Respirationics.

Class II Directors (Term expiring at the 2014 Annual Meeting):

Vincent A. Bucci, age 57, joined our Board of Directors in January 2007 and was named Chairman in July 2007. From 1999 to 2007, Mr. Bucci served as Chairman of the Board of Directors of RITA Medical Systems, Inc., which we acquired in January 2007. In addition, Mr. Bucci serves as Chairman of the Board of IMI Intelligent Medical Implants GmbH and as a director of Northwood Medical Implants, a London based company. Since 1992, Mr. Bucci has been President of Health Policy Associates, Inc., a consulting company he founded. Prior to that, Mr. Bucci spent 11 years with Pfizer Hospital Products Group. Mr. Bucci holds a B.A. from Bates College and a J.D. in Public Law and an M.A. in Government, both from Georgetown University. Mr. Bucci is a member of our Licensing and Acquisition Committee.

Mr. Bucci, through his 30 years of management, governance and FDA regulatory experience as Chairman of our board and RITA's board and as president of Health Policy Associates, provides valuable strategic counsel and business leadership to our board.

Joseph M. DeVivo, age 45, was appointed President and Chief Executive Officer on August 15, 2011, effective September 7, 2011. Prior to his appointment as President and Chief Executive Officer, Mr. DeVivo

Table of Contents

served as Global President of Smith & Nephew Orthopedics, a provider of medical devices operating in the orthopedics, endoscopy and advanced wound management markets, from June 2007 to August 2011. From August 2003 until its acquisition by AngioDynamics in January 2007, Mr. DeVivo served as President and Chief Executive Officer of RITA Medical Systems, a provider of medical oncology devices. Mr. DeVivo served as President, Chief Operating Officer and Director of Computer Motion Incorporation (CMI), a medical robotics company, from August 2002 to July 2003, and as Vice President and General Manager of a division of Tyco International's Healthcare Business, U.S. Surgical/Davis and Geck Sutures, from May 1993 to August 2002. Mr. DeVivo earned his Bachelor of Science degree in Business Administration from the E. Clairborne Robins School of Business at the University of Richmond in 1989.

Through his position as our CEO and his tenures at RITA Medical Systems and Smith & Nephew, Mr. DeVivo brings leadership, extensive business experience and extensive knowledge of the medical device industry to the board. In addition, Mr. DeVivo brings his strategic vision for our company to the board. Mr. DeVivo'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 51, joined our Board of Directors in March 2004. Mr. Donnelly is President of Concert Medical, LLC, a manufacturer of interventional medical devices. On July 30, 2010, Mr. Donnelly became a principal and President and CEO of HydroCision Inc., a company focused on the spine surgery market. In addition, Mr. Donnelly is a principal in a privately held start-up medical device company targeting the regional anesthetic 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 a 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 is chairman of our Licensing and Acquisition Committee and a member of our Audit Committee.

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

Sriram Venkataraman, age 40, joined our board on May 22, 2012, in connection with our acquisition of Navilyst. Mr. Venkataraman is a Partner of Avista, having joined in May 2007. Prior to joining Avista, Mr. Venkataraman was a Vice President in the Healthcare Investment Banking group at Credit Suisse Group AG from 2001 to 2007. Previously, he worked at GE Healthcare (formerly known as GE Medical Systems) from 1996 to 1999. Mr. Venkataraman holds a Master of Science in Electrical Engineering from the University of Illinois, Urbana-Champaign and a Master of Business Administration with Honors from The Wharton School. He currently serves as a Director of Lantheus Medical Imaging and OptiNose Inc.

Mr. Venkataraman's experience in the healthcare industry, his strong finance and management background and his extensive experience in investment banking and private equity finance, with a focus particularly on the healthcare industry, provides the board with valuable business, strategic and management experience.

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 nine of our ten directors and nominees Messrs. Bucci, Burgstahler, Donnelly, Gold, Gould, Johnson, LaPorte, Meteny, and Venkataraman 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 eight of our directors named in this proxy statement who were then members of the board attended our Annual Meeting of Shareholders in 2011.

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

Vincent A. Bucci is our independent, non-executive Chairman of the Board of Directors, and Joseph M. DeVivo is our CEO. 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 Director's role in discussing and developing our business strategy is a key part of its understanding 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, 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 document as the **Stockholders**). The following is a summary of the material 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 into this document. 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.

General

The Stockholders Agreement governs the Stockholders' ownership interest in AngioDynamics. At the closing of the Navilyst acquisition, we issued 9,479,607 shares of our common stock to the Stockholders, which represents approximately twenty seven percent (27%) of the total issued and outstanding shares of our common stock.

Board Representation

Pursuant to the terms of the Stockholders Agreement, AngioDynamics' Board of Directors was increased from eight (8) to ten (10) directors. In addition, our Board of Directors appointed two (2) individuals designated by investment funds affiliated with Avista Capital Partners to serve on our Board of Directors (David Burgstahler and Sriram Venkataraman, who are collectively 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). The first Stockholder Designee, Sriram Venkataraman, serves in Class II. The second Stockholder Designee, David Burgstahler, serves in Class III, and is a nominee for election at this year's Annual Meeting of Shareholders. If the Stockholders materially breach the Stockholders Agreement, which breach is not cured in all material respects within fifteen (15) business days of receipt of notice of such breach, we have the right to terminate the investment funds affiliated with Avista Capital Partners right to designate the Stockholder Designees.

Any Stockholder Designee to the AngioDynamics Board of Directors (i) must not be, at the time of designation, required to disclose any information pursuant to Item 2(d) or (e) of Schedule 13D if such person were the person filing such Schedule 13D, (ii) must not, at the time of designation, be prohibited or disqualified from serving as a director of a public company pursuant to any applicable rule or regulation of the SEC or NASDAQ or pursuant to applicable law, (iii) must, prior to his or her appointment to the board, provide an executed resignation letter in the form set forth in Exhibit B to the Stockholders Agreement resigning from the board and from any committees or subcommittees thereof to which he or she is then appointed or on which he or she is then serving upon the occurrence of the Board Right Termination Event applicable to such Stockholder Designee, and (iv) must, in the good faith reasonable judgment of AngioDynamics' Nominating and Corporate Governance Committee, satisfy the requirements of AngioDynamics' organizational documents and code of business conduct and ethics included in the corporate governance section of AngioDynamics' website applicable to all non-employee directors. In addition, any Stockholder Designee must abide by the provisions of all codes and policies of AngioDynamics applicable to non-employee directors, including AngioDynamics' insider trading policy, policies requiring the pre-clearance of all securities trading activity by or on behalf of such Stockholder Designee and AngioDynamics' code of business conduct and ethics, as applicable to such Stockholder Designee.

Table of Contents

Any Stockholder Designee will be entitled to the same rights, privileges and compensation as the other non-employee Directors, including rights with respect to indemnification, directors and officers insurances and expense reimbursement. However, pursuant to the Stockholders Agreement, the first Stockholder Designee will not receive the director compensation payable to non-employee directors by AngioDynamics.

For as long as the investment funds affiliated with Avista Capital Partners has 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, investment funds affiliated with Avista Capital Partners 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 investment funds affiliated with Avista Capital Partners will have the right to designate a replacement Stockholder Designee.

The Stockholders Agreement provides that the Stockholders must refrain from using material non-public information obtained by any Stockholder Designee at any meetings of the board or board committees in a manner prohibited by applicable law, including trading AngioDynamics' securities while in possession of such material non-public information to the extent such trading would violate applicable law.

Standstill Restrictions

Under the terms of the Stockholders Agreement, each Stockholder and AvistaCapital Holdings, LP (Avista) will be subject to customary standstill restrictions until the later of (a) the seven (7) year anniversary of the closing date of the acquisition and (b) the three (3) 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 outstanding. The standstill restrictions will generally prevent the Stockholders and Avista from (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 causes 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 AngioDynamics 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 AngioDynamics 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;

Table of Contents

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 deposit any voting securities in a voting trust or similar arrangement;

seeking to obtain any amendment, termination or waiver of the Rights Agreement, dated as of May 26, 2004, between AngioDynamics and Registrar & Transfer Company, as rights agent; 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 (1) year from the date of the Stockholders Agreements, the Stockholders must 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 securities either (a) in accordance with the recommendation of the AngioDynamics 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 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 voting securities then outstanding and there is no Stockholder Designee then serving on the board.

Transfer Restrictions

For a period of one (1) year from the date of the Stockholders Agreement, no Stockholder shall transfer any shares of AngioDynamics without the prior written consent of AngioDynamics.

Thereafter, the Stockholders shall use commercially reasonable efforts to transfer their shares of AngioDynamics in an orderly manner and may do so without AngioDynamics consent and without restriction, provided that (i) if the transfer of AngioDynamics shares is pursuant to a registration statement, the registration statement must comply with the Stockholders Agreement, and (ii) if the transfer is effected pursuant to (A) a Registration Statement or a privately-negotiated transaction not subject to the registration requirements of the Securities Act in each case in which the Stockholders negotiate the terms of such transfer directly with the third party purchaser of such shares or (B) in accordance with Rule 144 under the Securities Act but not pursuant to the manner of sale provisions specified in Rule 144(f), in each case the Stockholders shall not knowingly transfer shares:

representing more than four and nine-tenths percent (4.9%) of the Voting Securities then outstanding in a single transfer or series of related transfers (unless in a single transfer or series of related transfers in one or more block trades with one or more registered broker-dealers), or

Table of Contents

to (1) certain competitors of AngioDynamics, or (2) persons that have engaged in a proxy contest or have filed a Schedule 13D with respect to any issuer that disclosed certain plans or proposals that were not authorized or approved by the board of directors of such issuer or were not entered into pursuant to an agreement with such issuer, in either case, during the two (2) year period immediately preceding the date of such transfer.

The restrictions set forth in the first bullet point above shall not apply to registrable shares that are subject to certain limitations and therefore not included in an effective shelf registration or following a material breach of AngioDynamics' registration obligations under the Stockholders Agreement. The restrictions set forth in the foregoing two bullet points will terminate at such time as the Stockholders beneficially own less than five percent (5%) of the voting securities of AngioDynamics.

Notwithstanding the transfer restrictions above, during the one (1) year lock-up period and anytime thereafter, Stockholders may transfer their shares of AngioDynamics:

to (i) a subsidiary of a Stockholder, (ii) any other Stockholder, (iii) any fund or other entity that is managed or advised by Avista Capital Partners or Avista Capital Partners (Offshore), LP or any of their affiliates (excluding any portfolio company), and (iv) certain investors in Navilyst Co-Invest, LLC;

to AngioDynamics or any of its subsidiaries;

pursuant to any recapitalization, reclassification, consolidation, merger, share exchange or other business combination transaction involving AngioDynamics that is approved or recommended by the Board or approved by the stockholders of AngioDynamics; or

pursuant to any tender, exchange or other similar offer for any voting securities in the manner set forth in the Stockholders Agreement.

Any transfer of AngioDynamics' shares by the Stockholders in violation of the terms and conditions of the Stockholders Agreement will be null and void, regardless of the knowledge of the transferee.

Registration Rights

Shelf Registration

AngioDynamics will prepare and file a shelf registration statement on Form S-3 no later than two hundred seventy (270) days following the date of the Stockholders Agreement. If AngioDynamics is not eligible to use Form S-3, it will use Form S-1 but will undertake to register the shares on Form S-3 promptly thereafter. AngioDynamics will not be obligated to keep effective any shelf registration on Form S-1 for more than one hundred eighty (180) days in any twelve (12) month period. Upon regaining eligibility to use a Form S-3, AngioDynamics will promptly file a shelf registration on Form S-3 and will maintain the effectiveness of the shelf registration on Form S-1 until the Form S-3 shelf registration is declared effective. If AngioDynamics continues to not be eligible to use Form S-3 after the one hundred eighty (180) day period, it will, upon written request from one or more Stockholders, file another Form S-1 shelf registration covering the shares, provided, however, that AngioDynamics will not be obligated to file more than one (1) shelf registration on Form S-1 in any calendar year and shall not be obligated to file a shelf registration on Form S-1, other than the initial shelf registration on Form S-1, until ninety (90) days after the expiration of the one hundred eighty (180) day period.

AngioDynamics will use its reasonable best efforts to keep the registration statement continuously effective and to cooperate in any shelf take down. AngioDynamics will, within ten (10) business days of receiving a request from a Stockholder who owns shares that are not included in a shelf registration, amend the registration as necessary to permit such Stockholder to sell the shares.

If the Stockholders notify AngioDynamics of their intent to effect an underwritten offering of shares included on the shelf registration, AngioDynamics will amend or supplement the shelf registration or related

Table of Contents

prospectus to enable the shares to be distributed pursuant to the underwritten offering. All shares in an underwritten offering shall be subject to the applicable underwriting agreement with customary terms, such as limitations on the number of shares to be included in any underwritten offering and lock-up agreements imposed by the underwriter.

Postponement of Shelf Registration

Under the Stockholders Agreement, AngioDynamics is entitled to postpone, for a period not to exceed thirty (30) consecutive days or an aggregate of seventy-five (75) days in any one (1) year period, and not more than once in any six (6) 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 the Board of Directors of AngioDynamics, 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. AngioDynamics will promptly provide notice to the Stockholders of the postponement and its expected duration.

Termination of Registration Obligations

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 (4) months after the first date on which Stockholders own less than five percent (5%) of the then outstanding voting shares.

Expenses

AngioDynamics has agreed to pay all registration expenses, including up to \$25,000 in legal fees for one counsel for the Stockholders and reasonable expenses incurred with AngioDynamics prior approval in connection with up to three (3) road shows, except that underwriting discounts, selling commissions and transfer taxes shall be borne by the selling Stockholders.

The Stockholders Agreement contains indemnification provisions whereby AngioDynamics and the Stockholders have agreed to indemnify and hold harmless the other from claims, actions or proceedings arising out of or based upon an untrue statement or omission of a material fact in any offering or sale of shares, unless the claim arises out of or is based upon an untrue statement or omission made by AngioDynamics in reliance upon and in conformity with information furnished in writing by a Stockholder. However, no Stockholder will be required to incur indemnification obligations which are in excess of the net proceeds received by such Stockholder pursuant to such registration.

Termination

The Stockholders Agreement will terminate upon the earlier of (a) the later of (i) the seventh anniversary of the closing and (ii) the date that is three (3) years after the first date on which the Stockholders cease to own at least five percent (5%) of the voting shares 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.

Amendment

The Stockholders Agreement may not be amended except by a written instrument signed by AngioDynamics and the Stockholders.

Table of Contents

MEETINGS AND BOARD COMMITTEES

Committees of the Board

The Board of Directors has four standing committees, the members of which have been elected by the board: the Audit Committee; the Compensation Committee; the Licensing and Acquisition 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 Compensation Committee, Licensing and Acquisition Committee and 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 members of the Audit Committee are Howard W. Donnelly, Wesley E. Johnson and Dennis S. Meteny, each of whom has been determined by our board to be independent under the Nasdaq listing standards. 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 nine times during our fiscal year ended May 31, 2012.

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 shall 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 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.

During our fiscal year ended May 31, 2012, the members of the Compensation Committee were Steven R. LaPorte, Charles T. Orsatti (through October 18, 2011), Kevin J. Gould, and Wesley E. Johnson, Jr. (from January 2012) each of whom has been determined by our Board of Directors to be independent under the Nasdaq listing standards. Mr. LaPorte served as chair of the Compensation Committee through January 2012 and Mr. Gould currently serves as chair of the Compensation Committee. The Compensation Committee met six times during our fiscal year ended May 31, 2012.

Table of Contents

Licensing and Acquisition Committee

The Licensing and Acquisition Committee is responsible for evaluating and providing guidance to management regarding possible licensing and/or acquisition opportunities of the Company. The Licensing and Acquisition Committee is authorized, on its own, and upon a unanimous vote of all of its members, to authorize management to enter into licensing and/or acquisition transactions on behalf of the Company, provided that (i) the total investment by the Company pursuant to each such transaction does not exceed \$5 million, exclusive of any consulting, legal or filing fees; and (ii) in no event shall the Company's stock be issued as consideration for such transaction. The authority and responsibilities of the Licensing and Acquisition 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 Licensing and Acquisition Committee caption.

During our fiscal year ended May 31, 2012, the members of the Licensing and Acquisition Committee were Vincent A. Bucci, Howard W. Donnelly, Jeffrey G. Gold and Kevin J. Gould, each of whom has been determined by our Board of Directors to be independent under the Nasdaq listing standards. Mr. Donnelly served as chair of the Licensing and Acquisition Committee. The Licensing and Acquisition Committee met 12 times during our fiscal year ended May 31, 2012.

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; (ii) advising the board with respect to the 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 maintains the following guidelines for selecting nominees to serve on the board.

The Nominating and Corporate Governance Committee may apply several criteria in selecting nominees. At a minimum, the committee shall 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 may consider include a candidate's specific experiences and skills, relevant industry background and knowledge, time availability in light of other commitments, potential conflicts of interest 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.

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.

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.

Table of Contents

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.

Through January 2012, the members of the Nominating and Corporate Governance Committee were Jeffrey G. Gold, Howard W. Donnelly, and Kevin J. Gould, each of whom has been determined by our Board of Directors to be independent under the Nasdaq listing standards. From January 2012, the members of the Nominating and Corporate Governance Committee are Jeffrey G. Gold, Steven R. LaPorte, and Wesley E. Johnson, Jr., each of whom has been determined by our Board of Directors to be independent under the Nasdaq listing standards. Mr. Gold served as the chair of the Nominating and Corporate Governance Committee through January 2012 and Mr. LaPorte currently serves as the chair of the committee. The Nominating and Corporate Governance Committee met 14 times during our fiscal year ended 2012.

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 nine meetings during our fiscal year ended May 31, 2012. 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 22, 2012. 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 22, 2012, there were 34,882,510 shares of our common stock outstanding. As of August 22, 2012, no director or executive officer beneficially owned more than 1% of the shares of our common stock outstanding. AngioDynamics' current directors and executive officers as a group beneficially own 2.7% of the shares outstanding.

Name of Beneficial Owner	Number of Shares of Common Stock Owned as of August 22, 2012 ^(a)	% of Outstanding Shares	Of Shares Beneficially Owned, Number that May be Acquired Within 60 Days of August 22, 2012
5% Owners			
Avista Capital Partners GP, LLC	9,433,008 ^(b)	27.0	
c/o Avista Capital Partners			
65 East 55 th Street, 18 th Floor			
New York, NY 10022			
Deerfield Capital, LP	6,734,448 ^(c)	19.3	
780 Third Avenue, 37 th Floor			
New York, NY 10017			
Dimensional Fund Advisors LP	2,096,615 ^(d)	6.0	
Palisades West, Building One			
6300 Bee Cave Road			
Austin, Texas, 78746			
Janus Capital Management LLC	1,992,471 ^(e)	5.7	
151 Detroit Street			
Denver, Colorado 80206			
Directors			
Vincent A. Bucci	127,996 ^(f)		88,150
David Burgstahler	9,433,008 ^(g)		0
Howard W. Donnelly	80,001		70,001
Jeffery G. Gold	79,892		58,509
Kevin J. Gould	24,034		21,334
Wesley E. Johnson, Jr.	88,694		80,694
Steven R. LaPorte	81,475		73,462
Dennis S. Meteny	80,001		65,501
Sriram Venkataraman	9,433,008 ^(g)		0
Officers			
Joseph M. DeVivo	117,250		106,250

Edgar Filing: KEY TRONIC CORP - Form 8-K

Jan Keltjens	N/A	0
Scott J. Solano	N/A	0
D. Joseph Gersuk	112,521	93,503
Alan M. Panzer	30,000	30,000
Stephen McGill	29,486	27,503
R. Scott Etlinger	29,197	28,582
All directors and executive officers as a group (17 persons) ^(h)	936,908	823,930

Table of Contents

- (a) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission 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 22, 2012 and restricted stock units that will vest within 60 days of August 22, 2012 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 based upon a Schedule 13D filed by Avista Capital Partners GP, LLC on May 24, 2012, which states the 13D 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); (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 5,848,255 shares of Common Stock, ACP Offshore may be deemed to beneficially own 1,542,132 shares of Common Stock, and NM Co-Invest may be deemed to beneficially own 2,042,621 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, Newton Aguiar, Robert Cabes, David Durkin and OhSang Kwon. 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 based upon a Schedule 13G filed by James E. Flynn, Deerfield Capital, L.P., Deerfield Partners, L.P., Deerfield Special Situations Fund, L.P., Deerfield Management Company, L.P., Deerfield International Limited, and Deerfield Special Situations Fund International Limited on February 14, 2012. According to the 13G, James E. Flynn, Deerfield Capital, L.P., Deerfield Partners, L.P., Deerfield Special Situations Fund, L.P., Deerfield Management Company, L.P., Deerfield International Limited, and Deerfield Special Situations Fund International Limited may be deemed to constitute a group with one another for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934. James E. Flynn beneficially owns 2,244,816 shares of Common Stock, Deerfield Capital, L.P. beneficially owns 957,996 shares of Common Stock, Deerfield Partners, L.P. beneficially owns 723,697 shares of Common Stock, Deerfield Special Situations Fund, L.P. beneficially owns 234,299 shares of Common Stock, Deerfield Management Company, L.P. beneficially owns 1,286,820 shares of Common Stock, Deerfield International Limited, owns 967,214 shares of Common Stock and Deerfield Special Situations Fund International Limited beneficially owns 319,606 shares of Common Stock.
- (d) Share ownership information based upon a Schedule 13G/A filed by Dimensional Fund Advisors LP on February 13, 2012. According to the 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 beneficially own and have sole voting and dispositive power with respect to 2,096,615 shares.
- (e) Share ownership information based upon a Schedule 13G/A filed by Janus Capital Management LLC on February 14, 2012. According to the 13G, Janus Capital Management LLC beneficially owns and has shared voting and dispositive power with respect to 1,992,471 shares. Janus Capital has a direct 94.5% ownership stake in INTECH Investment Management and a direct 77.8% ownership stake in Perkins Investment Management LLC. Due to the above ownership structure, holdings for Janus Capital, Perkins and INTECH

Table of Contents

were aggregated for purposes of their 13G filing. Janus Capital, Perkins and INTECH are registered investment advisers, and these securities are owned by various individual institutional investors to which Janus Capital, Perkins and INTECH serve as investment advisor. As a result of its role as investment adviser or sub-adviser to the Managed Portfolios, Perkins may be deemed to be the beneficial owner of 1,992,471 shares.

- (f) Includes 3,000 shares held by the Susan C. Bucci Revocable Trust, of which Mr. Bucci is a co-trustee.
- (g) Reflects shares owned by Avista Capital Funds. Each of Mr. Burgstahler and Mr. Venkataraman disclaims beneficial ownership of such shares.
- (h) Includes all of the persons identified as directors and Messrs. DeVivo, Gersuk, Panzer, McGill, Etlinger, George Bourne, SVP and CTO, Matthew Kapusta, SVP Business Development, and Richard Stark, SVP Global Franchise, Oncology/Surgery. Does not include shares owned by Avista Capital Funds.

Equity Compensation Plan Information

The following table sets forth information, as of August 22, 2012, 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))
Equity compensation plans approved by security holders	3,569,167(1)	\$ 15.69	825,799
Equity compensation plans not approved by security holders	None	None	None
Total	3,569,167	\$ 15.69	825,799

- (1) Includes (i) 3,032,170 options with a weighted-average exercise price of \$15.69, and (ii) 536,997 restricted stock units.

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 competitors 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 33% of, and up to approximately 300% 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:

Edgar Filing: KEY TRONIC CORP - Form 8-K

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, 2012, Messrs. Gould, LaPorte, Orsatti (through October 18, 2011) and Johnson (from January 2012), 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.

Components of Executive Compensation for Fiscal 2012

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 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 by Radford, 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. In April 2010, the following companies were established as AngioDynamics' peer companies for the purposes of completing our executive compensation survey:

Abiomed	Accuray	AGA Medical Holdings, Inc.
American Medical Systems	ArthroCare	ATS Medical
Conceptus	ev3 (subsequently purchased by Covidien)	Masimo
Merit Medical Systems	Micrus Endovascular	NuVasive
SonoSite	Thoratec	Wright Medical Group
Volcano Corporation		

Table of Contents

In addition, during our fiscal year ended May 31, 2012, the Company analyzed information with respect to the following peer group:

Accuray	ICU Medical, Inc.	RTI Biologics, Inc.
Alphatec Holdings, Inc.	Natus Medical Incorporated	SonoSite, Inc.
Cyberonics, Inc.	Neogen Corporation	Tornier N.V.
Exatech, Inc.	NxStage Medical, Inc.	Volcano Corporation

In order to ensure a comprehensive review in preparing the compensation survey, Radford 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) Presented its final philosophy statement for the current fiscal year.
- 3) 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.
- 4) 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.

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 effective June 1, 2011.

Name	Fiscal 2011 Base Salary	Fiscal 2012 Base Salary	Percentage Increase
Joseph M. DeVivo ^(*)	\$	\$ 555,000	N/A
Jan Keltjens ^(*)	\$ 425,000	\$ 425,000	N/A
Scott J. Solano ^(*)	\$	\$ 293,764	N/A
D. Joseph Gersuk	\$ 308,500	\$ 319,297	3.5%
Alan Panzer	\$	\$ 300,000	N/A
Stephen J. McGill	\$ 272,490	\$ 289,127	6.1%
R. Scott Etlinger	\$ 275,000	\$ 284,625	3.5%

(*) Effective June 8, 2011, Mr. Keltjens resigned his position as President and CEO and Scott J. Solano was appointed Interim CEO. On August 16, we announced that Joseph M. DeVivo was appointed President and CEO, effective September 7, 2011. On

Edgar Filing: KEY TRONIC CORP - Form 8-K

October 14, 2012, Mr. Solano resigned his position as Chief Technology Officer.

Table of Contents

Salary increases for all AngioDynamics employees averaged approximately 3% during our fiscal 2012. The salary increases for our named executive officers were within the guidelines for our employees. Prior to our 2012 fiscal year, salary increases were made retroactive to June 1. Beginning with our fiscal year ended May 31, 2012, salary increases for our executive officers were no longer made retroactive to June 1. The salary increases in the table above reflect a one-time adjustment to account for the elimination of retroactive increases. In addition, Mr. McGill's increase reflects a market adjustment to bring his salary in line with the company's stated philosophy with respect to the applicable peer group. Mr. McGill's salary is paid in GBP. The amounts set forth above have been converted into US Dollars at an exchange rate of 1.55. 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.

In fiscal 2012, the target incentive payment amounts, as a percentage of base salary, established for the named executive officers was as follows:

Name	Percentage of Base Salary
Joseph M. DeVivo ^(*)	100%
Jan Keltjens ^(*)	80%
Scott J. Solano ^(*)	45%
D. Joseph Gersuk	60%
Alan Panzer	55%
Stephen J. McGill	55%
R. Scott Etlinger	40%

(*) Effective June 8, 2011, Mr. Keltjens resigned his position as President and CEO and Scott J. Solano was appointed Interim CEO. On August 16, we announced that Joseph M. DeVivo was appointed President and CEO, effective September 7, 2011. On October 14, 2012, Mr. Solano resigned his position as Chief Technology Officer.

For Messrs. Gersuk, Panzer, McGill and Etlinger the incentive compensation target comprised 40% based on our achievement of our pre-determined net sales target, 40% based on our achievement of our pre-determined operating income target, and 20% based on the individual executive's performance to personal goals established for the fiscal year. The Compensation Committee uses net sales and operating income as the targets to measure financial performance because they believe they are directly linked to creating value for shareholders. For Messrs. Gersuk, Panzer and Etlinger, our incentive plan for our 2012 fiscal year set a threshold level of 90% achievement of our world-wide operating income target that must be attained before any incentive compensation for net sales or operating income is awarded. For Mr. McGill, our incentive plan for our 2012 fiscal year set a threshold level of 90% achievement of our international operating income target that must be attained before any incentive compensation for net sales or operating income is awarded. Once the threshold is reached, the Compensation Committee has set specific formulas to calculate the actual incentive payment for each named executive officer. Additional compensation up to a maximum of 50% of the target incentive payment amounts may be awarded if we overachieve our annual financial targets. Messrs. Keltjens and Solano were not employed by AngioDynamics at the time the incentive payment was due for payment and therefore did not receive any incentive compensation for fiscal 2012.

Table of Contents

The percent achieved of the pre-determined targets and resulting payout percentages for the net sales and operating income targets for Messrs. DeVivo, Gersuk, Panzer and Etlinger set by the Compensation Committee for our fiscal year ended May 31, 2012 were as follows:

Performance Target	Percent Achieved	Percent Payout
Net Sales	96%	0%
Operating Income	44%	0%

The percent achieved of the pre-determined targets and resulting payout percentages for the net sales and operating income targets for Mr. McGill set by the Compensation Committee for our fiscal year ended May 31, 2012 were as follows:

Performance Target	Percent Achieved	Percent Payout
Net Sales	92%	0%
Operating Income	82%	0%

For our fiscal year ended May 31, 2012, Mr. DeVivo's personal goals included certain milestones with respect to submitting and securing approval from FDA to begin an IDE trial to study the use of NanoKnife in the treatment of pancreatic cancer, consummation of a licensing and acquisition transaction, leading our quality improvement programs and succession planning. The Compensation Committee determined that Mr. DeVivo should be paid 100% of his personal objectives component. Mr. Gersuk's personal objectives included closing a transaction in connection with our former Centros product line, providing interim business development leadership, supporting the international finance organization and controlling world-wide general and administrative costs. The Compensation Committee determined that Mr. Gersuk should be paid 100% of his personal objectives component. Mr. Panzer's personal objectives included developing a detailed marketing plan, developing and implementing a strategic plan for our vascular business, and developing a research and development priority plan. The Compensation Committee determined that Mr. Panzer should be paid 100% of his personal objectives component. Mr. McGill's personal objectives included completing staffing requirements in international positions, converting certain international business from a distributor model to direct sales, and developing an Asia/Pacific sales strategy. The Compensation Committee determined that Mr. McGill should be paid 100% of his personal objectives component. Mr. Etlinger's personal objectives included achieving certain gross margin and cost reduction targets, implementing packing material changes, and development and implementation of quality system and infrastructure improvement programs. The Compensation Committee determined that Mr. Etlinger should be paid 90% of his personal objectives component.

Long-Term, Equity-Based Incentive Awards

In 2004, we adopted the AngioDynamics 2004 Stock and Incentive Award Plan, 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 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 being made annually as options under the initial grants vest. Stock options 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

Table of Contents

granted under our plan must be at least 100% of the fair market value of the underlying stock on the date of grant. In addition, grants of restricted stock units and/or performance shares awards may also be made to each named executive officer. 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 shares are granted in conjunction with specifically pre-determined performance criteria, typically related to corporate financial metrics. In the event of the named executive officer's termination of employment, all of his or her unvested options, RSUs and performance shares will be forfeited in accordance with the provisions of the 2004 Plan.

The number of stock options, restricted stock units or performance shares granted to each named executive officer is generally based upon several factors, including: (i) position with AngioDynamics; (ii) 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, 2012, the Compensation Committee set target grants of options for the CFO, the Senior Vice President and General Manager, the Senior Vice President International and the Senior Vice President Global Operations equal to 10,000, 7,500, 7,500 and 7,500, respectively.

For our fiscal year ended May 31, 2012, the Compensation Committee set target grants of restricted stock units for the CFO, the Senior Vice President and General Manager, the Senior Vice President-International and the Senior Vice President Global Operations equal to 11,000, 7,250, 7,250 and 7,250, respectively.

Grants of options and restricted stock units to our named executive officers are set forth below in the table titled **Grants of Plan-Based Awards for Fiscal 2012**.

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 an amount of shares equal to six times the base annual retainer (currently \$24,000) by December 31, 2010. New members of the Board of Directors are allowed 36 months from 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 3 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 5 years. A senior executive that participates in our ESPP at the maximum level from such senior executive's eligibility date may count unvested RSUs 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 hardship exemption. Each member of our Board of Directors and each of our senior executives is currently in compliance with the applicable holding requirement.

Perquisites

All executives of AngioDynamics are eligible to participate in our Fleet Vehicle Program at the executive level. Although the specifications for approved cars are revised periodically by management, approved vehicles generally include any automobile within the Fleet Multicar Listing provided by the fleet administrator. If an

Table of Contents

employee prefers to lease or purchase a different vehicle they may decline our offer of a Company vehicle. In this case the employee will be entitled to an automobile allowance of \$1,000 per month and we will cover the employee's expenses for gas for company related business.

Deferred Compensation Program

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

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.

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

Edgar Filing: KEY TRONIC CORP - Form 8-K

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 employees positions described below:

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

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

Table of Contents

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. Mr. DeVivo has an Employment Agreement with a three year term. If his employment is terminated during this initial term, he is entitled to severance payments equal to his base salary for a 24 month severance period plus a one- time lump sum payment equal to two times the cash bonus he received for the prior fiscal year (plus the COBRA/insurance premium for Mr. DeVivo's benefits for 24 months or until Mr. DeVivo secures employment). If Mr. DeVivo's employment is terminated during a one-year extension period following the initial term, he is entitled to a severance benefit in accordance with the Company's standard severance policy then in effect. If Mr. DeVivo's employment is terminated by the Company without Cause after expiration of his Employment Agreement or any extension thereof, Mr. DeVivo will be eligible to receive a severance payment in accordance with the Company's then current severance policy in an amount at least equal to 1.5 times Mr. DeVivo's then current base salary.

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

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 December 2009 and May 2011, we entered into change in control severance agreements with certain named executive officers. Each agreement has an initial term ending December 31, 2011, and each year will automatically renew for an additional one year term, provided however, that if a change in control occurs the term shall 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 40% 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 Mr. DeVivo, 2 times the executive's annual base salary for Messrs. Gersuk and McGill, and 1.5 times the executive's base salary for Mr. Etlinger (B) unpaid and prorated annual bonus amounts, (C) earned but unused vacation time, and (D) for Messrs. Gersuk and McGill, title to such executive's company-owned or leased automobile. In addition, for Messrs. DeVivo and Etlinger, the 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 Service 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.

Effective June 8, 2011, Mr. Keltjens resigned as our President and CEO and as a member of our Board of Directors. In connection with Mr. Keltjens resignation, the company and Mr. Keltjens entered into a separation agreement, dated June 13, 2011. The agreement provides for Mr. Keltjens to receive a lump sum severance payment in the amount of \$930,811 (subject to applicable withholdings and deductions) and continuation of his

Table of Contents

health benefits for a period of up to 24 months. The agreement also provides us with a general release of any claims Mr. Keltjens might have against the company, and contains certain non-competition and non-solicitation obligations for Mr. Keltjens that are applicable in the one year period following the date of his resignation.

Effective October 14, 2011, Mr. Solano resigned his position. Mr. Solano did not receive any severance payments or benefits.

The following tables show potential payments to Messrs. DeVivo, Gersuk, Panzer, McGill and Etlinger 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 May 31, 2012 and where applicable, using the closing market price of our common stock of \$12.04 per share on that date (as reported on Nasdaq).

Joseph M. DeVivo

Payments Due	Termination		Involuntary	Termination	Disability	Death	Retirement
	for Cause ⁽¹⁾	Voluntary Termination ⁽²⁾	Termination Without Cause ⁽³⁾	Following Change in Control ⁽⁴⁾			
Upon Termination:							
Cash Severance							
Base Salary	\$	\$	\$ 1,110,000	\$ 1,387,500	\$	\$	\$
Bonus			416,230				
Total Cash Severance			1,526,230	1,387,500			
Benefits & Perquisites							
Health and Welfare Benefits ⁽⁵⁾			24,075	24,075			
Total Benefits & Perquisites			24,075	24,075			
Long Term Incentives							
Value of Accelerated Stock Options ⁽⁶⁾							
Value of Accelerated Restricted Stock Units ⁽⁷⁾				301,000	104,519	104,519	
Total Value of Long Term Incentives				301,000	104,519	104,519	
Total Value:							
All Benefits	\$	\$	\$ 1,550,305	\$ 1,712,575	\$ 104,519	\$ 104,519	\$

Table of Contents

D. Joseph Gersuk

Payments Due	Termination for Cause⁽¹⁾	Voluntary Termination⁽²⁾	Involuntary Termination Without Cause⁽³⁾	Termination Following Change in Control⁽⁴⁾	Disability	Death	Retirement
Upon Termination:							
Cash Severance							
Base Salary	\$	\$	\$ 239,472	\$ 638,594	\$	\$	\$
Bonus				38,316			
Total Cash Severance			239,472	676,910			
Benefits & Perquisites							
Executive Car Allowance				50,000			
Total Benefits & Perquisites				50,000			
Long Term Incentives							
Value of Accelerated Stock Options ⁽⁶⁾							
Value of Accelerated Restricted Stock Units ⁽⁷⁾				316,050	184,140	184,140	
Total Value of Long Term Incentives				316,050	184,140	184,140	
Total Value:							
All Benefits	\$	\$	\$ 239,472	\$ 1,042,960	\$ 184,140	\$ 184,140	\$

Alan Panzer

Payments Due	Termination for Cause⁽¹⁾	Voluntary Termination⁽²⁾	Involuntary Termination Without Cause⁽³⁾	Termination Following Change in Control⁽⁴⁾
Upon Termination:				